

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

Corporate Overview and Scrutiny Committee

The meeting will be held at **7.00 pm** on **31 January 2019**

Committee Room 1, Civic Offices, New Road, Grays, Essex, RM17 6SL

Membership:

Councillors Oliver Gerrish (Chair), Jack Duffin (Vice-Chair), Colin Churchman, Mike Fletcher, Garry Hague and Andrew Jefferies

Substitutes:

Councillors James Baker, Steve Liddiard, Sue MacPherson, Gerard Rice and Elizabeth Rigby

Agenda

Open to Public and Press

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Queries regarding this Agenda or notification of apologies:

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Agenda published on: **23 January 2019**

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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

Minutes of the Meeting of the Corporate Overview and Scrutiny Committee held on 20 November 2018 at 7.00 pm

Present:	Councillors Oliver Gerrish (Chair), Jack Duffin (Vice-Chair), Leslie Gamester and Andrew Jefferies
Apologies:	Councillors Colin Churchman and Mike Fletcher
In attendance:	Sean Clark, Director of Finance & IT Steve Cox, Corporate Director Place Roger Harris, Corporate Director of Adults, Housing and Health Jackie Hinchliffe, Director of HR, OD & Transformation Detlev Munster, Assistant Director - Property & Development Rory Patterson, Corporate Director of Children's Services Karen Wheeler, Director of Strategy, Communications and Customer Service Lucy Tricker, Democratic Services Officer

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.

17. Minutes

The minutes of the Corporate Overview and Scrutiny Committee held on 4 September 2018 were approved as a correct record.

18. Items of Urgent Business

There were no items of urgent business.

19. Declaration of Interests

There were no interests declared.

20. Long Term Investment Strategy

The Director of Finance and IT presented the report and explained that this was a brief update on the council's investment strategy, but could not be too detailed as many investments were commercially sensitive. He went on to say that investments had always taken place within the council and was a daily process for officers. He described that the council had built in delegations to be able to invest, and the investment strategy went to Full Council once per year to re-evaluate the strategy. The Director then drew Member's attention to Section 5 of the report which outlined the Council Spend Review that had taken place in October 2017 and the fact that the council continued to save money and increase income through investing. He stated that the finance

department consider a range of investments, and how some may be simple, for example through credit or reference checks, but that other investments could be more detailed. He added that as the council had a balanced budget for the next four years, services could be enhanced or new services could be procured, and gave the example of new police officers now working in Thurrock. He summarised and stated that the current investments were short or medium term, but this had bought the council time to consider their approach to investments, and were now considering 10-40 year deals which were at due diligence stage, as well as other property investments.

The Chair began discussions by stating there was lots of unanimity across the council in support of investments, which reduced the need for spending cuts. He questioned how many of the current investments were time limited, for example 5 year deals at £10 million, what would happen once they ended, and if new longer term investments would cover this timeline. The Director of Finance and IT stated that he felt confident new investments could cover the timeline, and directed Members attention to 6.3 of the report and used the example of the Swindon Solar Farm, which although was only a 5 year deal, would be standing for 25 years and as such the contract was renewable. He added that the finance team were looking at existing investments and if there was a possibility for their renewal.

The Chair then questioned the types of investments the council were making, and if these were a balanced portfolio which supported the council's core purpose. The Director of Finance and IT once again drew Members attention to the example of the Swindon Solar Farm and how this combated fuel poverty and created partnerships which opened other opportunities. The Chair asked a follow up question regarding how the council were mitigating risks when investing, to which the Director of Finance and IT answered that all investments were asset backed. He pointed out 4.3 in the report and stated that the council often sought advice from UK and global experts that considered due diligence on the council's behalf. He stated that they looked at the entire investment for example, its security, longevity and performance. He added that the finance team also monitor investments, which optimized outputs and considered the effect of changing interest rates. The Chair asked if the finance team was the right size and shape, or if specialists should be bought in-house. The Director of Finance and IT answered that no in-house specialism was needed as he felt outside bodies did the work well. He added that when Thurrock Regeneration Limited (TRL) began to develop, further support would be given to the team.

Councillor Duffin then questioned, that although he understood the deals were confidential, if the council were aspirational and asked how much the investments were worth. The Director of Finance and IT replied that although investments were currently not aspirational, the Treasury Report coming to December Cabinet would set out the levels of investment. He added that the Medium Term Financial Strategy Report would show targets and returns, and the Treasury Management Report would be coming to the Corporate O&S Committee in January. Councillor Duffin then asked if anything had been holding investments back, for example politics or time, as he felt the council

needed to move forward with investing. The Director of Finance and IT answered that politics was not holding investments back, but that they take time as the council could not rush into them, and it could prove difficult to find new ones and develop existing ones. Councillor Duffin then drew attention to 3.4 of the report, and asked if the figure of 1000 homes could be up-scaled. The Corporate Director Place replied that shareholder meetings between TRL and the council were happening regularly, and stated 1 development was already on-site, 4 were in the planning stages, and 20 were in the pipeline, which totalled 2000 homes depending on feasibility. He added that following a review of the council's assets, there was scope beyond 1000 homes in 5 years.

RESOLVED: That:

1. The Committee considered the report and commented on the contents.

21. Mid-Year/Quarter 2 Corporate Performance Report 2018/19

The Director of Strategy, Communications and Customer Services opened the report and described how this was the mid-year performance report which covered the previous six months. She highlighted that although the report stated 70% of Key Performance Indicators (KPIs) had been hit, this figure had now increased to 71% as new data regarding the number of delayed transfers of care on page 22 had been released. She also highlighted the number of volunteers within the council and new apprenticeships had increased, which she felt was very positive. She also explained that where some KPIs had not met their targets, commentary was provided within the report.

The Chair opened the debate by stating that he felt it was very good to see an increase in the number of volunteers, particularly as this was such a large increase, and felt this was a testament to officers who engaged with volunteers. He asked how the council had managed to encourage volunteers and how the momentum could be continued. The Corporate Director Adults, Housing and Health replied that volunteers were always wanted within the council, but this rise was due to an increase in co-ordination between different departments, for example receiving volunteers applications and then undergoing reference checks. He congratulated Natalie Warren, Mykela Pratt and the recruitment team on their hard work on this matter. He added that there was always a high turnover of volunteers as they found paying jobs, or moved on.

Page 23 of the agenda was the next point of discussion for the Chair as he stated that the percentage of timeliness of response to complaints had seen some progress, but he felt was still adrift of target. He asked how the target could be met to get the KPI back to green. The Director of HR, OD and Transformation replied that this KPI was now being reported back to Directors Board on a monthly basis, and was closely monitored through leadership group. She mentioned that a common complaint was because bins were

being missed for collection; work with the crews had improved this position and this should reflect a reduction in the number of complaints. The Chair then discussed the percentage of refuse bins emptied on the correct day and how this seemed to be falling behind every quarter. For example, it had fallen behind because of snow and then industrial action, and asked if the team had looked at the underlying causes for the missed KPI, as this was now the third quarter targets had been missed. The Director for Strategy, Communications and Customer Services replied that a detailed action plan was in place, which included the training of drivers, increased flexibility, solving access issues, and using shunter drivers during peak hours. She explained that the service was now starting to see an impact due to this detailed action plan, and the figure for October was 99.6% of refuse bins being collected on the correct day, which was the highest performance this year. The Chair welcomed this news and hoped this figure could be maintained now the colder weather was approaching.

Councillor Duffin stated that although the percentage of housing repairs completed was within target, he felt that some work completed was not done to an acceptable standard, and asked if one staff member should be allocated to check all repairs. The Corporate Director Adults, Housing and Health replied that the council had a quality assurance team which checked 15% of all repairs completed, and he worked closely with the Tenants Excellence Panel and wanted to get more up and running. He added that a meeting occurred with contractors and other groups on a monthly basis to deal with issues. Councillor Duffin then discussed the percentage of tenant's satisfaction, but felt it was good to see the actions being taken on page 24, and hoped this would move the KPI in the right direction. The Corporate Director Adults, Housing and Health replied that more detailed KPIs regarding this was brought to the Housing O&S Committee twice a year, and a deep dive had been commissioned regarding concerns over repairs done by contractors. He added that although there had been a slight improvement in the KPI, it was still below the 70% target, but if the 'fair' result had been included, the KPI would have been over 90%.

Councillor Duffin then congratulated the team on the number of apprenticeships, and hoped they could be turned into full staff members in the future. The Chair echoed his sentiments and stated that he felt this was very encouraging. Councillor Jefferies added that it was good to see the high number of apprenticeships, and asked if another Apprentice Recruitment Day would be held after the success of the previous one in July. The Director of HR, OD and Transformation replied that another Apprentice Recruitment Day would be held, and this formed part of the apprentice strategy.

The Chair commented on the missed KPI of the percentage of 'good' or 'outstanding' schools, and understood this was partly due to Herringham Primary falling from 'good' to 'needs improvement'. He asked what was being done to support schools in the borough. The Corporate Director Children's Services added that council's had a reduced role in academies such as Herringham, but were introducing a new School Effectiveness Framework, and were having annual conversations with academies regarding their

performance. He added that the team were now identifying 'vulnerable' schools which were at risk of falling into the 'needs improvement' category, before they were rated by Ofsted. He commented that the council were becoming less reactive to problems regarding schools, and more proactive in helping potentially 'vulnerable' schools. The Chair then questioned how many schools the council had identified as 'vulnerable' and if the council were getting to schools quickly enough to stop their Ofsted rating dropping. The Corporate Director Children's Services replied that this had proven to be an effective method so far as schools were reacting positively to the advice being given to them.

The rate of sickness absence was the next item for discussion, and the Chair commented that this was the same missed target as the previous year. He commented that he knew this was a challenging target, but asked how close it would be to green by the end of the year. The Director of HR, OD and Transformation replied that the current indications were that the outcome would be similar to last year. Following a report to Directors Board, a more robust approach was now being pursued with additional resources being recruited to monitor manager compliance to ensure standards are applied, absences appropriately managed and staff supported to return as soon as possible.

The Chair finally drew the Committee's attention to page 23 of the agenda and the percentage of household waste being recycled, and the difference in target between quarter 1 and quarter 2. The Director of Strategy, Communications and Customer Services replied that targets are seasonal as during the summer months there is lots of brown garden waste, compared to the winter months. The Chair then asked if this seasonal profiling could be used for the percentage of NEET KPIs, as there was work to do around this figure.

RESOLVED: That:

1. The Committee noted and commented upon the performance of the key corporate performance indicators, in particular those areas which are off target.

2. The Committee identified any areas which require additional consideration.

22. Grays South Regeneration Project: Civic Offices Update

The Assistant Director Property and Development began by describing the Grays South Master Plan which included high quality places to live and visit. He described that work on this project would include repurposing the Thameside complex; and a new underpass for the railway line; increased housing near the town centre; a new Grays Shopping Centre; and the new Civic Offices building. He explained that the new Civic Offices building was critical as it set the tone for development and opened up governance

processes, as well as promoting resident self-service and releasing land for housing. He added that in 2017, Cabinet had agreed for the proposal to go to the design stage, and the council had procured a consultancy team to do this. He mentioned that the hope was for the new plans to be submitted for planning in spring 2019 and would include consultation with South Essex College and St Peter and St Paul's Church among others. He felt this was an elegant building and would be a bold civic presence in the high street.

The Assistant Director Property and Development then talked through the designs starting with Page 40 of the agenda and the foyer of the new building, which would be a large, adaptable space primarily used as a reception and customer services areas, but could also be used as a venue to hold meetings, display museum exhibits, or launch activities. He added that a homeless waiting area would be separate from the foyer to maintain people's dignity and give some privacy. A café was also included in the designs which would be for use by residents, visitors and members of the public. A registry office was also being included, as this would move registry services from the Thameside complex, to open it up for cultural development. He then described the plans on Page 41 and the separation between Members and the public, as Members would have their own entrance. In addition, the Council Chamber was laid out so everybody could see the Mayor, and the public would feel as if they were part of proceedings. He added that there would be views of the church, and could be used after hours for use by the public as it was a very large venue. He then mentioned that Committee Room 1 could also be used for weddings or other ceremonies, and this could bring in extra revenue for the council.

The Assistant Director Property and Development then discussed the plans on Page 42 and how the Mayors Parlour would hold a sense of gravitas as the balcony would have views over the river, Grays town centre and the Church. Additionally, Members would be able to look into the Council Chamber from the second floor to give a sense of open democracy. He described how the Council Chamber would frame the Church, and provide a link to the heritage of Grays, as well as having views of the river and the square below. He described how the windows would be glazed so at night people can see in to give a sense of open democracy, and bring life to the street as residents could see people working, bringing activity to Grays particularly during winter time. He felt that the new designs were modern, open and airy, but could be used for other functions too. The Assistant Director Property and Development then turned the Committees attention to Page 47 and other precedents set, and how the final façade could look, for example the vertical emphasis and use of brickwork to link to Grays' heritage through the use of materials and textures. He then talked Members through the emerging model on Page 49 and the bold statement the Civic Offices would make for people exiting the train station, as well as the new railway underpass modelled. He summarised by stating the Committee was asked to comment on cost options in Table A.

The Chair opened discussions by stating that the Committee was not decision making on this item, but simply understanding the plans and passing

comments on to Cabinet to make the decision. He asked what the project would look like moving forward and what timelines were in place. The Assistant Director Property and Development replied that the report, including Committee comments, would be going to Cabinet in December, before entering into Non-Statutory Public Consultation in January. It would then go through the planning application process in Spring 2019, before awarding the design and building contract in Summer 2019, with the hope to be on-site at the end of Summer, with construction work lasting approximately 2 years.

The Chair then outlined the costs in Table B, and stated that he felt this was a point of principle as it was a decision of where to invest resources, and asked where the capital could be invested if not for this project. The Assistant Director Property and Development answered that this scheme increased opportunity as it unlocked potential for residential housing in CO1 and unlocked development at Thameside. He added that the funds had already been committed for this scheme, and had received previous approval at Full Council. He commented that the money invested in this would enhance the community and the reason for the additional capital was because of issues that arose at the detailed design stage, for example the slope of 2.6metres between the ground floor of CO2 and the new building. The Director for Finance and IT added that no other projects had been refused because of this project, and the total number of bids would be agreed this year and come back to the Corporate O&S Committee in January.

The Chair then considered the move of registry services from Thameside to the Civic Offices and how this move would open opportunity. The Assistant Director Property and Development answered that the registry services currently use a very large space in the Thameside Centre, and if the service was moved, Thameside could be used as a cultural hub with multi-use facilities. It would also increase effectiveness and efficiency, and increase revenue into the council.

Councillor Gerrish asked if the full business case had been considered as the perception and reality of this project may be different. He felt that as the council could not deliver all the services that residents wished for, but could regenerate the Civic Offices, it may not send the best message to inhabitants in the borough. Councillor Duffin expanded on this point that £205,000 was being spent on what was described in the report as a grand entrance, and residents may see this and the increase in their council tax and feel they are not getting value for money. He felt that the Civic Offices regeneration may not matter to residents and asked if this was a priority for the council. The Assistant Director Property and Development replied that the entrance would be simple and bold, and that the offices would be designed for residents to utilise as a community asset. He wanted residents to be proud of the new offices, and as a seat for democracy in the borough. He felt that the visitor experience was important, not just for trade but as a space for residents that could enhance the transactional nature of the building. He mentioned that the team was considering the foyer area being open 24 hours as a study space for students or as a place for people to work, and used the example of the Barbican centre which was regularly used by residents as well as visitors. The

Director of Finance and IT outlined to Members that this was a capital project, and was not due to the increase in council tax.

Councillor Duffin added that some residents only interaction with the council was paying their council tax and many people do not engage with the Civic Offices building as transactions are completed over the phone or online. He felt that many residents would not use the new building, and although 24 hours opening was a good idea, public transport did not run 24 hours to match this. The Assistant Director Property and Development replied that there had been a positive channel shift to online and phone interactions with residents, but the space created would be multi-use which people could utilise in different ways.

The Chair asked how people would be encouraged to move south bound over the railway line, as there were currently businesses situated on the corner which enticed people. The Assistant Director Property and Development described the anchor tenant model and how people would move between them. For example, the Thameside Complex would be the cultural anchor tenant at the north end of the High Street; the State, the Shopping Centre and Morrisons would be anchor tenants in the middle of the High Street; and the new Civic Offices and the college would be the civic anchor tenant at the south bound end. He mentioned that the new underpass would also be more conducive to movement over the railway. He continued and stated that as activities and events would be taking place within the Civic Offices it would become a place to go and would create draw. In addition, talks were currently underway with the Thames Clipper to introduce a river bus stop in Grays, although this was in the very early stages, but this could draw people through to the river.

The Chair asked if the CO1 site would also have capability for communal areas or events. He also felt that as the new building would primarily be for administration work, although it would be busy during the week, it would become quieter outside of working hours. The Assistant Director Property and Development replied that the CO1 site would be for residential use only. He stated that the multi-use committee rooms in the new building it would also be busy outside of working hours, and would generate revenue. He added that as CO1 was for residential use it would increase footfall through the town, would support local businesses, and enhance the vibrancy of Grays. The Chair asked if discussions had taken place with the current occupiers, which would be displaced because of the new building. The Assistant Director Property and Development replied that the council needed to keep its commercial integrity so were following processes set out by external advisers. He explained that the council had engaged with the freeholders of the area and discussions were ongoing, and that leaseholders would be kept informed through the freeholder. He added there was a commitment to engage in more detailed discussions before the acquisition of the land.

Councillor Duffin felt that the designs looked good, but wanted to ensure this was sold positively to residents as they may only look at the headlines, rather than all the good points outlined by the Assistant Director Property and

Development. The Corporate Director Place stated that it would benefit both residents and visitors, and although they were currently only in the initial phases, during planning and consultation residents could understand in greater detail.

A discussion then began on the detail of the Council Chamber including how many seats would be available for the public; how residents would be able to speak or present petitions during meetings; and the layout of the Chamber itself. A debate began between Councillor Duffin and Councillor Jefferies over whether an adversarial style Chamber was the way forward, or if a horseshoe shape design would work better.

The Chair summarised points made during the discussion and stated the Committee felt concern over the spend of the project and wished to see the full business plans, including how it could benefit residents, services and the borough as a whole. He stated that the Committee had given detailed feedback on the design of the Council Chamber and the benefit to residents as a venue.

RESOLVED: That:

1. Commented on the cost options set out in Table A

2. Commented on the report and the Cabinet recommendations which are:

1.2.1 Note the designs for an extension to CO2 presented at Appendix A of the report

1.2.2 Agree the cost options set out in Table A at 3.4 below and agree capital of £1.8m in addition to the £380k agreed previously

1.2.3 Authorise officers to submit the following:

i. a full planning application for an extension to CO2 based on the emerging designs contained in appendix A

ii. And an outline planning application for up to 120 new residential units on the CO1 site

1.2.4 Authorise officers to begin a procurement process for the appointment of a main building contractor

23. Work Programme

The Chair suggested that an item on Customer Services Update be added to the January meeting, and an item on Councillor Spillman's Full Council Motion regarding the overview and scrutiny processes also be added to the January

meeting. Councillor Duffin asked that Councillor Spillman's Motion report also include effectiveness options to improve the effectiveness of scrutiny.

The meeting finished at 8.44 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**

31 January 2019		ITEM: 5
Corporate Overview & Scrutiny Committee		
The Overview and Scrutiny Functions and Motions Process		
Wards and communities affected: All	Key Decision: Non-Key	
Report of: Lucy Tricker, Democratic Services Officer & Wendy Le, Democratic Services Officer		
Accountable Assistant Director: David Lawson, Assistant Director of Law and Governance, and Monitoring Officer		
Accountable Director: Sean Clark, Director of Finance and IT		
This report is Public		

Executive Summary

At the Full Council meeting of 31 October 2018, Councillor Luke Spillman raised a motion as follows:

“Full Council asks for the Corporate Overview and Scrutiny Committee under its cross cutting remit on overall performance, monitoring, and steering the overview and scrutiny function to look into:

- The effectiveness of overview and scrutiny processes at Thurrock Council*
- The effectiveness of Motions agreed at Full Council”*

This report contains evidence and analysis of the current processes in place for both overview and scrutiny, and motions. It further goes on to identify some useful work overview and scrutiny committee members could undertake to add value to the process by considering current practices.

1. Recommendation(s)

- 1.1 **To note and comment on the overview and scrutiny function’s current performance in relation to the Centre for Public Scrutiny’s Evaluation Framework, and potential areas for service enhancement as outlined in 2.4.4.**

1.2 To agree to undertake a consultation with Councillor’s on the aspirations for future delivery of overview and scrutiny, as outlined in 3.12 and 3.13.

1.3 To comment on the current effectiveness and performance of motions based on evidence presented in 3.14 onwards.

2. Introduction and Background

2.1 The motion raised by Councillor Spillman at Full Council on 31 October 2018 brings about the following key questions:

1. What does overview and scrutiny and the process for motions look like at Thurrock Council, and how does the Council meet the national framework for scrutiny and governance?
2. How effective is the overview and scrutiny process in Thurrock Council, in terms of quantitative data such as number and type of reports, and Members experience of the process?
3. How effective are actions raised by motions that are agreed at Full Council?

2.2 As stated in Thurrock’s Constitution Chapter 1, Part 1, Section 5, overview and scrutiny committees have three roles:

1. *“The first role of Overview and Scrutiny Committees is to support the work of Cabinet and the Council as a whole by considering and making recommendations on policy.*
2. *Secondly, the Committees are the main bodies scrutinising decisions made by the Cabinet and for holding it to account.*
3. *Finally, they are also responsible for reviewing matters relating to a wide range of partner organisations, including those related to health, to education, and to law and order, to ensure that the public authorities that operate in Thurrock are acting in an effective and co-ordinated manner, in the public interest.”*

2.3 Overall, the Council has a statutory duty to provide good governance for Members, officers and residents, and has to ensure all decisions are open and transparent.

2.4 National Scrutiny Framework Guidance

2.4.1 Thurrock Council’s scrutiny practice follows the Centre for Public Scrutiny’s (CfPS) evaluation framework which describes the characteristics of good scrutiny practice, and advises councils on how to review scrutiny arrangements on their own terms.

- 2.4.2 The Centre for Public Scrutiny is the national centre of expertise on governance and scrutiny who work to implement more effective decision-making for councils across the UK. All Members of scrutiny have a responsibility to engage and contribute to the function to ensure effective decision making, as outlined in the Members' Code of Conduct.
- 2.4.3 The CfPS Evaluation Framework is a document that is produced on a yearly basis which helps councils understand the characteristics of good scrutiny practice.
- 2.4.4 Appendix 1 shows how Thurrock is meeting the national guidelines according to the CfPS Scrutiny Evaluation Framework. The Council is meeting all requirements of the framework, however in the spirit of enhancing the service further, it is felt the following areas could be addressed:
- More input from scrutiny Members in shaping the work programme in terms of what reports, issues or items they would like to see.
 - Increase activity between meetings to allow Committee Members the chance to strengthen their understanding and knowledge of issues being discussed e.g. a site visit.
 - Members could benefit from focussed short training sessions specific to overview and scrutiny throughout the year. For Members who join a Committee during the municipal year, an individual training session could be provided for them before a meeting.
 - Improve the efficiency of meetings to ensure each agenda item has an appropriate amount of time allocated. This would give Members enough time to discuss agenda items and prevent one item running on longer than necessary.
 - Raising public awareness of overview and scrutiny committees, so more public questions and petitions are brought forward. This could happen through a briefing note displayed on the public noticeboard, or through notifications by the Communications Team through Twitter or other social media.

3. Issues, Options and Analysis of Options

Effectiveness of Overview and Scrutiny at Thurrock Council

Quantitative Scrutiny Research

- 3.1 In total the number of reports considered by Overview & Scrutiny Committees for the municipal years 2014/15, 2015/16, 2016/17 and 2017/18 has remained relatively constant year on year, as shown below.

Year	Number of Reports at all O&S Committees	Number of O&S Committee Meetings
2014/15	82	25
2015/16	117	35
2016/17	121	30
2017/18	89	25

3.2 The table below shows the different types of reports that came through the O&S process.

Year	Type of Reports				
	Went to (or came from) Cabinet	Update Reports	Reports to be noted	Annual Reports	Reports with Actions
2014/15	16	15	34	3	14
2015/16	19	21	41	5	31
2016/17	12	31	57	3	18
2017/18	16	24	39	4	6

3.3 The first type of report that O&S Committees examine are those that went to Cabinet, or came from Cabinet, as a form of pre or post-scrutiny. Pre-scrutiny is seen as a fundamental aspect of overview and scrutiny, as stated by the CfPS in their scrutiny guidance policy, and on average represents 16% of reports across the four years researched.

3.4 Update reports often begin as an in-depth piece of work commissioned by an O&S Committee, which is then reported back on a regular basis until a project has been finished, or a satisfactory conclusion reached. These help committees proactively monitor issues they have flagged. An example of an update report would be the Active Place Strategy Update report which was monitored by the Cleaner, Greener and Safer Overview and Scrutiny Committee between 2015/16 and 2016/17. These reports constitute 22% of all reports across the four years.

3.5 The largest proportion of reports that go through the scrutiny procedure are reports 'to be noted', which give Members the opportunity to discuss and comment. These reports consist of standing agenda items, policy and strategy reports, as well as those which examine the work of partner organisations in Thurrock, such as c2c.

3.6 The final category of 'reports with actions' include reports that have made proactive recommendations or changes based on discussions held during the Committee meetings. For example, these could be reports where an O&S Committee has established a Task and Finish Group, written additional recommendations, or written letters to external bodies. For example, the Planning, Transport and Regeneration Overview and Scrutiny Committee established the Lower Thames Crossing Task Force and the Local Development Plan Task Force. This category represents 17% of all reports.

- 3.7 All types of reports have remained relatively constant across all four municipal years that were researched, and suggests a solidity of form for overview and scrutiny processes.

Qualitative Scrutiny Research

- 3.8 As stated in the CfPS Evaluation Framework (Appendix 1), Overview and Scrutiny Committees should be Member-led to ensure good governance practices.
- 3.9 As well as the quantitative, data-led research outlined above, this report also offers the chance for Members to share their experiences regarding overview and scrutiny processes.
- 3.10 It would be useful for the Corporate Overview and Scrutiny Committee to undertake a form of informed consultation by Members to understand any challenges or aspirations related to the overview and scrutiny function, within the context of the issues outlined in 2.4.4, as well as any others the committee may feel relevant.
- 3.11 It is recommended that Democratic Services devise a project, to be agreed by the Chair of this committee to effectively gather the information.

Effectiveness of Motions at Thurrock Council

- 3.12 The tables below shows the number of Motions submitted at Full Council, and actions arising from them.

Year	Motions agreed at Full Council
2014/15	13
2015/16	20
2016/17	10
2017/18	9

Year	Actions resulting from Motions				
	Additional Committee Work Undertaken	Work with external bodies	Internal work	No update required	Motion Unanswered
2014/15	5	2	4	2	0
2015/16	7	8	4	1	0
2016/17	6	1	3	0	0
2017/18	2	2	5	0	0

- 3.13 In total between the municipal years 2014/15 and 2017/18, 52 motions were submitted at Full Council.
- 3.14 As per the table above, the first column shows motions which resulted in additional Committee work being undertaken. The additional work consisted of extra reports going to a Committee; additional research being undertaken

by officers; or extraordinary overview and scrutiny committees being held.

- 3.15 The second column denotes motions that resulted in work with external bodies, such as the Police, Fire and Crime Panel or c2c, which often involve letters being written or members of the organisations being invited to overview and scrutiny committees.
- 3.16 The third column signifies Motions that resulted in internal work being completed, such as letters being written to MP's or central government.
- 3.17 The final columns represent motions which either did not need a response; or a motion that went unanswered, of which there were zero.

4. Reasons for Recommendation

- 4.1 This report is submitted to the Corporate Overview and Scrutiny Committee in response to the motion raised by Councillor Luke Spillman at Full Council on 31 October 2018.
- 4.2 The recommendations allow Members the opportunity to acknowledge the good practice in both processes whilst giving the opportunity for Members to also gather more evidence with a view to making future best practice suggestions.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 This report provides an opportunity for Members to undertake consultation on the overview and scrutiny process and motions at Thurrock Council within the correct scrutiny forum.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 Delivery of successful, high-quality governance has a significant impact on all of Thurrock Council's priorities. Specifically, on including the community in governance procedures such as Committee meetings and asking questions of Members.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**
Management Accountant – Central Services

There are no financial implications for this report.

7.2 Legal

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

There are no legal implications for this report.

7.3 **Diversity and Equality**

Implications verified by: **Becky Price**
**Team Manager – Community Development &
Equalities**

This report helps Thurrock Council meet its diversity and equality requirements by allowing greater input into the decision-making and governance processes by members of the public.

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

There are no other implications for this report.

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):

- The Centre for Public Scrutiny, Overview and Scrutiny Framework - <https://www.cfps.org.uk/scrutiny-self-evaluation-framework/>

9. **Appendices to the report**

- Appendix 1 – Thurrock's Democratic Services Scrutiny Self-Evaluation

Report Author:

Lucy Tricker
Democratic Services Officer
Finance and IT

Wendy Le
Democratic Services Officer
Finance and IT

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Thurrock's Democratic Services Scrutiny Self-Evaluation

<u>CfPS Scrutiny Evaluation Framework Characteristics</u>	<u>Thurrock's Democratic Services scrutiny process</u>
<p>1. Overview and scrutiny (O&S) has a clearly defined and valued role in the council's improvement and governance arrangements.</p>	<p>The current administration follows a pre-scrutiny process where all reports with key decisions that are going to Cabinet go through O&S for Members of the Committee to scrutinise beforehand. In addition, Chairs of O&S can attend Cabinet meetings to ask questions and make recommendations to an item on the agenda that relates to their O&S committee.</p> <p>Every year the Overview and Scrutiny Annual Report is brought to Full Council which offers all Members a chance to debate the function of O&S and also raises the public profile of O&S.</p>
<p>2. O&S has the dedicated officer support it needs from officers who are able to undertake independent research effectively, and provide councillors with high-quality analysis, advice and training.</p>	<p>Dedicated support is provided by Democratic Services who ensure O&S runs smoothly by organising meetings, checking the quality of reports and being the liaison between Committee Members and Officers. To give Councillors a better understanding of items on the agenda Democratic Services arrange site visits when Councillors request them. For example, Members of Cleaner, Greener and Safer O&S had visited rubbish and waste sites to analyse potential problems of rubbish and waste processes and sites.</p> <p>At the beginning of each year the work programme for O&S Committees is drawn up by Democratic Services who work with the relevant Director to discuss which reports are due. After each meeting the work programme is updated should anything be added at the request of the Committee. Democratic Services ensure these reports are received and published on time, in line with statutory obligations.</p> <p>O&S reports are detailed with evidence and research by council officers. Officers benchmark against other councils on statistical data. For example, in Children's Services O&S, Children's Social Care reports compare Thurrock's child assessment rates with the England average, Thurrock's statistical neighbours and with East</p>

	<p>England.</p> <p>A Director and report authors attend the meetings and are usually able to answer Members' questions in detail and provide answers by email for any questions that require further detail or data. Reports are also brought back to the Committee when requested and Democratic Services ensure this is reflected in the work programme.</p>
<p>3. O&S provides viable and well evidenced solutions to recognised problems.</p>	<p>Most of the reports brought to O&S provide the Committee with an update on performance and plans within the service.</p> <p>Where a service has identified areas requiring more scrutiny or made aware of issues, solutions are given and are supported with evidence as to why/how it would work. For example, the Orsett Hospital Task and Finish Group had been created from the Health and Wellbeing O&S to look at the services and proposed closure of Orsett Hospital.</p> <p>Reports also ask for the Committee's approval of solutions before going ahead as can be seen in the Tree Planting Strategy in Cleaner, Greener and Safer O&S. Update reports on projects also seek comments/approval from Committee Members before moving onto the next stage or submitting a design e.g. the Planning, Transport, Regeneration O&S is regularly updated on the Purfleet Regeneration project at each stage of development. This gives the Committee a vital opportunity to offer alternatives to the suggested recommendations.</p>
<p>4. O&S councillors have the training and development opportunities they need to undertake their role effectively.</p>	<p>Members are provided with scrutiny training (Committee Skills Member training) every municipal year. Individual and specialised scrutiny committee training is provided to Committee Members e.g. Health & Wellbeing Adult Social Care Member training, Preventing Child Sexual Exploitation Member training. There are also opportunities for Members to attend external training sessions throughout the year.</p>

<p>5. The process receives effective support from the council's corporate management team who ensures that information provided to O&S is of high quality and is provided in a timely and consistent manner.</p>	<p>There is effective support from the council's corporate management team who are aware of the scrutiny process in that key decision reports are to go through O&S before Cabinet.</p> <p>To further ensure the quality of O&S reports, they are discussed at Directors' Board before final submission. In addition, each O&S is supported by the relevant Director who is the 'sponsor' and they would attend each Committee meeting to provide support to reports or answer questions.</p>
<p>6. O&S is councillor-led, takes into account the views of the public, partners and other stakeholders, and balances the prioritisation of community concerns against issues of strategic risk and importance.</p>	<p>O&S is led by Councillors as they can request relevant reports to the Committee and influence service operations. For example, in Health and Wellbeing O&S, during a verbal update from Healthwatch, an issue was raised in relation to SEERIC and the intended outcome was for a separate report to be brought back to the Committee for discussion. Additionally, Councillors can put forward a motion at Full Council requesting a relevant O&S to look into an issue. For example, a motion was raised requesting the Cleaner, Greener and Safer O&S to look into Tree Planting in which a report detailing a strategy to this was provided and agreed on by the Committee.</p> <p>The Lower Thames Crossing is a prime example of prioritising Thurrock's community concerns, so much that a Task Force was set up for sole devotion to the opposition of the LTC. To ensure the local community had their own voice, Councillors called for representatives of the local community to be involved and these 3 representatives are from:</p> <ol style="list-style-type: none"> 1. Thames Crossing Action Group. 2. Residents. 3. Thurrock Business Board.
<p>7. O&S meetings and activities are well-planned, chaired effectively and make best use of the resources available to it.</p>	<p>O&S meetings are planned in advance and agreed at Annual Council at the start of each municipal year. Extraordinary meetings or the setup of task force groups will usually have meetings planned at least a month in advance</p>

	<p>after confirmation of Member nominations and availability.</p> <p>Briefings are held before Committee meetings which are organised between Democratic Services and the Chair. With the agenda the reports arise from the work programme which is a combination of Officer and Member initiative.</p> <p>Available resources for meetings include rooms and IT equipment which are always available for Officers to use when booked in advance. There is also a small budget available for project work.</p>
<p>8. Decision-makers give public account for themselves at O&S committees for their portfolio responsibilities.</p>	<p>Portfolio Holders rarely attend O&S meetings at present but Chairs could invite them to attend where necessary to answer the Committee's questions. This can be the case where a key decision report is by the Portfolio Holder. For example, Councillor Halden had attended Children's Services O&S to present and answer questions on the Pilot Development for Head Start Housing for Vulnerable Young People and Care Leavers.</p>
<p>9. O&S is recognised by the Executive and Corporate Management Team as an important council mechanism for community engagement, and facilitates greater citizen involvement in governance.</p>	<p>Most reports going to Cabinet usually go through O&S first. Cabinet can request for reports to go back to O&S which had been the case for the Grounds Maintenance Charge in Housing O&S as they had the research background into the charge so were able to look into it further.</p> <p>In addition, a review into reducing the timeframe for submitting questions had been looked into by the Constitution Working Group which had been agreed at Full Council. This facilitated greater citizen involvement and gave more importance to the function of O&S.</p>
<p>10. O&S is characterised by effective communication to raise awareness of, and encourage participation in democratic accountability.</p>	<p>The Communications Team in the Council tweets of upcoming O&S committee meetings to notify the public. The public occasionally attend and they are able to ask questions or present a petition as set out in the Constitution under Chapter 4, Part 3 – section 5.</p>

	<p>In 2017, public participation in the democratic process was reviewed by the Constitution Working Group with a report from Democratic Services. The improvements made from this were:</p> <ul style="list-style-type: none"> • The Council website was amended for better clarity. • The timeframe for the public to submit questions was reduced. • Clarity was given to the Mayor on accepting late questions at their discretion.
<p>11. O&S operates non-politically and deals effectively with sensitive political issues, tension and conflict.</p>	<p>There is no evidence of partisanship within the function and the Monitoring Officer has not received any complaints or evidence to the contrary.</p>
<p>12. O&S builds trust and good relationships with a wide variety of internal and external stakeholders.</p>	<p>Trust is built with external stakeholders by ensuring solutions from council services have a positive impact. For example, Health and Wellbeing O&S works together with the NHS and Planning, Transport, Regeneration O&S works with the C2C on train service times. Representatives would attend O&S to provide reports and take comments and questions from Members.</p> <p>Other external stakeholders also attend O&S Committees as Co-Opted Members and to provide updates. HealthWatch attends the Health and Wellbeing O&S to provide the Committee with regular meetings. In Cleaner, Greener and Safer O&S, Essex Police had attended a recent meeting for the Gang Related Violence Update Report to give the report together with Thurrock Community Partnership.</p>
<p>13. O&S enables the 'voice' of local people and communities across the area to be heard as part of decision and policy-making processes.</p>	<p>Councillors on O&S Committees represent the 'voice' of the local community. Many questions and comments posed by Councillors are done so with the local community in mind and discussions revolve around how a solution or decision would impact the local community. For example, on the A13 Widening Scheme report in Planning, Transport, Regeneration O&S, the</p>

	<p>Committee had raised concerns on disruptions and noise to local residents to which Officers had given solutions to reduce the impact of the works.</p>
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31 January 2019		ITEM: 6
Corporate Overview and Scrutiny Committee		
Customer Services Strategy Progress Update		
Wards and communities affected: All	Key Decision: Key	
Report of: Tracie Heiser, Assistant Director of Customer Services		
Accountable Assistant Director: Tracie Heiser, Assistant Director of Customer Services		
Accountable Director: Karen Wheeler, Director of Strategy, Communications and Customer Services		
This report is public		

Executive Summary

The Customer Service Strategy, approved at Cabinet in April 2017, set out where the council was in relation to customer service delivery, where it wanted to be and how it would get there. It provided a strategic overview to set the direction of travel for customer services throughout the organisation with an action plan for how the council will improve service to our customers across all access channels.

The strategy acknowledged that in order to deliver the standard of customer services required, the council needed to address issues of people, process, technology and organisation, managing our resources to optimum effect. To succeed it would be necessary to create a culture supported by the right operational procedures and infrastructure to deliver high quality customer service, listening to the voice of the customer and employees, measuring customer satisfaction, embracing change and technology, and striving to continuously improve.

The strategy includes a real emphasis on digital and self-service for customers that are able to utilise this method but recognition that a high standard of service, access and support must still be available for the customers that cannot.

This report provides an update on delivery of the strategy action plan.

1. Recommendation(s)

1.1 That the committee comment on the progress delivered against the Customer Services Strategy key actions.

1.2 That the committee comment on strategy actions currently in progress and provide suggestions for any further development areas.

2. Introduction and Background

2.1 Customer Services functions (the contact centre, reception, face-to-face, cashiers, careline and out of hours) returned to the Council from Serco in December 2015. This provided a new opportunity to consider the strategic direction for the service itself as well as the council's overall approach. The Customer Services Strategy was developed to address the following challenges:

- Inconsistent customer service standards across all council services
- Lack of communication of what our customers can expect including self-service options
- Customers mainly using more expensive channels such as face to face even for simple transactions available online
- Self-service not available for some high volume transactions
- Reluctance to change including understanding and use of digital methods
- Need to reduce avoidable contacts and promote proactive contact with residents
- Refresh of contact centre telephony platform and other technology enhancements i.e. web chat
- Opportunities for further service calls through the contact centre to deliver efficiencies and explore as a potential growth area and for income generation.

2.2 Prior to the strategy development approx. 38,000 telephone calls were handled by the contact centre each month within an additional approx. 8,000 face-to-face visits to the civic offices. Residents were mainly contacting the council regarding:

- Housing benefits
- Council Tax
- Rents
- Environmental issues e.g. flytipping
- Waste e.g. missed bins

In addition, face-to-face enquiries were also commonly about parking permits and providing documentation for benefits and housing applications which were both lengthy transactions.

2.3 Many, although not all, of these services, or elements of them, were available online. My Account was introduced in October 2013 providing access to services and transactions online.

2.4 Face to face customer service has always been the most expensive channel followed by telephone contact, with web /online the most cost effective.

- 2.5 Previous surveys and consultations had told us that Thurrock residents, in the main, have the skills to access services online and utilise our existing self-service options. The council was already encouraging and supporting customers to use the internet for straightforward transactions but the face-to-face one to one facility was available for every transaction regardless of the service being online. The key challenge was to improve digital access options and raise awareness of these but not stop traditional methods such as telephone or face-to-face, just free these up more for those that really need to use them – often residents with complex and sensitive needs.
- 2.6 The aim was to minimise the need for customers to contact the council but if they do, provide them with an excellent self-service experience that is quick and convenient and ensure other available contact channels were publicised for hard to reach groups including where support is available for example through the community hubs.

3. Issues, Options and Analysis of Options

- 3.1 Some of the key actions included in the approved strategy are summarised below:

- Implement a new contact centre telephony platform
- Achieve Customer Contact Association industry accreditation for the Customer Services Department
- Agree and implement online only services where appropriate ensuring support is always available for customers that cannot utilise online services and need extra help
- Transform face to face customer services area creating a brand new customer services delivery model on the ground floor at civic offices
- Develop more online services
- Develop a cross council customer excellence training programme with the flexibility to meet the needs of many different council service areas
- Develop a new Council Customer Service Charter
- All of the above aimed to embed the principles for customer services delivery across the organisation

- 3.2 Progress to date for these key actions:

3.2.1 Implement a new contact centre telephony platform

- A New Mitel telephony platform was implemented in October 2017 without any service disruption
- This is a much more advanced solution with greater capacity, improved real-time information, enhanced reporting and increased resilience
- Customers continue to have the opportunity to answer a satisfaction survey following their contact centre call. Satisfaction levels are collated monthly as well as the messages that are left which are used to provide feedback to the

Customer Service Advisors and services. 98% of customers were satisfied with the service in the last few months of 2018.

3.2.2 Achieve Customer Contact Association (CCA) industry accreditation for the Thurrock Council Customer Services Department

- An independent audit was completed by the British Standards Institute in June 2018 – all areas met the criteria with zero non-conformances against any module and an excellent audit report. This was a very robust assessment covering all areas of customer services.
- Four Customer Services Advisors completed the CCA Inspire Programme for high performing colleagues - they achieved CCA accredited Customer Service Professional certificates and this will now be a regular programme.
- The Customer Services Department were also highly commended in the United Kingdom Contact Centre Forum Public Sector Awards for Public Sector Contact Centre of the Year
- The Assistant Director of Customer Services also received a highly commended award for Head of Customer Services of the Year across all sectors in the United Kingdom Contact Centre Forum Awards

3.2.3 Agree and implement online only services where appropriate ensuring support always available for customers that cannot utilise online services

- Some services have now been identified as suitable for online only such as bulky waste, council tax exemptions, anything that can easily be accessed online that doesn't require support, isn't a service failure or may be detrimental to the council if information not provided – support is still always provided where customers are vulnerable or unable to access our online services.
- Customers have adapted to this well overall as it improves access for them as they then have awareness of the online offering enabling them to access at any time from their own home, a local hub or library
- Support is also provided by the contact centre, face-to-face customer service advisors, libraries / hub staff and volunteers to assist customers when setting up their online accounts.
- Web chat is also available to support customers experiencing difficulties setting up their online accounts
- All housing and housing benefit applications are online only but support is always provided with assisted self-service via phone or in person at civic offices
- Floorwalkers are also available within the face to face service area to support customers utilising our self-service facilities

3.2.4 Transform the face-to-face customer services area on the ground floor

- The refurbishment and a fresh new modern look for the ground floor civic offices customer services area has been created. All technology and furniture

will be transferred to the new area when the Civic Offices extension and transformation is completed.

- A new business visitor check in area with its own specific waiting area has been created to provide a more professional image for council visitors - excellent feedback from visitors received
- Meet and greet floorwalkers are now in place to greet visitors and determine the most appropriate service for them when they arrive i.e. online self-service service, document scanning, specific one to one service for vulnerable customers etc.
- Individual face to face service desks have been established for vulnerable customers resulting in more time and support available for those that really need the help with vastly reduced waiting times
- Two new document-scanning booths have been implemented with assisted Customer Service Advisor support to verify appropriate documents and scan directly to the service areas. This is a much smoother process with vastly reduced transaction and wait times. 6,797 customers used the service between May and mid-December. The handling time of these transactions has reduced from approx. 25 minutes to approximately 5 minutes.
- A self-service DDA compliant area has been created with rise and fall desks, and PC's to support customers that are unable to stand and use the self-service tablets
- The changes have created more space to enable us to establish a separate waiting area for people seeking housing and homelessness advice, which provides more privacy for these customers when they visit.
- The changes created a £225k saving without the need for any redundancies at the same time providing an enhanced service with reduced wait times and no upheld complaints.

Wait time in minutes and seconds (target less than 10 minutes):

Year	August	Sept	Oct	Nov
18/19	02:55	03:24	01:47	01:28
17/18	08:08	08:03	09:43	07:57
16/17	06:06	06:41	08:39	04:10

Total number of visitors:

Year	Aug	Sept	Oct	Nov
18/19	6,546	5,212	5,382	4,841
17/18	9,586	7,035	10,182	10,795
16/17	7,594	9,400	8,113	8,102

3.2.5 Develop more online services

- The Initial focus has been on parking permits as this was not very customer focused and required all customers to visit civic offices to apply and collect their permits - the only other alternative was to apply by post. There were approximately 400 customers per month for this service within the face-to-

face customer services area and this was increasing due to additional permit zone development.

- A new online parking permit solution was implemented in August 2018 for resident, business and visitor permits
- Customers can now apply from home and upload their supporting documents directly from their phone / home device without the need to visit civic offices
- Excellent feedback has been received so far regarding this new online solution and from August to mid-December, 2,526 customers have already used this solution
- We will continue to monitor demand and identify areas for further online development

3.2.6 Develop a cross council customer excellence-training programme with the flexibility to meet the needs of many different service areas

- A new customer excellence training programme 'Right First Time' has been developed
- Approximately 500 frontline employees have attended since April 2018 from Customer Services, Environment, Waste and Housing
- This targeted approach will continue and all employees with customer contact roles will attend
- The training includes service specific scenarios so it relates to each service and is meaningful for the attendees
- The training includes an overview of our vision and priorities, our customer services vision and principles, a real focus on 'Right First Time', digital awareness, behaviours and skills, face-to-face techniques, good / bad call examples, listening techniques, questioning techniques, assisting vulnerable residents. It also has a modular approach so can also be adapted for any council service area.
- 98% of attendees have rated this as excellent

3.2.7 Develop a new Customer Service Charter

- A new customer promise was launched during National Customer Service week in October and is now included in induction, customer excellence training and displayed around civic offices, libraries and community hubs. It is also available on our web site.
- The promise demonstrates our commitment to our customers in relation to the standards the council will always aim to meet when serving them and reflects the overall strategy.

3.3 Many actions within the strategy will continue into 2019 and progress reported to the Customer and Demand Management Board. Ongoing actions include:

- Continue with the targeted rollout of customer excellence training to cover all service areas

- Continue to promote customer service activities to maintain momentum regarding the importance of a high standard of customer services across the council i.e. activities like National Customer Services Week
- Continue to consistently achieve all customer services operational targets i.e. wait times, customer satisfaction, telephony response etc.
- Continue to support vulnerable customer initiatives i.e. developing a single view of debtor
- Finalise the development of the cross council customer service quality framework to monitor customer service delivery and support action planning for all council services
- Continue to provide valuable insight to the Customer and Demand Management Board to identify opportunities for service improvement or transformation
- Maintain the Customer Services CCA accreditation at the next assessment due in June 2019
- Provide a large screen for consultation and communication campaign information within the customer services area to ensure residents are kept up to date with council news and changes.
- Explore other technology including web chat enhancement and artificial intelligence options

4. Reasons for Recommendation

- 4.1 The committee are invited to comment on the delivery so far against the Customer Services Strategy and its action plan as well as identify any other areas for consideration.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 Consultation and development of the strategy took place through the cross-council Customer and Demand Management Board, Digital Board and other internal customers including ICT and Directors Board.
- 5.2 Corporate Overview and Scrutiny Committee commented on the draft strategy as part of the consultation process ahead of the final strategy, which was presented and agreed at Cabinet in April 2017. The purpose of this report is to provide a progress update on the agreed strategy actions.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 Delivery of the strategy is helping the council transform its customers' experience. Customers have improved access to services and the council is improving the skills of its workforce, helping them to guide customers to the right services for them.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**
Management Accountant – Finance and IT

There are no financial implications at this stage. Should further additional technology enhancements be identified, a business case will be developed and capital programme bid process will be utilised. Substantial savings of £225k have already been delivered since April 2017 as a result of this strategy, whilst at the same time improving the service for customers.

7.2 Legal

Implications verified by: **David Lawson**
Assistant Director – Law and Governance,
Monitoring Officer

There are no legal implications.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project
Monitoring Officer – Adults Housing and
Health

An equality impact assessment was completed prior to the changes and great care has been taken to ensure that the needs of all council customers are met. The enhancements have include a specific DDA compliant self-service area along with specific one to one Customer Advisor support for those customers that need this service and are unable to self-serve. The advisors are now able to spend more time with the customers that really need it and the wait times have reduced considerably. Floorwalkers are permanently on hand to support customers to utilise the self-service options at civic offices and support is also provided at libraries and community hubs.

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

- None

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):

- Customer Services Strategy – Cabinet report, April 2017

9. Appendices to the report

- None

Report Author:

Tracie Heiser, Assistant Director

Customer Services

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31 January 2019	ITEM: 7
Corporate Overview and Scrutiny Committee	
Draft General Fund Budget and Medium Term Financial Strategy Update	
Wards and communities affected: All	Key Decision: Key
Report of: Sean Clark, Director of Finance and IT	
Accountable Assistant Director: Jonathan Wilson, Assistant Director Finance	
Accountable Director: Sean Clark, Director of Finance and IT	
This report is public	

Executive Summary

This report presents the latest version of the Medium Term Financial Strategy (MTFS) (appendix 1) and draft budget proposals for 2019/20 as recommended by Cabinet at their meeting on 16 January 2019. The key item to consider is the recommendation to by Cabinet to freeze council tax and the subsequent impact this has on the Council's financial position into the medium and longer term.

Service Review proposals, covering the next four years, have been developed and are summarised in the body of the report. No further savings are proposed at this time owing to the success of the investment approach endorsed by both Cabinet and Council in October 2017.

Cabinet should note that the Investment Strategy is just one element of the move towards financial self-sustainability and that the council is committed to following all other streams to meet this aim.

The Council Spending Review "Service Review Boards" have continued to develop cross cutting expenditure savings along with an enhanced focus on income generation and their proposals for 2019/20 have been allocated to services as set out in appendices 2 and 3 so as to inform Cabinet of overall changes to the Directorate budgets. These are draft and will be updated in future reports as allocations are refined.

The council has a statutory requirement to set a balanced budget annually and to review its adequacy of reserves. This report sets out a balanced budget and maintains the General Fund balance at £11m.

1 Recommendations:

1.1 That the committee comments on the proposed council tax freeze with mind to the comments set out in this report; and

1.2 That the committee comments on the draft budget as set out within this report to inform final budget proposals at Cabinet on 12 February 2019.

2 Introduction and Background

2.1 Members are aware of financial pressures that councils have felt in previous years as well as the challenges faced in future years to balance the MTFS while becoming financially self-sustainable.

2.2 The MTFS presented to Cabinet on 16 January 2019 shows a balanced budget for the next four years. This is based on a number of assumptions that, when delivered, puts the council in a stronger financial position than most to transition into the proposed new system of Local Government funding. This includes the replacement of a stable system of grant funding from Central Government with the uncertainty arising from a greater share of funding being raised locally through the updated Business Rates Retention system. This is further discussed in section 4 of this report.

2.3 The assumptions contained within the MTFS are based on driving reductions through reducing staff expenditure (outside of inflationary pressures), improved procurement, efficiencies through changing the ways the council works such as utilising digital channels and income generation through council tax, business rates, investments and fees and charges.

2.4 A key change from the MTFS considered during 2018 is the decision to recommend a zero percentage council tax increase for 2019/20. This will reduce income by £2.1m in that year and circa £11m over the life of the MTFS.

2.5 The Council Spending Review "Service Review Board" has undertaken a number of cross cutting reviews which challenge current delivery models, structures and assumptions with a view to improving outcomes and identifying efficiencies. The board has a savings target of £0.902m in 2019/20 which is to be delivered following the implementation of the review outcomes stated below:

- Children's Social Care - £0.797m;
- Transport - £0.060m; and
- Planning - £0.063m.

2.6 Together these form an overall package that contribute towards a balanced budget and also allows the council to invest in enhancing existing services as well as providing additional services where they are deemed to be a priority.

- 2.7 Regarding the savings within Children’s Services, a more detailed briefing note is included at Appendix 3. Whilst the headline is a budget reduction, savings of £3m have been identified through transformation but a budget reduction of circa £1m enacted. The balance remains within the service budget for any unexpected variations and as a result provides a real increase to funding levels within Children’s Services following implementation.
- 2.8 Before considering future years, it is important to recognise any ongoing impacts from the current year. In recent months, Cabinet have received two update reports, the most recent report on 12 December 2018, detailing a net budget pressure of £0.500m. The main areas of risk are within Children’s, Environment and General Fund Housing Services as well as growing pressures relating to “No Recourse to Public Funds”. This latter pressure reflects the Council’s statutory responsibilities for children that have entered the country but have no legal jurisdiction to reside. As such, the family is not able to access the normal range of financial support, and therefore the council has a duty to ensure the welfare of any children and thus their wider family.
- 2.9 In recognition of the pressures listed above, growth has been included within the MTFs where it is considered there is a need to meet ongoing demand.

3 Draft 2019/20 Budget and Future Forecasts

- 3.1 The MTFs attached at Appendix 1 sets out a balanced budget for four of the next five years which is predicated on the assumptions set out in the body of the report and its appendices.
- 3.2 The summarised budget position for the medium term now stands at:

Narrative	2019/20	2020/2	2021/2	2022/2	2023/2
	£'000	1 £'000	2 £'000	3 £'000	4 £'000
Net Additional (Reduction) in resources	3,493	(1,790)	(1,668)	(2,114)	(1,927)
Inflation and other increases	3,895	2,958	3,081	3,210	3,345
Treasury and Capital Financing	(11,478)	(2,178)	(336)	(1,224)	365
Demographic and Economic Pressures	3,000	2,200	2,200	2,200	2,200
Services Design	(2,226)	(900)	(1,000)	(1,000)	0
Position before carry forward	(3,315)	290	2,277	1,072	3,983
C/f Position	(2,488)	(5,803)	(5,513)	(3,237)	(2,165)
Working Total	(5,803)	(5,513)	(3,236)	(2,165)	1,817

- 3.3 The budget surplus in each year should only be used for one off expenditure and/or as a contribution to reserves. By not committing this to ongoing expenditure the surplus carries forward to the subsequent year.

- 3.4 The scale of these surpluses provide the Council with further resilience against budget fluctuations whilst also offering the opportunity for major investment in the borough.
- 3.5 The draft Local Government Finance Settlement was announced on Thursday 13 December 2018. The announcement confirmed grant levels as set out in this and previous versions of the MTFs. In summary:
- Revenue Support Grant has reduced by £4.001m between 2018/19 and 2019/20;
 - Other Grants have reduced by £0.348m between 2018/19 and 2019/20; and
 - Assumed growth in business rates is £0.378m between 2018/19 and 2019/20.

4 Council Tax and Future Funding

- 4.1 Members will be aware that Thurrock Council has the lowest council tax in Essex and one of the lowest of all Unitary authorities throughout the country. Whilst there is no desire or need to change this position, officers' advice is clear that council tax increases are required and this is echoed in the Director of Finance and IT's s25 Statements in recent years, and is a key consideration for Members at the Council meeting on 27 February 2019.
- 4.2 The assumption at the start of the municipal year within the MTFs was a 2.99% council tax increase in 2019/20 (4.98% in 2018/19) and 1.99% thereafter.
- 4.3 Whilst surplus balances might suggest to most that increases are not required, Members should consider the following:
- 4.3.1 Advice from CIPFA is clear that investments should not be used to replace existing funding streams, instead any additional revenues should be used to fund additional service provision. This is also a concern raised by the MHCLG. There is also a greater inherent risk associated by funding core services through an investment income underpinned by borrowing, as opposed to the greatly reduce risk associated with equivalent funding from council tax;
- 4.3.2 The Government's Comprehensive Spending Review will be carried out next year, and this will assume the council has increased council tax by 2.99% (the maximum allowable level that does not require a local referendum). The government will not replace any income foregone and thus a council tax freeze will continue to impact the council's resources by £2.1m per annum going forward. This will also form part of the calculation when determining the amount the council can retain from its locally collected business rates. Therefore the level of retained business rates funding available to the Council will also be reduced.
- 4.3.3 The Business Rate Retention system will be reset during 2019/20 and will be in place for the subsequent year. Theoretically this increases the level of

locally collected business rates which the council initially retains from 49% to 74%. Members will be aware that the actual amount currently retained is actually circa 30%. The benefit of the new system is that additional growth over government set baselines will be retained in full. One area that is currently under discussion is how often the baseline is reset, and hence whether gains above this level will be lost in full or phased out, thus adding another level of uncertainty to future funding;

- 4.3.4 Consultation has been undertaken between MHCLG and local authorities as to whether investment income should be considered as part of the council's core spending power. While this is not currently proposed to be included it remains possible. If introduced, the amount of business rates that the council would be able to retain would be reduced;
- 4.3.5 Whilst the Adult Social Care precept was welcome to provide much needed funding, the amount raised for Thurrock was comparatively lower than the majority of other top tier authorities due to the low council tax base. This may also indicate that additional precepts could become part of local government funding going forward;
- 4.3.6 There remains a lack of clarity in the future funding of Local Government at present. The Comprehensive Spending review is yet to be announced and the basis of funding is being clarified through the ongoing fair funding review and the implementation of the revised business rate retention system. There is, however, a continued trend towards greater council funding being raised locally.
- 4.3.7 Separately identified ring fenced grants, such as public health, are envisaged to become part of mainstream funding in the future. This is further confirmation of the trend to statutory services being funded from local sources.
- 4.4 At the meeting of Council on 28 November 2018, a Councillor asked for an Equality Impact Assessment to be carried out and this is attached at Appendix 4. The following table highlights the specific financial impact of a 1% increase on Council tax per annum/per household.

Band	Band Charge	Properties		Average Net Charge	Average 1% Increase p.a.
		No.	%		
A	£1,018.14	7,435	11.0%	£609.04	£6.09
B	£1,187.83	13,480	19.9%	£893.69	£8.94
C	£1,357.52	26,893	39.6%	£1,138.93	£11.39
D	£1,527.21	12,295	18.1%	£1,359.94	£13.60
E	£1,866.59	4,676	6.9%	£1,719.18	£17.19

F	£2,205.97	2,210	3.3%	£2,081.84	£20.82
G	£2,545.35	810	1.2%	£2,400.15	£24.00
H	£3,054.42	48	0.1%	£2,100.68	£21.01
TOTALS		67,847	100.0%	£1,158.63	£11.59

For over 70% of residents, each additional 1% increase in council tax equates to an average of 19 pence per week or £9.87 per annum whilst raising £0.7m to be applied to a wide range of services, including Children's and Adult Social Care that work with the most vulnerable members of the community.

- 4.5 Having considered all of the above, the committee is asked to comment on the recommended zero percentage council tax increase.

5 Issues, Options and Analysis of Options

- 5.1 This report sets out the changes to the current year budget that are proposed for 2019/20. The impact on services is limited compared to previous years and allows for significant growth within the council's frontline services.
- 5.2 Council tax increases will always be recommended by officers, due to their ability to continue towards financial self-sustainability.
- 5.3 The report also sets out surpluses over the four year period of the MTFs. It is recommended that they only be used for one off expenditure as any commitment to ongoing expenditure will impact on future years as the budgets become a core requirement.

6 Reasons for Recommendation

- 6.1 The Council has a statutory requirement to set a balanced budget annually and to review its adequacy of reserves. This report sets out a balanced budget for 2019/20 and maintains the £11m level for the General Fund Balance.

7 Consultation (including Overview and Scrutiny, if applicable)

- 7.1 The budget planning governance structure includes involvement and consultation with officers, Portfolio Holders and Members. The process includes the Council Spending Review Panel, made up of cross-party Group Leaders and Deputies who meet regularly during the budget planning period and ahead of key decision points.

8 Impact on corporate policies, priorities, performance and community impact

- 8.1 There are increases to frontline services where pressures have been identified in the current year that will help the council to deliver both its statutory services and priority areas.

- 8.2 The surpluses will also allow for additionality in services through enhancement, provision of new services or, indeed, a major capital investment in the borough.

9 Implications

9.1 Financial

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

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. 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.

Whilst this draft budget report sets a balanced budget, it does not include a council tax increase and so reduces the council's ability to maximise council tax streams going forward in its aim to become financially self-sufficient. Each 1% is circa £0.7m that is then lost to the income stream for perpetuity at a time where the government has made clear that councils will need to finance services through local revenues from both council tax and business rates.

The government in setting its grant support for the coming year has made the assumption that this funding would be realised and this assumption will also influence the Comprehensive Spending Review in 2019 that will determine the amounts of business rates that the Council will be able to retain for the delivery of local services over the period 2020-2023.

Recent announcements from CIPFA has raised concerns over the amount of property and other investments that local authorities are carrying out and the advice is clear that there needs to be more tangible benefits to the local authority area and its residents as opposed to purely financial gain. The government, in its announcement of the draft finance settlement, acknowledged this position and left the possibility of a future discussion with the Treasury open. Thurrock Council's investments do fall within the accepted parameters when considering the allocation of surpluses to enhance and/or provide new services.

The committee should note that even without investment targets included, the budget remains in balance thus demonstrating that the targets are not simply replacing a council tax increase.

9.2 Legal

Implications verified by: **David Lawson**
Assistant Director Legal & Monitoring Officer

There are no direct legal implications arising from this report.

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.

9.3 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) has been completed for council tax increases.

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

Budget surpluses to date have been used to support action against Anti-Social Behaviour and to secure more police officers within the borough. The surpluses have also allowed increased activity within Environmental Services whilst also investing in social care to support the borough's vulnerable.

10 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
- Budget Review Panel papers held in Strategy and Communications

11 Appendices to the report

- Appendix 1 – Medium Term Financial Strategy
- Appendix 2 – Savings by CSR Board

- Appendix 3 – Children’s Services Budget Briefing Note
- Appendix 4 – Indicative Service Budget Impact 2019/20
- Appendix 5 – Community and Equality Impact Assessment

Report Authors:

Sean Clark

Director of Finance and IT

MEDIUM TERM FINANCIAL STRATEGY

Narrative	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000
		75% BRR			
1. Local Funding					
Council Tax Base / Charge	(606)	(1,939)	(1,999)	(2,065)	(2,127)
Council Tax Social Care Precept	(48)	(48)	(49)	(49)	(50)
	(654)	(1,988)	(2,047)	(2,114)	(2,177)
Business Rates Precept	(378)	(658)	(500)	(500)	(250)
2. Total Government Resources					
Revenue Support Grant	4,000	658	6,039		
Transfer to funding formula under 75% retention	0	0	(6,039)		
New Homes Bonus	122	0	500	500	500
Other Grants	403	198	379	0	0
	4,525	856	879	500	500
Net Additional (Reduction) in resources	3,493	(1,790)	(1,668)	(2,114)	(1,927)
3. Inflation and other increases					
Pay award at 2%, Increments and legislative changes	3,150	2,214	2,281	2,350	2,421
Contractural and non contractual	746	744	799	859	924
	3,895	2,958	3,081	3,210	3,345
5. Treasury					
Investment income	(14,297)	(3,818)	(3,214)	(3,756)	(1,700)
Interest Costs	2,819	538	2,570	2,500	2,065
MRP	0	1,102	308	32	0
Treasury and Capital Financing	(11,478)	(2,178)	(336)	(1,224)	365
6. Demographic and Economic Pressures	3,000	2,200	2,200	2,200	2,200
7. Services Design Principals and Strategic Boards	(2,226)	(900)	(1,000)	(1,000)	0
Position before carry forward	(3,316)	290	2,277	1,071	3,983
C/f Position	(2,488)	(5,803)	(5,513)	(3,237)	(2,165)
Working Total	(5,803)	(5,513)	(3,237)	(2,165)	1,817

SAVINGS BY CSR BOARD

Board	Proposal	2019/20
Procurement	Savings to be delivered through effective procurement and contract management	105
Commercial	Further income through the expansion and development of traded services	270
Commercial	Growth in fees and charges income reflecting 18/19 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	100
ICT / Digital	Legacy Application Rationalisation and Unified Communications	130
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
Property	Rental income stretch target - annual increase in rent roll through lease reviews and renewals	200
Service Review	Service Review savings to be identified through ongoing review process	920
TOTAL		2,225

CHILDREN'S SERVICE BUDGET BRIEFING NOTE

Additional investment has been made in Children's Services to support a transformation of service delivery to improve effectiveness and efficiency while reducing levels of demand. These changes were made on the basis that through improved ways of working they would yield efficiency savings in due course. We are already seeing the fruits of this investment with clear evidence of significant progress being made. Budget savings of £1.102m have been identified within Children's Services in 2019/20 as set out below. The majority of these savings are within Children and Family Services and were identified through the Service Review process which has provided significant additional investment in the service.

	Commercial £000	People £000	Procurement £000	Service Review £000	Total £000
Children and Family	9	97	5	797	908
Central Admin		7			7
Learning & Universal Outcomes	116	11			127
School Transport				60	60
Total	125	115	5	857	1,102

Commercial - £125k

Increases in external income targets follow review of 2018/19 performance and review of fees and charges. This includes additional income within the Education Welfare service, increased demand in Learning & Skills and ongoing delivery of the Grangewaters business plan.

People - £115k

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.

Procurement - £5k

Saving in translation and interpretation services following review and contract re-procurement. Final year of 3 year saving.

Service Review - £857k

The budget saving relates primarily to the outcomes of the Children's Social Care review (£797k), but also includes a £60k saving against school transport as part of the ongoing Transport review.

The Transport review is still in progress. It is considering the type of home to school transport used, contract arrangements and process review. An early outcome of the

CHILDREN'S SERVICE BUDGET BRIEFING NOTE

review, which has realised the £60k saving, is the move to providing bus passes to students attending Ormiston Park.

The Children's Social Care review commenced in November 2017 with the aim of determining the underlying reasons for the increase in children coming into care and the associated cost of provision; ascertaining the effectiveness of key processes, procedures and policies; and making recommendations to address areas of high demand. .

Business cases were agreed by Directors Board in September 2018 and are currently being implemented. Additional investment has been made in the key areas of Adoption, Fostering, prevention services, care leaver housing and developing a sustainable workforce. Key deliverables are improving outcomes for children, service efficiency and delivering ongoing savings where possible.

The cumulative impact across all business cases within the Children's Social Care review is a net saving of £3m in 2019/20. This assumes there is no variation to the assumptions and timeframes within the business cases, which when operating in a complex area such as social care cannot be guaranteed. The budget saving applied in 2019/20 of £797k provides scope for any unexpected variations and as a result provides a real increase to funding levels within Children's Services following implementation. Project management resource has been allocated to the programme to oversee delivery.

Adoption – the review recommended bringing the fragmented outsourced arrangement back in house realising a cashable saving whilst enabling service improvements including: more children being adopted from care, overview and ownership across the service of the journey of the child from first point of contact to permanency, strengthening Thurrock's role within a regional adoption alliance enabling a potential sale of surplus adoptive placements.

Fostering – the business case recommends establishing a time-limited Recruitment and Marketing Team to provide up to 100 extra in-house places for looked after children. This would deliver an ongoing cashable saving whilst reducing the use of high cost Independent Fostering Agency numbers, a reduction in residential placements, more in-house foster carers and more children placed locally.

Edge of Care Prevention Services – the business case is part of an overarching Early Help strategy to intervene early when families are in difficulty to offer evidence-based support and enable more children to remain safely within their families. This will improve outcomes for children and young people and reduce demand for high cost children's social care statutory services.

This element of the review provides the most significant financial benefit, therefore, also provides the most risk in achieving the overall financial position. The Service will deliver savings by reducing numbers in care, reducing the length of time that children are in care, reducing the number of families that are re-referred and working with families to prevent breakdown.

Headstart Housing – care leavers supported to access suitable accommodation – the business case recommended further development of Head

CHILDREN'S SERVICE BUDGET BRIEFING NOTE

Start Housing, recognising the challenges that young people face who are leaving care in finding and sustaining suitable accommodation by improving outcomes for young people leaving care. Our aim is to continue our partnership work with housing increasing the number of properties available within the Head Start Housing portfolio. This would deliver ongoing savings through a reduction in the cost of placements whilst also helping young people be better prepared for independent living and ensure greater provision within the borough.

Sustainable Workforce – Children's services have experienced difficulties in recruiting to roles in Social Care since 2013. This has led to high numbers of agency workers being used to cover permanent roles. The proposal is to deliver a phased recruitment programme of newly qualified social workers in order for the service to develop, grow and retain a permanent workforce and reduce the need for additional agency staff.

Indicative Service Budget Impact 2019/20

Directorate	Service	2018/19 Net Current Budget (September 2018) £000	2018/19 Forecast & Carryforward Adjustment £000	MTFS Change in Resources 2019/20 £000	MTFS Growth, Inflation & Other Increases 2019/20 £000	Baseline Budget 2019/20 £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	Total Savings £000	Indicative Budget 2019/20 £000
Environment and Highways	Environment & Highways	1,313	(55)		143	1,401				(2)				(2)	1,399
	Highways, Fleet and Logistics	7,217	502		279	7,998	(24)			(22)				(46)	7,952
	Street Scene and Leisure	17,520	834		1,358	19,712	(165)			(31)				(256)	19,456
	Unallocated Surplus / (Deficit)	0	(1,281)			(1,281)									(1,281)
	Environment and Highways Total	26,050	0	0	1,780	27,830	(183)	0	0	(115)	0	0	0	(304)	27,526
Place	Assets	5,563	(241)		38	5,366		22		(5)		(200)		(183)	5,183
	Economic Development	546	(88)			458	(20)			(2)				(22)	436
	Lower Thames Crossing	449	(337)			112								0	112
	Planning, Transportation & Public Protection	3,202	538			3,740	(76)			(23)			(63)	(162)	3,578
	Unallocated Surplus / (Deficit)	0	(304)			(304)									(304)
Place Total	9,766	(432)	0	38	9,372	(74)	0	0	(30)	0	(200)	(63)	(367)	9,005	
Children's Services	Children and Family Services	28,902	609		401	29,912	(3)			(37)	(5)		(797)	(908)	29,004
	Central Administration Support and Other	1,382	(284)			1,098				(7)				(7)	1,091
	Learning & Universal Outcomes	5,103	(1,167)		5	3,941	(116)			(11)				(127)	3,814
	School Transport	750	410			1,160							(60)	(60)	1,100
	Unallocated Surplus / (Deficit)	0	15			15									15
Children's Services Total	36,137	(417)	0	406	36,126	(125)	0	0	(115)	(5)	0	(857)	(1,102)	35,024	
Adults, Housing and Health	External Placements	23,029	(208)			22,821				(2)	(100)			(102)	22,719
	Provider Services	10,027	25		4	10,056	(19)			(145)				(164)	9,892
	External Commissioning	2,495	(16)			2,479	(2)			(4)				(6)	2,473
	Public Health	75	(75)			0								0	0
	Better Care Fund	1,346	(1,346)			0								0	0
Community Development & Libraries	1,733	4			1,737	(10)				(2)			(12)	1,725	
Unallocated Surplus / (Deficit)	0	270			270									270	
Adults, Housing and Health Total	38,705	(1,346)	0	4	37,363	(31)	0	0	(153)	(100)	0	0	(284)	37,079	
Housing General Fund	Homelessness	522	(35)		180	667				(4)				(4)	663
	Private Sector Housing	321	0			321	(1)							(1)	320
	Travellers	(109)	(5)		75	(39)								0	(39)
	Unallocated Surplus / (Deficit)	0	40			40									40
	Housing General Fund Total	734	0	0	255	989	(1)	0	0	(4)	0	0	0	(5)	984
Finance, IT and Legal	Corporate Finance	2,010	(85)			1,925		50		(8)				42	1,967
	Cashiers	65	0			65								0	65
	Chief Executive	352	(1)			351				(1)				(1)	350
	ICT	3,439	0			3,439			(50)	(7)				(57)	3,382
	Revenue and Benefits	1,927	(10)			1,917				(12)				(12)	1,905
	Legal Services	1,714	47			1,761	(75)			(19)				(34)	1,667
	Democratic Services	199	(11)			188								0	188
	Members Services	721	15			736								0	736
	Electoral Services	477	(44)			433				(1)				(1)	432
	Unallocated Surplus / (Deficit)	0	89			89									89
Finance, IT & Legal Total	10,904	0	0	0	10,904	(25)	0	(50)	(48)	0	0	0	(123)	10,781	
HR, OD and Transformation	HR & OD	4,297	(150)			4,147	(54)			(7)				(61)	4,086
	Unallocated Surplus / (Deficit)	0	13			13									13
	HROD Total	4,297	(137)	0	0	4,160	(54)	0	0	(7)	0	0	0	(61)	4,099
Strategy, Communications and Customer Services	Corporate Strategy & Communications	1,741	(146)		7	1,602	(20)			(16)				(36)	1,566
	Social Care Performance	382	0			382				(3)				(3)	379
	Unallocated Surplus / (Deficit)	0	146			146									146
SCCS Total	2,723	0	0	7	2,730	(20)	0	0	(19)	0	0	0	(39)	2,691	
Commercial Services	Commercial Services	683	(10)			673				(2)				(2)	671
	Unallocated Surplus / (Deficit)	0	10			10									10
	Commercial Services Total	683	0	0	0	683	0	0	0	(2)	0	0	0	(2)	681
Central Expenses	Corporate Finance	(15,040)	1,330	150	(1,739)	(15,239)		149		(7)				142	(15,157)
	2019/20 Savings to be Allocated	0				0				(80)				(80)	(80)
	Unallocated Surplus / (Deficit)	0	1,002			1,002								(80)	1,002
Central Expenses Total	(15,040)	2,332	150	(1,739)	(14,297)	149	0	(80)	(7)	0	0	0	62	(14,235)	
Revenue Funding	Council Tax Income	(65,403)	0	(2,673)		(68,082)								0	(68,082)
	Grant Income	(3,418)	0	375		(3,043)								0	(3,043)
	NNDR Income	(35,434)	0	(378)		(35,812)								0	(35,812)
	Revenue Support Grant	(10,638)	0	4,000		(6,638)								0	(6,638)
	Revenue Funding Total	(114,959)	0	1,324	0	(113,635)	0	0	0	0	0	0	0	0	(113,635)
Grand Total	0	0	1,474	751	2,225	(370)	0	(130)	(500)	(105)	(200)	(320)	(2,225)	0	

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

As an authority we have made a commitment to apply a systematic screening process to both new policy development or changes to services.

This is to determine whether the proposals are likely to have a significant impact on different groups within our community.

This process has been developed, together with [full guidance \(PDF\)](#), to support officers in meeting our duties under the:

- Equality Act 2010.
- The Best Value Guidance
- The Public Services (Social Value) 2012 Act

In addition the guidance supports officers to consider our commitments set out in the [Thurrock Joint Compact](#) with the voluntary sector.

As well as supporting you to look at whether there is, or will be, a significant impact, the guidance will also consider ways in which you might mitigate this in the future.

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

About the service or policy development

Name of service or policy	Corporate Finance – Budget Setting Process (Council Tax Increase)
Lead Officer	Sean Clark
Contact Details	(e) sclark@thurrock.gov.uk (t) 01375 652010

Why is this service or policy development/review needed?

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, 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.

1. Community impact (this can be used to assess impact on staff although a cumulative impact should be considered).

What impacts will this service or policy development have on communities?
Look at what you know? What does your research tell you?

Consider:

- National and local data sets – for example, [key statistics and ward profiles](#)
- Complaints
- Consultation and service monitoring information
- Voluntary and Community Organisations
- The Equality Act places a specific duty on people with 'protected characteristics'. The table below details these groups and helps you to consider the impact on these groups.

	Positive	Neutral	Negative	What are the positive and negative impacts?	How will benefits be enhanced and negative impacts minimised or eliminated?
Local communities in general	-	Y	-	The impact of the budget setting process, and proposed Council tax increase, is considered neutral since it affects all members of the	The Council operates an exemptions and reductions scheme for residents that meet eligibility criteria. For further information, please

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

				community equally. Funds raised will be invested to maintain and transform Council services	see: https://www.thurrock.gov.uk/council-tax
Age	-	Y	-	Please see above	Please see above
Disability	-	Y	-	Please see above	Please see above
Gender reassignment	-	Y	-	Please see above	Please see above
Marriage and civil partnership	-	Y	-	Please see above	Please see above
Pregnancy and maternity	-	Y	-	Please see above	Please see above
Race (including Gypsies, Roma and Travellers)	-	Y	-	Please see above	Please see above
Religion or belief	-	Y	-	Please see above	Please see above
Gender	-	Y	-	Please see above	Please see above
Sexual orientation	-	Y	-	Please see above	Please see above
Any community issues identified for this location? <i>See above link to ward profiles.</i> If the project is based in a specific location please state where, or whether Borough wide. Please note any detail of relevance e.g. is it an area with high unemployment, or public transport limited?	-	Y	-	When planning all Council services, including their role in the budget setting process, deprivation levels across Thurrock are taken into account as these are not uniform across the borough. The impact according to area remains neutral since it is to be applied universally across all Council Tax Bands subject to the exemptions and reductions	In terms of impact, since Council Tax is applicable to all properties in Thurrock the increase will not target specific protected groups, rather it is an increase that, if accepted by Council, will be applied across the board.

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

				scheme.	
--	--	--	--	---------	--

2. Consultation.

Provide details of what steps you have taken or plan to take to consult the whole community or specific groups affected by the service or policy development e.g. on-line consultation, focus groups, consultation with representative groups?

This is a vital step – see [full guidance \(PDF\)](#).

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 (3%). The proposed increase in 2019/20 would not call for a referendum.

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 31 January 2019 with their comments set out in the body of the report. Group Leaders and Deputy Leaders have been involved throughout the budget planning process.

3. Monitoring and Review

How will you review community and equality impact once the service or policy has been implemented?

*These actions should be developed using the information gathered in **Section 1 and 2** and should be picked up in your departmental/service business plans.*

Action	By when?	By who?
Council officers have a legal responsibility to ensure the Council can contain spend within its available resources. Regular budget monitoring reports will continue to come to Cabinet and be considered by Directors Board and management teams in order to maintain effective controls on expenditure during this period of enhanced risk. Measures are in place and 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.	Ongoing throughout 2019/20	All staff

4. Next steps

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

It is important the information gathered is used to inform any Council reports that are presented to Cabinet or Overview and Scrutiny committees. This will allow Members to be furnished with all the facts in relation to the impact their decisions will have on different equality groups and the community as a whole.

Implications/ Customer Impact

Corporate Finance to confirm: Thurrock Council has one of the lowest council level and 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 additional precepts, as seen with the Adult Social Care precept, as any percentage increase is on a lower amount than other authorities. 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. This proposal is linked to one aspect of local government funding where the Council has some discretion to raise additional funds by increases to Council Tax up to a maximum of 3%.

A 1% increase to Council Tax would be applied to all properties through Bands A-H. Community and equality impact is neutral as it applies to all groups with the lower paid offered support through the Local Council Tax Scheme.

The following table highlights the specific financial impact of a 1% increase on Council tax per annum/per household.

Band	Band Charge	Properties		Average Net Charge	Average 1% Increase p.a.
		No.	%		
A	£1,018.14	7,435	11.0%	£609.04	£6.09
B	£1,187.83	13,480	19.9%	£893.69	£8.94
C	£1,357.52	26,893	39.6%	£1,138.93	£11.39
D	£1,527.21	12,295	18.1%	£1,359.94	£13.60
E	£1,866.59	4,676	6.9%	£1,719.18	£17.19
F	£2,205.97	2,210	3.3%	£2,081.84	£20.82
G	£2,545.35	810	1.2%	£2,400.15	£24.00
H	£3,054.42	48	0.1%	£2,100.68	£21.01
TOTALS		67,847	100.0%	£1,158.63	£11.59

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Implications/ Customer Impact

For over 70% of residents, each additional 1% increase in council tax equates to an average of 19 pence per week or £9.87 per annum whilst raising £0.7m to be applied to a wide range of services, including Children's and Adult Social Care that work with the most vulnerable members of the community.

In terms of the wider budget setting process, whilst there are no specific diversity and equalities implications noted as part of the overarching budget setting report, comprehensive Community and Equality Impact Assessments (CEIA) will be completed for any specific savings proposals developed to address future savings requirements. These will be informed by consultation outcomes to feed into final decision making with the cumulative impact closely monitored and reported to Members.

5. Sign off

The information contained in this template should be authorised by the relevant project sponsor or Head of Service who will be responsible for the accuracy of the information now provided and delivery of actions detailed.

Name	Role (e.g. project sponsor, head of service)	Date
Lyn Carpenter	Chief Executive	

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31 January 2019		ITEM: 8
Corporate Overview and Scrutiny Committee		
Capital Strategy 2019/20		
Wards and communities affected: All	Key Decision: Yes	
Report of: Sean Clark, Director of Finance and IT		
Accountable Assistant Director: Jonathan Wilson, Assistant Director - Finance		
Accountable Director: Sean Clark, Director of Finance and IT		
This report is public		

Executive Summary

The Capital Strategy has been developed to apply from 2019/20 in accordance with revised guidance contained in The Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services and the Prudential Code (The Code). This sets out the strategic framework underpinning capital expenditure and the associated financing at the Council. This also includes the Treasury Management Strategy which was previously considered in isolation up to 2018/19. 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 Code requires local authorities to determine the Capital Strategy and the associated Prudential Indicators on an annual basis. The annual strategy also includes the Treasury Management Strategy that is a requirement of the Ministry for Housing, Communities and Local Government Investment Guidance.

In accordance with the above Codes, this report:

- a) sets out the Capital strategy for 2019/20;
- b) confirms the proposed Prudential Indicators; and
- c) sets out the Capital and Treasury Management projections for 2019/20.

1 Recommendation(s)

- 1.1 That the Corporate Overview and Scrutiny Committee comment on the 2019/20 Capital Strategy for consideration by Cabinet at their meeting on 12 February 2019.**

2 Introduction and Background

- 2.1 The Capital Strategy and the 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.
- 2.3 The report covers a range of areas as set out below with the detailed document attached at Appendix 1.

Borrowing Activity 2017/18 and 2018/19

3 Issues, Options and Analysis of Options

- 3.1 The Capital strategy of the Council is attached as an appendix to this report and has been set with consideration of relevant legislation and appropriate guidance. This includes Annex 1 which incorporates the Treasury Management Strategy. The Prudential Indicators are governed by decisions made on the revenue and capital budgets.
- 3.2 The Capital Strategy sets out a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It includes the following:
- Details of capital expenditure and financing;
 - The governance arrangements around the identification and approval of capital bids;
 - Details on the sources of funding and projections on capital receipts;
 - The strategic approach of the Council to borrowing and the governance arrangements in place;
 - The proposed prudential indicators for 2019/20;
 - Details of the Council's strategic approach to investments and commercial activities;
 - Details of other liabilities and revenue implications arising from this strategy; and

- A further annex containing the detailed treasury management strategy that supports the capital strategy. This includes the annual statement on the Minimum Revenue Provision.

3.3 There are two key areas in this report for Members to be particularly mindful of:

- a) The Council has held significant levels of temporary borrowing since 2010 and hence there is potential exposure to interest rate changes. Officers continue to monitor this to ensure the Council can react to any changes in the economy; and
- b) The approach taken to the Minimum Revenue Provision (as set out in Annex 1).

4 Reasons for Recommendation

4.1 There is a statutory requirement for the Capital 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 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 Any comments from the Corporate Overview and Scrutiny Committee will be reported to Cabinet for their consideration.

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 £29.3m by the end of 2018/19.

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 and appendix. Investment income generated from the Investment Strategy contributes significantly to the council's financial position.

7.2 Legal

Implications verified by: **David Lawson**
**Assistant Director for Law & Governance and
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 Sector Briefings

9. Appendices to the report

- Appendix 1 – Capital Strategy Report 2019/20
- Annex 1 – Treasury Management Strategy 2019/20
- Appendix 2 – Approved Investment Counterparties

Report Author:

Chris Buckley

Senior Financial Accountant

Corporate Finance

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Appendix 1 - Thurrock Council

Capital Strategy Report 2019/20

Introduction

This capital strategy is a new report for 2019/20, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance Members' understanding of these sometimes technical areas.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy or build assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10k are not capitalised and are charged to revenue in year.

- Details of the Council's policy on capitalisation are included within the annual Statement of Accounts, which can be accessed through the Council's website.

In 2019/20, the Council is planning capital expenditure of £417.250m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £m

	2017/18 actual	2018/19 forecast	2019/20 forecast	2020/21 forecast	2021/22 forecast
General Fund services	39.630	80.189	119.003	38.959	24.524
Council housing (HRA)	13.125	19.667	33.950	10.000	10.000
Capital investments	339.503	308.997	275.637	305.000	250.000
TOTAL	392.258	408.853	417.250	353.959	284.524

The main General Fund capital projects include the widening of the A13 (£33m), Purfleet redevelopment (£12m) and school expansions (£4m). The Council also plans to incur £275.637m of capital expenditure on investments, which are detailed later in this report.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately, and includes the building of 117 new homes over the forecast period (£24m).

Governance: Service managers bid annually in September to include projects in the Council's capital programme. Bids are collated by corporate finance who calculate the financing cost (which can be nil if the project is fully externally financed). The bids are then collated and prioritised by either Property Board, Digital Board or Service Review. The proposed programme is then considered by Director's Board. This includes a final appraisal of all bids including final consideration of service priorities and financing costs. The final proposed capital programmes is then collated and reported with recommendations to the Corporate Overview and Scrutiny committee. The final capital programme is then presented to Cabinet and to Council in February each year as part of the overall budget setting process.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £m

	2017/18 actual	2018/19 forecast	2019/20 forecast	2020/21 forecast	2021/22 forecast
External sources	26.794	46.374	66.575	16.257	16.309
Own resources	13.690	14.362	22.310	10.000	10.000
Debt	351.774	348.117	328.365	327.702	258.215
TOTAL	392.258	408.853	417.250	353.959	284.524

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as the minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance and repayments of investments on maturity will repay the associated debt. Planned MRP and use of capital receipts are as follows:

Table 3: Minimum Revenue Provision in £m

	2017/18 actual	2018/19 forecast	2019/20 forecast	2020/21 forecast	2021/22 forecast
Own resources	0	2.811	6.353	7.958	8.695

- The Council's full minimum revenue provision statement is included in the treasury management statement appended as an annex to this document.

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £322.022m during 2019/20. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £m

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 forecast	31.3.2021 forecast	31.3.2022 forecast
General Fund services	172.420	203.099	249.464	264.208	263.730
Council housing (HRA)	181.843	187.473	187.473	187.473	187.473
Capital investments	339.503	648.500	924.137	1,229.137	1,479.135
TOTAL CFR	693.766	1,039.072	1,361.074	1,680.818	1,930.338

Asset management: To ensure that capital assets continue to be of long-term use, the Council is further developing an asset management strategy which will be completed in 2019/20.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £10m of capital receipts (total includes both GF and HRA receipts) in the coming financial year as follows:

Table 5: Capital receipts in £m

	2017/18 actual	2018/19 forecast	2019/20 forecast	2020/21 forecast	2021/22 forecast
Asset sales	16.057	8.700	10.000	10.000	10.000
Loans repaid	0.036	5.037	0.039	0.041	0.043
TOTAL	16.093	13.737	10.039	10.041	10.043

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

Due to decisions taken in the past, the Council currently has £1.112bn borrowing at an average interest rate of 2.43% and £154.5m treasury investments at an average rate of 2.53%.

Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £m

	31.3.2019 forecast	31.3.2020 forecast	31.3.2021 forecast	31.3.2022 forecast
Debt (incl. PFI & leases)	1,074.889	1,353.349	1,656.951	1,900.306
Capital Financing Requirement	1,039.072	1,361.074	1,680.818	1,930.338

Statutory guidance is that debt should remain below the capital financing requirement over the medium to long term but can be over for the short term recognising borrowing requirements ahead of need for future capital expenditure. As can be seen from table 6, the Council complies with this requirement.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2018/19 Forecast	2019/20 limit	2020/21 limit	2021/22 limit
Authorised limit – borrowing	1,249.400	1,452.949	1,756.751	2,000.306
Authorised limit – PFI and leases	0.600	0.400	0.200	0
Authorised limit – total external debt	1,250.00	1,453.349	1,756.951	2,000.306
Operational boundary – borrowing	1,199.400	1,352.949	1,656.751	1,900.306
Operational boundary – PFI and leases	0.600	0.400	0.200	0
Operational boundary – total external debt	1,200.00	1,353.349	1,656.951	1,900.306

- Further details on borrowing are contained in the treasury management strategy as annex 1 on this report.

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council’s policy on treasury investments is to prioritise security and liquidity over yield - that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

- Further details on treasury investments are contained in the treasury management strategy as annex 1 to this report.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the treasury management strategy approved by Full Council.

Maturity structure of borrowing: This indicator is set to control the Authority’s exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
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 40 years	60%	0%
Over 40 years	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Investments for Service Purposes

The Council can make investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth, the Council's subsidiaries that provide services. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.

Governance: Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

- Further details on service investments are contained in the treasury management strategy in annex 1 2 to this report.

Commercial Activities

With central government financial support to local public services declining, the Council decided to investigate various options to increase income and has subsequently made investments in line with the principles set out in the Council's Investment Strategy.

To this end on 20 November 2018 a Long Term Investment Strategy was taken to the Corporate Overview and Scrutiny Committee outlining the Council's approach to Service/Non-Treasury/Commercial Investments rather than the standard treasury investments. The report outlined the key principles involved, governance arrangements and the considerations required to ensure all investments are thoroughly scrutinised before completion.

Liabilities

In addition to debt detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £178.5m at 31 March 2018). It has also set aside £6.7m to cover risks of business rates appeals and insurance claims.

Governance: Decisions on incurring new discretionary liabilities are taken by service managers in consultation with corporate finance and, where appropriate, the Director of Finance. The risk of liabilities crystallising and requiring payment is monitored by corporate finance.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 9: Prudential Indicator: Proportion of net financing income to net revenue stream

	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
Financing costs (£m)	5,485.0	16,713.0	18,891.0	20,000.0
Proportion of net revenue stream	4.78%	14.99%	16.91%	17.54%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future. The Director of Finance & IT is satisfied that the proposed capital programme is prudent, affordable and sustainable as set out annually in the s25 statement accompanying the setting of the annual budget.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Finance & IT is a qualified accountant with 32 years' experience. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury), AAT & ACCA.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Treasury Management Strategy 2019/20

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.

Treasury risk management at the Council is conducted within the framework of CIPFA's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

In accordance with the above Codes, this report:

- a) sets out the Treasury Management strategy for 2019/20; and
- b) sets out the Treasury Management projections for 2019/20.

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

Borrowing Activity 2018/19 and 2019/20

- 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:

	31/3/2020 Estimate £m	31/3/2021 Estimate £m	31/3/2022 Estimate £m
General Fund Borrowing CFR	249.464	264.208	263.730
Housing Revenue Account Borrowing CFR (includes effects of Housing Finance Reform based on current available figures)	187.473	187.473	187.473
Capital Investments	924.137	1,229.137	1,479.135

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Total Borrowing CFR	1,361.074	1,680.818	1,930.338
Less: External Borrowing	1,353.349	1,656.951	1,900.306
Internal/(Over) Borrowing	7.725	23.867	30.032
Less: Useable Reserves	(11.000)	(11.000)	(11.000)
Borrowing Requirement	(3.275)	12.867	19.032

- 2.4 The increases above demonstrate the size of the council’s capital programme needs in both recent and future years. 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 and so lead to an annual increase in net debt.
- 2.5 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.
- 2.6 In light of the ongoing reductions to Local Government funding, 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.
- 2.7 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 to long-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. This will help inform whether the Council borrows additional sums at long term fixed rates in 2019/20.
- 2.8 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
- 2.9 In conjunction with advice from its treasury advisors, 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;

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- 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.
- 2.10 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 2018/19 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.
- 2.11 Borrowing and rescheduling activity will be reported to the Cabinet on a regular basis during 2019/20.
- 2.12 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 2017/18 the rescheduling had saved £25.9m of interest costs and is estimated to have saved £29.3m by the end of 2018/19. Currently financing from short term money market debt is expected to continue into 2019/20 and beyond. The inherent risk of this strategy is noted with potentially higher rates and increased debt costs in the future.
- 2.13 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. Forecasts from the council's current advisors show the interest rate increasing from 0.75% to 1.25% by September 2019 with the official rate remaining at that level after that date for the foreseeable future. There is both a downside and upside risk to the forecast with the downside risk being larger, but, the overall forecast is for rates follow the course outlined. However, even if the base rate increases to 1.25% this will still be below the level of current long term rates that the Council could borrow at. In addition, as the Council borrows from other public bodies, rates are not fixed to the bank base rate and are generally lower. The normalised level of the bank base rate post this period is expected to be between 2.50% to 3.50%.
- 2.14 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. Prudently, the Medium Term Financial Strategy (MTFS) does assume rate increases over the 5 year period.
- 2.15 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 will continue to monitor any developments in this area.

- 2.16 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.
- 2.17 The Council continues to undertake a series of new housing related building schemes utilising borrowing. With the abolition of the Housing Debt Cap the Council will investigate whether further schemes can be undertaken.
- 2.18 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

- 2.19 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.
- 2.20 The Council holds a £75m investment in the CCLA Property Fund that is estimated to provide a gross return in 2018/19 of 4.25% with income in the region of £3.2m. 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.
- 2.21 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

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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.

- 2.22 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.
- 2.23 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.
- 2.24 The Authority has opted up to professional client status with its providers of financial services, including, banks, brokers and fund managers, allowing it access to a greater range of services, but, without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities the Director of Finance & IT believes this to be the most appropriate status.
- 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 Under the new IFRS standard the accounting for certain investments depends on the business model for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Annual Minimum Revenue Provision Statement

- 2.28 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 2019/20, which is included in the Annual Strategy in paragraph 2.30.
- 2.29 Officers have reviewed the current strategy and recommend no changes to the 2019/20 strategy.

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2.30 Consequently the following paragraphs on Borrowing Activity and Investments form part of the Council's Treasury Management Strategy with effect from 1 April 2019:

- 2.30.1 To obtain any long term borrowing requirement from the sources of finance set out in paragraph 2.9;
- 2.30.2 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;
- 2.30.3 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;
- 2.30.4 To undertake short term temporary borrowing when necessary in order to manage cash flow to the Council's advantage;
- 2.30.5 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;
- 2.30.6 To ensure security and liquidity of the Council's investments and to then optimise investment returns commensurate to those ideals;
- 2.30.7 To contain the type, size and duration of investments with individual institutions within the limits specified in Appendix 2;
- 2.30.8 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 and Legal;
- 2.30.9 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 2019/20 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
- 2.30.10 To ensure all borrowing and investment activities are made with due reference to any relevant Prudential Indicators.

Interest Projections 2018/19 Revised and 2019/20 Original

2.31 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.

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2.32 The 2018/19 budget and the projected position for 2018/19 as at December 2018 and also an initial projection for 2019/20 are shown in summary format in the table below:

	Budget 2018/19	Projected 2018/19	Projection 2019/20
	£000's	£000's	£000's
Interest payable on External Debt			
Debt Interest	9,301.0	9,303.0	15,213.0
Total internal interest	<u>96.0</u>	<u>96.0</u>	<u>51.0</u>
Interest payable	<u>9,397.0</u>	<u>9,399.0</u>	<u>15,264.0</u>
Investment Income			
Interest on Investments	<u>(22,167.0)</u>	<u>(23,054)</u>	<u>(38,699.0)</u>
Net interest credited to the General Fund	<u>(12,770)</u>	<u>(13,655.0)</u>	<u>(23,435.0)</u>
MRP- Supported/Unsupported Borrowing	<u>7285.0</u>	<u>7,285.0</u>	<u>6,773.0</u>

2.33 It is noted that the figures shown above for 2019/20 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.

2.34 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.

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
UK Govt	N/A	N/A	N/A	N/A	£unlimited	50 years	N/A	N/A	N/A	N/A
AAA	£10m	5 years	£20m	20 years	£20m	50 years	£10m	20 years	£10m	20 years
AA+	£10m	5 years	£20m	10 years	£20m	25 years	£10m	10 years	£10m	10 years
AA	£10m	4 years	£20m	5 years	£20m	15 years	£10m	5 years	£10m	10 years
AA-	£10m	3 years	£20m	4 years	£20m	10 years	£10m	4 years	£10m	10 years
A+	£10m	2 years	£20m	3 years	£10m	5 years	£10m	3 years	£10m	5 years
A	£10m	1 year	£20m	2 years	£10m	5 years	£10m	2 years	£10m	5 years
A-	£7.5m	13 months	£15m	13 months	£10m	5 years	£10m	13 months	£10m	5 years
BBB+	£5m	6 months	£10m	6 months	£5m	2 years	£5m	6 months	£5m	2 years
BBB	£5m	100 days	£10m	100 days	N/A	N/A	N/A	N/A	N/A	N/A
BBB-	£5m	100 days	£10m	100 days	N/A	N/A	N/A	N/A	N/A	N/A
None	£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 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: 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 Treasury 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:

Appendix 2

	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	£750m
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.

Considerations:

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 2019/20:

- In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 the Council's policy for the calculation of MRP in 2019/20 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.

31 January 2019	ITEM: 9
Corporate Overview and Scrutiny Committee	
Draft Capital Programme	
Wards and communities affected: All	Key Decision: Key
Report of: Sean Clark, Director of Finance and IT	
Accountable Assistant Director: Jonathan Wilson, Assistant Director - Finance	
Accountable Director: Sean Clark, Director of Finance and IT	
This report is public	

Executive Summary

This report presents the committee with the recommended additions and approach to the new capital programme for 2019/20 and subsequent years.

The council is undergoing considerable change and needs to be able to respond accordingly to service review outcomes, system requirements, operational necessities and the need to plan for those larger projects for the future as well as considering individual projects.

1. Recommendations:

1.1 Comment on the specific proposals set out within this report.

2 Introduction and Background

2.1 As part of the budget, the Council needs to set its capital programme for the following financial years. The future development of the Medium Term Financial Strategy (MTFS) will also need to take account of future capital spending plans over the period of the strategy.

2.2 The following sources of funding are available to the General Fund:

- a) Capital Receipts – these are the receipts realised from the disposal of capital assets such as land and buildings;
- b) Grants and Contributions - these could be ad hoc grants awarded from government or other funding agencies or contributions from developers and others;
- c) Prudential Borrowing – the Council is able to increase its borrowing to finance schemes as long as they are considered affordable; and

- d) Revenue – the Council can charge capital costs directly to the General Fund but the pressure on resources means that this is not recommended.

2.3 In more recent years, only Prudential Borrowing has been available to finance the majority of schemes within the capital programme with grants only being made available for specific services such as highways.

2.4 Funding from capital receipts is likely to increase over the forthcoming financial year as a thorough review of the Council's assets is underway as part of the '3Rs' Programme – Retain, Reuse, Release. This challenges the rationale for holding the asset resulting in the classification of assets as either:

- Released (for example to dispose of immediately or develop for housing);
- Re-used (for example for different services or more intensive or changed use); and
- Retained (business as usual, little need or opportunity for change identified).

Several sites have been identified for release and the Corporate Property Team has been reviewing these to determine their redevelopment potential and has commenced a release disposal programme. This will potentially enable further funding of capital projects from the capital receipts generated and reduce the level of prudential borrowing required.

2.5 Members should note that General Fund Capital Receipts can also be used to finance Housing Revenue Account capital expenditure and has been used to good effect in securing Right to Buy buy-backs match funded with HRA resources that has helped maximise the use of Right to Buy receipts.

2.6 Annually, all services consider their future capital needs and submit bids for schemes ranging from projects in their own right to smaller schemes that are required to maintain operational ability – such as capital repairs to operational buildings and system upgrades.

2.7 In addition, the Council Service Review (CSR) process is identifying a number of service enhancements that will ultimately reduce costs or increase income. These will need to be funded as and when identified.

2.8 Finally, there are those projects that require seed funding to prepare more detailed business cases. The council agreed in February 2017 to a £2m budget provision to ensure funding is available to prepare business cases for Future and Aspirational Capital Schemes. It is recommended that this budget be reset at £2m again for the coming year and the full amount is expected to be required.

3 Current Programme

3.1 Before considering the new proposals, it is worth reflecting on the allocations that have been agreed over recent years. These are summarised in Appendix

1 but, covering the period 2017/18 through to 2020/21, total over £240m with £212m still to be spent as at 1 January 2018.

3.2 The major projects that are included within the current programme include:

- 3.2.1 The widening of the A13;
- 3.2.2 Purfleet Regeneration;
- 3.2.3 Grays' Town Centre and Underpass;
- 3.2.4 Stanford-le-Hope Interchange;
- 3.2.5 Improvements to parks and open spaces;
- 3.2.6 New educational facilities;
- 3.2.7 The HRA Transforming Homes programme;
- 3.2.8 HRA New Build Schemes;
- 3.2.9 Highways infrastructure;
- 3.2.10 Aveley Community Hub
- 3.2.11 Civic Office Development; and
- 3.2.12 Improvements to the Linford Civic Amenity Site.

3.3 In addition, feasibility has been carried out in developing the future and aspirational bids and the proposed projects to be developed in 2019/20 are included at Appendix 2.

4 Draft Capital Proposals

- 4.1 As stated above, there have been a number of schemes that can be seen as projects in their own right. These have been included at Appendix 3 and will be known to the relevant Overview and Scrutiny Committee in one form or another.
- 4.2 Having reviewed all of the other capital requests, they fall within one of four categories and are summarised in the table below. 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:

Responsible Board	Examples	2019/20 £m	2020/21 £m	2021/22 £m
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.	2.2	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.	4.0	1.1	0.5
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.	3.2	2.1	1.5
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 “top up” to bring the budget back to £2m at the start of each financial year.	2.0	2.0	2.0

4.3 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.

4.4 Highways are expected to receive in the region of £2.8m per annum whilst Education are expected to receive a further £5m in 2019/20 with further allocations for free schools.

5 Issues, Options and Analysis of Options

5.1 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 been secured, such as government grants and s106 agreements, for specific schemes;
- 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; and
- For Thurrock Regeneration Ltd schemes – these actually also fall under the 'spend to save' criteria set out above but has not been agreed over the last couple of years.

5.2 No limits have been put on these delegations in the past but Members may want to consider whether a de minimis level should be introduced.

6 Reasons for Recommendation

6.1 The capital programme forms part of the formal budget setting in February and is an integral part of the Council's overall approach to financial planning.

7 Consultation (including Overview and Scrutiny, if applicable)

7.1 The various capital bids put forward have all been considered by the service management teams and by the Directors' Board. Some projects will have also been reported separately to the relevant Overview and Scrutiny Committee.

8 Impact on corporate policies, priorities, performance and community impact

8.1 Capital budgets provide the finance to meet the Corporate Priorities. If a capital project was not to proceed, this may impact, positively or negatively, on the delivery of these priorities and performance with a corresponding impact on the community.

9 Implications

9.1 Financial

Implications verified by: **Jonathan Wilson**
Assistant Director - Finance

The financial implications have been set out throughout the body of the report. The financial impact of the borrowing decisions has been accounted for within the MTFS.

9.2 Legal

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

Local authorities are under an explicit duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. This budget report contributes to that requirement although specific legal advice may be required on each projects business case.

9.3 Diversity and Equality

Implications verified by: **Rebecca Price**
Diversity and Equalities Officer

All local authorities are required to have due regard to their duties under the Equality Act 2010. The capital programme is assessed at keys stages to ensure the impact of each scheme is measured in a propionate and appropriate way to ensure this duty is met and the needs of different protected characteristics are considered.

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

None

10. 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):

None

11. Appendices to the report:

Appendix 1 – Current Programme Summary
Appendix 2 – Update on Future and Aspirational Projects
Appendix 3 - New Capital Projects.

Report Author Contact Details:

Sean Clark

Director of Finance and IT

Summary of Existing Programme

Appendix 1

Directorate ID	Total Budget 2018/19 £'000	Total Budget 2019/20 £'000	Total Budget 2020/21 £'000	Total Budget 2021/22 £'000
Education	12,209	15,545	5,852	-
Adults	23,924	27,157	5,460	35
Environment & Highways	13,835	5,718	711	-
Place	38,832	58,774	6,002	10,509
<u>General Allocations</u>				
Service Review	500	-	-	-
Digital	6,406	1,491	40	-
Property	2,550	8,126	446	-
Transformation	1,600	-	-	-
Total	99,856	116,811	18,511	10,544

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**Appendix 2
Future and Aspirational Projects**

Board	Capital Bid	Project Ambition
Property Board	Grays Town Centre Regeneration Development Plots	Potential development for town centre commercial and residential around the new pedestrian crossing and public squares to be created by the Grays South Regeneration Project.
Service Review Board	Tilbury Civic Square - Public realm and Highway Improvements	Plans for the Civic Square, including the Integrated Medical Centre, will significantly increase the footfall and vehicular traffic to the Civic Square which is currently a one way system with a limited number of formal parking areas serving existing businesses and a number of bus stops. The intention is to improve the public realm and highway layout within the area to provide a safer and more user friendly Civic Square whilst increasing parking spaces to support the IMC and to benefit existing local business.
Property Board	Headstart Housing - property acquisition	<p>In March 2016, Children’s Services and Housing developed a strategic partnership to pilot a Local Authority owned House of Multiple Occupation. The purpose of the pilot was to address some of the key barriers young people face in finding suitable accommodation, at an affordable rate, whilst receiving support to enable sustainable employment and independent living. At full occupancy, from day one, the first HMO generated income to Thurrock Council that was reinvested in another property to create a second HMO for the pilot.</p> <p>A recent Headstart Housing business case sought Director's Board approval to explore the opportunity of purchasing further properties on the open market funded from either Right to Buy receipts or the Transformation fund. Approval was granted on 5th September</p>

**Appendix 2
Future and Aspirational Projects**

Board	Capital Bid	Project Ambition
		<p>2018.</p> <p>This funding bid is to enable three additional four bedroom properties to be sourced and acquired in appropriate locations with the aim of having 5 properties for Headstart Housing in use by 2019/20.</p>
Service Review Board	Thurrock Intelligent Road Management	<p>To invest in the Thurrock Local Road Network utilising technological solutions to effectively manage and control the flow of traffic through the network, and thereby increasing the existing capacity of roads in the borough to help minimise and tackle traffic and congestion. This will require the installation of technology across the network which can view (CCTV), advise (Variable Messaging Signs - VMS), and manipulate traffic signals to provide greater efficiencies in the system. To support this aim, the project will also require investment in a control centre within the borough to manage the system.</p>
Property Board	Grangewaters Conference Facilities	<p>Grangewaters is an innovative outdoor education centre which offers a range of sports, recreational and commercial workspace.</p> <p>The Council is seeking to diversify Grangewaters' commercial offer and expand its customer base through the provision of conferencing facilities and additional commercial workspace on site. This proposal would also include feasibility study to improve site access; a second access route to the Grangewaters as the current access route is not</p>

**Appendix 2
Future and Aspirational Projects**

Board	Capital Bid	Project Ambition
		<p>ideal.</p> <p>The proposed development aims to provide a platform for small and medium sized businesses in the education and leisure sector to develop and flourish; creating training and employment opportunities for the local residents and supporting economic growth in the area.</p> <p>A bid has been made to SELEP for Local Growth Fund 3B funding to support this project.</p>
Property Board	The Reception, High House Production Park	<p>The Council is working in partnership with HHPP to develop The Reception, a 30,000sqft new build at the Production Park. The new build will add c.18,000sqft of creative workspace to this creative community and also provide much needed support accommodation for the wider Park which has grown out of its initial support provision. The Reception will be the focal point of the Production Park where the campus community (artists, students, and arts organisation) and public can gather, a platform within the supportive environment of the Park for artists and small businesses to develop, flourish and create synergies.</p>
Property Board	High House Works, High House Production Park	<p>The Council is working in partnership with HHPP to develop High House Works, a c.30,000 ft² purpose-built facility of creative makers' workspace with a broad range of unit sizes to support creative micro and SMEs on the Production Park as part of the Council's Enterprise Unit programme to provide a platform for small and medium sized businesses</p>

**Appendix 2
Future and Aspirational Projects**

Board	Capital Bid	Project Ambition
		<p>to develop and flourish.</p> <p>A bid has been made to SELEP for Local Growth Fund 3B funding to support this project.</p>
Digital Board	Intelligent, Connected & Accessible Data	Deliver ambition to host all line of business applications on a single connected cloud platform. Connects to data reviews and single view debate.
Digital Board	Data Middleware	This will enable line of business systems to be better connected to enable better sharing of data and more efficient business processes.

APPENDIX 3

New Capital Projects

Board	Capital Bid	Initial Rating	Project Ambition	Theme	Funding Source	Total Capital Value	2019-20	2020-21	2021-22
Service Review Board	"East-facing slips" at Lakeside	1	To provide slip roads at the A13/A126 junction, this will allow traffic to travel eastbound from and to Lakeside. Largely funded by DFT with support from SELEP (subject to a bidding process) and £3.5m capital contribution from the Council.	Improvements / Enhancements	DfT	46,500,000	0	2,000,000	2,000,000
					SELEP	750,000	750,000	0	0
					Thurrock	3,500,000	0	0	0
Service Review Board	Stonehouse Lane	1	The project proposes reconstruction of northbound and southbound carriageways of Stonehouse Lane and the laying composite reinforced grids.	Improvements / Enhancements	Thurrock	1,900,000	950,000	950,000	0

Board	Capital Bid	Initial Rating	Project Ambition	Theme	Funding Source	Total Capital Value	2019-20	2020-21	2021-22
Service Review Board	Stanford le Hope Transport Package	1	This project consists of: New multi-modal interchange with passenger drop off, taxi ranks, pedestrian walking route, cycle parking, bus waiting facilities and a new station building and pedestrian bridge. Has funding from NSIP and will support the growth of London Gateway Port.:	Addition to existing scheme	Thurrock	4,000,000	0	4,000,000	0
Service Review Board	Cycle Network	1	Extension to the current cycle highways scheme to enhance sustainable ways of transport within the Borough. Funding from SELEP subject to bidding process.	Improvements / Enhancements	SELEP	2,530,000	2,530,000	0	0
					S106	1,200,000	1,200,000	0	0
					Thurrock	800,000	800,000	0	0
Property Board	Thameside Theatre Modernisation	1	Consolidating and enhancing the cultural offer at the Thameside Theatre Complex – subject to further feasibility and design work.	Improvements / Enhancements	Thurrock	To be confirmed			

Work Programme

Committee: Corporate Overview and Scrutiny Committee

Year: 2018/2019

Dates of Meetings: 5 June 2018, 4 September 2018, 20 November 2018, 31 January 2019 and 5 March 2019

Topic	Lead Officer	Requested by Officer/Member
5 June 2018		
Business Rates Relief	Sean Clark/ Andrew Brittain	Officer
End of Year Corporate Performance Report 2017/18	Sarah Welton	Officer
Delivering Our Free School Programme – Land Disposal	Rory Patterson	Officer
Work Programme	Democratic Services Officer	Standard Item
4 September 2018		
Quarter 1 Corporate Performance Report 2018/19	Sarah Welton	Officer
Communications Strategy Update	Karen Wheeler	Member (requested by Cllr Jack Duffin)
Work Programme	Democratic Services Officer	Standard Item
20 November 2018		
Mid-Year / Quarter 2 Corporate Performance	Sarah Welton	Officer

Work Programme

Topic	Lead Officer	Requested by Officer/Member
Report 2018/19		
Long Term Investment Strategy	Sean Clark	Member (requested by Cllr Jack Duffin)
Grays South Regeneration: Civic Offices Update	Steve Cox	Officer
Work Programme	Democratic Services Officer	Standard Item
31 January 2019		
Draft Budget	Sean Clark	Officer
Capital Strategy 2019/2020	Sean Clark	Officer
Capital Programme 2019/2020	Sean Clark	Officer
Customer Services Update	Karen Wheeler	Officer
The Overview & Scrutiny Functions and Motions Process	Democratic Services	Member (Cllr Spillman)
Work Programme	Democratic Services Officer	Standard Item
5 March 2019		
Quarter 3 Corporate Performance Report 2018/19	Sarah Welton	Officer
Work Programme	Democratic Services Officer	Standard Item