

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

Cabinet

The meeting will be held at **7.00 pm** on **12 December 2018**

Committee Rooms 2 & 3, Civic Offices, New Road, Grays, Essex, RM17 6SL

Membership:

Councillors Robert Gledhill (Chair), Shane Hebb (Deputy Chair), Gary Collins, Mark Coxshall, James Halden, Deborah Huelin, Barry Johnson, Susan Little and Aaron Watkins

Agenda

Open to Public and Press

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Exclusion of the Public and Press

Members are asked to consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

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Queries regarding this Agenda or notification of apologies:

Please contact Lucy Tricker, Democratic Services Officer by sending an email to Direct.Democracy@thurrock.gov.uk

Agenda published on: **4 December 2018**

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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 Cabinet held on 14 November 2018 at 7.00 pm

The deadline for call-ins is 28 November 2018 at 5.00pm

Present: Councillors Robert Gledhill (Chair), Shane Hebb (Deputy Chair), Gary Collins, James Halden, Deborah Huelin, Barry Johnson, Susan Little and Aaron Watkins

Apologies: Councillors Mark Coxshall

In attendance: Lyn Carpenter, Chief Executive
Sean Clark, Director of Finance & IT
Roger Harris, Corporate Director of Adults, Housing and Health
David Lawson, Assistant Director of Law & Governance
Rory Patterson, Corporate Director of Children's Services
Julie Rogers, Director of Environment and Highways
Karen Wheeler, Director of Strategy, Communications and Customer Service
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.

52. Minutes

The minutes of the Meeting of Cabinet held on 10 October 2018 were approved as a correct record.

53. Items of Urgent Business

The Leader began by stating that one urgent item had been received, which was the Monitoring Officer's report on whistleblowing allegations. He apologised for the lateness of the report and explained this was because the necessary information had only been received at the end of last week and officers had then had to check it. He described that two whistleblowing allegations had been received, one in January 2018 which related to recruitment and HR matters, and one in August 2018 which had been received by the CEO in September 2018, and related to an in-depth Children's Services case. The Leader continued by stating that the Monitoring Officer had reviewed and assessed both cases, and then passed on to an independent barrister who was a specialist in child social care and had received unrestricted access to all files relating to the allegations. He continued by mentioning that the files had been locked once the allegations had come to light so information could not be tampered or altered with. He also mentioned that the allegations were reported to Ofsted, who were kept fully apprised of the investigation and were happy with the work completed.

He summarised and stated that the independent barrister had found both whistleblowing allegations unsubstantiated.

Councillor Collins commented that he felt pleased and relieved with the outcome that the allegations were unsubstantiated. Councillor Halden then discussed how six weeks ago Councillor Kent had resigned as Chair of Children's Overview & Scrutiny Committee over this matter, as he had not received the whistleblowing report as fast as he would have liked. Councillor Halden described that he felt the Chair of an O&S Committee had many powers to discuss items such as the whistleblowing allegation, for example going into exempt session or calling an extraordinary meeting. He went onto mention that at the time of Councillor Kent's resignation the information he requested was not available as the investigation was still ongoing. Councillor Halden felt that this tarnished the council's reputation as the top Google search was the resignation, and this could harm retention rates of officers, whom he felt worked hard and should be treated professionally. Councillor Halden then called for Councillor Kent to make a formal apology to officers. The Leader replied that he could not comment on the mind-set of other Councillors, but Members were there to do the best they could for the 160,000 residents of Thurrock. He described how Overview & Scrutiny Committees were designed to hold the Executive to account, and he felt resigning should have been a last resort. He felt that as Chair of an O&S Committee, Members have responsibilities and rules to follow, but there were ways of getting messages out. The Leader continued by stating he did not want officers to feel undermined, and they should take comfort in the fact an independent barrister found the whistleblowing allegations to be unsubstantiated. He felt that officers had acted appropriately, and this had been a learning experience. He then drew Members attention to point 4.3 of the report which highlighted areas the council could do better on and how issues could be improved. The Leader stated that the independent barrister had received a wide brief, not just focusing on the specific allegations which had added value to the report. He finished by congratulating the team and outside bodies that worked on the report which he felt was open and clear.

Councillor Hebb echoed the sentiments made by other Councillors, and added that it was the Chair's role of Overview & Scrutiny Committee's to shape the Work Programme, and officers were helpful which allowed Members to achieve this. He continued by stating that it was appropriate for an outside barrister to investigate the allegations, and felt officers had made the right choice. He also felt this was an opportunity to reflect and improve in some areas, for example record-keeping as mentioned in point 4.3. Councillor Huelin then discussed the very good council run training sessions for Members in areas such as Overview & Scrutiny, and encouraged Members to go to these if they felt they did not understand enough about O&S procedures. She also reiterated that it was good to see the whistleblowing claims were unsubstantiated.

Councillor Halden felt that although officers should be challenged, it was ultimately the Chair's responsibility how an O&S committee was run, for example holding exempt sessions or extraordinary meetings. The Leader

reminded Members that they could not comment on the mind-set of other Members. Councillor Watkins then stated he was glad to see the claims were unsubstantiated and the investigation had been carried out independently. He felt that it was not just senior officers that had received negative outcomes from Councillor Kent's resignation, but the day to day working life of less senior officers too. He commented that staff should see that they are appreciated and move on now the claims were proven to be unsubstantiated. The Leader then stated how the discussion was a matter for a public record and agreed the recommendations.

RESOLVED: That Cabinet

1. Noted the report that the whistleblowing allegations received in January and September 2018 have been fully and independently investigated by a specialist children's safeguarding barrister with the allegations found to be unsubstantiated and note the learning outcomes and recommendations from the process to continue to improve Children' Services.

54. Declaration of Interests

There were no interests declared, although the Leader asked Democratic Services if this item could be placed above the item of urgent business in future.

55. Statements by the Leader

The Leader began his statement by discussing the Remembrance commemorations held across the borough on Sunday 11 November. He mentioned that specialist cleaning had taken place and new planters installed on memorials in the area, and 834 poppies had been placed in cemeteries and memorials to commemorate every life lost from Thurrock. He went on to discuss the new railings that had been placed around the memorial in Grays, to stop it being a place of anti-social behaviour, and to restore it as a place of quiet reflection. He added that new signs would also be installed asking people to be respectful to the fallen soldiers. The Leader then detailed the £150,000 budget, and only £80,000 of this had been used, with the remainder of the money going into the maintenance of the memorials. He congratulated Thurrock Local Community Groups for their remembrance displays across the borough, in places such as Stifford, and discussed how the council were looking at areas where the displays could become permanent. He thanked the Director of Environment and Highways for all her hard work over the year to make the commemorations happen. He then described how officers had been working at 6am on Sunday morning clearing leaves and ensuring there was disabled access to the memorial at Turps Corner. He again thanked all staff and Member's and felt they should be proud of all the hard work. He added he would be formally writing to officers to thank them again.

The Leader then moved on to discuss the new fibre optic broadband for 1,400

council tenants and commented that this produced the fastest internet speeds. He mentioned the council were working with the private company Hyperoptic to produce the gigabit internet connection, and stated that this agreement had been expanded to include 20 other council run areas. The Leader added that this would benefit both young families and older residents to improve connectivity, and proved that the council was investing in a 'digital first' approach so Thurrock was ready for the future.

The Leader then discussed the Lower Thames Crossing and the Highways England Consultation. He stated that the consultation was open until 20 December 2018, but that consultation documents were very detailed and felt Highways England were showing a lack of effort in making information accessible to people. He felt the consultation documents used highly complex language, and even the non-technical summary contained jargon and acronyms. He added that the easy-reading version was inaccessible as this was available on request, but that as Highways England had a 15 working days response time, residents would have to request these now. He added that the documents would only be translated for a very high fee, which again made them inaccessible. He commented that Highways England plans to build a large motorway through the borough, and that their story kept changing, for example what began as a 'rest area' in Tilbury had become a full service station. The Leader felt this was a terrible scheme which would negatively impact Thurrock and encouraged every resident to take part in consultation, and overcome any obstacles set by Highways England to respond. He stated consultation documents were available in the Tilbury and Grays hubs, as well as online.

The Leader moved on to discuss anti-social behaviour among council tenants and stated that one tenant had received a Closure Planning Order which restricted him from entering his house to prevent him from using it as a drug den. He stated this was the fourth property to receive a Closure Planning order, but 8 more were being legally chased, and 147 warning letters had been sent out. He commented that the council supported their tenants who did not want drugs, gangs and other anti-social behaviour in their area. The Leader then said that the council were investing in more initiatives such as increased CCTV and better front doors for residents, as well as helping the police tackle issues regarding motorbikes and quad-bikes. He stated that Essex police had now reduced anti-social behaviour on motorbikes and quad-bikes by 46%, which was one less worry for Thurrock residents. He finished by stating that the council were working with Essex Police to finalise a new Police Crime Prevention Strategy.

The Leader then congratulated Councillor Hebb on his win of the LGIU Finance and Transformation Award. He mentioned that finance had become innovative and the council had reduced the deficit whilst minimising the effect on local residents. He felt it was good to see Thurrock Councillors with such a strong national presence, as one third of Cabinet members had been nominated for an LGIU award, with every nomination being shortlisted and 2 winners.

The Leader finished his statement by giving the latest figures on the Clean It, Cut It, Fill It Scheme which were: 790 acres of grass cut; 164 tonnes of litter cleared; 908 fly-tips cleared; 2146 fines and penalty notices issued; 52 £400 fly-tipping notices issued; 90 community protection warnings issued; and 35 community protection notices issued. He added that a new education programme regarding fly-tipping would be rolled out in January. He finished by stating that 1783 potholes had been filled in across the borough, 99% of which had been within target time. He commented that the government had awarded an extra £848,000 to fill potholes in before the end of the financial year, which proved central government had confidence in the council to spend money wisely and effectively to fill potholes.

Councillor Hebb thanked the team, including Cabinet colleagues and Directors Board, particularly the Director of Finance and IT and the Director of Commercial Services. He stated he was happy to see services secured for the next four years and again thanked officers for their hard work. He also discussed the positive comments he had received from Stanford residents regarding commemorations on Remembrance Sunday, and thanked the Stanford War Memorial Group.

56. Briefings on Policy, Budget and Other Issues

Councillor Watkins began by echoing sentiments made by other Members on the remembrance services and all the hard work that had been put in prior to the events to make them fantastic. He stated that he had attended the Ockendon Memorial and felt proud of the department and the work they had done. He stated that residents should also feel proud, and hoped those that had lost their lives would have been proud too. He then thanked the Environment and Highways Department, particularly Susan Newton, for all their hard work.

Councillor Watkins then moved onto the discuss how the council were trying to improve recycling rates in the borough, by introducing bin tags which would go onto contaminated bins that could not be collected because they contained the wrong rubbish. He discussed how the tags would include the reasons why bins could not be collected, and ways in which residents could get their bins decontaminated.

Councillor Huelin thanked the WW1 Commemorative Committee for all their hard work on Remembrance Sunday and over the past four years, and pointed out that Remembrance events happened every year. She specifically thanked Natalie and all the volunteers with the WW1 Commemorative Committee, and described how she felt lucky to have been able to open the Memorial Event at the Thameside Theatre in Grays. She then discussed the important work that women and the Suffragettes had done during WW1, such as building a frontline hospital solely staffed by women, including every surgeon, nurse and doctor. She stated that this was one of the reasons why women had been allowed to enter the Royal College of Surgeons. She commented that although 1 in 8 men died during WW1, 1 in 5 women died doing dangerous work in munitions factories and in frontline hospitals. The

Leader then commented that it was important to remember every year, and reminded Members that next year would be the 80th anniversary of the beginning of WW2. Councillor Collins added that he appreciated all the hard work put into the Remembrance events and thanked everyone. Councillor Little echoed these comments and felt pleased so many local residents had turned out for the commemorative events. She also added that officers had turned up to many of the commemorative events, even in rural areas such as Bulphan.

57. Petitions submitted by Members of the Public

There were no petitions submitted by members of the public.

58. Questions from Non-Executive Members

No questions had been received from non-Executive Members.

59. Matters Referred to the Cabinet for Consideration by an Overview and Scrutiny Committee

No matters had been referred to the Cabinet for consideration by an Overview and Scrutiny Committee.

60. Further Transformation to Continue Improving Standards in Primary Care (Decision 110484)

Councillor Halden introduced the report by stating this was good news as this report ensured work could continue on the programme until 2021. He stated that in 2016 only 2 GP's in Thurrock had been rated as 'good', but now 21 out of 29 GP's had achieved a 'good' rating. He commented that the UK and Thurrock had an aging population, as healthcare improved and people lived longer, this meant that care for long-term illnesses had to improve too. Councillor Halden went onto mention how this report improved standards of primary care and reduced variation across GP surgeries in the borough. He stated the council were working with the NHS to implement new scorecards, which 85% of GP's had done, which would help with long-term health problems such as hypertension, but the ambition was for 100% of GPs to use the scorecard. Councillor Halden added that the scorecard was changing as it was no longer benchmarked with other local authorities, but now benchmarked internally. He also described how volunteer aided blood pressure checks were in place, which have been predicted to diagnose an additional 400 people with high blood pressure by the end of the financial year. Councillor Halden then commented that this was predicted to save an additional 20 people from a stroke.

The Leader declared that he was Chair of the Patients Participation Group at a GP surgery, but this would not affect his decision making ability on this item. He felt that the additional 20 lives saved from a stroke was a very good result, as strokes affected not only the patient, but their families too. He commented that this report was not just a financial report, but effected rehabilitation of

patients and proved how the council were working with the NHS to improve public health. Councillor Halden then thanked the public health team as this was above and beyond their statutory obligations and showed how innovative Thurrock was becoming.

RESOLVED: That Cabinet:

1. Approved progress, changes and additions to the programme of performance, improvement and support for primary care with linked demand management for hospital and adult social care services, as detailed within the paper.

2. Approved the continuation of funding for this programme throughout the financial years 2019/20 and 2020/21, and then reviews its impact.

61. Short Breaks and Support Services for Disabled Children (Decision: 110485)

Councillor Little explained that this report was coming to Cabinet because it was above the £750,000 spend limit. She described that this report is a statutory duty for the council to improve the outcomes for disabled children and young people aged between 0 and 18. She explained that a procurement exercise needed to be undertaken to replace the current contract which expires in March 2019, and the contract aims to improve the health and wellbeing of disabled children and their carers by offering additional support. Councillor Little clarified that there were currently only two providers, but that she wanted more providers to increase competition, which would hopefully include activities outside the borough. She added that there was the option to increase the new contract for a further year if it was successful.

Councillor Huelin welcomed the report and stated that as the procurement process became simpler, the number of providers could increase as local volunteer groups could get involved to support young people and children with disabilities. The Leader reiterated the fact this was a serious report and disabled children should have access to activities that all children enjoy. He also felt it was good for able-bodied children too as they can interact with disabled children and learn how to help them.

RESOLVED: That Cabinet:

1. Agree to the tender to provide Short Breaks and Support Services for Disabled Children with a term of 3 years and the option to extend for a period of twelve months be issued.

2. Delegated authority to the Accountable Corporate Director of Children's Services, in agreement with the Portfolio Holder to award contracts to meet the assessed need and preferences of children and young people.

62. Approval to Increase the Current Scope of the Schools Capital Programme (Decision 110486)

Councillor Halden introduced the report and stated that it would increase the amount invested in education by almost £7 million, and would facilitate the expansion at St Clere's school and the Orsett Free School. He stated that the council were working with the Education Skills Funding Agency (ESFA) to deliver difficult projects such as Thames Park School and Orsett Heath School, and whilst these projects were being finalised, this report would ensure there were enough school places for every child. He described how temporary accommodation at the Orsett Heath site would mean permanent buildings that would complement the school in the long term, for example expand the sporting element of Orsett Heath and their relationship with Thurrock Rugby Club. He added that £500,000 was being invested in a 3G pitch at Harris Riverside, and in rebuilding the nursery at Corringham Primary School. He added there were also plans to expand Benyon Primary in South Ockendon, to alleviate placement issues, rather than building a new school on the site at Brandon Groves. Councillor Halden felt that as all these projects were being undertaken at the same time, it was an impressive list of options. He added that in addition 90% of all schools had now received a 'good' or 'outstanding' rating by Ofsted, and the borough had seen an improvement in GCSE results, even with the difficulty in changes to GCSE marking and criteria.

Councillor Hebb continued that injecting money into schools, was injecting money into the future of the borough. He added that this report covered the entire borough such as Stanford, Orsett and South Ockendon; was multi-use as contained provisions for sporting facilities; and was multi-choice as parents now had a diverse market and could decide which school best suited them and their child's needs. He directed Members to point 3.2.2 of Appendix 1 in the report, which stated that infrastructure was coming first in the St Clere's project, as additional capacity was being placed on-site, rather than off-site. He felt that schools now were vastly improved from that of those 20 years ago, although the problem of pupil deficit still existed as those coming from primary to secondary school needed places, and capacity would have to expand.

The Leader was glad to see money being spent on the future, but without problems such as temporary demountables. He felt glad to see that Benyon Primary was expanding, rather than a brand new school at Brandon Groves, as this would have caused traffic problems in the area.

RESOLVED: That Cabinet:

1. Approved the extended School Capital programme budget of £6,900,000 for St Clere's and bulge classes for the new Orsett Heath Free School.

2. Approved the invitation of tenders in accordance with EU procurement procedures for a one year agreement for providing a

Specialist Project Team, and Principal Contractor for a school capital programme.

3. That, following a selection procedure compliant with EU procurement regulations, the subsequent decision to enter into the contract be delegated to the Accountable Director reporting back to the Portfolio Holder, such report to detail the selection procedure results, and compliance with EU procurement regulations.

4. Endorsed the forward work and feasibility studies coming forward for the expansions and/or improvement works at Corringham Primary, Harris Riverside and Benyon Primary, and the works to continue to deliver inclusion units across Thurrock and their associated costs.

The meeting finished at 8.09 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

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12 December 2018	ITEM: 3 Decision: 110487
Cabinet	
Schools Funding Formula 2019/20	
Wards and communities affected: All	Key Decision: Yes
Report of: David May, Management Accountant – Dedicated Schools Grant and Schools	
Accountable Assistant Director: Jonathan Wilson, Assistant Director – Finance, Corporate Finance	
Accountable Director: Sean Clark, Director of Finance and IT and Rory Patterson, Corporate Director of Children’s Services	
This report is Public	

Executive Summary

In 2018/19, after extensive consultation, the Department for Education introduced a new national funding formula for the allocation of schools funding to local authorities (“soft” formula). In July 2018, Department for Education announced that Local authorities will continue to determine local formulae (soft formula) until at least 2020/21. This recognised the significant progress made in the formula’s first year of introduction, with 73 local authorities have moved every one of their factor values in their local formulae closer to the national funding formula, with 41 already mirroring it almost exactly.

In 2018/19, Thurrock continued with its own local formula with significant variance from the National Funding Formula. In considering the local formula for schools in 2019/20 and 2020/21, Officers have engaged with Thurrock Schools Forum and held consultation sessions with 54 attendees representing 28 schools and academies. The responses to the consultation demonstrated a good overview of the schools funding system that allowed informed decision making. The main agreement was that Thurrock should move towards the National Funding Formula but maintain some localisation to support schools in this transition period.

Thurrock schools are expected, based on indicative allocations, to receive additional funding once the National Funding formula is fully implemented.

Recommendations;

1. Thurrock Council is asked to decide changes to the local funding formula to be implemented from April 2019. The Schools Forum have been consulted and the proposed changes take their comments into consideration:

- **The National funding formula, with the exception of Free School Meals, to be implemented in 2019/20;**
- **Minimum Funding Guarantee to be implemented at 1.5%, in line with the National funding formula guidelines. Any unallocated funds once the National funding formula has been implemented will be used to reduce the Minimum Funding Guarantee to the lowest possible figure to afford more protection to schools. The options presented showed this as -0.57%.**
- **A revised calculation for Notional Special Educational Needs to be implemented consistent with the new funding formula.**
- **The National funding formula to be implemented in full from 2020/21.**

2 Introduction and Background

- 2.1 Since 2010, the Department for Education has been progressing the reform of the schools funding system to make it simpler, fairer and more transparent.
- 2.2 In spring 2016, Department for Education consulted on the principles that should underpin the funding system and the factors that the new formulae should contain. This was followed in December 2016, with extensive consultation on the details of the formulae and illustrated its potential impact. The Department for Education received over 26,000 responses to the consultations.
- 2.3 In July 2017, Department for Education confirmed that they would introduce the national funding formulae in 2018/19 and this would be supported by additional investment of £1.3 billion across 2018/19 and 2019/20.
- 2.4 In July 2018, Department for Education announced that local authorities will continue to determine local formulae (soft formula) until at least 2020/21. This recognised the significant progress made in the formula's first year of introduction, with 73 local authorities have moved every one of their factor values in their local formulae closer to the national funding formula, with 41 already mirroring it almost exactly.
- 2.5 Thurrock, in 2018/19, continued with its own local formula with significant variance from the National Funding Formula.

3 Structure of the Funding System

- 3.1 From 2018/19, the dedicated schools grant for local authorities is allocated in four blocks (schools, high needs, early years and central schools services). Each is calculated on the basis of a different national formula. It remains the Department for Education long-term intention that schools' budgets should be set on the basis of a single, national formula (a 'hard' formula).
- 3.2 Local budget flexibility arrangements associated with the schools block ring fence allows for the Schools forums to agree transferring up to 0.5% of their schools block funding to the High Needs Block. In addition where the Department for Education have previously approved a request to move more than 0.5%, and where there is continuing schools forum support agreement to the transfer, the local authority will not need to submit a further request this year up to the level previously agreed.

4 National Funding Formula Weightings and Values

- 4.1 The national funding formula introduces values for all 14 factors of the formula; these values differ from those included within Thurrock's current funding formula. The overall level of funding is forecasted to increase, however it is the potential turbulence at individual school level that has required detailed discussions with the Schools Forum and Schools and Academies through the consultation process.
- 4.2 The key areas of change are reductions to the basic entitlement and lump sum values with an increase in funding distributed through additional needs.
- 4.3 The Looked after Children funding allocation has been removed from the national funding formula and distributed through a new pupil premium plus grant, which was introduced from April 2018 at £2,300 per pupil, an increase of £400.
- 4.4 The English as an additional language factor as part of the consultation process has been realigned to reflect the National Funding Formula to children who entered the state education system during the last three years for both primary and secondary sectors.
- 4.5 Appendix A shows both the change in values and overall quantum distributed within each factor:

5 Notional Special Educational Needs

- 5.1 Included within the budget allocation is a notional special educational needs allocation, this is not additional budget but an amount that is deemed to be for low level, high incidence SEND in mainstream classes (not SEN units). This is determined locally and based on a percentage of various factors within the local formula. As the funding formula changes so too must the percentage allocated to each factor. Appendix B shows the information presented at consultation.

- 5.2 The Appendix shows that by continuing to use 2018/19 individual factor percentages, the notional special educational needs allocation would increase from £15.625m in 2018/19 to £24.752m in 2019/20. The Schools Forum recommended that Option C, which aligns the percentages with Free School Meals and Low Prior Attainment, should be implemented. The revised notional special educational needs allocation is estimated at £17.340m.

6 High Needs Block

- 6.1 The High Needs Block has experienced significant increase in demand for both commissioned places and Education Health and Care Plans. Detailed discussions have been held with the Schools Forum with a focus on the following key points:
- 6.2 High Need funding block is not linked to demand
 - 6.3 Overspend in 2016/17 and 2017/18;
 - 6.4 Ongoing funding gap;
 - 6.5 Agreed transfer of £1.843m in 2018/19;
 - 6.6 A number of pupils to be funded in 2019/20 from the high needs block are in the schools block at the time of October 2018 census
 - 6.7 Increase in the number of placements and Education Health and Care Plans
 - 6.8 Increases to High Needs funding is delayed and insufficient to meet demand.
- 6.9 The Schools Forum agreed to the continued transfer of £1.843m from the Schools Block to support High Need funding. This is recognised as a short term option whilst a long term plan is developed.
- 6.10 The long term plan will demonstrate the steps to be taken to control high needs expenditure within the funding allocation and include:
- 6.11 Review of existing provision and development of a more localised offer through the Special Free Schools Programme and review of resource based provisions;
 - 6.12 Initiatives taken in 2018/19 by the Schools Forum to contain cost pressures;
 - 6.13 Initiatives to be developed to manage demand in the system;
 - 6.14 One off funding of £0.500m provided by Local Authority to support High Needs funding pressures in 2018/19;
 - 6.15 Outcome of budget discussions following confirmation of the funding to be received in 2019/20.

7 Schools Consultation

- 7.1 Following discussion at the Schools Forum meeting held on the 13 September it was agreed that the following models and impact would be consulted on to inform future decision making:
- 7.2 National funding formula 2019/20 with no floor protection
 - 7.3 National funding formula 2019/20 with Thurrock lump sums, No Free School Meals, No Floor Protection and Minimum Funding Guarantee of -1.3%.
 - 7.4 National funding formula 2019/20 with No Free School Meals, No Floor Protection and Minimum Funding Guarantee of -0.57%.

- 7.5 Thurrock 2018/19 values with no Looked after Children factor, English as Additional Language ever 3 years, No Floor Protection and Minimum Funding Guarantee of -1.5%.
- 7.6 At the consultation sessions held, a total of 54 delegates attended representing 28 schools and academies. The responses to the consultation demonstrated a good overview of the schools funding system that allowed informed decision making. The main agreement was that Thurrock should move towards the National Funding Formula but maintain some localisation to support schools in this transition period. The responses showed:
- 7.7 100% agreement that the sessions provided an overview of the National Funding Formula. .
- 7.8 80% agreement with the decision to transfer funds from the school to high needs block. The Local Authority has been asked to develop a long term strategy for the High Needs Block.
- 7.9 100% agreement to the removal of the Looked after Children factor
- 7.10 100% agreement to the alignment of the English as an Additional Language with the National Funding Formula to children who entered the state education system during the last three years
- 7.11 60% think it is the correct time for Thurrock to move to the national funding formula
- 7.12 At the Schools Forum meeting on the 15 November, members provided feedback from the Primary and Secondary Headteachers groups. There was significant support for implementation of the National Funding Formula with the exception of Free School Meals and protecting schools through a reduction to the Minimum Funding guarantee.
- 7.13 This option is consistent with what other local authorities are implementing; National funding formula with minor changes to protect local schools. This is an excellent step forward and positions schools well for full implementation.
- 7.14 The Schools Forum at its meeting on the 15 November considered the representations from schools. As a result of the consultation with Schools Forum Cabinet is asked to agree the following principles to be applied to Thurrock Schools Funding Formula in 219/20:
- The National funding formula, with the exception of Free School Meals to be implemented in 2019/;
 - Minimum Funding Guarantee to be implemented at 1.5%, in line with the National funding formula guidelines. Any unallocated funds once the National funding formula has been implemented will be used to reduce the Minimum Funding Guarantee to the lowest possible figure to afford more protection to schools.
 - A revised calculation for Notional Special Educational Needs to be implemented consistent with the new funding formula.

7.15 Following the School Forum meeting discussions with the Cabinet member for Education and Health have concluded support in 2019/20 for some local discretion to provide time for schools to transition to the National Funding Formula. In 2020/21 it is proposed that the National Funding Formula is implemented in full.

8 Reasons for Recommendation

8.1 To approve the principles of Thurrock Schools Funding Formula for 2019/20 that will allow Officers to implement the change and make a formal return to the Department for Education by 21 January 2019.

9 Consultation (including Overview and Scrutiny, if applicable)

9.1 This report was reviewed by Children's Overview and Scrutiny Committee on 4 December 2018.

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

10.1 This report fulfils the Local Authority statutory responsibility for approval of the Local Schools Funding Formula.

11 Implications:

11.1 Financial

Implications verified by: **David May**

Management Accountant

The funding allocation is provided annually by the ESFA in December of each year. The recommended formula will be used to distribute the 2019/20 DSG schools funding allocation received.

11.2 Legal

Implications verified by: **Lucinda Bell**

Education Lawyer

Cabinet must decide changes in Schools Funding Formula, as requested in this report. It is required to do so by the Local Government Act 2000. Schools Forum has a consultative role. Formula changes must be proposed and decided by the Council which must consult schools forum who must inform governing bodies of all consultations.

The Education and Skills Funding Agency (ESFA) have published "Schools revenue funding 2019 to 2020 Operational guide", which helps the Council and its schools forum plan the local implementation of the funding system for

the 2019 to 2020 financial year. This details departmental advice and expectations.

11.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**

Community Engagement Officer

The data sets used are mandatory, school and child specific and provided by the Department for Education. No local discretion is available.

12 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):

- 12.1 School Forum 28th June 2018 – DSG Outturn 2017/18
- 12.2 Schools Forum 28th June 2018 – School Funding Formula and Update on High Needs following DFE meeting.
- 12.3 Schools Forum 13th September 2018 – DSG 2019-20
- 12.4 Schools Forum 15th November 2018 – Schools Funding Formula 2019/20

13. Appendices to the report:

- 13.1 Appendix A – Change in Factor Values and Amount to be Distributed
- 13.2 Appendix B – Notional SEN Percentages Allocated Against Each Factor

Report Author:

David May,

Management Accountant – Dedicated School Grant

Appendix A

Change in Factor values and amount to be distributed						
Thurrock Funding Formula Options	Thurrock 2018/19			NFF 2019/20		
	P:S	£m	%	P:S	£m	%
Basic Entitlement – Primary	£3,155	£93.878	83%	£2,747	£84.502	75%
Basic Entitlement - KS3	£4,017			£3,863		
Basic Entitlement - KS4	£4,830			£4,386		
FSM	£1,600:£0	£3.308	3%	£440	£1.426	1%
FSM6	£0:£750	£1.960	2%	£540:£785	£4.239	4%
IDACI Band F	£110:£200	£0.531	0%	£200:£290	£0.871	1%
IDACI Band E	£110:£200	£0.755	1%	£240:£290	£1.567	1%
IDACI Band D	£110:£200	£0.388	0%	£240:£390	£1.137	1%
IDACI Band C	£110:£200	£0.081	0%	£360:£515	£0.262	0%
IDACI Band B	£110:£200	£0.274	0%	£390:560	£0.936	1%
IDACI Band A	£110:£200	£0.050	0%	£575:£810	£0.232	0%
Looked after Children	£2,300	£0.330	0%	£0	£0.000	0%
EAL	£300:£450	£0.322	0%	£515:£1,385	£1.344	1%
Prior Attainment	£300:£700	£2.930	3%	£1,050:£1,550	£8.512	8%
Lump Sum	£125k:£175k	£6.800	6%	£110k	£5.500	5%
Premises		£0.842	1%		£0.842	1%
Total Funding for Schools Block Formula		£112.451			£111.371	
Protection – All		£0.208	0%		£1.283	1%
Schools Block Formula		£112.659	100%		£112.654	100%

Notional SEN percentages allocated against each factor			
	Thurrock	Proposals 2019/20	
	A	B	C
	2018/19	Thurrock	Proposed
	Notional	Notional	Notional
	SEN	SEN	SEN
Basic Entitlement	5.00%	5.00%	2.50%
FSM	100.00%	100.00%	100.00%
FSM6	100.00%	100.00%	100.00%
IDACI Band A - F	100.00%	100.00%	25.00%
LAC	100.00%	100.00%	0.00%
EAL	100.00%	100.00%	0.00%
Mobility	0.00%	0.00%	0.00%
Low Attainment - Primary	100.00%	100.00%	100.00%
Low Attainment - Secondary	100.00%	100.00%	100.00%
Notional SEN Value	15,624,651	24,752,241	17,340,300
Schools Block Formula	112,658,766	112,645,015	112,645,015
	13.87%	21.97%	15.39%

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12 December 2018	ITEM: 10
Cabinet	
Lower Thames Crossing Task Force Update Report	
Wards and communities affected: All	Key Decision: Non Key
Report of: Cllr Peter Smith, Chair of the LTC Task Force	
Accountable Assistant Director: Anna Eastgate, Assistant Director for Lower Thames Crossing	
Accountable Director: Steve Cox, Corporate Director of Place	
This report is Public	

Executive Summary

In line with the Terms of Reference, the LTC Task Force is required to report to Cabinet on its work.

1. Recommendation(s)

1.1 That Cabinet notes the work of the Taskforce.

2. Introduction and Background

2.1 The Lower Thames Crossing Task Force has met on a monthly basis since September 2017. Cabinet received a previous update on 13 June 2018 including the thematic areas the previous meetings had covered – areas of influence, visual impact and health impacts.

2.2 The Council remains opposed in principle to any new crossing in Thurrock and the Task Force has consistently sought to hold Highways England to account. The previously noted concern of obtaining responses and key information has continued. In part this is a reflection of a major scheme that continues to evolve. Highways England has been informed that more would be expected of them leading a project on this scale with such significant local impacts.

2.3 Highways England are currently consulting on the scheme and this consultation will end on 20 December 2018. Details of the Task Force’s discussions around the consultation to date are detailed below.

3. Task Force meetings

- 3.1 All Task Force meetings are audio recorded and available on the Thurrock Council website.
- 3.2 Task Force meetings in March and April saw limited progress made with Highways England, therefore the decision was taken to take stock over the summer and evaluate how best to influence the scheme ahead of Statutory Consultation.
- 3.3 During that time, members of the Task Force received training on the Statutory Consultation and Development Consent Order processes and how best to challenge Highways England.

September

The Task Force discussed the engagement with Highways England and received updates on the consultation, the Statement of Community Consultation, Health Impact Assessment, Planning Performance Agreement, correspondence between Thurrock Council and Highways England and the Mitigation Schedule.

The Meeting heard that the Council had responded to the Statement of Community Consultation and included a detailed schedule of comments to ensure the consultation would be fair and accessible for all local residents; a letter from the Directors of Public Health for Thurrock, Essex, Kent and Southend-On-Sea to Highways England setting out the scope of work expected in the Health Impact Assessment and; negotiations relating to Planning Performance Agreement between the Council and Highways England were ongoing.

The Task Force identified the need to keep reviewing the Mitigation Schedule as well as the questions asked of Highways England at previous meetings to ensure they remain relevant as the scheme develops.

October

As well as receiving updates on A13/A1089 traffic movements and the 'east-facing slips' at the A13/A126, Highways England presented to the Task Force the proposed scheme at Statutory Consultation stage, where they outlined that there had been six major changes since the November 2017 design which were: three lanes in each direction; changes to the route height; removal of the Tilbury link road; a new rest area/ service station at Tilbury; changes to the alignment of the route at Tilbury; and "optimisation of the A13".

Members of the Task Force made clear their dissatisfaction with the scheme as presented including:

- The removal of the Tilbury link road and the impact this would have on future business growth in the area as well as traffic movements required due to the redesigned A1089/A13/LTC junctions and

- additional pressure put on the A13/A1014 Manorway junction
- The design as currently presented risks creating an ‘east-facing slips’ issue in years to come by not addressing future demand now at the A13 interface with LTC
- The light and air pollution caused by the rest area at East Tilbury affecting local residents
- Concern around how the 1.5million cubic metres of spoil which will be created from the tunneling under the River Thames will be used
- Lack of ‘cut and cover’ along the route to mitigate the health and air pollution impacts of the motorway
- Impacts from noise as the route passes through the borough where there is not an existing smart motorway

November

Highways England presented an update on consultation. They outlined a response rate of around 500 responses per day and the main themes so far were:

- Concern with the location of the proposed route, although residents recognised the need to relieve traffic at the Dartford Crossing and A13.
- Concern with the A13 junction and the lack of West facing slip roads.
- Discussion of the height of the road and how this could have visual impacts and impact on air quality.
- The lack of the Tilbury link road and how this may affect businesses within the area.
- How the LTC will bring benefits and help businesses within Thurrock.
- The change to 3 lanes and how this may increase traffic noise and air pollution.
- The impact of the removal of spoil and construction traffic on the local road network as building work will be happening on site for 6 years.
- Local issues such as the realignment of Rectory Road.
- The proposed rest/service area and the impact this could have on residents of East Tilbury.

Concerns were also raised about reports that Highways England has separately taken a view that it would object to any new development that resulted in any additional traffic on Junction 30 of the M25. The HE representative agreed to look into this and report back.

The Task Force also received a report back from the Thurrock Business Board Representative, who explained that the scheme as currently proposed highlights a number of potential issues – notably the lack of a Tilbury link road and the ‘west-facing slips’ issue.

Members of the Task Force also raised concerns about the compensation for land owners within the red line boundary and representatives from Essex County Council and South East Local Enterprise Partnership were asked to be invited to attend the next meeting.

4. Reasons for Recommendation

4.1 In line with the terms of reference the LTC Task Force will update Cabinet.

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

5.1 Lower Thames Crossing Task Force

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

6.1 None

7. Implications

7.1 Financial

Implications verified by: **Carl Tomlinson**
Finance Manager – Management Accounting

There are no financial implications arising from this report.

7.2 Legal

Implications verified by: **Benita Edwards**
Interim Deputy Head of Legal (Regeneration)

There are no legal implications arising from this report.

7.3 Diversity and Equality

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

There are no diversity implications arising from this report.

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):

- None

9. Appendices to the report

- None

Report Author:

Anna Eastgate

Assistant Director – Lower Thames Crossing

Place

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12 December 2018	ITEM: 11 Decision: 110488
Cabinet	
Children and Young People’s Emotional Wellbeing and Mental Health - School Wellbeing Service	
Wards and communities affected: All Wards	Key Decision: Key
Report of: Councillor James Halden – Portfolio Holder for Health and Education	
Accountable Assistant Director: Assistant Director and Consultant in Public Health (Vacant)	
Accountable Director: Rory Patterson – Corporate Director, Children’s Services and Ian Wake – Director of Public Health	
This report is: Public	

Executive Summary

Nationally one in ten children and young people have a diagnosable mental health condition and for many, mental health problems will continue in adulthood. Local knowledge and research as well as discussions with Head teachers highlight a clear need for further support for children and young people around mental health.

In Thurrock the issues around the mental wellbeing of our younger population was highlighted through the Brighter Futures Survey and prompted a more in-depth review of the needs of local children and people’s relating to their mental health. As such, Children and Young People’s Mental Health JSNA was undertaken and from these clear recommendations for tackling poor mental health outcomes in this population were developed.

This need is also included in the Transformation Plan for Emotional Wellbeing and Mental Health – Open Up, Reach Out which was adopted as the local strategy by the Health and Wellbeing Board. This aims to improve access and equality; build capacity and capability in the system; and build resilience within the community

One of the recommendations uncovered a need for the School Wellbeing Service and this report provides a description of the progress made so far in working a proposal to implement a preventative offer for schools to improve children and young people emotional wellbeing and mental health.

1. Recommendation(s)

1.1 That Cabinet approves the strategic direction of travel for implementing a School Wellbeing Service as a preventative offer to improving Children and Young People's Emotional Wellbeing and Mental Health.

1.2 That Cabinet approve the funding required to implement a School Wellbeing Service in Thurrock

2. Introduction and Background

2.1 Children and young people's mental health is increasingly recognised as a significant area for concern nationally and within Thurrock. For example, Head Teachers have, on numerous occasions, expressed concern to council officers about the level of mental health problems in their schools. They have also expressed a desire for more support to help children and young people suffering from mental health problems.

2.2 For the first time, in 2017, the Council carried out a health and wellbeing survey amongst children and young people in Thurrock: the Brighter Future's Survey. This is an annual health and wellbeing survey targeted towards Y5, Y8 and Y10 pupils which aims to provide an insight into the experiences, behaviours and attitudes of children and young people living in the borough. The initial survey undertaken in 2016/2017 was targeted towards Y6, Y8 and Y10 pupils. The change from Y6 to Y5 pupils followed feedback from head teachers relating to issues the survey identified during transition from Y5 to Y6. Head teachers felt that they needed to understand these issues to enable them to effectively to provide support to this cohort of children.

2.3 Although results from the first two years of implementation of the survey have had a lower than anticipated uptake and the results of the survey cannot be generalised to the whole of the CYP population as it is a data source currently in isolation; a picture of surveillance can be built year on year as engagement with the survey in schools increases.

2.4 The survey was completed by 1,010 school pupils in years 6, 8 and 10 in 2016/2017 and 1128 in 2017/2018 for years 5, 8 and 10. Although the 2016/2017 and 2017/2018 surveys produced a number of positive findings (e.g. very low rates of smoking), the results do add weight to the concerns expressed by teachers about poor mental health outcomes.

2.5 The survey found, for example, that 20% of students in years 6 and 8 reported having been bullied in the past 12 months and that 14% of year 8's reported engaging in self-harming behaviours as one of the coping mechanisms they use when they feel overwhelmed by worries.

2.6 The survey has also highlighted the use of the internet and its impact on emotional wellbeing as a major cause for concern. For example, the survey found that 96% of year 6 pupils (aged 10 – 11) had access to the internet without parental supervision and 12% said they had shared things online which they regretted. Internet safety and cyber-bullying have been raised by

Headteachers as a major cause for concern and something which they spend a lot of time focussing on.

- 2.7 Alongside the issues identified within the survey, discussions with Headteachers and NHS partners and anecdotal evidence that mental health problems in school aged children are one of the factors driving local school exclusions it was decided that a Children and Young People's Mental Health JSNA should be developed.
- 2.8 The CYP JSNA 2018 discussed the increasing incidence of mental health problems in children and young people at both a national and local level, and the associated rising demand on treatment services.
- 2.9 The JSNA also identified the significant need for a strengthened universal and preventative mental health and wellbeing offer which focusses on building CYP and their families' strengths and resilience to ameliorate risk factors, thus reducing the predisposition for mental health issues.
- 2.10 The JSNA set out six broad recommendations, one of which suggested developing a partnership model and creating school-based wellbeing teams.
- 2.11 In May 2018, Thurrock Council and NHS Thurrock Clinical Commissioning Group delivered a Children and Young People's Mental Health Summit. The summit was used to launch the JSNA and begin a consultation on children and young people's mental health with schools and other key health and third sector partners.
- 2.12 The summit highlighted feedback from stakeholders on the need for a universal preventative offer for schools to support them with the identification of lower levels of mental health need and promotion of mental wellbeing, thereby shifting the focus towards prevention and early intervention and aiming to address rising demand on treatment services.

3. Issues, Options and Analysis of Options

- 3.1 Children and Young People's Mental Health is a priority for the Government and is detailed in the Transforming Children and Young People's Mental Health Provision: A Green Paper, published in December 2017. The green paper sets out proposals to create a network of support for children and young people and their educational setting. The three core proposals included;
 - A designated senior Mental Health Lead in every school
 - Initiation of Mental Health Support Teams linking schools to NHS treatment services, provision of training for teachers and self-regulating interventions for pupils
 - Reducing waiting time standards for treatment in NHS Services from the current 12 –weeks to 4 weeks.

- 3.2 The Open up Reach Out 2015 – 2020 Strategy sets out a programme of service transformation for Children and Young People’s Mental Health across Southend, Essex and Thurrock. This strategy has been approved and signed off by the Health and Wellbeing Board. The proposed School Wellbeing Service would support and align with the current initiatives and delivery of the key priorities identified within this strategy.
- 3.3 The Emotional Wellbeing and Mental Health Service (EWMHS) operates as the main treatment service available to children and young people across seven Clinical Commissioning Groups and three local authorities (including Thurrock CCG and Council) through a collaborative commissioning arrangement. The Open Up, Reach Out Transformation plan initially focussed on commissioning a service which improved quality and access for CYP presenting with Mental Health needs which required specialist intervention. This has resulted in a 50% increase in the number of CYP receiving support through the Emotional Wellbeing and Mental Health Service.
- 3.4 The Transformation Plan also identified the need to strengthen the links between mental health services and educational settings. This work is progressing with the service employing a educational psychologist and developing systems of working. The proposed offer would align and strengthen this work and provide the key interface to implement at scale and at a faster pace
- 3.5 It is recognised, however, that the EWMHS service is not appropriate for those with low level mental health issues and that the volume of demand for this service is greater than its capacity, meaning that there can be significant waiting times for some children and young people before they can access this service. There are national challenges in regards to recruitment and retention in the Mental Health workforce leading to difficulties in responding to increasing demand and providing a timely response to CYP needs.
- 3.6 Whilst it is vital that children and young people with serious mental ill-health are treated quickly, a greater focus on treatment will not solve the underlying problems of emotional wellbeing and mental health. Focusing on prevention and promotion of mental wellbeing will prevent many children and young people from becoming mentally unwell in the first place and as such will reduce the pressure on treatment services. The proposed preventative offer is in line with national and local transformation plan of focusing on a system wide approach to addressing the complexities associated with children’s emotional wellbeing and mental health.
- 3.7 In view of the above and following the recommendations of the JSNA and the summit on children’s mental health in Thurrock, Thurrock Council and Thurrock CCG have developed proposals for a new School Wellbeing Service to support schools and education staff in Thurrock.
- 3.8 The School Wellbeing Service is a partnership model between Thurrock Council, Thurrock Clinical Commissioning Group and Thurrock schools and

academies that will primarily focus on prevention in order to strengthen and improve the emotional and mental wellbeing of children and young people as well as school staff. As mentioned this is in response to feedback from the School's Mental Health Summit guided by the following principles and outcomes;

Principles:

- A multi-agency approach to addressing the complex nature of CYP mental health issues
- A focus on working in partnership to deliver evidence-based interventions aimed at promoting protective factors and reducing risk factors.
- A tailored and flexible approach that meets the needs of individual schools in supporting their pupils and students.
- Strong alignment with all elements of the Brighter Futures Strategy and the Open Up, Reach Out Transformation Plan.

Outcomes

- Children and young people needing support are identified early and supported within the school thereby reducing the need for specialist services
- Increased number of CYP who are able to cope and ask for help when needed within a school setting
- Improved protective factors and reduced risk factors

The outcomes are not exhaustive and will be redefined once the evaluation strategy for this service is fully developed with the London South Bank University.

- 3.9 The foundation of the School Wellbeing Service will centre on supporting schools to have a better understanding of the needs of children and young people who are in their care. This will allow a tailored offer of support to be provided to schools and will enable progress to be tracked year-on-year. The main tool for improving our understanding of mental health needs is through the Brighter Futures Survey, alongside completion of a self-assessment that highlights the needs of individual schools. Both of these resources can be used to develop an action plan that is tailored to the needs of each school. The goal is to have all schools in Thurrock take part in this survey each year and may act a pre-requisite to gaining support through the SWS.
- 3.10 The offer will embed evidence-based interventions designed to strengthen mentally protective factors and reduce risk factors relating to mental health. Examples of these include further implementation of the Daily Mile to enhance participation in physical activity which is related to better mental health outcomes, the KiVa programme which is effective in addressing bullying and its associated outcomes, the Penn Resilience programme which is effective in teaching children and young people how to cope thereby improving positive coping strategies and reducing anxiety and depression. Further details of

effective interventions are available within the Children and Young People's Mental Health JSNA, 2018.

- 3.11 The School Wellbeing Service will work collaboratively with clusters of secondary and feeder primary schools across each locality area to develop a collaborative approach to identifying risk factors for mental health and enhancing protective factors and providing support to prevent escalation of mental health problems in this population by providing them with resilience skills and tools to support self-regulation.
- 3.12 The proposal for the SWS is to develop its work with each school in the context of the current range of existing provision for and in schools (for example Mental Health Lead at Gateway Academy, and schools commissioned offer through Open Door) and in the local area by extending and deepening existing work on promoting mental health, emotional wellbeing and supporting children who are experiencing problems with the help of a dedicated team. The SWS and schools will develop networks and effective relationships with other parts of the system i.e. EWMHs, third sector organisations.
- 3.13 The School Wellbeing Service will be funded for a minimum of three years at an estimated minimum cost of £300,000 per annum with 6.5 members of staff. Due to the complex nature of CYP mental health, strong partnership working between agencies is vital and could help create joined up services. The funding secured to date for the SWS proposal is from a combination of funding from partners - Public Health, the CCG, Children's services, Schools and Academies as well as Council funding that is expected to be available in December. This is broken down below;
- Local Authority Funding of £450,000 (£150,000 per annum for 3 years). This will be available by December
 - £50,000 from Public Health
 - £50,000 from the CCG
 - £50,000 from schools and academies
- 3.14 The attached paper sets out the proposed model for the School Wellbeing Service in detail. Section 4 of the proposal document elaborates on the cost analysis associated with this proposal.
- 3.15 As highlighted above, significant investment for this proposal has been secured and will provide the following staff:
- **1 WTE x Full-time Team Manager (Band 8):** To lead the School Wellbeing Team by providing strategic oversight of the service, co-ordinate the work of the entire School Wellbeing Service and provide supervision as needed.
 - **3 WTE x Full-time Senior Schools Wellbeing Workers (Band 7):** This will be one per locality and will lead on working with schools to promote the protective factors and reduce risk factors associated with mental

health. They will also be responsible for ensuring that the interventions needed to achieve a mentally healthy school environment are easily accessible to schools. This will be achieved by the workers collaborating with and influencing organisations and services at the right level. Part of this role will involve delegation of some elements of work to the School Wellbeing Workers where appropriate and to work with Schools / Academies to ensure outcomes are met.

- **1.5 WTE x Full-time School Wellbeing Workers (Band 6):** To support the work allocated by the Senior Schools Wellbeing Workers.
- **1 WTE x Administrator (Band 3):** to complete the administrative tasks associated with the service.

3.16 This proposal does NOT anticipate that any of the posts will be case holding roles however, they will work closely with the Emotional Wellbeing and Mental Health Service (EWMHS) delivered by NELFT to ensure that cases are escalated where needed. A direct delivery model will be explored with EWMHS as this is a new service which provides a greater opportunity to adapt pathways as the new service evolves.

3.17 It is anticipated that the recruitment process for this service will start with the recruitment of the Service Manager in January 2019 to provide strategic oversight and begin to scope and shape the delivery process for identifying each school's need. School representatives will be involved with this recruitment at the time.

3.18 The mobilisation and delivery of the service will be overseen by a Stakeholder group which involves head teachers, Council and CCG representatives, as well as representatives from the voluntary sector. The Stakeholder group will report to the Brighter Futures Board ensuring links between the SWS and other relevant functions of the Brighter Futures Strategy.

3.19 The officers leading on this proposal are working with the London South Bank University to develop an independent evaluation of the SWS service. This will provide evidence of effectiveness and identification of potential impact of the service across the landscape of CYP mental health. A detailed evaluation strategy will be developed.

4. Reasons for Recommendation

4.1 A range of initiatives which prevent mental health problems can yield a good return on investment is well established.

4.2 Evidence suggest that a lot of mental health illness can be prevented, this will not only improve the quality of life of the individual but also provide economic benefits by reducing the financial burden of mental ill health as well as improving health inequalities associated with educational outcomes, generational presentation of mental ill-health, unemployment etc.

- 4.3 The evidence presented in the Children and Young People's Mental Health JSNA shows that a significant number of interventions are not only effective in improving children's mental health but are also demonstrably good value for money. The School Wellbeing Service will offer tailored packages and interventions according to school's need which are both evidence-based and value for money.
- 4.4 To address the gap in preventative mental health offer and a focus on promoting mentally healthy school environment for children and young people, Cabinet is asked to approve the strategic direction of travel for implementing a School Wellbeing Service as a preventative offer to improving Children and Young People's Emotional Wellbeing and Mental Health.
- 4.5 Furthermore, Cabinet is asked to approve the funding required for implementing a School Wellbeing Service in Thurrock. Following the government response to the Green paper to implement Mental Health Teams across the country and the government having chosen the first local areas to participate in the first trailblazers, this proposal will ensure Thurrock is better prepared for the next wave of funding for implementation of local mental health teams.

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

- 5.1 The proposal has been presented at Health and Wellbeing Board on 21 September and was warmly received by members of the Board as a way of bridging the gap between pressures experienced by treatment services and the need for support within schools.
- 5.2 Following endorsement by the HWBB, the proposal has been presented to the Head teachers forum to further shape the model and its delivery. Feedback from head teachers has been adequately considered.
- 5.3 The proposal has been presented to the Brighter Futures Steering Group to ensure a link to the Brighter Futures Strategy and all elements within.
- 5.4 The proposals set out in this paper will be presented at the Children's Overview and Scrutiny 4th of December 2018.
- 5.5 A range of partners have collaborated and inputted to developing this proposal to date including;
- Children's Services – Corporate Director, Principle Educational Psychologist, Interim Assistant Director, Learning, Inclusion and Skills, School Improvement Manager, Children's Commissioning Officer-EWMHS,
 - Head Teachers Forum
 - School's Forum
 - Thurrock CCG – CYP and Maternity Commissioner
 - Director of Public Health and Public Health Leadership Team

- 5.6 It is expected that a Stakeholder group will report to the Brighter Futures Board providing a governance structure for the development of this work-stream.
- 5.7 It is proposed that the School Wellbeing Service will be a service designed by children and young people. As such the officers leading this proposal will utilise this year's Thurrock's Next Top Boss project as an opportunity for consulting with children and young people in 1 school (St Clere's) and one College (Palmer's) about this service model and engaging them in the design of the School Wellbeing Service. The rationale for this to provide a view of the mental health needs and how the School Wellbeing Service may support identified needs across the age range from 11-24 years. The pupils (year 9) at St Clere's will focus on designing elements of the School Wellbeing service focussing on the 11-16 year age range, with Palmer's college students focussing on 17-24 year olds. It is hoped that this will aid understanding and support bridging the gap in transition from child to adult services as evidence suggests that this transition period can result in young people falling through the net and as such requires focus and improvement to strengthen the co-ordination between child and adult services. The project has already begun and ideas from young people will be established in January, which is in line with the implementation of the School Wellbeing Service.

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

- 6.1 Health and Wellbeing Strategy
- 6.2 Brighter Futures Strategy and service transformation
- 6.3 Early Help and Troubled Families service transformation
- 6.2 Open Up, Reach Out. – Transformation Plan for the Emotional Well Being and Mental Health of Children and Young People in Thurrock

7. Implications

7.1 Financial

Implications verified by: **Michelle Hall**
Management Accountant

There is a direct cost arising from implementing this proposal. The funding have been secured through a combined funding contribution from the Council, Thurrock CCG and schools and academies. A detailed cost analysis has been provided as an indicative cost for the service with no deficit. To ensure sustainability of this service an independent evaluation of the service is part of

the proposals to measure the impact and outcomes towards improving the emotional wellbeing and mental health of children and young people.

7.2 Legal

Implications verified by: **Lindsey Marks**
Deputy Head of Legal

There are no legal implications arising from this report.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Strategic Lead – Community, Development and Equalities

The initiatives outlined in this report will address the existing gap in preventative offer to promote good emotional wellbeing and mental health of all children and young people as well as support for educational settings. In doing so, it will enable better joined up working between health and education and will provide earlier support for children and young people in or near schools and colleges.

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

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):

- Brighter Futures Survey, 2016/2017 – [2017](#)
- Children and Young People's Mental Health JSNA [2018](#)
- Future in mind: Promoting, protecting and improving our children and young people's mental health and wellbeing, [March 2015](#)
- Transforming Children and Young People's Mental Health Provision: a Green Paper – [December 2017](#)
- Government Response to the Consultation on Transforming Children and Young People's Mental Health Provision: a Green Paper and Next Steps – [July 2018](#)
- NHS Five Year Forward View for mental Health - [2016](#)
- Open Up, Reach Out. – Transformation Plan for the Emotional Well Being and Mental Health of Children and Young People in Thurrock

9. Appendices to the report

9.1 Appendix 1 – Proposal for School Wellbeing Service

Report Author:

Elozona Umeh

Senior Public Health Programme Manager – Children and Young People

Public Health, Adult, Housing and Health

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A Thurrock Model for a School Wellbeing Service

6 November 2018

1. Background

Nationally one in ten children and young people have a diagnosable mental health condition and, for many, their mental health problems will continue into adulthoodⁱ. It is clear from both local research and discussions with Head Teachers and NHS partners, that there is a need for more mental health support for children and young people (CYP) and schools in Thurrock. Demand for the treatment services is increasing and pressure is being placed on schools and colleges to cope with emerging issues around mental health. There is anecdotal evidence that mental health problems in school aged children are one of the factors driving local school exclusions. Furthermore, with waiting lists for treatment ever increasing and recognition of the gaps in service during transition from child to adult services, new findings suggest that GP's are resorting to prescribing anti-depressants to children and young people in crisis. Prescribing of anti-depressants to children and young people is rising, with the largest increases being seen in children aged 12 and under. There has been a 24% rise from 14,500 to 18,000 children in this age group being prescribed anti-depressants to possibly 'tide' them over until they are able to access treatment¹

In Thurrock the issue of mental health was highlighted within the 2016/17 Brighter Futures Survey, which identified issues such as bullying, stress and online safety as major areas of concern for CYP. Moreover, the recent Joint Strategic Needs Assessment product on Children and Young People's Mental Healthⁱⁱ discussed the increasing incidence of mental health problems in children and young people at both a national and local level, and the associated rising demand on treatment services. The JSNA also identified significant need for a strengthened universal and preventative mental health and wellbeing offer which focusses on building CYP and their families' strengths and resilience to ameliorates risk factors, reducing the predisposition for mental health issues.

In May 2018, Thurrock Council and NHS Thurrock Clinical Commissioning Group arranged a Children and Young People's Mental Health Summit. The summit was used, to launch the JSNA and *begin a Big Conversation* on children and young people's mental health with schools and other key health and third sector partners. The summit was attended by over 100 delegates including teachers and head teachers, children and young people's representatives; third sector service providers; NHS Provider Trusts, senior and chief council and CCG officers, and elected members.

The Summit identified many excellent examples of existing practice within schools on the mental health agenda, but also highlighted a level of service fragmentation and silo'd working. The clear recommendation from the summit was the need to develop a new School Wellbeing Service (SWS) with the aim of supporting schools in Thurrock to strengthen the universal and preventative approaches to emotional wellbeing, facilitate links between partners who may support CYP's mental health and work to build capacity and consistency within the existing offer.

¹ BBC. (2018). Anti-depressant prescriptions for children on the rise. Available at: <https://www.bbc.co.uk/news/health-44821886> (Accessed July 2018).

2. A Thurrock School Wellbeing Model Outline: Service Design

This paper discusses proposals for the new SWS; a partnership model between Thurrock Council, Thurrock Clinical Commissioning Group and local schools and academies, that will primarily focus on prevention in order to strengthen and improve the emotional and mental wellbeing of children and young people as well as school staff. This service will build capacity within schools to deliver evidence based prevention interventions such as those set out in the 2018 JSNA that strengthen protective factors for good mental health and reduce mental health damaging risk factors. It will integrate, embed and strengthen existing commissioned initiatives on mental health with the existing offer for children, young people and their families and provide training and support to school staff.

The new model for a School Wellbeing Service (Programme/Team) is based on the recommendations set out within the JSNA which include:

- Focus on building strengths and reducing risks, not just treating mental illness
- Promote the protective factors that keep children and young people mentally well.
- Focus on early intervention and prevention.
- Ameliorate the risk factors that can increase the risk of mental ill-health
- Develop a new partnership model with schools
- Gather and share information on what is already being done to improve children and young people's mental health
- Improve mental health data and track progress by all schools participating in the Brighter Futures Survey.

It also aims to deliver a 'tailored approach' that meets the needs of each school within Thurrock, recognising that every school and the population it serves will have differing needs and that 'one size' will not fit all.

Our intention is that the SWS will provide an opportunity for schools to extend and deepen their existing work on promoting mental health, emotional wellbeing and supporting children who are experiencing problems with the help of a dedicated team. The aim is to transform the way that emotional and mental health support is delivered by tackling problems more quickly, working preventatively and intervening at an earlier stage. The SWS will embed evidence-based interventions to strengthen mentally protective factors and reduce risk factors to mental health. Examples of protective and risk factors are given below, and more detail is available within the JSNA.

Protective Factors

Good social connections are vital for maintaining good mental health. We know that some CYP in Thurrock feel isolated. Mentoring schemes and the group intervention *LISA-T* have been found to be effective in strengthening social support networks.

Positive coping strategies are a key part of resilience. Interventions such as *Friends for Life* and the *Penn Resilience Programme* are effective in teaching CYP to cope, reducing anxiety and depression.

Physical activity has a very strong impact on mental as well as physical health. The evidence for effective ways to improve this in CYP is weak but a number of interventions show promising results including: *The Daily Mile*, *GreatFun2Run*, *Switch-Play*, and *ICAPS*. As the evidence is relatively weak, strong evaluation plans would be needed for any local implementation.

Risk Factors

Bullying has a very strong damaging impact on mental health, often lasting into adulthood. Some Thurrock pupils have told us that this is a problem for them. As well as strong policies, targeted prevention programmes have been found to be effective including *KiVa* and *The Good Behaviour Game*.

Body Image is a source of dissatisfaction for many adolescents. It increases the risk of mental ill health, especially eating disorders. Targeted interventions such as *Happy Being Me* can be effective in allowing young people to develop positive body image.

Excessive Social Media Use (three or more hours per day) is associated with significantly poorer mental health outcomes.

Adverse Childhood Experiences (ACEs) such as neglect or sexual assault have been shown to correlate strongly with poor child mental health. A tool kit for schools on sexual exploitation, and sexual abuse including guidelines on disclosure could help.

Stress caused by assessment and examinations. This was highlighted strongly by local teaching staff as an issue affecting children and young people in Thurrock.

2.1 Principles and Outcomes

The new SWS will have the following principles at its heart:

- The NICE (National Institute of Health and Care Excellence) recommended multi-agency approach which addresses the complex nature of CYP mental health issues
- A focus on working in partnership to deliver evidence based interventions aimed at promoting protective factors as well as preventing and reducing risk factors
- A tailored and flexible approach that meets the needs of individual schools
- Ensure the Thurrock THRIVE framework (detailed within the CYP MH JSNA, 2018 and attached below), is maintained and used as a basis for a schools local offer
- Strong links with all elements of the Brighter Futures Strategy
- Strong links with the Brighter Futures Healthy Families Service School Health Team

The following outcomes will be achieved following implementation of the SWS:-

- Children and young people needing support are identified early and supported within the school ensuring the need for specialist services are reduced
- Increased number of children and young people who are able to cope and ask for help when needed within a school setting
- Schools are effectively resourced through training and supervision of SWW workers to support children and young people with mental health issues. The SWS will develop and carry out with schools, a self-assessment to establish and provide an understanding of the whole school approach to emotional wellbeing. Schools will have an individualised Mental Health Action Plan and will be working towards achieving a gold standard mental health award
- Contribute to improving protective factors such as those on body image, physical activities.

2.2 The Model

We recognise that capacity is already stretched within schools and that teachers and head teachers are juggling a broad spectrum of competing demands. The new SWS will therefore provide a significant additional resource in the form of School Based Wellbeing Workers to work directly with teachers and head teachers, governors, pupils and their families to improve and protect mental health. The SWS will employ the following;

Revised Option – Following Consultation with Head Teachers and Steering Group

The proposed School Wellbeing Service model provides the following staff:

- **1 WTE x Team Manager (Band 8):** To lead the School Wellbeing Team by providing strategic oversight of the service and provide supervision
- **3 WTE x Full-time Senior Schools Wellbeing Workers (Band 7):** To lead on working with schools to promote protective factors and reducing risk factors. Ensure interventions needed to achieve a mentally healthy school environment are easily accessible to schools by influencing at the right level with organisations and services. This role will delegate elements of work to the School Wellbeing Workers where appropriate and work with Schools / Academies to ensure outcomes are met.
- **1.5 WTE x School Wellbeing Workers (Band 6):** To support the work allocated by the Senior Schools Wellbeing Workers.
- **1 WTE x Administrator (Band 3):** to complete the administrative tasks associated with the service

The revised option demonstrates a reinforced workforce at higher bands who would influence at the right level for schools following recommendation from head teachers and schools representatives at the SWS Steering Group.

The School Wellbeing Service will focus on a central area working collaboratively with a cluster of secondary and feeder primary schools to develop a collaborative approach to identify risk factors for mental health and enhance protective factors. This is based on the assumption that each secondary school have an average of 4 primary schools that feed into its roll. A collaborative approach between secondary and feeder primary schools will enhance a supportive response for transition of CYP from primary to secondary school by maintaining consistency in the support provided.

It is also hoped that each school will have a designated Mental Health Lead. The proposal for the SWS is to develop its work with each school in the context of a range of existing provision for schools and in the local area. School Heads and the SWS team will review interventions and working methods to ensure that the schools wellbeing offer completely integrates, complements and possesses additional value to existing service. This will ensure mitigation of any overlaps or duplication.

The proposal is that the SWS will be employed by Thurrock Council and will reside within Children's Services. They will have the following key functions:

1. In conjunction with schools, to oversee a schools-based mental health assessment using an agreed assessment tool, and develop an individual action plan to improve and protect the mental health of their students.
2. To facilitate implementation of a tailored package of support programmes that protect and improve the mental health of pupils and staff within the school, (for example programmes set out in the protective and risk factors boxes on the previous page) as agreed in the school based action plan.

3. Provide training and continued professional development for staff within schools in order to increase knowledge and confidence in promoting and protecting their pupil's mental health. Training will be refreshed as needed to reflect changes in policy or practice nationally.
4. Direct delivery of specialist mental health training programmes to pupils, for example 'peer mentoring.'
5. Provide support in developing whole school policies that improve and protect the mental health of pupils and staff.
6. Provide support and resource to develop and deliver the school's PSHE curriculum – this team will ensure effective leadership in the delivery of a curriculum that fully promotes emotional and mental well-being as well as tailoring delivery to the needs of each individual school.
7. To ensure that the mental health offer for CYP is mapped accurately against the THRIVE model (reference JSNA, 2018) clearly illustrating what services are available to support CYP, families and schools. The Thurrock THRIVE framework needs to be accessible to teachers and other school staff via a single portal where all information is centralised.
8. Assist schools to promote, raise awareness and signpost to existing commissioned mental health programmes and services, e.g. through the THRIVE mapped offer ensuring these are all embedded within school's policies and frameworks.
9. Sharing best practice on mental health promotion and protection within the clusters of geographically linked schools that they work with on a quarterly basis via the Safeguarding Leads Forum. This will aim to cross-link the work of individual schools to form a suite of interventions that can be embedded into individual school's action plans as appropriate.
10. Engage with schools around existing relevant public health programmes including the Brighter Futures Survey and the Daily Mile.
11. Run the Alternative Provision Portal

Training for schools will be provided by the SWS. The training on offer may be as follows:

- Youth Mental Health First Aid (MHFA) a two day training course
- Everything you need to know about mental health (almost)
- Staff sharing and peer supervision
- Responding to self-harm
- Anxiety awareness workshop
- Mental health awareness for staff
- Mental health awareness workshops for young people

Training must be attended by the designated Mental Health Lead but schools may also wish to include:

- Head teachers, Heads of year and Deputy Heads
- Teachers and support staff

- Special Educational Needs Coordinators (SENCOs)
- Other relevant staff e.g. Playground Assistants

2.3 Governance Arrangements

The proposed governance arrangements will be as follows:

A Steering Group chaired by the AD and Consultant in Public Health for Children and Young People will oversee work SWS programme. This will ensure a strong link to Public Health. The Steering Group will contain The Principle Educational Psychologist; Senior Public Health Programme Manager – Children and Young People; Chair of the Schools Forum; Academy Head Teachers; Assistant Director – Learning and Skills and; children’s commissioning leads for Thurrock Council and NHS Thurrock CCG as well as representatives from the voluntary sector, parents and carers. The staff within the model will be managed within the functions of the council’s Assistant Director for Learning and Skills, ensuring strong links to other work between the Council’s Education function and local schools. The steering group will support and oversee mobilisation of the service, maintain a risk/quality register, monitor performance, support in the evaluation of the service and ensure that they remain up-to-date with emerging evidence.

The Steering Group will report into The Brighter Futures Board, ensuring links between the SWS and other relevant functions of Brighter Futures, for example The School Nursing and Health Improvement in Schools Functions.

Similarly this model recognises the extensive work happening within the ‘Open Up, Reach Out’ strategy which is a 5 year strategy aimed at improving emotional and mental wellbeing of CYP living in Southend, Essex and Thurrock. The SWS will ensure links to other related strategies for improving the health and wellbeing of children, including the Self-Harm Toolkit among others.

3. Monitoring and Evaluation of the Pilot

The pilot SWS will be evaluated (using a standardised framework)² to provide evidence of impact and added value which will inform decisions about the future of the SWS, in terms of funding as well as sustainability at the end of the 2 year period. It is proposed that the SWS will be reviewed mid-way through the pilot to ensure any required improvements to the service are identified and implemented within the 2nd year of the pilot. The aim of the evaluation of the SWS is to assess whether the outcomes of the service are being met and it will also provide an understanding of other impacts, barriers and lessons learned. The evaluation will primarily use information that will be collected routinely by the SWS, however, other ad-hoc methods of data collection such as focus groups and/or interviews may be used as required. The self-assessment tool should be completed by schools at the beginning of the SWS to form a baseline. The assessment should then be completed at the end of the pilot to enable evaluation of the service in terms of identifying where outcomes have been met, and where areas of the service require improvement. An evaluation framework will be developed within the service design stage and will clearly define the evaluation questions to be answered. The process will adequately outline data requirements, as well as timescales for reporting/recording of data, to the Public Health team. It will also provide timescales for undertaking an independent evaluation process. which is hoped will be undertaken by South Bank University in London with input from Thurrock’s Public Health Team as needed.

² <https://www.cdc.gov/mmwr/preview/mmwrhtml/rr4811a1.htm>

The following areas will be assessed to understand the outcomes of the SWS:

- School staff knowledge and confidence to support CYP with emotional wellbeing and mental health issues.
- Level of engagement across schools e.g. in terms of designated Mental Health Lead, carrying out self-assessment and implementing Mental Health Action Plans.
- Schools with an implemented Mental Health Action Plan and the early impact.

The Director of Public Health is also in discussions with a Professor of Mental Health and Learning Disabilities at London Southbank University, who is interested in working with Thurrock Council and our schools to undertake an academic evaluation of the programme. It is hoped that this will robust evaluation will support the evaluation undertaken by the Public Health team at Thurrock Council.

4. Key Organisations and their role:

1. Thurrock Local Authority:

Collaboration between Public Health, Children's Services and the Education Department who will have overall responsibility for managing the SWS. Public Health will assist in developing the self-assessment tool and the SWS will report performance to the Public Health Lead. The SWW's will be line managed by the Children's Services. The SWW's will have close links with the Brighter Futures Services and in some cases attend relevant meetings or school engagement collaboratively.

2. Primary, Secondary and Special Educational Need Schools in Thurrock:

A commitment is required from the schools to firstly assign a designated Mental Health Lead to be the point of the contact for the SWS. Secondly, to release staff for training on mental health awareness including units on Mental Health First Aid, anxiety, self-harm, positive coping strategies etc. A third commitment is around the engagement with SWS including the carrying out of the self-assessment and development of a Mental Health Action Plan.

3. Thurrock Clinical Commissioning Group (CCG)

Thurrock CCG will ensure the Transformation Plan for Essex CYP Mental Health Services is kept on-track. The CCG will also release or further fund the NELFT Emotional Wellbeing and Mental Health Service (EWMHS) to provide training and support to the SWW, advising specifically around the training course delivery where they can. They may potentially co-design and co-deliver some of the training units.

4. Other Organisations

The voluntary sector will be a very important partner within this offer such as Thurrock MIND, Thurrock Adult Community College, Thurrock Local Area Coordination team and Represent for partnership working in terms of signposting to additional support and informing the SWS of any updates in relation to the Thurrock THRIVE Framework.

5. Cost breakdown

It is proposed that a detailed cost analysis with partners involved will be undertaken to ascertain the appropriate costs to implement the Thurrock SWS. Currently, this pilot will be funded through the following funding streams.

- Council Funding of £150,000 per annum amounting to £450,000 over a 3 year period. This funding will be available in December
- An agreed contribution from a range of partners such as Public Health, Children's Service, Schools and Thurrock CCG in the below breakdown:-
 - £50,000 from Public Health Team
 - £50,000 from the CCG
 - £50,000 from across schools – TBC and as part of Children's Service. A paper due to be presented on the 19th of November has gone to the Schools Forum to receive confirmation of this funding.

The below table provides a breakdown of the cost proposals which only covers staffing cost and does not include the cost of possible intervention licences or fees, admin, equipment, training and premises.

Tab Table 1: Estimated Service Cost Break Down – Option with revised staffing following request from schools

Resource details	Quantity	Cost per resource item	Total cost (24% inflation does not include NI and pension contributions)
School Wellbeing Team			
Service manager (to be clinical with some responsibility for undertaking administration duties) at a Band 8	1WTE	£37,266 - £48,600	£46,210 - £60,264
School Wellbeing Worker Band 7	3 x WTE (1 per locality)	£30,285- £39,543	£112,660 - £147,100
School Wellbeing Worker Band 6	1.5 x WTE (1 per locality)	£24,630 - £32,145	£45,812 - £59,790
Administrative Support Band 3	1x WTE	£17,556 - £20,034	£21,770 - £24,843
Senior Public Health Programme Manager – Children’s (any cost option chosen will need this resource which is not included within the above staffing cost).	1 PT	N/A	Internally allocated resource hence does not involve cost consideration.
Strategic Lead within Children’s Service	1PT	N/A	However, it has been highlighted to consider capacity and resourcing within the team.
		Total	£226,452 - £291,996 per annum

6. Collaboration with existing services –

EWMHS School Development Offer

The EWMHS have developed an offer for schools which have been piloted in a range of schools in Essex and are currently being rolled out. This offer to schools provide bespoke training to school staff including pastoral and leadership staff on self-harm, consultation of cases with groups of pastoral and leadership staff, and supervision with groups of pastoral and leadership staff. This collaboration supports school staff to develop their knowledge of mental wellbeing and the problems affecting young people; the symptoms to look for and strategies for supporting children with early signs of mental and emotional stress before a referral to specialist services is needed. This offer has been represented in the below diagram.



The EWMHS school development is currently supporting 30 schools through a dedicated school helpline. It is still not clear how many schools in Thurrock are benefiting from this collaboration. It is the expectation of this proposal that the SWS will compliment and integrate with this offer by ensuring that all schools are reached and support are bespoke to individual schools' need. It will engage with this offer through the Educational workstream of the EWMHS service ensuring there is no duplication. The SWS will also ensure a dedicated team of staff to facilitate and implement tailored packages to enhance and reinforce protective factors and reduce risk factors.

Brighter Futures

Children's Centers – This service will be available throughout the year. However, during school holidays the School Wellbeing Service will run from children centres where parents and families are able to access the service.

Healthy Families – This includes the universal commissioned services for 0 – 19 year olds including School Nursing. The SWS will link directly with schools nurses to ensure direct and effective referral for when children and young people need specialist care.

Early Intervention and Prevention Service – This includes the Troubled Families service transformation

7. Next Steps

Once this proposal is agreed, head teachers and other relevant stakeholders will be consulted on to further shape the model. This creates an opportunity for continuing the big conversation relating to CYP mental wellbeing.

A Steering group (commissioning reference group to include head teachers, commissioners, PH leads, voluntary sector and LSCB partners) will be formed which will include key stakeholders from Public Health, Children's Services, CVS, and Headteachers to review the model and options for taking it forward.

A detailed cost analysis has been produced incorporating the indicative costs of staffing and additional cost such as interventions licenses and fees, IT equipment, transport.

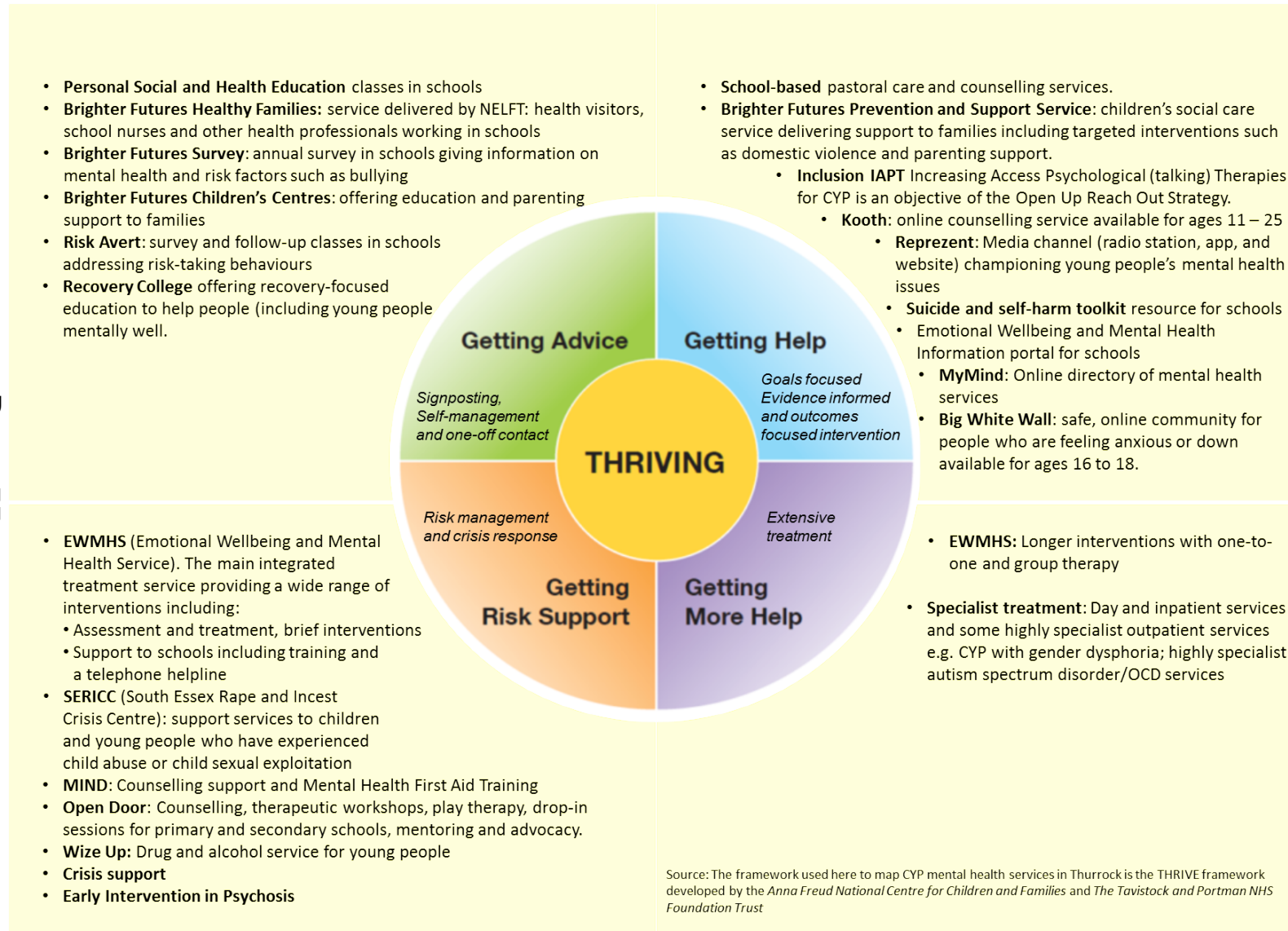
Liaison with Universities such as South Bank University for an independent evaluation of this pilot will enable identification of the potential impacts of the service as a whole on mental wellbeing in CYP.

Develop a robust outcome framework to aid monitoring the impact of this service.

Table 1: Key Performance Indicators (These are currently being defined as part of the evaluation strategy for the SWS)

Outcome one:			
School staff will have increased knowledge and confidence in supporting children and young people with emotional and mental health issues.			
	Key performance indicator	Management Information	Measurement capture
a	Number of school staff reporting increased confidence and knowledge Target is 300 per year	<ul style="list-style-type: none"> - Number of designated Mental Health Leads - Number of sessions for mental health training delivered - Number of school staff accessed training - Number of school staff reporting increased confidence and knowledge following training - Number of school staff reporting increased confidence and knowledge following working alongside SWW in schools - Number of school staff reporting they understood and knew how to access the Thurrock THRIVE model 	<ul style="list-style-type: none"> - Proportion of named designated mental health leads - Staff pre and post questionnaire - Training evaluation questionnaire - Spreadsheet / database - Case studies - Stakeholder feedback - Feedback from both self-assessments (baseline and at the end of the 2 year pilot).
Outcome two			
The SWS, with support from partners in public health and education, will develop a schools' self-assessment tool to establish and provide an understanding of the individual schools' practices and culture around emotional wellbeing.			
#	Key performance indicator	Management Information	Measurement capture
b	Established self-assessment	<ul style="list-style-type: none"> - Development of a self-assessment tool with partners - A minimum of 5 schools contributing to feasibility testing 	- A published self-assessment tool
c	Number of schools to have completed/finalised self-assessment tool	<ul style="list-style-type: none"> - Number of completed self-assessments - Number of feedback reports to schools detailing self-assessment 	- Performance reports to public health
Outcome three			
SWWs will assist Schools to develop a mental health action plan and be working towards a gold standard mental health award. Schools will be supported by the SWW to implement the action plan and enhance any weaker areas identified by use of universal interventions that promote positive emotional wellbeing.			
#	Key performance indicator	Management Information	Measurement capture
c	Number of mental health action plans developed	<ul style="list-style-type: none"> - Number of meetings held for action planning (self-assessment used as a framework for developing Mental Health Action Plan) - Number of schools working towards gold standard mental health award - Number of Mental Health Action plans developed 	- Performance reports to public health

Figure 1: Thurrock THRIVE Model



2.0 Useful References

- THRIVE Model. <https://www.annafreud.org/what-we-do/improving-help/improving-help-for-professionals/service-redevelopment/thrive/>
- Hertfordshire Link Model, Available from: www.healthyyoungmindsiherts.org.uk
- Day, L., Blades, R., Spence, C., and Ronicle, J., – Ecorys UK. (2017). Evaluation of the Mental Health Services and Schools Link Pilot. Available from: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590242/Evaluation_of_the_MH_services_and_schools_link_pilots-RR.pdf
- National Children’s Bureau. (2015). A whole school framework for emotional well-being and mental health. Supporting resources for school leaders. Available from: <https://www.ncb.org.uk/sites/default/files/field/attachment/NCB%20School%20Well%20Being%20Framework%20Leaders%20Resources%20FINAL.pdf>
- MindEd is funded by the Department of Health and Department for Education, as a free educational resource on children and young people’s mental health for all adults working with, or caring for, infants, children or teenagers. Available online: <https://www.minded.org.uk/>

ⁱ Transforming Children and Young People’s Mental Health Provision: A Green Department of Health and Department for Education, 2017.

ⁱⁱ Joint Strategic Needs Assessment (JSNA) Children and Young People’s Mental Health, Thurrock Council Public Health Service, 2018. <https://www.thurrock.gov.uk/healthy-living/joint-strategic-needs-assessment>

12 December 2018	ITEM: 12 Decision: 110489
Cabinet	
Children’s Transport – Re-Procurement of Service	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor James Halden, Cabinet Member for Education and Health	
Accountable Assistant Director: Michele Lucas, Assistant Director Learning, Inclusion and Skills	
Accountable Director: Rory Patterson, Corporate Director - Children’s Services	
This report is: Public	

Executive Summary

The contracts for Children’s Transport provision, including home to school transport, are due for renewal in 2019 and the continued provision of this transport is required as a part of the Council’s statutory requirements. The value of the contracts means that Cabinet approval to proceed is required.

As a part of the Council’s Service Review programme, officers have identified that within the current policy there are opportunities to improve how transport is procured and offered such as through route optimisation, increasing the use of public transport and offering travel training.

This report proposes the procurement of a framework contract for Children’s Transport for a four year period. This will enable subsequent call-off arrangements to be made that are flexible and responsive to changing journey needs whilst obtaining best value for the Council.

1. Recommendation(s)

1.1 That approval is given for the re tender of a framework contract for Children’s Transport in accordance with the Council’s Contract Procedure Rules for a term of four years commencing at the start of the academic year 2019/20.

1.2 That agreement is given for the award of contract to be delegated to the

Corporate Director of Children's Services in consultation with the Cabinet Member for Education and Health.

- 1.3 That it is noted that a further report will be presented should any policy changes be required in due course.**

2. Introduction and Background

- 2.1 The provision of home to school transport is governed by the Education Act 1996 and the Transport Act 1985. In addition, the provision of transport, in exceptional circumstances for children who are subject to Child in Need or Child Protection procedures is supported by the Children Act 1989, as amended by the Childcare Act 2004. This legislation is clear that other than in exceptional circumstances, parents are responsible for getting their children to school.
- 2.2 The current contract for the provision of transport is due to expire in July 2019 and, due to the current value of these and in line with the Council's Contract Procedure Rules, this report seeks Cabinet approval to re-procure this agreement.
- 2.3 There are three distinct areas of Children's Transport:
- Mainstream schools
 - Special schools
 - Children's Social Care
- 2.4 The Council currently has contracts for a total of 123 routes for Children's Transport provision, provided by coach, minibus and taxi. Members should note that this is subject to change depending on demand. Expenditure on these contracts was £3,965,287 in the financial year 2017/18.

3. Issues, Options and Analysis of Options

- 3.1 It is proposed that officers proceed to tender for a four year contract term commencing September 2019. The contract value is estimated to be a maximum of £4,000,000 per annum, but will run across an academic year meaning the first and last years are shown as partial years from a financial perspective.
- 3.2 This service is a part of an ongoing review as a part of the Council's Service Review programme that aims to obtain maximum value in the services it delivers. Members will be aware that approval was given in January 2018 to extend the current home to school transport contracts until July 2019 to enable officers continue the review.
- 3.3 The Transport Service Review has the following scope:

- To review the current strategy and policy ensuring that it is based on the relevant legislation stating that other than in exceptional circumstances parents are responsible for getting their child to school.
- To better understand demand and support future planning
- To review the assessment of transport awards and where this could be better joined up across services and directorates
- To identify opportunities to better meet and commission transport requirements in a cost effective way

3.4 Officers have taken a phased approach to the review in order to minimise disruption caused by any changes, however, the following work has been undertaken to date:

- A review of the current policy has been completed and officers are now working to ensure this is applied fully within the statutory requirements.
- A route optimisation exercise has been undertaken to ensure that the Council is obtaining good value from each route.
- A rolling, school by school programme to review the type of transport offered is in place, this will move to more cost effective public transport options where possible. These changes will, where appropriate, support children to develop independence through, for example, the increased use of Travel Training or through the implementation of central pick up points in a local area.
- A review of transport currently provided due to 'unsafe routes' is underway to ensure these are still relevant so that where possible parents are able to make their own arrangements for their children's transport to school. The significant development of the Borough in recent years has meant that many roads and pavements have been developed and may now be safe.
- Improvements to how we offer Children's Social Care transport are in place and it is proposed that the planned procurement recommended in this report is suitably flexible to incorporate social care requirements.

3.5 Members should note that there continues to be an increasing demand for Children's Transport particularly home to school transport due to unplaced pupils or children with special educational needs and /or disability being transported to out of borough placements. The current arrangements are being reviewed to ensure that all awards are in line with the current policy and that these are reviewed regularly to support independent travel where possible. The procurement of a framework contract, which includes a range of different transport providers for a four year period, will enable the Council to call off individual and routine journey requirements flexibly as needs change over the term.

3.6 Officers are currently considering a range of operational options around the

Call-off activities, but it is anticipated that there will be competition for the majority of routes scheduled. Approval of award of routes will be subject to the Council's normal scheme of delegation.

- 3.7 Members should note that the rolling programme of service review will continue. This will ensure that the most effective and cost efficient method of providing transport that is required within the current statutory duties is implement.

The review will also ensure that the service adapts to meet changing needs to improve services and to encourage independent travel to school where possible.

4. Reasons for Recommendation

- 4.1 The recommendation to re-procure the Children's Transport contract, subject to the required approvals, is made to ensure that:

- The Council meets its statutory duties with regards to children's transport.
- That the Councils Contract Procedure Rules are met
- That the necessary flexibility can be maintained throughout the term by use of a framework arrangement
- That best value in providing the services is obtained

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

- 5.1 This report was submitted to Children's Overview and Scrutiny Committee on 9 October 2018, the Chair and Vice Chair of the Passenger Transport and Regeneration Overview and Scrutiny Committee were also consulted through this Committee.

- 5.2 There are no policy changes proposed and therefore it is not a requirement under the Education Act 1996 and Transport Act 1985 that we consult with the public.

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

- 6.1 This report impacts on the following corporate priorities:
- People: a place where people of all ages are proud to work and play, live and stay;
 - Place: a heritage rich Borough which is ambitious for its future;
 - Prosperity: a Borough which enables everyone to achieve their aspirations.

7. Implications

7.1 Financial

Implications verified by: **David May**
Management Accountant

Children's transport costs have a significant impact on Council Budgets and by putting these contracts out to tender, in line with the Councils Contract Rules, we can ensure best value. The inclusion of a 56 day break clause will mean that routes can be continually monitored and reviewed for potential savings.

7.2 Legal

Implications verified by: **Lucinda Bell**
Lawyer

Section 508B of the Education Act 1996 which was inserted by Part 6 of the Education and Inspections Act 2006 sets out the general duties placed on local authorities to make school travel arrangements as they consider necessary for eligible children within their area, to facilitate their attendance at the relevant educational establishment. Such arrangements must be provided free of charge.

Section 508A places a duty on local authorities in England to assess the school travel needs of all children and persons of sixth form age in their area and to assess and promote the use of sustainable modes of transport.

Section 508C of the Act provides local authorities with discretionary powers to make school travel arrangements for other children not covered by section 508B but the transport does not have to be free and the local authority is entitled to charge for this.

Section 508D of the Act places a duty on the Secretary of State to issue guidance to which local authorities have to have regard to in the performance of their functions under Section 508B (Travel arrangements for other children). The Secretary of State may revise the guidance from time to time. Section 444 of the Education Act 1996 expressly states that the child shall not be taken to have failed to attend regularly at the school if the parent proves that the local authority fails to make appropriate transport arrangements to and from school under Section 508, however parents are responsible for their child's attendance at school and local authorities are under a duty to provide home to school transport, where necessary, to enable them to enforce attendance.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**
Community Development and Equalities

The Council has a duty under the Equality Act 2010 to promote equality of opportunity in the provision of services and employment. This means that the Council must ensure that all policies and local strategies promote the inclusion of all groups and equality of opportunity. Any tendering process will be designed with these duties in mind.

The Council's Procurement Strategy will be followed to ensure equality of opportunity in the tendering process. Once the tendering process is initiated and a contractor is selected, the Council will ensure its new partner meets the statutory duties of a local authority in the provision of home to school transport, and also in its HR policies. The authority should note that where an external supplier carries out a function, the Council remains responsible for meeting the statutory duty set out in the Equality Act 2010. The authority should give due regard to ensuring that all services are delivered in a way which is non-discriminatory, and promotes equality of opportunity for staff and service users. The services provided will cater for the needs of all users, and identifying the needs of particularly vulnerable groups will be a key aspect of the tender process. Prospective contractors should give due regard to the diverse needs of young people in Thurrock and plan to meet these accordingly. The equality requirements will be identified in the service specification and pre-qualification questions.

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):

None

9. **Appendices to the report**

Appendix 1 - Procurement Stage One – Approval to Proceed to Tender

Report Author:

Sue Green

Strategic Lead Children's Commissioning and Service Transformation
Children's Services

Stef Seff

Strategic Lead Procurement
Commercial Services

PROCUREMENT STAGE 1 – APPROVAL TO PROCEED TO TENDER

This form must be completed for all procurements above the tender threshold (£75,000 - Services and Supplies and £500,000 - Works)

If contract value is over Cabinet approval threshold (£750,000) this form shall be appended to the Cabinet report. This form will be “open” for publication.

1.	INTRODUCTION	
1.1	Contract Title	Children’s Transport – Reprocurement of Service
1.2	Reference	PS/2018/270
1.3	Directorate	Children’s Services
1.4	Contract Cost	£16,000,000.00

1.5	Description	<p>The purpose of this section is to provide an introduction to the procurement exercise including any relevant background information.</p> <p>The contracts for children’s transport provision, including home to school transport, are due for renewal in 2019 and the continued provision of this transport is required as a part of the Council’s statutory requirements. The value of the contracts means that Cabinet approval to proceed is required.</p> <p>As a part of the Council’s Service Review programme, officers have identified that within the current policy there are opportunities to improve how transport is procured and offered using a range of options such as route optimisation, increasing the use of public transport and offering travel training.</p> <p>Officers recommend the procurement of a framework contract for Children’s Transport for a four year period. This will enable subsequent call-off arrangements to be made that are flexible and responsive to changing journey needs whilst obtaining best value for the Council.</p> <p>The provision of home to school transport is governed by the Education Act 1996 and the Transport Act 1985. In addition, the provision of transport, in exceptional circumstances for children who are subject to Child in Need or Child Protection procedures is supported by the Children Act 1989, as amended by the Childcare Act 2004.</p> <p>The current contracts for the provision of transport are due to expire in July 2019 and, due to the current value of these and in line with the Council’s Contract Procedure Rules, this report seeks Cabinet approval to re-procure these agreements.</p> <p>There are three distinct areas of Children’s Transport:</p> <ul style="list-style-type: none"> - Mainstream schools - Special schools - Children’s Social Care <p>The Council currently has contracts for a total of 123 routes for Children’s Transport provision, provided by coach, minibus and taxi. Members should note that this is subject to change depending on demand. Expenditure on these contracts was £3,965,287 in the financial year 2017/18.</p>
1.6	Contract Term	<p>This is a framework contract for Children’s Transport in accordance with the Council’s Contract Procedure Rules for a term of four years commencing at the start of the academic year September 2019 up until August 2023. It is recognised that there are numerous day to day changes associated with this category of transport for this reason, while contracts are let for a specific number of years, a 56 day termination clause will form part of the contract.</p>
1.7	Political Sensitivity	N/A

2.	BUSINESS CASE	
2.1	Business Case	<p>Across the borough there continues to be an increasing demand for children's transport particularly home to school transport due to unplaced pupils or children with special needs and/or disability being transported to out of borough placements. The procurement of a framework contract, which includes a range of different transport providers for a four year period, will enable the Council to call off individual and routine journey requirements flexibly as needs change over the term.</p> <p>The recommendation to re-procure the Children's Transport contracts is made to ensure that the Council:</p> <ul style="list-style-type: none"> • meets its statutory duties with regards to Children's Transport. • observes the Contract Procedure Rules • maintains necessary flexibility throughout the term by use of a framework arrangement • obtains best value in providing the services <p>Re-tendering of these contracts will ensure that best value continues to be achieved by the use of a competitive tender for all routes being tendered.</p>
2.2	Key Deliverables	<p>Supporting local business: The procurement of the Children's Transport contract, whilst offered as a fully compliant EU tender, usually attracts local transport providers who benefit from the Council contract. This procurement process also contributes to the economic well-being of the area by supporting local businesses to compete.</p> <p>Sustainability: By procuring transport in an effective manner the Council achieves the outcome of reducing the number of private vehicles on the road and utilising buses and minibuses that have less impact on the environment than individual cars. This is in line with the Council's priority of protecting our clean and green environment.</p> <p>Simplicity of systems: The procurement process ensures that the tenders are simple and easy to apply for, allowing for local providers to tender. In addition, the way in which the tenders are set out enables the Council to reduce the carbon footprint and cost associated with transport by aligning the size of vehicle to the number of children travelling on a particular route.</p>
2.3	Commercial Pressures	<p>There will always be additional requests for pupils who start school or change school 'in year' and where routes have to be varied to accommodate pupil changes, therefore increasing the cost of that individual route. These can be for mainstream or special schools. Where suitable existing routes are already in place they will always be fully utilised and any spare capacity utilised in the first instance.</p> <p>However, occasions where new routes will be required are frequent; particularly where children with special educational needs come on school roll who often require individual adapted vehicles. There are also occasions whereby school transport is granted in exceptional circumstances; for instance, a child with a temporary medical condition.</p> <p>The costs are unpredictable and difficult to calculate as they are quite often demand led and fluctuate continually.</p>

2.4	Contractor Employment Status ¹	N/A
2.5	Award Criteria	70% price and 30% quality
2.6	Social Value	Operators are encouraged to offer local opportunities for employment particularly to young people. Opportunities for operators to support Thurrock pupils with special needs and/or disability will be available via a proposed Travel Training scheme. Operators will be encouraged to engage their drivers / vehicles in the safety programme that supports vulnerable young people in the event they are lost, bullied or generally distressed regarding their travel.
2.7	Previous Contract	PS/2014/835 Home to School Transport; re-tender of contracts from July 2015 extended by Stage 3 Procurement form ref PS/2017/697

3.	FINANCIAL CONSIDERATIONS						
3.1	Previous Contract Cost	From an operational perspective this contract runs across an academic year. However, the funding of the contract must be broken down across the financial year. Therefore, the funding breakdown below takes into account a partial financial year's payment in Year 1 which commences in September 2019. Then a subsequent payment of £4m per annum up until 2022/23. Then a partial financial year's payment in the final year of the contract up until August 2023. Thus, a total spend of £16m across the 4 year duration of the contract.					
3.2	Scope Changes	Is there any increase / decrease in scope that could impact costs?	Yes - there is an increase in scope				
3.3	Annual Cost	Year	19/20 £000's	20/21 £000's	21/22 £000's	Later £000's	Total £000's
		Total Spend	£2m	£4m	£4m	£6m	£16m
3.4	Funding Breakdown Identified	Revenue Budget	£2m	£4m	£4m	£6m	£16m
		Capital Budget	£enter	£enter	£enter	£enter	£enter
		Other (Please State)	£enter	£enter	£enter	£enter	£enter
		Other (Please State)	£enter	£enter	£enter	£enter	£enter
		Total Funding	£2m	£4m	£4m	£6m	£16m
3.5	Budget Code(s)	AA003, AA290, AA291, AA292, AA293, BC011					
3.6	Unsupported borrowing	N/A					

¹ Use online self-assessment tool: <https://www.gov.uk/guidance/check-employment-status-for-tax>

3.7	Other Financial Implications	Children's transport costs have a significant impact on Council Budgets and by putting these contracts out to tender, in line with the Councils Contract Rules, we can ensure best value. The inclusion of a 56 day break clause will mean that routes can be continually monitored and reviewed for potential savings. Routes are continually monitored to ensure the best use of capacity on the vehicles and that optimum / economically viable routes are selected. Where savings can be made when numbers decrease the vehicle size will also be reduced and this will happen on a regular basis. However, with increasing fuel, running costs and other commercial costs, it is unlikely that any cashable savings will be realised. But it is envisaged that there will be likely improvements in non-cashable internal costs through demand management.
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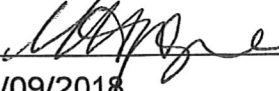
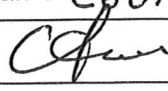

4.	PROCUREMENT ROUTE	
4.1	Procurement Route	EU Open Tender
4.2	Procurement Route Rationale	<p>Responses to a competitive OJEU Open procedure will serve to provide the Council with transport operators that will be added to an internal dynamic purchasing system operated as a framework. This will enable further mini-competitions to be executed for the exact requirements so that the routes are accurate and the rates current.</p> <p>Officers are currently considering a range of operational options around the call-off activities, but it is anticipated that there will be competition for the majority of routes scheduled. Approval of award of routes will be subject to the Council's normal scheme of delegation.</p> <p>The flexibility offered by a competitive framework is likely as there will always be additional requests for pupils who start school or change school 'in year' and also where routes need to be varied to accommodate pupil changes.</p> <p>There will also be a demand for new routes particularly where children with special educational needs and / or disability require adapted vehicles, where a child needs temporary transport due to a medical condition or where a child is unable to secure a place in a school within three miles of the home address. In such cases the Council has a statutory duty to transport the child to the nearest suitable school.</p> <p>Individual Service Agreements will be awarded for each route required to the highest scoring contractor offering the most economically advantageous tenders in terms of price, quality, financial sustainability, experience, vehicle type, specialist transport, staffing, escorts, and DBS checks. The Individual Service Agreements will specify the route each contractor will provide from September 2019 – August 2023.</p>
4.3	Does the contract require a waiver?	No
4.4	Single Source justification	N/A - not a single source
4.5	Waiver Rationale	N/A

5.	PROCUREMENT TIMETABLE		
5.1	Procurement Timetable	Publish Contract Notice	20 December 2018
		Selection Questionnaire Return	N/A
		Invitation to Tender Issue	20 December 2018
		Invitation to Tender Return	21 January 2019
		Notification of Result	18 February 2019
		Standstill Period	28 February 2019
		Expected Award Date	01 March 2019
		Contract Commencement	01 July 2019

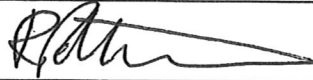
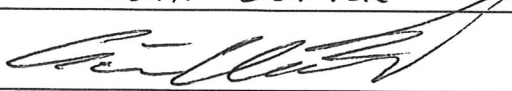
6.	RISKS, CONSULTATION AND MANAGEMENT					
6.1	Tender Process Risks	Risk Level			Negative Impact	Mitigation
	Limited response to tender invitation	D - Low Likelihood	II - Significant Impact	DII - Low Risk	N/A	N/A
	Very high number of tender responses	C - Significant Likelihood	II - Significant Impact	CII - High Risk	This could mean that the evaluation process is extended	Ensure sufficient time is allowed for evaluation of tenders
	Some providers (particularly micro businesses) may find the online tendering system difficult to navigate	D - Low Likelihood	III - Marginal Impact	DIII- Low Risk	This could potentially deter providers to submit a bid	Host a pre-tender bidder information event in order to provide potential bidders with guidance around process
6.2	Contract Performance Risks	Risk Level			Negative Impact	Mitigation
	Operators provide unsatisfactory service/performance	D - Low Likelihood	I - Critical Impact	DI - Low Risk	Poor contract performance would disrupt home to school journeys	Build contract performance indicators into contract and monitor
	Operator's management and communication systems are poor	D - Low Likelihood	II - Significant Impact	DII - Low Risk	This could have a negative impact on certain vulnerable groups of service user	Build in regular contract review meetings with providers to ensure that Management Information systems are in place and working effectively.
	Demand outweighs capacity over the life of the contract	C - Significant Likelihood	I - Critical Impact	CI - High Risk	Children could be left without providers of transport	Setting up a dynamic purchasing system will enable new providers to be added to the framework during the 4 year term provided so that they meet the same qualification criteria as requested within the original OJEU tender documentation.
6.3	Contingency	Children's Transport is not a new service, and therefore the Council has a list of existing transport providers that it can utilise should the procurement process becomes delayed or temporarily disrupted.				

6.4	Consultation	Children's Transport has been reviewed as part of a wider Transport Review by an internal board of officers. Additionally, an independent review of the service was commissioned by Children's Services in 2017 which included widespread stakeholder consultation.
6.5	Project and Contract Management	Contract management arrangements will be set out in the tender documents, and an agreed timetable for date of receipt of key performance indicators and other management information together with regular contract review meetings will form part of the contract.

6.6	Procurement Implications	<p>Children's Transport represents the highest proportion of travel-related expenditure. However, whilst adult transport services are not implicitly covered in this tender, this aspect of the category may need to be added as part of the permissible 50% variance to the scope during the term of the contract.</p>
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7.	LEGAL, FINANCE AND PROCUREMENT APPROVAL	
7.1	Procurement	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Procurement implications
		Name Margaret Gozna
		Signed <i>(or obtain email confirmation)</i> 
		Date 21/09/2018
7.2	Legal	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Legal implications
		Name Enter Name <i>Courage Emovon</i>
		Signed <i>(or obtain email confirmation)</i> 
		Date Click here to enter a date. <i>12/11/18</i>
7.3	Finance	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Financial implications
		Name Enter Name <i>MICHAEL HALL</i>
		Signed <i>(or obtain email confirmation)</i> 
		Date Click here to enter a date. <i>12/11/18</i>

8.	APPROVAL TO PROCEED	
8.1	Approval Level	Select Contract Award delegation level
8.2	Responsible Officer	I confirm that this procurement will be carried out in accordance with Rule 5 of the Council's Contract Procedure Rules (Chapter 9, Part 2 of the Constitution) and in particular the following duties have been met: <ul style="list-style-type: none"> • Compliance will occur with all regulatory or statutory provisions and the Council's decision making requirements • The Contract will be included on the Council's Contract Register • Value for Money will be achieved • Advice has or will be sought from the Director of Finance and Corporate governance as to an appropriate security bond or guarantee • Document Retention Policy has and will be complied with • Financial Evaluation will be made of all the proposed tenders including the recommended bidder • Advice has been and will be sought and followed from Procurement, Legal and Finance as necessary
		Name Enter Name
		Signed
		Date Click here to enter a date.
8.3	Assistant Director	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to Proceed to Tender including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13.
		Name Enter Name

		Signed <i>(or obtain email confirmation)</i>	
		Date	Click here to enter a date.
8.4	Corporate Director	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to Proceed to Tender including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13. I confirm that the Portfolio Holder has been consulted as required	
		Name	Enter Name RORY PATTERSON
		Signed <i>(or obtain email confirmation)</i>	
		Date	Click here to enter a date. 12.11.18.
8.5	Director of Finance and IT (If waiver required)	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to Proceed to Tender including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13.	
		Name	Enter Name SEAN CLARK
		Signed <i>(or obtain email confirmation)</i>	
		Date	Click here to enter a date. 14/11/18
8.6	Cabinet	Minute Number	Enter approval minute reference
		Date	Click here to enter a date.
Now send complete form to Procurement Services signed and scanned			

12 December 2018	ITEM: 13 Decision: 110490
Cabinet	
Review of Outsourced Service Provision	
Wards and communities affected: All	Key Decision: Key Decision
Report of: Councillor Shane Hebb, Portfolio Holder for Finance	
Accountable Assistant Director: Stefanie Seff, Strategic Lead, Procurement	
Accountable Director: Sharon Bayliss, Director of Commercial Services	
This report is Public	

1. Executive Summary

At the Council meeting of 27 June 2018, Councillor Tim Aker MEP, Member for Aveyley and Uplands raised a motion as follows:

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

Following discussion, the motion was carried by majority vote (25 to 14) and this report provides the formal response to the query. It should be noted that Members in support of the motion commented that *“not all services should be in-house – but that all options should be available and be presented fairly”* (Councillor Spillman) and that this review would *“ensure best value was being maintained for residents and had the best interest for local businesses and the environment”* (Councillor Kent). As Portfolio Holder, Councillor Hebb concurred with Councillor Kent and confirmed that steps had been taken to ensure that all Council services were commissioned in a way that established best quality and value for Thurrock.

National (and EU) legislation controls how the public sector procures goods, works and services in the provision of their statutory responsibilities. Within these boundaries, officers carry out rigorous options appraisals to determine the best course of action, including whether services should be delivered in-house or through a third party (outsourced), and in what arrangement or package – which then influences the size of contract and suitability for smaller or larger organisations.

Overall, it is felt that the balance of in-house v. outsourced is right, with currently 60% (of the number of) services delivered by Thurrock Council, 24% by local

businesses or small organisations and only 16% by larger national companies. Perhaps understandably, the 16% is concentrated on high risk, high value services however, such as housing developments, housing repairs, large engineering projects and dispersed social services such as placements for looked after children and adult social care.

This report provides a detailed response and demonstrates the current balance of services; how Thurrock is working to support local businesses and the voluntary sector to improve their access to contracts; and the background setting out the Council's responsibilities for procurement.

Recommendation(s)

1 Cabinet is recommended to review the response to the motion raised by Cllr Aker MEP and agree if the current and planned actions set out within the report are sufficient.

2. Introduction and Background

2.1 The motion raised by Councillor Aker MEP at Council on 27 June 2018 brings about the following key questions:

1. What is the balance of in-house v. outsourced services delivered by Thurrock Council?
2. Are larger organisations getting too much benefit from the Council's spending power?
3. Could the Council do more to support local businesses and the voluntary sector?

These questions are answered in Section 4 of this report.

2.2 The Public Contracts Regulations 2015 – which is the UK's statutory interpretation of EU Procurement Rules, and the Council's own Constitution Contract Procedure Rules (Constitution Part 9 Chapter 2) sets out clear rules and guidance for the procurement of goods, works and services. Both of these are based on an assumption of competition to deliver best value.

2.3 These rules as set out do require the Council to consider price and quality together, in terms of whole life cost (across the length and scope of the contract), but also in a way that enables officers to make a judgement on the likely quality of the service to be delivered, using performance evaluation criteria against which bidders provide responses, and have to be marked objectively. To an extent, this favours organisations who are experienced in tendering for services, and have "bid writing" experts – so likely to be larger in size. There are a number of actions that officers are currently undertaking to address this balance as far as possible, as set out in Section 4.

2.4 Overall, the Council has a duty to use public funds wisely; whilst ensuring that local businesses are not unreasonably disadvantaged. Officers endeavour to

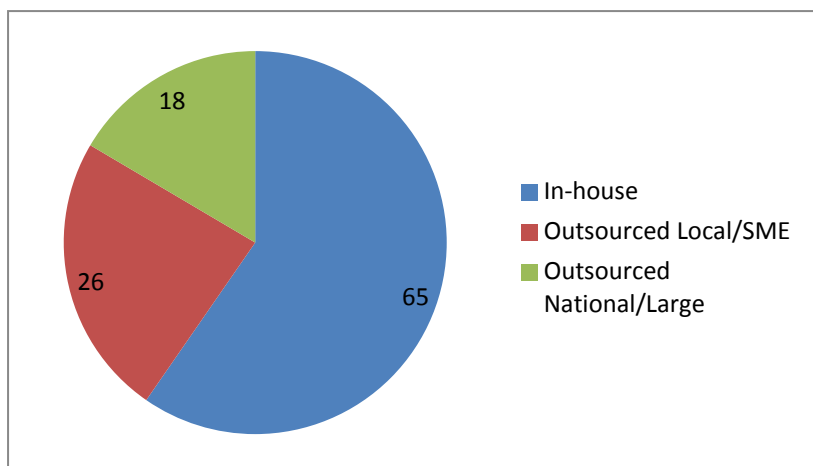
seek a balance in what is provided and each prospective service is considered on a case by case basis, during the contract management phase, or indeed when nearing contract end.

3. Response to Issues Raised

3.1 Q1: Balance of In-house v. Outsourced Services

- 3.1.1 As already stated, Council services are reviewed regularly in terms of performance against outputs and this is more defined for outsourced provision where there is an identified contract management process recently introduced in Thurrock that is currently being rolled out across directorates.
- 3.1.2 Where outsourced arrangements perform well and deliver good value, it is likely that these will be re-tendered for future provision, unless there is a significant change (downturn) in the market – eg. a number of providers failing financially, or fundamental change in the requirement that means that in-house expertise is better placed to deliver.
- 3.1.3 If providers fail mid-contract, or there is agreement between the Council and the contractor that continuing with an outsourced service does not deliver best value to either party, then the Council will bring (and has done so) services back in house. Recently this includes some home care services and the Healthy Lifestyles contract.
- 3.1.4 In some cases an in-house service will be considered for outsourcing through an options appraisal; however this is rare and would only happen if a service is failing or significantly more expensive than could be provided by a third party. There are no recent examples of this.
- 3.1.5 Regarding current performance, 65 (60%) individual Thurrock Services are delivered directly by the Council, with 26 (24%) outsourced to local suppliers and smaller businesses (SMEs), leaving 18 (16%) delivered by larger organisations. A full breakdown is provided at Appendix 1 to this report.

Delivery Split of Individual (Number of) Services across Thurrock Council 2018



3.16. With regard to larger contracts, below is a sample summary of the more significant savings that were generated as a result of procurement exercises during the last four years. The savings that are presented are based on cost of service at the same volume and standard or pre-tender estimates with regard to programmed works.

Service Area	Service	Procurement Year/s	Annual Savings £	Savings %
Housing	Gas Servicing Contract	2014-15	£330K	35%
Housing	Water Mains Replacement Programme	2015-16	£200K (4 year programme)	50%
Corporate Property	Building Cleaning Contract	2015	£50K	10%
Public Health	Adult Substance Misuse Services	2016-17	£155K	12.5%
Public Health	Healthy Families Contract	2016-17	£1.25M	25%
Public Health	Integrated Sexual Health	2017-18	£160K	7%

It should be noted that the Water Mains Replacement Programme contract was won by a local SME and the Healthy Families Contract lies with our local NHS organisation NELFT.

3.2 Q2: Fair use of Thurrock Council's Buying Power

3.2.1 Officers monitor spend with local (based in Thurrock) suppliers. For 2017-18 c. £21M was spent locally – which amounts to approximately 12% of total third party spend. Care agencies, voluntary sector organisations, transport companies and SME building firms feature highly in the local spend analysis. Current projections show an improved local spend figure for 2018/19.

3.2.2 Whilst it is therefore correct that direct spend for larger contracts is mainly with organisations based outside of Thurrock, these companies do employ significant numbers of Thurrock residents, and utilise local suppliers within the supply chain.

3.2.3 Performance for the larger Housing Contracts includes measurement of local spend with suppliers and subcontractors. Whilst these companies are large nationals, the local spend and employment figures are significant.

Contract	Local Spend 2017/18	% of Supply Chain that is Local	% of Operatives resident in Thurrock
Responsive Repairs – Mears	£1.24M	100%	50%
Transforming Homes Programme (Wates and Keepmoat/Engie for 2017/18)	c. £5M	50%	52%

3.2.4 Commercial Services is currently looking to expand these measurements across the Council, so that reporting can be provided for new build contracts and other significant services.

3.2.5 All procurements give proper consideration to application of the Social Value Act 2013 to ensure maximum benefits are available to the local community, economy and environment. Bidders are asked to provide proposals showing how they can provide “added value” aligned to Thurrock Council’s Social Value framework, and their response is used as part of the evaluation criteria. Benefits to Thurrock have and do currently include:

- Employment, training and apprenticeships
- Support of community projects such as provision of communal gardens
- Refurbishment (at no further cost) of communal facilities
- Volunteering days and provision of opportunities for local volunteers to develop skills which can support their moving into work in the longer term

3.3 Council Support for Local Businesses and the Voluntary Sector

3.3.1 For procurement exercises valued under £75,000 officers run a closed “quote” process in accordance with the Contract Procedure Rules. From 2018/19 we have been ensuring that wherever possible a locally based firm is included within every quote process to maximise opportunities.

3.3.2 Contract packages (size, combination of services etc) are designed to maximise overall benefits whilst not disadvantaging local or smaller organisations. Where appropriate, contracts are tendered in “lots”, thus allowing smaller bidders to seek to deliver an element of the overall service, rather than all of it.

3.3.3 Local Contractors Besure Building Services and HW Wilson are notably successful with Thurrock Council contracts, delivering a number of services,

including the Water Mains Replacement Programme and the Civic Offices Refurbishment respectively.

- 3.3.4 To further support local business officers are currently running training programmes targeted at local contractors and SMEs. The recently launched “What Makes a Winning Bid” half-day programme is intended to better equip smaller suppliers with an understanding of public sector procurement processes, associated documentation and an outline of the overall procurement process. Three courses have been held to date, with very positive feedback from participants from both the private and voluntary sectors.
- 3.3.5 Additionally, officers have committed to carry out more early market engagement where appropriate. This would take the form of consultation days where prospective bidders are invited to the Council to discuss contract outcomes and achievability, or simply as networking opportunities where smaller organisations can meet with larger companies with a view to delivering services in partnership or sub-contracting arrangements. This would benefit local businesses, SMEs and the Voluntary Sector.

4. Reasons for Recommendation

- 4.1 This report is submitted to Cabinet in response to the motion raised by Cllr Aker MEP at Council on 27 June 2018.

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

- 5.1 The team frequently seeks cross directorate feedback on procurement processes and support for local businesses; regular discussions are held with Community Development regarding maximising opportunities through Social Value. Additionally Thurrock CVS is included in the consultation process, including in the development of the “What Makes a Winning Bid” programme.

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

- 6.1 Delivery of successful outcomes through procurement of high quality, cost effective services has a significant impact on all of Thurrock Council’s priorities. Specifically, the Council’s application of Social Value through the procurement process and the “What Makes a Winning Bid” training course supports the Prosperity ambition.

7. Implications

7.1 Financial

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

- 7.1.1 In the event that a contract is brought back in-house with a short notice period, there will invariably be an initial additional cost to facilitate the transition. However, this is then reviewed as part of the longer term strategic and operation objectives of the service to ensure that best value is achieved.
- 7.1.2 The Council is required as part of its statutory obligations ratified by external audit to meet essential value for money criteria, and therefore the make-up of service delivery is an essential part of this. The Council makes a conscious decision to ensure that services are delivered in the most cost effective way, whilst taking into consideration all of the other local economic and environmental considerations.
- 7.1.3 In the event that a more favourable in-house delivery option can be identified, for example Waste collection, the council is committed to providing the necessary Capital and Revenue investment through its medium term financial strategy.
- 7.1.4 Where the Council is required to intervene as the result of a failing contract, or unforeseen economic factors, the immediate priority is to ensure that service users face as little disruption as possible, whilst longer term delivery options are then evaluated.

7.2 **Legal**

Implications verified by: **Kevin Molloy**
Solicitor

- 7.2.1 I agree that this Report contains an accurate summary of the legal obligations upon the Council in its procurement of goods and services.

7.3 **Diversity and Equality**

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

- 7.3.1 This report outlines the work that is being undertaken to improve access to contracts for both local businesses and the voluntary sector. The Council has adopted a social values framework and supporting strategy in consultation with the voluntary, community and faith sector to support the sustainability of the sector, SME's and microenterprise specifically.
- 7.3.2 Further opportunities for eligible applicants to take over the provision of a Council service/s (including community and voluntary sector organisations) are set out in the Localism Act 2010 - Community Right to Challenge provision. The focus of the Community Right to Challenge is to hand more power back to communities, allowing voluntary and community groups, parish

councils and local authority staff to express an interest in taking over the running of local authority services, making services more responsive to local needs and delivering better value for money. Local process and supporting guidance relating to the Community Right to Challenge, eligible applicants and exclusions, is available on the Council's website.

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

7.4.1 None specific

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):

None

9. **Appendices to the report**

Appendix 1: In-house v Outsourced Service – Directorate Analysis

Report Author

Stefanie Seff

Strategic Lead Procurement

APPENDIX 1: IN-HOUSE V OUTSOURCED SERVICES –DIRECTORATE ANALYSIS

A table per directorate is presented that summarises

	Colour Code
Work delivered in house	
Work outsourced but provided by a local company, third sector organisation or SME	
Contract is currently being reprocured	
Work outsourced but provided by a larger organization	
Activity that is currently outsourced but work is underway to bring in house	

HIGHWAYS AND ENVIRONMENT

Service	Sub Area	In-House or Contracted	Contractor Name	Contractor Type (Local/SME)	Contract Value	Contract Ends
Environment And Enforcement	Commercial Waste Collection & Disposal	In-House				
	Street Services – Street Cleansing & Grounds Maintenance	In-House				
	Specialist Grounds Maintenance – Arbs/Burial/ Sports & 3 rd Party Works	Contracted	Various	Mainly SMEs	Low	Various
	Household Recycling Centre (Linford)	In-House				
	Parking	In-House				
	Environmental Enforcement	Mix of In-House and Outsourced	Kingdom Security	National	Low – Medium mainly covered by fines	December 2020
Highways, Transport & Logistics	Fleet Management and Fleet Maintenance	In-House				
	Transport	Mainly outsourced, some in-house provision	Various	Taxi companies, bus companies mainly local	Various spend	Main Education Transport July 2019 - others various
	Transport Development	In-house				
	Winter Gritting	In-house				
	Highways Reactive Maintenance	In-house				
	Highways Infrastructure Major Schemes	Contracted	Henderson and Taylor	Private Sector non SME	£40m	31/3/2021 + 2 years
	A13 Widening Works	Contracted	Kier	Private Sector non SME	£38.6M	30/9/2019
	A13 Widening Design	Contracted	Atkins	Private Sector non SME	£1.5M	30/9/2019
A13 Utilities/Specialist Elements	Contracted	Various	Private Sector non SME	£850K total across 5 contracts	31/3/2020	

PLACE

Service	Sub Area	In-House or Contracted	Contractor Name	Contractor Type (Local/SME)	Contract Value	Contract Ends
Regeneration	Economic Development & Regeneration	In-house				
	Heritage Arts & Culture	In-house service, theatre productions and some events are contracted	Polka Dot Pantomimes and various as required	SMEs	Various, most are income generating or cost neutral	Polka Dot 3 years to 2021 others mainly one off
	Housing & Development/Gloriana	In-house client				
		Contracted Architects/Technical	Various	SMEs	Various	Ties into development
		Contracted Housing Developers	Various, incl Roof, United Living etc	Private Sector non SME	£5M plus per contract	Various end dates
Property	Corporate Property	In-house				
	Building Cleaning Window Cleaning	Contracted	Servest Hi-Spec	Non SMEs	£2 M £138K	30/6/2019 30/6/2021
	Repairs and Maintenance Services	Contracted	Various, using Housing Contracts	Mix of SMEs and non SMEs	Various	Various
Planning & Growth	Development	In-house				
	Building Control	In-house				
	Strategy & Growth	In-house plus some specialist contractors	Various planning specialists	Mainly SMEs/Sole Traders	Very Low	Various
	Land Charges/Support Services	In-house				
	Business Improvement	In-house				
	Public Protection	In-house				
	Registrars	In-house				
Lower Thames Crossing	Consultancy Advice	Contracted	Peter Brett Associates	SME	£320K	30/4/2020
Purfleet Regeneration	Development	Contracted				

CHILDREN'S SERVICES

Service	Sub Area	In-House or Contracted	Contractor Name	Contractor Type (Local/SME)	Contract Value	Contract Ends
Brighter Futures	Children's Centres	In-House				
	Healthy Families	Contracted	NELFT	NHS Provider	£21M	Up to 31/8/2022
	Early Intervention Support	Contracted	Various inc SERICC, Coram, Changing Pathways	SMEs / Voluntary Sector	£2M	31/12/2020
Youth Services	Youth provision	In-House				
	Careers Advice	Contracted	UK Career Academy	National	£59K	31/3/2019
Placements for Looked after Children		Mix of In-House				
	Foster Carers	and Contracted	Various – currently under procurement	Various	£10-20M	Work is currently underway to increase in house provision
	Residential Care	Contracted	Various – currently under procurement	Various	£1-5M	Tbc
	Supported Accommodation	Contracted	Various – currently under procurement	Various	Tbc	Tbc
	Family Assessment Centres	Contracted	Various – currently under procurement	Various	Tbc	Tbc
Care Services	Social Work core service	In-House				

Service	Sub Area	In-House or Contracted	Contractor Name	Contractor Type (Local/SME)	Contract Value	Contract Ends
	Specialist Assessments	Contracted	Children's Services Network plus spot purchases	SME	£80K	31/3/2019
	Disabled Children's Service	In-House Social Work				
		Sunshine Centre In-House				
		SEN Placements and Short Breaks	Allied Healthcare, Hamelin Trust, various schools	Mix – National Provider, local trust, schools	Short Breaks c. £750K annual Schools vary	Short Breaks 31/3/2019 Schools - annual placements
Education	Assets	In House Client				
		Consultants and Contractors are External	Various	depending on size of project	Various	Various
	Education Psychology	In House				
	Catering Services	In House Service				
		Contracted Provisions and Repairs/Maintenance	Various	Various, inc SMEs, local and LB Havering	Various	Various

ADULTS, HEALTH AND HOUSING

Service	Sub Area	In-House or Contracted	Contractor Name	Contractor Type (Local/SME)	Contract Value	Contract Ends
Adult Social Care	Social Work Core – In House					
	Domiciliary Care	Mix of in-house				
		and contracted (Living Well at Home)	John Stanley, Castle Rock Guardian	Local Base	£30M	31/3/2021
	Meals on Wheels	Contracted	Royal Voluntary Service	Charity	£280K	31/3/2019
	Collins House (in-house residential care)	In-House				
	Careline	In-House Service				
	Single Point of Access	Joint with NHS				
	Occupational Therapy	In-House Service with SW				
		Equipment Contracted	Essex Cares Ltd	ALMO from Essex CC	£5M	31/3/2019
ASC Commissioning	In-House					
Community Development	Libraries	In-House Service				
	Community Development Service and Equalities	In-House Service				
	Community Hubs	In-House Support				
Public Health	Public Health Service	In-House				
	Substance Misuse Treatment Service	Contracted	Inclusion	NHS Provider	£6M	31/3/2022
	Integrated Sexual Health Service	Contracted	Provide	Community	£7M	31/3/2023

Service	Sub Area	In-House or Contracted	Contractor Name	Contractor Type (Local/SME)	Contract Value	Contract Ends
				CIC – specialist health service		
	Young People’s Drugs Misuse Service	Contracted	Wize Up	SME Specialist	£600K	31/3/2019
Housing Management (GF)	Tenancy Neighbourhood	In-house				
	Welfare Reform	In-House				
	Homelessness	In-House				
	Private Rented Sector – HMO’s condition etc	In-House				
	Anti-Social Behaviour & Enforcement	In-House				
	Sheltered Housing	In-House				
Asset Management and Delivery	Asset Management Service	In-House (client)				
	Technical Services	In-House				
	Transforming Homes Programme	Contracted	Wates and United Living	National	£30M	30/6/2021
	Responsive Repairs	Contracted	Mears	National	£30-£60M	5 – 10 years initial end date 31/1/2020
	Gas Servicing and Breakdown Repairs	Contracted	Liberty Gas	Non SME	£4-5M	31/3/2019
	Other Cyclical Repairs, Testing and Inspection	Contracted	Various	Mix of large and small, local and Regional	c. £2M per annum	Various
	Project Works and Programmes	Contracted	Various	Mix of large and small, some local contractors	Varies year on year	According to project

FINANCE AND IT

Service	Sub Area	In-House or Contracted	Contractor Name	Contractor Type (Local/SM E)	Contract Value	Contract Ends
Finance	Corporate Finance	In-House				
	Risk and Insurance	In-House				
	Internal Audit	In-House				
	Fraud	In-House (Traded)				
	Revenues and Benefits inc Creditors and Debt Management	In-House				
ICT		In-House Service				
	ICT Service	Some Specialist Contracts	Various inc Evosys for Oracle Implementation	Various	Oracle Implementation c. £1.2M. Others vary	Project Based
	ICT Systems	Contracted	16 Suppliers	Various	£2.8M Annual spend	Annual renewals to be amalgamated
Legal Services	Governance/Electoral Services	In-House Service				
	Member Services	In-House				

HR OD & TRANSFORMATION

Service	Sub Area	In-House or Contracted	Contractor Name	Contractor Type (Local/SME)	Contract Value	Contract Ends
HR	Recruitment	In-House				
	HR Advisory	In-House (& Traded)				
	Payroll	In-House (& Traded)				
	OD	In-House Service				
	Training	Mix of In-House and Contracted Training Providers	Various	Mainly SME	Various	Various
Transformation	Programme/Project Team	In-House				
Information Governance	Complaints, IG, Data Protection	In-House Service				

LEGAL

Service	Sub Area	In-House or Contracted	Contractor Name	Contractor Type (Local/SME)	Contract Value	Contract Ends
Legal Support	Legal Advice and support	In-House with occasional use of specialists				

STRATEGY AND COMMS

Service	Sub Area	In-House or Contracted	Contractor Name	Contractor Type (Local/SME)	Contract Value	Contract Ends
Comms and Marketing	Comms and Media Service	In-House				
	Advertising and Sponsorship	Contracted	Thurrock Gazette (Newsquest)	Local Newspaper	£80K	31/10/2019
		Roundabout Sponsorship	Marketing Force Ltd	SME	Concession, no cost to Thurrock	1/9/2018
	Printing and Design	In-House Service				
		Printing Spot Purchased	Various	Various	Low value	Individual projects, to be amalgamated
Customer Services	Customer Service Team	In-House				

COMMERCIAL SERVICES

Service	Sub Area	In-House or Contracted	Contractor Name	Contractor Type (Local/SME)	Contract Value	Contract Ends
Commercial Team	Procurement	In-House				
	P2P	In-House				
	Commercial	In-House				
	Business Development	In-House				

12 December 2018	ITEM: 14 Decision: 110491
Cabinet	
Quarter 2 Financial Report	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Shane Hebb, Deputy Leader and Cabinet Member for Finance	
Accountable Assistant Director: Jonathan Wilson, AD Finance, Corporate Finance	
Accountable Director: Sean Clark, Director of Finance and IT	
This report is public	

Executive Summary

This report presents the forecast outturn position for revenue budgets, the updated medium term financial strategy and the quarter 2 positions for both treasury management and the capital programme.

Revenue Position – 2018/19 Quarter 2

Current projections indicate a General Fund service pressure of £0.500m that must be managed in order to outturn within budget by the 31 March 2019. Identified pressures include Children’s Social Care and Environment, primarily due to increasing waste disposal costs. Whilst this forecast shows a projected deficit, officers are confident that continuing action will keep the budget within the agreed budget envelope and maintain the budgeted surplus of £2.488m for allocation to new and enhanced services that is also included within this report.

The DSG is forecasting pressures within the High Needs Block but steps are being taken to review the position within the DSG with the service and the Schools Forum in order to address these pressures. The HRA is forecasting a breakeven position.

Medium Term Financial Strategy – Update 2018/19 Quarter 2

The report sets out identified changes to the MTFs reflecting a range of factors including expected inflation costs, changes in service demand, savings targets and changes to the Council’s funding.

Treasury Management – 2018/19 Quarter 2

In accordance with the Revised CIPFA Prudential Code, this report:

- (a) reviews the borrowing and investment activity as at 30 September 2018; and
- (b) reports on the forecast treasury outturn position for 2018/19.

The report also confirms that the council is within the prudential indicators as agreed by Council in February 2018 and continues to contribute, through both reduced costs and increased income, towards the council's objective of financial sustainability.

Capital Position – 2018/19 Quarter 2

The General Fund capital programme is projected to have available resources of £5.485m as at 31 March 2019 with this funding carried forward to 2019/20 to fund schemes currently in progress. In addition, there is a further £54.271m in the approved programme that is under development and/or dependent on third party actions.

The Housing Revenue Account capital programme is projected to come in within budget.

Recommendations:

- 1. That Cabinet note the revenue forecast outturn position for 2018/19 and that further mitigation is required to outturn within the agreed budget envelope;**
- 2. That Cabinet note the updates to the Medium Term Financial Strategy;**
- 3. That Cabinet consider the additional funding bids;**
- 4. Note the results of Treasury Management activities undertaken in the first half of 2018/19; and**
- 5. That Cabinet note the capital forecast outturn position and the overall position on the approved programme.**

Revenue Position

1. Introduction and Background

- 1.1 In February 2018, the Council agreed the 2018/19 budget as part of a four year balanced MTFs. This follows a move towards commercialism, greater efficiencies and a wider investment approach. The budget includes savings of £2.594m which were identified as part of the Council Spending Review through the Strategic and Transformation Board process.
- 1.2 The report sets out the latest forecast outturn position for 2018/19 across the main revenue accounts - the General Fund, Housing Revenue Account, Dedicated Schools Grant and Public Health grant.

2. General Fund Position

Directorate	Full Year Budget £000	Forecast September £000	Variance From Budget £000
Adults, Housing & Health	38,705	38,689	(16)
Housing General Fund	733	1,103	370
Children's Services	36,088	36,535	447
Environment & Highways	26,049	26,447	398
Place	9,814	9,833	19
Finance, IT & Legal	10,901	10,858	(43)
HROD	4,297	4,196	(101)
Strategy, Comms & Customer Services	2,723	2,535	(188)
Commercial Services	683	671	(12)
Corporate Costs	(15,036)	(15,410)	(374)
Total	114,957	115,457	500

Adults, Housing & Health - £0.016m underspend

- 2.1 The Adult Social Care forecast position reflects the funding raised through the Adult Social Care Council Tax precept, the 2018/19 Adult Social Care support grant, and the allocation of Improved Better Care Fund (BCF) monies. The position should be viewed in the context of well publicised demand pressures across the Adult Social Care sector nationally, and the ongoing financial pressures within the Directorate. There is a degree of uncertainty around future funding and the delayed publication of the Government's Green Paper for Adult Social Care further compounds this.
- 2.2 One of the major contributing factors to the issues faced is the fragility of the domiciliary care market. Through the BCF extra resources have been allocated to this area to strengthen both the in-house provision and to support the external market. Thurrock is in the process of reallocating care hours to a number of providers following a large scale retendering process. One of the successful providers has already identified issues with recruitment and retention of staff and this is delaying the transfer of care hours. This has been reflected in the forecast position and will be monitored over the coming months.
- 2.3 Demand for residential and nursing home placements (especially for those with Learning Disabilities, autism and challenging behaviours) adds additional budget pressures. This is a very volatile area of the budget and deals with a cohort of

people with varying levels of complex needs. The directorate follows a process in which early identification of transitional cases from Children's Social Care is vital in being able to effectively plan appropriate care packages and fully understand the budgetary effect.

- 2.4 Income towards all placements continues to be a potential budget risk due to the constant reassessment of clients' financial situations and their ability to contribute towards their care packages. This continues to be closely monitored.
- 2.5 Adult Social Care are able to mitigate these identified pressures in 2018/19 by utilising £0.408m of the Adult Social Care support grant and through close working with Health colleagues to allocate £0.974m of Improved Better Care Funding. Levels of demand and the complexity of cases remain the key issues. Previous trends indicate that there will be additional pressures during the winter period. Additional in year funding of £0.654m for winter pressures has recently been announced in the Budget and will go through the BCF to increase capacity and resilience within our own services and our commissioned providers.
- 2.6 There is currently a forecast underspend of £0.247m in the pooled 2018/19 BCF. It will be through a collaborative decision making process between Adult Social Care and Thurrock CCG to determine the allocation of these funds and to meet the key objective of Central Government to reduce delayed transfers of care from hospitals. Any underspend in the pooled budget at the end of the year will be placed into an earmarked reserve and carried forward to 2019/20 and allocated in the most effective way to reduce identified pressures across both Health and Social Care services.

Housing General Fund - £0.370m overspend

- 2.7 The service forecasts an overspend of £0.370m which is an adverse movement of £0.150m compared to the position reported at the end of Q1. The key cause of this is homelessness.

Homelessness

- 2.8 The implementation of the Homelessness Reduction Act in April 2018 has brought about significant changes to the delivery of homeless services by the Housing Solutions Team. The requirement to provide homelessness services to everyone who is 'eligible' and 'homeless', regardless of 'priority need' and 'intentional homelessness' has resulted in significantly more people being provided with assistance. The increase in demand, and the wider changes the implementation of the Act has brought about, necessitates a rethink of the previous service delivery model to ensure there are sufficient front line resources and housing options to support the prevention agenda and minimise the need to place customers into costly temporary accommodation. The current cost pressures and projected overspend is £0.300m for the year 2018/19.
- 2.9 From June to September the overall number of Households in Temporary Accommodation fell by 11 to 126 with no households in Bed and Breakfast.
- 2.10 There is continual work to reduce the use of nightly let private sector accommodation which is the most costly form of Temporary Accommodation. The service is seeking alternative cheaper accommodation to mitigate the forecast overspend position as well as working towards permanent recruitment of staff and team managers to stabilise the workforce and reduce spend on agency staff.

- 2.11 Approaches to Thurrock Housing Solutions service from those threatened with homelessness have increased since implementation of the Homeless Reduction Act. For the first 6 months of 2018/19 there were 796 approaches (compared with 669 in the previous year). If the trend continues we are likely to complete 2018/19 with 1,592 applications, a 14% increase from the previous year. In addition, as the new 'prevention' and 'relief' duties apply for 56 days, applicants are being assisted for a longer period and there is a requirement to regularly review each case.
- 2.12 With the significant increase in numbers of households to whom we have a duty the council is increasingly using the private rented sector for both temporary and permanent accommodation. The council works with private sector landlords to ensure that any accommodation they provide is safe, suitable and secure. This includes providing financial assistance that would have been offered to the homeless applicant direct to the landlord. This is usually in the form of rent deposit and rent guarantees. In addition the council encourages landlords to offer longer term tenancy agreements.
- 2.13 In anticipation for the increased pressures, there has been temporary recruitment of two additional officers during 2018/19 one of whom is tasked with conducting home visits as a means of preventing homelessness for applicants who present as a result of friends and family exclusion. This has also enabled further development of the service offer particularly in relation to early discussion on housing options and preventative activities with applicants prior to their exclusion.

Children's Services – £0.447m overspend

- 2.14 The service continues to operate in a complex environment, where there is an underlying growth in demand. Projections at the end of September indicate a net Directorate pressure of £0.447m after mitigating action. Further work is ongoing to identify possible ways of bringing the position in on budget by the end of the year. The most significant financial pressures are within social care and schools transport. There remains significant inherent risk in placement budgets, managing the cost of agency staff and achieving the proposed mitigation.
- 2.15 The summary position before mitigation is applied is as follows:

Service	Variance
	£'000
Children and Family Services	766
Learning & Universal Outcomes	(517)
Central Administration Support and Other	(13)
School Transport	410
Total	646

- 2.16 The most significant pressures within social care relate to agency staff, aftercare placements, adoption and fostering:

High Risk Area	Variance
	£'000
Employees	1,029
Aftercare	115
Therapeutic Foster Care	239

Adoption & Permanence	277
Disabled Children	203
Total	1,863

- 2.17 The most significant variance is in employee spend. The ongoing initiative to replace agency workers with permanent staff continues to progress and a new initiative to provide additional support for social workers in the first year of practice has been implemented. This will further improve the position in relation to agency social workers. The department has also been successful in recruiting permanent managers to frontline social work positions.
- 2.18 Spend on adoption and fostering payments and special guardianship orders continues to be above budget. A thorough review of payments is underway and this is expected to improve the forecast for the second half of the year.
- 2.19 Placement budgets continue to be closely monitored with particular scrutiny of high cost placements. This is a volatile area which can be impacted by a single very high cost complex need case. One such case came in September, however this has been managed within the existing forecast. Regular review of placements will continue to ensure better value and more appropriate placements for young people.
- 2.20 School transport forecasts are based on current awards across the academic year. Work continues to manage the award of transport such as adding additional authorisation and providing training for staff. The position will be reviewed in October following the start of the new academic year. It is anticipated that further savings will be realised through a re-procurement of existing transport routes.
- 2.21 The following mitigation has been identified to address the forecast overspend. This is primarily through the actions identified within the service review. None of the items are guaranteed and will require ongoing commitment to achieve. Even in delivering the items below, there still remains a net overspend of £0.447m that needs to be addressed.

Mitigating Action	£'000
Review SGO and Fostering Payments	(35)
Service Review – ASYE 2 for 1	(85)
Service Review – Head Start Housing	(19)
Service Review – Transport assessments	(60)
Total	(199)
Mitigation Required	646
Net Pressure	447

- 2.22 The position includes one-off income expected through the delivery of the Troubled Families recovery plan through successful attachment and payment-by-results outcomes. There continues to be risk in securing all required attachments and sufficiently evidencing outcomes and current performance is behind profile. The position continues to be closely monitored through the Brighter Futures Board. It should be noted that this is not an ongoing revenue stream.
- 2.23 Ongoing review of Aftercare placements continues to ensure placements are in cost effective accommodation and young people are transferred into appropriate

accommodation when they reach 18 years of age. Ensuring that available grant and Housing Benefit claims are completed should improve the position.

- 2.24 The ongoing service review of children’s social care and transport has identified options for in-year savings. This has been included in the mitigating action above. Business cases were agreed at Directors Board in September.

Environment & Highways - £0.398m overspend

- 2.25 The Directorate is currently forecasting an overspend position of £0.398m after mitigation. Budget challenge sessions have been held with all budget holders and will support mitigation in the second half of the year. Communications have been circulated instructing managers to reduce non-essential spend and identify further mitigation.
- 2.26 The main pressures and risks are outlined below. The most significant risk is the waste disposal position. In year increases in waste tonnages and quarterly changes to contract prices would impact the reported position.
- 2.27 There has been strong performance against the Directorates external income position with trade waste and enforcement ahead of profile. The most significant pressures being managed by the service are set out below.

Service Area	Variance £'000
Waste Disposal	268
Waste Collection	310
Depot Management	215
Trade Waste Income	(232)
Enforcement Income	(215)
Other Net Pressures	52
Total	398

- 2.28 Following the agreement of the waste disposal budgets for 2018/19, there were contract variations which meant that the forecast spend for recycling had increased substantially for quarter 1 resulting in a pressure of £0.268m. The fees in these contracts are determined relative to market values which are published independently. As rates are recalculated quarterly, this pressure could increase.
- 2.29 Waste Collection pressure of £0.310m relates to agency staff and fuel. Work is ongoing to address performance issues in the service and review conversion of agency staff to permanent. An additional unbudgeted round is currently operating and management are considering all options available to improve the service being provided within the budget allocation.
- 2.30 Depot Management pressure of £0.215m is forecast. This relates to cost pressures relating to the running of the Oliver Close depot.

- 2.31 There are further risks that need to be monitored over the course of the year which include the items below: Contract variations could mean a risk to other waste disposal budgets contracts – although these are expected to be much less volatile:
- The pressure on the winter maintenance budgets in 2018/19 will depend on the severity of the winter;
 - The forecast for fly-tipping is difficult to predict – however trends for different types of fly tips (specialist, industrial, household and cars, caravans and trailers) will be captured using new project codes in this area which will separate out the costs of clearing different kinds of fly tips;
 - There is a risk regarding capital recharging of staff time. This is based on the amount of time individual members of staff spend working on capital schemes. There is a risk that not enough time is able to be capitalised in order to meet the budgeted recharge levels; and
 - Highways spend is also difficult to predict against the reactive budgets earlier in the year.

Place - £0.019m overspend

- 2.32 The Place directorate is forecasting a small overspend, however, there are some areas of risk as set out below.
- 2.33 The Corporate Landlord budgets are forecast to overspend by £0.243m by year end. This is currently being offset by an underspend in Assets & Facilities. However, it is expected that several vacancies in the Property & Development service will be recruited to this financial year and it is estimated that, if this were to happen, this would create a pressure of up to £0.150m. Additional work is ongoing to challenge the Corporate Landlord forecast to establish if any of this recruitment can be undertaken.
- 2.34 There is more clarity around the Planning Performance Agreement (PPA) with Highways England regarding the Lower Thames Crossing. However this has not yet been confirmed and the funding implications going forwards will be reviewed in due course.
- 2.35 Additional funding will be required in future years in respect of the Lower Thames Crossing. This is to resource the Council's role in engaging and influencing the Development Consent Order process. We are waiting for programme information from Highways England in order to be able to plan what that resource and potential cost may look like but this report seeks further allocations from projected budget surpluses.

Finance, IT & Legal - £0.043m underspend

- 2.36 The Directorate is forecasting a small underspend primarily due to employee savings across a number of services. Service Review savings have been implemented and consequently the ICT budget has been reduced by £0.526m in line with agreed target.
- 2.37 There is a pressure against insurance budgets due to the ongoing academisation of schools and hence fewer buying onto the service. The main risk to the Directorate position is achieving the Counter Fraud income target.

HROD – £0.101m underspend

- 2.38 The Directorate is currently forecasting a small underspend with no major variances to report.

Strategy, Communications & Customer Services – £0.188m underspend

- 2.39 The Directorate is forecasting an underspend in Customer Services mainly within employee budgets.

Commercial Services – £0.012m underspend

- 2.40 The Directorate is currently forecasting a small underspend with no major variances to report.

Corporate Costs - £0.374m underspend

- 2.41 This budget covers a number of corporate expenditure items including treasury management costs (interest paid on loans and received from investments), the annual contribution to the Essex Pension Fund to meet the current actuarial deficit and the allocation for the Minimum Revenue Provision. The underspend follows an improved Treasury forecast which also offsets pressures including that associated with no recourse to public funds.
- 2.42 Allocation of the £0.930m service review target continues as the ongoing service review's progress. The main reviews being undertaken this year are Children's Social Care, Transport, ICT, Business Resource and Planning. The majority of the target is to be achieved this year within ICT (£0.526m) and Planning (£0.077m), supported by in-year mitigation as reported within the Children's position.
- 2.43 Completion of the Children's and Transport reviews this year are expected to deliver savings against the 2019/20 service review target.

3 Housing Revenue Account

	Full Year Budget	Forecast	Variance from Budget
	£'000	£'000	£'000
Repairs and Maintenance	11,798	11,995	197
Housing Operations	11,605	11,619	14
Financing and Recharges	24,315	24,211	(104)
Rent and Income	(48,077)	(48,184)	(107)
Development	359	359	0
Total	0	0	0

- 3.1 The Housing Revenue Account (HRA) budget was set at a breakeven budget at the February 2018 Cabinet. The September 2018 monitor is forecasting a breakeven position overall with some small variances being reported within the different areas.

There are a number of risks that we are closely monitoring and factoring into spending plans.

- 3.2 In line with Government Policy the Council has applied a 1% rent decrease over the last 3 financial years with a further 1% reduction required in 2019/20. This has withdrawn resources available for capital investment.
- 3.3 The proposed Grounds Maintenance charge was not introduced in 2017/18 after initially being agreed by Cabinet which has also reduced the resources available in the HRA. Grounds Maintenance accounts for £1.3m of expenditure in the HRA annually with Leaseholders making a small contribution. By not charging tenants for all of the services provided to them, the rents of all tenants are subsidising the costs and the resources in the HRA for capital investment are not being maximised. Consideration needs to be given to introducing a grounds maintenance charge to reflect the actual costs of providing the service. This could be phased in over a short period of time.

4 Public Health

- 4.1 The 2018/19 allocation of the Public Health Grant was subject to a 2.5% reduction which equated to £0.291m. The 2018/19 grant has been allocated against ongoing contracts and existing staffing commitments. The Public Health Team have identified a number of new initiatives within the conditions of the grant with the intention to invest in GP practises to deliver improved services and better outcomes for the people of Thurrock. The progress of these pilots will be closely monitored throughout the year. Any underspend will be placed into an earmarked reserve and reallocated in 2019/20 to ease budget pressures that have been identified as a result of a further indicative reduction of 2.6% which equates to £0.292m.

Public Health	£'000
2018/19 grant allocation	(11,042)
2017/18 carry forward	(377)
Estimated 2018/19 spend	10,985
Funding committed to 2019/20 programme	(434)

5 Dedicated Schools Grant (DSG)

- 5.1 The revised allocation for 2018/19 remains at £49.773m. Current projections indicate pressures of £3.122m:

	Funding Settlement £'000	Academy Recoupment £'000	Total £'000	Forecast £'000	Variance £'000
Schools	115,973	(96,533)	19,440	19,590	150
Central Services	2,038	0	2,038	1,968	(70)
High Needs	22,141	(5,414)	16,727	19,801	3,074
Early Years	11,568	0	11,568	11,536	(32)
Total	151,721	(101,947)	49,773	52,895	3,122

5.2 At Period 6 the following pressures for 2018/19 are forecast:

Schools Block - £0.150m overspend

5.3 The budget available to support pupil growth in 2018/19 is £1.47m. Initial projections indicate a funding requirement of £1.62m and hence an overspend of £0.150m. This reflects the growth in pupil numbers being experienced within Thurrock schools. This will continue to be monitored and updated. DfE are to introduce a new formula for 2019/20, guidance was released in July 2018 but funding allocations for 2019/20 will not be known until December 2018. At this stage it is expected that this is a one off problem and will be addressed ongoing as part of the Schools Block funding allocation.

Central Services Block - £0.070m underspend

5.4 The projected underspend has arisen primarily on salaries. This will be utilised to support the High Need Block Pressure.

Early Years Block - £0.032m underspend

5.5 The budget available from the DfE is based on January 2018 census information. This will be updated in July 2019 when the outcome of the January 2019 census is available. The current underspend has arisen on salaries from the retained 5% budget. It is expected the underspend at outturn will increase once take up is confirmed at year end. This funding block underspend will be carried forward and utilised in 2019/20 to increase hourly rates paid to early years providers.

High Needs Block - £3.074m overspend

5.6 The outturn position for 2017/18 was an overspend of £3.2m. Initial projections indicate a pressure of £3.074m. This can be broken down into two key areas:

- Home to School Transport £1.244; and
- Education Health and Care Plans - Top Up Values paid to Schools and Academies £1.830m.

5.7 The projected outturn has been mitigated by decisions made by the Schools Forum:

- Transfer from Schools Block - £0.5m. The Secretary of State in February 2018, as part of the disapplication process approved the transfer of £1.8m from Schools Block to support the 2016/17 deficit of £1.3m and a further £0.5m to support 2018/19 high need pressures; and
- September 2018 – Reduction in hourly rate for EHCP from £11.85 to £10. A projected saving of £0.360m.

5.8 The review of the DSG High Needs budgets and expenditure is ongoing. The Schools Forum has provisionally agreed to the transfer of £1.8m from Schools Block again in 2019/20 to support high need pressures. Cabinet are also asked through this report (paragraph 11.7) to make a one off contribution of £0.5m towards the deficit.

5.9 The DSG has a carried forward deficit of £2.7m from 2017/18. This, along with the projected overspend in 2018/19, will need to be considered as part of the budget

setting process for 2019/20. Home to School Transport costs is a key consideration for discussion.

6 Dedicated Schools Grant Review

- 6.1 As part of the review of the DSG, a number of initiatives have been actioned to improve compliance with regulations and develop mitigation to address pressures and enable a sustainable funding position going forwards. These include:

Schools Block

- 6.2 A consultation exercise is underway to consider changes to Thurrock Local Funding Formula to align more closely to the National Funding Formula. The Consultation ended on Wednesday 31st October 2018. The Schools Forum at its meeting on the 15th November will consider the outcome of the consultation and make a recommendation to Thurrock Council for approval to be implemented from 2019/20.

Central Schools Services Block.

- 6.3 A review has been undertaken of all expenditure ongoing to ensure compliance with regulations and to ensure value for money is achieved.

Early Years Block

- 6.4 An increase to the hourly rate to Providers was approved in April. This increased the hourly rate to £4.18 for 3 & 4 year olds and £5.07 for the 2 year old offer. A review of the formula will be undertaken in late 2018 for implementation from April 2019. A key consideration is to target funding using deprivation indicators. The Early Years SEN hourly top up rate have been increased to £10 from September 2018 to align with the rate paid to Schools and Academies.

High Needs Block

- 6.5 The previous approach considered by Schools in April around an in-year solution has been updated as follows:
- The Top Up Hourly Rate will decrease from £11.85 to £10.00 from April 2018;
 - Further, individual discussions, will take place with Special Schools, Resources Provisions and Alternative Provisions around a full -1.5% Minimum Funding Guarantee reduction to be applied to 2018/19 funding allocations; and
 - School Funding 2019/20 will allow the same level of top slice from the Schools Block subject to Schools' Forum approval.
- 6.6 There continues to be a review of all expenditure ongoing to ensure compliance with regulations and to ensure value for money is achieved. A key area that requires further investigation is Home to School Transport.
- 6.7 Officers are currently discussing Resources Provisions and Alternative Provisions with Special Schools, as well as the commissioning intentions of Thurrock for 2019/20 and the funding rated to be applied.
- 6.8 Work will continue to deliver affordable solutions within the funding available.

7 External Income

Fees & Charges	Budget £'000	Forecast £'000	Variance £'000
Adults	(1,521)	(1,489)	31
Children's	(1,168)	(1,035)	133
Environment & Highways	(2,311)	(2,627)	(316)
Housing GF	(413)	(413)	0
Finance, IT & Legal	(25)	(70)	(45)
Place	(2,845)	(2,968)	(123)
Total	(8,282)	(8,602)	(320)

Traded	Budget £'000	Forecast £'000	Variance £'000
Children's	(3,737)	(3,711)	26
Environment & Highways	(341)	(603)	(262)
Finance, IT & Legal	(1,336)	(1,166)	170
HROD	(284)	(362)	(78)
SCCS	(205)	(195)	10
Place	(34)	(4)	30
Total	(5,937)	(6,041)	(104)

- 7.1 As at the end of September 2018, the full year forecast for external income is a surplus of £0.424m across both fees and charges and traded income streams.
- 7.2 Children's – pressure of £0.133m within fees and charges due to lower income expectations within Grangewaters and Nurseries. Both services have breakeven budgets and are forecasting a corresponding reduction in spend to deliver within budget.
- 7.3 Environment & Highways – surplus of £0.316m within fees and charges primarily within Enforcement. The traded surplus of £0.262m is mainly due to strong performance within the trade waste service. Both surpluses are within the Directorate forecast and contributing to managing wider service pressures.
- 7.4 Finance, IT & Legal – pressure of £0.170m in traded income is partly due to the ongoing academisation of schools and hence fewer buying into the service, mainly within Insurance and financial services, and pressure on delivering the Counter Fraud income target.
- 7.5 Place – surplus of £0.123m due primarily to strong performance in the Theatre and Public Protection.

Medium Term Financial Strategy Update

8 Background

- 8.1 As part of the Council's statutory objectives, the attached Medium Term Financial Strategy (MTFS) sets out the draft financial position for the next 5 years.
- 8.2 The previous published MTFS was presented to Cabinet in February 2018, and this updated version incorporates the projected financial position for 2019/20 as well as additional information and projections. The full version is included at Appendix 3 and a summary of the changes is included in the table below.
- 8.3 As illustrated within this table the overall financial projection of surplus funding is more favourable than the previous draft in Feb 2018, for the financial period 2019/20 to 2021/22. This is largely due to an improved treasury position as a result of investment targets being surpassed and sustained lower rates of borrowing. The flexibility, liquidity and investment opportunities that have, and continue to be identified, have allowed the target to be increased.
- 8.4 Essential operational, economic and demographic pressures have been addressed as part of the revised strategy to ensure that the fundamental resources required to deliver core and statutory services have been included. The allocation of the 2018/19 surplus requires confirmation and consideration of proposals by both members and officers is required. Addressing some of these identified pressures will support a more robust budget setting process going forwards.

9 Key information

- 9.1 There are eight key headings within the MTFS which capture the elements required for the formulation of an accurate and sustainable budget. These are:
1. Local Funding (council tax and business rates);
 2. Government resources (Non-service specific central government grants);
 3. Inflation and other increases (pay and contract inflation);
 4. Pressures in the 2018/19 which will continue into subsequent financial years;
 5. Treasury investments and borrowing;
 6. Demographic and Economic pressures;
 7. Service design principals and savings agreed by strategic boards; and
 8. Carry forward position from previous years.

These items have been considered and the updated position is shown in the table below:

MTFS Summary of Position and Changes

Narrative	2019/20			2020/21			2021/22			2022/23			2023/24		
	Feb-18	Nov-18	Change	Feb-18	Nov-18	Change	Feb-18	Nov-18	Change	Feb-18	Nov-18	Change	Feb-18	Nov-18	Change
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net Additional (Reduction) in resources	1,420	1,474	55	(1,737)	(1,848)	(111)	(1,329)	(1,730)	(400)	(2,184)	(2,178)	6	(1,987)	(1,992)	(5)
Inflation and other increases	2,623	3,895	1,272	2,587	2,958	371	2,600	3,081	481	2,600	3,210	610	3,337	3,345	8
Treasury and Capital Financing	(5,747)	(11,478)	(5,731)	(2,517)	(2,178)	339	126	(336)	(462)	1,025	(1,224)	(2,249)	8,000	365	(7,635)
Demographic and Economic Pressures	2,500	3,000	500	2,500	2,200	(300)	3,500	2,200	(1,300)	3,500	2,200	(1,300)	3,500	2,200	(1,300)
Services Design	(2,226)	(2,226)	0	(900)	(900)	0	(1,000)	(1,000)	0	(1,000)	(1,000)	0	0	0	0
Position before carry forward	(1,431)	(5,335)	(3,904)	(67)	232	299	3,897	2,215	(1,681)	3,941	1,008	(2,933)	12,849	3,918	(8,932)
C/f Position	(2,488)	(2,488)	0	(3,918)	(7,822)	(3,904)	(3,985)	(7,590)	(3,605)	(89)	(5,375)	(5,287)	0	(4,367)	(4,367)
Working Total	(3,918)	(7,822)	(3,904)	(3,985)	(7,590)	(3,605)	(89)	(5,375)	(5,287)	3,852	(4,367)	(8,220)	12,849	(450)	(13,299)

10 Key Assumptions

The key assumptions included in the formulation of the revised MTFS are:

10.1 Local Funding

The MTFS has been compiled on the previously agreed assumption that there will be a 2.99% increase in Council Tax in 2019/20. This generates income of £1.885m and, more importantly, increases the base as local authorities move towards 100% of funding needed to be raised locally.

Beyond 2019/20, the assumption is that there will be a 1.99% increase in line with current government direction.

Members should also note that government will assume increases in line with their expectation when carrying out the Comprehensive Spending Review in 2019 that will set local authority funding for an expected further period of four years.

10.2 Central Government funding

The forthcoming financial year 2019/20 is the last year of the four year Local Government financial settlement. As a result, we are able to project with some certainty the expected reductions in RSG and other central government grants.

10.3 Inflation and other increases

There are two significant changes from the previously published MTFS. They are:

- An additional £1m has been incorporated in the MTFS to fund the initial cost of the pay review; and
- Inflation in relation to waste contracts and utilities, fuel and oil has been increased from 5% to 7.5% to reflect current and future pressures identified in 2018/19.

10.4 Treasury Management

The projected position has improved by circa £2m compared to the MTFS published in February 2018.

10.5 Demographic and Economic pressures

This item is to ensure that growth is built into the budget to address inevitable pressures that will arise during the financial year. This includes items identified from the 2018/19 budget monitoring report to Cabinet and include pressures relating to:

- Housing General Fund;
- No Recourse to Public Funds (NRPF) – the council incurs a cost when a family has arrived in the UK with no legal right to access government support. The council retains a statutory duty to support children (and hence the family) where this situation arises.
- Environment & Highways – additional budget support for areas such as fly tipping and security at the Household Waste and Recycling Centre.

10.6 Service Design Principals and Strategic Boards

The Council has a number of boards in place to review opportunities to review and improve the efficiency of services.

10.7 Carry forward position

The carry forward for 2018/19 of £2.488m is as reported in the February 2018 MTFS. The projected carry forwards for the 2 subsequent years are £7.822m and £7.590m respectively.

The allocation of the carry forwards remains to be confirmed for the period and consideration needs to be given to the proposals as set out below:

10.7.1 Items Proposed at Full Council in February 2018:

	2018/19 £'000
Adult Social Care	100
CAB	50
Target Hardening	300
Local Plan	250
Fly Tipping	450

10.7.2 Further items proposed for consideration subsequently are:

	2018/19 £000s	2019/20 £000s	2020/21 £000s	Ref
Environmental Protection Measures	1,000			A
Outcomes – Mental Health/Debt Summits	500			B
ASB (inc additional Police Officers)	750			C
Schools DSG High Needs Pressure	500			D
Lower Thames Crossing	100	390		E
Local Plan		100		F
Corporate Landlord Responsibilities		250		G
High House Production Park - Funding to promote/champion the site.	25	100	75	H

Further details for the items above are:

A: Measures include addressing fly tipping, target hardening and wider environmental protection measures;

B: These include local initiatives arising from the recent summits;

C: Funding to tackle anti-social behaviour in the borough including the planned funding of additional Police Officers;

D: This is a Council contribution to assist in relieving the financial pressures arising from the funding of pupils with higher needs requirements;

E: Further funding expected to be required to support the council's response to the Lower Thames Crossing proposals;

F: The Local Plan is expected to require additional consultation;

G: Further funding request to ensure council property meets required standards; and

H: Funding to promote and champion the HHPP site.

Treasury Management – 2018/19 Quarter 2 Update

This section is prepared in accordance with the requirements of the CIPFA Prudential Code and presents details of treasury management activity for the 6 months to 30 September 2018.

11 Introduction and Background

11.1 Borrowing

The Council's borrowing position as at 30 September 2018 is summarised in the table below:-

Source of Loan	£m
Long Term Market Loans	30.4
Long Term Market Loans re Investments	50.0
Long Term PWLB	160.9
Temporary Market Loans Re Investments	585.0
Other Temporary Market Loans	214.0
Total Debt	1,040.3
Total Investments	(745.5)
Total Net Indebtedness	294.8

- 11.2 The net indebtedness (borrowing less investments) of the council is £294.8m, made up of £160.9m of PWLB long term debt relating to the HRA and £133.9m of long and short term debt relating to historic capital funding.
- 11.3 The Council continues to fund the £84.0m ex-PWLB debt on a temporary basis. Interest rates rose by 0.25% in August 2018 and current interest rate projections show a central projected case of 0.75% to March 2019, 1% to June 2019 then 1.25% through to December 2021. There is an upside risk of 0.25% throughout the forecast, but, a downside risk of 0.50% to June 2019 increasing to a 0.75% downside risk thereafter, mainly due to possible concerns surrounding Brexit .
- 11.4 This forecast would suggest that further interest savings should still be accrued for future years compared with the costs of borrowing longer term debt. However predictions for the bank base rate are open to change depending on government responses to market events and developments and continue to be closely monitored by officers with appropriate action taken as necessary. The bank base rate, whilst indicating a direction of travel, does not fully impact on the council's borrowing that is largely through other public sector bodies.
- 11.5 The council's PWLB debt portfolio currently consists solely of loans taken out with regards to the HRA settlement undertaken on 28 March 2012 and are now eligible for

rescheduling. The loans were borrowed at one-off preferential rates made available specifically for the settlement. PWLB redemption rates have fallen and these loans would now incur a premium. The refinancing of these loans would now be at a lower level, the original loans were taken over an average of 47.5 years at an average rate of 3.49%, current rates in the 42.5 year period would equate to 2.57%. However, these savings are not significant enough to outweigh the significant cost of the redemption premiums of approximately £40m.

- 11.6 Officers have also assessed the council's LOBO loans for any early repayment opportunities but the premia involved of approximately £29m and the high refinancing costs again make it unfavourable to currently undertake any rescheduling. Officers will continue to monitor the council's debt portfolio for any rescheduling opportunities.
- 11.7 The council has also borrowed funds to facilitate the building works carried out by Thurrock Regeneration Ltd at the St Chads site in Tilbury. Officers are continuing to investigate opportunities to raise long term funds to finance these works but, as short term rates are currently low and predicted to remain there for the foreseeable future, the council will continue to borrow on a short term basis until such time as the long term funds become attractive in comparison. All interest costs are met by Thurrock Regeneration Ltd with the council benefiting from an interest rate premium.

Investments

- 11.8 The corresponding figures for investments are set out in the table below:-

Source of Investment	Balance at 30/9/18 £m
Overnight Cash Investments	10.0
Short Term Cash Investments (2 to 365 days)	100.5
Repayable Capital Investments	549.0
Repayable Non Capital Investments	10.0
Fund Manager Investments- Repayable on demand	76.0
Total Investments	745.5

- 11.9 A significant proportion of the internally managed investments are held for very short time periods in order to meet day to day cash requirements.
- 11.10 The Council has maintained its previously reported investments in the CCLA Property Fund and renewable energy sectors and, indeed, expanded on the latter whilst working with providers for both longer term relationships and to bring additional benefits to the Borough.
- 11.11 Target income for 2018/19 has been achieved with any investments going through appropriate due diligence by relevant industry experts.
- 11.12 Internally held balances currently stand at £100.4m with a view to falling to around £10m-£20m at the financial year-end. These investments are mainly held with Banks

and Building Societies on a fixed term basis ranging from overnight to 3 months in duration.

- 11.13 All investments made have been with organisations included on the "List of Acceptable Counterparties and Credit Limits" within the 2018/19 Annual Treasury Management Strategy and the total sums invested with individual institutions have been contained within the limits specified therein.

CAPITAL MONITORING – 2018/19 Quarter 2

12 Introduction and Background

12.1 This report provides an update to Cabinet on the financial position of the capital programme and highlights significant variances. It is the second monitoring report for 2018/19 and is based on expenditure to the end of month 6 (the period 1 April 2018 to 30 September 2018) and projected expenditure for the remainder of the year.

12.2 Capital schemes and resources are identified in two specific categories:

- Mainstream schemes – capital expenditure funded through prudential (unsupported) borrowing, from capital receipts, from the capital contribution from revenue budget or from earmarked capital reserves; and
- Specific schemes – capital expenditure funded through external funding sources, for example, government grants and Section 106 monies which are ring fenced for specific projects.

13 General Fund Schemes

13.1 The current position for General Fund schemes for 2018/19 is summarised below:

Table 1: Capital Programme – Projected Outturn as at Month 6

	Latest Agreed Budget	Projected Outturn to 31/03/2019	Variance against budget
	£'000's	£'000's	£'000's
Expenditure:			
Children's Service ¹	11,034	10,284	(750)
Adult, Housing & Health	2,818	2,438	(380)
Housing General Fund	1,551	1,446	(105)
Environment and Highways	13,691	13,348	(343)
Place	38,930	35,474	(3,456)
Finance and IT	2,552	2,552	0
HR, OD & Transformation	3,558	3,107	(451)
Customer Services	40	40	0
Total Expenditure	74,174	68,689	(5,485)
Resources:			
Prudential Borrowing	(28,824)	(25,220)	3,604
Capital Receipts	(290)	(290)	0
Reserves	(185)	(35)	150
Government Grants	(11,262)	(11,313)	(51)
Other Grants	(26,491)	(26,491)	0
Developers Contributions (S106)	(7,122)	(5,340)	1,782
Total Resources	(74,174)	(68,689)	5,485
Forecast Overspend in Resources	0	0	0

13.2 Table 1 illustrates a projected outturn at the end of the financial year of £68.689m, which is £5.485m less than the latest agreed budget for the year. This forecast variance is further analysed in Table 2 below.

Table 2: – Analysis of forecast variance

	Re-profiling of expenditure at Month 6	Capital schemes requiring additional funding	Completed Projects	Forecast variance against budget at Month 6
	£'000	£'000	£'000	£'000
Expenditure:				
Children's Service	(750)	0	0	(750)
Adult, Housing & Health	0	0	(380)	(380)
Housing General Fund	(105)	0	0	(105)
Environment & Highways	(343)	0	0	(343)

¹ The schools capital budget is designed around academic years and officers are confident that this will be defrayed in full within the current academic year

	Re-profiling of expenditure at Month 6	Capital schemes requiring additional funding	Completed Projects	Forecast variance against budget at Month 6
Place	(3,443)	0	(13)	(3,456)
Finance and IT	0	0	0	0
HR, OD & Transformation	(451)	0	0	(451)
Customer Services	0	0	0	0
Total	(5,092)	0	(393)	(5,485)

- 13.3 Table 2 shows that the forecast underspend is principally due to slippage/budget re-profiling on current schemes (£5.092m). Consequently the funding remains allocated to specific current schemes.
- 13.4 In addition, works to rebuild East Tilbury Library following the fire in January 2017 are expected to complete £0.380m under the agreed budget.
- 13.5 A list of schemes where the variance is greater than £0.25m is shown in Appendix 2.
- 13.6 A number of capital schemes are also expected to complete construction in future years with expenditure totalling £63.703m. Budgets for these schemes have been profiled accordingly. The largest of the schemes relates to the A13 widening project with expected future years spend of £42.849m.
- 13.7 In addition, the following schemes and allocations have Council approval but are dependent on scheme development and/or third parties:

Table 3: Capital Programme – Schemes under development

	Projected Scheme Budget
	£'000's
Purfleet Regeneration	15,277
School Improvements	18,404
Grays South Development	8,700
21 st Century Care Home	8,000
The Central Grays Civic Buildings Optimisation project	3,890
Total Schemes under development	54,271
Resources:	
Prudential Borrowing	(35,867)
Government and Other Grants	(18,404)
Total Resources	(54,271)
Forecast Overspend in Resources	0

14 Housing Revenue Account Schemes

- 14.1 The current position for Housing Revenue Account schemes for 2018/19 is summarised in Table 4.

Table 4: HRA Capital Programme – Projected Outturn

	Latest Agreed Budget	Projected Outturn to 31/03/2019
	£'000's	£'000's
Expenditure:		
Transforming Homes	12,162	11,710
Housing Development	13,870	7,440
Total Expenditure	26,032	19,150
Resources:		
Prudential Borrowing	(9,710)	(5,210)
Capital Receipts	(5,112)	(3,247)
Reserves	(542)	(25)
Government & Other Grants	0	0
Major Repairs Reserve	(10,668)	(10,668)
Total Resources	(26,032)	(19,150)
Forecast Overspend in Resources	0	0

- 14.2 The budget for Transforming Homes in 2018/19 is £12.162m. Spend as at 30 September 2018 was £3.233m. Works to the Telecare system have forecast additional spend of £0.065m (compared to £0.102m at Q1), which will be funded from the Housing usable capital receipts.
- 14.3 The revised budgets for 2018/19 for HRA New Build Schemes are set out below. The current forecast is £7.44m against a budget of £13.87m. These projects will utilise receipts held under Right to Buy sharing agreement between the Council and the MHCLG.

Table 5: HRA New Build Schemes

	Revised Budget	Spend YTD	Forecast	Variance from Revised Budget	
	£000	£000	£000	£000	%
Calcutta Rd	4,300	6	1,810	(2,490)	(58%)
Claudian Way	4,120	752	3,650	(470)	(11%)
Tops Club	5,450	152	1,980	(3,470)	(64%)
Total	13,870	910	7,440	(6,430)	(46%)

- 14.4 Progress on each scheme is set out below:

Calcutta Road

This project was the subject of a tendering exercise in 2017 through a framework that failed to produce a bid within budget. The project was retendered and following evaluation and clarification of tenders a single contractor has been selected as preferred contractor and final value engineering is taking place prior to contract award and there will be further consideration of the scheme in December 2018. The project is currently estimated at an 80 week construction period completing in 2020. The next steps post award involves the discharge of pre-commencement planning conditions and further detailed design development by the contractor.

Claudian Way

United Living has been appointed under Stage 1 of a two stage tendering process. The contractor has commenced detailed site investigation works, works to relocate services and final detailed design has been carried out under a pre-contract services agreement. The contract award technical report has been completed to enable contract award with preparatory works around utility diversions already commencing on site. This project has an estimated 69 week construction timeframe with completion in 2020.

Tops Club

All pre-commencement planning conditions have been discharged and the agreed tender price has been finalised. Contract award has been completed and the contract in the process of being signed. Demolition and utility diversion works for a power cable are complete and site hoarding together with Council signage is being erected. Estimated completion remains at Quarter 4 of 2019/20.

15 Thurrock Regeneration Ltd.

- 15.1 Thurrock Regeneration Ltd has agreement to proceed with its second scheme, an 80 unit development at Belmont Road. Borrowing of £25m has been approved and the project is expected to commence within this financial year. It is anticipated that costs circa £2.5m will be incurred during the current financial year with the scheme completing in Autumn 2020.

16 Reasons for Recommendation

- 16.1 The council has a statutory requirement to set a balanced budget annually. This report sets out the budget pressures in 2018/19 along with actions to mitigate these pressures and deliver a breakeven position.
- 16.2 There is a legal requirement for a Treasury Management Mid-Year Report to be submitted to Cabinet. This report has been written in line with best practice.
- 16.3 The recommendations are to ensure that Cabinet and Members are aware of the current status of the Capital Programme.
- 16.4 The report shows that budget surpluses have been achieved and allows the Cabinet to allocate the 2018/19 budget surplus to new and enhanced services for the borough.

17 Consultation (including Overview and Scrutiny, if applicable)

- 17.1 This report is based on consultation with the services, Directors' Board and portfolio holders.
- 17.2 The council's Treasury Advisors, Arlingclose, provide credit and accounting advice with long term investment due diligence provided by industry experts.
- 17.3 The school capital programme and other identified works have been subject to extensive consultation with key stakeholders. The principle has been agreed with schools and the detailed build content is being agreed with the relevant schools. Consultation will continue with each school and key stakeholders as each scheme and works develop within the programme.
- 17.4 The principle has been agreed with schools and any detailed build content will be agreed with the relevant schools. Consultation will continue with each school and key stakeholder, as each scheme and schedule of works evolves within the programme.

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

- 18.1 The implementation of previous savings proposals has already reduced service delivery levels and the council's ability to meet statutory requirements, impacting on the community and staff. There is a risk that some agreed savings and mitigation may result in increased demand for more costly interventions if needs escalate particularly in social care. The potential impact on the council's ability to safeguard children and adults will be kept carefully under review and mitigating actions taken where required.
- 18.2 The council has developed a balanced MTFs over five years that enables a more strategic view of the longer term funding requirements of the council to be taken. This view is vital in an area with projections for significant increases in the population over the next 20 years with associated demand for homes, schools, healthcare and council services.
- 18.3 The budget provides the finance to support capital projects that meet the corporate priorities. Any changes to the budgets may impact, positively or negatively, on the delivery of these priorities and the Council's performance, with a corresponding impact on the community.
- 18.4 The improvement in the educational facilities in Thurrock schools is part of the council's delivery of its Education Capital Strategy and supports the council's prioritisation of educational standards and pupil progress by helping to create great places for learning in the borough.

19 Implications

19.1 Financial

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

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

Council officers have a legal responsibility to ensure that the Council can contain spend within its available resources. Regular budget monitoring reports continue to come to Cabinet and be considered by the Directors Board and management teams in order to maintain effective controls on expenditure during this period of enhanced risk. 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.

Investments have been undertaken within the financial year, in line with agreed targets and the strategy, which support a forecast favourable budget position. This has allowed the Council to finance some in year budget pressures that would otherwise have been financed from service reductions or reserves.

The forecast level of overall net income is dependent on the prevailing rate of borrowing remaining in line with the current projections. These remain subject to change depending on external economic factors. An element of contingency is built into the forecast to account for this and should additional income arise then this will form part of any surplus carry forward into reserves and available for future years.

The General Fund Capital Programme is projected to have available resources of £5.485m at the end of the current financial year and these will be carried forward to fund schemes either in development or currently in progress. In addition, the programme also includes £54.271m for schemes that are dependent on scheme development and/or third parties. Through the active management of the programme the Council continues to maximise the resources at its disposal.

19.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Law & Governance

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.

This report provides an update and allows Members to review the adequacy of existing budgets.

In determining its affordable borrowing limits under section 3 of the Local Government Act 2003, the Council must have regard to the "Prudential Code for Capital Finance in Local Authorities" (revised Edition 2007) published by CIPFA. In carrying out its functions under Chapter 1, Part 1 of the Local Government Act 2003, the Council must have regard to the code of practice contained in the document "Treasury Management in the Public Sector : Code of Practice and Cross-Sectoral Guidance Notes" (Revised Edition 2009) published by CIPFA.

The Council has a duty under the Education Act 2006 to ensure the provision of “sufficient schools” for the provision of primary and secondary education in their area.

19.3 **Diversity and Equality**

Implications verified by: **Becky Price**
Community Development and Equalities

There are no specific diversity and equality implications arising from this report.

19.4 **Other implications**

(Where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

The Council has developed a balanced MTFs over four years that enables a more strategic view of the longer term funding requirements of the council to be taken. This view is vital in an area with projections for significant increases in the population over the next 20 years with associated demand for homes, schools, healthcare and council services.

The delivery of council priorities has also been enabled by the approach and examples to date include:

- Significant improvement in the cleanliness and appearance of the borough;
- Improved quality of local highways;
- Actions taken to tackle specific Anti-Social Behaviour issues;
- Funding to challenge Highways England on the Lower Thames Crossing;
- Allocated funding for additional Police resource in the borough; and
- Local funding allocated to supporting residents with mental health and debt problems.

20 **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):

There are various working papers retained within the finance and service sections.

21 **Appendices to the report**

- Appendix 1 – Summary of General Fund Capital Programme
- Appendix 2 – Re-profiling of General Fund Schemes
- Appendix 3 – Medium Term Financial Strategy

Report Author:

Jonathan Wilson

Assistant Director - Finance

Table 5 – Summary of the 2018/19 General Fund Capital Programme	Approved Budget			Projected Outturn			CY Spend (Sep-18)	% Spend against CY Forecast
	2018/19	2019/20	2020/22	2018/19	2019/20	2020/22		
Childrens Service	£'000 11,034	£'000 3,795	£'000 0	£'000 10,284	£'000 4,545	£'000 0	£'000 3,627	35.27
Adults; Housing and Health								
Provider Services	583	0	0	583	0	0	6	1.03
Better Care	895	362	0	895	362	0	197	22.00
Community Development	1,340	0	0	960	0	0	0	0.00
	2,818	362	0	2,438	362	0	203	8.33
Housing General Fund								
Community Hubs	1,501	0	0	1,396	105	0	32	2.29
Private Sector Housing	50	100	135	50	100	135	3	6.00
	1,551	100	135	1,446	205	135	35	2.42
Environment and Highways								
Highways Infrastructure	40	0	0	40	0	0	15	37.50
Highways Maintenance	4,861	100	80	4,861	100	80	1,702	35.00
Resident Services	299	2,174	0	299	2,174	0	129	43.00
Environment	8,491	2,481	0	8,148	2,824	0	3,433	42.00
	13,691	4,755	80	13,348	5,098	80	5,279	39.55
Place								
Place Delivery - Highways Major Projects	26,167	35,862	9,691	26,167	35,862	9,691	7,498	28.65
Place Delivery - Regeneration	7,863	5,774	1,120	6,313	7,324	1,120	550	8.71
Planning and Transportation	2,812	503	0	2,078	1,237	0	630	30.32
Corporate Buildings	2,088	486	40	916	1,199	486	240	26.20
	38,930	42,625	10,851	35,474	45,622	11,297	8,918	25.14
Finance and I.T.	2,552	0	0	2,552	0	0	644	25.24
HR, OD and Transformation	3,558	1,000	0	3,107	1,451	0	815	26.23
Customer Services	40	0	0	40	0	0	8	20.00
Total Expenditure - General	74,174	52,637	11,066	68,689	57,283	11,512	19,529	28.43

Table 6 – Summary of the 2018/19 General Fund Capital Programme, by scheme status	Project Status	Approved Budget			Projected Outturn			CY Spend (Sep-18)	% Spend against CY Forecast
		2018/19	2019/20	2020/22	2018/19	2019/20	2020/22		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
	<i>Not yet started</i>	38	0	0	38	0	0	0	
	<i>Planning decision</i>	1,500	0	0	750	750	0	0	
	<i>Work commenced</i>	8,140	3,795	0	8,140	3,795	0	3,291	
	<i>Scheme completed</i>	516	0	0	516	0	0	266	
	<i>Completed retention o/s</i>	2	0	0	2	0	0	0	
	<i>Demand led</i>	794	0	0	794	0	0	26	
	<i>Devolved to schools</i>	44	0	0	44	0	0	44	
Total: Childrens Service		11,034	3,795	0	10,284	4,545	0	3,627	35.27
	<i>Out to tender</i>	0	0	0	0	0	0	0	
	<i>Contract formation</i>	1,081	0	0	701	0	0	0	
	<i>Work commenced</i>	616	0	0	633	0	0	91	
	<i>Scheme completed</i>	113	0	0	122	0	0	122	
	<i>On hold</i>	240	0	0	240	0	0	0	
	<i>Demand led</i>	368	362	0	342	362	0	-10	
	<i>Feasibility Stage</i>	400	0	0	400	0	0	0	
Total: Adults; Housing and Health		2,818	362	0	2,438	362	0	203	8.33
	<i>Not yet started</i>	83	0	0	15	69	0	0	
	<i>Demand led</i>	1,468	100	135	1,431	136	135	35	
Total: Housing General Fund		1,551	100	135	1,446	205	135	35	2.42
	<i>Not yet started</i>	180	0	0	159	21	0	27	
	<i>Planning decision</i>	504	1,800	0	504	1,800	0	55	
	<i>Work commenced</i>	6,229	1,792	80	6,229	1,792	80	1,871	
	<i>Scheme completed</i>	81	0	0	81	0	0	81	
	<i>On hold</i>	322	756	0	0	1,078	0	0	
	<i>Demand led</i>	6,375	407	0	6,375	407	0	3,245	
Total: Environment and Highways		13,691	4,755	80	13,348	5,098	80	5,279	39.55
	<i>Not applicable</i>	1,491	0	0	1,491	0	0	0	
	<i>Not yet started</i>	1,013	190	0	748	455	0	28	
	<i>Design stage</i>	3,790	582	1,050	3,263	1,159	1,050	351	
	<i>Work commenced</i>	28,364	37,108	9,731	28,163	37,307	9,731	7,773	
	<i>Scheme completed</i>	570	0	0	490	0	0	505	
	<i>On hold</i>	1,139	4,745	70	150	5,288	516	0	
	<i>Demand led</i>	2,505	0	0	1,111	1,413	0	203	
	<i>Feasibility Stage</i>	58	0	0	58	0	0	58	
Total: Place		38,930	42,625	10,851	35,474	45,622	11,297	8,918	25.14
	<i>Not yet started</i>	414	0	0	414	0	0	0	
	<i>Work commenced</i>	2,138	0	0	2,138	0	0	644	
Total: Finance and I.T.		2,552	0	0	2,552	0	0	644	25.24
	<i>Design stage</i>	500	0	0	500	0	0	10	
	<i>Work commenced</i>	2,502	1,000	0	2,502	1,000	0	805	
	<i>On hold</i>	556	0	0	105	451	0	0	
Total: HR, OD and Transformation		3,558	1,000	0	3,107	1,451	0	815	26.23
	<i>Scheme completed</i>	40	0	0	40	0	0	8	

Total: Customer Services	40	0	0	40	0	0	8	20.00
Total Expenditure - General Fund	74,174	52,637	11,066	68,689	57,283	11,512	19,529	28.43

Table 7 – Summary of the 2018/19 Housing Revenue Account Capital Programme	Approved Budget			Projected Outturn			CY Spend (Sep-18)	% Spend against CY Forecast
	2018/19	2019/20	2020/22	2018/19	2019/20	2020/22		
Adults, Health and Housing	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Provider Services	13,870	17,520	0	7,440	20,990	2,960	910	
Better Care	12,162	0	0	11,710	517	0	3,233	
Total Expenditure - HRA	26,032	17,520	0	19,150	21,507	2,960	4,143	21.63

Table 8 – Summary of the 2018/19 Housing Revenue Account Capital Programme, by scheme status	Project Status	Approved Budget			Projected Outturn			CY Spend (Sep-18)	% Spend against CY Forecast
		2018/19	2019/20	2020/22	2018/19	2019/20	2020/22		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
	<i>Contract formation</i>	8,420	14,880	0	5,460	14,880	2,960	758	
	<i>Work commenced</i>	17,612	2,640	0	13,690	6,627	0	3,385	
Total Adults, Health and Housing - HRA		26,032	17,520	0	19,150	21,507	2,960	4,143	21.63

Table 9 - Scheme Reprofileing	Reprofileing £000's	Reason
Purfleet SELEP Land Acquisition	(1,200)	Some expenditure expected to be spent soon, remainder of budget not likely to be spent and should be re-profiled into 2019/20
Corringham Primary School - Nursery Provision	(750)	Project has been delayed and needs to back to planning committee. Reprofile of budget to match expected spend profile.
Document and Information Management - Phase 2	(451)	Next phase will digitise the mailroom. Remainder of project on hold. Reprofile of budget to align with expected spend.
Grays Riverside Park - Replace Splash Pool & Water Features	(322)	Project is pending discussions with community groups. Re-profileing of budget to align with expected
Lakeside Basin	(299)	Project at design stage. Reprofile of budget to match expected spend profile.
Civic Offices - Lift replacements and upgrades	(254)	Project is currently on hold, pending design and build of Civic Offices extension. Reprofile of budget.

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APPENDIX 3 – MEDIUM TERM FINANCIAL STRATEGY 2019/20 – 2023/24

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	(2,625)	(1,997)	(2,061)	(2,129)	(2,192)
Council Tax Social Care Precept	(48)	(48)	(49)	(49)	(50)
	<u>(2,673)</u>	<u>(2,045)</u>	<u>(2,109)</u>	<u>(2,178)</u>	<u>(2,242)</u>
Business Rates Precept					
	<u>(378)</u>	<u>(658)</u>	<u>(500)</u>	<u>(500)</u>	<u>(250)</u>
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
	<u>4,525</u>	<u>856</u>	<u>879</u>	<u>500</u>	<u>500</u>
Net Additional (Reduction) in resources	1,474	(1,848)	(1,730)	(2,178)	(1,992)
3. Inflation and other increases					
Pay award at 2%, Increments and legislative changes	3,150	2,214	2,281	2,350	2,421
Contractual and non contractual inflation	746	744	799	859	924
	<u>3,895</u>	<u>2,958</u>	<u>3,081</u>	<u>3,210</u>	<u>3,345</u>
4. 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
5. Demographic and Economic Pressures					
	<u>3,000</u>	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>
6. Services Design Principals and Strategic Boards					
	<u>(2,226)</u>	<u>(900)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>0</u>
Position before carry forward	(5,334)	232	2,215	1,007	3,918
C/f Position	(2,488)	(7,822)	(7,590)	(5,375)	(4,368)
Position after carry forward	(7,822)	(7,590)	(5,375)	(4,368)	(450)

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12 December 2018	ITEM: 15
Cabinet	
Mid-Year/Quarter 2 Corporate Performance Report 2018/19	
Wards and communities affected: All	Key Decision: Non-key
Report of: Cllr Deborah Huelin, Cabinet Member for Communities	
Accountable Assistant Director: n/a	
Accountable Director: Karen Wheeler, Director of Strategy, Communications & Customer Services	
This report is: Public	

Executive Summary

This is the mid-year corporate performance monitoring report for 2018/19.

This report details the statistical evidence the council will use to monitor the progress and performance against the council's priorities.

This report provides a progress update in relation to the performance of those KPIs, including a focus on some specific highlights and challenges. 71% of the corporate key performance indicators met their target as at the end of September. This is better than both Quarter 1 and the same time last year, when 67.5% of KPIs were hitting target. As we continue to improve, this is very positive, and the highest percentage on target in recent years.

For 2018/19, these set of indicators were agreed by Cabinet in July 2018 and were reviewed in line with the new vision and priorities agreed by Council on 31 January 2018.

- 1. Recommendation(s)**
 - 1.1 To note and comment upon the performance of the key corporate performance indicators in particular those areas which are off target**
 - 1.2 To identify any areas which require additional consideration**

2. Introduction and Background

- 2.1. The performance of the priority activities of the council is monitored through the Corporate KPI (Key Performance Indicator) framework. This provides a mixture of strategic and operational indicators and is the outcome of a full and thorough review of KPIs and other performance tools in line with recommendations made by Corporate Overview and Scrutiny in 2015/16.
- 2.2. The purpose of the review was to make the performance framework as clear and simple to understand as possible, whilst balancing the need to ensure the council is monitoring those things which are of most importance, both operationally and strategically.
- 2.3. For 2018/19, the set of indicators has been reviewed in line with the new vision and priorities agreed by Council on 31 January 2018 and were presented to Corporate Overview and Scrutiny Committee in June 2018 and Cabinet in July 2018 alongside the End of Year Corporate Performance Report 2017/18. They will be reported to both Corporate Overview and Scrutiny Committee and, then on to Cabinet, on a quarterly basis, throughout 2018/19.

3.1 Issues, Options and Analysis of Options

- 3.1.1 This report is a monitoring report, therefore there is no options analysis.

3.2 Summary of Corporate KPI Performance

Quarter 2 Performance against target		Direction of Travel compared to 2017/18	
Achieved	71% (29)	↑ BETTER	48% (14)
		→ STATIC	21% (6)
Failed	29% (12)	↓ WORSE	31% (9)

3.3 On target performance

71% of the corporate KPIs are currently achieving their targets. This is better than both Quarter 1 and the same time last year, when 67.5% of KPIs were hitting target.

PFH	Indicator Definition	2017/18 Outturn	Qtr 1 YTD	Qtr 2 YTD	Direction of Travel since 2017/18	Q2 Target	2018/19 Target
Cllr Little	Permanent admissions of older people (65+) to residential / nursing care homes, per 100,000 pop'n	649 per 100,000	161	289	↑	336	677 per 100,000
Cllr Little	Proportion of people using social care who receive direct payments and individual service funds	37.14%	36.14%	37.17%	↑	34.8%	36%
Cllr Johnson	Average time to turnaround/re-let voids (in days)	30.6 days	26.96 days	27.42 days	↑	28 days	28 days
Cllr Coxshall	% of Major planning applications processed in 13 weeks	97%	100%	100%	↑	90%	90%
Cllr Watkins	% of potholes repaired within policy and agreed timeframe	97.10%	99.4%	98.89%	↑	98%	98%
Cllr Collins	No of new apprenticeships started (incl current staff undertaking new apprentice standards) as percentage of total workforce	40	6	43	↑	25	56 new starts (2.3% of the workforce)
Cllr Little	Average time (in days) for a child to be adopted (3 year average)	369 days	403 days	374 days	↑	500 days	500 days
Cllr Little	% of young people who reoffend after a previously recorded offence	30%	30%	10%	↑	30%	30%
Cllr Little	Number of delayed transfers of care days from hospital (attrib. to NHS, ASC & Joint)	3451	385	821 (1206)	↑	869 (1779)	3,288
Cllr Little	Permanent admissions of younger adults (18-64) to residential/nursing care homes, per 100,000 pop'n	7 per 100,000	3	4	↑	4	9 per 100,000
Cllr Huelin	Number of volunteers within the council (YTD)	247	153	225	↑	220	270
Cllr Halden	Successful completion of treatment in Young People's Drug & Alcohol service (YTD)	86%	86%	87.5%	→	70%	70%
Cllr Coxshall	% of Minor planning applications processed in 8 weeks	100%	100%	100%	→	90%	90%
Cllr Hebb	Overall spend to budget on General Fund (% variance)	-5%	0%	0%	→	0%	0%
Cllr Hebb	Forecast National Non-Domestic Rates (NNDR) collected	99.81%	99.30%	99.30%	→	99.30%	99.30%
Cllr Hebb	Forecast Council Tax collected	98.82%	98.90%	98.90%	→	98.90%	98.90%
Cllr Johnson	Overall spend to budget on HRA (£K variance)	£0	£0	£0	→	£0	£0
Cllr Coxshall	No of Thurrock businesses benefitting from ERDF programmes	new KPI	15	27	n/a	25	45
Cllr Johnson	% Rent collected	99%	90.90%	94.50%	n/a	98%	98%
Cllr Johnson	Number of health hazards removed as a direct result of private sector housing team intervention	new KPI	210	441	n/a	800	800
Cllr Johnson	Tenant satisfaction with Transforming Homes	new KPI	90.50%	89%	n/a	85%	85%
Cllr Huelin	Number of "exchanges" carried out through time-banking (in hours)	23486	5,158	6,627 (Prov)	n/a	6,000	12,000
Cllr Halden	Number of additional hypertensive patients diagnosed following screening programmes	949	148	254	n/a	200	400
Cllr Halden	Number of GP practices with a profile card and agreed joint priorities within preceding 12 months	new KPI	55	86	n/a	85	93%

PFH	Indicator Definition	2017/18 Outturn	Qtr 1 YTD	Qtr 2 YTD	Direction of Travel since 2017/18	Q2 Target	2018/19 Target
Cllr Johnson	No of HRA-funded homes (units) that have started to be built since 1 April 2018	<i>new KPI</i>	0	29	n/a	29	117
Cllr Watkins	% of Abandoned Vehicles removed within 21 days of notification	<i>new KPI</i>	n/a	100	n/a	n/a	Baseline for 2018/19
Cllr Johnson	Number of "Family Connection" Homeless Households in Bed & Breakfast For Six Weeks or More	<i>new KPI</i>	1	0	n/a	0	0
Cllr Johnson	% of repairs completed within target	97.5%	96.40%	96.00%	↓	95%	95%
Cllr Hebb	Total gross external income (fees & charges) (based on sales forecast)	£8,000k	£8,724k	£8,602k	↓	£8,286k	£8,286k
Cllr Watkins	Street Cleanliness - a) Litter	9%	7.67 <i>Tranche 1</i>	n/a	n/a	n/a	9%
Cllr Watkins	Street Cleanliness - c) Graffiti	2.18%	2.33 <i>Tranche 1</i>	n/a	n/a	n/a	3%
Cllr Collins	% of media enquiries responded to within 24 hours	<i>new KPI</i>	40.20%	41.50%	n/a	n/a	no target - baseline year

3.4 In focus indicators

Indicator Definition	PFH	2017/18 Outturn	Qtr 1 YTD	Qtr 2 YTD	Direction of Travel since 2017/18	Q2 Target	2018/19 Target
Number of volunteers within the council (YTD)	Cllr Huelin	247	153	225	↑	220	270
<p>The Community Development and Equalities Team have worked closely with HR and OD through this quarter to increase the pace and efficiency of the recruitment process leading to a significant increase in the number of new volunteers that have joined the programme between July -September. Further actions to reduce the timescale for recruiting volunteers will be completed in Quarter 3 including working with Volunteer Managers.</p>							
No of new apprenticeships started (incl current staff undertaking new apprentice standards) as a percentage of the total workforce	Cllr Collins	40	6	43	↑	25	56 new starts (2.3% of the workforce)
<p>As at the end of September, the Council has already recruited over three quarters of the apprentices needed to achieve the year-end target. The 43 apprentices recruited during the first six months of 2018/19 is over twice as many as were recruited in the same period last year, and this improvement in performance has been achieved by a number of initiatives including:</p> <ul style="list-style-type: none"> - a dedicated apprentice recruitment day held in July to attract school leavers after their exams - "Directorate Apprentice Recruitment Challenge" which has established target numbers of apprentices for all directorates to recruit - Directorate Apprentice Champions to provide a lead officer within every directorate for apprenticeships to work with the HR&OD team to ensure that good quality apprenticeships are offered across the council at a variety of entry levels 							
% of repairs completed within target	Cllr Johnson	97.5%	96.40%	96.00%	↓	95%	95%
<p>The target for this indicator has changed from 97% to 95% to bring it in line with the contractual target. This is because whilst the council had set itself an aspirational target of 97%, the contractual target was 95% and therefore, whilst the service will always strive to be aspirational, the council cannot require the contractors to perform above 95%.</p>							

3.5 Off target indicators

At the end of quarter 2, 12 indicators failed to meet their target.

Indicator Definition	PFH	2017/18 Outturn	Qtr 1 YTD	Qtr 2 YTD	Direction of Travel since 2017/18	Q2 Target	2018/19 Target
% Household waste reused/ recycled/ composted	Cllr Watkins	36.97%	41.7%	40.99%	↑	45.5%	41%
<p>In September there was a decreased tonnage of dry mixed recyclables collected and contamination remains quite high. The composting tonnage was on a par with the previous month. Despite this the cumulative figure (40.99%) is at a slightly higher level as the same point in the previous reporting year (40.74%). Some of the work underway to manage the recycling levels includes the introduction of "Oops!" tags to inform residents when they are placing non-recyclables in the recycling bin. We have also commenced a pilot for multi-occupancy properties to understand how best to support those residents in recycling their household waste. In addition, the ongoing social media campaign has helped to remind residents of what goes into each bin.</p>							
Average sickness absence days per FTE	Cllr Collins	9.95 days	2.28 days	4.99 days	↑	4.5 days	9 days
<p>Mental health was the most prevalent absence driver in September, although the number of individuals absent due to stress/anxiety reduced from the previous month. To address this the HR Advisory Hub are holding 'drop-in surgeries' specific to each Directorate to provide additional support to managers to assist and coach them in managing sickness absence in their teams, focusing on stress / anxiety and long term sickness cases.</p> <p>A targeted corporate project has been established to address sickness absence and a range of activities are underway. The project team are currently reviewing non-compliance with return to work and sickness absence triggers and have established a process for the use of posture clinics and physiotherapy to address musculoskeletal absence which is the second most common driver of sickness absence.</p> <p>Departmental Management Teams are expanding existing sickness absence action plans to address outstanding trigger alerts and focus attention on timely return to work completion.</p> <p>Further ongoing support is being provided by the Occupational Health team who have dedicated time each month to meet with managers on an informal basis to explore individual cases or advise on themes which may be impacting attendance or performance within teams.</p>							
% timeliness of response to all complaints	Cllr Collins	83%	86%	87%	↑	95%	95%
<p>The target set for this indicator is high. Performance is regularly monitored with monthly reporting produced for senior management with a view to improving performance. To support services the complaints team copy in Senior Management into all chase ups they issue and have introduced an additional chase up on the day prior to deadline day. In addition to this the complaints team have met with certain services who receive a high volume of complaints to review their processes with a view to improving performance going forward.</p>							
Payment rate of Fixed Penalty Notices (FPNs) - littering	Cllr Gledhill	<i>new KPI</i>	57.67%	63.6%	n/a	70%	70%
<p>Payment rates continue to remain below target following minimum fee increases in April, although September has seen an improvement. Prosecution of non-payment is taking place and successful outcomes promoted via the media. Ongoing monitoring is taking place and the Council's zero based tolerance approach continues.</p>							
Proportion of older people (65+) still at home 91 days after discharge from hospital into reablement/ rehabilitation	Cllr Little	<i>new KPI</i>	91.82%	88.12%	n/a	91.3%	91.3%
<p>Quarter 2 is 3.18% under target. Of the 101 individuals who were discharged from hospital into the Joint Reablement Service in the period, 89 were still at home 91 days later. Of the 12 who were not at home, 4 had passed away, 7 were in hospital and 1 had moved to residential care. Due to the fragility of the home care market, the Joint Reablement Team has been required to provide mainstream home care, which has impacted on their ability to deliver reablement and may have affected performance. Work is progressing to stabilise the market and two new providers have commenced delivering home care from week commencing 8 October.</p>							
% of all complaints upheld (based on closed complaints)	Cllr Collins	40%	47%	46%	↓	35%	35%
<p>This is higher than target and will be monitored by the Learning Action Plan process. To reduce the overall percentage upheld will require a reduction in upheld complaints for those service areas that attract a higher volume of complaints (e.g. missed bins). However it is worth noting that overall complaint volumes are decreasing. Last year's annual report highlighted a significant reduction (41%) which is positive.</p>							

Indicator Definition	PFH	2017/18 Outturn	Qtr 1 YTD	Qtr 2 YTD	Direction of Travel since 2017/18	Q2 Target	2018/19 Target
% General tenant satisfaction with neighbourhoods/services provided by Housing	Cllr Johnson	70%	65.30%	66.6%	↓	75%	75%
<p>Resident satisfaction with services provided by Housing in September has improved by 5% in comparison with August and the Quarter 2 year to date (YTD) outturn has improved by 1.3% in comparison with Quarter 1. Analysis has shown that one of the key drivers for dissatisfaction this year has been the way we communicate and engage with our residents. As a result we are currently enhancing the way we engage with our residents by inviting members of the Tenants Excellence Panel to become more involved in service delivery by setting up several sub groups for repairs, policy development, estate inspections, voids, fire safety and customer satisfaction. We are also developing a residents' newsletter to help us keep residents informed of issues which affect them.</p> <p>Another key driver of dissatisfaction this year has been specific issues with repairs, particularly surrounding priority timescales and issues with external capital elements such as windows and front doors. To address the priority timescale issue we are working closely with Mears to ensure residents understand the reason their repair has been assigned a particular priority timescale when the repair is initially reported. Mears are also delivering a glazing batched programme annually in order to replace misted double glazed units which require replacement. In addition to this, the focus of the Transforming Homes programme will move onto external elements in 2019/20 with the replacement of single glazed windows being the first priority.</p>							
% of refuse bins emptied on correct day	Cllr Watkins	98.23%	96.53%	96.49%	↓	98.5%	98.5%
<p>Performance remains below target for September. The service continues to progress a recovery program which includes the recruitment of bank staff and a shunter driver pilot, which is showing some gradual improvement. Indeed in October latest indications show that 99.67% of bins were emptied on the correct day, and as such the team is hopeful to be able to report overall improved performance in quarter 3.</p>							
% of 17-21 yr old Care Leavers in Education, Employment or Training (EET)	Cllr Little	72.40%	69.5%	68.3%	↓	70%	70%
<p>Although performance is below target, worse than last year and benchmark groups, this figure would be on target if there were no missing unaccompanied asylum seekers in this period. This will continue to be monitored closely.</p>							
% of primary schools judged "good" or better	Cllr Halden	97%	95%	92%	↓	94%	94%
<p>The DFEs official methodology for this indicator has changed since the reporting of Quarter 1 data. Where schools have not yet been inspected in their current form (under their current unique reference number - URN), calculations now include the inspection outcomes of predecessor schools. For Quarter 2, as per the new methodology, 36 of 39 schools are judged good or better by Ofsted. Since Quarter 1 one primary, Herringham Primary Academy, has changed from Good to Requires Improvement. In addition, two schools which were previously excluded from the calculation are now included with the inspection outcomes of their predecessor schools (both 'good'). The numerator has therefore increased from 35 to 36 and the denominator has increased from 37 to 39.</p>							
% NEET + Unknown 16-17 year olds (Age at start of academic year)	Cllr Halden	2.10%	2.0%	8.8%	↓	2%	2%
<p>September - October sees an annual spike in the figures due to the change in educational cohorts. This year nearly 4,000 young people needed their destinations reconfirming. The team is working hard to update this information. The target will be achieved by November when the unknown figure is expected to go down to '0'.</p>							
Number of places accessed for two year olds for early years education in the borough	Cllr Halden	659 (73.4%)	Not Due (termly indicator)	620 (70.7%)	↓	75% of DWP total	75% of DWP total
<p>A total of 620 out of 876 children accessed their Two Year Entitlement funding during the summer 2018 term. This equates to 70.7% take up. Four fewer children accessed their entitlement than the same time last year. The service is aware of 44 eligible children whose parents wanted to wait for a place to become available from the autumn term with their chosen childcare provider, rather than take up a place with a different provider in the summer term. Had they taken a place in the summer term take up would have risen to 75.7%. Parents have been traditionally reluctant to access their 2YE funding with a childminder and the service is promoting take up with this group of providers.</p>							

3.6 Other key indicators

Throughout the year the council also monitors some other indicators as part of the corporate scorecard which, whilst not performance related, are important to keep under review.

PFH	Corporate Scorecard Indicator Definition	2017/18 Outturn	Qtr 1 Cumulative YTD	Qtr 2 Cumulative YTD	Direction of Travel since 2017/18
Cllr Johnson	Number of households at risk of homelessness approaching the Council for assistance	<i>new KPI</i>	385	761	n/a
Cllr Johnson	No of homeless cases accepted	<i>new KPI</i>	50	93	n/a
Cllr Collins	No of media enquiries received	<i>new KPI</i>	97	188	n/a
Cllr Gledhill	Number of statutory nuisance complaints made	2367	718	1552	↑
Cllr Gledhill	Number of environmental (public) health interventions requested	250	103	185	↑
Cllr Gledhill	No of incidents of Fly tipping reported	1829	670	1225	↑
Cllr Gledhill	No of incidents of Abandoned vehicles reported	1369	310	636	↓

4. Reasons for Recommendation

- 4.1 The corporate priorities and associated performance framework are fundamental to articulating what the council is aiming to achieve. It is best practice to report on the performance of the council. It shows effective levels of governance and transparency and showcases strong performance as well as an acknowledgement of where we need to improve.
- 4.2 This report highlights what the council is focussing on during 2018/19 and confirms the governance and monitoring mechanisms which will be in place to ensure that priorities are delivered.

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

- 5.1 Performance against the corporate priorities will continue to be monitored through Performance Board, a cross-council officer group of performance experts representing each service. Performance Board will continue to scrutinise the corporate KPIs on a monthly basis, highlighting areas of particular focus to Directors Board.
- 5.2 Each quarter a report will continue to be presented to Corporate Overview & Scrutiny Committee for member-led scrutiny, and finally reported to Cabinet.
- 5.3 This report was presented to Corporate Overview and Scrutiny Committee on 20 November 2018. The committee asked questions on a number of areas. They were very positive about the improvement in the recruitment levels of both volunteers and apprentices, as well as the increased tenant engagement activity, the latter of which has a more detailed report going to Housing

Overview and Scrutiny Committee. They confirmed that they will continue to focus on bin collection rates, which, whilst pleased that October figures are showing an improvement, will need to be kept under close review, particularly going into the winter months. The committee also asked questions around the role of the council in supporting schools which Ofsted judges to be less than “good”. Finally, they asked officers to consider profiling the target for NEETs (Not in Education Employment or Training) during the year to better reflect seasonal fluctuations.

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

- 6.1 The vision and priorities cascade into every bit of the council and further to our partners, through key strategies, service plans, team plans and individual objectives.
- 6.2 This report will help decision makers and other interested parties, form a view of the success of the council’s actions in meeting its political and community priority ambitions.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**

Management Accountant

The report provides an update on performance against corporate priorities. There are financial KPIs within the corporate scorecard, the performance of which are included in the report.

The council continues to operate in a challenging financial environment, therefore, where there are issues of underperformance, any recovery planning commissioned by the council may entail future financial implications, and will need to be considered as appropriate.

7.2 Legal

Implications verified by: **David Lawson**

Monitoring Officer & Assistant Director, Law and Governance

There are no direct legal implications arising from this report. However, where there are issues of underperformance, any recovery planning commissioned by the council or associated individual priority projects may have legal implications, and as such will need to be addressed separately as decisions relating to those specific activities are considered.

7.3 **Diversity and Equality**

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

The Corporate Performance Framework for 2018/19 contain measures that help determine the level of progress with meeting wider diversity and equality ambitions, including youth employment and attainment, independent living, vulnerable adults, volunteering etc. Individual commentary is given throughout the year within the regular monitoring reports regarding progress and actions.

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

The Corporate Performance Framework includes areas which affect a wide variety of issues, including those noted above. Where applicable these are covered in the 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):

N/A

9. **Appendices to the report**

N/A

Report Author:

Sarah Welton

Strategy Manager

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12 December 2018	ITEM: 16 Decision: 110492
Cabinet	
Grays South Regeneration: Civic Offices Project	
Wards and communities affected: All	Key Decision: Key
Report of: Cllr Mark Coxshall, Portfolio Holder for Regeneration	
Accountable Assistant Director: Gary Staples, Strategic Lead – Transformation	
Accountable Director: Steve Cox, Corporate Director of Place	
This report is Public	

Executive Summary

The Grays Town Centre: Civic Offices Project was first presented at Cabinet on 7 November 2017. It was agreed at that meeting that a detailed design for an extension to the existing CO2 building and the refurbishment of the ground floor of CO2 would be developed. The project will help deliver and contribute towards:

- Creating a high quality community asset for residents
- Supporting the aims of the Grays Framework in its Masterplan for the Town Centre
- Obtaining best value for money and making revenue savings
- Providing additional new homes in Grays Town Centre
- Promoting channel shift towards self-service to improve residents interaction with the Council
- Maintaining and enhancing the Council’s civic presence in Grays as part of the regeneration plans for the town
- Embedding modern and adaptable ways of working for staff which reduces the requirement for building space and associated cost
- Relocation of registrars to a new, purpose-built facility which improves the offer for these sensitive statutory Council services
- Creating further options for the redesign and improved provision for the Thameside Theatre.

Appendix A of this report contains RIBA Stage 2 designs for a three-storey extension to be built on land to the west of CO2 containing:

- A newly improved customer services area (including confidential interview rooms to better meet the needs of those who present as homeless and social care users);
- a new council chamber, suite of committee rooms and Mayor’s Parlour as the current facilities are out of date and require significant capital investment;

- improved meeting room space which will be available for hire by residents, community organisations and businesses;
- a new registrars' suite and garden which provides an appropriate setting for dignified ceremonies with access to various venue types which will accommodate the needs of customers;
- a new cafeteria for use by the public, visitors and staff.

The new provision of accommodation provided within the extension will in turn allow the CO1 building to be vacated and prepared for much needed residential development in the Grays Town Centre.

The designs are expected to achieve the BREEAM (Building Research Establishment Environmental Assessment Method) 'Outstanding' rating. To achieve this rating a cost efficient and environmentally sustainable building needs to be constructed. This building will set the benchmark for future developments in Grays Town Centre under the Grays Framework and contribute significantly to the continued improvements to the town.

This project was considered by Corporate Overview and Scrutiny Committee on 20th November. The key points which the Committee made were:

- to understand better how the scheme will bring benefits to residents and service users, and
- how the project complements and enhances the wider regeneration of Grays.

1. Recommendations

That Cabinet:

- 1.1 Approve the scheme for an extension to CO2 as set out in the body of the report and at appendix A;**
- 1.2 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; and**
 - ii a planning application for approximately 120 new residential units on the CO1 site to be submitted at a later date.**
- 1.3 Authorise officers to begin a procurement process for the appointment of a main build contractor and enter into the relevant contracts to deliver the new Civic Offices.**

2. Introduction and Background

- 2.1 The Civic Offices site falls within the Grays Master Plan Framework red-line boundary, which was agreed by Planning, Transport and Regeneration Overview and Scrutiny Committee in July 2017 and Cabinet in November**

2017. The Framework is a crucial document that sets a new vision for Grays Town Centre and identifies key interventions required to catalyse its regeneration. These interventions include: a new pedestrian underpass linking the High Street; an extension to the Civic Offices with frontage onto the High Street thereby framing a new public plaza; public realm improvements to the High Street; and the redevelopment of the Thameside Centre.

- 2.2 By placing the new extension onto the High Street, it will play a vital part in shaping Grays into a high quality place in which to live and work by acting as a catalyst and setting the tone for further development within the Town Centre and the surrounding area.
- 2.3 Following Cabinet approval in December 2017, various consultants were formally procured to develop the scheme. LSI Architects was chosen to develop the scheme from its initial concept designs to RIBA Stage 3.
- 2.4 The brief to LSI Architects was to design a building that best meets the needs of residents and businesses as well as contributing to the continued regeneration of Grays Town Centre.
- 2.5 Several internal and external organisations that frequently use the Civic Office, key organisations adjacent to the Civic Office and CABA (Commission for Architecture in the Built Environment), were consulted to inform the design of the new extension. Feedback received included:
 - the need to ensure meeting rooms are flexible and can be used by the public;
 - ensuring the building is fully accessible for people with disabilities;
 - modern fit for purpose design that enables agile working;
 - a customer services area that is welcoming, easy to use and maintains the dignity of all users;
 - a design that instils civic pride and confidence and reflects the Council's gravitas;
 - a need to have a foyer that allows multi-use, provides a café facility and can potentially be used after hours by local residents;
 - an environmentally efficient building;
 - a building that sets the tone for development in the Town Centre, enhances the townscape and its architecture is award winning;
 - a building that reflects Thurrock's and Grays' heritage in use of materials and design;
 - the need to ensure the building is integrated into the proposals for the underpass and the public realm improvements noted in the Grays' Framework;
 - the need to sensitively address the relationship with St Peter and St Paul Church.
- 2.6 Many of these suggestions are incorporated in the proposals as outlined in Appendix A. In particular, it is worth highlighting the early engagement with CABA, which has assisted in shaping the current design. CABA emphasised the need for the building to sensitively address the setting of the church and

for the building to be of exemplar design and specification that reflects Grays heritage. Ensuring the environmental efficiency of the building was also considered key, and as such the building needs to achieve an “Outstanding” BREEAM assessment.

- 2.7 The CO1 building has undergone very few modifications and upgrades to its plant and services. The building’s fabric and services are rapidly approaching “end of life”, and significant interventions need to be made. For example, the air-handling units are in need of replacement and the Building Management System (BMS), which has experienced multiple failures over the last two years, is also in need of replacement. Additionally, the building energy performance is very poor, and lighting and ICT infrastructure need replacement. The BMS for CO1 is estimated to cost circa £250k, and other refurbishment works are anticipated to cost a further £5.5m (excluding professional fees and preliminaries). Despite these refurbishment costs, the building would still have an inefficient layout and would result in unnecessary and unviable additional floor space. Much of the CO1 building has been standing empty since 2015, and there is no requirement for this additional space.

3. Issues, Options and Analysis of Options

Benefits for Grays

- 3.1 In November 2017 Cabinet approved the Grays Development Framework Refresh. The Framework provides a spatial context for the Council’s regeneration activities in implementing a range of key projects to achieve the policy objectives contained in the local plan. The Grays South Regeneration Area is identified as a key part of the Council’s strategy for the town centre. It provides for a pedestrian underpass to address significant safety issues and barrier to people accessing the town centre; linked mixed use developments on adjacent plots of land; and an extension to the Civic Offices as a coordinated phased approach to transforming Grays town centre.
- 3.2 Plans for the Civic Offices will support the delivery of the Grays Framework and together with the pedestrian underpass, will set the tone for a high quality public realm along Grays High Street and a gateway into the town from the station.
- 3.3 Designed to achieve BREEAM ‘Outstanding’ the new building will be energy efficient and will have low carbon emissions helping to make Grays a cleaner, greener place to live and work whilst also achieving savings on future building running costs. This will allow the Council to reinvest revenue savings into frontline services. The building will set the standard expected for new development in Grays and across the Borough.

Benefits for Residents

- 3.4 The Civic office scheme will bring a number of benefits to the residents of Grays as well as longer term savings and operational efficiencies for the Council.
- 3.5 The proposed extension is designed to provide flexible and multi-use spaces. This will not only facilitate Council meetings and events, but is designed to promote the Civic Centre as a Community Asset, which can be used by local residents and businesses. The proposed extension will have facilities (i.e. café that is WiFi enabled) to operate as a drop-in/touch down point for residents and local businesses, those with no study space at home and local business will have that provided by virtue of the café seating area which will be fully Wi-Fi accessible.
- 3.6 Multi-use space and rooms will be available for hire for social and business purposes ensuring a full utilisation of this asset and increased revenue generating opportunities. In doing so, it is envisaged that the Civic Office will become a key place for the local community to interact.
- 3.7 The opportunity for extended opening hours of the building will activate the immediate High Street area especially in the evening where it will contribute to the night-time economy, and it will further complement the southward extension of the High Street which is to be achieved via the proposed underpass.
- 3.8 The incorporated registrar's suite will allow statutory functions to take place in dignified surroundings whilst affording the opportunity for weddings and other ceremonies to take place in a location that has gravitas and importance.
- 3.9 The Civic Centre scheme will also result in the co-location of several public sector organisations, allowing these organisations and Council officers to work seamlessly thereby enhancing community services and benefits for local residents.
- 3.10 Interim works to the existing CO2 reception and customer areas are already proving the concept of channel shift and a self-service approach which combined with staff 'floorwalking' has seen a reduction in waiting times and unnecessary re-visits for residents. The new purpose built reception and customer service area of the extension will take this concept forward gaining further service enhancements and efficiencies.
- 3.11 The building of a new extension also allows the CO1 site, and potentially part of the Thameside Centre, to be released for much needed affordable housing to be built in the town centre. These new housing units will aim to incorporate modern design standards of environmentally sustainable and energy efficient homes resulting in lower running costs for the occupants. Additionally, these new residential units will have a positive impact in generating additional footfall for businesses in the town centre thereby supporting and sustaining existing and new businesses.

Budget and costings

3.12 In 2017, the scheme was originally anticipated to cost circa £8m. Through consultation with key stakeholder and user groups, changes in the planning approach and survey results, Table A below highlights key changes that results in a scheme that better responds to the user needs, the context of the Town Centre and also results in a higher project budget of c. £9.8m.

Table A – Additional design elements breakdown

Concept design	No additions – basic box style with rendered exterior - estimated costs		7.98m
BREEAM Outstanding	Required by planning and will set the tone for both public and private sector Masterplan developments in the future		0.5m
External works; These items are required to break up the 'box' shape of the building and to complement the surrounding area			
Exterior shape of building	External design elements to better complement the relationship with the church recommended by CABE	75k	
Additional windows/fenestration	To allow more light penetration and give a sense of openness and transparency	190k	
Extra entrance storey height	To replicate but improve the entrance featured in the current reception based on feedback from service users	205k	
Defensive landscaping	To avoid areas that might attract anti-social behaviour as recommended by Essex Police Secure By Design team.	170k	
External Terrace for cafe	To connect the building to the adjacent square and create an active frontage	40k	
Parapet to 2 nd floor terrace	Required for Mayor's parlour	26k	
Additional cut for terraces and retaining walls	Due to significant ground slope	75k	
Additional height due to ground slope of the site	Due to ground slope.	300k	
	Externals sub total		1.081m
Internal works (additional access and facilitates)			
	Internals sub total		0.106m
Prelims associated with above	(prelims include subcontracts, testing, approvals and completion)		0.110m
Total		9.78m	

3.13 In addition to the existing Civic Office budget of £7.98m earmarked in the Capital Programme, there are also existing budgets that can be utilised to fund the remaining balance that include the feasibility budget (i.e. to fund testing and design work), the Property Board capital allocation that includes various items (such as the BMS for CO1) that will now not be necessary should this scheme take place and the Digital and Service Review allocations to meet the IT enhancements the scheme will bring to service provision. As such, the scheme can be financed as follows:

Table B – scheme financing

	Build Cost	Net Income	Existing Budget
Detailed design to BREEAM Outstanding	9.78m		
New build residential on CO1		(2.80m)	
Existing Civic Offices refurbishment budget			(4.80m)
Existing Service Review Related Budgets			(2.18m)

Next Steps

- 3.14 The completion of LSI Architect’s work to RIBA Stage 3 will culminate in a full planning application in early 2019. A fuller planning application will be made at a later date for the development of circa 120 residential units on CO1.
- 3.15 Procurement of a build contractor can begin as soon as designs are submitted for planning permission. The contractor would, however, only be appointed subject to full planning consent being granted and the scheme remaining within the agreed budget envelope.

4. Reasons for Recommendation

- 4.1 In conjunction with the new pedestrian rail crossing, a new Civic extension and the freeing up of the CO1 site, are key enabling elements to the regeneration of Grays Town Centre and demonstrates to the private sector and other public sector partners that the Council is willing to invest in the Town’s future and encouraging them to do likewise.
- 4.2 The development on the civic offices achieves and/or supports a number of Council objectives as follows;
- Supporting the aims of the Grays Framework
 - Obtaining best value for money and making revenue savings
 - Contributes to new build housing targets
 - Promotes channel shift towards self-service
 - Taking ‘digital by design’ to the very core of building design
 - Maintaining and enhancing the Council’s civic presence in Grays
 - Embedding modern and adaptable ways of working for staff
 - Relocation of registrars supporting the review of options to replace Thameside functions

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

- 5.1 As stated in Section 2 above, several bodies were consulted and included:
- Thurrock CVS
 - Corporate Workforce Group

- Staff Networks (BME, Disability, DWG and Women's)
- Democratic Services
- Clinical Commissioning Group
- Essex police
- South Essex College
- Customer Services Reception
- Registrars
- ICT (for new server room requirements)
- St Peter's and St Paul's Church

5.2 CABE has also been consulted and has provided initial design comments as noted in Section 2.

5.3 In addition to the extensive consultation listed above, this report was also considered by Corporate Overview and Scrutiny Committee on 20th November. The key points which members made were:

- To better understand of how the scheme will bring benefits to residents and service users
- how the project complements and enhances wider Grays regeneration including public realm improvements and the underpass

5.4 This report has been amended to reflect the comments made by Members at the committee meeting and the additional information requested.

5.5 As the project progresses, further public consultation will take place with residents, prior to statutory consultation required under the planning process.

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

6.1 This project will contribute to the delivery of the objectives of:

- Deliver channel shift to support council digital and customer services strategies
- Housing New Build
- Review of options to enhance Thameside functions

6.2 Other partners have expressed an interest in co-locating with the council in order to provide a multi-agency facility for the public from a single location. These partners include Essex Police, Clinical Commission Group, Borough-wide CCTV control room, National Fraud Service, Youth Offending Service. Further work on adjacencies is being carried out to ensure the right service is located in the right place within the Civic and all will be subject to the final accommodation schedule. However, this represents an exciting opportunity to shape public service delivery going forward.

7. Implications

7.1 Financial

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

The costs of the project are set out within the body of the report and total £9.78m. This is over and above original estimates but reflect the more ambitious scheme now proposed to deliver a better building for residents and other users, complement the Grays Town Centre regeneration programme and address the feedback from initial consultations.

Whilst the original budget will be fully utilised, further existing budgets will be utilised to meet the existing costs, namely: the feasibility budget in bringing the scheme up to the point it is at present; the Property Board capital allocation reflecting projects in CO1 and CO2 that will either no longer be necessary or are wrapped up within the proposed scheme; and the Digital and Service Review Board capital allocations reflecting the enhancements to the service provision to residents and wider regeneration benefits.

7.2 Legal

Implications verified by: **Robert Capstick**
Planning & Regeneration Locum

External legal advice has been procured to support this project around land acquisition, dealing with easements/covenants and fulfilling planning obligations. The external legal team is to be retained at least until planning permission has been granted and all necessary land acquired.

7.3 Diversity and Equality

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

Consultation to date has included the council's in-house networks and the Corporate Workforce Group. However, all new build and interior design will meet or exceed current access and use standards. Diversity and Equalities issues will need to be addressed through a Community & Equality Impact Assessment informed and developed by appropriate stakeholder engagement during the design stage.

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):**

None

- 9. Appendices to the report**

Appendix A - GRAYS SOUTH REGENERATION - CIVIC OFFICE PHASE
RIBA STAGE 2 REPORT

Report Author:

Vincent Waddams

Senior Project Manager

Corporate Programme Team



GRAYS SOUTH REGENERATION

CIVIC OFFICE PHASE

GRAYS, THURROCK
RIBA STAGE 2 INITIAL RESPONSE - REVISION A

Issued 30th October 2018

WHERE DO WE STAND?

We stand with you. Whoever you are — a client, a colleague, a supplier, someone who lives or works in, or is just passing through, a building we've designed. We stand with you because, for us, architecture is all about people. Get to know them and what's important to them, connect with them and collaborate, deal with them respectfully and with integrity and, together, you can solve any problem, overcome any challenge and achieve any ambition. That's what it takes to create sustainable, innovative, valuable and positive architecture. Architecture that improves lives, builds communities and enhances society.

Life touching design.

CONTENTS

1.0 INITIAL STAGE 2 DESIGN (RESPONSE TO STAGE 1 SIGN OFF COMMENTS)

- 1.1 GROUND FLOOR
- 1.2 FIRST FLOOR
- 1.3 SECOND FLOOR
- 1.4 ROOF PLAN
- 1.5 CHAMBER LAYOUT
- 1.6 INDICATIVE ARTISTS IMPRESSIONS - CHAMBER

2.0 INITIAL EXTERNAL ENVELOPE DESIGN

- 2.1 MASSING VIEWS
- 2.2 BUILDING FORM
- 2.3 MODEL PHOTOGRAPHS
- 2.4 INDICATIVE ARTISTS IMPRESSIONS - EXTERNAL

1.0 INITIAL STAGE 2 DESIGN

1.1 GROUND FLOOR PLAN

COMMENTS INCORPORATED FOLLOWING STAGE 1 SIGN OFF:

1. More details on the type of café being proposed (coffee shop with pre packed food)

Island café with bench seating and separate store room is proposed. Based on Camden Civic Offices Cafe model of pre-packaged food with no on-site cooking

2. Members were keen to have an outdoor space for the café
Outdoor seating area shown. Uses defensive landscaping to provide disconnect from public area and stop the café door from being an additional main entrance into the building

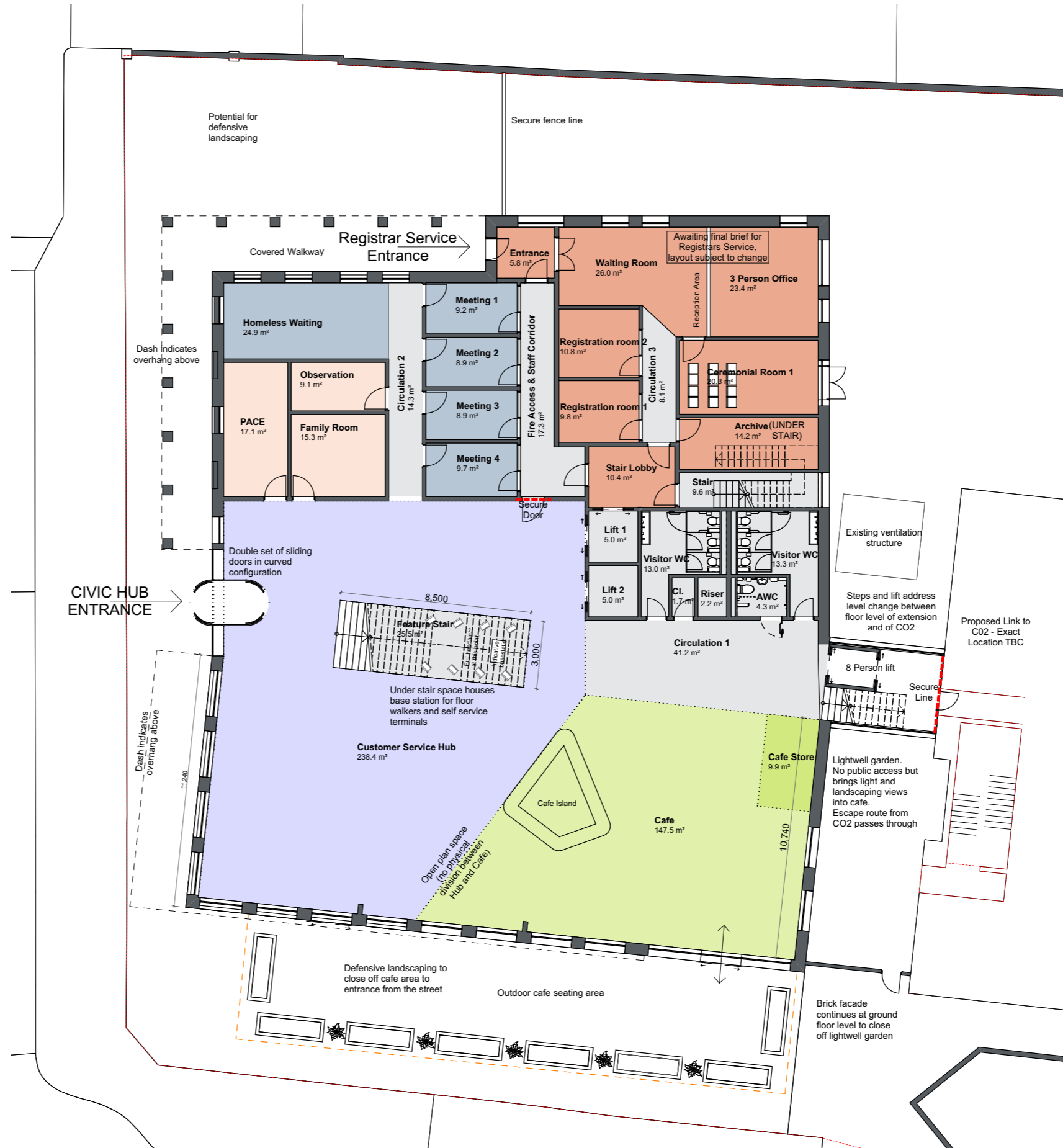
3. Café and meetings rooms to be switched around
These areas have been switched as shown. Registry Archive utilises space under second stair to provide enough space for homeless waiting area

4. What are the plans for the space beneath the stairs, don't want it to be dead space
These areas under the stair will be used to house the base station for the floor staff and as one of the areas of self service terminals as shown

5. Concerned about the outside space alongside the registrars entrance to make sure it does not become a crime hotspot
Secure fence line added at the point of the Registrars entrance as shown. Area adjacent to the covered walkway is under development with Secure by Design and has the potential to be open but protected via defensive landscaping and planting

6. Concerned about space between new build and CO2 becoming a crime hotspot
Space to be closed off with continuation of the masonry facade as shown. Space behind is retained as escape route but landscaped to give an attractive lightwell and outlook to the café.

7. Members not keen on revolving doors would like to see sliding doors similar to the ones we have now
Sliding doors now shown in oval configuration. To be developed further



Example of double sliding entrance doors - taken from Lambeth Civic centre

PLEASE NOTE:

All layouts are indicative. As the RIBA Stage 2 design process continues the wider design team will develop the designs further with co-ordinated input from structural & service engineers, fire consultant, building control & the planning authority. This may lead to alterations to the layouts as the design is developed

1.0 INITIAL STAGE 2 DESIGN

1.2 FIRST FLOOR PLAN

COMMENTS INCORPORATED FOLLOWING STAGE 1 SIGN OFF:

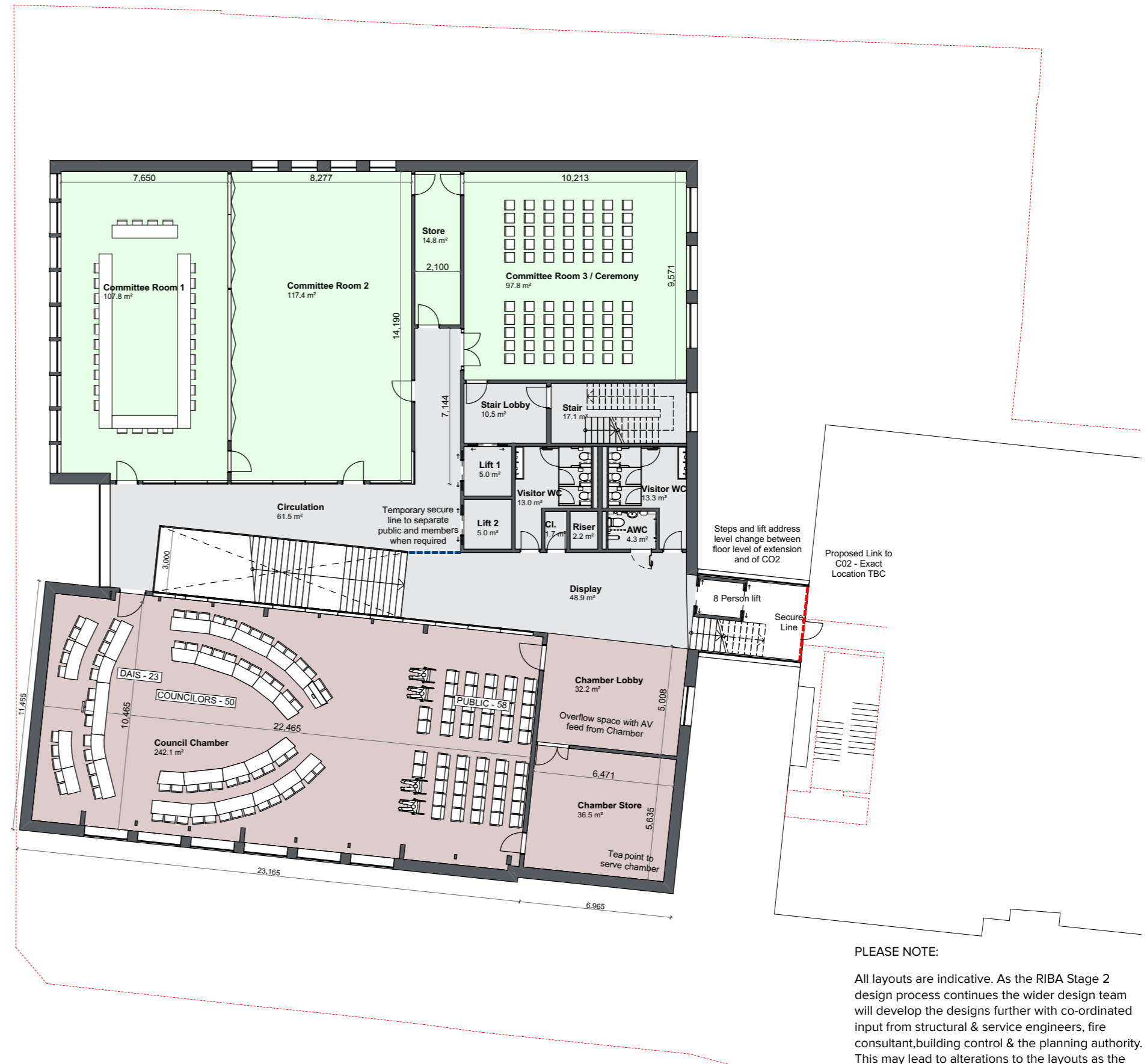
8. Need a better feel for the scale of the internal spaces, actual dimensions

All plans now include key indicative dimensions and people are shown to give an indication of scale

9. Chamber box shape feels about right, more discussion will be needed on the configuration of seating. Members stressed the need for Cllrs to face the Mayor as much as possible and were content with the public gallery where shown.

Updated plans have adjusted the '3 sided' seating configuration to ensure that every member is facing the Mayor

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PLEASE NOTE:

All layouts are indicative. As the RIBA Stage 2 design process continues the wider design team will develop the designs further with co-ordinated input from structural & service engineers, fire consultant, building control & the planning authority. This may lead to alterations to the layouts as the design is developed

1.0 INITIAL STAGE 2 DESIGN

1.3 SECOND FLOOR PLAN

COMMENTS INCORPORATED FOLLOWING STAGE 1 SIGN OFF:

10. Move the Leader's office so it is overlooking the high street with access to the terrace

Leaders office has been relocated as shown

DESIGN CHANGES FOLLOWING RECEIPT OF INITIAL MEASURED SURVEY

Following the receipt of initial measured survey information on 16.10.2018 it has become apparent that there is a level change between the proposed ground floor of the new building (which will be set relative to the High Street pavement) and the existing ground floor level of CO2.

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This level change is in the region of 2.6m at Ground Floor, 2.2m at 1st Floor & 1.6m at second floor. We are awaiting the final survey information for confirmation of this.

The proposed solution to address the level change is to introduce a set of steps and a lift within the link bridge area as shown on each floor plan.

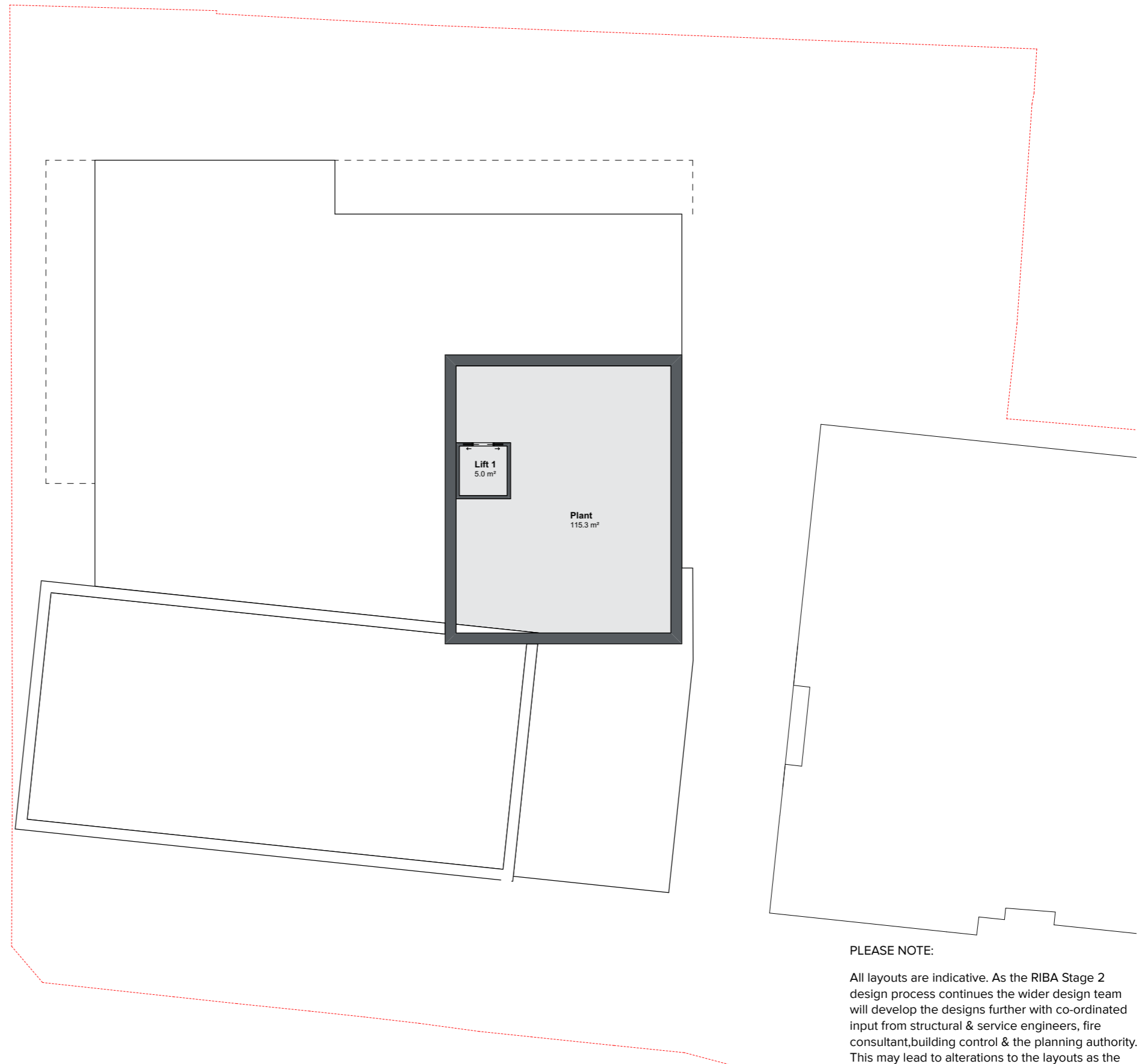


PLEASE NOTE:

All layouts are indicative. As the RIBA Stage 2 design process continues the wider design team will develop the designs further with co-ordinated input from structural & service engineers, fire consultant, building control & the planning authority. This may lead to alterations to the layouts as the design is developed

1.0 INITIAL STAGE 2 DESIGN

1.4 ROOF PLAN



PLEASE NOTE:

All layouts are indicative. As the RIBA Stage 2 design process continues the wider design team will develop the designs further with co-ordinated input from structural & service engineers, fire consultant, building control & the planning authority. This may lead to alterations to the layouts as the design is developed

1.0 INITIAL STAGE 2 DESIGN

1.5 COUNCIL CHAMBER LAYOUT

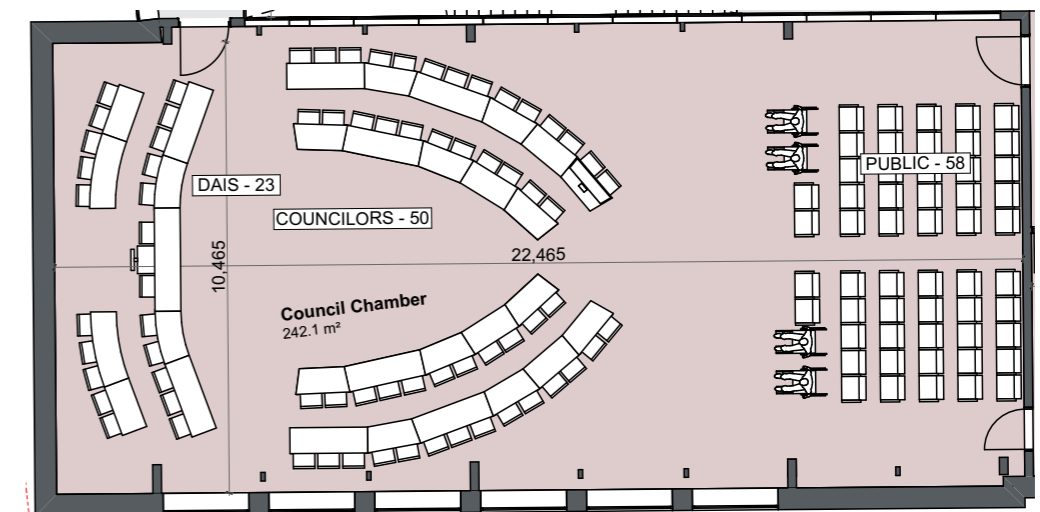
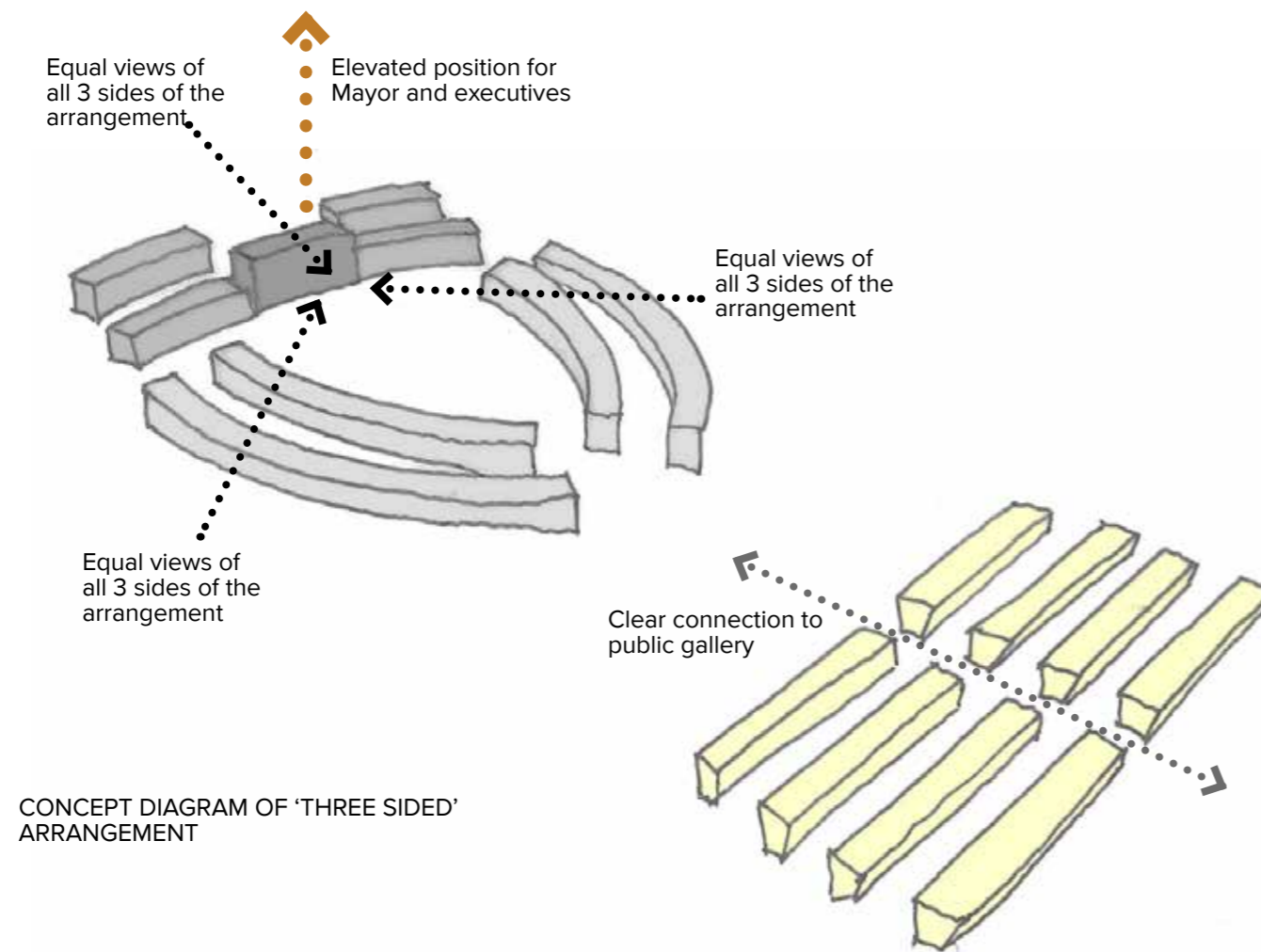
The favoured layout option shown has 5 key characteristics:

- Twin entrances - one for members, one for the public
- Public seating in rows to the rear of the chamber
- Variations of the theme of group and adversarial seating
- Leader and directors seating on a Dais
- When required additional loose seating can be added (shown in yellow)

The team has developed these characteristics to capture the dignity and gravitas required for the council chamber, clearly referencing traditional arrangements whilst being forward looking.

	EXISTING AREA	PROPOSED AREA
COUNCIL CHAMBER	195 sqm	196 sqm
PUBLIC GALLERY	39 sqm	51 sqm
TOTAL CHAMBER AND GALLERY	234 sqm	247 sqm

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1.0 INITIAL STAGE 2 DESIGN

1.6 INDICATIVE ARTISTS IMPRESSIONS OF COUNCIL CHAMBER

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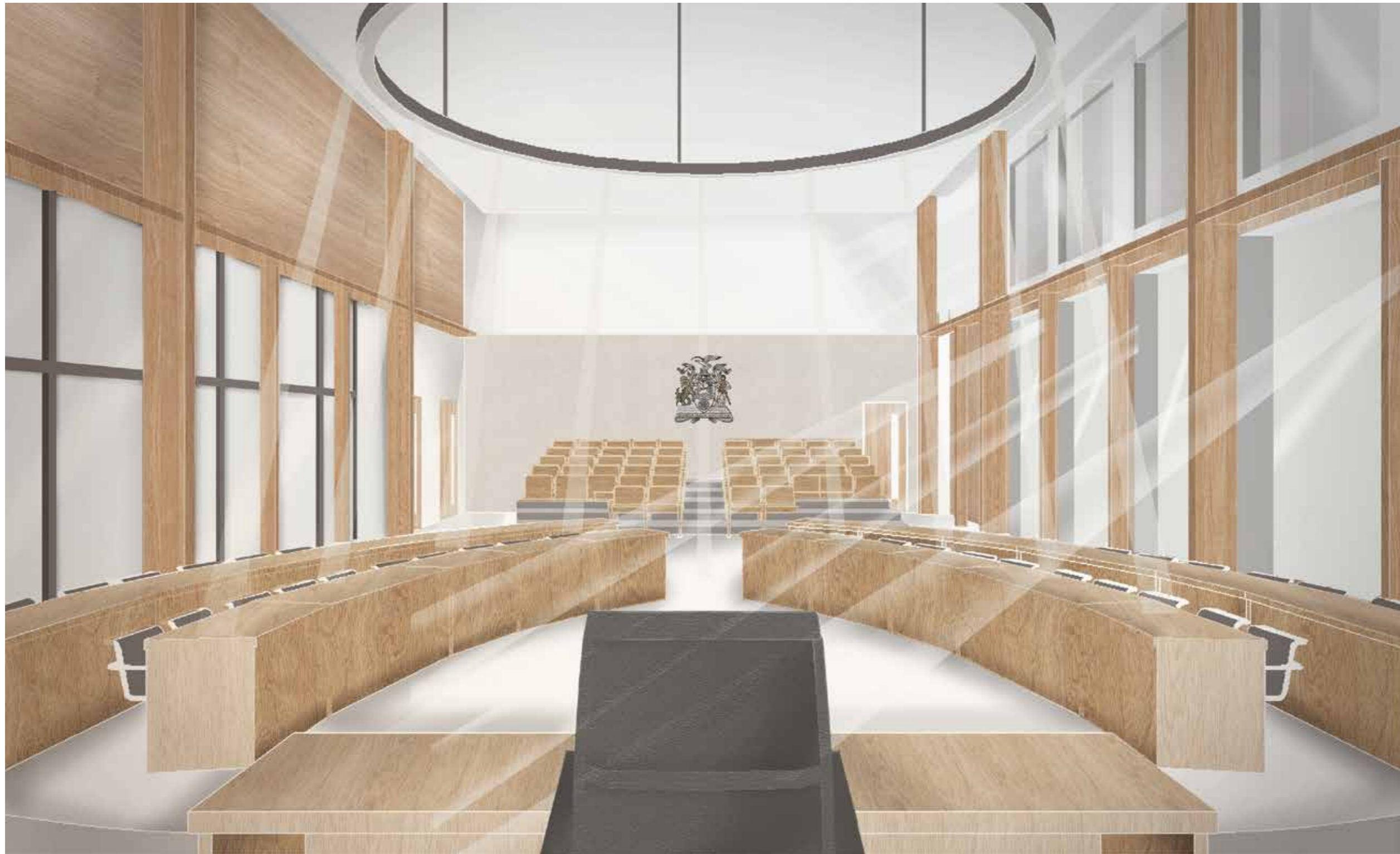


View from public gallery

1.0 INITIAL STAGE 2 DESIGN

1.6 INDICATIVE ARTISTS IMPRESSIONS OF COUNCIL CHAMBER

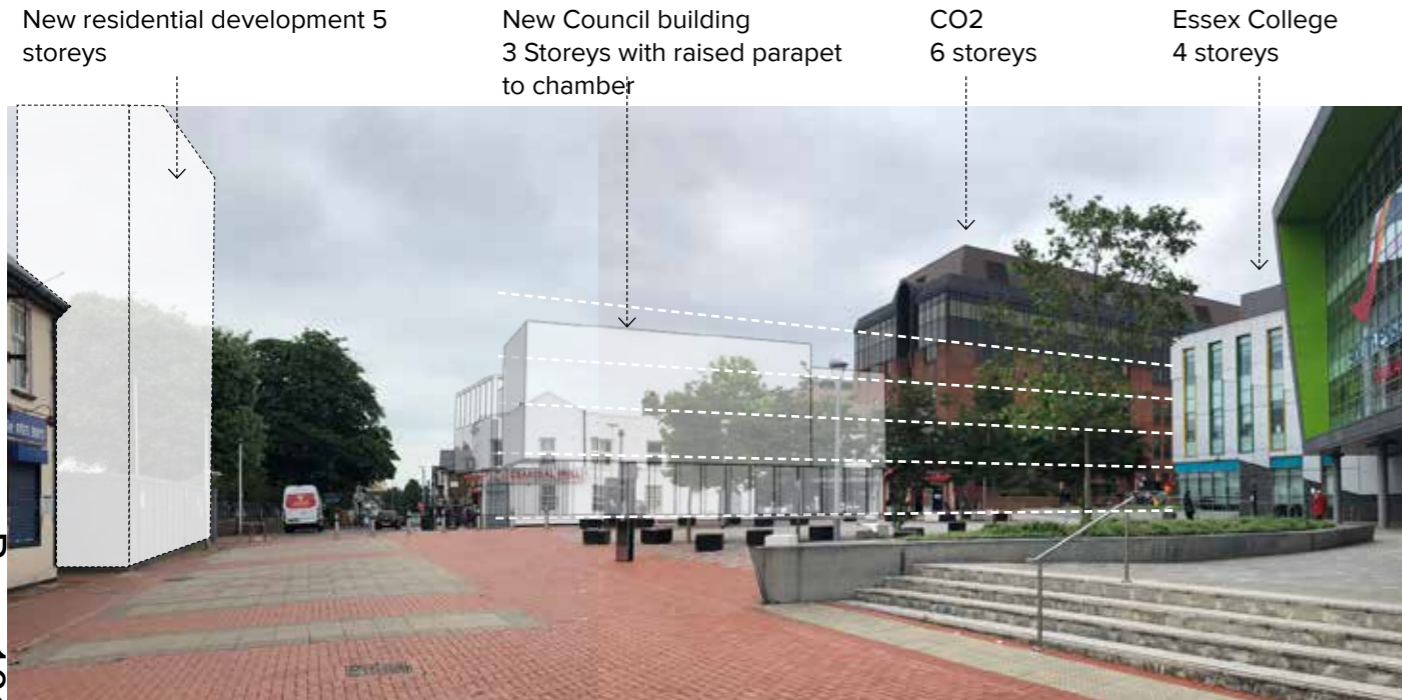
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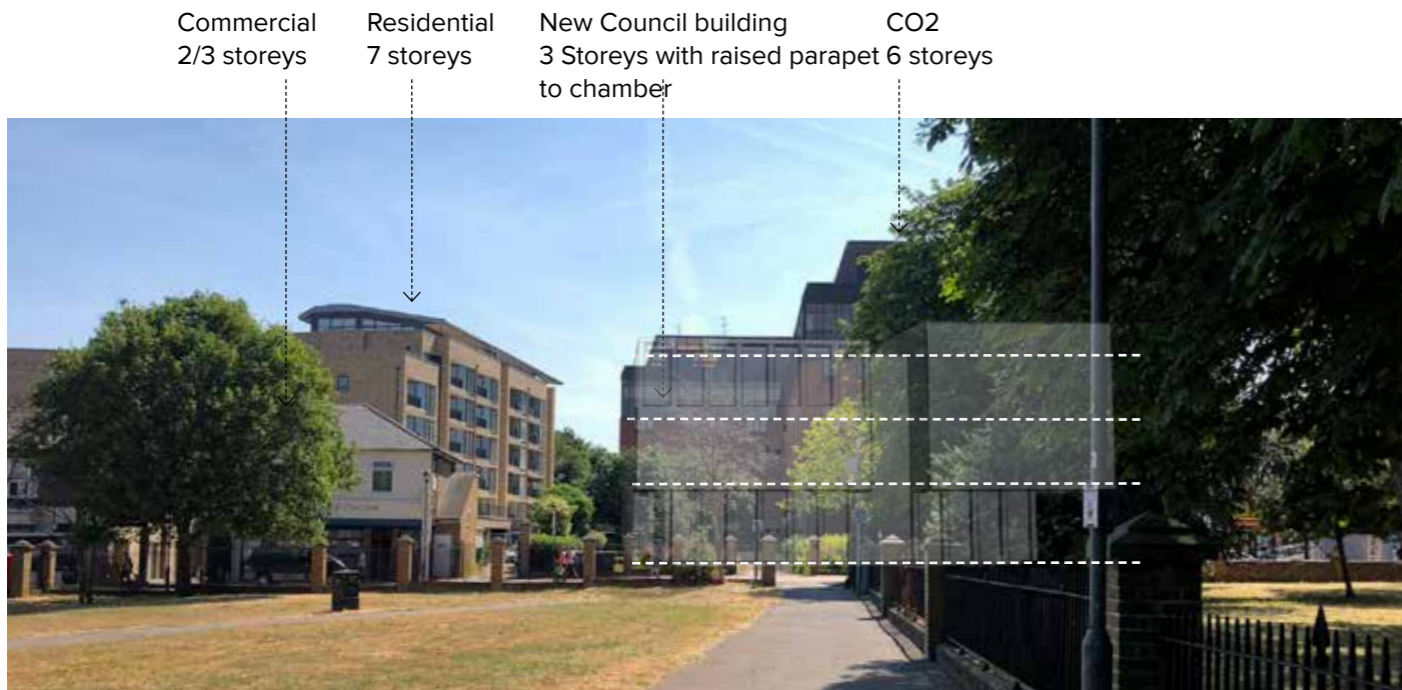
View from Dais

2.0 INITIAL EXTERNAL ENVELOPE DESIGN

2.1 MASSING VIEWS



View of site from Essex College Square



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The form and massing of the proposal plus the detail design of its façades will ensure that the building is a positive addition to the public realm.

Sufficient mass will be provided to ensure an impressive statement that is not subservient to the existing building or dwarfed by South Essex College but equally does not negatively impact upon the church.

The façades will reference a portico to give height, verticality and civic presence without overbearing solidity. Similarly at the perimeter overhangs will be incorporated to hint at a larger mass whilst providing covered public realm.

APPEARANCE



Deinzee Town Hall by Tony Fretton Architects

Considered for:

- Visible elevated council chamber and the clear links to the democratic process inside
- Vertical framing and civic presence
- Simple yet elegant design



Base section of Whitworth Gallery by MUMA

Considered for:

- Brick plinth with glazed sections



Base section of Kult by Leber Architekten

Considered for:

- Cutaway entrance with overhang



Judge Business School by Stanton Williams

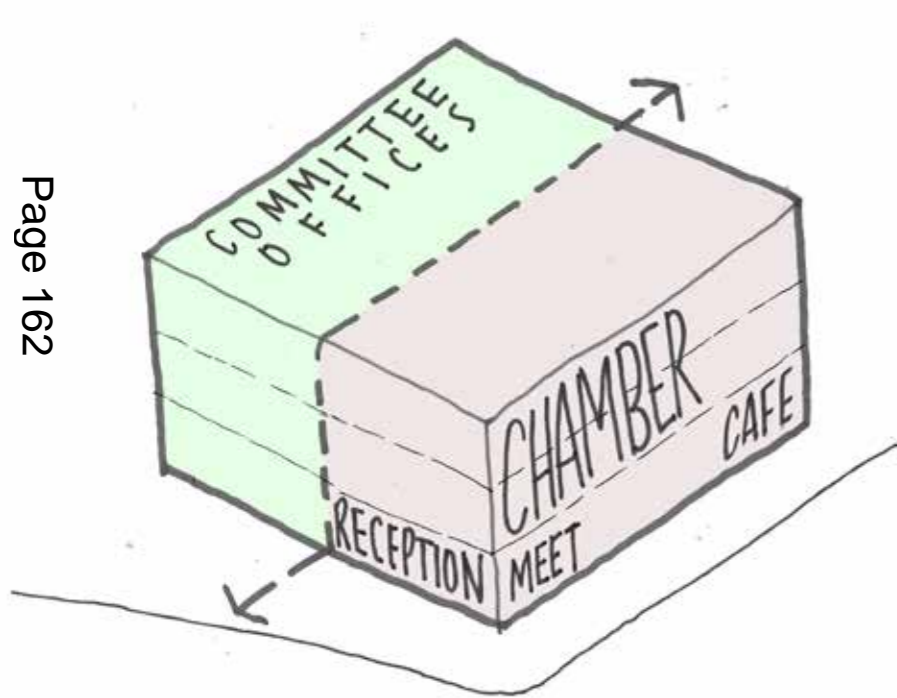
2.0 INITIAL EXTERNAL ENVELOPE DESIGN

2.2 BUILDING FORM

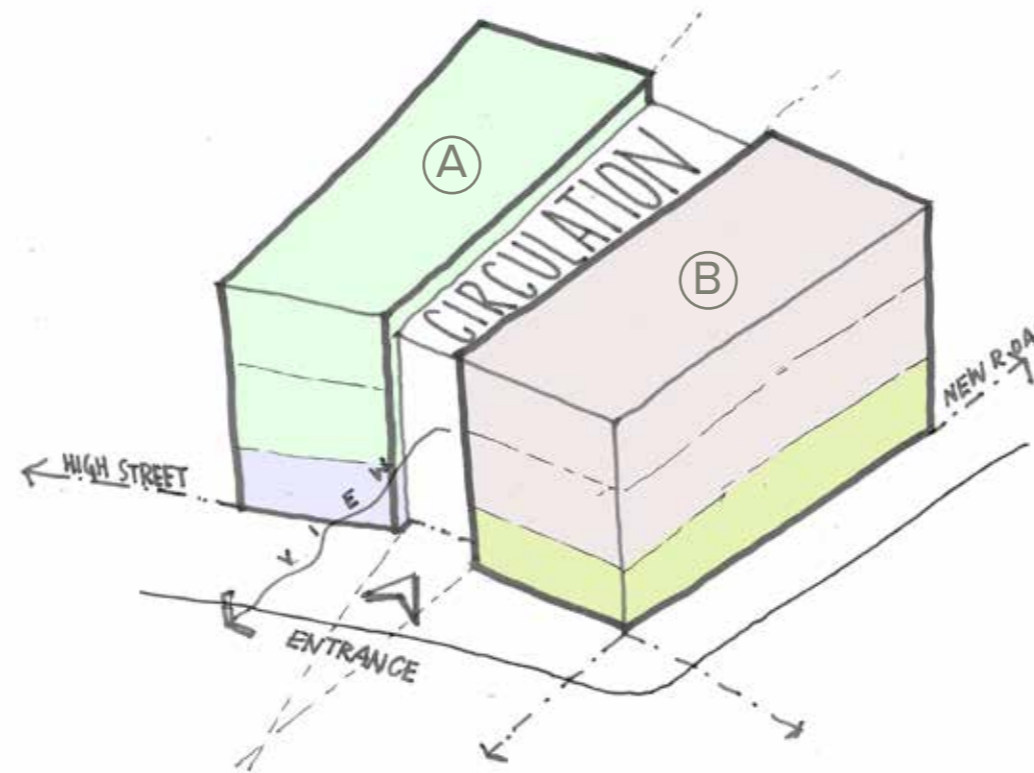
The shape of the building has been developed to respond to the context of the site and to the nature of the spaces that it contains.

The diagrams below highlight the three key steps in the development process and show how the final shape of the building has been created .

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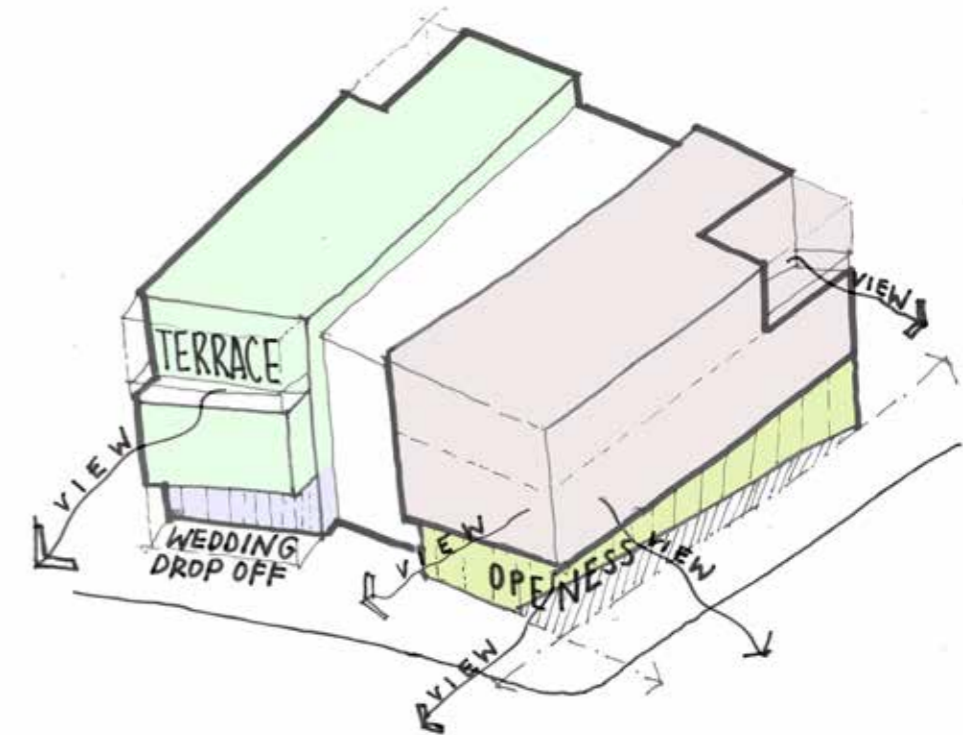
STEP 1:
THE BUILDING IS TO BE CONSIDERED AS TWO HALVES,
IN ONE HALF ARE COMMITTEE ROOMS AND PARTY OFFICES
THE OTHER HALF CONTAINS THE COUNCIL CHAMBER AND
PUBLIC HUB



STEP 2:
THE BUILDING IS 'SPLIT' IN HALF WITH A CENTRAL SPINE OF
CIRCULATION.

BLOCK A IS ALIGNED TO THE ORIENTATION OF THE HIGH STREET,
BLOCK B IS ALIGNED TO THE ORIENTATION OF NEW ROAD

THIS ALIGNMENT CONNECTS THE BUILDINGS TO ITS
SURROUNDINGS AND PRODUCES THE VOLUME OF INTERNAL
SPACE REQUIRED.



STEP 3:
THE TWO PARTS OF THE BUILDING ARE 'CARVED' TO
PROVIDE ENTRANCES, VIEWS IN AND OUT AND AN
INTERESTING ELEVATION THAT HELPS TO ACTIVATE THE
SURROUNDING STREETS

2.0 INITIAL EXTERNAL ENVELOPE DESIGN

2.3 MODEL PHOTOGRAPHS

We have explored the design of the external envelope using the model shown in these photographs



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View from south west



View from north west

2.0 INITIAL EXTERNAL ENVELOPE DESIGN

2.3 MODEL PHOTOGRAPHS

We have explored the design of the external envelope using the model shown in these photographs



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View from north west



View from south west

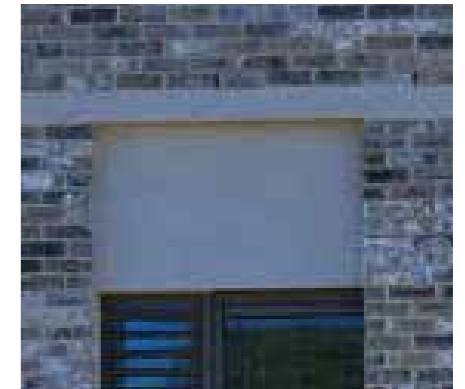
2.0 INITIAL EXTERNAL ENVELOPE DESIGN

2.4 INDICATIVE ARTISTS IMPRESSIONS

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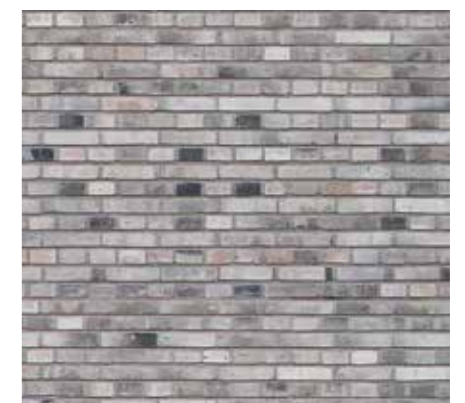
Indicative view from south west



Limestone detailing above windows



High variance stock brick option



Mixed grey brick option

2.0 INITIAL EXTERNAL ENVELOPE DESIGN

2.4 INDICATIVE ARTISTS IMPRESSIONS



Indicative view from south west

NORWICH

LSI Architects (Design) Ltd, The Old Drill Hall, 23a Cattle Market Street, Norwich NR1 3DY
Tel 01603 660711 **Email** norwich@lsiarchitects.co.uk

Web www.lsiarchitects.co.uk **Twitter** @lsiarchitects **LinkedIn** Lsiarchitects **YouTube** Lsiarchitects **Instagram** Lsiarchitects

Registered office The Old Drill Hall, 23a Cattle Market Street, Norwich, NR1 3DY. LSI Architects (Design) Ltd is a limited company registered in England & Wales Reg No. 08842621

LONDON

LSI Architects (Design) Ltd, 2nd Floor, 50-54 Clerkenwell Road, London EC1M 5PS
Tel 020 7278 1739 **Email** london@lsiarchitects.co.uk

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12 December 2018	ITEM: 17 Decision: 110493
Cabinet	
Communities First – A Strategy for developing Libraries as Community Hubs in Thurrock	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Deborah Huelin, Cabinet Portfolio Holder Communities	
Accountable Assistant Director: Les Billingham; Assistant Director, Adult Social Care and Community Development	
Accountable Director: Roger Harris: Corporate Director, Adults, Housing and Health	

Executive Summary

This report introduces Thurrock’s first comprehensive strategy for Thurrock’s Library Service and Community Hubs. The strategy provides a strong foundation to deliver our vision for a vibrant service, meeting the needs of a growing population in modern buildings alongside activities relevant to local communities.

1. Recommendation(s)

1.1 That Cabinet approves the draft strategy at Appendix 1.

2. Introduction and Background

2.1 Whilst there have been many reviews of the library service, this is the first comprehensive library strategy since Thurrock became a unitary authority. This is a positive opportunity to look to the future potential, consolidating all that works well, developing a strong alignment with Community Hubs.

2.2 A key aim of the strategy will be to develop an investment plan for the service, balancing council funding with commercial and partner opportunities to create a sustainable service. Business plans for the overall service and individual libraries / hubs will be developed, and funds raised will be reinvested in the service. Getting there will take time – the last significant efficiency savings in February 2015 saw £0.569m taken from the controllable budget of £1.463m which resulted in reductions to opening hours and significant reductions in service budgets. Some immediate investment to support and develop the service will be required if the principles of this strategy are to be implemented. The 2016/17 budget (the last year we have benchmark data) was just over £1m with a materials budget of £493 per 1,000 population. Bedford borough

with a comparable population of 168,800 spent £2,195k with a materials budget of £1,445 per 1,000 population.

- 2.3 The consultation generated a huge amount of interest - 89.3% of responses supported the delivery of library services working more closely with communities. The strategy will seek to develop vibrant public spaces at the centre of communities. This strategy will maintain the existing number of libraries and expand provision through working differently. The location of libraries may change as local opportunities for modernisation and co-location are realised for example, as with Aveley Community Hub.
- 2.4 The public consultation ran from 25 June – 16 September 2018. This capitalised on 'The Summer Reading Challenge' in libraries as well as outreach in areas that do not have a branch service. A simplified version of the consultation captured the views of children aged 15 and under. 91% of those responding across both consultations had visited a Thurrock library in the previous 12 months. 25% completed the simplified version of the form, and 95% of these were aged 15 or under. 79.5% cited the quality and range of books available as being most important to them, and 71.55% felt that having well informed staff available to assist was also important.

3. Issues, Options and Analysis of Options

- 3.1 Thurrock Library Service includes 9 authority run libraries and one self-serve library within Purfleet Community Hub. Opening hours range from 15 hours in four libraries, 27 in two libraries, 38 in two libraries and 48 at the central Grays library. The principal purpose of the library is to provide equality of access to accurate and up to date information achieved through provision of printed material and increasingly, access to information on line. The service champions reading in all its forms enabling all residents to make the most of the proven benefits of reading, economically better educational prospects leading to better paid jobs as well as supporting health and well-being.
- 3.2 The service supports residents to get on line providing basic training, one to one assistance and access to computers and printers. Residents value the chance libraries provide to access support and develop friendships, combatting social isolation. The Home-link service reaches out to those unable to visit providing a monthly visit by trained volunteers.
- 3.3 Four Community Hubs are co-located in libraries. Hubs draw together the strengths of local neighbourhoods, maximising resources and opportunities for the benefit of local people of all ages. Over 7,790 people attended one-off seasonal events arranged through hubs 2017/18 such as Christmas events or summer BBQs. Hubs support resilient and aspirational communities that utilise the strength and assets of their communities' first and statutory services second. The strategy will align with the community hubs programme, improving partnerships in the supporting the longer term potential to explore development opportunities.

- 3.4 The principle of partnership between libraries and hubs will underpin this offer, utilising the appropriate strengths of partners to lead on different aspects of delivery. Currently, the statutory sector has provided access to buildings; the voluntary sector has supported the infrastructure around hubs, and local communities have shaped local priorities and provided volunteer support.
- 3.5 Volunteer support at community hubs is crucial to their success. Since the hubs programme launched, 217 volunteers have been recruited via ngage. Of those, 82 volunteers are currently active. The estimated value of volunteer hours contributed in 2017/18 is £146,820. 12 volunteers left to take up employment – based on cost benefit analysis calculations; the annual fiscal benefit is estimated at £27,555 – or £41,080 annual public value benefit.
- 3.6 The library service will continue to be a key partner alongside Community Hubs, and the strategy seeks to strengthen this partnership.

4. Reasons for Recommendation

- 4.1 The strategy provides an exciting framework for developing libraries in partnership with key services, championing local heritage and galvanising around local priorities. Working alongside community hubs unlocks the potential that a refreshed service can bring to the wider, local community.

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

- 5.1 The consultation is explained at 2.4 and a summary consultation report is available via consult.thurrock.gov.uk/portal/tc/library. An away day was held September 2018 to test the principles with Community Hub representatives and with library staff. The strategy was supported at Health Overview and Scrutiny November 2018.

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

- 6.1 The strategy has the potential to support a number of key outcomes across the People, Place, Prosperity priorities, supporting the public sector and community social action to galvanise around key priorities.

7. Implications

7.1 Financial

Implications verified by: **Jo Freeman**
Finance Officer – Corporate Finance

Additional funding is required to secure the service at current levels and the strategy recognises and supports the requirement to diversify future income streams. One-off funding will be allocated to support the development of individual business plans and specific financial implications will be considered at that stage.

7.2 Legal

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

Public libraries are the responsibility of Local Authorities who have a clear statutory duty under the Public Libraries and Museum Act 1964 to provide to provide a 'comprehensive and efficient' library service that is open to all and includes the provision of books, journals and information free of charge, and help from appropriate staff and retrieval systems to access these collections.

7.3 Diversity and Equality

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

Library services provide a universal service across the borough. A full Community and Equality Impact assessment will inform implementation of the strategy reflecting the consultation results.

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

The strategy places libraries at the heart of communities, supporting the wider delivery of public services and community led activities.

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):

- Libraries Deliver: Ambition for Public Libraries in England 2016 to 2021
<https://www.gov.uk/government/publications/libraries-deliver-ambition-for-public-libraries-in-england-2016-to-2021>

9. Appendices to the report

- Appendix 1 – Communities First Strategy

Report Author:

Natalie Warren

Strategic Lead: Community Development and Equalities

Adults and Community Development

2018 –
2023

‘Communities First’

A 5 year strategy for development –
Thurrock Library and Community Hub
Programme supporting a growing
community

Placing libraries and hubs at the heart of the community



Contact details:

By post:

Thurrock Council
Community Development and Equalities Team
Civic Offices
New Road
Grays, Thurrock
Essex, RM17 6SL

Email: community@thurrock.gov.uk

Website: thurrock.gov.uk/libraries

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Cllr Deborah Huelin

Portfolio Holder for Communities

This strategy reflects our ambition and commitment to unlocking the huge potential that libraries have to support communities and deliver local priorities. Nationally, libraries are evolving to survive – we want Thurrock’s library service to thrive within strong neighbourhoods and develop to meet the needs of a growing community. We will work side by side with community hubs and organisations to take this forward. This is the first library strategy for Thurrock. It consolidates our vision and plans to develop a series of modern, accessible and digitally enabled learning centres within neighbourhoods, providing communities with the resources they need in a growing borough.

Vision for Thurrock

Thurrock’s vision was agreed by Full Council in January 2018:

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

Our priorities are:

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

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

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 sustainable public services

Thurrock has one of, if not the largest and most ambitious growth programmes in the country with six major growth hubs. The council and our partners are strengthening the identity of Thurrock: the place. However, “Place” is not just about buildings: It is about people. The council is ambitious on behalf of its residents and businesses, keenly aware of the careful balance needed for growth and investment whilst ensuring improved quality of life.

We are committed to ensuring our approach to regeneration is shaped by those that live and work in the borough. We want to make a difference and recognise the scale and impact of our growing and changing communities and the importance of our role in place shaping and community leadership.

Libraries are at the heart of the community. The ‘Communities First’ Library Strategy sets out our plans for evolving libraries. By working alongside and enabling community led activity, and supporting access to self-help and services when needed, our libraries will provide the very foundation we need to support communities help themselves.

Did you know?

- ✓ Thurrock has 9 branch libraries and one self-serve library at Purfleet Community Hub
- ✓ There were 778,177 physical visits to Thurrock libraries in 2016-17
- ✓ 198 housebound customers were supported by volunteers in 2016-17
- ✓ The number of active borrowers who used their library ticket in 2016-17 was 28,856
- ✓ 363,673 books were issued from Thurrock Libraries in 2016-17
- ✓ Volunteers contributed over 276 hours to Thurrock Libraries in 2016-17 – 12,235 hours were contributed to Community Hubs
- ✓ Public computers were used in libraries for 71,824 hours in 2016-17



Introduction

Thurrock Library Service has a central library in Grays and eight branch libraries around Thurrock. One self-serve library is based at the Purfleet Community Hub.

In 2012, Thurrock Council partnered with local communities and the voluntary sector, led by Thurrock CVS, to create a series of Community Hubs. Four are co-located within library branches. The development of this programme has helped to demonstrate the power of libraries to be at the centre of their local neighbourhoods, facilitating resilient communities alongside their core function of providing equality of access to accurate and up to date information achieved through provision of printed material and increasingly, access to information online. This strategy builds on that partnership and contributes to our vision of connected communities, enabled to help themselves and to influence the decisions that affect them by working with community hubs and the voluntary sector. In an area facing unprecedented growth, this function has never been more important to ensure libraries meet the needs of existing communities as well as new ones, helping people to integrate and connect as Thurrock becomes a location of choice.

How did we get here?

We have consulted with residents to inform this strategy which is inspired by conversations with partners, benchmarking with other services, research, members and people who do not use a library service. A full report of the consultation held Summer 2018 can be found at: <https://consult.thurrock.gov.uk/portal/tc/library/lsr18>

So far we have:

- ✓ Consulted with over 800 residents
- ✓ Targeted engagement in areas without a branch library service
- ✓ Engaged with volunteers, staff and partners who support Community Hubs
- ✓ Commissioned and learned from the results of a series of library reviews
- ✓ Reviewed best practice and alternative library models across the country
- ✓ Consulted on the skills library staff need for the future

Evolving not Closing

Thurrock remains committed to keeping its existing number of libraries open and we will look to extend opening hours – this may require self-service although we recognise the value of staff support, especially for those involved in studying. No libraries will be closing as part of this strategy.



Where possible we will co-locate the service and share costs helping to achieve the priority of fewer public buildings with better services.

Over the next five years, we aspire to be more self-sufficient by increasing income and seeking out new external funding. We will develop an investment strategy for the Library Service and Community Hub programme that will seek to increase resources. Each branch will develop an individual business plan with partners where a hub model exists which will help meet local community requirements.

We will invest in necessary resources and as new technologies develop, we will phase out less popular ones. We will always ensure the service is the first port of call for residents wanting to know about new technologies that support access to information, learning and entertainment.

Funding for the future service will require a mixture of council investment and exploring income generation through different means.

We are committed to exploring new services that have potential to generate income and meet local need. All fees and charges applied and collected through the library service will be ring-fenced as income to the service to help develop future provision

Our recent consultation indicated support and ideas for diversifying our income. The most significant opportunities will come from co-locating services and sharing costs as with the Aveley Hub development. However we will explore new ideas including vending machines, acting as collection points for deliveries, providing space for hire for local small businesses, hosting events and including retail opportunities where space allows without compromising the library service and hub activity.

91% of responses to our latest consultation had visited a Thurrock library in the previous 12 months. Many who have not visited a library in the past 10 years have a very traditional view of the service on offer and we need to refresh our marketing and outreach to help people know about the full range of support on offer. Even amongst library users, many are still not fully informed about the range of e-books and on-line learning available – or the range of community activities that may be accessed including craft clubs, support groups and leisure opportunities to name a few.

How are we doing?

- ✓ Thurrock Libraries came top out of a comparator group of 14 authorities for the number of active customers per 1,000 population*
- ✓ In the same comparison, Thurrock Libraries are the first for the number of physical visits to libraries*
- ✓ We are the 4th library service for computer use per 1,000 population*
- ✓ Thurrock's Summer Reading Challenge reached more young people than our comparator unitary authorities in the Eastern Region*
- ✓ In the summer of 2018, 745 hours were given by young people volunteering to support the Summer Reading Challenge. The value of seeing older children supporting young readers and showing praise for their efforts cannot be underestimated and all volunteers are awarded a certificate by Thurrock's Mayor

*Data source CIPFA library statistics 2016-17

Our Vision

Nationally, the Department of Culture, Media and Sports Task group has published its 'Ambition for Public Library Services 2016 – 2021'. This outlines 7 specific outcomes that are 'critical to individuals and communities' along with 7 design principles.

Locally we have adapted and consulted on the outcomes and are committed to embedding the following strategic aims across the service:

Culture

- Help deliver Thurrock's Cultural and Heritage Strategy
- Host cultural events and activities to increase participation
- Celebrate local heritage, hosting artefacts and encouraging cohesion through a shared understanding of local heritage as our borough grows

Reading

- We will continue to embrace, promote and encourage participation in the annual Summer Reading Challenge
- We will support the creation of reading groups to promote the enjoyment of reading from Baby Rhyme Time to adult circles across a range of genres
- We will encourage literacy support through reading and discussion especially for those for whom English is a second language

Learning

- Thurrock Libraries will continue to support learning through small groups and new approaches to learning (STEM - Science, Technology, Engineering and Maths), Fun Palace etc.
- We will encourage progression to further learning through local providers and seek to encourage new learning opportunities in partnership with others
- Grays Central will seek to develop as a learning centre and we will support dedicated learning spaces in branches where possible

Digital

- We will continue to provide free Wi-Fi and up to two hours free access to PCs
- We will continue to support learning to access IT in response to resident interest

- We will invest in and promote e-learning and e-resources including new resources that underpin learning and leisure, supporting staff and residents to up skill in these areas

Well-Being

- We will promote campaigns that raise awareness of issues of health and well-being, and encourage services that residents want to see locally such as eye clinics, hearing tests etc.
- We will train staff to support residents who are exploring issues related to health and well-being to help sign-post and self-refer to community led and public services
- We will promote and support the use of digital platforms and the use of technology that supports health and well-being

Communities

- We will seek to develop libraries as community hubs and co-locate services into modern buildings when opportunities arise such as in Aveley
- We will work with local organisations to use libraries on days they are closed to enable self-service
- We will recognise the role libraries can play in building integration and providing safe places to meet, develop and promote local network.

Prosperity

- We will explore income generation opportunities to so that money can be invested in the library service, creating a sustainable service for the future, developing shared business plans where we co-locate with partners
- We will promote help into employment and reskilling as a path to prosperity
- We will promote opportunities to share resources, save and budget effectively so that residents can make their money go further

At the Centre of the Community

89% of those who participated in our consultation over Summer 2018 want to see more community activity delivered in partnership with libraries.

Library involvement with the Community Hubs programme has seen a growth in community led action around local priorities. There are more opportunities for people to meet locally to socialise, or access IT support. Hubs have spurred a huge increase in the range and type of activity in libraries which already support self-help groups, reading circles, art groups and heritage groups to take place.

Four libraries have provided the physical base for hubs to develop - Aveley, South Ockendon, Chadwell St Mary and Tilbury. The degree of partnership between hubs and libraries has improved over time and in two hubs, the role of co-ordinator is shared with a library supervisor role.

Partnering with hubs can benefit communities. Co-located services benefit residents although we understand the need to ensure the core library service is not compromised, especially when supporting self-led study. In smaller libraries, hub activities may be better suited to the days when libraries are traditionally closed, supporting access to self-serve. This approach works well at Tilbury every Wednesday and South Ockendon every Saturday afternoon and will be explored in other areas too.

Many different voluntary sector organisations, public sector services and small businesses want to provide more local access around Thurrock. We will explore opportunities for these organisations to work from library buildings, especially on the days when libraries are closed to improve access to facilities on a self-serve basis.

Thurrock Libraries recognise and endorse the principles of the Stronger Together partnership and fundamentally recognise that more can be achieved by working together for the benefit of residents rather than as a single service. For further details on Stronger Together, please see: <http://www.strongertogether.org.uk/>

Enable social action

The Community Hubs Programme seeks to galvanise residents around local priorities, helping people to find their own solutions to local issues, supporting each other in connected communities. Libraries are at the heart of their community and they will work with hubs to support this important role locally.

Your Place Your Voice

As Thurrock grows, community engagement to help people influence the type of growth we embrace will be key to successful regeneration. Libraries will support the opportunity to influence decisions and to shape the opportunity for current and future residents from our regeneration programme. As Thurrock grows, we will review the location and openings for new provision through development opportunities.

Changing communities

Thurrock's demography is changing and will continue to do so. We will provide a service that reflects the growing cultures in Thurrock and builds pride and understanding of new communities.

Libraries, and the positive environment they foster through shared resources and safe public spaces, are well placed to support integration between existing communities and new residents, using our heritage to bring people together. We are a cradle to grave service and will continue to facilitate activities to cater for young children, families, students, working adults and older people.

Libraries are inclusive and encourage people to think differently, they are committed to providing a diverse offer and supporting diversity for the benefit of all.

We welcome and embrace the difference staff and trained volunteers can bring to complement the service and will seek to develop new opportunities where this adds value.

Libraries supporting public sector delivery

Libraries engage with around 1,500 residents per day. There is huge potential to unlock the ability libraries have to support wider public service delivery.

Increasingly, access to services is facilitated through digital means. Libraries will continue to support a personal service through face to face interaction. This is especially important for residents who are unsure about what support is available or where best to seek help and guidance.

Face to face support in neighbourhoods reduces the demand on the Civic Offices as well as helping people live their lives well in the areas they live rather than having to travel to Grays whenever support is needed.

Engagement with library staff has identified two particular areas where there are opportunities to develop more support for residents through direct engagement. They are skills development – especially digital skills, and health and well-being.

Our Staff, Our Service

An overwhelming number of comments received through consultation complemented the skill and expertise of library staff when assisting residents with a wide range of enquiries from book recommendations, research, getting on line or accessing training. The quality of the library service in Thurrock is a credit to the dedicated staff teams who are committed to providing the best they can for local residents. Their input and skills will be crucial to implementing this strategy for the future.

We will continue to involve volunteers in key projects such as Home Link and the Summer Reading Challenge, and will seek to work more closely with hub volunteers, supporting training and the skills needed to assist residents.

We will explore apprenticeships within the library service.

Opening hours and Self-Serve

43.20% of those who responded to the consultation held over summer 2018 wanted to be able to visit their library on a Saturday afternoon. Many of the comments in support of this were from students or parents that worked.

Currently, only South Ockendon Hub is open on a Saturday afternoon, supporting self-serve access. As a future commitment, we will seek to explore Saturday afternoon opening at Grays Central and the larger branch libraries.

Many residents commented that, as a rule, they disliked self-service. However, there was a recognition that this could help to increase the hours of access to the service to complement staff support. Thurrock Library Service will not seek to reduce current staffed hours, and will explore self-serve to expand access borough wide.

Investing in our Infrastructure

Whilst our ambition for supporting communities is high, some of our buildings are old and some do not fit with current and future community led requirements. Some branch libraries are very small and restrict the offer we can provide locally.

Where possible we will co-locate services and will explore delivery from modern buildings. In some areas, the location may need to change to increase accessibility. Also, as Thurrock grows, we may need to consider provision in new areas, supporting new communities to benefit from the library service too.

When – and where – our physical buildings develop will often depend on the opportunities presented through partnership working. As the borough grows, we expect new developments to open new possibilities and this may mean that we change the location of existing libraries, or consider new provision alongside health or other community services.

We will use the capital funding available for community hubs to develop hubs where this appetite exists. We cannot do everything at once. Our current view on the phases of development looks like this:

Phase 1 – From 2018		
Library	Current Position	Resource
East Tilbury Phase 1	Following the fire in 2017 we are currently redeveloping the library with some improvements to the design. The new facility will open spring 2019	Capital budget and insurance funding.
Aveley Community Hub	Aveley Community Forum campaigned to secure s106 to develop a purpose built, local resource centre. The library will move into the new hub. Works start in November 2018 and the centre will open in January 2020.	S106 and Capital fund – Community Hubs
Chadwell St Mary Refurbishment	A redesign of the existing space is desperately needed to increase the capacity for community led activities supporting health and wellbeing.	Capital fund – Community Hubs
Grays Central Library	We will be bringing forward options for the Thameside to create a stronger cultural hub for Grays and Thurrock with investment in the theatre along with additional space for other cultural activities. This includes testing the scope to separate uses in the tower from the main building and re-purposing the tower for alternative uses, including residential'	Resources will be considered as part of the wider business plans for the Thameside Complex
Corringham	One of our larger sites - Corringham Library - has the potential to develop a community hub aligned to a strong offer from community partners already active. Staff who work remotely wish to see increased support for agile working in the east of the Borough. Redesign options and a supporting business plan will be developed in 2019.	Capital fund – Community Hubs
Tilbury Community Hub	The Hub, including the library service, will move into the Integrated Medical Centre by 2021.	IMC Capital Investment – Council and Health

Whilst we are fully committed to improving other branches, the opportunities for development are at a much earlier stage and more work will be needed to scope possibilities whilst engaging with local communities.

Phase 2	
Blackshots	A much loved branch library, Blackshots is too small to develop community activities. The Friends of Blackshots Community Group has expressed ideas for the site. A full options appraisal will be scoped starting 2019.
Stanford le Hope	Friends of Hardie Park are looking to redevelop their base. There may be an opportunity to co-locate the library service and therefore increase the opening hours through self-service.
SOC Phase 2	The development of supported housing and health and well-being services at the Whiteacre site are looking to include a new community hub in this area.
Purfleet	The Purfleet Regeneration Scheme includes provision for new community space. This may provide an opportunity for the library service to expand from its current self-service offer within the community hub.
East Tilbury Phase 2	A growing community, East Tilbury Welcom Forum and Bata Heritage Museum are developing plans for a community hub within a purpose built centre to support current and future residents.

We recognise that not all community led provision is within the existing community hubs programme. The Library Service remains committed to exploring opportunities with all partners, and developing access to service points where a branch library does not exist e.g. by looking to install the 'People's Network' in more locations.

Individual business cases will be developed for the above proposals.

Developing our library & community hub offer – existing and future

Reading offer

The ability to read is vital for success in this modern world. The library service will continue to support residents to improve literacy skills and benefit from the rest and relaxation reading a good book can give by providing:

- A wide range of books and other stock meeting the needs of all residents from cradle to grave
- Early Years offer to families and children, gifting book start packs, rhyme and story times
- Family reading activities throughout the year and Summer Reading Challenge for children 0 – 18
- Class Visits to Primary Schools including the Time to Read book gifting for reception children.
- Two reading events per year for secondary schools, Carnegie Book Award and Kids Lit Quiz
- For adults, Quick Reads collections for adult emergent readers and support for reading groups throughout the borough

We will seek every opportunity to widen our offer e.g. participating in the Reading Friends programme currently being piloted in 5 authorities across the country.

Learning Offer

Libraries' learning offer supports residents of all ages to learn both informally and formally through the provision of:

- Up to date information books and online resources
- Quiet study space wherever possible
- Coding and Robotic sessions for children and young people, recognising that understanding of STEM (Science, Technology, Engineering and Maths) subjects will be key skills for the future
- Informal skills sharing through the Fun Palaces initiative and other opportunities
- Partnership working with local colleges and other learning establishments. e.g. ESOL classes for speakers of other languages

Well Being and Community Offer

Libraries support residents' health and well-being by:

- The provision of accessible and local venues where lonely and vulnerable residents receive a warm, accepting welcome, stay as long as they wish without the need for expenditure and feel part of the community
- Hosting a range of social weekly activities e.g. Knit and Natter, Scrabble, Chess groups
- Running Baby Rhyme Times benefitting maternal mental health
- The provision of accurate health information and signposting to local support groups/agencies
- Providing specialist health collections, Reading Well, Books on Prescription supporting adults and children with mild to moderate mental health conditions, adults with long term conditions and families caring for loved ones with Dementia.
- Managing a Homelink service providing books and other resources for all residents unable to access a library
- Offering volunteering opportunities building self-confidence. E.g. Digital Champions, Homelink and Summer Reading Challenge young volunteers 13 – 18 years

Culture and Arts

We recognise the benefits of arts and cultural activities for residents and community cohesion. We will continue to support the Arts by:

- Providing a range of theatre and other arts events in local libraries e.g. Librarian Theatre performances in two libraries each year
- Offering author talks, general and heritage based
- Working with local arts groups to expand provision
- Ensuring refurbished buildings are designed as flexibly as possible to accommodate arts events
- Collecting and maintaining the Local History collection and providing free access to residents
- Support the display of heritage artefacts from collections into the community

Digital offer

So much of our lives now require access to on-line services. In order to participate equally, residents require:

- Free access to PCs and WiFi
- Access to the skills needed to get on-line safely and with confidence
- Access to printing and scanning facilities
- Information about developing skills through self-study or adult education

Often, people learn well when collaborating with a peer group – our current approach to e-learning in groups is well received and we will develop this model to support more communities to increase their digital skills.

Our latest consultation placed access to a printer, scanner or photocopier ahead of access to PCs (45% of respondents valued these services as most important). This reflects our experience that people are using their own devices more.

Working with other agencies, we will continue to provide digital literacy sessions for families and individuals ensuring residents can keep themselves and their families safe online.

New initiatives include working with the Home Office so residents can submit paperwork and provide biometrics for renewal of Visas locally rather than having to travel to London from December 2018.

Our Future Commitments

- ✓ To deliver the library service in collaboration with community hubs and partners
- ✓ To co-locate with other services where possible
- ✓ To explore Saturday afternoon opening in larger branches
- ✓ To develop a sustainable service reinvesting income generated back into the library service
- ✓ We will develop a 5 year Investment Plan for the library and hub service which aspires to become more self-sufficient. In doing so we will develop individual business plans for each base in consultation with the local community. To produce these, we will recruit to a fixed term 2 year post to assist with the development of these plans.



12 December 2018	ITEM: 18 Decision: 110494
Cabinet	
Acquisition of Employment Land Use	
Wards and communities affected: West Thurrock and South Stifford	Key Decision: Yes
Report of: Councillor Mark Coxshall – Portfolio Holder for Regeneration	
Accountable Assistant Director: Detlev Munster, Assistant Director of Property and Development	
Accountable Directors: Steve Cox, Corporate Director of Place and Sean Clark, Director of Finance and IT	
This report is Part Exempt – Appendix A and certain background documents as noted are exempt by virtue that, in accordance with Schedule 12A of the Local Government Act 1972 (category 3), it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).	
Date of notice given of exempt or confidential report: 2 October 2018	

Executive Summary

On the 25 October 2017, Council approved the Investment and Treasury Management indicators to support an investment strategy as part of the wider requirement to deliver a balanced budget. The latest Treasury Management Strategy was approved in February 2018. The October 2017 report outlined the approach for future cash investment decisions and in particular noted in section 3.10 that the investment approach would include “the need to acquire or build revenue generating assets, especially where this meets regeneration or economic need”.

A unique opportunity has come to the market for a large parcel of land in West Thurrock which is strategically located within close proximity to the M25. It is suitable for commercial use and in close proximity to Purfleet, existing industrial units will need to be relocated.

Acquisition of the site would support the wider regeneration of the area. It could also provide “lift and shift” space for businesses located in other industrial estates in Thurrock. The acquisition and subsequent industrial development of the site could result in 850 people being employed at the site, whilst generating in excess of 80 direct and indirect jobs during the construction period. This site would support the

Council's wider economic development objectives, creating new jobs and retaining businesses in Thurrock that would potentially relocate outside of the Borough.

The Council commissioned property consultancy Lambert Smith Hampton (LSH) to advise on the potential acquisition of the industrial development land. An initial report was submitted in April 2018 and the company was commissioned to undertake further due diligence, including the commissioning of preliminary architectural and cost consultancy advice. An additional consultancy, GVA, was commissioned to carry out due diligence checks on the LSH report including land value and the feasibility of the proposed scheme – these were all confirmed as being reasonable.

Discussions have progressed with the land owner and on 31 August 2018 a provisional offer was made with the request to allow the Council to enter into a 3 month exclusivity period. This exclusivity period will allow for;

- the Council to carry out additional checks on the land including soil investigations allowing for a more accurate land valuation and assessment of development risks
- the Council to enter into pre-planning application discussions regarding the site's future use
- Council to reevaluate the proposed financial offer to the land owner
- receive the approval of Cabinet to enter into final negotiations with the land owner and make a final offer up to an authorised maximum offer as advised by LSH

1. Recommendation(s)

That Cabinet:

- 1.1 notes the regeneration and investment opportunity presented by the acquisition of land identified in Appendix A which could be used for employment use purposes.**
- 1.2 approves the proposed freehold acquisition of the site as outlined in Appendix A of this report pursuant to Section 227 of the Town and Country Planning Act 1990 as well as Section 120 of the Local Government Act 1972, and delegates authority to the Corporate Director of Place and Director of Finance in consultation with the Cabinet Member for Regeneration to negotiate and agree final terms for the site's acquisition and to enter into any necessary agreements for the purchase of the site for the Council.**
- 1.3 approves the development of the site as outlined in the report and delegates authority to the Corporate Director of Place to finalise the scheme, submit a planning application and enter into appropriate development agreements for its development in accordance with the planning permission.**

2. Introduction and Background

2.1 The Council has been exploring potential options to increase the industrial offering. The proposed acquisition site (described in Appendix A) has been identified by the Council as a potential relocation site and would support the Council's wider economic development objectives viz.; retaining businesses in Thurrock and creating new jobs. The site could also potentially be used as "lift and shift" space for businesses to move from other industrial estates in the borough.

2.2 Lambert Smith Hampton (LSH) was appointed to advise on the potential acquisition of the site. Due diligence work, including obtaining architectural and cost consultancy advice was undertaken. In addition, legal due diligence and property searches for the site have been carried out. An indicative masterplan for the site was prepared to identify how best the site could be optimised. LSH has subsequently appraised the proposed scheme, and further internal reviews were undertaken.

3. The Opportunity

3.1 The site is located in West Thurrock and is undesignated land in the Local Plan and has not been previously developed. The Vendor was originally intending to expand their operation into this area, but their business model and needs have changed.

3.2 A detailed feasibility study was undertaken to determine the suitability and viability of this site for commercial purposes. The site would also facilitate the relocation of businesses from other industrial estates and provide modern fit-for purpose facilities with opportunities for businesses to expand.

3.3 The feasibility report prepared by LSH suggests that a business/industrial park can be developed on the site. Constraining factors, such as ground conditions, flood risk, COMAH restrictions, etc. were taken into account in preparing this feasibility report.

3.4 For investment analysis purposes, a commercial scheme with a built area of 185,000 sq.ft. with the balance for open storage uses could be developed on the site.

3.5 If the scheme were developed as per the feasibility study, the economic benefits could be summarised as follows:

- Relocation space for businesses requiring industrial space
- Location for 800 jobs
- Creation of 80 direct and indirectly related construction jobs
- Net contribution to business rates of c. £1m per annum.

3.6 Market research suggests that there is strong demand (well into the foreseeable future) for open storage and larger B8 sheds in Thurrock. Indeed the market is considered to be buoyant and current economic trends, Brexit and the site's strategic location all suggest that this site will contribute

positively to the regional supply of commercial space and that there will be significant interest. In addition, in-house research and requests received for commercial accommodation support the research indicating that there is also strong local demand for such space.

- 3.7 The proposed acquisitions financial information can be found in Appendix A, which together with the Feasibility Report noted as a background document, are commercially sensitive and exempt from publication. It is, however, worth mentioning that a number of development options for the site and sensitivity tests were prepared.
- 3.8 The development appraisal assumptions for the baseline scenarios are current and considered to be robust. However, sensitivity tests were undertaken. In particular, the scenarios were modelled with a compounded sensitivity effect where development costs were increased by 10% and future rental income was decreased by 10%. These test suggests that the open storage and industrial sheds remained a viable proposition with positive NPVs and net rental streams.
- 3.9 A further scenario was also modelled to consider an increase in interest rates of 0.5% above the Council's finance rate. The scheme remained viable under both modelled scenarios. A final sensitivity analysis was also conducted which incorporated a further modelled contingency over the project life. The NPVs remained positive. Hence the scheme is considered viable after the consideration of a number of modelled outcomes.
- 3.10 The acquisition of the site is considered to be a viable proposition, and has been tested by our property consultants and reviewed by the Council's Property/Regeneration and Finance teams. In addition, an independent valuer, GVA, was appointed to review the proposed acquisition and the various development scenarios and concluded that the proposed land value is appropriate and that the various assumptions and comparable evidence are robust and sound.
- 3.11 The acquisition and development of the site presents a significant investment for the Council. The cashflows are outlined in Appendix A.
- 3.12 If the Council is successful in securing this site, the Council will appoint a development manager to finalise planning matters and secure planning permission, undertake the construction of the site and businesses to the new industrial park. The cost of this development manager are included in the financial model.
- 3.13 Details of the exclusivity agreement are included in Appendix A.

4. Issues and Options

- 4.1 The acquisition also provides the opportunity to relocate (“lift and shift”) other commercial businesses that are located in predominantly residential areas in Thurrock. This would release these areas for other uses better suited in predominantly residential areas and support the Council in its aim to promote sustainable housing development in appropriate areas.
- 4.2 Two development options have been considered for this site and both of these options are considered feasible and viable.
- 4.3 The Investment and Treasury Management Strategy identifies the need for the Council to assess investment opportunities against other investment classes. While this is restricted by legislation, the Council could consider investing in cash, but returns from such an investment would only yield returns of about 2% per annum at most. Investment in other asset classes such as bonds and stocks is not permitted under current legislation.

5. Property Considerations

- 5.1 The proposed acquisition site is not designated in the Local Plan. Discussions with colleagues in planning suggest that the site would be suitable for industrial use, but would require planning permission.
- 5.2 The site is located within a COMAH zone, and its use and development is restricted. These restrictions have been considered in the indicative masterplan and consequently these constraints are included in the scheme’s financial model. Additionally, the site is potentially contaminated and further investigations will need to be undertaken. The cost of remediating the site is factored into the Council’s proposed offer and has been modelled in the financial analysis. These costs are considered to be a reasonable assumption based on local comparables. Should the cost be greater than this amount, it will be deducted from the proposed land value.
- 5.3 The scheme assumptions used for financial analysis purposes are considered reasonable and reflective of current local market conditions. While the market is considered buoyant and the site is strategically located, the market may fluctuate in terms of costs and future rents given uncertainties pertaining to Brexit and unforeseen global economic shocks. However, in this regard we note that the scenarios have been subjected to compounded sensitivity tests (in terms of increased costs and decreased rents) and even under these conditions, the proposition appears to be viable.
- 5.4 The acquisitions HoTs are outlined in Appendix A. These are considered to be prudent and safeguard the Council’s position.
- 5.5 The land has been valued by LSH and at this value the proposed scheme presents a solid investment return for the Council. However, given interest in this land by other organisations, this value can be surpassed, and the Council

has modelled an acquisition on an upper limit. While this is considered to be at the upper end of the industrial land value range, the site's strategic location, the unique opportunity of a such a large site coming onto the market, the site's condition, market conditions, together with the Council's regeneration agenda, places the Council in a "special purchaser" position. Notwithstanding this position, an external independent valuer, GVA, was commissioned to review this acquisition. GVA concurs with LSH's findings and as such we believe the scheme presents good value for money.

- 5.6 If the Council is successful with the acquisition, it will need to immediately embark on securing planning permission, constructing the access road and developing the scheme as considered appropriate. This is to ensure the Council meets its conditions in the proposed land transaction deal as outlined in Appendix A.

6. Reasons for Recommendation

- 6.1 The proposed acquisition site has been identified as a potential relocation site that would support the Council's wider economic objectives, creating new jobs and retaining jobs, and assisting in the retention of business within the Borough.
- 6.2 The council could generate additional business rates revenue in excess of £1 million.
- 6.3 The acquisition provides the Council with an opportunity to generate a long-term revenue stream. The proposal would be to submit an offer on terms outlined in Appendix A and would also be subject to further due diligence checks.
- 6.4 It is envisaged that the site could be acquired for the sum disclosed in Appendix A but this is subject to negotiation. The Council is considered a special purchaser given its regeneration requirements, but the transaction still represents value for money and is financially viable. Our independent valuer, GVA, has reviewed the proposed transaction.

7. Consultation

- 7.1 This report will be presented to Cabinet on the 12 December.

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

- 8.1 The proposed acquisition not only supports the Council's regeneration agenda, but also provides additional economic benefits aligned with the Council's Place and Prosperity Corporate Priorities. These economic benefits include additional work space for SMEs in the borough, the potential to retain businesses in the borough and thereby retain and create new jobs.

8.2 The proposed acquisition and development of a scheme at this site also aligns with the Council's Investment and Treasury Management Strategy. This strategy requires appropriate due diligence to be undertaken, for appropriate external consultants to be employed to assist the Council in its decision, and for the investment opportunity to meet key performance indicators. All of these requirements have been met and further information is provided in the Financial Implications section.

9. Implications

9.1 Financial Implications

Implications verified by: **Jonathan Wilson**
Assistant Director, Corporate Finance

The financial implications are set out in Appendix A and B. The financial assessment of the project has been completed by Lambert Smith Hampton and the underlying assumptions have been assessed as reasonable by an external valuer (GVA) and also reviewed by the Property and Regeneration teams.

The model underpinning the calculation has been subject to a high level review and supports the outcomes set out in the body of the report. There has been further sensitivity analysis conducted on the proposed scheme to demonstrate the scheme remains viable if a number of core factors move unfavourably. Further consideration needs to be given to how MRP may be applied to the scheme.

The proposed acquisition and development of the scheme is expected to have a positive impact on the Councils MTFS. Based on the supporting model, it is estimated there will be a net ongoing contribution to the base budget of approx. £1.27m by year 6 (increased by rent reviews in future periods) from 2021/22 when the scheme is projected to be fully operational.

9.2 Legal Implications

Implications verified by: **Emmanuel Essien**
Property Lawyer

Local Authorities are empowered under the Localism Act 2011 and the Local Government Act 1972 to acquire land. A Local Authority has the power under Section 120 of the Local Government Act 1972 to buy any land by agreement for the purposes of any of its functions. Furthermore, Section 227 of the Town and Country Planning Act 1990 gives local authority the power to acquire land by agreement for planning purposes. The Power can only be used (a) if the local authority thinks that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land, or

(b) the land is required for a purpose which is necessary to achieve in the interests of the proper planning of an area in which the land is situated. A local authority must not exercise its power under paragraph (a) above unless it thinks that the development is likely to contribute to the achievement of the promotion of one or more of the following objectives namely the economic, social or environmental well-being of their area. The Council would need to conclude that the acquisition would satisfy these tests to take further action.

It is intended that in acquiring the land for planning purposes, Section 203 (4) of the Housing and Planning Act 2016 will be engaged so that on such acquisition, third party rights or easements in respect of the land are overridden and converted into compensation on the statutory basis under Section 204 of the 2016 Act.

Legal due diligence has been undertaken for the site's acquisition and there are no title encumbrances. However, there is the potential that the site may be contaminated and appropriate site investigations should be undertaken. It is recommended that further investigations are undertaken, and as far as possible completed during an exclusivity period and as a result, the Council is to enter into Exclusivity Agreement with the Vendor. The result of the further investigation will determine whether or not to proceed with the acquisition. Given the nature of some of the studies to be undertaken, in particular the ground investigation reports, a waiver to the Council's Standing Orders (Procurement Rules) may be required for these studies so that they can be completed prior to the end of the Exclusivity Agreement.

The Exclusivity Agreement is not an option and does not bind the Council to the purchase of the site. The Exclusivity Agreement purely grants the Council additional time (3 months) to undertake further due diligence work and to negotiate a final settlement.

The proposed acquisition will be conditional upon the Council obtaining satisfactory planning permission.

9.3 **Diversity and Equality**

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

The proposed acquisition could potentially facilitate regeneration and also promote the creation of new jobs in the Borough.

10. **Background papers used in preparing the report**

- Investment and Treasury Management Strategy, October 2017, Thurrock Council
- Medium Term Financial Strategy, February 2017, Thurrock Council
- Core Strategy, 2011 updated 2015, Thurrock Council

- Commercial Market Update 2018, Savills
- Big Sheds Briefing, July 2018, Savills
- Nationwide Overview of the UK Logistics and Industrial Market, July 2018, Savills
- Logistics and Industrial Market in the East of England, July 2018, Savills
- Industrial and Logistics Market Report 2018, LSH
- Intelligent Insight, Databook Q1 2018, Glenny
- Site Feasibility Report, October 2018, LSH (exempt from publication)
- Site Legal Due Diligence, July 2018, Thurrock Council (exempt from publication)
- Review of Proposed Acquisition, July 2018, GVA (exempt from publication)

11. Appendices to the report

Appendix A: Overview of Acquisition and Financial Information (exempt from publication)

Report Author

Camille James

Regeneration Programme Manager

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