

Thurrock: A place of opportunity, enterprise and excellence, where  
individuals, communities and businesses flourish

## Council

To the Members of Thurrock Council

The next meeting of the Council will be held at **7.00 pm** on **28 February 2018**

**Council Chamber, Civic Offices, New Road, Grays, Essex, RM17 6SL**

### Membership of the Council:

Tunde Ojetola (Mayor)  
Michael Stone (Deputy Mayor)

Tim Aker  
John Allen  
Chris Baker  
James Baker  
Jan Baker  
Clare Baldwin  
Russell Cherry  
Colin Churchman  
Gary Collins  
Mark Coxshall  
Jack Duffin  
Tony Fish  
Leslie Gamester  
Oliver Gerrish  
Robert Gledhill  
Garry Hague

James Halden  
Graham Hamilton  
Shane Hebb  
Clifford Holloway  
Victoria Holloway  
Deborah Huelin  
Roy Jones  
Tom Kelly  
Cathy Kent  
John Kent  
Martin Kerin  
Steve Liddiard  
Brian Little  
Susan Little  
Sue MacPherson  
Ben Maney

Bukky Okunade  
Terry Piccolo  
Jane Potheary  
David Potter  
Joycelyn Redsell  
Barbara Rice  
Gerard Rice  
Sue Sammons  
Angela Sheridan  
Peter Smith  
Graham Snell  
Luke Spillman  
Pauline Tolson  
Aaron Watkins



**Lyn Carpenter**  
**Chief Executive**



## **Agenda**

Open to Public and Press

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<b>1</b>	<b>Apologies for absence</b>	
<b>2</b>	<b>Minutes</b>	<b>7 - 38</b>
	<p>To approve as a correct record the Minutes of the meeting of the Council, held on 31 January 2018.</p>	
<b>3</b>	<b>Items of Urgent Business</b>	
	<p>To receive additional items that the Mayor is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.</p>	
<b>4</b>	<b>Declaration of Interests</b>	
	<p>To receive any declaration of interests from Members.</p>	
<b>5</b>	<b>Announcements on behalf of the Mayor or the Leader of the Council</b>	
<b>6</b>	<b>Questions from Members of the Public</b>	
	<p>There were no questions submitted from members of the public.</p>	
<b>7</b>	<b>Petitions from Members of the Public and Councillors</b>	
	<p>In accordance with Chapter 2, Part 2(Rule 14) of the Council's Constitution.</p>	
<b>8</b>	<b>Petitions Update Report</b>	<b>39 - 42</b>
<b>9</b>	<b>Appointments to Committees and Outside Bodies, Statutory and Other Panels</b>	
	<p>The Council are asked to agree any changes to the appointments made to committees and outside bodies, statutory and other panels, as requested by Group Leaders.</p>	
<b>10</b>	<b>Annual Pay Policy Statement 2018/19</b>	<b>43 - 64</b>

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In accordance with Chapter 2, Part 2 (Rule 14) of the Council's Constitution.

<b>15</b>	<b>Reports from Members representing the Council on Outside Bodies</b>	
<b>16</b>	<b>Minutes of Committees</b>	

Name of Committee	Date
Corporate Overview and Scrutiny Committee	21 November 2017
Licensing Sub-Committee	9 January 2018
Constitution Working Group	31 October 2017
Standing Advisory Council for Religious Education	22 November 2017
Housing Overview and Scrutiny Committee	19 December 2017
Planning Committee	11 January 2018
Children's Services Overview and Scrutiny Committee	12 December 2017
Licensing Committee	4 October 2017
Lower Thames Crossing Task Force	22 January 2018

<b>17</b>	<b>Update on motions resolved at Council during the previous year</b>	<b>151 - 156</b>
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<b>21</b>	<b>Motion submitted by Councillor Snell</b>	<b>163 - 164</b>
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**Queries regarding this Agenda or notification of apologies:**

Please contact Jenny Shade, Senior Democratic Services Officer by sending an email to [Direct.Democracy@thurrock.gov.uk](mailto:Direct.Democracy@thurrock.gov.uk)

**Future Dates of Council:**

21 March 2018 (Provisional)

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## **Information for members of the public and councillors**

### **Access to Information and Meetings**

Members of the public can attend all meetings of the council and its committees and have the right to see the agenda, which will be published no later than 5 working days before the meeting, and minutes once they are published.

### **Recording of meetings**

This meeting will be recorded with the audio recording being published on the Council's website. The meeting will also be filmed and live streamed. Members of the public not wishing to be filmed the Mayor will give them the opportunity to leave the chamber. At the start of the meeting the Chair will confirm if all or part of the meeting is to be recorded.

Members of the public not wishing any speech or address to be recorded for publication to the Internet should contact Democratic Services to discuss any concerns.

If you have any queries regarding this, please contact Democratic Services at [Direct.Democracy@thurrock.gov.uk](mailto:Direct.Democracy@thurrock.gov.uk)

### **Guidelines on filming, photography, recording and use of social media at council and committee meetings**

The council welcomes the filming, photography, recording and use of social media at council and committee meetings as a means of reporting on its proceedings because it helps to make the council more transparent and accountable to its local communities.

If you wish to film or photograph the proceedings of a meeting and have any special requirements or are intending to bring in large equipment please contact the Communications Team at [CommunicationsTeam@thurrock.gov.uk](mailto:CommunicationsTeam@thurrock.gov.uk) before the meeting. The Chair of the meeting will then be consulted and their agreement sought to any specific request made.

Where members of the public use a laptop, tablet device, smart phone or similar devices to use social media, make recordings or take photographs these devices must be set to 'silent' mode to avoid interrupting proceedings of the council or committee.

The use of flash photography or additional lighting may be allowed provided it has been discussed prior to the meeting and agreement reached to ensure that it will not disrupt proceedings.

The Chair of the meeting may terminate or suspend filming, photography, recording and use of social media if any of these activities, in their opinion, are disrupting proceedings at the meeting.

## Thurrock Council Wi-Fi

Wi-Fi is available throughout the Civic Offices. You can access Wi-Fi on your device by simply turning on the Wi-Fi on your laptop, Smartphone or tablet.

- You should connect to TBC-CIVIC
- Enter the password **Thurrock** to connect to/join the Wi-Fi network.
- A Terms & Conditions page should appear and you have to accept these before you can begin using Wi-Fi. Some devices require you to access your browser to bring up the Terms & Conditions page, which you must accept.

The ICT department can offer support for council owned devices only.

## Evacuation Procedures

In the case of an emergency, you should evacuate the building using the nearest available exit and congregate at the assembly point at Kings Walk.

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Members of the Council should ensure that their device is sufficiently charged, although a limited number of charging points will be available in Members Services.

To view any “exempt” information that may be included on the agenda for this meeting, Councillors should:

- Access the modern.gov app
- Enter your username and password



# DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

Breaching those parts identified as a pecuniary interest is potentially a criminal offence

## Helpful Reminders for Members

- *Is your register of interests up to date?*
- *In particular have you declared to the Monitoring Officer all disclosable pecuniary interests?*
- *Have you checked the register to ensure that they have been recorded correctly?*

## When should you declare an interest *at a meeting*?

- **What matters are being discussed at the meeting?** (including Council, Cabinet, Committees, Subs, Joint Committees and Joint Subs); or
- If you are a Cabinet Member making decisions other than in Cabinet **what matter is before you for single member decision?**



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

any of your registered interests and in particular any of your Disclosable Pecuniary Interests?

Disclosable Pecuniary Interests shall include your interests or those of:

- your spouse or civil partner's
- a person you are living with as husband/ wife
- a person you are living with as if you were civil partners

where you are aware that this other person has the interest.

A detailed description of a disclosable pecuniary interest is included in the Members Code of Conduct at Chapter 7 of the Constitution. **Please seek advice from the Monitoring Officer about disclosable pecuniary interests.**

**What is a Non-Pecuniary interest?** – this is an interest which is not pecuniary (as defined) but is nonetheless so significant that a member of the public with knowledge of the relevant facts, would reasonably regard to be so significant that it would materially impact upon your judgement of the public interest.

### Pecuniary

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting

If the Interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register

Unless you have received dispensation upon previous application from the Monitoring Officer, you must:

- Not participate or participate further in any discussion of the matter at a meeting;
- Not participate in any vote or further vote taken at the meeting; and
- leave the room while the item is being considered/voted upon

If you are a Cabinet Member you may make arrangements for the matter to be dealt with by a third person but take no further steps

### Non- pecuniary

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature



You may participate and vote in the usual way but you should seek advice on Predetermination and Bias from the Monitoring Officer.

## Our Vision and Priorities for Thurrock

An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future.

1. **People** – a borough where people of all ages are proud to work and play, live and stay
  - High quality, consistent and accessible public services which are right first time
  - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
  - Communities are empowered to make choices and be safer and stronger together
  
2. **Place** – a heritage-rich borough which is ambitious for its future
  - Roads, houses and public spaces that connect people and places
  - Clean environments that everyone has reason to take pride in
  - Fewer public buildings with better services
  
3. **Prosperity** – a borough which enables everyone to achieve their aspirations
  - Attractive opportunities for businesses and investors to enhance the local economy
  - Vocational and academic education, skills and job opportunities for all
  - Commercial, entrepreneurial and connected public services

# 100 Years in Memoriam

## Remembering Thurrock's Fallen of World War One

Each month during the centenary period of the First World War, Thurrock Council will pay tribute to the 834 local residents known to have lost their lives due to causes associated with the war and their service. At each meeting of Council until November 2018, the 100<sup>th</sup> anniversary of signing of the Armistice with Germany, a Roll of Honour will be published with the agenda detailing the casualties from that month 100 years ago to commemorate the sacrifice made by Thurrock residents.

### February 1918

DATE	SURNAME	FIRST NAME	AGE	WARD	RANK	SERVICE	DIED
15-Feb	BELTON	ALFRED WILLIAM	18	TIL	ORD. TEL	ROYAL NAVY	CHANNEL
26-Feb	PHILLIPS	JOHN JAMES	26	TIL	LAUNDRY	MERC. MARINE	BRISTOL CHNL
27-Feb	LAURIE	THOMAS	22	TIL	GUNNER	RGA	HOME

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## Minutes of the Meeting of the Council held on 31 January 2018 at 7.00 pm

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**Present:** Councillors Tunde Ojetola (Mayor), Michael Stone (Deputy Mayor), Tim Aker, John Allen, Chris Baker, James Baker, Jan Baker, Colin Churchman, Gary Collins, Mark Coxshall, Tony Fish (*arrived 7.15pm*), *Leslie Gamester, Oliver Gerrish*, Robert Gledhill, Garry Hague, James Halden, Graham Hamilton, Shane Hebb, Clifford Holloway, Victoria Holloway, Deborah Huelin, Roy Jones, Cathy Kent, John Kent, Martin Kerin, Steve Liddiard, Brian Little, Susan Little, Ben Maney, Bukky Okunade, Terry Piccolo, Jane Pothecary, David Potter, Joycelyn Redsell, Sue Sammons, Peter Smith, Graham Snell, Luke Spillman, Aaron Watkins and Kevin Wheeler

**Apologies:** Councillors Clare Baldwin, Russell Cherry, Jack Duffin, Tom Kelly, Sue MacPherson, Barbara Rice, Gerard Rice, Angela Sheridan and Pauline Tolson

**In attendance:** Lyn Carpenter, Chief Executive  
Sharon Bayliss (Director of Commercial Services)  
Sean Clark, Director of Finance & IT  
Steve Cox, Corporate Director Place  
Roger Harris, Corporate Director of Adults, Housing and Health  
David Lawson, Assistant Director of Law & Governance  
Rory Patterson, Corporate Director of Children's Services  
Julie Rogers, Director of Environment and Highways  
Karen Wheeler, Director of Strategy, Communications and Customer Service  
Roger Hirst, Police Fire and Crime Commissioner (*arrived 7.18pm*)  
*Darren Horsman*, Assistant Director for Communications and Engagement (*arrived 7.18pm*)  
Andy Mariner, West Local Police Area Commander  
*Chief/Superintendent*  
*Matthew Boulter*, Democratic Services Manager and Deputy Monitoring Officer  
Jenny Shade, Senior Democratic Services Officer

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Before the start of the Meeting, all present were advised that the meeting may be filmed and was being recorded, with the audio recording to be made available on the Council's website.

The Mayor invited Reverend Canon Darren Barlow to lead those present in Prayer

### 100. Minutes

The Minutes of the Council Meeting held on the 29 November 2017 were approved as a correct record.

**101. Items of Urgent Business**

The Mayor informed the Chamber that he had not agreed to the consideration of any items of urgent business.

**102. Declaration of Interests**

No interests were declared.

**103. Announcements on behalf of the Mayor or the Leader of the Council**

The Mayor invited all those present to reflect on and remember Thurrock's fallen of World War One.

The Mayor welcomed Members to the first Full Council meeting of the year.

Thank you to Councillor Sue Little's team for organising the very successful 'Give a Gift' initiative. This had led to numerous generous gifts being bought and donated by Thurrock residents. So, on behalf of everyone involved, the Mayor thanked the Portfolio Holder for her generosity with around 1850 children in Thurrock receiving presents.

The Mayor attended a foster carer event at Orsett Hall last week that recognised the good work undertaken by Thurrock Foster Carers.

Numerous residents, school children and Members turned out to mark the international Holocaust Memorial Day on 26 January 2018. Stifford Clays and Hathaway Academy Schools had organised a presentation at Thameside Theatre to recite poems and songs in line with the theme, the Power of Words. The Mayor thanked Samson DeAlyn and Sharon of Learning Works and the students of Warren Primary, Woodside, Tudor Court, Corringham, Deneholm Primary Schools and Gable Hall.

The Mayor thanked Well House Gallery and the artist, Lisa Anderson, for continuing to allow him to showcase their work in the parlour.

The Leader of the Council, Councillor Gledhill, updated Members on the following:

Keep Britain Tidy had now reassessed the borough on its cleanliness and had improved on most of the scores with the exception of graffiti. As part of the £2.3 million windfall from working good sound investments, special equipment will be purchased to clear this up where the Council had a responsible to do so.

To date nearer 3500 enforcement notices had been issued for littering and 10 offenders prosecuted in January 2018, of which 6 of those were people from

outside the borough. The Leader stated that people need to stop using Thurrock as a tip and bin their rubbish.

8 Fixed Penalty Notices had been issued to a garage business in Tilbury following complaints from residents and the local school. Those businesses must be held responsible for their rubbish.

The next Lower Thames Crossing Task Force Group will meet on the 19 February 2018 and will focus on the visible impacts that the crossing may bring. Lower Thames Crossing Task Force Group meetings will now be themed to ensure that Highways England have the appropriate specialists in attendance to answer the right questions being presented by cross party Members.

That as part of the £2.3 million windfall, the Council will spend an extra £380,000 to get independent facts and data to properly challenge Highways England on their plans to build the Lower Thames Crossing through the borough. This will help the Lower Thames Task Force Group to continue their good work going forward.

The Leader met with over 100 businesses from Thurrock at a business lunch at Orsett Hall last week, which had been well received with businesses who were confident to have their business in Thurrock. Councillor Gledhill had received an increase in enquiries on how business premises can be further increased in Thurrock.

#### **104. Questions from Members of the Public**

A copy of the transcript of questions and answers can be viewed under the relevant meeting date at <http://democracy.thurrock.gov.uk/thurrock> and are attached at Appendix A at these minutes.

*Councillor Fish arrived into the Council Chamber at 7.15pm.*

*Roger Hirst, Police Fire and Crime Commissioner, and Darren Horsman, Assistant Director for Communications and Engagement, arrived into the Council Chamber at 7.18pm.*

#### **105. Police Fire and Crime Commissioner**

The Mayor introduced the Police Fire and Crime Commissioner, Roger Hirst, Assistant Director for Communications and Engagement, Darren Horsman and West Local Police Area Commander Chief/Superintendent Andy Mariner to the meeting of Council and asked that they deliver their presentation which would then be followed by questions by Members.

Roger Hirst stated that the role of the Police, Fire and Crime Commissioner included:

- Setting of the priorities for policing, fire and rescue

- Setting budgets for Essex Police and Essex County Fire and Rescue Service
- Setting the council tax precepts for each service
- Appointing, dismissing and holding the Chief Constable and Chief Fire Officer to account
- Actively monitors and scrutinises fire and rescue services
- Regularly engage with the public and local communities
- Allocating grants through the Community safety Development Fund and Commissioning local services
- Have a duty to bring the community together to reduce crime and support victims of crime across Essex

That the seven Policing priorities to protect Essex were:

- More local, visible and accessible policing
- Crack down on anti-social behaviour
- Breaking the cycle of domestic abuse
- Reverse the trend in serious violence
- Tackle gangs and organised crime
- Protecting children and vulnerable people
- Improve safety on our roads

Roger Hirst outlined the changes in nature of crime with crime rates and that the complexity of crimes was on the increase. That money had to be raised for Policing in Essex by increasing council tax bills by £1 per month per band D property to raise £7.5 million per year. That local Policing would benefit from investments with 150 new officers being invested into three quarters of the local Policing teams.

That technology will be used to allow Police officers to be visible in the community for longer with reinvestment into the front line Policing by rationalising the Police estates.

Roger Hirst stated that to make it easier to contact the Police a front control room improvement plan was in place and had started to show improvement in call handling times and quality. That 9 per cent of all crime being reported was undertaken through "Do It Online". That the number of Special Constables would be doubled with a £3 million investment into the special programme over the next 3 years. The diversion of people from a life of crime through early intervention would be addressed and work would continue with the community to identify and tackle the underlying causes of ongoing anti-social behaviour.

Members raised the following questions:

Councillor Ojetola: Raised concern of boy racers around the Lakeside area. Andy Mariner stated that Operation Wagtail was now in place and a decline in the number of racers had been reported. That work would continue with Highways England on changes to the road lay out and with the introduction of visible central barriers.



Councillor Gledhill: Whether the Police can increase the number of issued enforcements when using the Section 61 powers to move on large travellers' camps in Thurrock. Roger Hirst stated that the Police in Thurrock were being consistent with the Section 61 powers working alongside the Essex Travel Unit, with Police Officers being up to speed with the protocols.

Councillor Gerrish: Presented a petition to Roger Hirst with 1276 resident signatures calling for more action on crime and anti-social behaviour in Thurrock. Roger Hirst thanked Councillor Gerrish for the petition and would take away to digest the content properly. Roger Hirst stated that it was recognised that more needed to be done against anti-social behaviour. That cuts made to Essex Police had resulted in local Police having to be used for high level incidents. Roger Hirst stated that although Thurrock was a priority he could not neglect all the other areas of Essex. Roger Hirst agreed to come back to Members with detailed plans.

Councillor Halden: Stated that the £9.6 million investment for an additional 150 Police officers was extremely welcome, the Council would be spending several thousand pounds extra on tackling anti-social behaviour. Councillor Halden asked would the extra money be good enough and that there was a need to look at ways the Police and the Council could work together. That Thurrock had rated Youth Offending services in England for reducing reoffending and asked Roger Hirst that when Essex Police are looking for a borough partner to lead the county on anti-gang activity surely Thurrock should be at top. Roger Hirst stated that it was good that this money was going to tackle anti-social behaviour, it was also vital that Youth Offending services are represented and will continue to have contact with them in Thurrock and Southend. Roger Hirst would welcome any suggestions on how this could be tackled and agreed to provide a follow up on this question.

Councillor Redsell: With the blight of motor cycles in the borough, with reported accidents in parks and on roads, what are the Police doing to tackle this. Roger Hirst stated that this was a live issue which had been disturbing and disruptive for residents of Thurrock and had been working with the Safety Board and the Metropolitan Police on new tactics. Andy Mariner asked for residents to come forward with photographs of perpetrators so that profiles could be matched up by the Police. The "Stinger" was now being used by the Police to burst tyres of bikes.

Councillor Potheary: What are the long term plans for the Police to address street fights and brawls that occur in Grays town centre. Roger Hirst stated that criminals had become clever, agile and street wise and having local Police on the streets would not necessarily be the best place for them. Roger Hirst gave his reassurance to residents that this was being addressed with intervention from local Police being most successful. Andy Mariner stated that there was a Public Space Protection Order in Grays town centre with Police also patrolling that area. That work continued with the Community Safety Partnership on future plans.

Councillor Kerin: What was the long term strategy to make Grays High Street safe for residents. Andy Mariner stated that there was a commitment to have a Police presence in this area and will use this resource to solve these problems.

Councillor Watkins: Could Police enforcements be used on lorries parking on the verges on the Manorway in Corringham. Roger Hirst stated that a meeting had been scheduled to look at plans on how to improve this. Andy Mariner stated that whilst DP World extend their car park the lorries had no place to park and this was unacceptable. Work continued with DP World and the Council on how enforcement can be issued.

Councillor C Kent: Would the Police Fire and Crime Commissioner state that physical assault should be classed as a serious assault following a resident being told otherwise. Roger Hirst stated that physical assault was a hard crime and should have been assessed by the control room when the incident was made and should fall within the policy. Roger Hirst requested that further details be sent to him after the meeting.

Councillor Jones: Requested an update on the 2400 signed petition requesting shared Police services. Roger Hirst stated that this was still on the agenda and that he was optimistic this would take place this financial year.

Councillor S Little: Could the method "bump off" currently used by the Metropolitan Police be used in Thurrock to stop nuisance bikers. Roger Hirst stated that this would put danger to life and would not be recommended. Andy Mariner stated that incidents would be risk based and this method could cause considerable harm. The Stinger method was a good tool.

Councillor V Holloway: With the increase in anti-social behaviour and with the engagement of the Police and plans put in place there appeared to be no obvious changes. Councillor V Holloway asked what the long term plan would be for hate crime. Roger Hirst stated that there had been an increase in the number of recorded hate crime incidents since June 2016. The Police were reacting to these crimes whilst working alongside partnerships and local authorities. Roger Hirst stated that when the Police were dealing with hate crime on Facebook they were tasked with trying to identify, understand and when to intervene. The Police were again reliant on members of the public to report incidents.

Councillor Allen: With the lack of Police presence some areas are becoming lawless as crimes are not being tackled, therefore as a result of this crimes are getting worse. Roger Hirst reassured Members there are no-go areas in this county. That a small crime could turn into a bigger crime which in turn could then turn into a serious crime so Police have to analyse backwards and the plan would be to deploy more resources onto the streets to prevent crimes happening and to break the cycle early on.

Councillor Spillman: Residents reporting fraud crimes are being presented with a poor customer service and not getting the results they think they

deserve. Roger Hirst and Andy Mariner were unaware of this issue and were confident that the team were doing a good job. Roger Hirst would be happy to take the concern away.

Councillor Collins: Concerns with heavy good vehicles breaking weight restrictions and blocking of roads and how the Council can enforce their powers. Councillor Collins asked whether Thurrock could be included in any trials undertaken by the Police. Roger Hirst stated that any assistance from local authorities on how enforcements could be made would be welcomed.

Councillor Smith: With a rise in high value car thefts in Aveley what measures are the Police taking in advising vehicle owners. Roger Hirst stated that this was a real time issue across the county. That residents need to protect themselves by double locking cars; keep car keys out of sight and using locking steering wheel devices.

Councillor C Baker: Would the increase of drug crime in Thurrock be a result of people moving into the borough from London. Roger Hirst stated that county lines are being monitored and that work continued with partnerships and relied on help from residents. Andy Mariner stated that the Essex Police had good links with the Metropolitan Police with work continuing with gang teams in the area and working alongside Kent Council.

Roger Hirst thanked Members for their time this evening and that a number of local issues had been raised. Roger Hirst gave Members his assurances that work would continue to ensure that Thurrock gets their fair share of services. That Thurrock Council played a big part in the collaboration with partnerships and will continue to work together in the future.

The Mayor thanked the Police, Fire and Crime Commissioner, Roger Hirst, Assistant Director for Communications and Engagement, Darren Horsman and West Local Police Area Commander Chief/Superintendent Andy Mariner for their time this evening.

*At 8.17pm, the Police, Fire and Crime Commissioner, Roger Hirst, Assistant Director for Communications and Engagement, Darren Horsman and West Local Police Area Commander Chief/Superintendent Andy Mariner left the Council Chamber.*

#### **106. Petitions from Members of the Public and Councillors**

The Mayor informed Members that, in accordance with the Council's petition scheme, the requisite notice had been given by one Member who wished to present a petition at the meeting.

Councillor Maney presented a petition on behalf of his constituents to resurface the section of the roadway in Long Lane between Fairway in Stifford Clays and Cherrydown in Little Thurrock.

Councillor Gerrish presented a petition with 1276 resident signatures calling for more action on crime and anti-social behaviour in Thurrock. Councillor Gerrish presented a copy of petition to the Roger Hirst, the Police Fire and Crime Commissioner.

**107. Petitions Update Report**

Members received a report on the status of those petitions handed in at Council Meetings and Council Offices over the past six months.

**108. Appointments to Committees and Outside Bodies, Statutory and Other Panels**

There were no changes to the appointments previously made to committees and outside bodies, statutory and other panels.

Councillor Gerrish questioned why Members had not been presented with a change of notice in the political balance and notice of change of name following the announcement of the newly formed Thurrock Independent group.

David Lawson, Monitoring Officer, confirmed that to date no formal notice had been received to change the name or structure therefore there was no change to the political balance.

**109. Local Council Tax Scheme**

Councillor Hebb represented the report that proposed to continue with the current Local Council Tax Support Scheme. This scheme had been implemented on the 1 April 2017 which had been agreed through public consultation exercises informed by cross party Members working groups.

Councillor Spillman questioned when Members would see the range of relief options available for care leavers.

Councillor Halden stated that the options were presented to the Children's Services Overview and Scrutiny Committee before Christmas, were no responses had been received so the report had been presented to Cabinet.

**RESOLVED:**

**That Council agreed to maintain the existing scheme for 2018/19.**

**110. A Sustainable Children's Social Care System for the Future - Annual Public Health Report 2017**

Councillor Halden presented the statutory report on the health and wellbeing of the local population prepared by the Director of Public Health.

He stated that the key finding was to make Thurrock a place of offering an opportunity to all. To ensure that those children who had access to the social care system were seen as a whole child with every department working together and engaging. That a better way of referral would need to be addressed and cases would need to be continually monitored and challenged.

Councillor Halden stated that the Mental Health Summit had been launched to address emotional and mental health issues which contribute to the wider health and wellbeing issues among young people.

Councillor Halden stated that Thurrock was on the right track and thanked Officers for the report.

Councillor Gerrish thanked Officers for the excellent report that highlighted issues with children social care in Thurrock and that valuable lessons could be learnt to move forward. Councillor Gerrish asked what initiatives Councillor Halden would be bringing forward and what the milestones would be. Councillor Halden stated that £1.4 million savings had been made which resulted in more children being seen by education and health. With the Headstart programme being presented to Cabinet in February 2018 would focused on the transition of looked after children into housing. Councillor Halden stated that the milestone would be that children services cases do not become adult social cases.

Councillor Okunade commended Ian Wake, Director of Public Health, and his team for the excellent report and stated that recommendations from the Children's Services Overview and Scrutiny Committee were sent to all Members, as Corporate Parents, for their information. Councillor Okunade asked that the report be kept as a working document for social care teams. Councillor Halden stated that this was a live document that focused on forecasts for future demand and working reforms to ensure that children get the best help when needed.

Councillor Spillman questioned when Members from the Corporate Parenting and Children's Services Overview and Scrutiny Committees would see the range of council tax exemptions so that they could make their recommendations.

Councillor Halden stated that the options had already been outlined with Members with an offer of further conversations if required. Those Members have had the time and opportunity to discuss this further.

## **RESOLVED**

- 1. That the contents and recommendations of the report be noted by Council.**
- 2. That Council approve to hold a mental Health summit to address emotional and mental health issues which contribute to the wider health and wellbeing issues amongst young people.**

## **111. Review of Vision and Corporate Priorities**

Councillor Snell, as a member of the working party, presented the proposed new vision and priorities report that had been considered further following a recommendation that a Vision and Priorities Working Group be established at the February 2017 Full Council Meeting. That all political parties, partners and residents had been involved in the consideration, consultation and feedback process. Councillor Snell quoted the new proposed vision and priorities and opened the floor for Member questions.

Councillor Gerrish stated that progress had been made but had not gone far enough. With a number of issues that included the language used in the report. That extra time should be given to addressing some of the priorities, such as better public services, the connection of people and places and the prosperity of commercial public services. That the report would not benefit the residents of Thurrock and stated that he would be voting against the report in its current form.

Councillor Hebb stated it had been a privilege to attend the working group and the changes proposed were better with the vision being diverse, in plain English and reflected partner views. That all three political parties had been involved with Labour not bringing anything to the table until now. Councillor Hebb continued to thank Kristina Jackson, Mandy Ansell, Frank Jones and the Youth Cabinet for their valued contributions.

Councillor Snell summed up by stating that everyone had their own visions and the report would not please everyone. The proposed new vision and priorities were clear, concise and were acceptable to all on the working group.

The Mayor called a vote on the recommendation.

Upon being put to the vote, 27 Members noted in favour of the recommendation with 11 Members against whereupon the Mayor declared the recommendation carried.

### **RESOLVED**

**That Council agreed the working group's recommendation that the proposed new vision and priorities replace the existing vision and priorities and Community Strategy as part of the Policy Framework with immediate effect.**

## **112. Thurrock Regeneration Ltd – Proposed Development of Belmont Road Site, Grays**

Councillor Gledhill presented the report that provided Members with details of Thurrock Regeneration Ltd proposals to develop the Belmont Road site in Grays and recommended that the Council agreed to lend the funds to Thurrock Regeneration Ltd to deliver the scheme. That the use of Right to

Buy receipts was discussed as an option to purchase Belmont Road affordable units which would result in 28 new council homes for those on the Council's waiting list. That the development would consist of 80 terrace and semi-detached houses and bungalows being built on brown land with three parks being incorporated within the proposed scheme.

The report proposed that delegated authority be given to the S151 Officer in consultation with the Chief Executive, the Portfolio Holder for Finance and the Leader to approve the scheme funding to Thurrock Regeneration Ltd and related amendment to the Council's finances. The delegated authority would be subject to the scheme that would meet the key financial parameters.

Councillor Snell thanked Councillor Gledhill for the report and that it was good news that development was being undertaken on brown land instead of the green belt. Councillor Snell asked for assurance that ground works had been completed and that no contamination had been identified that would prevent the scheme going forward. Councillor Gledhill stated that checks had been undertaken and any future problems would be reported by Thurrock Regeneration Ltd to shareholders.

Councillor Gerrish asked for the Portfolio Holder's commitment that lessons had been learnt from the St Chads development and that communication with residents would be improved. Councillor Gledhill stated that he could not agree more and lessons had been learnt. That regularly meetings will be held with the developer to ensure that the 28 new council homes are delivered.

Councillor Kerin thanked Councillor Gledhill for the positive report and was glad to see the regeneration in his ward but had concerns over congestion particularly in Parker Road and near the Belmont Castle Academy. Councillor Gledhill stated he was aware of the concerns and that three planning applications had been submitted, which would do the utmost to avoid traffic gridlocks in that area.

Councillor Potheary thanked Councillor Gledhill for the report and welcomed the scheme and the available affordable options but asked for further guarantees that concerns over parking would be addressed particularly at the top of Parker Road. Councillor Potheary also had concerns over primary school places taking into account that Belmont Castle Academy was already full. Councillor Gledhill stated he would be more than happy to attend a site meeting with Councillor Potheary and Councillor B Little to look at parking in that area. Councillor Gledhill agreed to speak to Councillor Halden with regards to school places and stated that future planning applications should interact with educational needs.

Councillor Gledhill would be happy to answer any further questions outside of the Council Chamber.

**RESOLVED**

1. **That Council agreed that Thurrock Regeneration Ltd develop the Belmont Road, Grays site in accordance with the consented planning application.**
2. **That Council agreed that authority be delegated to the S151 Officer, in consultation, with the Chief Executive, the Portfolio Holder for Finance and the Leader, to agree the final funding to Thurrock Regeneration Ltd, and to enter into legal agreements as required subject to the financial parameters as set out in the report.**

### **113. Report of the Cabinet Member for Highways and Transportation**

Councillor B Little, Cabinet Member for Transport, introduced the report and stated he was pleased to be presenting his second report as Portfolio Holder.

Councillor B Little updated Members on the following achievements:

- The Council's Highways Team received an award for the 'Most Improved Authority' in the Highway Maintenance theme.
- Customer satisfaction showed an improvement of around 8%.
- The Council's £6 million investment project in LED retrofit of street lighting, completed in July 2017, was shortlisted for an award at the Highways Awards 2017 in the Highways Maintenance Efficiency category.
- The Council submitted a joint bid for £3.3m to support walking and the cycling infrastructure across the borough.
- The Stanford-le-Hope Transport Interchange.
- The major A13 widening works will begin in May 2018.
- The Lower Thames Task Force Group had been set up working with Highways England to ensure the best for Thurrock residents.
- To address the Highways England contraflow for when the Dartford Crossing was closed.
- High wind tests were being undertaken by using wind tunnels to establish whether the Dartford Crossing could remain open in higher wind conditions.
- That the Thurrock Road User Group had been set up to give residents the opportunity to have their say.
- The Local Permit Scheme had been set up to control and schedule works.
- The Local Plan had been delivered.

Councillor B Little thanked all Officers, Residents and Forums for their hard work and contributions.

*At 9.15pm, the Mayor moved a motion to suspend Council Procedure Rule 11.1 to allow the meeting to continue beyond the 2.5 hour time limit until 10.00pm. Members indicated their agreement to the proposal.*



Councillor Snell questioned what could be done with road users stopping in yellow box junctions, particularly at the Dartford Crossing junction. Councillor B Little stated that the Council were working with Highways England on a joint approach to addressing this issue. That no cameras were installed in this area with only the Police being authorised to enforce fines. That this area will also now be picked up with the Police Fire and Crime Commissioner following his presentation tonight.

Councillor Gerrish stated that the wording of Councillor B Little report were exactly the same words used in his portfolio holder report two years ago. Councillor Gerrish asked Councillor B Little what had made his two years as portfolio holder unique. Councillor B Little stated that he now chaired the Congestion Task Force Group, the Network Management Team had been set up and the Permitting Scheme to monitor and control all road works in the borough was now up and running successfully.

Councillor Potheary asked for an update on the 2-way traffic proposal for Grays Town Centre. Councillor B Little stated that over the next few months this will move into the final phase. Councillor B Little stated that the Council had to ensure that the new traffic proposal would be undertaken to make the matter better not worse.

Councillor Okunade asked the Portfolio Holder what specific measures would be put in place now and in the future for addressing the air pollution caused by heavy good vehicles in the Tilbury area. Councillor B Little stated that actions had already been put in place and piloted by the Council in 2017/18, such as areas around schools. That the Lower Thames Task Force Group were also undertaking further analyse around areas such as schools and where residents are elderly.

Councillor Smith welcomed the details of the report and questioned whether the Portfolio Holder had looked at introducing any alternative motorised transport into the borough. Councillor B Little stated that ideas such as a tram from Grays to Bluewater and river transport from London had been put forward but unsure if these would be taken forward at this time.

Councillor Jones had concerns with lorries parking on the Manorway and questioned could the Council work in partnership with the Police to prevent these lorries parking on the verges. Councillor B Little stated that as DP World was expanding, they were in the process of making the lorry park larger and would be working with DP World to identify when this would be open.

#### **114. Questions from Members**

The Mayor informed the Chamber that one question to the Leader had been received and four questions to Cabinet Members.

A copy of the transcript of questions and answers can be found at Appendix A to these minutes.

**115. Reports from Members representing the Council on Outside Bodies**

The Mayor informed the Chamber that no reports had been received.

**116. Minutes of Committees**

The Minutes of Committees as set out in the Agenda were received.

**117. Update on motions resolved at Council during the previous year**

Members received an information report updating the progress in respect of Motions received at Council over the last year.

**The meeting finished at 9.59 pm**

Approved as a true and correct record

**CHAIR**

**DATE**

**Any queries regarding these Minutes, please contact  
Democratic Services at [Direct.Democracy@thurrock.gov.uk](mailto:Direct.Democracy@thurrock.gov.uk)**

## **Appendix A to the Council Minutes – 31 January 2018**

### **Item 6 – Questions from Members of the Public.**

4 questions were submitted from members of the public.

#### **1. From Ms Blackshaw to Councillor Gledhill**

Please tell me why there is a holdup on letting properties on the new Treetops estate as many would be tenants (including myself) have been waiting a year since we were accepted.

**Mayor**

Councillor Gledhill

**Councillor Gledhill**

Thank you Mr Mayor and thank you Ms Blackshaw for your question. The Treetops scheme is a private development by Keepmoat and not a Council project. However we do organise allocations of social housing element from the Council's housing needs register. I understand in the summer of last year, we were notified that the affordable housing units will be complete fairly soon and the allocation process began.

When it became clear that social housing units would be delayed, every person in the allocating unit was informed of the delay and reminded they could withdraw their bid to continue to bid for other properties. I cannot tell you why there has been a holdup in the completion of social housing.

I know Officers have been asking questions of Keepmoat but as it's a private company, they are under no real obligations to tell us. However, there is a clear planning condition that states that only 80% of the private units have to be built before the affordable units can be completed. My understanding is that Keepmoat is going to keep to that.

**Mayor**

Thank you Councillor Gledhill. Ms Blackshaw, do you wish to ask a supplementary question?

**Ms Blackshaw**

Aren't you embarrassed of the fact that we have so many homeless people and the loss of income to yourselves and to the public? These houses were offered to us in the February of last year and I, myself and other members that have been waiting for these houses, have been following this up ourselves, with the understanding from Keepmoat/East Thames who have got the properties, although they were given to us from the Council, but it's legal documents that they are actually waiting for.

## **Mayor**

Thank you. Councillor Gledhill

## **Councillor Gledhill**

Thank you Mr Mayor, thank you Ms Blackshaw. We have lost no money in this. This is a private enterprise run by Keepmoat/East Thames. As I say, the Officers have been chasing this up, it is wrong that they were allocated so far in advance but it was done so on the understanding that they will be completely shortly after we were notified that they were done. As I say, we will continue to press for this and as soon we know they will be completed, we will write to everybody who bid for them, to tell them when that will be.

## **2. From Mr Perrin to Councillor B Little**

What action, if any, does the Council take with regard to the parking of motor vehicles on the grass verges and green spaces adjacent to Council rented houses, flats and maisonettes?

## **Mayor**

Councillor B Little

## **Councillor B Little**

Thank you Mr Mayor, thank you Mr Perrin. Where this occurs on Housing land and the vehicle-owner is known to be a tenant, Housing staff seek to resolve the issue informally by warning the tenant that this could be a breach of their tenancy and monitoring the situation at ground level.

Where the driver is not a tenant the Housing team will still tackle the issue informally as a first step through a range of actions, including: writing to all residents in the area asking for the vehicles in question to be moved; further intelligence-gathering by visiting nearby properties; and if appropriate approving works to create physical barriers, such as bollards, knee-rails and other features.

If the problem persists or cannot be resolved by specific works, the Tenancy Services team in Housing report the issue to colleagues in the Environment and Highways service who have responsibility for parking enforcement.

Green areas that fall within restricted areas and are enforceable under a Traffic Regulation Order e.g. Highway Land and within the remit of yellow lines or controlled parking zone restrictions are enforced by the Council's Community Enforcement Officers.

Housing Services can also use, where appropriate enforcement powers in the form of Community Protection Warning notices which can be deployed

through the Anti-Social Behaviour team provided statutory thresholds are met. Housing is working closely with parking colleagues to address these issues on our estates and elsewhere, in order to ensure that tenants and other residents can enjoy the green spaces near their properties.

Should Mr Perrin have a concern about a particular green or verge, a member of the team will be happy to investigate.

**Mayor**

Thank you Councillor B Little. Mr Perrin, do you wish to ask a supplementary question?

**Mr Perrin**

Thank you Mayor. I asked the question, Councillor little, because in my opinion, drivers park their vehicles on grass verges and green spaces with impunity, safe in the knowledge that the Council is unlikely to take any effective action to stop them. Would you instruct Officers to be more robust in future in dealing with this antisocial problem and consider wheel clamping as a possible deterrent along with a charge for the removal of the clamp? In short, will you clamp down on these events?

**Mayor**

Thank you Mr Perrin. Councillor B Little

**Councillor B Little**

Thank you Mr Perrin for your supplementary question. We will consider all options to enabling people not to park on the green verges. If it's within our remit, we can do it, we will look at clamping as well. Yes.

**3. From Mr Fletcher to Councillor B Little**

In recent months we have seen murders in Dilkes Park and Dart Green. Only this month a local man was beaten up by a pack of youths in Derwent Parade. What concrete steps will Councillor Little take to reassure the residents of Belhus and Ockendon that their safety is a priority?

**Mayor**

Councillor B Little

**Councillor B Little**

Thank you Mr Mayor and thank Mr Fletcher for your question. The Council are working closely with Essex Police to address residents' concerns in Ockendon following recent incidents. Essex Police have arrested and charged someone with the Dilkes Park murder. The Dart Green murder is still under investigation

but arrests and charges have been brought. I'm informed that there is no outstanding risk to the general public following these incidents. It is imperative that if members of the community have concerns in their area regards crime, drug dealing and anti-social behaviour that they bring it to the attention of their local housing officers, to Essex Police either through the phone system, 101, which I'm not a great fan of. That will be something we will mention tonight, I imagine. Or on line or if they wish to remain anonymous report to Crimestoppers on 0800 555 111.

**Mayor**

Thank you Councillor B Little. Mr Fletcher, do you wish to ask a supplementary question?

**Mr Fletcher**

Thank you. Recently, this weekend, I was speaking to a couple of young mothers in Daiglen Drive who are having to take their children to Upminster rather than using the park across the road. This is because the park has been repeatedly vandalised, there are burnt wheelie bins, various bits of other damage and on one occasion, somebody had managed to defecate on the children's slide. Clearly, there is not much feeling of safety using this park. Would Councillor Little be prepared to come and view the park in question and discuss with us and local residents what he thinks he can do to improve the state of the park and actually make it safe for mothers to take their children to?

**Mayor**

Thank you. Councillor B Little

**Councillor B Little**

Thank you Mr Mayor and thank you for your supplementary question. Very happy to come and look at the park with yourself and the other residents. Also, through the windfall on the bit of money that we're going to spend, we are looking at antisocial behaviour and we have allocated £250,000 to do that within the next year. So that's something that should enable us to take some action against people that are doing things that they shouldn't be. Thank you.

**4. From Mr Strange to Councillor B Little**

Residents in South Ockendon have recently been kept awake by road works into the night. Can you tell me why it was done in such a way to disturb the peace of numerous residents around Daiglen Drive?

**Mayor**

Councillor B Little

**Councillor B Little**

Thank you Mr Mayor and thank you Mr Strange for your question. I would first like to apologise to people within that area for the disruption we did cause.

Daiglen Drive is currently having 1.5m wide cycle lanes installed on both sides of the carriageway. This is not a street repair. This project aims to improve Thurrock's cycle network. The creation of these cycle lanes has involved full width resurfacing of the carriageway and the removal of the existing central hatched area and refuge island.

Local residents and businesses were notified by letter before works commenced. We did not receive any objections from residents when the January letters advising them about the works were delivered. On the first night of the works when road planning was being undertaken, concerns were raised by three residents. We reassured them about timing and that the resurfacing on subsequent nights would be less noisy.

The resurfacing works were originally planned as a three night operation to take place on week commencing 16th December 2017. However, due to the Christmas embargo the works were rescheduled to Wednesday 17th January. The works were scheduled at night to ensure the safety of children walking to and from local schools, including the Ockendon Academy; to minimise disruption to traffic flows during the day; and to minimise disruption to shops and businesses at Derwent Parade Shopping Centre. Had a daytime road closure been used, the disruption would have lasted four days longer.

Our contractor was working as quickly as possible to minimise construction noise and disturbance to local residents. The works were completed within the time scheduled. We apologise for any disturbance caused.

**Mayor**

Thank you Councillor B Little. Mr Strange, do you wish to ask a supplementary question?

**Mr Strange**

Yes Mr Mayor. Could these works not have taken place outside of the working week? It started right in the middle of the working week late at night when people had to get up for work the next day and kids going to school. Couldn't this have been done over the weekend, like Friday night start? What would the problem have been with that? Do you think they were given enough reason for instance? The considerate contractors this applies to.

**Mayor**

Thank you. Councillor B Little

**Councillor B Little**

Thank you Mr Mayor. Thank you for your supplementary question. I think, hindsight is always a good mediator. In hindsight, I think looking at how we done this and we got a bit more work to do in the near future, this is a good example of a project in which we need to change the type, the way that we operate. I think you're right. If costs allow and costs are a big consideration of this because when we start paying people overtime to do things outside of them hours, even night shifts are more expensive than it would be during the day.

This money is allocated to us on the basis that we do things in a reasonable way and we don't incur extra costs because it would be the Council's detriment if we did. But I think you're right, we need to revisit what we done. It has been something that I already suggested because of the grief I got from it all. I appreciate the issues from residents and again, I can only apologise for the problems.



## **Item 14 – Questions from Members**

The Mayor informed the Chamber that 1 question had been received to the Leader of the Council and 5 questions had been received to Cabinet Members, Committee Chairs and Member appointed to represent the Council on a Joint Committee had been received.

### **QUESTIONS FROM MEMBERS TO THE LEADER OF THE COUNCIL**

#### **1. From Councillor Liddiard to Councillor Gledhill**

Could the Portfolio Holder for Housing please update Members on the lettings, sales and vacant properties on the St. Chads site?

**Mayor**

Councillor Gledhill

**Councillor Gledhill**

Thank you Mr Mayor and thank you Councillor Liddiard for your question. As you're aware, when the St Chads site was built, it was built with two aspects of it and that was the main part of the properties that was being rented out for a period of time before they were sold and the second part being the affordable unit.

St Chads site is owned by Thurrock Regeneration Limited, a private company which has overall responsibility for the properties. I have received an update from the Thurrock Regeneration Limited Directors who confirm that 100 of the 102 private units on the site are let. I understand that the last two units are currently waiting for the normal tenancy checks to be occupied shortly.

Thurrock Regeneration Limited sold 26 affordable units to Estuary Housing Association and I understand 13 of these units have now been allocated according to the Council's Housing Allocation policy and the remaining 13 are currently being advertised and will be allocated by 9<sup>th</sup> February this year.

**Mayor**

Thank you Councillor Gledhill. Councillor Liddiard, do you wish to ask a supplementary question?

**Councillor Liddiard**

Thank you Councillor. It appears to be a number of empty properties at the moment, as you probably know, there's a lot of vandalism and arson as well. Residents are blaming the Council, just wondering, what can we do to deflect those criticisms from local people?

**Mayor**

Councillor Gledhill.

**Councillor Gledhill**

Thank you Mr Mayor and thank you Councillor Liddiard. I can assure every single person in Thurrock that we do not have a department that goes round and sets fire to our properties or other people's properties or indeed damage them. So to point the finger at the Council is somewhat disingenuous by anybody that has done so. These properties are as I say, were owned by Thurrock Regeneration Limited that were sold onto Estuary Housing Association for let. That took somewhat longer than expected, that wouldn't be an invite for some people to smash them up or set fire to them, I would have thought. They are now, as I say, all in the hands of Estuary and are being let out in line with the Allocations Policy of the Council.

But I can't reiterate this enough – Thurrock Regeneration Limited are the owners of the remainder of the site. Estuary Housing are the others so this is a private matter between two private companies. As an aside, I have also reported a number of times to TRL and indeed, their managing agents about the appalling state of the roads, the overflowing bins and indeed the parks not being cut. Again, this is not the responsibility of the Council, it's a private estate run by two private companies and are responsible for their upkeep. We will continue to chase them when they do not comply with their contracts.

**Mayor**

Thank you Councillor Gledhill. Councillor Liddiard, do you wish to ask a second supplementary question?

**Councillor Liddiard**

No thank you Mr Mayor, thank you Councillor.

**QUESTIONS FROM MEMBERS TO CABINET MEMBERS, COMMITTEE CHAIRS AND MEMBERS APPOINTED TO REPRESENT THE COUNCIL ON A JOINT COMMITTEE**

**1. From Councillor Snell to Councillor Hebb**

The Money Advice Trust, as part of their Stop The Knock Campaign highlighting the trend in increased use of bailiffs by local authorities, recently sent in a FOI request for information about the use of Bailiffs by this Council. Unlike most neighbouring Councils, Thurrock did not respond. Can the Portfolio Holder explain why?

**Mayor**

Councillor Hebb

**Councillor Hebb**

Thank you Mr Mayor, thank you Councillor Snell. As you know, debt recovery, the practising way that we go about it is something that means very much to me, hence, why we've announced the Fair Debt Review. I'm pleased to report we're in the throes of doing all the mail merges to all the recipients, one for the Labour Party, one for UKIP, one for CAB, all the good stuff, that's going to go ahead. We're going to have the great summit, that's going through so much.

To answer your question directly and bluntly, the information has since been provided, that was in November. We received the request, our system requires us to pull out the data in a specific format which would have taken us and our systems over 18 hours. The data has since fed into the FOI request so that has gone in, yes, late but we got there.

**Mayor**

Thank you Councillor Hebb. Councillor Snell, do you wish to ask a supplementary question?

**Councillor Snell**

Thank you Mr Mayor, thank you Councillor Hebb. As I say, I was well aware this had been resolved as a hangover from last Full Council. I do agree with you that it's an important issue that we need to discuss wider. One of the common complaints I get is people that do get into difficulty with their council tax particularly, are dealt with, in what I can put in best, in an offhand manner by the people in that department. I think it is only right that we should look at that and go some way to resolve it. Can I be sure that we will all get an invite to some kind of forum where we can sit down and have this conversation in a public arena and get all this abuse aired properly? Thank you.

**Mayor**

Councillor Hebb.

**Councillor Hebb**

Thank you Councillor Snell. The Fair Debt Review, the whole point is to look at the way debt collection is done and how it's categorised into three areas. One, those that want to pay but simply can't and I think there's lots of people around the Chamber that once upon a time, myself included, recognise and remember what that felt like. And frankly, I want to be in a position where I can help people who want to pay, who want to do everything in them to make them pay their dues but are simply struggling to do so. It was one of my first discussions with my team when I took over the role of Cabinet Member for Finance, to go look through the process. We're going to revisit and have a look at the whole thing. So you've absolutely got an undertaking in that regard.

The Fair Debt Review also looks at those who could pay but simply won't. Now, I take a far different line with that type of demographic. Frankly, that is money that is being starved from our frontline services, whether it be our social services people

looking after elderly, whether it be cutting grass, it's irrelevant. If you can pay, you should pay and we also need to look at that in another way.

Now the Fair Debt Review also does a third thing, I know our teams were discussing today, the common cause between finance and education. We have done a piece of work, we're going to bring this to the Fair Debt Review, about how we help younger people or young care leavers, understand what happens if one uses credit and debt as a way of life and then the implications they come with life. So if credit freezes, suddenly how are you paying your bills. What happens if you default now, you might get around it but what happens if in ten years, you've moved on and you've met someone, you might want a mortgage. That becomes a different conversation, you bring up all elements of your past.

The Fair Debt Review is going to go over so much, I've just gone over a brief outline of the content, we're looking to do that in March, we're just looking to confirm the date. But you'll be getting an invite, the Labour Party will be getting an invite and obviously we want a representative from both groups here and the CAB. The other thing I got to say is, the IRRV, who also just done an audit, which is the Institute for Revenues, Rates and Valuations, has come up with some very good feedback which supports the way we are doing things. They're going to come to the meeting as well because they want to present their findings directly to all of us. I think that will be a useful thing to do so I'm looking forward to it; I think it's going to be a great session and want to be a part of it. Thank you for your indulgence Mr Mayor.

**Mayor**

Thank you Councillor Hebb. Councillor Snell, do you wish to ask a second supplementary question?

**Councillor Snell**

No thank you.

**2. From Councillor Collins to Councillor Halden**

Can the Cabinet Member outline the process of the Headstart Housing Scheme please?

**Mayor**

Councillor Halden

**Councillor Halden**

Thank you Mr Mayor. As I outlined at the last meeting of Full Council, where we discussed the council tax exemption for care leavers, I said we were going to be bringing forward a more comprehensive plan to offer care leavers in the Borough, more levels of support. What Cabinet will see in February, in regards to the head Start Housing plan, is a combination of education, finance, housing and social services. So what we piloted over the last year, is by using housing of multiple

occupancies (HMOs), helping care leavers get on the housing ladder and we're going to expand that. Helping out some of our most vulnerable care leavers into their first property and that will also include full advice in regards to debt, apprenticeships and further education for those young people. To give them the support they need to move on in life. That will be a secure tenancy for at least 24 months with a review at 6, 12 and 18 months, both from the housing team, the social care team and the education team at the same time which will ensure, that we do, as I said in my earlier report 'see the whole child'. In addition to that, I'm delighted to say that Cabinet will hopefully approve in February that we will totally, fully and completely exempt all care leavers from council tax up until the age of 21 totally and then from the ages of 21 to 25, we will exempt care leavers from council tax on a discretionary basis based on an individual circumstance.

The pilot that we've conducted over the last year, not only is tremendously helping young people, turning lives around but because it is curving and it expends an addiction to out of Borough spot placements, because it is offering people support who are getting out of the care system, the last year we are showing a saving to the taxpayer of £84,000.

**Mayor**

Thank you Councillor Halden. Councillor Collins, do you wish to ask a supplementary question?

**Councillor Collins**

I have Mr Mayor. At the last Full Council, we discussed the council tax exemption for care leavers. Can the Cabinet Member update us on this please?

**Mayor**

Councillor Halden

**Councillor Halden**

Thank you Councillor. As I said, I presented this at Corporate Parenting and Children's Services Overview and Scrutiny last year and as I already replied to Councillor Spillman, additional questions were asked by the Children's Services Committee and answered. It was a tremendous disappointment that after so much fanfare created by the Labour Group at the last Full Council in regards to council tax exemption. There was very, very little interaction from the Labour Group when it actually came to the Committee and indeed when additional information was sent out when requested. There was no reply to it which just goes to show, if it was a meeting at Full Council where the Press are here, there is plenty of attention. However, when it comes to the Committee, there was none.

**Mayor**

Thank you Councillor Halden. Councillor Collins, do you wish to ask a second supplementary question?

**Councillor Collins**

No Mayor.

**3. From Councillor Gerrish to Councillor Snell**

Can the Chair of the Health Overview and Scrutiny Committee outline how his committee plans to ensure a robust review of the current NHS Orsett Hospital consultation process?

**Mayor**

Councillor Snell

**Councillor Snell**

Thank you Mr Mayor, thank you Councillor Gerrish for your question. As you know, we have been carrying out robust reviews of all these matters over the recent months. Indeed, this was fully discussed at the Health and Wellbeing Overview and Scrutiny Committee on Thursday 18<sup>th</sup> January at which yourself was present. All Members had expressed their concern on how the consultation had got off to a slow start. Communication was poor and that was acknowledged. For example, there was not enough hard copies of the consultation document being made available, there wasn't any review document being made available. We were assured at HOSC that this was being resolved. The NHS team overseeing the consultation was working closely with Healthwatch and the Council's own Communication team to get as many people as possible involved in the consultation exercise.

Indeed, there had been two public events arranged in Thurrock, there had been one on 24<sup>th</sup> January and there is a remaining one at 1.30pm on Tuesday 6<sup>th</sup> March at the Civic Hall in Blackshots which I urge as many people as possible to attend. Thank you.

**Mayor**

Thank you Councillor Snell. Councillor Gerrish, do you wish to ask a supplementary question?

**Councillor Gerrish**

Thank you Mr Mayor. And I thank Councillor Snell for that answer and indeed I was at that meeting and it was good to see the question posed at that meeting. Many of us are concerned, Mr Mayor, that the consultation is becoming a real mess. Simply put, in terms of this group's position, we don't think the case of closure has been successfully made. We in this group consider it too risky to sign off from any movement in Orsett Hospital. Will Councillor Snell and his Group be supporting Labour campaign to keep Orsett Hospital open?

**Mayor**

Councillor Snell

**Councillor Snell**

Thank you Councillor Gerrish. This is a difficult one. The Labour Members have been to the same meetings that I have been to where NHS England; and let's not be under any illusion that it's NHS England making the decisions and not someone else; have made it quite clear that at some point, due to the age of the building, that the hospital has to close. We have been very much at work in the Committee with regard to the Independent Medical Centres (IMCs) that we are building and NHS England have committed to keeping services at Orsett until such time that the IMCs are up and running. Now, I do agree that there is some ambiguity in the language from NHS England on that issue and we have been and will continue to pick them up on that. Because to me, whilst they appear to have given a commitment to not move services out until the IMCs are ready, I think they've left themselves some wriggle room and we do want to clamp down on that and make sure that they haven't got any wriggle room and that no services are lost in Thurrock until the IMCs are up and running.

**Mayor**

Thank you Councillor Snell. Councillor Gerrish, do you wish to ask a second supplementary question?

**Councillor Gerrish**

Thank you Mr Mayor, yes I do. So, Renal, Musculoskeletal and Ophthalmic services are all apparently now do have a chance of being moved out of Borough. There's no cast iron guarantee being given on whether capital returns from Orsett Hospital site will be spent in Thurrock. There are no details to be found on the scale of the services operating from each hub or when they will operate. Healthwatch have panned the consultation process as being difficult to access and being hidden underneath the broader STP changes. There are only a couple of resident consultation events taking place, insufficient for a change on this scale. Mr Mayor, this is a bad plan with a bad consultation process. It's a yes or no question, will he join our campaign?

**Mayor**

Councillor Snell

**Councillor Snell**

I've got this document here. It's regarding something that is called 'For Thurrock in Thurrock' and this document says, 'Recent public engagement events are a recurring theme, a desire for health and care services to be more accessible for people. We also know that the system as it is, is not currently set up to cope with the rapid growth and demand of healthcare services. Care will be co-ordinated around

the patient as opposed to sufficient organisational health service structures i.e. hospitals and the like.'

This isn't my document; this is a document that was done in 2016 and it's signed off by Councillor Barbara Rice of the Labour Group. The document goes on to say, 'We want to improve people's experience of the health and care service in Thurrock by providing a more holistic model of locally neighbourhood based care closer to the home for the local population.'

Now, it's very well to criticise from the Labour Group but can I ask what's changed since then? Clearly, this was your method in 2016, you approved it. What I would say, this isn't really part of my answer as the Chair of the Health Committee, but this is as the Leader of the Thurrock Independents. And it is Thurrock Independents, and there is no third word thank you. And I don't want to deny Councillor Halden's jokes in the future which I'm quite looking forward to, thank you.

But, what I would say, I am in favour of the IMCs and the health provisions moving out closer to where people live. However, I do think with the growing population that Thurrock's going to experience over the next 10, 15 to 20 years, that there is a danger the STP process will not achieve its desired aims. And I think, we really do need to start the discussion now about building a new hospital in Thurrock for future provision. Thank you.

#### **4. From Councillor Fish to Councillor B Little**

Can the Portfolio Holder for Transport please tell Full Council how many of the pothole that are filled are in fact refills that have had to be repaired?

**Mayor**

Councillor B Little

**Councillor B Little**

Thank you Mr Mayor, thank you Councillor Fish for your question. Reactive repairs are carried out to make the defect safe. Information is not recorded on whether it is the second time a particular defect has been repaired.

During financial year 2016/17 the Highways Team trialled the use of a new method of filling potholes and the effectiveness of the new method was very closely monitored. We identified that some of the defects being repaired using the Jet Patching method required a revisit. The repeat visits were recorded and also looking at the nature of the traffic and looking at how the traffic flows in certain circumstances whether it was acceptable for the Jet Patching method. The cost of filling a pothole with the Jet Patching method is a fraction of the cost of conventional methods, meaning we can deliver more pothole repairs in the most effective and efficient manner.



It is inevitable that depending on road and ground conditions, some defects require repeat visits depending on the urgency of a repair and the need to make an area safe when there is limited time available, due to reasons of safety for example.

**Mayor**

Thank you Councillor B Little. Councillor Fish, do you wish to ask a supplementary question?

**Councillor Fish**

Yes Mr Mayor. I remember when the administration that came to power, they said they were going to employ a new technique to deal with potholes which was going to give a longer life to potholes and save money by having less need to repair them. So, what went wrong?

**Mayor**

Councillor B Little

**Councillor B Little**

Thank you for your supplementary question. Nothing.

**Mayor**

Thank you Councillor B Little. Councillor Fish, do you wish to ask a second supplementary question?

**Councillor Fish**

I think that's an incredibly complacent answer. Councillor Maney has already said during the course of the meeting that he's presented a petition about a road in his ward and I think all of us, every single person in this room can probably relate to what he's saying. I know in my road, they're up in there every few days and it's only a little side turning. So what steps is he going to take? And the other point I wanted to make, if you don't monitor how many refills you do, how can you effectively tell if your new scheme is working?

**Mayor**

Councillor B Little

**Councillor B Little**

Thank you. I think we've tended to my answer regarding how we fill potholes with Jet Patching, required us to do things in a certain way to change the way we do things. It's not done now in November, December, January, February because the road systems won't allow it to be. Because there's too much water on the roads, so we only do it in the summer time. So Jet Patching aside which is why I mention nothing,

we do other repairs, emergency repairs and we get there as quickly as we can, particularly if we got a statutory duty to do it, if it's dangerous and going to cause safety issues, we get there as soon as we can. We do temporary repairs, sometimes we need to go back to them in the summer time.

Councillor Maney has mentioned his petition and I would advise people that have got issues with roads, if we don't know about them already and I would be very surprised, please let me know and we'll work on them. I believe that Long Lane is due to be resurfaced – April time and that is due to us identifying in terms of, that was taken off the list a while ago. A couple of years ago where somebody decided from the other group – this lot over here, to spend the money on another avenue instead. Because that was a, I know that's a bit of a shame because that should have been Long Lane.

However, my point is that there are different types of work going on. We're going to be spending another £1 million from our windfall that we mentioned on doing road resurfacing. There's going to be more road resurfacing going on this summer than there has been in a number of years. Right the way through from the last administration so to sit there and talk to me about how you or how I am misusing the roads is a bit rich considering it was under your domain when it all fell apart.

## **5. From Councillor Gerrish to Councillor Hebb**

Can the Portfolio Holder for Finance update the chamber on his approach to balancing the budget over the next five year period?

**Mayor**

Councillor Hebb

**Councillor Hebb**

Thank you for your question Councillor Gerrish and I have to say when I read the question, it made me reflect a little. We're hearing a lot of terms about being balanced; about being self-sufficient and it means something to a lot of us in here but not necessarily outside, nor should it necessarily. We need to explain what that means. Thurrock Council is now able to provide the same services it has been for two and a half years in the future. We have heard how local government was at breaking point and we have proved in 18 months that this is simply not had to be the case and nor did we have to default to top down cuts. So this is one of the first conversations like this in years, about five years into the future. Let's contextualise a little bit. Basildon Council has an annual revenue budget of about £25.5 million compared to our £110 million budget admittedly. Our Council is spending over half of Basildon's entire yearly revenue budget on cleaning our Borough, cutting the grass and filling the potholes – a figure of over a circa of £12.5 million between revenue and capital. We are increasing reserves by nearly 40% to make sure that our services are protected from market fluctuations.

In 18 months, we have much to be proud of and let's be clear, the CSR frame forms a part of that. It's nice to see Labour in attendance this year for that and again the middle party.

Let's get to the chase, I think this is probably the size of the pricing from year 3 onwards - the Council Spending Review approach has been well documented over the last 18 months and going forward, we'll have more commercialism and investment as part of its strategy and in addition to key service reform. Indeed, we are being asked by other councils exactly how we are doing it because they want to do what Thurrock's doing. Heads are turning towards this Borough. It is critical that our services continue to be reviewed and shaped upward. A hard look at our resident offer is absolutely critical to provide them sustainable, but this is important, right quality services first time. We have that freedom to do that now. Last October, in this forum, in this Council, supported the move for an increased investment activity and this approach has provided a balanced budget for two and a half years, not just next year but the year after as well. And it provides us with extra cash to spend, penny for penny on the community of Thurrock:

Clean It – half a million extra;

Fill It - £1 million extra;

fighting the good fight, the Lower Thames Crossing - £380 thousand;

Anti-Social Behaviour – a quarter of a million.

Mr Mayor, instead of looking at the traditional three years ahead, you can see we are now mature enough with our finances to look forward to the next decade. This is a first for this Council for some time. And even looking at papers, as sad as I am, from the mid-2000s, you can see that local government has often laden the claim that it doesn't have the amount of cash it needs to deliver local services, even in times of so-called boom. Now, going forward, we've talked about investments, we've delivered on some of that. TRL is absolutely part of that, Councillor Gerrish, as are a number of other investments. We've always said we will review them on a case by case basis – Belmont Road happened here tonight, what a great scheme, spades in the ground, giving people houses, it's a great scheme and doing all the right things.

The other question clearly is council tax revenue. You'll probably be anticipating an answer and I can provide it to you. The Cabinet have reflected heavily, as you know, Sajid Javid did increase the threshold of the revenue increase up to 2.99% this year. It is the belief of this administration as we enter the budget round that given where we are for the next two and a half years, that we will not be going forward with a 2.99% increase on General Fund. We will be moving into the budget round in our Party at 1.99%. Obviously not accounting and including Adult Social Care.

**Mayor**

Thank you Councillor Hebb. Councillor Gerrish, do you wish to ask a supplementary question?

**Councillor Gerrish**

I do Mr Mayor and I thank Councillor Hebb for that lengthy response. At the most recent Corporate Overview and Scrutiny Committee, the Committee were unanimous in asking that the Council's financial modelling for the upcoming five year period be published in time for the February Budget meeting, ideally form part of the papers for that meeting. This was to ensure we can take decisions on the long term future of the Council based on all the facts. Can he make that commitment this evening?

**Mayor**

Councillor Hebb

**Councillor Hebb**

It's very much a work in progress, it isn't quite finished ready for now but yes, I want to be bringing it to the budget, this time next month so yes.

**Mayor**

Thank you Councillor Hebb. Councillor Gerrish, do you wish to ask a second supplementary question?

**Councillor Gerrish**

Thank you Mr Mayor and I thank him for his commitment. It has been suggested in some quarters that the budget gap we need to close over the next five years may be as large as £20 million. Is the Portfolio Holder able to enlighten us on that point?

**Mayor**

Councillor Hebb

**Councillor Hebb**

The MTFs obviously goes over three years currently and if you stretch it out over five years and we need to clarify the numbers so let's not band the figures out, that's where we are now. Depends on what type of investments you have, some investments obviously drop out and we need to look at everything that goes forward. TRL as we have already said is a fantastic scheme, I'm very much hopeful that the Labour Party in Thurrock are very much keen on TRL, I'm hoping that we don't have a Haringey Labour Party attitude here. Frankly, I couldn't believe what's happened to Councillor Claire Clover over in Labour, a centralist 10 year Party Leader of the Haringey Council and the Party – the momentum that runs the Party, whoever it is that runs the Labour Party these days, it surely isn't just Jeremy Corbyn on his own; is now telling a Council, a democratically elected Council how to manage its affairs. We have to stop that from happening in this Borough and I'm hoping he will distance himself from that disgraceful attitude from his own Party.

## Item 8 : Petitions Update Report – 28 February 2018

Petition No.	Description	Presented (date)	Portfolio Holder	Status Full copies of the responses may be obtained from Democratic Services
498	Installing CCTV on a section of Seabrooke Rise.	27 September 2017	Cllr Kerin	<p>The Housing service is considering this proposal with input from the Community Safety team. A judgement about a specific new installation will be made when all the relevant information has been assessed in full, and residents and ward members will be advised of the decision within the next two months.</p> <p>The situation continues to be monitored to assess incidents and complaints which remain low. A final decision will be taken in early 2018, following discussions with relevant members.</p>
499	Council's proposal to introduce and extend service charges by up to £400 per year for all tenants.	27 September 2017	Cllr Gledhill	<p>Further to the motion agreed at the Council meeting this reconsideration will be taking place. An update report will be presented to Housing Overview and Scrutiny Committee on 17 October 2017 setting out the proposed scope of the review, with a further report setting out a range of options for the Committee to consider to be presented at the December meeting, The final decision in relation to service charges will be made by Cabinet after the report has been presented to the Scrutiny Committee.</p> <p>January 2018 Council Update – December Housing Scrutiny Committee recommended that GM Service Charges are not proceeded</p>

## Item 8 : Petitions Update Report – 28 February 2018

				<p>with. February Cabinet will make the final decision.</p> <p>Cabinet agreed on the 7 February, not to proceed with the Grounds Maintenance service charge for 18/19.</p>
500	Reconsider the unfair rent increase imposed on Council tenants.	27 September 2017	Cllr Jones	<p>Further to the motion agreed at the Council meeting this reconsideration will be taking place. An update report will be presented to Housing Overview and Scrutiny Committee on 17 October 2017 setting out the proposed scope of the review, with a further report setting out a range of options for the Committee to consider to be presented at the December meeting, The final decision in relation to service charges will be made by Cabinet after the report has been presented to the Scrutiny Committee.</p> <p>Cabinet agreed on the 7 February, not to proceed with the Grounds Maintenance service charge for 18/19.</p>
502	This is a Petition to Thurrock Council against the proposed permit parking scheme Mon-Fri 8am-6pm should not be imposed in front of our houses where we have been enjoying free parking for our cars.	13 October 2017	Cllr B Little	<p>Following the consultation, officers are preparing a DDR to go to the portfolio holder for a decision on the proposed scheme. The petition has been placed on file and will be included in the DDR for the PfH to consider. The DDR will go to the PfH for a decision in January 2018.</p>

## Item 8 : Petitions Update Report – 28 February 2018

505	Residents of Thurrock call on the Essex Police and Crime Commissioner to urgently reconsider the level of police resources in Thurrock, the lack of which we believe has fuelled an increase in crime and Antisocial Behaviour.	31 January 2018	Cllr Gerrish	The petition was handed to the PFCC on 31 January, Council await a response at this time.
506	Residents call on Thurrock Council to resurface the section of roadway in Long Lane between Fairway in Stifford Clays and Cherrydown in Little Thurrock, Blackshots. The road has seen increasing traffic volumes in recent years.	31 January 2018	Cllr Maney	<p>Long Lane is currently scheduled to be resurfaced in April. Due to the size of the area works will take place in three tranches:</p> <ul style="list-style-type: none"> <li>• Wednesday 4th April to Saturday 7 April. Resurface the western section (between Fairway and Blackshots Lane).</li> <li>• Sunday 8 April resurfacing the Long Lane junction with Blackshots Lane.</li> <li>• Monday 9 April resurface between Blackshots Lane and Cherry Down.</li> </ul>

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<b>28 February 2018</b>	<b>ITEM: 10</b>
<b>Council</b>	
<b>Annual Pay Policy Statement 2018/19</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> N/A
<b>Report of:</b> Deborah Huelin – Portfolio Holder for Performance and Central Services	
<b>Accountable Assistant Director:</b> Jan Cox – Strategic Lead HR & OD	
<b>Accountable Director:</b> Jackie Hinchliffe – Director of HR, OD & Transformation	
<b>This report is Public</b>	

## **Executive Summary**

The Localism Act 2011 requires the Council to publish an annual Pay Policy Statement for chief officers. This must be approved by Council by 31<sup>st</sup> March each year. Like many other local authorities, Thurrock’s statement includes a pay policy for all categories of employees which reflects existing employment terms and conditions.

The Council’s Single Status Agreement requires the Council to honour the National Joint Council for Local Government (NJC) pay settlement as a minimum for single status staff. In addition, the Council commissions an annual independent market assessment to ensure the Council’s reward structure remains competitive and reflects both market and employment trends.

Pay for Senior Managers is governed by the Pay Strategy and Pay Policy for Assistant Director and Director Posts agreed in 2009 and determined by the annual independent market assessment. This is an employment contractual requirement which the Council is required to adhere to. The assessment this year recommends a 2% increase in the pay clusters for senior management pay. This is reflective of the year on year increase in senior salaries in the sector.

Recommendations contained in this report reflect those from the independent market assessments conducted by Total Reward Projects Ltd in December 2017 and, for apprentices, the Government’s Budget Statement published in November 2017.

### **1. Recommendation(s)**

- 1.1 The Annual Pay Policy Statement 2018/19 is agreed in line with the Council’s obligations under the Localism Act 2011, the Single Status**

## **Agreement and the recommendations by the independent market assessment.**

**1.2 Agreement to remove pay points 1 to 4, with pay point 5 becoming the lowest council pay point, set at the UK Living Wage rate of £8.75 ph from 1<sup>st</sup> April 2018.**

**1.3 Agreement to pay apprentices the National Minimum/Living Wage appropriate to their age from the start of employment, starting at £4.20 ph for those under 18 from 1<sup>st</sup> April 2018.**

## **2. Introduction and Background**

2.1 This report seeks approval of the Council's annual Pay Policy Statement for 2018/19; in particular, the elements of this statement which vary from, or are in addition to, those contained in last year's pay policy.

2.2 The proposed statement attached at Appendix 1 was approved by Directors Board on 13<sup>th</sup> December 2017.

## **3. Issues, Options and Analysis of Options**

3.1 The principles of the 2018/19 statement are similar to those in last year's statement. The most recent new developments include a recommendation that a 2% increase is applied to Council pay bands 1 to 10, in line with the NJC offer which includes higher increases on the lower NJC pay points resulting in a new bottom NJC pay rate of £8.50ph.

3.2 The Council propose to revise their pay scales with a new bottom rate of £8.75ph; this aligns with the UK Living Wage rate and removes the requirement to pay a supplement.

3.3 Further recommendations are made that apprentice pay rises to the appropriate NMW/NLW rate to their age; there is a separate recommendation from the independent market assessment to pay a 2% increase for Senior Managers.

## **4. Independent Pay Reviews**

4.1 The Council's Single Status Agreement and Pay Strategy and Pay Policy for Senior Managers incorporate an independent market assessment to determine appropriate pay increases. This approach ensures pay levels continue to be fair, transparent and represent good value.

## **5. National Pay Award for Single Status Employees 2018/19**

5.1 Under Thurrock's 2006 Single Status Agreement the Council agreed to move away from National Joint Council for Local Government (NJC) pay rates but to

continue to honour any pay awards determined through nationally negotiated pay settlements as a minimum.

- 5.2 Pay negotiations between NJC and trade unions for 2018/19 are yet to conclude, however on 5<sup>th</sup> December 2017 the NJC offered a two year deal with a flat rate increase of 2% for 2018/19 with higher increases for the lowest pay points.

This takes the lowest NJC pay point to £8.50ph. The NJC offer has been translated into the Thurrock pay scales and the draft pay policy reflects the proposed increase.

- 5.3 The Council allocates funding within the MTFs to cover cost of living pay increases.

## **6. Pay Award for Senior Management 2018/19**

- 6.1 In accordance with the Pay Strategy and Pay Policy for Senior Managers the Council has undertaken an annual independent market assessment of senior management pay.

This recommends a 2% increase in the pay clusters for senior management pay.

This is reflective of the year on year increase in senior salaries in the sector and is only the second increase recommended since 2009.

- 6.2 The 2% increase in senior salaries represents a cost in the region of £37,000.

## **7. The National Minimum Wage and Living Wage**

- 7.1 From 1<sup>st</sup> April 2018 there will be three minimum wage rates:

- i) The National Minimum Wage (NMW) – the legal, minimum hourly rate first introduced in 1999. From 1<sup>st</sup> April 2018 this will only apply to workers aged under 25.
- ii) The National Living Wage (NLW) – the legal, minimum wage for workers aged over 24.
- iii) The UK Living Wage – the rate set independently by the Living Wage Foundation since 2011 and calculated according to the basic cost of living in the UK.

**Table 1: List of different minimum wage rates**

Band	Pay Point	Band	2017/18 Salary	Living Wage Supplement	2017/18 Total Salary	2018/19 Salary	2018/19 Rate/hr
1	1		£14,505	£1,797	£16,302		
	2		£14,582	£1,720	£16,302		
	3	2	£14,759	£1,543	£16,302		
	4		£14,936	£1,366	£16,302		
	5		£15,247	£1,055	£16,302	£16,881	£8.75
	6		£15,633	£669	£16,302	£17,094	£8.86
	7	£15,957	£345	£16,302	£17,442	£9.04	
3	8	4	£16,101	£201	£16,302	£17,556	£9.10
	9		£16,254	£48	£16,302	£17,712	£9.18
	10		£16,677		£16,677	£18,021	£9.34
	11		£17,106		£17,106	£18,174	£9.42
	12		£17,553		£17,553	£18,444	£9.56
	13		£18,024		£18,024	£18,675	£9.68
	14		£18,516		£18,516	£19,023	£9.86
	15		£19,071		£19,071	£19,452	£10.08

2018/19 £7.83 NLW

2018/19 £8.50 NJC Start Point

2018/19 £8.75 UKLW

7.2 Table 1 shows where the minimum wage rates would feature on the Council's single status pay scales from 1<sup>st</sup> April 2018 if the NJC pay award is applied.

7.3 Following the recommendation of the Independent Low Pay Commission, the government will increase the NLW from £7.50 to £7.83 from April 2018.

7.4 The Council has paid the UK Living Wage as a discretionary payment to its lowest paid employees (excluding apprentices) since April 2013, currently payable to 153 FTE corporate and schools based staff.

7.5 Since 2014 the Council has increased the UK Living Wage on 1<sup>st</sup> April each year to coincide with the single status pay increase. The recommendation is to revise the Council's pay scale with point 5 becoming the new bottom pay point paid at the 2018 UK Living Wage rate of £8.75ph. There is no additional cost to this approach as the Council already pays the UKLW as a discretionary payment to its lowest paid employees (excluding apprentices).

## 8. Apprentices

8.1 At present, the starting pay for Council apprentices is the statutory National Minimum Wage for apprentices, currently set at £3.50 per hour. Thurrock apprentices are paid at this rate for six months, after which subject to

satisfactory performance, they progress to the national minimum wage according to their age.

- 8.2 However, according to the Budget Statement published in November 2017 the Government will introduce a further increase taking the new apprentice rate to £3.70 effective from April 2018.

**Table 2: National Minimum/Living Wage Rates**

	Age 25 and over	Age 21 to 24	Age 18 to 20	Age under 18	Apprentice Rate
Current Rates as of October 2017	£7.50	£7.05	£5.60	£4.05	£3.50
Rates from April 2018	£7.83	£7.38	£5.90	£4.20	£3.70

- 8.3 This arrangement for paying apprentices has attracted cross-party support. In 2015/16 members asked for it to continue in future years without the need for further authorisation.

- 8.4 The Council propose to review the current arrangements and pay apprentices the National Minimum/Living Wage appropriate to their age from the start of employment, as an alternative to paying £3.70ph for the first six months of employment from 1st April 2018. The additional cost attached to this proposal is £80,000 based on current apprentice levels including corporate and education.

- 8.5 Since April 2017, the Apprenticeship Levy continues to be a levy on UK employers to fund delivery of apprenticeship standards. In England, control of apprenticeship funding has been put in the hands of employers through the Digital Apprenticeship Service. The levy is charged at a rate of 0.5% of an employer's pay bill, where an employer's pay bill is over £3million. Each employer receives a yearly allowance of £15,000 to offset against their levy payment.

## **9. Senior Manager Pay and Responsibilities**

- 9.1 Following the introduction of the Government's code of practice for transparency in 2014<sup>1</sup>, the Council will continue to publish specific details of senior managers' pay and responsibilities.

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<sup>1</sup> 'Local Government Transparency Code 2014' published by DCLG: 1 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/360711/Local\\_Government\\_Transparency\\_Code\\_2014.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/360711/Local_Government_Transparency_Code_2014.pdf)

## **10. Consultation with Local Trade Unions**

10.1 Consultation with the Council's recognised Trade Unions commenced on 20<sup>th</sup> December 2017.

## **11. Implications**

### **11.1 Financial**

Implications verified by: **Yetsie Adeboye**  
**Management Accountant (Central), Corporate Finance**

The financial impact of the increase in UK Living Wage, the pay award for single status pay scales, the increase in senior manager pay and the increase in apprentice pay rates have been considered through this report and accounted for during the 2018/19 annual budgeting processes.

### **11.2 Legal**

Implications verified by: **Joe Pinter**  
**Barrister, Senior Employment Lawyer. Law & Governance**

The legal implications in connection with this report arise from the compliance with the Single Status Agreement and the Pay Strategy and Pay Policy for senior managers and consultation with the trades unions. The recommendations comply with the policy framework and the trades unions have presented no objections.

Sections 38 to 43 of the Localism Act 2011 require Councils to prepare a Pay Policy Statement for each financial year and the Secretary of State, pursuant to section 40, has issued both the original Pay Accountability Guidance in February 2012 and a supplementary guidance in February 2013. The content of this report and the recommendations comply with the Councils responsibilities in this regard.

### **11.3 Diversity and Equality**

Implications verified by: **Becky Price**  
**Community Development Officer, Community Development and Equalities Team**

This pay statement implements existing practice and standard protocols set by law and policy and therefore there are no diversity and equality implications arising. The increase in the UK Living Wage and apprentice pay rates will have a positive impact on employees at lower ends of the pay scale.

#### **11.4 Other implications**

No other significant implications have been identified.

#### **12. Appendices to the report**

Appendix 1 – Pay Policy Statement 2018/19

#### **Report Author:**

Jan Cox  
Strategic Lead HR & OD  
HR, OD & Transformation

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**THURROCK COUNCIL**

**PAY POLICY STATEMENT 2018/19**

## VERSION CONTROL SHEET

<i>Title:</i>	<b>Pay Policy Statement 2018/19</b>
<i>Purpose:</i>	<b>To advise on the Council's pay policy including requirements under Section 38 of the Localism Act 2011.</b>
<i>Owner:</i>	<b>Human Resources &amp; Organisational Development</b>
<i>Approved by</i>	<b>Council</b>
<i>Date:</i>	<b>28 February 2018</b>
<i>Version:</i>	<b>2.0</b>
<i>Review frequency:</i>	<b>Annually – in accordance with Section 38 of the Localism Act 2011</b>
<i>Next review date:</i>	<b>October 2018</b>

# **Thurrock Council Pay Policy Statement 2018/19**

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## **1. Introduction**

- 1.1 This Statement complies with Section 38 of the Localism Act 2011, which requires local authorities to produce a pay policy statement for each financial year in order to improve transparency and accountability within Local Government.
- 1.2 It may be adapted and/or updated by agreement at a full Council meeting.
- 1.3 Thurrock Council is, in addition, conducting a pay review with the intention of modernising and simplifying current pay arrangements. Any changes will be reflected in future pay policies.

## **2. Scope**

- 2.1 This Statement is applicable to both Council and school-based employees covered by the Council's single status agreement, and to senior officers. Youth workers, those on Soulbury contracts of employment and employees covered by TUPE are also included but their pay is determined by separate processes. This Statement does not apply to teachers, who are employed under separate terms and conditions.
- 2.2 For the purposes of this Statement, Thurrock's senior officers are the chief executive, corporate directors, directors and assistant directors.

## **3. Determination of pay grades and salary levels**

### **Senior officers**

- 3.1 The chief executive's and other senior officers' remuneration was determined in 2009. It was based on the median pay point of a market salary and reflected remuneration levels for comparable jobs in unitary authorities and London boroughs.
- 3.2 The 11 senior pay bands are shown in Appendix 1. Assistant directors are paid on the AD bands, ranging from points 1 to 15; directors and corporate directors are placed on a DIR pay band points 16 to 30 while the chief executive is on the CEX pay band: points 31 to 33.
- 3.3 Since 2010 annual, independent pay reviews have been conducted to reassess the salary levels that these pay bands should attract. These assessments take account of:
  - (a) **The type and size of Thurrock Council:** Thurrock is a medium sized, unitary council with a significant degree of complexity due to its location, its changing demographics, its regeneration agenda and its complex external relations.

- (b) **The geographical location of Thurrock Council:** Located on the eastern boundaries of London and within easy commuting distance of London, the Council is competing in the same labour market as many London boroughs as well as Essex County Council and other unitary local authorities.
- (c) **The market for senior posts in Local Government:** In recent years many posts have become more demanding as a result of changes in legislation and public demand. This has led to a position whereby significant differences now exist regarding the remuneration attached to certain posts.
- (d) **Affordability:** Producing an affordable pay structure for senior managers is a principal aim of this policy.
- (e) **Transparency and clarity:** Thurrock Council is committed to establishing a pay structure which is clear, rational and able to withstand challenge.

### **Employees who are not senior officers**

- 3.4 Employees other than senior officers are subject to the pay levels set out in the Council's single status agreement which contains 10 pay bands (see Appendix 2). Pay bands contain between 3 and 11 incremental pay points. Posts have been allocated to a pay band through a process of job evaluation.
- 3.5 All new or revised single status posts must be evaluated. This is done by independent job evaluation specialists using the James job evaluation scheme. The results of any such evaluation are subject to approval by the Council's Pay & Reward Board, which comprises of officers and trade union representatives.

## **4. Pay Progression**

### **Senior officers**

- 4.1 Senior officer pay bands contain three pay levels:
  - i. A lower point – for a post-holder with sufficient competence or experience but with some development needs. This is expected to apply to some appointments at the time of recruitment.
  - ii. A median point – for a fully competent and appropriately experienced/qualified post-holder. This is expected to apply to most appointments.
  - iii. An upper point – for an exceptional post-holder. The difference between the median point and upper point will only be paid as an additional non-consolidated payment for 'exceptional' performance. Few post-holders will be rewarded at this level, which is based on the 75<sup>th</sup> percentile of the market data.

- 4.2 The award of an annual increase to points (ii) or (iii) above is subject to satisfactory job performance.
- 4.3 For recruitment purposes, posts will be advertised at the median pay point, with the possibility of an additional non-consolidated payment for an exceptional candidate. A newly appointed senior officer's starting salary will be reviewed on 1<sup>st</sup> April after appointment, regardless of how long they have been in post.

#### **Employees who are not senior officers**

- 4.4 New starters are paid in accordance with Section 12.6 of the council's recruitment policy which states; 'normally the pay point will be the minimum point of the band. Exceptions to this rule may be considered where the minimum point is below the candidate's current salary.'
- 4.5 Employees will receive an increase of one incremental point each year, effective from 1<sup>st</sup> April, providing they (i) have performed their role entirely satisfactorily; (ii) have 6 months' service before 1<sup>st</sup> April; (iii) are not already at the top point of their pay band. Performance objectives will be linked to service delivery plans and priorities.
- 4.6 Until 4<sup>th</sup> September 2014, the award of additional pay increments (known as accelerated increments) on the grounds of special merit or ability were also made on the recommendation of the employee's line manager and providing they were not already at the top point of their pay band. Such increases were subject to approval by the Council's Pay and Reward Board.
- 4.7 From 4<sup>th</sup> September 2014, following consultations with the trade unions, it was agreed that in the light of the Council's financial situation, accelerated pay progression should be suspended until further notice.
- 4.8 Employees who are protected under TUPE arrangements will be paid according to their contract of employment.

#### **5. Cost of living pay increases**

##### **Senior officers**

- 5.1 The annual, independent market assessment conducted in December 2017 concluded there should be a 2% cost of living pay increase for senior officers in 2018/19.

##### **Employees who are not senior officers**

- 5.2 Under its single status agreement, the council must at least match any pay award agreed by the National Joint Council for Local Government Employees (NJC). This applies to all employees other than senior officers.

- 5.3 On 5th December 2017 the NJC offered a two year pay deal with a flat rate increase of 2% for 2018/19 with higher increases for the lowest pay points. The NJC offer has been translated into the Thurrock pay scales with the lowest pay scales increased to meet the requirements of the Living Wage Commission.

## **6. Lowest paid employees / UK living wage**

- 6.1 For the purposes of this Statement, employees on Band 1 of the Council's pay structure are classed as the lowest paid employees. The only employees paid at a lower rate than pay band 1 are apprentices (see paragraph 7).
- 6.2 With effect from 1<sup>st</sup> April 2018, pay points 1 to 4 will be deleted from the Council's pay structure. Pay point 5 will become the Council's minimum pay point with hourly pay set in accordance with the UK Living Wage, which is £8.75 from the 1<sup>st</sup> April 2018.
- 6.3 For 2018/19 the Council continues its commitment to pay the UK Living Wage to its lowest paid employees; the arrangement has been in place since April 2013.

## **7. Apprentices**

The starting pay for Council apprentices is the national minimum wage or national living wage according to their age at the point of recruitment. The lowest pay rate for apprentices will be £4.20 from 1<sup>st</sup> April 2018. The full ranges of NWM/NLW rates for 2018/19 are set out at appendix 3.

## **8. Pay Multiple**

- 8.1 Calculations were made using 2018/19 pay scales which show the pay ratios between the chief executive's salary and the average salary of the workforce are as follows:

Chief Executive: mean salary of the workforce = 1:6

Chief Executive: median salary of the workforce = 1:7

- 8.2 These ratios were calculated from the median chief executive salary level of £175,002; the mean salary of all staff other than the chief executive of £28,751 and the median salary of all staff other than the chief executive of £23,630.

## **9. Acting up payments**

- 9.1 For acting up or additional duties arrangements, an individual will be paid at the lowest point of the band being acted into, or one pay point higher than their substantive pay point if pay bands overlap.
- 9.2 Management do however have the discretion to award an acting up or additional duties allowance up to a maximum of 5 additional points from

the employee's substantive pay point. The rationale for payment is subject to approval by the Councils Pay and Reward Board and evidence should be clearly documented on the employee's personal file.

- 9.3 Secondments are subject to the same pay allowances as stated above, however managers can make secondment arrangements according to the needs of their service are these are not subject to approval by the Council's Pay and Reward Board. Further details can be found in the Secondment policy.

## **10. Other payments**

- 10.1 The Council pays business user car allowances to single status staff who meet specific criteria relating to the frequency and type of business journeys they are expected to undertake. There are three levels of business user allowance: £1,149, £600 and £300 per annum. Any employee using their own vehicle for work purposes is eligible to claim 40p per mile. Business User Allowance is due to be reviewed and any future changes will be consulted on and included within future pay policy statements.
- 10.2 A car allowance is consolidated into the senior officer pay rates given in Appendix 1. In addition, senior officers receive a mileage payment of 10p per mile.
- 10.3 The Council has an employee relocation package, available to all new employees, subject to eligibility criteria.
- 10.4 The Council does not operate a bonus scheme for any employees, nor does it offer any other informal benefits to its senior officers
- 10.5 On occasions, for posts below senior officer level, temporary market supplements may be paid where difficult market conditions lead to recruitment and retention problems. Such supplements must be agreed by the Council's Pay & Reward Board.

## **11. Contractors and consultants**

- 11.1 Should the Council engage the services of an individual at senior officer level under a contract for services (ie not on the Council's payroll), the level of remuneration paid to the contractor, consultant or agency employing them will not exceed the equivalent salary points outlined in Appendix 1.
- 11.2 In exceptional circumstances, and with the express approval of the chief executive, a contractor or consultant at senior officer level may be engaged at a pay rate outside of the equivalent salary point in Appendix 1



## **12. Appointment of senior officers**

- 12.1 Full Council will agree the recruitment of any new, permanent, Chief Officer role.
- 12.2 Full Council will agree the recruitment of contractors to new Chief Officer roles.

## **13. Payment on termination, and re-engagement of officers**

- 13.1 In the event of redundancy or the early retirement of any employee, the Council will pay its standard severance payments within the discretions of the Local Government Pension Regulations.
- 13.2 In exceptional circumstances and where it represents best value for the Council, additional payments may be made to comply with the terms of a settlement agreement. These will be subject to the delegated powers and processes outlined in the Council's Constitution.
- 13.3 The Council will not normally re-engage, either in a contract of employment or a contract for services, any officer who has previously been paid a discretionary payment (via a settlement agreement or retirement package) on leaving the Council's employment. Only in exceptional circumstances, and with the agreement of the Chief Executive and the General Services Committee, will such an arrangement be sanctioned.
- 13.4 The Government is introducing, through the Small Business, Enterprise and Employment Act 2015, a £95k cap on "exit payments". Regulations will be inserted by the Enterprise Bill 2015-2016 and a date for implementation was expected in 2016. This will limit the amount a public sector worker could be paid for losing their job to £95k. The regulation has been delayed and is now due to be laid before Parliament in the New Year, with a proposed implementation date from early 2018. The regulations will apply to all staff but predominately high earners and will cover:
  - Redundancy payments
  - Payments on voluntary exits
  - Pension strain costs
  - Severance or ex-gratia payments
  - Payment for outstanding entitlement
  - Compensation under the terms of a contract
  - Pay in lieu of notice
  - Any other payments made as a result of loss of employment
- 13.5 A different set of regulations, the Repayment of Public Sector Exit Payment Regulations should have come into force on the 1st April 2016, however implementation was delayed and is now projected for early 2018. It sets out the liability to repay any exit payment if the exit payee returns to the same 'sub-sector' within 12 months of receiving the payment. If they return to the same sub-sector within 28 days the

whole amount is due, thereafter tapering arrangements become operational. Full Council may exercise a waiver to exclude such a repayment. If a waiver is issued it must be published along with the reasons for doing so in the preceding twelve months at the beginning of a financial year or published in the annual accounts. Guidance is awaited on the exercise of a waiver. If reclaimed an exit repayment is made to the 'old' employer and the sum passed through to the Treasury.

#### **14. Mandatory Gender Pay Reporting**

As of April 2017, all organisations with more than 250 employees must produce data on the gender pay gaps of their employees. The deadline for the Council to report this date is 30 March 2018 and yearly thereafter.

#### **15. Transparency code**

In accordance with Government guidelines<sup>1</sup>, the council publishes details of senior managers' pay on its website.<sup>2</sup>

#### **16. Publication of information**

This Statement will be published on the Council's website. Any in-year changes to this Statement will be published in the same way following full Council approval.

### **Appendix 1**

<sup>1</sup> 'Local Government Transparency Code 2014' published by DCLG: [Transparency Code](#)

<sup>2</sup> <https://www.thurrock.gov.uk/what-we-publish/local-government-transparency-code>

## Senior Manager Pay Scales 2018/19

		<b>50/50% Lower Base Pay</b>		<b>50/50% Median Base Pay</b>		<b>50/50% Higher Base Pay</b>
	<b>SCP</b>	<b>Annual Pay £</b>	<b>SCP</b>	<b>Annual Pay £</b>	<b>SCP</b>	<b>Annual Pay £</b>
<b>CEX</b>	<b>31</b>	160,002	<b>32</b>	175,002	<b>33</b>	187,002
<b>DIR5</b>	<b>28</b>	124,002	<b>29</b>	136,002	<b>30</b>	144,501
<b>DIR4</b>	<b>25</b>	116,001	<b>26</b>	129,000	<b>27</b>	135,501
<b>DIR3</b>	<b>22</b>	108,501	<b>23</b>	120,000	<b>24</b>	123,000
<b>DIR2</b>	<b>19</b>	96,501	<b>20</b>	106,002	<b>21</b>	111,000
<b>DIR1</b>	<b>16</b>	89,502	<b>17</b>	98,502	<b>18</b>	103,002
<b>AD5</b>	<b>13</b>	86,502	<b>14</b>	96,000	<b>15</b>	100,002
<b>AD4</b>	<b>10</b>	85,500	<b>11</b>	93,000	<b>12</b>	98,001
<b>AD3</b>	<b>7</b>	80,001	<b>8</b>	89,001	<b>9</b>	92,001
<b>AD2</b>	<b>4</b>	75,000	<b>5</b>	83,001	<b>6</b>	87,000
<b>AD1</b>	<b>1</b>	70,500	<b>2</b>	75,000	<b>3</b>	83,001

## Appendix 2: Single Status Pay Chart 2018/2019

Band	Pay Point	Band	2017/2018 Salary	2017/18 Rate/hr	Living wage Supplement	2017/2018 Total Salary	2018/19 Salary	2018/19 Rate/hr
1	1	2	£14,505	£7.52	£1,797	£16,302		
	2		£14,582	£7.56	£1,720	£16,302		
	3		£14,759	£7.65	£1,543	£16,302		
	4		£14,936	£7.74	£1,366	£16,302		
	5		£15,247	£7.90	£1,055	£16,302	£16,881.00	£8.75
	6		£15,633	£8.10	£669	£16,302	£17,094.00	£8.86
	7		£15,957	£8.27	£345	£16,302	£17,442.00	£9.04
3	8	4	£16,101	£8.35	£201	£16,302	£17,556.00	£9.10
	9		£16,254	£8.42	£48	£16,302	£17,712.00	£9.18
	10		£16,677	£8.64		£16,677	£18,021.00	£9.34
	11		£17,106	£8.96		£17,106	£18,174.00	£9.42
	12		£17,553	£9.19		£17,553	£18,444.00	£9.56
	13		£18,024	£9.44		£18,024	£18,675.00	£9.68
5	14	6	£18,516	£9.69		£18,516	£19,023.00	£9.86
	15		£19,071	£9.98		£19,071	£19,452.00	£10.08
	16		£19,641	£10.28		£19,641	£20,034.00	£10.38
	17		£20,229	£10.59		£20,229	£20,634.00	£10.70
	18		£20,838	£10.91		£20,838	£21,255.00	£11.02
	19		£21,462	£11.24		£21,462	£21,891.00	£11.35
7	20	8	£22,101	£11.57		£22,101	£22,542.00	£11.68
	21		£22,767	£11.92		£22,767	£23,223.00	£12.04
	22		£23,442	£12.27		£23,442	£23,910.00	£12.39
	23		£24,147	£12.64		£24,147	£24,630.00	£12.77
	24		£24,870	£13.02		£24,870	£25,368.00	£13.15
	25		£25,620	£13.41		£25,620	£26,133.00	£13.55
9	26	10	£26,382	£13.81		£26,382	£26,910.00	£13.95
	27		£27,180	£14.23		£27,180	£27,723.00	£14.37
	28		£27,990	£14.65		£27,990	£28,551.00	£14.80
	29		£28,827	£15.09		£28,827	£29,403.00	£15.24
	30		£29,691	£15.54		£29,691	£30,285.00	£15.70
	31		£30,597	£16.02		£30,597	£31,209.00	£16.18
11	32	12	£31,515	£16.50		£31,515	£32,145.00	£16.66
	33		£32,460	£16.99		£32,460	£33,108.00	£17.16
	34		£33,429	£17.50		£33,429	£34,098.00	£17.67
	35		£34,440	£18.03		£34,440	£35,130.00	£18.21
	36		£35,478	£18.57		£35,478	£36,189.00	£18.76
	37		£36,534	£19.13		£36,534	£37,266.00	£19.32
13	38	14	£37,638	£19.70		£37,638	£38,391.00	£19.90
	39		£38,769	£20.30		£38,769	£39,543.00	£20.50
	40		£39,933	£20.91		£39,933	£40,731.00	£21.11
	41		£41,130	£21.53		£41,130	£41,952.00	£21.74
	42		£42,357	£22.17		£42,357	£43,203.00	£22.39
	43		£43,623	£22.84		£43,623	£44,496.00	£23.06
15	44	16	£44,928	£23.52		£44,928	£45,828.00	£23.75
	45		£46,272	£24.22		£46,272	£47,196.00	£24.46
	46		£47,646	£24.94		£47,646	£48,600.00	£25.19
	47		£49,059	£25.68		£49,059	£50,040.00	£25.94
	48		£50,514	£26.44		£50,514	£51,525.00	£26.71
	49		£52,026	£27.24		£52,026	£53,067.00	£27.51
17	50	18	£53,574	£28.05		£53,574	£54,645.00	£28.32
	51		£55,167	£28.88		£55,167	£56,271.00	£29.17
	52		£56,820	£29.75		£56,820	£57,957.00	£30.04
	53		£58,515	£30.63		£58,515	£59,685.00	£30.94
	54		£60,261	£31.55		£60,261	£61,467.00	£31.86
	55		£61,977	£32.45		£61,977	£63,216.00	£32.77
19	56	19	£63,741	£33.37		£63,741	£65,016.00	£33.70
	57		£65,559	£34.32		£65,559	£66,870.00	£34.66
	58		£67,425	£35.30		£67,425	£68,775.00	£35.65
	59		£69,351	£36.31		£69,351	£70,737.00	£36.66
	60		£71,328	£37.34		£71,328	£72,756.00	£37.71

**Note**

2018-19 increase based on 2%

2018-19 living wage based on a £8.75 per hour or £16,881 per annum

Scale Points 1 to 4 removed

### Appendix 3: National Minimum and Living Wage Rates 2018/19

	Age 25 and over	Age 21 to 24	Age 18 to 20	Age under 18	Apprentice Rate
Rates from April 2018	£7.83	£7.38	£5.90	£4.20	<b>£3.70 N/A</b>

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<b>28 February 2018</b>	<b>ITEM: 11</b>
<b>Council</b>	
<b>Thurrock Regeneration Ltd (TRL)</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key
<b>Report of:</b> Councillor Rob Gledhill, Leader; Councillor Mark Coxshall, Portfolio Holder for Regeneration	
<b>Accountable Assistant Director:</b> Detlev Munster – Assistant Director Property and Development	
<b>Accountable Director:</b> Sean Clark, Director of Finance and IT	
<b>This report is Public.</b>	

## Executive Summary

The report sets out an ambitious and exciting vision for the development of new homes in Thurrock through the Council owned company, Thurrock Regeneration Ltd (TRL). Delivery of new homes in the Borough is currently too slow through traditional means such as private development, while the demand for new homes, especially affordable homes, is growing. This paper proposes a significant up-scaling of the role of TRL. It seeks agreement from the Council to provide the necessary finance for TRL to deliver 1,000 homes in the next five years, 35% of which (350) will be affordable and available for residents on the Council’s housing needs register. The approach will enable the Council to directly support the delivery of high quality new homes and to support its place making ambitions.

### 1. Recommendations

**That Council:**

- 1.1 Financially commits to supporting Thurrock Regeneration Ltd (TRL) in its objective of delivering 1,000 new homes in the Borough by the end of 2022/23;**
- 1.2 That this support be made available on the basis that the conditions set out in the report are met and the governance procedures are followed;**
- 1.3 Agree that any general fund sites designated for release by the Council for housing be offered to TRL in the first instance;**

**1.4 In line with the investment principles agreed by Council on 25 October 2017, the Director of Finance and IT be delegated the authority to enter into site specific funding agreements with TRL; and**

**1.5 Asks the Board of TRL to formally consider the Council's offer.**

## **2. Introduction and Background**

2.1 The delivery rate of new homes in Thurrock is lower than the level required to meet Thurrock's housing needs as set out in the Strategic Housing Market Assessment, 309 were delivered in 2014/15, 634 in 2015/16 and 603 in 2016/17. While the vast majority of new homes in the Borough will be built by private developers the Council has an important role to play in bringing forward its own land for development, ensuring that brownfield sites are better utilised and that new housing is of high quality and enhances places across the Borough. The Council is reviewing its land assets to identify those that can be released for alternative uses, including housing.

2.2 Thurrock Regeneration Ltd (TRL), is the Council's wholly owned housing and regeneration company. In January 2018 the Council agreed to support TRL to build 80 homes at Belmont Road, Grays

2.3 The Belmont Road development will see the provision of 28 new affordable homes that will be acquired by the Council for the Housing Revenue Account and be available for those residents on the Housing Needs Register. The approach to creating new council homes by combining capital receipts and Right to Buy receipts is both innovative and ground breaking and one that is replicable through a future pipeline of schemes delivered by TRL.

### **What is being offered to TRL**

2.4 This paper is proposing to significantly scale up the activities of TRL to enable it to have a far greater impact in the delivery of new homes in Thurrock, an impact not enabled by the site by site approach of TRL up to now. Through the Council's release, reuse, retain approach to asset management it is proposed that all sites to be released by the Council, which are not identified for another purpose, are offered in the first instance to TRL to acquire for housing purposes.

2.5 To support TRL's ability to scale up its activities and provide greater certainty of a development pipeline, it is proposed that the Council agrees to fund the development of schemes and the related construction subject to the principles set out in this paper and meeting the Treasury Management Strategy and Investment principles agreed by the Council on 25 October 2017.

### **What is expected in return from TRL**

2.6 In addition to a commitment to the delivery of the high level outcome of c1000 homes in the next 5 years the Council will require 35% (350) of those homes to be affordable and built to a quality and standard consistent with the Council



design standards. In order to maximise the number of affordable homes that can be brought into Council ownership TRL will be required to offer the Council first refusal to acquire those affordable properties in order that they can become part of the HRA stock.

### **Benefits and Outcomes**

- 2.7 There are a number of benefits to the Council, the Borough and TRL from this approach. They include the delivery of new Council homes in the Borough which will be achieved from TRL's first scheme at Belmont Road by combining capital receipts, including those recycled from the TRL pipeline, and HRA right to buy receipts. New Council homes give the Council the direct ability to provide much needed new homes for residents on the housing register.
- 2.8 In addition the financing model established by the Council for TRL will result in a financial return up front through the lending of capital for the development as well as a capital receipt at the end of the scheme. The MTFSS anticipates this against the pipeline of development set out over the next five years. The model assumes and requires the future sale of properties by TRL to repay the capital.
- 2.9 Up until now TRL has been operating on a scheme by scheme basis with only one development completed and another now in the pipeline. Providing greater certainty over a longer term commitment by the Council will enable TRL to scale up its activities which has benefits in terms of recruiting specialist staff to deliver homes and as a purchaser of services and materials. It also enables TRL to balance its risks across a number of locations and support the delivery of homes on difficult and costly brownfield sites that private developers show no interest in. This has not been possible through the company up to now.
- 2.10 By maintaining control over the company as its shareholder and through the lending principles set out in this report the Council can ensure sites are brought forward and homes delivered in a way that greatly enhances the place of Thurrock. It also sends a strong signal to the market of the Council intention to invest in its own Borough and to lead by example in setting the aspiration, ambition and standards that it expects of others building in Thurrock.

### **3 Governance and decision making**

- 3.1 It is important that TRL is given the freedom, flexibility and responsibility to deliver against the agreed outcomes with light touch but effective governance from the Council. While the Council will retain its position as the company's shareholder, through the General Services Committee, which will agree TRL's strategic objectives, it is proposed that individual decisions on project lending are taken by the S151 officer in line with all other investment decisions. Those decisions would be guided and informed by periodic updates to the Council Spending Review group. This approach is in line with the principles

within the Treasury and Investment paper agreed by Council on 25 October 2017.

- 3.2 In the event that the outcomes agreed with TRL are not delivered the agreement can be effectively terminated by the refusal of the S151 Officer to lend funding to the company.
- 3.3 If Council agrees to the recommendations in the report a formal approach will be made to TRL to consider and respond in due course.

### Financial Projections

- 3.4 Council agreed to support the Belmont Road scheme at its meeting on 31 January 2018. No further spend in 2018/19 is expected as business case development and planning work on the pipeline progresses and so there is unlikely to be any further construction until 2019/20. On assumed expenditure and phasing to build 1,000 homes, the impact on the MTFS is estimated as follows:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
MTFS Budget Pressures	5.90	5.56	4.11	8.07	7.70
Surplus Brought Forward		(2.49)	(3.92)	(3.99)	(0.09)
Known Investments	(7.85)	(3.70)	-		
<b>Thurrock Regeneration Ltd (TRL)</b>	<b>(0.54)</b>	<b>(1.29)</b>	<b>(2.48)</b>	<b>(2.47)</b>	<b>(2.06)</b>
New Investments		(2.00)	(1.70)	(1.70)	(1.70)
Total	(2.49)	(3.92)	(3.99)	(0.09)	3.90

## 4 Consultation (including Overview and Scrutiny, if applicable)

- 4.1 Consultation has taken place with Group Leaders through the CSR Group, with TRL Shareholders (General Services Committee) at the TRL General Meeting in September 2017 and with TRL Directors.

## 5 Impact on corporate policies, priorities, performance and community impact

- 5.1 The recommendations deliver directly against the Council's objectives for place making and housing delivery.

## 6. Implications

### 6.1 Financial

Implications verified by: **Sean Clark**

## Director of Finance and IT

The St Chads development has already contributed significant revenue returns through the interest charges and the MTFs now includes investment projections over the five year MTFs that has gone some way to balancing the budget over this period.

The model assumes that each scheme will also generate receipts for affordable housing and dividends at scheme closure. Where possible, these will be used to secure the affordable housing elements for the Housing Revenue Account.

### 6.2 Legal

Implications verified by: **David Lawson**  
**Solicitor, Monitoring Officer, Assistant Director**  
**of Law & Governance**

The recommendations as set out in the report are within the Council's powers to approve.

### 6.3 Diversity and Equality

Implications verified by: **Becky Price**  
**Community Development Officer**

Whilst there are no immediate diversity and equality implications arising from the recommendations outlined in this report, TRL has been designed with the ambition to increase the availability and affordability of high quality new homes including for local residents on the Council's housing register.

### 6.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

### 7. Background papers used in preparing the report

None

### 8. Appendices to the report:

None

### Report Author:

Steve Cox  
Corporate Director, Place

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<b>28 February 2018</b>	<b>ITEM: 12</b>
<b>Council</b>	
<b>Treasury Management Strategy 2018/19</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Yes
<b>Report of:</b> Councillor Shane Hebb, Portfolio Holder for Finance	
<b>Accountable Assistant Director:</b> n/a	
<b>Accountable Director:</b> Sean Clark, Director of Finance and IT	
<b>This report is</b> public	

## Executive Summary

The Treasury Management Strategy is a critical component of the way Thurrock Council manages cash-flow. It is also intrinsically linked to the council's ambitions of becoming a more commercially focused borough; one where sensible transactions are completed which create revenue returns which can then be allocated to spending on the services for Thurrock residents.

The Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services and the Prudential Code requires local authorities to determine the Treasury Management Strategy and Prudential Indicators on an annual basis. The annual strategy also includes the Annual Investment Strategy that is a requirement of the Department for Communities and Local Government Investment Guidance.

In accordance with the above Codes, this report:

- a) sets out the Treasury Management strategy for 2018/19;
- b) confirms the proposed Prudential Indicators for 2018/19; and
- c) sets out the Treasury Management projections for 2018/19.

## 1 Recommendation(s)

**That the Council:**

- 1.1 **Approves the Treasury Management Strategy for 2018/19 including approval of the Annual Minimum Revenue Provision (MRP) Statement for 2018/19; and**

1.2 **Approve the adoption of the Prudential Indicators as set out in Appendix 1.**

1.3 **Note the revised 2017/18 and 2018/19 Treasury Management projections as set out in paragraph 2.35.**

## **2 Introduction and Background**

2.1 The Treasury Management Strategy and Annual MRP Statement are prepared under the terms of the CIPFA Prudential Code for Capital Finance in Local Authorities (the Code) and approval is sought for the adoption of the Prudential Indicators that have been developed in accordance with the Code.

2.2 The report also includes a forecast for Interest Receivable from Investments and the indicative Interest Payable on Borrowing.

### **Borrowing Activity 2017/18 and 2018/19**

2.3 The underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR), together with the level of balances and reserves, are the core drivers of Treasury Management activity. The estimates, based on the current revenue budget and capital programmes are:

	<b>31/3/2019 Estimate £m</b>	<b>31/3/2020 Estimate £m</b>	<b>31/3/2021 Estimate £m</b>
General Fund Borrowing CFR	532,020	579,016	641,597
Housing Revenue Account Borrowing CFR (includes effects of Housing Finance Reform based on current available figures)	198,804	198,804	198,804
<b>Total Borrowing CFR</b>	<b>730,824</b>	<b>777,820</b>	<b>840,401</b>
Less: External Borrowing	727,889	781,889	851,889
<b>Internal/(Over) Borrowing</b>	<b>2,935</b>	<b>(4,069)</b>	<b>(11,488)</b>
Less: Useable Reserves	11,000	11,000	11,000
<b>Borrowing Requirement</b>	<b>(5,485)</b>	<b>(12,909)</b>	<b>(20,748)</b>

2.4 The increases above demonstrate the size of the council's capital programme needs in both recent and future years. Specifically, it includes amounts to finance the Investment Strategy previously agreed at Council on 25 October 2017 and assumes agreement of the Thurrock Regeneration Ltd paper considered in the associated report earlier on this agenda.

2.5 Repayments of prudential debt are made through the annual MRP provision and where surplus cash balances are accumulated. However, the amounts needed to finance the capital programme, even just essential operational requirements, are in excess of these repayments.

- 2.6 The Council's levels of borrowing and investments are calculated by reference to the balance sheet. The Council's key objectives when borrowing money are to secure low interest costs and achieve cost certainty over the period for which funds are required, all underpinned with sound Return on Investment principles. A further objective is to provide the flexibility to renegotiate loans should the Council's long term plans change.
- 2.7 In order to manage the revenue support grant reductions, the Council's focus of the treasury management strategy remains on the balance between affordability and the longer term stability of the debt portfolio. Given the availability of low short term interest rates it remains cost effective to borrow over short term periods or utilise internal balances. The table above shows that it should not be necessary for the Council to borrow further funds above the current levels and this will be monitored on a regular basis by officers to assess the most appropriate form of borrowing. In the short term, these balances are generating investment returns to support service delivery.
- 2.8 This further enables the Council to reduce borrowing costs and hence the overall treasury management risk. While such a strategy may be beneficial over the next 2 to 3 years as official interest rates remain low, it is unlikely to be sustainable in the medium-term. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long term borrowing rates are forecast to rise. The Council's advisors, Arlingclose, assist the Council with detailed breakeven analysis to support this assessment. This will help inform whether the Council borrows additional sums at long term fixed rates in 2018/19.
- 2.9 In addition, the Council may use short term loans (normally up to one month) to enable management of the Council's cash flow and, where possible, generate a return on investment
- 2.10 In conjunction with advice from its treasury advisor, the Council will keep under review the following sources for long term and short term borrowing:
- Public Works Loan Board (PWLB) loans and its successor body;
  - UK Local Authorities;
  - Any institution approved for investments;
  - Any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK;
  - Public and private sector pension funds;
  - Capital market bond investors;
  - UK Municipal Bonds Agency;
  - Special purpose companies created to enable joint local authority bond issues;
  - Local Authority bills; and
  - Structured finance, such as operating/finance leases, hire purchase, Private Finance Initiative or sale and leaseback.
- 2.11 With regards to debt rescheduling, the PWLB allows Councils to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some lenders may also be

prepared to negotiate premature repayment terms. The Council has in 2017/18 reviewed the debt portfolio to identify opportunities expected to lead to an overall saving or reduction in risk. At this time, it is not financially prudent to take any options of early repayment, owing to early redemption fees.

- 2.12 Borrowing and rescheduling activity will be reported to the Cabinet on a regular basis during 2018/19.
- 2.13 In August 2010 the Council repaid its entire PWLB portfolio of loans (£84 million) to obtain significant interest savings. The re-financing was undertaken by utilising short term funds from the money markets, mainly other Local Authorities, at substantially lower rates than taking longer term fixed debt. To the end of 2016/17 the rescheduling had saved £22.3m of interest costs and is estimated to have saved £25.7m by the end of 2017/18. Currently financing from short term money market debt is expected to continue into 2018/19 and beyond. The inherent risk of this strategy is noted with potentially higher rates and increased debt costs in the future.
- 2.14 The Council retains the ability to fix interest rates. This can be achieved within a matter of days of the decision being made or profiled against the maturity schedule of the short term debt. Current forecasts from the council's advisors, Arlingclose, show no expected official interest rate increase until after December 2020 with the official rate remaining at 0.50% until that time. There is both a downside and upside risk of 0.25% either way to the forecast, but, the overall forecast is for rates to remain where they are for the foreseeable future. The normalised level of the bank base rate post this period is expected to be between 2.50% to 3.50%.
- 2.15 Based on this outlook, the council may borrow on a short term basis when deemed beneficial to the taxpayer while monitoring interest rates to ensure borrowing is fixed if required.
- 2.16 The Council has £29 million of loans which are LOBO loans (Lenders Option Borrowers Option) where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of these loans, excluding one with Barclays, could now be amended at the request of the lender only and, although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. In the event the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loan by borrowing from the PWLB or capital markets. Barclays have taken out the option to increase the rate of their loan thereby effectively turning the loan into a fixed rate deal. LOBO loans have become less attractive to Banks and there may be opportunities in the future to redeem these loans. Officers, along with Arlingclose, will continue to monitor any developments in this area.
- 2.17 On 1 April 2012, the Council notionally split each of its existing long-term loans into General Fund and Housing Revenue Account (HRA) pools. New long-term loans will be assigned in their entirety to one pool or the other. Interest



payable and other costs and income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged or credited to the respective revenue account. The Council will credit interest to the HRA based on the average balances of its reserves and revenue account balance at the average 7 day LIBID rate for the year.

- 2.18 The Council continues to undertake a series of new housing related building schemes utilising borrowing headroom within the HRA debt cap. Current indications are for the borrowing costs for these schemes will put the Council's HRA borrowing level close to its debt cap. The Council will therefore manage this programme to keep the HRA borrowing level within the debt cap by utilising other resources such as capital receipts from Council house sales, other cash backed resources, or through bidding for increases to the debt cap where considered prudent.
- 2.19 Finally, there may be significant regeneration programmes to consider investment vehicles for. The need to borrow for investment will be on a case by case basis after considering investment returns, risk and the result of due diligence.

### **Investments**

- 2.20 The Council holds significant invested funds, representing loans received in advance of expenditure plus balances and reserves held. It is envisaged that investment balances held internally will be approximately £15 million at the financial year end. The Council may invest its surplus funds with any of the counterparties detailed in Appendix 2.
- 2.21 The Council holds a £50m investment in the CCLA Property Fund that is estimated to provide a gross return in 2017/18 of 5% with income in the region of £2.5m. The Council has also invested in a number of bonds of various durations since 2016/17 that provides finance to the private sector for, as an example, the purchase of solar farms, whilst providing significant net returns to the council to support front line services in a move towards financial sustainability.
- 2.22 Local Authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk and to reduce costs or increase income at the expense of greater risk. The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over Authorities use of standalone financial derivatives. The CIPFA code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.
- 2.23 The Council will only use standalone derivatives (such as swaps, forward, futures and options) where they can be clearly demonstrated to reduce the Council's overall exposure to financial risks. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall Treasury Management strategy.

- 2.24 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit. The Local Authority will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use.
- 2.25 The Council complies with the provisions of s32 of the Local Government Finance Act 1992 to set a balanced budget.
- 2.26 The needs of the Council's Treasury Management staff for relevant training are assessed as part of the annual staff appraisal process and additionally where the responsibilities of individual members of staff change. Staff attend courses, seminars and conferences provided by the Council's advisors and CIPFA. Corporate Finance staff are encouraged to study for professional accountancy qualifications from appropriate bodies.
- 2.27 The Council has appointed Arlingclose Ltd as Treasury Management advisers and receives specific advice on investments, debt and capital financing issues. The quality of service is assessed by regular review meetings between Arlingclose Ltd and officers from the Council.
- 2.28 The Council may borrow in advance of need where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware it will be exposed to the risk of loss of the borrowed sums and the risk that investment and borrowing rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks. The total amount borrowed by the Council will not exceed the Council's Authorised Borrowing Limit as set in the prudential indicators. The maximum period between borrowing and expenditure is expected to be two years, although the Council is not required to link particular loans with particular items of expenditure. Any potential situation will be assessed for suitability as to the overall effect on the Council's treasury position.
- 2.29 There has been a great deal in the press in recent months about councils across the country following an investment approach and best practice now requires a council to set out the reasons for such investments. For Thurrock, the main investments, and the rationale behind them, are the following:
- 2.29.1 CCLA – this is a property fund that provides the council with a steady investment income stream that is used to protect front line services from forced reductions. This is an investment in a wide portfolio of properties around the country with no end date and so mirrors investment in a council property portfolio but with a greater risk mitigation;
- 2.29.2 Bonds – these are short and medium term investments with the related income used to protect front line services from forced reductions. As with all loans, these are for specified periods of time and so do not produce long term income streams. As previously reported, the council has entered into Bonds with Rockfire Capital and this also opens up additional benefits for the council in seeking opportunities for both investments and borough in green energy; and

- 2.29.3 Thurrock Regeneration Ltd (TRL) – the original purpose for TRL was to support the regeneration activity throughout the borough through house building, especially where there had been market failure resulting in low supply of appropriate housing. This still remains a primary focus but has further developed into a model that has demonstrated greater value for money considerations for the council’s use of land than simple disposal. This improved VFM is demonstrated through both revenue income from the council’s loan to TRL, a greater receipt for the land when considering the final dividend from the investment and greater control over the delivery of affordable housing.

### **Annual Minimum Revenue Provision Statement**

- 2.30 Local Authorities are required to prepare an Annual Statement of their policy on making MRP for each financial year. Appendix 3 outlines the assessment of the Council’s Annual MRP Statement for 2018/19, which is included in the Annual Strategy in paragraph 2.30.
- 2.31 Officers have reviewed the current strategy and recommend no changes to the 2018/19 strategy.
- 2.32 Consequently the following paragraphs on Borrowing Activity and Investments form part of the Council’s Treasury Management Strategy with effect from 1 April 2018:
- 2.32.1 To obtain any long term borrowing requirement from the sources of finance set out in paragraph 2.9;
  - 2.32.2 To continue to fund the ex-PWLB debt via short term funds from the money markets unless circumstances dictate moving back into long term fixed rate debt. The borrowing sources mentioned in paragraph 2.9 will then be assessed as to their suitability for use;
  - 2.32.3 To repay market loans requiring renewal by realising equivalent amounts of investments. If it is not possible to realise investments then the borrowing sources in paragraph 2.9 will be assessed as to their suitability for use as replacements;
  - 2.32.4 To undertake short term temporary borrowing when necessary in order to manage cash flow to the Council’s advantage;
  - 2.32.5 To reschedule market and PWLB loans, where practicable, to achieve interest rate reductions, balance the volatility profile or amend the debt profile, dependent on the level of premiums payable or discounts receivable;
  - 2.32.6 To ensure security and liquidity of the Council’s investments and to then optimise investment returns commensurate to those ideals;
  - 2.32.7 To contain the type, size and duration of investments with individual institutions within the limits specified in Appendix 2;
  - 2.32.8 To move further funds into the CCLA Property Fund or other externally managed funds if it is felt prudent to do so following appropriate due diligence; and in consultation with the Cabinet Member for Finance.

- 2.32.9 To meet the requirements of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 the Council's policy for the calculation of MRP in 2018/19 shall be that the Council will set aside an amount each year which it deems to be prudent and appropriate, having regard to statutory requirements and relevant guidance issued by DCLG. The Council will also consider the use of capital receipts to pay down any MRP incurred; and
- 2.32.10 To ensure all borrowing and investment activities are made with due reference to any relevant Prudential Indicators.

### The Prudential Indicators

- 2.33 The Prudential Indicators are monitored by the Council to ensure that capital investment is affordable, prudent and sustainable. The indicators are reassessed annually to ensure their continuing relevance and appropriateness to the Council. The proposed indicators for 2018/19 are set out in Appendix 1 to this report.

### Interest Projections 2017/18 Revised and 2018/19 Original

- 2.34 The CIPFA document Treasury Management in the Public Services: Code of Practice places a requirement on the Council to publish estimates relating to the operation of the borrowing and investment function.
- 2.35 The 2017/18 budget and the projected position for 2017/18 as at December 2017 and also an initial projection for 2018/19 are shown in summary format in the table below:

	Budget 2017/18 £000's	Projected 2017/18 £000's	Projection 2018/19 £000's
Interest payable on External Debt			
Debt Interest		4,801.1	6,327.9
Total internal interest		51.0	51.0
Interest payable	<u>4,747.1</u>	<u>4,852.1</u>	<u>6,378.9</u>
Investment Income			
Interest on Investments	<u>-6,172.3</u>	<u>-11,317.3</u>	<u>-16,421.0</u>
Net interest credited to the General Fund	<u>-1,425.2</u>	<u>-6,465.2</u>	<u>-10,042.1</u>
MRP- Supported/Unsupported Borrowing	<u>4,561.7</u>	<u>4,463.0</u>	<u>6,006.0</u>
	<u>3,136.5</u>	<u>-2,002.2</u>	<u>-4036.1</u>

- 2.36 It is noted that the figures shown above for 2018/19 include assumptions made about the level of balances available for investment, any anticipated new long term borrowing and the level of interest rates achievable. They may be liable to a significant degree of change during the year arising from

variations in interest rates, other market and economic developments, and Council's response to those events.

- 2.37 In accordance with the requirements of the revised CIPFA Treasury Management Code, the Council will report on treasury management activity and the outturn against the treasury related Prudential Indicators at least bi-annually.

### **3 Issues, Options and Analysis of Options**

- 3.1 The strategy of the Council is contained within the body of the report and has been set with consideration of relevant legislation and appropriate guidance. The Prudential Indicators are governed by decisions made on the revenue and capital budgets.
- 3.2 There are two key areas in this report for Members to be particularly mindful of:
- a) The potential for temporary borrowing at significant levels in the future. Officers will continue to monitor this to react to any changes in the economy; and
  - b) The approach taken to the Minimum Revenue Provision.

### **4 Reasons for Recommendation**

- 4.1 There is a statutory requirement for a Treasury Management Annual Strategy and the Annual Minimum Revenue Provision Statement to be ratified by Full Council. This report and appendices have been written in line with best practice and the Council's spending plans

### **5 Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 The Council's Treasury Advisors have been consulted. As set out in section 4, the report is largely based on best practice and the Council's spending plans that have been scrutinised throughout recent months.
- 5.2 The report was also considered by the Corporate Overview and Scrutiny Committee on 23 January 2018. The committee recognised that the PIs were largely based on those agreed at Council in October 2017 but reinforced the support to a balanced investment approach including Thurrock Regeneration Ltd (TRL). The committee asked that Cabinet note the Committee's view that there should be more investments to achieve this.
- 5.3 Cabinet considered the Strategy on 7 February 2018 and added an additional recommendation to Council that a funding facility be agreed for Thurrock Regeneration Ltd. The borrowing and investment levels appended to this report include amounts for this purpose.

### **6 Impact on corporate policies, priorities, performance and community impact**

- 6.1 Treasury Management plays a significant role in funding the delivery of services to the community. The debt restructuring carried out in August 2010 will have contributed savings in the region of £25.7m by the end of 2017/18.

## **7 Implications**

### **7.1 Financial**

Implications verified by: **Chris Buckley**  
**Treasury Management Officer**

The financial implications are included in the main body of the report.

### **7.2 Legal**

Implications verified by: **David Lawson**  
**Deputy Head of Legal & Deputy Monitoring Officer**

The report is in accordance with the Local Government Act 2003, related secondary legislation and other requirements including the Prudential Code.

Publication of the strategies is a statutory requirement and conforms to best practice as required by the CIPFA Code of Practice.

### **7.3 Diversity and Equality**

Implications verified by: **Rebecca Price**  
**Community Development Officer**

There are no direct diversity implications noted in this report

### **7.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

- Not applicable

## **8 Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Revised CIPFA Prudential Code
- Revised draft ODPM's Guidance on Local Government Investments
- Revised CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes
- Treasury Management Policy Statement
- 2017/18 Annual Investment Strategy
- Arlingclose's Investment Review.

**9. Appendices to the report**

- Appendix 1 – Prudential Indicators
- Appendix 2 – Specified and Non-Specified Investments
- Appendix 3 – Annual Minimum Revenue Provision Statement

**Report Author:**

Chris Buckley  
Senior Financial Accountant  
Corporate Finance





## PRUDENTIAL INDICATORS 2018/19 TO 2020/21

The following prudential indicators are recommended to the Council.

### **A. Prudential indicators for Affordability**

In demonstrating the affordability of its capital investment plan the Council must determine the ratio of financing costs (e.g. capital repayments, interest payments, investment income) to net revenue stream for both the Housing Revenue Account (HRA) and non-HRA services for a 3 year period.

Indicator A1 sets out the ratio of financing costs to net revenue stream. The estimates of financing costs include current commitments and the proposals in this budget report.

*A1: Prudential indicator – Estimates of the ratio of financing costs to net revenue stream 2018/19 to 2020/21*

<b>Indicator</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>
Non HRA	0.67%	-4.04%	-3.49%
HRA	13.60%	13.70%	13.70%

### **B. Prudential indicators for Prudence**

*B1: Prudential indicator – Gross debt and the capital financing requirement*

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus estimates of any additional capital financing requirement for the current and next two financial years.

If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with gross external debt.

The Director of Finance and IT reports that the Council had no difficulty meeting this requirement in 2017/18, nor is there any difficulties envisaged in future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

Where the gross debt is greater than the capital financing requirement the reasons for this should be clearly stated in the annual treasury management strategy.

The table below shows the projected position from 31 March 2017.

<b>Indicator</b>	<b>Estimate £'000</b>
CFR at 31/3/17	356,217
Increase in 17/18	296,597
Increase in 18/19	78,010
Increase in 19/20	46,996
<b>Total CFR</b>	<b>777,820</b>
<b>Gross Debt</b>	<b>700,000</b>

### ***C. Prudential indicator for Capital Expenditure***

Elsewhere in this agenda is a recommendation for the capital investment plans for the Council over the next three years. Indicator C1 summarises the recommendations within that report. Indicator C2 sets out the estimates of the capital financing requirement over the same period.

#### *C1: Prudential indicator – Estimates of total capital expenditure 2018/19 to 2020/21*

<b>Indicator</b>	<b>2018/19 Estimate £'000</b>	<b>2019/20 Estimate £'000</b>	<b>2020/21 Estimate £'000</b>
Total Non HRA	78,940	50,744	83,021
Total HRA	13,500	6,500	1,714
Total Programme	92,440	57,244	84,735

In considering the capital investment plan the Council had regard to a number of key issues, namely:

- affordability, e.g. implications for council tax/housing rents
- prudence and sustainability, e.g. implications for external borrowing
- value for money, e.g. option appraisal
- stewardship of assets, e.g. asset management planning
- service objectives, e.g. strategic planning for the Council
- practicality, e.g. achievability of the forward plan.

#### *C2: Prudential indicator – Estimates of capital financing requirement 2018/19 to 2020/21*

<b>Indicator</b>	<b>2018/19 Estimate £'000</b>	<b>2019/20 Estimate £'000</b>	<b>2020/21 Estimate £'000</b>
HRA	198,804	198,804	198,804
Non-HRA	532,020	579,016	641,597
Total	730,824	777,820	840,401

The estimates are based on the financing options included in the recommended

capital investment programme. The estimates will not commit the Council to particular methods of funding – the actual funding of capital expenditure will be determined after the end of the relevant financial year.

The Council has a number of daily cashflows, both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with the approved treasury management strategy and practices. In day to day cash management no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the Council and not simply those arising from capital spending. It is possible external debt could exceed the capital financing requirement in the short term.

#### ***D. Prudential indicators for External Debt***

A number of prudential indicators are required in relation to external debt

*D1: Prudential indicator – Authorised limit 2018/19 to 2020/21*

<b>Indicator</b>	<b>2018/19 Estimate £'000</b>	<b>2019/20 Estimate £'000</b>	<b>2020/21 Estimate £'000</b>
Borrowing	936,521	990,521	1,060,521
Other Long Term Liabilities	600	400	200
<b>Total</b>	<b>936,121</b>	<b>990,921</b>	<b>1,060,721</b>

The authorised limit is the aggregate of gross borrowing (i.e. before investment) and other long term liabilities such as finance leases. In taking its decisions on the budget report the Council is asked to note that the authorised limit determined for 2018/19 in the above table is a statutory limit required to be determined by full Council under section 3(1) of the Local Government Act 2003.

The authorised limits are consistent with the Council's current commitments, existing plans and the proposals in the budget report for capital expenditure and financing, and with its approved treasury management policy statement and practices. The Director of Finance and IT confirms that they are based on the estimate of most likely, prudent but not worst case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

*D2: Prudential indicator – Operational boundary 2018/19 to 2020/21*

<b>Indicator</b>	<b>2018/19 Estimate £'000</b>	<b>2019/20 Estimate £'000</b>	<b>2020/21 Estimate £'000</b>
Borrowing	886,521	940,521	1,010,521
Other Long Term Liabilities	600	400	200
<b>Total</b>	<b>887121</b>	<b>940,921</b>	<b>1,010,721</b>

The operational boundary is based on the authorised limit but without the additional headroom. The operational boundary represents a key management tool for in-year monitoring by the Director of Finance and IT. As with the authorised limit figures for borrowing (gross) and other long term liabilities are separately identified.

The authorised limit and operational boundary separately identify borrowing from other long-term liabilities. It is recommended that Council delegate authority to the Director of Finance and IT, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the Council. Any such changes made will be reported to the Council at its next meeting following the change.

*D3: Prudential indicator – HRA Limit on Indebtedness Under Self Financing*

This is known as the Debt Cap and is the absolute level of debt permitted under Self Financing Regulations. The debt cap was set at £188.141m which means debt attributable to the HRA cannot exceed this figure. Agreement to increase the debt cap to borrow by £11.58m in 2015/16 was approved by the DCLG, giving a revised debt cap £199.721m. At 31 March 2017 the Council had total HRA borrowing of £160.9m and the figure will be the same as at 31 March 2018.

***E. Prudential indicators for Treasury Management***

A number of prudential indicators are required in respect of treasury management. The indicators are based on the Council's treasury management strategy and take into account the pre-existing structure of the Council's borrowing and investment portfolios.

*E1: Prudential indicator – the Council has adopted the “CIPFA Code of Practice for Treasury Management in the Public Services” within its Financial Standing Orders.*

The Council has adopted the code within the financial standing orders and monitors the treasury management function to ensure it continues to meet the specified requirements.

*E2: Prudential indicators – Upper limits on interest rate exposure 2018/19 to 2020/21*

<b>Indicator</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	50%	50%	50%

This indicator specifies the limits on the proportion on the Council net outstanding principal sums (i.e. net of investments) with fixed interest payments and variable interest payments.

The upper limit of 100% is a consequence of the Council maintaining an investment portfolio. Indicator E2a exemplifies the indicator over borrowing and investment.

*E2a: Prudential indicators (supplemental) – Upper limits on interest rate exposure 2018/19 to 2020/21*

<b>Indicator</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Upper limit on borrowing – fixed rate exposure	100%	100%	100%
Upper limit on borrowing – variable rate exposure	50%	50%	50%
Upper limit on investments – fixed rate exposure	100%	100%	100%
Upper limit on investments – variable rate exposure	50%	50%	50%

Indicator E2a is supplemental to Indicator E2 and shows separately the maximum limits for both borrowing and investments. The indicator is not a requirement of the prudential code but it does show more clearly the interest rate exposure limits within which borrowing and investments will be managed.

*E3: Prudential indicator – Upper and lower limits on the maturity structure of borrowing 2018/19*

	<b>Upper Limit</b>	<b>Lower Limit</b>
under 12 months	100%	0%
12 months and within 24 months	60%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	60%	0%
10 years and within 20 years	60%	0%
20 years and within 30 years	60%	0%
30 years and within 40 years	60%	0%
40 years and within 50 years	100%	0%
50 years and above	100%	0%

The limits in Indicator E3 represent the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate at the start of the period.

*E4: Prudential indicator – Principle sums invested for periods longer than 364 days*

<b>Indicator</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Limit	450,000	450,000	450,000

This is the limit that the Council can have in investments that are for greater than one year. The council will have £360m as at 31 March 2018 and this provides headroom for further investments should opportunities arise.

*E5: Prudential indicator – Credit Risk:*

The Council employs Treasury advisors (Arlingclose) who provide monthly updates that consider security, liquidity and yield in that order, when making investment decisions. Credit ratings remain an important element of assessing credit risk, but, they are not a sole feature in the Council's assessment of counterparty credit risk. The Council also considers alternative assessments of credit strength and information on corporate developments and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum BBB- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);

- Share prices (where available);
- Economic fundamentals, such as country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, market sentiment and momentum; and
- Subjective overlay

The only indicators with prescriptive values remain to be credit ratings. All other indicators of creditworthiness are considered in relative rather than absolute terms

## Approved Investment Counterparties:

Credit Rating	Banks/Building Societies Unsecured		Bank/Building Societies Secured		Government		Corporates		Registered Providers	
	Amount	Period	Amount	Period	Amount	Period	Amount	Period	Amount	Period
<b>UK Govt</b>	N/A	N/A	N/A	N/A	£unlimited	50 years	N/A	N/A	N/A	N/A
<b>AAA</b>	£10m	5 years	£20m	20 years	£20m	50 years	£10m	20 years	£10m	20 years
<b>AA+</b>	£10m	5 years	£20m	10 years	£20m	25 years	£10m	10 years	£10m	10 years
<b>AA</b>	£10m	4 years	£20m	5 years	£20m	15 years	£10m	5 years	£10m	10 years
<b>AA-</b>	£10m	3 years	£20m	4 years	£20m	10 years	£10m	4 years	£10m	10 years
<b>A+</b>	£10m	2 years	£20m	3 years	£10m	5 years	£10m	3 years	£10m	5 years
<b>A</b>	£10m	1 year	£20m	2 years	£10m	5 years	£10m	2 years	£10m	5 years
<b>A-</b>	£7.5m	13 months	£15m	13 months	£10m	5 years	£10m	13 months	£10m	5 years
<b>BBB+</b>	£5m	6 months	£10m	6 months	£5m	2 years	£5m	6 months	£5m	2 years
<b>BBB</b>	£5m	100 days	£10m	100 days	N/A	N/A	N/A	N/A	N/A	N/A
<b>BBB-</b>	£5m	100 days	£10m	100 days	N/A	N/A	N/A	N/A	N/A	N/A
<b>None</b>	£5m	6 months	N/A	N/A	£5m	25 years	N/A	N/A	N/A	N/A

Pooled Funds ,External Fund Managers and any other investment vehicle approved by the Section 151 Officer – Decisions are based on each individual case following appropriate due diligence work being undertaken



The above limits are the maximum that the Council would expect to have in place at any time. However, in practice the actual duration limits in place are continually assessed in conjunction with Arlingclose and are often much shorter than the limits in the above table.

**Credit ratings:** Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

**Banks and Building Societies Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

**Banks and Building Societies Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements. These investments are secured on the bank's assets, which limits the potential loss in the unlikely event of insolvency and means that they are exempt from bail-in. Where there is no investment specific credit rating, but, the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multi development banks. These investments are not subject to bail-in and there is an insignificant risk of insolvency. Investments with the UK Central government may be made in unlimited amounts for up to 50 years.

**Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but, are exposed to the risk of the company going insolvent.

**Other Organisations –** The Council may also invest cash with other organisations, for example making loans to small businesses as part of a diversified pool in order to spread the risk widely. Because of the higher perceived risk of unrated businesses such investments may provide considerably higher rates of return. The Council will also undertake appropriate due diligence to assist in all investment decisions.

**Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Community Agency and as providers of public services they retain a high likelihood of receiving Government support if needed.

**Pooled Funds:** Shares in diversified investment vehicles consisting of any of the above investment types plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks coupled with the services of a professional fund manager in return for a fee. Money market funds that offer same-day liquidity and aim for a constant net asset value will be used as an

alternative to instant access bank accounts while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but, are more volatile in the short term. These allow authorities to diversify into asset classes other than cash without the need to own and manage the underlying investments. These funds have no defined maturity date but are available for withdrawal after a notice period. As a result their performance and continued suitability in meeting the authority's investment objectives will be monitored regularly and decisions made on entering such funds will be made on an individual basis.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the authorities' treasury advisers who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- No new investments will be made
- Any existing investment that can be recalled or sold at no cost will be, and
- Full consideration will be given to the recall or sale of all other investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade so that it may fall below the approved rating criteria then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Council understands that credit ratings are good but not perfect predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but, can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the authorities cash balances then the surplus will be deposited with the UK Government via the Debt Management Office or invested in treasury bills for example or with other local authorities. This will cause

a reduction in the level of investment income earned, but, will protect the principal sum.

### Specified Investments

Specified investments will be those that meet the criteria in the CLG Guidance, i.e. the investment:

- is sterling denominated;
- has a maximum maturity of one year;
- meets the “high credit quality” as determined by the Council or is made with the UK government or is made with a local authority in England, Wales, Scotland or Northern Ireland or a parish or community council; and
- The making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

The Council defines ‘high credit quality’ organisations and securities as those having a credit rating of BBB- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds ‘high credit quality’ is defined as those having a credit rating of A- or higher

### Non-specified Investments

Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares

### Non-Specified Investment Limits

	Cash Limit
Total Long Term Investments	£450m
Total Investments without credit ratings or rated below A- with appropriate due diligence having been performed	£70m
Total Investments in foreign countries rated below AA+	£30m
Maximum total non-specified investments	£550m

### Investment Limits

The maximum that will be lent to any one organisation in the Approved Investment Counter Party list (except the UK Government) is £20m. For other investments approved by the Section 151 Officer the amount to be invested will be determined by the Section 151 Officer, taking into account the relevant merits of the transaction such as, for example, duration and risk following due diligence work undertaken. A group of banks under the same ownership, a group of funds under the same management, brokers nominee accounts, foreign countries and industry sectors will all have limits placed on them as in the table below:

	Cash Limit
Any single organisation, except the UK Central Government	£20m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£40m
Any group of pooled funds under the same management	£50m
Any external Fund Manager	£425m
Negotiable instruments held in a brokers nominee account	£20m
Foreign countries (total per country)	£30m
Registered Providers in total	£30m
Building Societies in total (excluding overnight investments)	£40m
Loans to small businesses	£20m
Money Market Funds	£40m
Investments approved by the Section 151 Officer	Reviewed for each case

### Liquidity Management

The Council maintains a cash flow spreadsheet that forecasts the Council's cash flows into the future. This is used to determine the maximum period for which funds may be prudently committed. The forecast is compiled on a pessimistic basis, with receipts under estimated and payments over estimated to minimise the risk of the Council having to borrow on unfavourable terms to meet its financial commitments.

## THE MINIMUM REVENUE PROVISION STATEMENT

### **Introduction:**

The rules for Minimum Revenue Provision (MRP) were set out in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. These rules have now been revised by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

Authorities are required to submit to a meeting of their Council an annual statement of their policy on making MRP.

### **Background:**

Each year the Council borrows money in order to finance some of its capital expenditure. The loans taken out for this purpose, unlike a mortgage which is repaid in part each month, are fully repayable at a future point in time. The repayment date is chosen to secure the best financial result for the Council.

The concept of Minimum Revenue Provision was introduced in 1989 to prescribe a minimum amount which must be charged to the revenue account each year in order to make provision to meet the cost of repaying that borrowing.

The detailed rules and formulae to be used in the more recent method of calculation were laid down in the Regulations mentioned in the introduction section.

This system has now been radically revised and requires an annual statement to full Council setting out the method the Council intends to adopt for the calculation of MRP.

### **Issues:**

Under the old regulations Local Authorities were required to set aside each year, from their revenue account an amount that, in simple terms equalled approximately 4% of the amount of capital expenditure financed by borrowing. Local Authorities had no freedom to exercise any discretion over this requirement.

The amendment regulations introduce a simple duty for an authority each year to set aside an amount of MRP which it considers to be 'prudent'. The regulation does not define a 'prudent provision' but the MRP guidance makes recommendations to authorities on the interpretation of that term.

The MRP guidance document is a statutory document and authorities are obliged by section 21 of the Local Government Act 2003 to have regard to such guidance. The guidance aims to provide more flexibility and in particular for development schemes it is possible to have an MRP "holiday" for assets or infrastructure under construction.

In addition, it is accepted that where there is capital expenditure that will give rise to a capital receipts, either through the disposal of the asset or loan repayments, then

there is no need to set aside MRP on an annual basis but the capital receipt or loan repayments should be set aside on receipt for that purpose.

The operative date of the change was 31 March 2008, which means the new rules have applied since the financial year 2007/08.

### **The Annual MRP Statement**

As stated above, Local Authorities are required to prepare an annual statement of their policy on making MRP for submission to their full Council. This mirrors the existing requirements to report to the Council on the Prudential borrowing limits and Treasury Management strategy. The aim is to give elected Members the opportunity to scrutinise the proposed use of the additional freedoms conferred under the new arrangements. The statement must be made before the start of each financial year.

The statement should indicate how it is proposed to discharge the duty to make prudent MRP in the financial year in question for the borrowing that is to take place in that financial year. If it is ever proposed to vary the terms of the original statement during any year, a revised statement should be put to Council at that time.

The guidance includes specific examples of options for making a prudent provision. The aim of this is to ensure that the provision to repay the borrowing is made over a period that bears some relation to the useful life of the assets in question or where a capital receipt will be received to repay the debt in part or in full.

### **Proposals**

The Minimum Revenue Provision Policy Statement for 2018/19:

- In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 the Council's policy for the calculation of MRP in 2018/19 shall be that the Council will set aside an amount each year which it deems to be prudent and appropriate, having regard to statutory requirements and relevant guidance issued by DCLG; and
- The Council will also consider the use of capital receipts to pay down any MRP incurred.

The policy will be reviewed on an annual basis.

<b>28 February 2018</b>	<b>ITEM: 13</b>
<b>Council</b>	
<b>General Fund Budget Proposals</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Yes
<b>Report of:</b> Councillor Rob Gledhill, Leader of the Council	
<b>Accountable Assistant Director:</b> n/a	
<b>Accountable Director:</b> Sean Clark, Director of Finance and IT	
<b>This report is Public</b>	

## Executive Summary

This report sets out the draft budget proposals for a balanced budget for four of the financial years from 2018/19 through to 2021/22. This is based on a number of service review and investment assumptions, including the Council supporting the proposed approach towards Thurrock Regeneration Ltd.

Furthermore, this paper confirms that the general fund balance (the council's non-specified reserve) has been increased by 38% to £11m.

This paper has been produced based on the principles established via the Council Spending Review (CSR) process, including the impact of the Investment approach adopted by the Council at its meeting on 25 October 2017.

The ambition for self-sufficiency is to create a budget which works for all Thurrock residents; by building financial resilience and independence into the council's spending and borrowing ability.

The CSR approach has moved the Council towards commercialism and greater efficiencies through four main streams: income generation; more or the same for less; reducing the Medium Term Financial Strategy (MTFS) growth through greater demand management; and a comprehensive service review programme over a three year time period of all council services.

The new Transformation Programme approach is managed through a number of Strategic Boards, all of which are overseen by the Transformation Board. The proposals for the 2018/19 budget have been considered by the Corporate Overview and Scrutiny Committee over recent months where the main feedback has been around the practical deliverability of some savings proposals.

The report presented to Cabinet on 10 January 2018 presented a proposed balanced budget for the financial years 2018/19 and 2019/20. This report has subsequently been considered by Corporate Overview and Scrutiny at its meeting on 23 January 2018 and the committee's comments are included in the main body of the report where applicable. This report presents the final budget proposals agreed by Cabinet at their meeting on 7 February 2018 that, subject to other approvals, sets out a forecast balanced budget for the next four years.

This budget includes significant revenue investment in the frontline services of children's and adults' social care and further support to the Clean It, Cut It, Fill It initiative through increased allocations to the Environment Service. In addition, the capital programme includes proposals that build on this investment whilst the future and aspirational proposals includes strategic and place making schemes supporting both the place making and commercial agendas.

**1. Recommendations:**

**That the Council:**

- 1.1 Considers and acknowledges the Section 151 Officer's (Director of Finance and IT's) S25 report on the robustness of the proposed budget, the adequacy of the Council's reserves and the Reserves Strategy as set out in Appendix 1, including the conditions upon which the following recommendations are made;**
- 1.2 Agree to a 3% council tax increase in respect of Adult Social Care;**
- 1.3 Agree to a 1.99% council tax increase in support of the general budget;**
- 1.4 Approve the Dedicated Schools Grant as set out in section 8 and Appendix 5;**
- 1.5 Approve the new General Fund capital proposals, including the allocation for feasibility work on future and aspirational proposals, as set out in section 10 and Appendix 8;**
- 1.6 Delegate to Cabinet the ability to agree schemes (a) where it can be evidenced that there is a spend to save opportunity or (b) that use any unbudgeted contributions from third parties, including those by way of grants or developers' contributions, and these be deemed as part of the capital programme.**



## **Statutory Council Tax Resolution**

*(Members should note that these recommendations are a result of the previous recommendations above and can be agreed as written or as amended by any changes agreed to those above).*

- 1.7 Calculate that the council tax requirement for the Council's own purposes for 2018/19 is £65,407,870 as set out in the table at paragraph 5.8 of this report.**
- 1.8 That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:**
- (a) £402,469,412 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.**
  - (b) £337,061,542 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.**
  - (c) £65,407,870 being the amount by which the aggregate at 1.8(a) above exceeds the aggregate at 1.8(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its council tax requirement for the year. (Item R in the formula in Section 31B of the Act).**
  - (d) £1,287.81 being the amount at 1.8(c) above (Item R), all divided by Item T (Council Tax Base of 50,790), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (including Parish precepts).**
  - (e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.**
  - (f) £1,287.81 being the amount at (d) above less the result given by dividing the amount at (e) above by Item T, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no Parish precept relates.**
- 1.9 To note that the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the tables below.**
- 1.10 That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts**

shown in the tables below as the amounts of council tax for 2018/19 for each part of its area and for each of the categories of dwellings.

**2018/19 COUNCIL TAX FOR THURROCK PURPOSES EXCLUDING ESSEX FIRE AUTHORITY AND ESSEX POLICE AUTHORITY**

Amounts for the Valuation Bands for 2018/19							
A £	B £	C £	D £	E £	F £	G £	H £
858.54	1,001.63	1,144.72	1,287.81	1,573.99	1,860.17	2,146.35	2,575.62

- 1.11 That it be noted that for the year 2018/19 Essex Police Authority has stated the following amounts in precept issued to the Council for each of the categories of dwellings as follows:

Amounts for the Valuation Bands for 2018/19							
A £	B £	C £	D £	E £	F £	G £	H £
112.68	131.46	150.24	169.02	206.58	244.14	281.70	338.04

- 1.12 That it be noted that for the year 2018/19 Essex Fire Authority has stated the following amounts in precept issued to the Council for each of the categories of dwellings as follows (waiting on formal confirmation):

Amounts for the Valuation Bands for 2018/19							
A £	B £	C £	D £	E £	F £	G £	H £
46.92	54.74	62.56	70.38	86.02	101.66	117.30	140.76

**2018/19 COUNCIL TAX (INCLUDING FIRE AND POLICE AUTHORITY PRECEPTS)**

Amounts for the Valuation Bands for 2018/19							
A £	B £	C £	D £	E £	F £	G £	H £
1,018.14	1,187.83	1,357.52	1,527.21	1,866.59	2,205.97	2,545.35	3,054.42

## 2 Introduction and Background

### The Process for Agreeing the Council's Budgets

- 2.1 The Council must, by law, set its annual revenue budget and associated council tax level by 11 March of the preceding financial year. If, for whatever reason, the Council cannot agree a budget and council tax level at its meeting on 28 February 2018, Members should be aware that the Council will not have a legal budget and this will impact on service delivery and cashflow with immediate effect whilst damaging the council's reputation and can, as a last

resort, lead to intervention from the Secretary of State under powers given by section 15 of Local Government Act 1999.

- 2.2 The role of Council is to agree the level of council tax and inherently, the budget envelope for the council. The precise allocation of that envelope and expenditure falls to the Cabinet.
- 2.3 It is also good practice to approve the capital programme at the same time because there is an interdependency between the budget streams.
- 2.4 This report presents the proposed 2018/19 General Fund revenue and capital budgets, as per the recommendations of Cabinet that have been formed through budget reports presented to the Corporate Overview and Scrutiny Committee and the Cabinet over recent months.
- 2.5 The Director of Finance and IT's statutory statement on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003 is included at appendix 1. This must be considered by the Council before approving the council tax level.

## **Revenue**

### **The 2017/18 Budget Position**

- 2.6 Members have received reports throughout the year that have set out the ongoing pressures in Children's Social Care and the Environment Service. The nature of these pressures are specific and support the cross cutting approach to targeted savings as these have largely been achieved. This is recognised within the s25 statement when considering the robustness of estimates for 2018/19. The reports have also set out the mitigation that has been taken to deliver a balanced budget position for the financial year 2017/18.
- 2.7 Work continues on finalising these projections and officers remain confident that further mitigation and favourable variances will be identified to stay within budget at year-end. The impact of the ongoing pressures has been built into the base budget for 2018/19.

### **Financial Self Sustainability and Government Grants**

- 2.8 Government funding of its main grant (formerly Formula Grant) is now the third ranked provider of funding for the Council's total general fund budget (excluding schools) after council tax and business rates. As such it represents a reducing factor in determining the Council's revenue budget. The provisional Local Government Finance Settlement for 2018/19 was issued by the Ministry for Housing, Communities and Local Government (MHCLG) on 19 December 2017 and this represents the Government's next three year spending plan.
- 2.9 The latest Finance Settlement maintains the key changes in the way that Local Government is now financed, which were introduced in April 2013, with

the main changes being from the launch of the Business Rates Retention (BRR) scheme as the principle form of local government funding. All forecasts continue with the principle of phasing out reliance on central government support and to replace this with income raised locally through council tax, business rates and income generation.

- 2.10 Regarding Adult Social Care (ASC), the ability for the council to raise an ASC precept of up to 3% in council tax remains for 2018/19 and has been a constant assumption within the MTFs throughout the last year. At present, the ability to raise ASC precepts in and from 2019/20 does not exist.
- 2.11 The Local Government Finance Settlement also included a further ASC Grant, for 2018/18 only, of £0.409m. This is in addition to the precept and a circa £1m increase in the Improved Better Care Fund.
- 2.12 Recognising the direction of travel towards financial sustainability, the MHCLG did increase the amount that a council could increase the council tax, in addition to the ASC precept, from 1.99% to 2.99% for each of the next two years. Council tax proposals for 2018/19 are set out below.
- 2.13 The Council also receives a number of grants for specific purposes. In line with the overall direction of reducing government support, the reductions in these grants have been factored into the MTFs. The most significant grants are for Education Support, Housing Benefits Administration and Public Health.
- 2.14 As part of the reforms contained within the Health and Social Care Act 2012, responsibility for commissioning certain public health functions moved from the NHS to Local Authorities. In 2013 a ring fenced Public Health Grant was provided to all top tier local authorities in order to commission mandated and discretionary Public Health services.
- 2.15 During 2015/16, the then Chancellor announced in-year reductions to the grant of 6.2% amounting to an in-year reduction of £655k. A further reduction of up to 3.9% was announced in the 2015 Autumn Statement and this has increased the annual reduction to £924k in 2016/17. A further reduction of £286k was announced for 2017/18 and a further £291k reduction in 2018/19.
- 2.16 Whilst 100% business rate retention did not factor in the Queen's Speech in 2017, the MHCLG has since announced its intention to move to 75% retention by 2020/21. Currently the council retains circa £35m from a total collection of £117m (30%) against a headline of 49% retention. Gains for Thurrock Council through a greater headline retention cannot be guaranteed and so are not assumed. What is known at this time is that other grants, such as Public Health Grant, will be met from greater retention but then at the loss of the specific grant.

### 3 Collection Fund Balances and Council Tax Base

- 3.1 The Constitution was amended to delegate the calculation and agreement of collection fund balances and the council tax base to the Director of Finance and IT.

#### Collection Fund

- 3.2 The collection fund is where the transactions for council tax and business rates billing, collection and distribution is accounted for. Councils are required to separately estimate the balance as at 31 March each year and for this to be allocated to the major precepting bodies to be accounted for in the budget setting for the following year.
- 3.3 These balances can be either surpluses or deficits and so will impact the budgets accordingly. The impact for Thurrock Council has been taken into consideration within these budget proposals and precepting bodies have been notified.
- 3.4 Based on the latest forecasts of collections and write offs the Council Tax Collection Fund is estimated to be a surplus of £1,741 as at 31 March 2018. This is apportioned to the major preceptors as follows:

<b>Major Precepting Authority</b>	<b>£</b>
Thurrock Council	1,470
Essex Police Authority	188
Essex Fire Authority	83
<b>Total Allocated</b>	<b>1,741</b>

- 3.5 Based on the latest forecasts of collections and write offs the Business Rates Collection Fund is estimated to have a surplus of £142,857 as at 31 March 2018. This is apportioned under regulations as follows:

<b>Major Precepting Authority</b>	<b>£</b>
Thurrock Council	70,000
Central Government	71,428
Essex Fire Authority	1,429
<b>Total Allocated</b>	<b>142,857</b>

#### Council Tax Base

- 3.6 The Council Tax Base is the calculation formed by considering the number of properties within the borough at the various bands of A to H, the discounts currently being afforded to a number of those properties and the likely reduction in liability through the Local Council tax Scheme (LCTS).
- 3.7 All properties are then averaged to create an equivalent of a number of Band D properties that is then used to calculate the council tax income within the budget. Whilst there are over 67,000 properties in the borough, these equate to a Council Tax Base of 50,790 Band D properties. When multiplied by the

proposed council tax level of £1,287.81, a total of £65.4m will be raised through council tax.

#### **4 Council Tax Proposals**

- 4.1 The Localism Act 2011 introduced the concept of a referendum where a proposed council tax increase exceeds its excessiveness principles either by the billing authority (Thurrock Council) or one of its major preceptors. Simply, a referendum would be required if the Council resolved to increase council tax by a higher percentage than the government guidelines. This report does not propose increases that would call for a referendum.
- 4.2 As reported last year, Thurrock Council has the third lowest council tax and council tax income of the 55 Unitary Councils in the country and the lowest council tax in Essex. This low base means that, financially, Thurrock Council has less income than comparable councils to deliver the same suite of services, irrespective of demographic need, and limits any increase through the Adult Social Care precept as any percentage increase is on a lower amount than other authorities. A low base also means reduced flexibility in terms of having surplus funds to spend on capital projects and other initiatives, without having to rely on prudential borrowing where the need is identified.
- 4.3 The council has made significant progress through the CSR process, specifically around the commercial and investment approaches. However, the most significant and stable income stream that the council has is through council tax and building this base is critical to sustaining the services offered by the council, when accounting for inflation, wage increases in the social care sector etc.
- 4.4 There are two elements to the council tax that need to be considered:
- The general increase – this is capped at 3% and so the maximum increase that can be agreed is 2.99% for 2018/19. Whilst a 2.99% increase was recommended to Cabinet on 7 February 2018, Cabinet agreed to recommend to Full Council that the council tax increase remains at 1.99% in line with the MTFS assumptions throughout the year; and
  - The Adult Social Care (ASC) Precept – this precept was announced in December 2015 and amended in December 2016. The Council has the ability to increase the ASC Precept by 3% in 2018/19 or by a total not exceeding 3% over the next two years with a maximum increase of 2% in 2019/20. In line with the assumptions in the MTFS throughout the last year, this report proposes a 3% increase for 2018/19.
- 4.5 There is a continuing need for sustained increases to the ASC budget to meet the increased costs of the national minimum wage and demand pressures as the population continues to live longer with more complex health and care needs. The National Living Wage will increase by a further 4.4% next year and our independent sector partners will face increased pension

contributions. The council continues to face considerable challenges with the domiciliary care market which is a national trend. We have recently completed the procurement for our new domiciliary care service which we hope will provide much needed stability locally. The NHS locally is also under considerable pressure to get people out of hospital quicker and reduce Delayed Transfers of Care (DTOCs) – this equally puts further pressures on adult social care.

- 4.6 The table below sets out the average impact on a household in each band when considering the various discounts and support already in place:

Band	Band Charge	Properties		Average Charge	Average 1% Increase p.a.
		No.	%		
A	£968	7,423	11.0	£569	£6
B	£1,130	13,402	19.93	£840	£8
C	£1,291	26,679	39.67	£1,083	£11
D	£1,453	12,105	18.00	£1,297	£13
E	£1,776	4,589	6.82	£1,642	£16
F	£2,098	2,210	3.29	£2,008	£20
G	£2,421	802	1.19	£2,279	£23
H	£2,905	42	0.06	£2,702	£27
<b>TOTALS</b>		<b>67,252</b>	<b>100.00</b>	<b>£1,100</b>	<b>£11</b>

- 4.7 For over 70% of residents, the additional 1% increase in council tax equates to a maximum of 25 pence per week but averages out, after discounts, to between 11 pence and 21 pence.

## 5 Proposed General Fund Revenue Budget 2018/19

- 5.1 The Transformation Programme approach has identified a series of proposals through the various Boards that were convened, each chaired by a member of the Directors' Board and consisting of officers from across all services. The savings proposals largely concentrate on services generating additional income and expenditure efficiencies through contracts, centralisation of property management and additional staffing costs such as agency numbers. Whilst there is a focus on net cost reduction, there are equal focuses on service transformation and improved outcomes for residents.
- 5.2 The MTFs considered by Council on 22 February 2017 set out cross cutting savings for 2018/19 of £1.8m. After reviewing these proposals in terms of implementation timescales, this target has been reduced to £1.6m and reliance is placed from the delivery of a number of these savings during the current financial year.
- 5.3 In addition, a target has been added from the cross cutting service review approach and are focused on four key areas for 2018/19 resulting in a target income growth/operating cost saving of £0.93m:

Service Area	Target Income Growth/Operating Cost Saving
ICT	£0.17m
Transport	} } } £0.76m across these three service areas }
Children's Social Care	
Business Resource	

- 5.4 All of the above is summarised at appendix 2.
- 5.5 The most significant change to the MTFS though is the impact of the council supporting an investment strategy at their meeting on 25 October 2017. The impact on the MTFS of both Thurrock Regeneration Ltd and other investments is set out in section 6.
- 5.6 This approach has identified surpluses over the next three years of £10.49m that can be used for one off investments in services and throughout the borough but roll forward to support the budget in the medium to longer term. The approach has also created a projected surplus in the region of £2.3m in 2017/18 that has been allocated as follows:
- £0.939m for Clean It, Cut It, Fill It (CICIFI);
  - £0.300m for Highways White Lining;
  - £0.247m for improving Borough Signage;
  - £0.380 for the LTC Task Force;
  - £0.050m for Local Plan consultation;
  - £0.134m to invest in Fostering Recruitment; and
  - £0.250m to combat Anti-Social Behaviour.
- 5.7 Other proposals for investment in services for the 2018/19 budget include the following three areas:
- Environment – there is an increased allocation to reinforce the CICIFI initiative whilst also funding the various pressures faced during 2017/18, specifically around the cost of waste disposal;
  - Children's Social Care – Children's Social Care has seen considerable budget and service pressures in recent years and these have been regularly reported to both Cabinet and Children's Overview and Scrutiny Committee. Whilst the



pressure is still significant in 2017/18 it is noticeably less than previous years as actions to manage demand start to take effect; and

- Adults' Social Care – A 3% ASC precept will realise £1.898m and additional grants from government have also been received.

5.8 Draft budgets are included at appendix 3 but a summary of the overall budget envelope and financing is set out below:

	£'000
<b>Net Expenditure</b>	114,742
<b><i>Financed by:</i></b>	
Revenue Support Grant	(10,698)
NNDR	(35,413)
New Homes Bonus	(3,153)
Collection Fund Balances	(70)
<b>To be funded through Council Tax</b>	<b>(65,408)</b>

## 6 Medium Term Financial Strategy (MTFS) 2018/19 – 2022/23

- 6.1 The MTFS covering the period 2018/19 through to 2020/21 is attached at Appendix 4 which includes the assumption that there will be a 2.99% council tax increase in 2019/20 and 1.99% for subsequent years. This is in line with the flexibility provided to local government from the MHCLG.
- 6.2 Thurrock's Commercial and Investment approach has achieved budget surpluses for each of the next four years on the basis of known investments and the assumption that Council supports the proposed approach towards Thurrock Regeneration Ltd.
- 6.3 The five year MTFS attached at appendix 4 reflects the end of some current investments and assumptions over further investments to replace them. It reinforces the need to continue with increasing income from the commercial, investment and council tax streams. In summary, an extract from the MTFS shows:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
MTFS Budget Pressures	5.90	5.56	4.11	8.07	7.70
Surplus Brought Forward		(2.49)	(3.92)	(3.99)	(0.09)
Known Investments	(7.85)	(3.70)			
Thurrock Regeneration Ltd	(0.54)	(1.29)	(2.48)	(2.47)	(2.06)
New Investments		(2.00)	(1.70)	(1.70)	(1.70)
<b>Total</b>	<b>(2.49)</b>	<b>(3.92)</b>	<b>(3.99)</b>	<b>(0.09)</b>	<b>3.85</b>

- 6.4 As can be seen from the table, the budget surpluses in any one year are carried forward to the next to meet new pressures. As such, Members should only use any surplus for one-off expenditure and not commit to new ongoing budget activity which has a recurring financial impact on revenue.
- 6.5 Whilst the table above and the MTFS shows a positive position for four of the next five years, the move to a sustainable financial position for the longer term requires both increases in the council tax base and longer term investments to ensure that there are continual income streams.

## 7 Reserves

- 7.1 There is no set formula to determine the General Fund balance but it is for the Council's S151 Officer to consider the Council's past financial performance and risk to the budget over the future medium term and to then recommend a balance to the Council. It is, however, for the Council to set this balance considering that recommendation.
- 7.2 Cabinet received a report on 7 September 2016 that considered the General Fund balance. The Director of Finance and IT considered the increased pressures and demands on the council against a reducing budget envelope and determined that the balance should be a minimum of £9.26m.
- 7.3 Whilst Council agreed on 22 February 2017 to meet this level over three years, officers have agreed an innovative change to the calculation of the Minimum Revenue Provision (MRP) with the external auditors that has allowed circa £13m of non-usable reserves to be freed up for specific use as follows:

Allocated to:	£m
General Fund Balance – the Administration made increasing the General Fund Balance a priority – this will increase the balance from £8m to £11m as at 31 March 2018	3.0
Pay for the new Environment Fleet expenditure in 2017/18 outright instead of through Prudential Borrowing. This reduces ongoing expenditure by circa £0.8m and has been reflected in the attached MTFS	7.5
Earmarked Reserves to meet implementation of Service Review findings and to support further Transformation Projects	2.5
	13.0

- 7.4 As can be seen from the above, this approach will ensure that there is the optimum balance of £11m as at 31 March 2018 and this is reflected within the s25 statement at appendix 1.

## **8 Government Funding – Dedicated Schools Grant**

- 8.1 The Dedicated Schools Grant (DSG) was introduced in 2006/07 as a 100% specific grant to fund the schools' budget.
- 8.2 The original allocation of the DSG was calculated based on the 2012/13 spend and there has been no inflationary increase since then. However, during 2016/17, the Department for Education (DfE) undertook a base lining exercise as the first move to a National Funding Formula (NFF) for all schools from 2018/19.
- 8.3 The DSG grant was originally split into three blocks: Schools Block, High Needs Block and Early Years Block and from 2018/19 the introduction of a 4th Central Block to support LA central expenditure that was previously supported within the Schools Block. The Schools Block is now ring-fenced from 2018/19 and only 0.5% of budget allocation can be transferred to other blocks from the Schools block and has to be approved by Schools' Forum.
- 8.4 The Schools block and the Early Years block are uplifted, based on pupil numbers and unit value, whilst there has been limited growth in the High Needs block, and from 2018/19 there has been a slight increase in support of growth as part of the NFF.
- 8.5 For 2018/19 the Education Services Grant, for funding central duties, is included in the DSG same as last year. This is funding for Council retained duties for Schools and Academies.
- 8.6 From 2018/19 the Schools block formula has been calculated as agreed with Schools' Forum as a transition year to the NFF with further plans to align Thurrock's Formulae for next financial year 2019/20 in accordance with the NFF funding factors.
- 8.7 There has been a change to the Thurrock Formulae for financing schools this year with the Schools' Forum agreeing that during a time of reducing budgets further turbulence should not be added by a 'transition year' in the funding factors to gradually move towards the full implementation of NFF with effect from 2020/21.
- 8.8 School budget allocations to schools are only reduced if there has been a pupil reduction at October pupil count (census) under the schools formula because of minimum funding guarantee (MFG) protection being set at -1.5% protections within the formula.
- 8.9 The DSG allocation is based on the October pupil count and allocations were given in December for the Schools and High Needs blocks with an indicative allocation of the Early Years block which is updated for actual pupil take up during the year from January census count.
- 8.10 The Basis of the October Count has caused some dilution of funding to schools as Thurrock is going through a significant period of pupil growth which

means that pupils are being funded in Schools before they are funded through the DSG. This effectively means there is a top slice to all schools' funding rates to cover the increased numbers.

- 8.11 DSG is calculated for all mainstream schools in Thurrock, including Academies, using the Thurrock funding formula. The Education and Skills Funding Agency (ESFA) then recoups funding to be distributed to Academies and a net Grant is paid to the council. This ensures that Academies and maintained schools are funded on the same basis. All figures in this report are gross.
- 8.12 The allocation of funding for Special Schools and the Pupil Referral Unit is included in the High Needs Block, as well as the costs of Special Educational Needs transport in the High Needs block to better represent the cost drivers.
- 8.13 The per pupil rate of Schools block DSG paid to Thurrock is £4,342.88 against an all-England average of £4,542.66. The total value of the DSG paid for 2018/19 is £152.03m (gross before Academy recoupment) made up of:
- a) Schools Block £115.97m;
  - b) High Needs Block £22.31m;
  - c) Early Years Block £11.72m; and
  - d) Central Block £2.038m.
- 8.14 At the end of 2017/18 all but one secondary school, 30 of the 39 primary schools and both special schools has converted to Academy status.
- 8.15 There is an ongoing pressure within the High Needs block mainly due to areas of growth within the borough of children with statements/Education Health and Care (EHC) plans and associated transport costs. The Schools Forum working sub-group, comprising of representatives from the forum and officers from the local authority, have met several times and developed a recovery plan for recovering the previous DSG deficit. The working sub-group are currently working on a hybrid model that entails the 'capping' of future SEN payments from the High Needs block to control the pressures going forward.

## **9 Proposed Additions to the Capital Programme**

- 9.1 The Capital Programme plays an understated role in not just supporting and maintaining the borough's and the council's infrastructure but also includes strategic and place making schemes supporting both the place making and commercial agendas.
- 9.2 The following sources of funding are available to the General Fund:
- Capital Receipts – these are the receipts realised from the disposal of capital assets such as land and buildings. The Property Board, at the request of Cabinet, has commenced a strategic review of the asset base and will report

back to Cabinet with an updated strategy, including a disposal programme, in due course. Asset management in the future will be based on the simple ethos of– Release – Reuse - Retain;

- Grants and Contributions- these could be ad hoc grants awarded from government or other funding agencies or contributions from developers and others;
- Prudential Borrowing – the Council is able to increase its borrowing to finance schemes as long as they are considered affordable and are deemed to meet the public good; and
- Revenue – the Council can charge capital costs directly to the General Fund but the pressure on resources means that this is not recommended.

9.3 On the basis that capital receipts are currently limited and, with a low level of reserves in place, any receipts may be set aside for debt repayment or a contingency towards revenue pressures (ability to use capital receipts for MRP purposes), the main areas of funding are grants and contributions – but these tend to be for specific purposes – and prudential borrowing – the main source for the attached proposals and current programme.

#### **Current Programme**

9.4 Before considering the new proposals, it is worth reflecting on the allocations that have been agreed over recent years. These are summarised in appendix 6 but, covering the period 2017/18 through to 2020/21, total over £240m with £212m still to be spent as at 1 January 2018.

9.5 Set out below are the major schemes that are included within the current programme over that period that are already committed and many underway:

- a) The widening of the A13;
- b) Purfleet Regeneration;
- c) Grays' Town Centre and Underpass;
- d) Stanford-le-Hope Interchange;
- e) A new Environmental and Waste Fleet;
- f) Improvements to parks and open spaces;
- g) New educational facilities;
- h) The HRA Transforming Homes programme;
- i) Highways infrastructure;
- j) Civic Office Enhancements; and

k) Improvements to the Linford Civic Amenity Site.

9.6 In addition, feasibility work has been carried out in developing the future and aspirational bids during recent months and an update on these is included at Appendix 7.

## 10 Draft Capital Proposals

10.1 There have been a number of schemes that can be seen as projects in their own right. These have been included at appendix 8 and will, in the main, be known to the relevant Overview and Scrutiny Committee in one form or another.

10.2 Having reviewed all of the other capital requests, they fall within one of four categories and are summarised in the table below. A schedule of some of the bids is included at appendix 9 for information but is not exhaustive. The amounts have been calculated using the respective bid totals and would be under the responsibility of a relevant Transformation Board or Directors' Board for allocation and monitoring:

<b>Responsible Board</b>	<b>Examples</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>
Service Review	These could include new systems that create efficiencies, upgrades to facilities to increase income potential and enhancements to open spaces to reduce ongoing maintenance.	0.5	0.5	0.5
Digital	The council has been progressing steadily towards digital delivery, both with residents and amongst officers. This budget will allow for further progression as well as ensuring all current systems are maintained to current versions and provide for end of life replacement.	0.9	0.4	0.6
Property	This budget will provide for all operational buildings including the Civic Offices, libraries, depot and Collins House. It will allow for essential capital maintenance and minor enhancements.	1.2	1.0	1.0
Transformation	This budget is to provide the ability to build business cases for major projects as per paragraph 2.6. The recommendation is for an annual	1.1	2.0	2.0

Responsible Board	Examples	2018/19 £m	2019/20 £m	2020/21 £m
	“top up” to bring the budget back to £2m at the start of each financial year.			

10.3 In addition, the capital programme also includes the HRA, Highways and Education. These are largely funded by government grants and will be considered by their respective Overview and Scrutiny Committees and the Cabinet under separate reports.

10.4 Highways are expected to receive in the region of £1.9m per annum from the Department of Transport whilst Education are expected to receive a further £5m in 2019/20 from the Department for Education with further allocations for free schools.

## 11 Other Capital Recommendations

11.1 In previous years, the recommendations to Council have also included delegations to Cabinet to agree additions to the capital programme under the following criteria:

- If additional third party resources are secured, such as government grants and s106 agreements, for specific schemes; and
- Where a scheme is identified that can be classed as ‘spend to save’ – where it will lead to cost reductions or income generation that will, as a minimum, cover the cost of borrowing.

11.2 The delegation requested is that any approval is deemed to be part of the capital programme and that the necessary prudential indicators set out in the Treasury Management Strategy are amended accordingly.

11.3 This approach means that estimated amounts for schemes that may or may not take place are not included in the programme, removing the need for agreed provisions that may not be required.

## 12 Issues, Options and Analysis of Options

12.1 The issues and options are set out in the body of this report in the context of the latest MTFS and informed by discussions with the Council Spending Review panel and Directors’ Board.

## 13 Reasons for Recommendation

13.1 The Council has a statutory requirement to set a balanced budget annually. This report sets out the budget pressures in 2017/18 and recommends a balanced budget for 2018/19 to the Council.

## **14 Consultation (including Overview and Scrutiny, if applicable)**

- 14.1 This report has been developed in consultation with the Leader, Portfolio Holders and Directors Board. In addition, Corporate Overview and Scrutiny Committee considered the budget proposals on 23 January 2018 with their comments set out in the body of the report. Group Leaders and Deputy Leaders have been involved throughout the budget planning process through the Council Spending Review Panel which has met monthly through the 2017/18 municipal year.

## **15 Impact on corporate policies, priorities, performance and community impact**

- 15.1 The implementation of previous savings proposals has already reduced service delivery levels and our ability to meet statutory requirements, impacting on the community and staff. This budget starts to rebuild key service budgets with real growth allocated to Children's and Adults' Social Care and the Environment.
- 15.2 Whilst the direct impact on frontline services is low from the new proposals, the efficiencies could have an effect if not properly managed, as could be expected.

## **16 Implications**

### **16.1 Financial**

Implications verified by: **Sean Clark**  
**Director of Finance and IT**

The financial implications are set out in the body of this report.

Council officers have a legal responsibility to ensure that the Council can contain spend within its available resources. Regular budget monitoring reports will continue to come to Cabinet and be considered by the Directors Board and management teams in order to maintain effective controls on expenditure during this period of enhanced risk. Austerity measures in place are continually reinforced across the Council in order to reduce ancillary spend and to ensure that everyone is aware of the importance and value of every pound of the taxpayers money that is spent by the Council.

### **16.2 Legal**

Implications verified by: **David Lawson**  
**Deputy Head of Legal & Governance - Deputy Monitoring Officer**

There are statutory requirements of the Council's Section 151 Officer in relation to setting a balanced budget. The Local Government Finance Act 1988 (Section 114) prescribes that the responsible financial officer "must



make a report if he considers that a decision has been made or is about to be made involving expenditure which is unlawful or which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency to the authority". This includes an unbalanced budget.

### 16.3 Diversity and Equality

Implications verified by: **Natalie Warren**  
**Community Development and Equalities  
Manager**

There are no specific diversity and equalities implications as part of this report. A comprehensive Community and Equality Impact Assessment (CEIA) will be completed for any specific savings proposals developed to address future savings requirements and informed by consultation outcomes to feed into final decision making. The cumulative impact will also be closely monitored and reported to Members.

### 16.4 Other implications (where significant – i.e. Staff, Health, Sustainability, Crime and Disorder)

Any other significant implications will be identified in any individual savings proposal business case to inform the consultation process where applicable and final decision making.

### 17 Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Budget working papers held in Corporate Finance
- Council Spending Review Panel papers held in Strategy and Communications

### 18 Appendices to the report

- Appendix 1 – Report of the Council's Section 151 Officer under Section 25 of the Local Government Act 2003: Robustness of Estimates and Adequacy of Reserves
- Appendix 2 – Summary of Council Spending Review Savings
- Appendix 3 – Allocation of Growth and Savings to Services
- Appendix 4 – Medium Term Financial Strategy
- Appendix 5 – Schools' Budget
- Appendix 6 – Current Capital Programme Summary
- Appendix 7 – Update on Future and Aspirational Projects

- Appendix 8 - New Capital Projects
- Appendix 9 – Examples of those Minor Schemes that form part of the General Allocations

**Report Author:**

Sean Clark

Director of Finance and IT

**SECTION 151 OFFICER'S STATEMENT ON THE ADEQUACY OF BALANCES  
AND THE ROBUSTNESS OF THE BUDGET – BUDGET YEAR 2018/19**

**Introduction**

The Chief Financial Officer is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

- (1) *Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major precepting authority) or section 85 of the Greater London Authority Act 1999 (c.29) (Greater London Authority) applies is making calculations in accordance with that section, the Chief Finance Officer of the authority must report to it on the following matters:-*
- (a) *The robustness of the estimates made for the purposes of the calculations;  
and*
- (b) *The adequacy of the proposed financial reserves.*
- (2) *An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.*

This includes reporting and taking into account:

- The key assumptions in the proposed budget and to give a view on the robustness of those assumptions; and
- The key risk areas in the budget and to assess the adequacy of the Council's reserves when reviewing the potential financial impact of these risk areas on the finances of the Council. This should be accompanied by a Reserves Strategy.

This report has to be considered by Council as part of the budget approval and Council Tax setting process.

This document concentrates on the General Fund, the Housing Revenue Account and Capital Programme but, in addition, it also considers key medium term issues faced by the Council.

**Statement of the Council's Section 151 Officer (Director of Finance and IT)**

1. I have reviewed the budget proposals for 2018/19 and consider them to be challenging but achievable. There are specific areas within the budget that carry a degree of risk and will require strong officer and political management to achieve them:
- a) Whilst this budget provides significant growth for both Adults' and Children's Social Care, increasing demand in both of these areas is well documented. Transformation programmes for both areas are in place and progress will be closely followed;

- b) Increased housing waste disposal costs and lower recycling rates are creating additional pressures and new contracts, plant and recycling campaigns will need to target greater impacts in these areas;
- c) Whilst the MTFS is now balanced for the next four years, there are efficiencies of £2.6m identified for 2018/19 and a further £3.1m for 2019/20 to 2020/21 that have to be delivered through the CSR transformation board;
- d) As the Council continues moving towards a more commercial approach, income targets will have increasing parity with the market. All targets have been agreed by the relevant services but obviously depend on take up from third parties and so carry a degree of risk. Improved monitoring arrangements have been implemented;
- e) There are targeted reductions in additional employee costs through areas such as agency, overtime and consultancy. Confidence is taken from the increased management and targeted approach in these areas, including delivering similar savings throughout 2017/18, but a high level of monitoring will be required;
- f) The impact of welfare reform and specifically Universal Credit continues to evolve and may increase demands on services and provide a challenge to the collection of council tax and rents;
- g) There have been a number of contract failures within Adult Social Care by third party providers and the market remains fragile. Whilst the impact on those receiving care could be significant if not managed properly, action has been taken to stabilise domiciliary care services through a new procurement exercise. Work continues within the service to minimise this risk but a financial impact is likely should the risk materialise;
- h) The level of Public Health Grant (PHG) continues to reduce whilst the expectation of delivery remains the same. There is a reduction of £0.291m between 2017/18 and 2018/19 and further reductions are planned over the remaining life of this parliament. The recent procurement exercises have mitigated these reductions to a degree;
- i) Financing of schools is a national pressure and Thurrock schools are no exception. Increased demand for the High Needs element of the Dedicated Schools Grant has led to overspends in this area that are in the process of being mitigated. Whilst this does not impact on the General Fund, it does put additional pressure on the borough's schools and could impact indirectly on the council;
- j) The Housing Revenue Account continues to face pressures brought about by the legislative periods of rent reductions – circa £14m of income lost over the life of this MTFS. Demands for increased repairs budgets have been put at risk through not generating additional income; and
- k) By following an Investment Strategy the Council becomes more open to interest rate fluctuations with higher rates reducing the net benefit of an

investment. Officers manage these cash flows on a daily basis and will take action as necessary.

2. A key process risk in making the above statement is the availability and understanding of timely and relevant financial information to the services. This is three-fold:
  - a) The reporting ability of the Council's financial system is being improved to further meet service needs. Significant progress is being made through the new reporting software in 2018/19 and this will link to the upgrade of Oracle in 2019/20;
  - b) A number of the service specific systems, notably Housing and Social Care, do not interface with the financial system in a way that allows the identification of future commitments. This is included within the Oracle upgrade considerations; and
  - c) The services' ability to interpret and forecast from a range of information and sources. The reporting upgrade and related training will go some way to mitigating this.
3. Demands on the senior leadership group and services to deliver core services, support the growth and infrastructure challenges throughout the borough, including the proposed Lower Thames Crossing, and implement the transformational change required means that capacity is a risk to delivery. The Chief Executive has recently restructured elements of the senior leadership team to create increased capacity for the Place functions and there has been greater investment in the Transformation team. Directorate Management Teams and Directors' Board will have to manage this risk and redirect resource where necessary.
4. My statement for both 2018/19 and the medium term is also conditional upon:
  - Members supporting the need for the Council to become more commercial, including the need to increase the Council's income base, in both the General Fund and the Housing Revenue Account, through core business, a balanced investment approach and council tax increases to make for a sustainable base;
  - The agreement of a Medium Term Financial Strategy to support the financial sustainability of the Council over the next 3-5 years;
  - A recognition in the medium term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council has shown a commitment to increase reserves to a level which provides adequate cover for most identified risks during the planning period. It must be noted, however, that the recommended levels of reserves still leave the Council exposed to the very exceptional risks identified in this review and, if those risks crystallise, to reserves being inadequate;

- Portfolio Holders, Directors and Assistant Directors managing within their cash limits for 2018/19 (and future years covered by the Medium Term Financial Strategy and Plan);
  - Taking every opportunity to meet the Reserves Strategy as a first call on windfall underspends or receipts;
  - Not considering further calls on reserves other than for those risks that have been identified, those that could not have been reasonably foreseen and that cannot be dealt with through management or policy actions. The exception to this is where the Reserves Strategy (reviewed annually) is met. Even in those circumstances, it is not prudent to finance ongoing spending from one-off reserves. Any excess reserves should be targeted towards one-off 'invest to save', supporting the transition that is required for future service delivery and contributions to fund the Council's capital programme;
  - Where there is a draw-down on reserves, which causes the approved Reserves Strategy to be off target, that this is paid back within a maximum of three years; and
  - That the Council has arrangements and resources in place to consider value for money in preparation for future years' budgets.
5. In relation to the adequacy of reserves, I recommend the following **Reserves Strategy** based on an approach to evidence the requisite level of reserves by internal financial risk assessment. The Reserves Strategy will need to be reviewed annually and adjusted in the light of the prevailing circumstances:
- An absolute minimum level of General Fund reserves of £9.0m – an increase of £1.0m - that is maintained throughout the period between 2018/19 to 2021/22;
  - An optimal level of General Fund reserves of £11.0m over the period 2018/19 to 2021/22 to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances;
  - A maximum recommended level of reserves of £12.0m for the period 2018/19 to 2021/22 to provide additional resilience to implement the Medium Term Financial Plan; and
  - In relation to the Housing Revenue Account (HRA) my recommendation is that reserves be set at a minimum £1.7m as previous years but with a target of £3m to be achieved within four years.
6. The estimated level of unallocated General Fund reserves at 31 March 2018, based on current projections is £11.0m, depending on final spending. Therefore:
- The absolute minimum level of General Fund reserves of £9.0m is currently being achieved;

- The optimal level of General Fund reserves of £11.0m is currently being achieved; and
  - The recommended maximum level of General Fund reserves of £12.0m is unlikely to be reached during 2018/19.
7. These recommendations are made on the basis of:
- The detailed discussions that have taken place at Directors' Board, including the regular review of the high risk proposals;
  - My own enquiries during the development of the budget;
  - The resilience required to deliver the Medium Term Financial Plan;
  - One-off unallocated reserves not being used to fund new ongoing commitments;
  - Reserves in 2018/19 and the foreseeable future being used only where planned and if risks materialise and cannot be contained by management or policy actions; and
  - That where reserves are drawn down, the level of reserves is restored within a maximum of three years to that required by the Medium Term Financial Strategy.
8. There are also serious exceptional risks over and above those mentioned which, if they crystallise, could eliminate the Council's reserves and leave its financial standing seriously in question. These include:
- Not having a clear plan on how to meet the financial challenges over the medium term, especially in the replacement of existing investments;
  - A failure to raise the council tax base to ensure sustainability;
  - Unforeseen impacts arising from the implementation of welfare reform, in particular the roll out of Universal Credit;
  - Unforeseen impacts arising from the governance and financial changes in the provision of public health services;
  - The impact of the localisation of business rates and the consequences of future changes in the total rateable value of businesses located in Thurrock;
  - Interest rate rises that would reduce the ongoing savings arising from the restructuring of debt and the financing of investments;
  - The failure of major regeneration schemes throughout the borough where the council has an interest;
  - The failure of Thurrock Regeneration Ltd; and

- The lack of contingency funds to meet demographic and economic pressures, especially at this time of significant change.
9. In relation to the Capital Programme 2018/19 (including commitments from previous years and new projects):
- The HRA Capital Programme will need to be contained within total programme costs;
  - The General Fund Capital Budget is based on the best information available in terms of project costs. What is less certain, given the history of cost variations, is the phasing of expenditure; and
  - Capacity to deliver the schemes in both time and budget.
10. In relation to the medium/long term Capital Programme:
- The delivery of the agreed Capital Strategy and Asset Management Plan is a critical priority to enable the matching of resources to needs and priorities;
  - The increased support and focus on the work of Thurrock Regeneration Ltd will bring both capacity challenges and a different risk profile from most other schemes; and
  - Developing the future and aspirational schemes to a viable business case stage.

### **Assurance**

Given all these factors, especially given the delivery of similar savings during 2017/18 and the forecast surpluses, I consider the estimates for 2018/19 to be sufficiently robust for approval by the Council but there are challenges and is dependent on the Council Tax being increased as proposed and strong financial management from officers and Members. I advise the Council that both the General Fund and HRA Reserves are currently above the minimum level required, indeed at or progressing towards optimum levels, to ensure financial stability over the medium term.



## SUMMARY OF COUNCIL SPENDING REVIEW SAVINGS

Board	Proposal	2018/19	2019/20	2020/21
Procurement	Savings to be delivered through effective procurement and contract management	70	105	-
Commercial	Further income through the expansion and development of traded services	302	271	-
Commercial	Growth in fees and charges income reflecting 17/18 forecasts and review of fees and charges, mainly through volume increases as a direct result of service areas understanding and acting upon market and competitor information	270	100	100
Customer & Demand Management	Customer Services Strategy	100	-	-
ICT / Digital	Citizen Journeys - "Enabling citizens and customers to do business with the council digitally"	37	90	-
ICT / Digital	Legacy Application Rationalisation and Unified Comms	110	40	-
People	Savings to be delivered through ongoing review of employee related costs including reducing use of high cost agency staff, effective attendance management and reviewing overtime arrangements	500	500	-
Property	Rental income stretch target - annual increase in rent roll through lease reviews and renewals	200	200	-
Property	Corporate Landlord model - reduction in running costs through economies of scale	75	-	-
Service Review	Service Review savings to be identified through ongoing review process	930	920	800
		<b>2,594</b>	<b>2,226</b>	<b>900</b>

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## ALLOCATION OF GROWTH AND SAVINGS TO SERVICES

Service	2017/18 Current Budget £000	MTFS Growth, etc £000	Commercial Savings £000	Customer & Demand Management Savings £000	ICT/ Digital Savings £000	People Savings £000	Procurement Savings £000	Property Savings £000	Service Review Savings £000	Indicative Budget 2018/19 £000
Environment	16,485	1,765	(106)			(90)				18,054
Transportation & Highways	5,860	219				(7)				6,072
<b>Environment and Highways Total</b>	<b>22,345</b>	<b>1,984</b>	<b>(106)</b>	<b>0</b>	<b>0</b>	<b>(97)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,126</b>
Planning & Growth	2,818	50	(14)			(22)				2,832
Regeneration	720	100	(95)			(4)				721
Transport	330	8				0				338
Assets	1,659	233				(6)		(275)		1,611
<b>Place Total</b>	<b>5,527</b>	<b>391</b>	<b>(109)</b>	<b>0</b>	<b>0</b>	<b>(32)</b>	<b>0</b>	<b>(275)</b>	<b>0</b>	<b>5,502</b>
Care & Targeted Outcomes	28,018	986	(17)			(178)	(10)			28,799
Central Administration Support and Other	1,357	(193)				(9)				1,155
Learning & Universal Outcomes	6,616	(65)	(74)			(19)				6,458
School Transport	805	0				0	(55)			750
<b>Children's Services Total</b>	<b>36,796</b>	<b>728</b>	<b>(91)</b>	<b>0</b>	<b>0</b>	<b>(206)</b>	<b>(65)</b>	<b>0</b>	<b>0</b>	<b>37,162</b>
External Placements	21,824	1,898	(7)				(100)			23,615
Provider Services	9,625	(36)	(1)			(94)				9,494
External Commissioning	1,914	0	(2)			(2)				1,910
Public Health	424	(424)								0
Community Development & Libraries	1,869	(211)				(6)				1,652
<b>Adults; Housing and Health Total</b>	<b>35,656</b>	<b>1,227</b>	<b>(10)</b>	<b>0</b>	<b>0</b>	<b>(102)</b>	<b>(100)</b>	<b>0</b>	<b>0</b>	<b>36,671</b>
Homelessness	479	0				(5)				474
Private Sector Housing	1,775	0				(2)				1,773
Travellers	(75)	4	(46)							(117)
<b>Housing General Fund Total</b>	<b>2,179</b>	<b>4</b>	<b>(46)</b>	<b>0</b>	<b>0</b>	<b>(7)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,130</b>
Corporate Finance	1,950	139	(190)			(9)				1,890

## ALLOCATION OF GROWTH AND SAVINGS TO SERVICES

Service	2017/18 Current Budget £000	MTFS Growth, etc £000	Commercial Savings £000	Customer & Demand Management Savings £000	ICT/ Digital Savings £000	People Savings £000	Procurement Savings £000	Property Savings £000	Service Review Savings £000	Indicative Budget 2018/19 £000
Cashiers	70	0				0	(5)			65
Chief Executive	197	58				(1)				254
ICT	3,883	50			(110)	(11)				3,812
Revenue and Benefits	1,718	62			(12)	(5)				1,763
Democratic Services	190	0				(1)				189
Members Services	722	0								722
Electoral Services	440	0								440
<b>Finance and Information Technology Total</b>	<b>9,170</b>	<b>309</b>	<b>(190)</b>	<b>0</b>	<b>(122)</b>	<b>(27)</b>	<b>(5)</b>	<b>0</b>	<b>0</b>	<b>9,135</b>
HR & OD	4,466	(7)				(6)				4,453
<b>HR; OD and Transformation Total</b>	<b>4,466</b>	<b>(7)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,453</b>
Corporate Strategy & Communications	1,693	50	(20)	(100)		(6)				1,617
Social Care Performance	898	0				(2)				896
<b>Strategy, Communications and Customer Services Total</b>	<b>2,591</b>	<b>50</b>	<b>(20)</b>	<b>(100)</b>	<b>0</b>	<b>(8)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,513</b>
Legal Services	857	150				(11)				996
<b>Legal Total</b>	<b>857</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(11)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>996</b>
Commercial Services	561	0				(3)	100			658
<b>Commercial Services Total</b>	<b>561</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3)</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>658</b>
Corporate Finance	(7,010)	5,264								(1,746)
Investment Income	0	(8,390)								(8,390)
Contribution to reserves	0	2,488								2,488
Savings to be Allocated	0	0			(25)				(930)	(955)
<b>Central Expenses Total</b>	<b>(7,010)</b>	<b>(638)</b>	<b>0</b>	<b>0</b>	<b>(25)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(930)</b>	<b>(8,603)</b>
Council Tax Income	(61,682)	(3,726)								(65,408)
New Homes Bonus	(3,530)	377								(3,153)

## ALLOCATION OF GROWTH AND SAVINGS TO SERVICES

Service	2017/18 Current Budget £000	MTFS Growth, etc £000	Commercial Savings £000	Customer & Demand Management Savings £000	ICT/ Digital Savings £000	People Savings £000	Procurement Savings £000	Property Savings £000	Service Review Savings £000	Indicative Budget 2018/19 £000
NNDR Income	(34,481)	(932)								(35,413)
Collection Fund Balances	1,215	(1,285)								(70)
Revenue Support Grant	(14,660)	3,962								(10,698)
<b>Revenue Funding Total</b>	<b>(113,138)</b>	<b>(1,604)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(114,742)</b>
<b>Grand Total</b>	<b>0</b>	<b>2,594</b>	<b>(572)</b>	<b>(100)</b>	<b>(147)</b>	<b>(500)</b>	<b>(70)</b>	<b>(275)</b>	<b>(930)</b>	<b>0</b>

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## MEDIUM TERM FINANCIAL STRATEGY

Narrative	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000
<b>1. Local Funding</b>					
Council Tax Base / Charge	(1,827)	(2,625)	(2,037)	(2,132)	(2,184)
Council Tax Social Care Precept	(1,898)	0	0	0	0
Council Tax Collection Fund Surplus	558	0	0	0	0
	<b>(3,167)</b>	<b>(2,625)</b>	<b>(2,037)</b>	<b>(2,132)</b>	<b>(2,184)</b>
Business Rates Growth	(933)	(378)	(658)	(500)	(500)
Business Rates - Collection Fund Deficit	(1,843)	0	0	0	0
	<b>(2,776)</b>	<b>(378)</b>	<b>(658)</b>	<b>(500)</b>	<b>(500)</b>
<b>2. Total Government Resources</b>					
Revenue Support Grant	3,962	4,000	658	6,039	0
Transfer to funding formula under 75% retention	0	0	0	(6,039)	0
New Homes Bonus	377	122	0	923	500
Other Central Grants - ESG & HB & Ctax Admin Subsidy	361	300	300	379	0
	<b>4,700</b>	<b>4,422</b>	<b>958</b>	<b>1,303</b>	<b>500</b>
<b>Net Additional (Reduction) in resources</b>	<b>(1,243)</b>	<b>1,420</b>	<b>(1,737)</b>	<b>(1,329)</b>	<b>(2,184)</b>
<b>3. Inflation and other increases</b>					
Pay award at 2%, Increments and legislative changes	2,181	2,098	2,098	2,100	2,100
Waste contract inflation	403	371	389	400	400
Non Contract Inflation - Utilities and Fuel and Oil	100	100	100	100	100
Levy adjustment	45	54	0	0	0
	<b>2,729</b>	<b>2,623</b>	<b>2,587</b>	<b>2,600</b>	<b>2,600</b>
<b>Treasury and Capital Financing</b>	<b>2,302</b>	<b>1,240</b>	<b>1,664</b>	<b>4,293</b>	<b>4,781</b>
- Reflects current investments coming to an end					
<b>Demographic and Economic Pressures</b>	<b>4,708</b>	<b>2,500</b>	<b>2,500</b>	<b>3,500</b>	<b>3,500</b>
<b>Services Design Principals and Strategic Boards</b>	<b>(2,594)</b>	<b>(2,226)</b>	<b>(900)</b>	<b>(1,000)</b>	<b>(1,000)</b>
<b>Total Savings requirement</b>	<b>5,902</b>	<b>5,556</b>	<b>4,114</b>	<b>8,064</b>	<b>7,697</b>
<b>C/f Position</b>	<b>0</b>	<b>(2,488)</b>	<b>(3,918)</b>	<b>(3,985)</b>	<b>(88)</b>
Known investments	(7,850)	(3,700)		0	0
Thurrock Regeneration Limited	(540)	(1,287)	(2,481)	(2,467)	(2,056)
Replace Cash Investments + Property		(2,000)	(1,700)	(1,700)	(1,700)
<b>Working Totals</b>	<b>(2,488)</b>	<b>(3,918)</b>	<b>(3,985)</b>	<b>(88)</b>	<b>3,853</b>

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**SCHOOLS' BUDGET****Government Funding – Dedicated Schools Grant (DSG)**

2018/19 Schools Funding	£m
DSG Schools Block	115.973
ESG retained duties	-0.264
	115.709
Retained for School Growth (Note a)	-2.000
Retained for 2016/17 Deficit (Note b)	-1.343
Distributed to Schools	112.366

Notes

- (a) Whilst known growth has been built into the allocations, future growth funding will be allocated to schools in year where the school has been requested by the LA to open an additional class in the academic year due to pupil demand. This funding is not allocated for general in year pupil movement. A growth policy has been approved by the DfE and any remaining DSG balance at the end of the financial year must be returned to the Schools' block.
- (b) The DSG overspend 2016/17 was £1.343m and in accordance with DSG regulations is recovered from the allocation by top slicing the total grant allocation.

2018/19 Central Block	£m
Funding for central historic commitments	1.278
Funding for historic and statutory duties	0.760
Total	2.038

Central Block Spend

As part of the new National funding changes from 2018/19 a new DSG 4th block i.e. the Central School Services block (CSSB) has been created with the aim of funding LA's for statutory duties they hold for both maintained schools and academies. It brings together funding for ongoing responsibilities such as admissions, funding previously allocated through the retained duties element of the education services grant (ESG) and residual agreed funding for historic commitments. The CSSB has been resourced from the School block which is where the commitments have to date been funded from previously. It is not additional funding.

**SCHOOLS' BUDGET**

2018/19 Estimated High Needs Block Spend	£m
Special Schools	6.800
Resource provisions	3.200
Independent/Non Maintained Special School	3.600
Pupil Referral Unit/Alternative provision	2.800
Schools additional needs top up	3.900
SEN Transport	1.511
Post 16 additional needs top up	0.500
<b>Total</b>	<b>22.311</b>

Early Years Block Spend

Early years DSG allocations are based upon January count (census) each year and funded in accordance with 3 and 4 year old census numbers. This is also applicable for 2 year old census numbers and is distributed through a national funding formula to early years settings from 2018/19.

2018/19 Estimated Early Years Block Spend	£m
3 and 4 Year Old Provision and 15 Hours	9.342
2 Year Old Provision	1.894
Central Early Years Costs	0.484
<b>Total</b>	<b>11.720</b>

## CURRENT CAPITAL PROGRAMME SUMMARY

Directorate ID	Total Budget 2017/18	2017/18 Spend (at 31/12/17)	Remaining Budget to be spent from 1/1/18	Total Budget 2018/19	Total Budget 2019/20	Total Budget 2020/21
Education	5,453,733	1,255,058	4,198,675	15,167,189		-
Adults	15,672,957	10,136,657	5,536,300	29,730,622	2,411,817	-
Environment & Highways	19,820,439	5,422,784	14,397,655	5,478,857	681,000	-
Place	26,844,981	11,320,240	15,524,741	77,471,919	27,942,000	-
<b>General Allocations</b>						
Service Review	180,000	11,864	168,136	-	-	-
Digital	5,674,923	1,373,863	4,301,060	1,381,721	40,000	40,000
Property	1,442,494	515,991	926,503	5,392,483	446,000	-
Transformation	1,500,000	110,995	1,389,005	-	-	-
<b>Total</b>	<b>76,589,527</b>	<b>30,147,452</b>	<b>41,779,480</b>	<b>134,622,791</b>	<b>35,815,531</b>	<b>40,000</b>
				<b>212,257,802</b>		

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## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

<p><b>Grangewaters – a Commercial Operation</b>          To explore a building conference/training centre, moving the facility into a more commercial based operation and provides income generation opportunities for the whole year.          This scheme meets the need to create a great place for learning and opportunity; and Improve health and well-being Council priorities. Subject to completion of the Aspire programme.</p>	<p>We have requested a small level of funding to place another training lodge on the site to ensure that we are supporting the requests we are receiving from HR/OD re training spaces – this links to our commercial principles around building a business within a business and utilising smaller based units in the interim period.</p>
<p><b>Alternative Theatre Provision</b>          Construction of a new Theatre and multi-functional performance spaces in Grays. This is subject to further feasibility work on theatre options including consideration of potential providers being undertaken by consultants in the context of the Grays masterplan.          This scheme meets all of the Council's priorities.</p>	<p>This is being considered as part of the Thameside Redevelopment project whereby part of the Thameside Centre will be retained as a cultural hub. Detailed feasibility work is now being undertaken.</p>
<p><b>Collins House Expansion</b>          Develop an additional 3 storey wing for Collins House containing 30 single ensuite bedrooms, to help manage growing demand.          This will meet the Improve Health and well-being to ensure people stay healthier longer, adding years to life Council priority.</p> <p><b>Older Persons Shared Ownership Units</b>          Shared Ownership units, for older people on the former Whiteacre and Dilkeswood site. In addition a further 46 general needs units could also be developed.          This will meet the Improve Health and well-being to ensure people stay healthier longer, adding years to life and life to years Council priority.          (Government Grant Funded and Capital Receipts)</p>	<p>Now called '21st Century Residential Care'. We will need to come back with the Business Case and costs in 2018.</p> <p>We will be bringing back a Business Case for an Integrated Housing, residential and primary care Business Case for the whole project some time in 2018.</p>

## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

<p><b>Housing Estate Regeneration</b> To consider the outcome of work on the business case for regenerating the Council's housing estates, being done in conjunction with the Department for Communities and Local Government and Local Partnerships. The work will be presented to Cabinet later this year for decision and implementation. The project meets the building pride, responsibility and respect to create safer communities; encouraging and promoting job creation and economic prosperity; and Improving health and well-being Council priorities.</p>	<p>Local Partnerships have been replaced as lead advisor by Savills with a target to produce a draft business case by Jan 18. Strategic objectives remain around transformation of place, housing delivery, infrastructure and existing communities. Current focus is to finalise and seek member support estate prioritisation, impact analysis on the HRA and addressing viability. DCLG are engaged and supportive.</p>
<p><b>Tilbury Integrated Healthy Living Centre</b> Development of Tilbury Integrated Health Living Centre, in collaboration with Thurrock Clinical Commissioning Group, Community Health Partnerships and other key stakeholders as one of four hubs across the borough. This is subject to a business case being agreed with health partners. This project meets all of the Council's priorities.</p>	<p>We committed an initial £75k to appoint Currie and Brown (50/50 with the CCG) to undertake the health planning, legal and financial assessments. Following the procurement Pick/Everard have been appointed as our design team - commitment £700k. Outline business case being prepared and work to identify and appoint a head leaseholder underway. Cabinet report anticipated in 2018.</p>
<p><b>A Digitally "Smart" Borough</b> Deliver an enabling municipal infrastructure that will underpin Thurrock's development as a "Smart Place". (Part Government Grant Funded) We are looking at a number of smart place opportunities that can be commercialised. To support a smart place it is anticipated that we will need infrastructure to support borough wide sensor, camera and data networks. It is anticipated that commercial revenue streams will come from providing partners and customers access to these networks (including ultrafast broadband fibre) and selling data from them (traffic flows, pollution etc.) It is expected that there will also be some cost avoidance as we are looking to move our corporate Wide Area Network onto this infrastructure. Finally there will be indirect benefits – developing a strong local digital offer will accelerate local regeneration and associated tax incomes, and the information from the networks will assist in the avoidance of front line service costs. Examples are social care (smart assisted living), public health (pollution control for chronic lung issues) and litter/flytipping prevention (improved CCTV/surveillance capability). We are still exploring options, but we expect benefits to be related on the amount of investment we are prepared to make. The proposal supports all council priorities.</p>	<p>We have developed an outline business case with consultants to deliver a dark fibre based municipal network connecting public sector sites across Thurrock. This is now ready to move to a project definition stage, which will be used as the basis of a bid submission to DDCMs for grant funding as part of the Local Full Fibre Network initiative, as well as the mechanism for formalising the internal capital requirement. Based on soft market testing we expect to require £5m as for the dark fibre network, of which we will be seeking to cover 50% through grant funding. In addition we have identified that the municipal network will require a significant data centre presence. We already have capital funding in place to refurbish and upgrade the existing Civic Offices datacentre, but these investigations suggest that a larger stand alone facility might be a better option. This may require additional funding of £1.5m but will generate income streams – the business case is currently being prepared. We have an expression of interest from a major public sector organisation in Essex. Finally, we have completed some initial feasibility around providing a low powered WAN infrastructure to support an Internet of Things eco-system in Thurrock. We have had significant interest from potential partner organisations. We are currently hoping to secure a significant percentage of external funding to deliver this. Potential tie in with "21<sup>st</sup> Century Residential Care" initiative for assistive</p>

## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

	technology elements, and also the Intelligent Transport Strategy.
<p><b>Use of Technology in Customer Services</b> Explore the introduction of innovative technology (such as Artificial Intelligence sometimes known as ChatBots) into the customer service contact centre. We are already looking to change the focus of our customer service offer as part of the emerging Customer Service Strategy and channel shift, enabling residents to self-serve as much as possible and make it easier to interact with the council outside of normal working hours. There is an opportunity to exploit the use of digital technology further to eliminate the need for introducing expensive on-call / shift rotas. ChatBots are just one idea to help drive efficiencies and provide a better customer experience. A detailed review of what other councils and organisations are using/moving too and feasibility study would be required to identify the most appropriate opportunities and solutions for Thurrock.</p>	The concept of chat-bots in the contact centre was not in favour by the PFH. It may be something we can re-submit as the technology becomes more mature.
<p><b>High House Artist Studios</b> High House Works (Artist Studios II), providing an additional 10,000 sqft of creative workspace to support micro and small and medium sized enterprises (SMEs) from the creative industries sector on the production park. This scheme will meet the encourage and promote job creation and economic prosperity priority.</p>	High House Works is a proposed joint venture with ACME – the charity who run the first Artists Studios building at HHPP. The scheme would depend on Council Capital Funding together with external funds from the Arts Council England Capital Fund. The Arts Council are reviewing capital funding opportunities and guidance on their new capital programme, together with a first bidding round, is anticipated in 2018.
<p><b>New Commercial Space at Thurrock Parkway</b> Creation of industrial units at Thurrock Parkway, offering industrial, warehouse and office accommodation. Initial projection indicate net proceeds of between 2% and 5% depending upon method of financing, plus an increase to the business rates. This project meets the encourage and promote job creation and economic prosperity priority.</p>	An initial feasibility study conducted by Richard Hopkins Architects has been completed and shows potential to create approximately 15,000 sqm of new business space in units of various sizes. The initial work suggested the development would be viable however, given ground conditions in Tilbury, the next stage will be to appoint a professional team for further design work and to carry out surveys and refine cost estimate. Further advice on demand in the area will also be commissioned. Approval for funding to carry out the next works has been sought.
<p><b>New Commercial Space at Milehams Industrial Estate</b> Potential redevelopment of Milehams Industrial Estate to include a range of industrial, warehouse and office accommodation. Initial projections indicate net proceeds of between 1.25% and 5.25%, depending upon the method of financing. This project meets the encourage and promote job creation and economic</p>	Review of land ownership shows that the Council only owns a proportion of the site. There are flooding and other issues associated with any development. Initial work suggests a development may not be viable but further work is required.

## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

prosperity priority.	
<p><b>Blackshots Enhancements</b> Options at Blackshots to improve facilities and customer experience, such as the replacement of the roundhouse pavilion and improvements to the car park, to be considered as part of the implementation of the Active Places Strategy and subject to business planning.</p>	Feasibility work into the replacement of the roundhouse pavilion and the adjacent nursery building has commenced. Condition survey of the nursery building is to be commissioned. This will then inform the accommodation schedule of the replacement Pavilion.
<p><b>Career &amp; Development Portal</b> Creation of a career &amp; development portal - a web based careers portal that would help strengthen our links and our role with community and businesses. Links to service review and selling services. Released on evidence of a costed business case – Income Generation</p>	This overlapped with an ongoing project that the Economic and Regeneration Team were working on. There was no further need for a separate proposal.
<p><b>Gap Analysis / Online Testing Tool</b> Organisational Development (OD) skills gap analysis / online testing tool to identify strengths and weaknesses of potential new job candidates and existing staff. This is linked to the service review and to the delivery of the staff survey action plan. There are generic skills needed by the workforce and we need to be able to identify these digitally, embedded in induction and delivered through development plans. Released on evidence of a costed business case.</p>	Not taken forward due to developments with Vacancy Filler testing candidates ability. This will be further developed with the introduction of Oracle Cloud.
<p><b>Demolition Programme</b> Demolition of 4 buildings, Unit 1 Curzon drive, Unit E Dock Road, Unit 1 Hume Avenue to enable site assembly and allow sites to be leased creating an income stream.</p>	Unit 1 Curzon Drive, demolished 30/06/17 – Advertised at a rental of £15,000 per annum. Application received for a use of car sales. Application in progress awaiting bank and trade references to return. Unit E Dock Road, demolished 10/05/17 – Advertised at a rental of £9,000. Application received for a use as storage of and use as skip hire. Application in progress -awaiting return of references. Unit I Hume Avenue, Demolished 26/04/17 – Fully let from date of demolition completion (26/04/17) at a rental of £15,000 per annum
<p><b>Tilbury Community Led Local Development Fund (CLLD)</b> CLLD funding; including new cycling hub facility and shop front improvements in Tilbury. This will enable the Council to draw down capital match funding through the CLLD programme (once approved) and link with the successful Department for Transport Access Fund which will meet on-going revenue costs.</p>	The cycle hub was deemed ineligible for ERDF funding within the CLLD programme, however work continues under DfT funding. CLLD bid will (if approved) include a shop-front and small business improvement scheme. Awaiting decision from DWP and DCLG – current queries regarding VfM are being addressed – though the Tilbury programme benchmarks as similar VfM and outputs to comparable ESIF-funded programmes in Essex



## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

<p><b>Public Realm Branding</b> Review all signage and public realm where the Thurrock brand is or could be used as part of developing the overall profile of, and pride in, the place in line with the emerging communications and brand strategy. This would require an understanding of the volume of assets such as street and building signage and the capital costs of replacement as well as opportunities for potential sponsorship as an alternative.</p>	<p>Capital funding of approximately £40k has been agreed to complete a site visit of all locations and identify on a map all signs for villages, towns and borough entry signs. This work will also identify the type and design of signage to be used at each site with 4/5 designs agreed. A schedule will also be drawn up with a view to replacing all signage by end of March 2018.</p> <p>The work will be used to cost the replacement of all the signage which would be a further, more substantial capital bid to cover the signage, supply and installation. This initial stage is expected to start at the end of October and be completed by end of December 2017 with a view to identifying the costs and commencing work from January 2018.</p> <p>Advice has been sought on sponsorship with the providers of the council's roundabout sponsorship scheme, Marketing Force. They do not believe the market is there for the costs to be covered by sponsorship, hence the progressing with the work above.</p>
<p><b>Energy Efficiency</b> Investigate the viability of solar panel installation to reduce the cost of utilities on Thurrock Council sites.</p>	<p>The roof on CO1 can accommodate a 60kW array but this needs to be factored into the future of the CO1 building. CO2 roof is considered too lightweight and defects have been noted. Consideration was given to a lease-back funding option which required zero capital investment, but this became unviable when the FIT's were reduced. However, since then the costs of PV panels has dropped and it is now be an option that is being reconsidered.</p> <p>However, consideration is now being given to reducing utility costs through a "fabric first" approach. In other words, it may be more effective to undertake remedial works to buildings rather than introduce renewals. Housing have already carried out a study in this regard, and this is currently being reviewed.</p>
<p><b>Industrial Estates in Housing Areas</b> To look at options to relocate businesses from industrial sites located alongside housing areas (Towers Road, Grays &amp; Stanhope Industrial Estate, SLH) which could then be reused for housing supply.</p>	<p>The 3Rs project is currently reviewing all properties owned by the Council to determine their future use. This strand will be picked up as part of this review process.</p>

## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

<p><b>Compactor Litter Bins</b> Installation of 20 Big Belly compactor litter bins in various locations throughout the borough, generating a saving of not emptying half empty bins. Decision will be based on a trial in three locations.</p>	<p>Ten big belly bins have been installed as a pilot. Monitoring is currently taking place to measure efficiency etc. Pilot is due to conclude in March 2018. Early indications are that they work very effectively but locations may need to be reviewed to gain maximum benefit.</p>
<p><b>Fraud Modelling Tool</b> Predicated fraud modelling using Xantura's analytical data modelling software which relates to Revenue and Benefits and is comprised of real time fraud checks. The government published in December 2016 that the latest estimate of fraud in Housing Benefits stands at 1.1%. Thurrock Council pays out circa £70m per annum and, if the estimate is correct, this includes £770k in fraudulent payments. It is impossible to say how much of this would be identified and saved through this software but, as an example, 5% equates to £38.5k paying back the investment in less than three years or 10% at £77k repaying the investment in 1.5 years.</p>	<p>Withdraw from this list. Consider alongside any ADM discussions.</p>
<p><b>Aveley Community Facility</b> Aveley community facility phase 2 - inclusion of nursery accommodation to be leased out to an independent operator, providing revenue to the Council. Phase 1 is already included in the current capital programme. The scheme will create a great place for learning and opportunity, encourage and promote job creation and economic prosperity and build pride and respect to create safer communities. This is subject to the completion of a business case to justify phase 2 and the outcome of the review of libraries across the Borough, which will take account of the strategic approach to community hubs.</p>	<p>Aveley Hub - we drew down a small amount from the aspirational fund for the Aveley Business Case (under £20k). Will be funded from S106 funds and the Hub Capital Programme. Proposals to complete final design and procure a contractor are going to December Cabinet for approval.</p>
<p><b>Linford Civic Amenity Site</b> To explore a second phase of capital works to create facilities for trade waste as an income generating opportunity.</p>	<p>Approved by Cabinet in December 2017.</p>
<p><b>LCS Enhancements – (Children's Social Care Database)</b> Aim - To address data quality issues in the social care system for children's services – LCS.  Not all teams use the LCS system. There is no formal training provided to social workers in the use of LCS. Legacy of agency and high staff turnover in social care leading to poor recording practice</p>	<p>The Task and Finish Group have delivered the following outputs:</p> <ol style="list-style-type: none"> <li>1. Recruited a data cleansing resource. Identified all records that need to be cleansed and agreed a plan where all social workers will book slots with data cleaning resource to address any data quality issues</li> <li>2. Liquid Logic have been booked in to meet with all social care managers before the audit is conducted and focus on teams not</li> </ol>

## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

<p>DCS has set up a Task &amp; Finish group to address the above. Resources required:</p> <ul style="list-style-type: none"> <li>- Data cleanser: rectify all historical records £40k (one-off)</li> <li>- Audit of LCS by supplier: highlight issues and move teams across to LCS £25k (one-off)</li> <li>- Training resource: recruit a trainer to ensure all new staff are trained on use of LCS £66k ongoing</li> </ul> <p>Above will ensure we meet our statutory reporting requirements and deliver a safe service.</p>	<p>using LCS and maintain manual systems</p> <ol style="list-style-type: none"> <li>3. JDs for training resource have been sent for job evaluation</li> <li>4. Liquid Logic have delivered training to nominated leads from each team in the use of LCS, with a follow up session scheduled for 20<sup>th</sup> December</li> <li>5. Training manuals have been loaded into Objective for all social care staff to access</li> </ol> <p>Key date is the 31<sup>st</sup> March 2018, which is the cut off for the statutory reporting. The data is used to baseline Thurrock position against other areas and also by Ofsted before inspections are conducted.</p>
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## NEW CAPITAL PROJECTS

Directorate	Scheme	Category	2018/19 £000	2019/20 £000	2020/21 £000
Environment	<p>Replacement of bus passenger shelters.</p> <p>The current Clear Channel agreement for Passenger Shelters and associated advertising is reaching end of life. The industry has moved on significantly from the original contract and there is no longer the industry appetite for providing capital funding as part of a commercial agreement. More importantly, this also highlighted the strong shift away from traditional paper and paste solutions towards a paper and digital media hybrid approach. With a clear focus on advertising income generation aspects; and the expectation that Council provide capital funding requirements directly to purchase the physical assets.</p> <p>The expectation would be that the income generation from the advertising on these locations would cover the hardware capitalisation costs, plus the revenue costs for the maintenance and cleaning of the locations.</p>	Enhancement / Improvement	-	1,262	-

## NEW CAPITAL PROJECTS

Directorate	Scheme	Category	2018/19 £000	2019/20 £000	2020/21 £000
Environment	<p>Purchase and installation of replacement litter bins as identified through the Public Bin review. The report outlining the review was agreed at October's CGS O&amp;S.</p> <p>Circa 600 public bins will require changing, a mixture of dual purpose litter bins for general waste and dog fouling (approx. 500 - £250k) and general waste and recycling (approx. 50 - £50k) as well as big belly bins (approx. 50 - £275K), a contingency of £25k in relation to procurement and additional requirements when rolling out</p>	Improvement / Enhancements	600	-	-
Environment	<p>Upgrades to the drainage system, gully frames and lids.</p> <p>Severe flooding events affect residents, businesses, all road users and lead to damage of the fabric of the highway if prolonged. 14 Areas of Critical Drainage have been identified in the Council's Local Flood Risk Management Strategy as being either at the highest risk of flooding or have a significant history of flooding incidents.</p> <p>The investment would bring the added benefit of providing more accurate information for the drainage asset register, which would further assist with the streamlining of routine gully cleansing which is a requirement from the DfT for band 3 Authorities under the HMEP criteria.</p>	Enhancement / Improvement	120	100	80

## NEW CAPITAL PROJECTS

Directorate	Scheme	Category	2018/19 £000	2019/20 £000	2020/21 £000
Environment	Enhancements to War Memorials in preparation to mark the 100 <sup>th</sup> Anniversary of the armistice in 2018.	Enhancement / Improvement	150	-	-
Adults, Housing and Health	Development of a new 21st Century residential care facility for up to 75 users of adult and social care and health services on the Whiteacre and Dilkes Wood sites in South Ockendon	Enhancement / Improvement	2,640	5,360	-
Place	The Council is progressing a separately funded project to build an Integrated Medical Centre (IMC) on Civic Square, Tilbury. This IMC will be funded by the Council and then leased to a third party which will enable delivery of health and community services. The agreed Vision for Tilbury anticipates the Civic Square being revitalised to better fulfil its role as the heart of Tilbury. The IMC will be a catalyst for this but without further investment in the neighbouring environment, including landscaping, improved and consistent public realm furniture and lighting, higher quality design of building frontages, and a better range and mix of ground floor uses around the square. Without enhancements the IMC will be surrounded by poor quality public realm which will hinder its ability to kickstart the regeneration of the area.	Improvement / Enhancements	-	450	1,050

## NEW CAPITAL PROJECTS

Directorate	Scheme	Category	2018/19 £000	2019/20 £000	2020/21 £000
	This capital bid therefore requests funding to implement these and other measures to create a high quality public square surrounding the IMC. The Council owns further property on the western edge of the Square which will benefit from the enhanced values brought about by these environmental enhancements and significantly improve the perceptions of the Civic Square as a place to visit and potentially invest.				
Adults, Housing and Health	The rebuilding of East Tilbury Library.  Costs will be subject to structural survey and subsequent negotiations with insurers.	Essential Operational Requirement	1,080	-	-



## **EXAMPLES OF MINOR SCHEMES TO BE MET FROM THE GENERAL ALLOCATIONS**

### Service Review

Replacement of operating plant at Linford site

A system to provide a single view of debt

New parking machines to modernise the service including a phased cashless approach

Allocation to implement any findings from the service review process

### Digital

Further implementation of agile working facilities including video conferencing

Regular upgrades to current systems

Allocation to meet changing needs of services

### Property

Refurbishment of Collins House

Refurbishment of Day Care Units

Enhancements and Improvements to the Chapels, Cemeteries and related grounds

Enhancements to open space and recreation areas

Various libraries' operational requirements

Provision to meet operational needs in the Civic Offices

### Feasibility

Business cases to develop land and property to support the balanced investment approach

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## QUESTION TIME

**Questions from Members to the Leader, Cabinet Members, Chairs of Committees or Members appointed to represent the Council on a Joint Committee in accordance with Chapter 2, Part 2 (Rule 14) of the Council's Constitution.**

There are 4 questions to the Leader and 6 questions to Cabinet Members, Committee Chairs and Member appointed to represent the Council on a Joint Committee.

**1. From Councillor Spillman to Councillor Gledhill**

Does the portfolio holder agree that efficiency and efficacy appear to be absent considerations within Thurrock Council's current approach to the replacement of blown and faulty windows in council homes?

**2. From Councillor Spillman to Councillor Gledhill**

Can the portfolio holder assure me that areas outside the borough, known to be rife with prostitution, drug use and associated crime, will no longer be considered suitable locations for the temporary housing of homeless Thurrock residents?

**3. From Councillor Pothecary to Councillor Gledhill**

There is an ongoing issue with parking for the western High Rises in Grays. Residents and tenants of Davall, Butler and Greenwood Houses are struggling to park their cars in the small car park dedicated to them. Can the Portfolio Holder give an update on any forthcoming plans to provide more parking for the High Rises?

**4. From Councillor Redsell to Councillor Gledhill**

Could the portfolio holder tell me how many fixed penalty notices have been issued for littering or similar environmental offences under the clean it, cut it, full it initiative?

**QUESTIONS FROM MEMBERS TO CABINET MEMBERS, COMMITTEE CHAIRS AND MEMBERS APPOINTED TO REPRESENT THE COUNCIL ON A JOINT COMMITTEE**

**1. From Councillor Duffin to Councillor Hebb**

While the Council has made some progress in its short term and medium term investments please can you announce how many long term investments of over 5 year the Council have made since you took over the administration?

**2. From Councillor B Rice to Councillor Halden**

Are the Integrated Medical Centres dependant on the closure of Orsett Hospital?

**3. From Councillor Maney to Councillor Halden**

The building occupied by Little Friends Pre-School and the nearby sports pavilion on Blackshots Playing field are in a very poor state of repair having essentially exceeded their life expectancy. Would the Portfolio Holder for Education and Health advise what plans the council has to replace or fully refurbish the said buildings given that they are still widely used by the community?

**4. From Councillor G Rice to Councillor Coxshall**

Councillor Coxshall please can you inform the Council this evening what meetings you have had with Highways Ministers and Chris Grayling Secretary of State for Transport to secure the best environmental measures to protect our green belt and residents from the scars of the proposed Lower Thames Crossing in Thurrock?

**5. From Councillor Gerrish to Councillor Coxshall**

Can the Portfolio Holder for Regeneration outline the next steps in the development of the Local Plan?

**6. From Councillor Redsell to Councillor B Little**

I understand that council policy currently prohibit residents acquiring a dropped kerb if the road / pavement is on a radius. Would the portfolio holder advise whether this policy could be amended so as to allow for discretion to be exercised in cases where there are no obvious safety concerns?

## Item 17 - Update on Motions agreed by the Council – 28 February 2018

Date	From	Motion	Status	Accountable Director
29/03/2017	Cllr Hebb	Thurrock Council resolves to thank HM The Queen, for her selflessness and grace as monarch of the United Kingdom for 65 years, and it thanks her for her years of dedicated public service and advocacy of our great nation. In the spirit in which HM The Queen has herself taken with the Sapphire Jubilee, this council also seeks to recognise the memory of our former monarch George VI, for his unwavering patriotism during our nation's darkest hours. This council therefore resolves to rename a suitable park within the borough to be identified after public consultation - to the George VI Memorial Park in honour of the former King and his years of service to our country.	<p>The consultation commenced on 24 November 2017 and concluded on 8 January 2018. Residents were asked if they wish to name a park after the late King George VI and if so which park would they like renamed, or would they like a new park in the future to be given this title.</p> <p>Consultation Outcome - The majority of responders agree to the naming of a new park.</p>	Julie Rogers
28/06/2017	Cllr Gerrish	<p>Council calls on the Cleaner, Greener and Safer Overview and Scrutiny Committee to conduct a full review of fly tipping in private alleys, in order to:</p> <ul style="list-style-type: none"> <li>• Understand the scale of the issue across the borough.</li> <li>• Review the impact on residents of the council's policy on fly tipping in private alleys.</li> <li>• Evaluate potential policy responses, including understanding the cost to the council of taking action and exploring new, more innovative solutions.</li> <li>• Make recommendations on the best approach to improving the situation.</li> </ul>	<p>The Cleaner, Greener and Safer Overview &amp; Scrutiny Committee formed a member-led panel at its meeting of 13 July to address the Council Motion.</p> <p>The lead member updated the committee at its meeting of 12 October with a view to presenting a final report to the committee at the December meeting, prior to a report to Cabinet recommending any policy adoption coming out of the review. This report has now been put back to the 22 February 2018 meeting of the Cleaner, Greener and Safer Overview &amp; Scrutiny Committee.</p>	Steve Cox
28/06/2017	Cllr Halden	Thurrock Council would oppose any closure of Orsett Hospital until new and modern facilities are put in	We are awaiting details from NHS England on when the consultation will commence but we expect it to be	Roger Harris

## Item 17 - Update on Motions agreed by the Council – 28 February 2018

		<p>place first to ensure that clinical services are maintained and improved in Thurrock and urges that Council resist attempts to move clinical resources or capacity from Orsett Hospital out of Thurrock.</p>	<p>sometime during the Autumn. The Council, with its NHS partners, is proceeding with its plans for the four Integrated Medical Centres and is out to tender for the design team for the Tilbury IMC.</p> <p>October Update : NHS England have indicated that the consultation on the STP will start in late October / early November and include consultation on the future of Orsett Hospital. We have appointed the design team to lead on the Tilbury IMC</p> <p>November Update – We are anticipating consultation on the STP to start at the end of November. Planning work is underway on all four of the proposed Integrated medical Centres.</p> <p>January Update – Consultation process has started and runs until 9 March 2018. The matter will be considered at HOSC and the Health &amp; Wellbeing Board.</p> <p>February Update – Essex, Southend and Thurrock have agreed to form a joint HOSC. Consultation closes on the 9 March 2018, with a final decision taken in June/ July 2018.</p>	
27/09/2017	Cllr B Rice	<p>This Council calls on the Police and Crime Commissioner for Essex to fully review and evaluate Police numbers in Thurrock in light of the serious nature of crimes that are we are experiencing in the Borough.</p>	<p>A letter has been sent to the Police Fire and Crime Commissioner advising of the motion of Thurrock Council and inviting a response on how the issues raised would be taken forward. The Police Fire and Crime Commissioner is attending Full Council on 31 January 2018.</p>	Julie Rogers
27/09/2017	Cllr Spillman	<p>Council calls on Cabinet to work with local arts and music groups to assist them in looking at options for establishing:</p> <ul style="list-style-type: none"> <li>• A not-for-profit community arts and music multi use venue open to all arts, crafts and music groups across Thurrock which will be able to</li> </ul>	<p>The Cabinet recognises the value of arts and culture in supporting our local communities and creating pride in Thurrock. Meetings have been held with Cllr Spillman and arts and heritage groups to discuss ways to work together to support the sector in Thurrock.</p> <p>Cllr Spillman and the local groups involved in</p>	Steve Cox

## Item 17 - Update on Motions agreed by the Council – 28 February 2018

		<p>secure relevant licenses that will allow the venue to be financially sustainable by raising revenue through ticketed music and performance events, and</p> <ul style="list-style-type: none"> <li>• A not-for-profit, open air, “Festival of Thurrock” to provide an opportunity for a wide range of artists and musicians in Thurrock to showcase their talents.</li> </ul>	<p>discussions have participated in the second round of consultation on the Arts and Heritage (Cultural Economy) strategy. Feedback from the consultation is now being reviewed. A report on the strategy will be taken to Planning, Transport and Regeneration Overview and Scrutiny Committee in due course.</p> <p>Festivals do require significant resources to organise, produce and manage. Recent discussions with Cllr Spillman and stakeholder have suggested developing a cultural dimension to existing festivals and events may generate more interest and participation in cultural activity than one large event.</p>	
27/09/2017	Cllr B Rice	Members in this Council Chamber to call on the Cabinet to re-evaluate the need for £5 per week charge for grounds maintenance to Council tenants as this will cause many residents further hardship.	<p>The Grounds Maintenance service charge has been temporarily suspended pending a review. This will be reported back to Housing Overview and Scrutiny Committee in December and Cabinet in January/ February.</p> <p>January Update – December Scrutiny Committee recommended that the charges are not proceeded with. The final decision will be made at February Cabinet.</p> <p>February Update – Cabinet agreed on the 7 February, not to proceed with the Grounds Maintenance service charge for 2018/19.</p>	Roger Harris
25/10/2017	Cllr Jones	We call on Thurrock Council to write to the Secretary of State to express many residents' views that in its present state the police service contact number 101 is not fit for purpose.	<p>A letter was sent to the Secretary of State on Wednesday 8 November to express the views of residents in relation to the 101 contact number.</p> <p>A response has been received advising that the handling of 101 calls is “an operational matter for the police and that this Government has protected overall police spending in real terms since the Spending Review in 2015”.</p>	Julie Rogers

## Item 17 - Update on Motions agreed by the Council – 28 February 2018

			<p>“It is for elected Police and Crime Commissioners and Chief Constables to decide how their force’s resources are deployed”.</p> <p>The Police and Fire Crime Commissioner attended Full Council on 31 January 2018 and covered the 101 service in his presentation.</p>	
25/10/2017	Cllr J Kent	<p>Thurrock Council believes the, so called, "dementia tax" is unfair and would be damaging to many older residents of Thurrock. The Council calls on the care minister, Jackie Doyle-Price, to rule out forcing older people to pay for their care with their home.</p>	<p>Motion has been sent to the Care Minister on Wednesday 8 November 2017 and a reply has been received.</p>	Roger Harris
25/10/2017	Cllr Gerrish	<p>Thurrock Council calls on the Government to provide the necessary resources and rule changes which would allow councils to build additional council housing at a scale proportional to need, in particular removing the Housing Revenue Account borrowing cap. Council resolves to:</p> <ul style="list-style-type: none"> <li>• Write to the Prime Minister, Chancellor and DCLG setting out our concerns and seeking urgent action to enable the building of council housing at necessary volumes.</li> <li>• Write to Thurrock’s MPs seeking all possible Parliamentary support.</li> <li>• Request that the Housing Overview and Scrutiny Committee consider whether there are any additional local opportunities to increase our supply of new council houses in Thurrock.</li> </ul>	<p>Letters have been sent to those requested. Meeting with DCLG officers has also been arranged for 9 November 2017 and Housing Overview and Scrutiny will be considering this at its December meeting.</p> <p>January Update – The December Budget indicated that there will be further resources available, including allowing Councils to borrow more through the HRA. We await further details from the HDCLG.</p> <p>February Update – Discussions with DHLG officers continue and we await announcement as to how the process will operate to allow Councils to raise the HRA cap.</p>	Roger Harris
29/11/2017	Cllr J Kent	<p>Care leavers who were looked after by the Council are amongst the most vulnerable groups in our community. As Corporate parents we should aim to keep young people safe and improve their life chances. Therefore Thurrock Council resolves that -</p>	<p>The Head Start Housing Paper to provide housing and holistic support for care leavers contains a proposal for targeted Council Tax relieve for care leavers up to the age of 21 and discretionary provision up to the age of 25. This has been consulted with Children’s Overview</p>	



## Item 17 - Update on Motions agreed by the Council – 28 February 2018

		<p>to help ensure the transition from care to adult life is as smooth as possible, and to mitigate the chances of care leavers falling into debt as they begin to manage their own finances, that the executive bring forward plans in its “headstart housing paper - supporting care leavers”, which is proposed for</p> <p>December Scrutiny, includes proposals for targeted Council tax relief and for Scrutiny to make recommendations to Cabinet regarding a whole package of support for these young people and that Council now adds it’s support for an executive decision for start of the year 2018/19.</p>	<p>and Scrutiny Committee and the Corporate Parenting Committee. This report is being presented to February Cabinet for implementation from 1 April 2018.</p>	
29/11/2017	Cllr Snell	<p>This Council calls on government to reject the idea of piloting the re-integration of former extremists and returning jihadists by giving them priority on housing waiting lists which this Council would oppose.</p>	<p>The Council will be responding to any formal consultation document in line with the terms of this motion and will be writing to the relevant government department.</p>	
29/11/2017	Cllr Jones	<p>We call on Thurrock Council to write to the Police and Crime Commissioner, Roger Hirst, and Essex Police to ask them to outline their strategy to reduce anti-social behaviour, crime and violent attacks in Thurrock.</p>	<p>A letter was sent to the Police, Fire and Crime Commissioner, Roger Hirst on the 19 December 2017. The letter invited Mr Hirst to outline his strategy for Essex Police to reduce anti-social behaviour, crime and violent attacks in Thurrock.</p> <p>The PCC will be attending full Council in January 2018.</p>	

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## **Motions Submitted to Council**

### **In accordance with Chapter 2, Part 2 (Rule 15) of the Council's Constitution**

#### **Motion 1**

##### **Submitted by Councillor Spillman**

That Thurrock Council seeks as part of the nationally prescribed process of bringing forward our Local Plan as positively and quickly as possible and using all available legislation, to ensure that sufficient homes of the right type and tenure are delivered to meet the local needs of our communities. And that such an approach should also inform all new developments, especially Thurrock Regeneration Limited projects.

##### **Monitoring Officer Comments:**

The Motion relates to a matter which affects the Authority or the Authority' area and for which the Authority has a relevant function.

##### **Section 151 Officer Comments:**

Whilst there is funding within the budget to develop the Local Plan and a report on this agenda to financially support Thurrock Regeneration Ltd, there are no direct financial implications arising from this motion.

##### **Is the above motion within the remit of Council to approve?**

Yes

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## **Motions Submitted to Council**

### **In accordance with Chapter 2, Part 2 (Rule 15) of the Council's Constitution**

#### **Motion 2**

##### **Submitted by Councillor Duffin**

Thurrock Council resolves to increase its investment portfolio with the ambition to reduce General Fund Council Tax.

#### **Statement**

Thurrock Council should work to increase its investment portfolio as a way of generating extra revenue for the Council. This revenue should then allow us to fulfil our ambition to reduce Council Tax. We as a Council should do everything within our power to reduce the cost of living for residents within the borough.

#### **Monitoring Officer Comments:**

The Motion relates to a matter which affects the Authority or the Authority's area and for which the Authority has a relevant function.

#### **Section 151 Officer Comments:**

Whilst this is theoretically possible, it is unlikely that the council will achieve financial sustainability through investments alone. As such, the advice has been consistent that a range of income generating measures, including both short and longer term investments as well as increases in the council tax base, are required to achieve financial self-sustainability.

#### **Is the above motion within the remit of Council to approve?**

Yes

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## **Motions Submitted to Council**

### **In accordance with Chapter 2, Part 2 (Rule 15) of the Council's Constitution**

#### **Motion 3**

##### **Submitted by Councillor Aker**

This Council calls on Cabinet to commit to looking at each private contract and assess whether, or not, it could be fulfilled locally and begin a process of bringing private contracts back in-house as soon as possible so that the Council can maximise the benefits for Thurrock rather than multi-national corporations.

##### **Statement**

Thurrock Council has many contracts out to private companies; in particular repairs contracts, which we feel would be better operated in-house. Rather than paying millions of pounds to companies that take the money out of the borough, we would be better off supporting local people, local businesses and the local economy.

##### **Monitoring Officer Comments:**

The Motion relates to a matter which affects the Authority or the Authority' area and for which the Authority has a relevant function.

##### **Section 151 Officer Comments:**

The council is governed by a number of contractual procedure regulations and a legal requirement to achieve value for money in its actions.

The Council Spending Review, which is looking at every service the council provides, includes a review on both procurement and the best method of delivery that includes a challenge as to whether the service should be provided in-house, externally or in partnership.

##### **Is the above motion within the remit of Council to approve?**

Yes

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## **Motions Submitted to Council**

### **In accordance with Chapter 2, Part 2 (Rule 15) of the Council's Constitution**

#### **Motion 4**

##### **Submitted by Councillor Snell**

Thurrock Council resolves to write to the Secretary of State for Health and Social Care as well as NHS England setting out a detailed case supporting the need for a new hospital in Thurrock to help address the future needs of the borough.

##### **Statement**

Whilst we welcome the introduction of new Integrated Medical Centres in Thurrock, we call on the Council to write to the Secretary of State for Health and Social Care as well as NHS England setting out a detailed case for a new hospital in Thurrock. Orsett Hospital is out of date and in the wrong place, a new hospital in Thurrock will give us a modern and effective health service, fit for the future needs of our borough.

##### **Monitoring Officer Comments:**

The Motion relates to a matter which affects the Authority or the Authority' area and for which the Authority has a relevant function.

##### **Section 151 Officer Comments:**

On the assumption that the council holds all of the relevant data for such a business case, there would be no direct financial implications arising from this motion. If further data was required this could lead to additional cost.

##### **Is the above motion within the remit of Council to approve?**

Yes

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## **Motions Submitted to Council**

**In accordance with Chapter 2, Part 2 (Rule 15) of the Council's Constitution**

### **Motion 5**

#### **Submitted by Councillor Jones**

Thurrock faces an environmental crisis if it does not balance the economic growth of the Borough with the increasing risks to our resident's health and our environment. Therefore Thurrock Council requests the appropriate Overview and Scrutiny Committee to convene a fact finding meeting, the results of which can be reported to the relevant decision making bodies of the council. The meeting will:

- (1) Analyse current and future risk to Thurrock's environment.
- (2) Develop concrete policy proposals.

#### **Monitoring Officer Comments:**

The Motion relates to a matter which affects the Authority or the Authority' area and for which the Authority has a relevant function.

#### **Section 151 Officer Comments:**

There are minor additional costs arising from holding additional meetings that would be contained within the Democratic Services budget.

#### **Is the above motion within the remit of Council to approve?**

Yes

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