

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

## Council

To the Members of Thurrock Council

The next meeting of the Council will be held at **7.00 pm** on **26 February 2020**

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

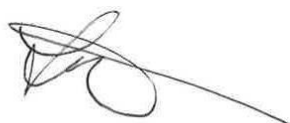
### Membership of the Council:

Terry Piccolo (Mayor)  
Sue Shinnick (Deputy Mayor)

Qaisar Abbas  
Abbie Akinbohun  
John Allen  
Alex Anderson  
Chris Baker  
Gary Byrne  
Daniel Chukwu  
Colin Churchman  
Gary Collins  
Mark Coxshall  
Jack Duffin  
Tony Fish  
Mike Fletcher  
Oliver Gerrish  
Robert Gledhill  
Garry Hague

James Halden  
Shane Hebb  
Victoria Holloway  
Deborah Huelin  
Andrew Jefferies  
Barry Johnson  
Tom Kelly  
Cathy Kent  
John Kent  
Martin Kerin  
Angela Lawrence  
Steve Liddiard  
Susan Little  
Sue MacPherson  
Ben Maney  
Fraser Massey

Allen Mayes  
Sara Muldowney  
Bukky Okunade  
Jane Potheary  
David Potter  
Shane Ralph  
Joycelyn Redsell  
Gerard Rice  
Elizabeth Rigby  
Sue Sammons  
Jennifer Smith  
Luke Spillman  
David Van Day  
Aaron Watkins  
Lynn Worrall



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

Agenda published on: 18 February 2020



## **Agenda**

Open to Public and Press

**Page**

**1 Apologies for absence**

**2 Minutes**

**7 - 32**

To approve as a correct record the Minutes of the meeting of the Council, held on 29 January 2020.

**3 Items of Urgent Business**

To receive additional items that the Mayor is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.

**4 Declaration of Interests**

To receive any declaration of interests from Members.

**5 Announcements on behalf of the Mayor or the Leader of the Council**

**6 Questions from Members of the Public**

**33 - 34**

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

**7 Petitions from Members of the Public and Councillors**

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

**8 Petitions Update Report**

**35 - 36**

**9 Appointments to Committees and Outside Bodies, Statutory and Other Panels**

The Council are asked to agree any changes to the appointments made to committees and outside bodies, statutory and other panels,

as requested by Group Leaders.

<b>10</b>	<b>Revised Political Balance</b>	<b>37 - 42</b>
<b>11</b>	<b>Appointment of Director of Children's Services - REPORT TO FOLLOW</b>	
<b>12</b>	<b>Annual Pay Policy Statement 2020/21</b>	<b>43 - 60</b>
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<b>14</b>	<b>General Fund Budget Proposals</b>	<b>89 - 140</b>
<b>15</b>	<b>Questions from Members</b>	<b>141 - 142</b>

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

<b>16</b>	<b>Reports from Members representing the Council on Outside Bodies</b>	
<b>17</b>	<b>Minutes of Committees</b>	

Name of Committee	Date of Meeting Minutes Approved
Planning Transport and Regeneration Overview and Scrutiny Committee	9 October 2019
Health and Wellbeing Overview and Scrutiny Committee	7 November 2019
General Services Committee	17 October 2019
General Services Committee	6 November 2019
General Services Committee	12 November 2019
General Services Committee	18 November 2019
Children's Services Overview and Scrutiny Committee	8 October 2019
Cleaner Greener and Safer Overview and Scrutiny Committee	3 October 2019
Lower Thames Crossing Task Force	13 January 2020

Housing Overview and Scrutiny Committee	1 October 2019
Housing Overview and Scrutiny Committee	29 October 2019
Planning Committee	9 January 2020

<b>18</b>	<b>Update on motions resolved at Council during the previous year</b>	<b>143 - 146</b>
<b>19</b>	<b>Motion submitted by Councillor Halden</b>	<b>147 - 148</b>
<b>20</b>	<b>Motion submitted by Councillor Redsell</b>	<b>149 - 150</b>
<b>21</b>	<b>Motion submitted by Councillor Rigby</b>	<b>151 - 152</b>

**Queries regarding this Agenda or notification of apologies:**

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

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

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

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

### **Recording of meetings**

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

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

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

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

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

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

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

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

## Evacuation Procedures

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

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

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



## DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

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

### Helpful Reminders for Members

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

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

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



**Does the business to be transacted at the meeting**

- relate to; or
- likely to affect

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

Disclosable Pecuniary Interests shall include your interests or those of:

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

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

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

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

### **Pecuniary**

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

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

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

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

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

### **Non- pecuniary**

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



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

## PROCEDURE FOR MOTIONS

No speech may exceed 3 minutes without the consent of the Mayor [Rule 19.8], except for the proposer of any motion who shall have 5 minutes to move that motion (except on a motion to amend where the 3 minute time shall apply) [Rule 19.8(a)]			
<b>All Motions will follow Section A and then either Section B or C</b>			
<b>A.</b>	A1	Motion is moved	[Rule 19.2]
	A2	Mover speaks	[Rule 19.8(a) (5 minutes)]
	A3	Seconded	[Rule 19.2]
	A4	Secunder speaks or reserves right to speak	[Rule 19.3] (3 minutes)
Then the procedure will move to either B or C below:			
<b>B.</b>		<b>C.</b>	
<b>IF there is an AMENDMENT (please see Rule 19.23)</b>		<b>If NOT amended i.e. original motion</b>	
B1	The mover of the amendment shall speak (3 mins).	C1	Debate.
B2	The seconder of the amendment shall speak unless he or she has reserved their speech (3 mins).	C2	If the seconder of the motion has reserved their speeches, they shall then speak.
B3	THEN debate on <b>the subject</b> .	C3	The mover of the substantive motion shall have the final right of reply.
B4	If the seconder of the substantive motion and the amendment reserved their speeches, they shall then speak.	C4	Vote on motion.
B5	The mover of the amendment shall have a right of reply.		
B6	The mover of the substantive motion shall have the final right of reply.		
B7	Vote on amendment.		
B8	A vote shall be taken on the substantive motion, as amended if appropriate, without further debate.		

## 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

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## Minutes of the Meeting of the Council held on 29 January 2020 at 7.00 pm

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**Present:** Councillors Terry Piccolo (Mayor), Sue Shinnick (Deputy Mayor), Qaisar Abbas, Abbie Akinbohun, John Allen, Chris Baker, Gary Byrne, Daniel Chukwu, Colin Churchman, Gary Collins, Mark Coxshall, Tony Fish (*arrived 7.47pm*), Oliver Gerrish, Robert Gledhill, James Halden, Shane Hebb, Victoria Holloway, Deborah Huelin, Andrew Jefferies, Barry Johnson, Tom Kelly, Cathy Kent, John Kent, Martin Kerin, Angela Lawrence, Steve Liddiard, Susan Little, Ben Maney, Fraser Massey, Allen Mayes, Sara Muldowney, Bukky Okunade, David Potter, Shane Ralph, Joycelyn Redsell, Elizabeth Rigby, Sue Sammons, Jennifer Smith, Luke Spillman, David Van Day, Aaron Watkins and Lynn Worrall

**Apologies:** Councillors Alex Anderson, Jack Duffin, Mike Fletcher, Garry Hague, Sue MacPherson, Jane Potheary and Gerard Rice

**In attendance:** Lyn Carpenter, Chief Executive  
Roger Hirst, Police Fire and Crime Commissioner  
Justin Benson-Ryal, Fire Service  
Darren Horseman, Office of the Police, Fire and Crime Commissioner  
Chief Inspector Richard Melton  
Roger Harris, Corporate Director of Adults, Housing and Health/Interim Director of Children's Services  
Sean Clark, Director of Finance, Governance and Property  
Jackie Hinchliffe, Director of HR, OD & Transformation  
Julie Rogers, Director of Environment and Highways  
Karen Wheeler, Director of Strategy, Communications and Customer Service  
Tim Hallam, Acting Head of Legal, Assistant Director Law and Governance and Monitoring Officer  
Matthew Boulter, Democratic Services Manager and Deputy Monitoring Officer  
Jenny Shade, Senior Democratic Services Officer

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

### 80. Minutes

The minutes of the meeting of Council held on the 23 October 2019 were approved as a correct record.

Councillor Okunade raised a point of accuracy regarding the transcript of Members questions in Appendix A.

The minutes of the meeting of Extraordinary Council held on the 27 November 2019 were approved as a correct record.

**81. Items of Urgent Business**

The Mayor had agreed to an urgent item of business on the revised Political Balance of the Council. This item would be covered before the Public Questions item.

**82. Declaration of Interests**

No interests were declared.

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

The Mayor welcomed Members back into the Chamber after the New Year and announced he had held a fund raising event for his charity, Giving for Thurrock (GiFT), on the 12 January where 10 other mayors had visited Thurrock and had raised £780. The Mayor thanked all those that attended and reminded Members that donations to this charity could be made through member services.

The Leader also welcomed Members back into the Chamber following the Christmas break and welcomed the new Councillors to the Conservative Group. The Leader thanked the Mayor for agreeing to the late urgent item of business and thanked Roger Hirst, the Police Fire and Crime Commissioner for attending this evening.

The Leader was delighted to report that two very positive inspections had been undertaken that highlighted the importance of what the Council carried out to look after the most vulnerable members in the community. The Leader announced the Ofsted inspection carried out on Children's Services had been rated as "good" alongside a Care Quality Commission inspection of the Thurrock Care at Home Service had also been rated as "good". The Leader agreed that this demonstrated the hard work the Council were doing to support vulnerable children and adults in Thurrock.

The Leader stated that it had been another incredible year for the award winning Give a Gift scheme with more than 2,200 young people getting a gift at Christmas thanks to the generosity of residents, Lakeside shoppers and local businesses. The Leader gave special thanks to intu Lakeside, Tesco Extra Lakeside, Linton Hoarding Solutions, Amazing Solutions and all the other businesses who gave their support. Council staff who volunteered their time to staff the shop, wrap and hand deliver the presents were also thanked by the Leader.

The Leader stated that the 14th Thurrock Civic Awards would be held at the end of February 2020. An event to celebrate the tremendous contributions for those that made a positive difference in the community and to recognise the talents of some of the highest achieving individuals, teams and businesses in the borough.

The Leader stated on Monday 27 January 2020, he had joined Cabinet Members, Councillors, pupils from local schools and religious leaders at the Palmer Memorial Gardens in Grays who had come together to commemorate Holocaust Memorial Day. The event had been more poignant as it marked the 75th anniversary of the liberation of Auschwitz-Birkenau. A memorial flame had been unveiled for the Holocaust Memorial Day Trust's 75 flames project which would now be displayed at an exhibition in London.

The Leader provided a Clean It, Cut It, Fill It update that since April 2019:

- 1,568 potholes filled, more than 99% within agreed timeframes
- 987 fly-tips cleared
- 2,996 tonnes of waste cleared from streets
- 3,487 fixed penalties had been issued for offences such as litter, dropping cigarette butts and various forms of anti-social behaviour
- 208 £400 fly-tipping fines issued
- 268 people prosecuted at court for not paying their on the spot fines
- 3 traveller encampments moved under the Council's new interim injunction powers granted last September

The Leader congratulated Councillor Potheary and Councillor Gerrish on the birth of their baby boy.

The Deputy Leader of the Labour Group, Councillor Okunade, congratulated Councillors Potheary and Gerrish on the birth of their baby boy George with Councillor Potheary expected to be back in the Chambers for February Council.

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

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

#### **85. Political Balance of the Council**

Councillor Gledhill presented the report that requested Council to confirm the calculations relating to the allocation of seats on committees following Cllr Akinbohun, Mayes, Potter and Ralph moving to the Conservative Party.

#### **RESOLVED**

- 1. That the political balance and allocation of seats, as set out in Appendix 1, be approved.**

2. **Council noted the manual adjustment requirements outlined in 2.8 and agreed those adjustments proposed by group leaders at the meeting.**

**86. Petitions from Members of the Public and Councillors**

Mayor informed Members that in accordance with the Council's petition scheme, no requisition of notice had been given to present a petition at the meeting.

**87. Petitions Update Report**

Members received a report on the status of those petitions handed in at Council meetings and Council offices.

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

The Mayor enquired whether Group Leaders wished for any changes to be made to the appointments previously made by Committees and Outside Bodies, statutory and other panels.

The Leader of the Council, Councillor Gledhill, informed the chamber he had the following changes to make:

For Councillors Mayes and Jefferies to be removed from their seats on Overview and Scrutiny Committees.

For Councillor Akinbohun to remain as a Member and for Councillor Hague to be moved as a substitute on the Children's Services Overview and Scrutiny Committee.

For Councillor Halden to be added on the Cleaner Greener and Safer Overview and Scrutiny Committee.

For Councillor Rigby to be nominated for the Vice Chair position on the Cleaner Greener and Safer Overview and Scrutiny Committee.

For Councillor Ralph to replace Councillor Jefferies on the Corporate Overview and Scrutiny Committee.

For Councillor Ralph to remain as a Member and Councillor Kelly to be moved as a substitute on the Health and Wellbeing Overview and Scrutiny Committee.

For Councillor Halden to replace Councillor Jefferies on the Housing Overview and Scrutiny Committee.



For Councillor Potter to replace Councillor Jefferies on the Planning Transport and Regeneration Overview and Scrutiny Committee.

For Councillor Akinbohun to be added as a substitute on the Licensing Committee.

For Councillor Akinbohun to be added as a substitute on the Planning Committee.

For Councillor Akinbohun to remain as a Member on the Corporate Parenting Committee.

For Councillor Potter to remain as a Member and Councillor Akinbohun to be added as a substitute on the Standards and Audit Committee.

For Councillor Halden to be removed and replaced with Councillor Mayes on the Health and Wellbeing Board.

For Councillor Mayes to remain as a Member and Councillor Kelly to be moved as a substitute on the Lower Thames Crossing Task Force.

For Councillor Ralph to remain as a Member and Councillor Rigby to be moved as a substitute on the Orsett Hospital Task and Finish Group.

For Councillor Collins to be removed as a Member on the Waste Management Working Group.

For Councillor Massey to be offered a seat on the General Services Committee to which Councillor Massey accepted.

Councillor Okunade, Deputy Leader of the Labour Group, informed the chamber she had the following changes to make:

For Councillor Muldowney to be added to the Children's Services Overview and Scrutiny Committee.

For Councillor Shinnick to be added to the Corporate Parenting Committee.

For Councillor Muldowney to be added to the Waste Management Working Group.

For Councillor Fish to be added as a substitute on the General Services Committee.

For Councillor Abbas to be added as a substitute on the Planning Committee.

For Councillor Worrall to be added as a substitute on the Standards and Audit Committee.

For a seat on Licensing Committee to be given up, which was Cllr Akinbohun former Labour seat.

For Councillor Muldowney to be removed from Standard and Audit as part of the manual adjustment.

For Councillor Liddiard to be put forward for the nomination of Vice Chair on the Corporate Parenting Committee.

Councillor Spillman, Leader of the Thurrock Independent Group, informed the chamber he had the following changes to make:

For Councillor Allen to be added to the Licensing Committee.

For Councillor Smith to be added to the Waste Management Working Group.

For Councillor Spillman to be added to the Standards and Audit Committee.

For Councillor Byrne to be nominated for the Vice Chair position on the Cleaner Greener and Safer Overview and Scrutiny Committee.

The Mayor called for a vote to be undertaken in respect of the contested nominations for the Vice Chair of the Cleaner Greener and Safer Overview and Scrutiny Committee.

The majority of the chamber voted in favour of Councillor Rigby over Councillor Byrne to be Vice Chair.

Therefore Councillor Rigby was appointed Vice Chair of the Cleaner Greener and Safer Overview and Scrutiny Committee.

The Mayor called for a vote to be undertaken in respect of the one nomination for the Vice Chair of the Corporate Parenting Committee. Members voted unanimously for Councillor Liddiard to be appointed as Vice Chair on the Corporate Parenting Committee.

## **89. Police Fire & Crime Commissioner (Presentation and Q&A Only)**

The Mayor introduced the Roger Hirst the Police Fire and Crime Commissioner, Chief Inspector Richard Melton, Justin Benson-Ryal from the Fire Service and Darren Horseman from the Office of the Police Fire and Crime to the meeting and asked they delivered their presentation which would then be followed by questions by Members. Roger Hirst updated Members on the following:

- Uplift Police funding had been received from central funding.
- Work would continue to build on previous good work.
- There were now 368 extra Police Officers currently being recruited.
- Following extra funding in 2018/19 and planning additional funding in 2019/20 there would be an extra 31 Police Officers in Thurrock.

- A further 135 extra Police Officers to be recruited as part of the first wave of the Government's 20,000 officer programme.
- Budget would be funded from Central Government and Local Taxation.
- In March 2021 there would be over 3350 Police Officers.
- Essex had the fastest growing number of Special Constabulary.
- Essex Police was the second largest force after the Metropolitan Police.
- Partnership Working - Thurrock Council supported activities such as Operation Adaminaby, Operation Caesar and Operation Raptor.
- Violence and Vulnerability – Working with Thurrock schools, voluntary sectors, sports club and hospitals.
- Addressing Anti-Social Behaviour looking at additional activity across the borough, localised operations in Chadwell and Tilbury and the reduction in reported incidents.
- Essex Police was the envy of many services across the country.
- Additional funded Police Officers in Tilbury and Purfleet.

Roger Hirst stated he would be happy to answer any questions on the Fire Service and policies.

Members raised the following questions:

Councillor Allen: Would Roger Hirst wish to make any changes to a statement made in January 2019 with regards to lawless areas in the borough and was anti-social behaviour in Tilbury being tackled effectively? Roger Hirst stated there was absolutely no lawless or no-go areas in Thurrock. Chief Inspector Richard Melton confirmed no no-go areas had been reported and how essential it was for the Police to be made aware of incidents and questioned what areas were being referred to.

Councillor Lawrence: Following an incident by a rude member of reception staff at a Police station, how often are Police Station reception staff trained? Roger Hirst stated training was undertaken and he was disappointed to hear of the incident. Chief Inspector Richard Melton responded by agreeing it was unacceptable for residents to not receive a professional service and asked for details so he could respond outside the meeting.

Councillor Kerin: What was being undertaken to boost visible Police patrols on Grays High Street so residents could feel safe? Roger Hirst stated the new Town Centre Policing had come into effect in the summer 2019 to which more Police presence would be visible on the streets to reassure residents and with the introduction of step up patrols and stop and search. This number of Police Officers had increased from four to eight and work continued with the Council to address aggressive begging.

Councillor Little: What commitment could be given to improving the 101 non-emergency police service? Roger Hirst stated lots of work had been undertaken on the 101 service with improvements on waiting times down to the maximum wait time of under one hour and the average wait time down from half an hour to 11 minutes. Although big improvements had been made

the service was not where it should be. Roger Hirst confirmed more investment, more lines and more co-ordination would be put into the 101 service but appealed to residents to continue to use the 101 service for non-emergency incidents or to use the on-line service which would then take the burden off the telephone lines.

Councillor Halden: With regard to county lines, what was in place to protect social services and housing from those drug dealers leaving London for other authorities? Roger Hirst stated at a board meeting held yesterday he had given feedback on the successes of partners working together. With an Essex initiative in place this would be driven forward with a three year programme in place to protect those county lines.

Councillor Holloway: Did Roger Hirst acknowledge that less Police Officers meant more crime? Roger Hirst stated that criminals caused crime not the Police. That policies were working, investments were being made and good services were being maintained compared to 10 years ago.

Councillor Collins: What changes had been put in place so that the human tragedy of the Essex lorry deaths did not occur again? Roger Hirst stated this was a tragic event which unfortunately was not just a crime that happened in Essex but nationally. It was important can to be done so it did not occur again. Roger Hirst commended Essex Police and the Fire Service who were first on the scene with over 500 officers being involved. What was already being done differently was closer collaboration with other forces; border control; review of IT; tracking of vehicles; heat monitors and sensors were now being used and refrigerator door seals were being monitored more.

Roger Hirst thanked Members for the opportunity to represent this evening and agreed to come back to Council.

The Mayor thanked, on behalf of the Chamber, Roger Hirst, Justin Benson-Ryal, Chief Inspector Richard Melton and Darren Horseman for their time this evening.

*At 8.07pm, the Police, Fire and Crime Commissioner, Roger Hirst, Justin Benson-Ryal, Chief Inspector Richard Melton and Darren Horseman left the Council Chamber.*

*At 8.08pm, Councillor Lawrence left the Council Chamber.*

## **90. Local Council Tax Scheme**

Councillor Hebb provided Members with details of Thurrock's scheme which was currently considered to be fit for purpose and there were no proposals to amend the scheme for 2020/21. Councillor Hebb stated it had been proposed that a full review was undertaken within 2020/21 and on receipt of clarity regarding the future of Universal Credit.

Councillor Gerrish stated although there was still lots to be done he would support the existing scheme and welcomed the upcoming review of the Universal Credit.

Councillor Okunade stated her support for the scheme.

Councillor Spillman stated his support for the scheme.

Councillor Gledhill welcomed the report and commented on how the Council would continue to assist veterans of the Armed Forces.

Councillor Hebb welcomed the support of the Chamber and would continue to support those policies as set out in the report.

## **RESOLVED**

**That Council agreed to maintain the existing scheme for 2020/21.**

### **91. Review of Members' Allowances - Report of the Joint Independent Remuneration Panel**

Councillor Gledhill presented the report and the recommendations made by the Joint Independent Remuneration Panel following its review of the Scheme of Members Allowances. Members were referred to the full report in Appendix 1 and the Revised Scheme of Allowances 2019-2023 in Appendix 2.

Councillor Gledhill thanked the Independent Remuneration Panel for their recommendations and had taken the findings into consideration and noted that other local authorities had special allowances above these but each authority had different ways to calculate the level of allowances.

Councillor Gledhill proposed to reject the recommendation to reduce the special responsibility allowance for Vice Chairs of Scrutiny Committees. That this allowance should remain at the current level. Councillor Gledhill agreed with the subsidies, babysitting and mileage allowances but had been perplexed by the cut in the special responsibility allowance for Vice Chairs of Scrutiny Committees. That Vice Chairs attended pre-briefs, training and would be confident to lead the committee in the absence of the Chair.

Councillor Gledhill stated the Council should consider alternative arrangements to undertake their own Independent Remuneration Panel away from Southend.

Councillor Okunade agreed with the sentiments raised by Councillor Gledhill and agreed to reject the Vice Chair recommendation. Councillor Okunade went on to thank the Independent Remuneration Panel for the work undertaken on the review.

Councillor Spillman thanked the work undertaken by the Remuneration Panel, Councillor Gledhill and Councillor Potheary for their contribution to the review and was in favour to reject the Vice Chair recommendation.

Councillor Gledhill thanked Councillors Okunade and Spillman for their comments, thanked the Independent Remuneration Panel for the work undertaken and allowing him to extend the time allocated for his interview.

#### **RESOLVED**

- 1. That Council agreed recommendations presented in the Independent Remuneration Panel's report at Appendix 1 and the subsequent Scheme of Allowances at Appendix 2.**
- 2. The recommendation to reduce the special responsibility allowance for Vice Chair of Overview and Scrutiny Committee be recommend to remain at the current level.**
- 3. That Council implements its recommendations from 1 August 2019.**
- 4. That Officers should investigate and implement alternative IRP arrangements for future years.**

#### **92. Review of Polling Districts, Polling Places and Polling Stations 2019/20**

Councillor Gledhill, presented the report that requested Council to consider and approve the recommendations of the Returning Officer and Chief Executive in relation to the statutory Review of Polling Districts, Polling Places and Polling Stations.

Councillors Okunade and Spillman had no objections or comments on the report.

#### **RESOLVED**

- 1. That the existing arrangements for Aveley and Uplands be confirmed.**
- 2. That the existing arrangements for Belhus be confirmed.**
- 3. That the existing arrangements for Chadwell St Mary be confirmed.**
- 4. That the existing arrangements for Chafford and North Stifford be confirmed.**
- 5. That the existing arrangements for Corringham and Fobbing, polling districts O and Q, be confirmed**

6. That Corringham Evangelical Church, Fobbing Road be confirmed as the polling place for Corringham and Fobbing, polling district P.
  7. That the existing arrangements for East Tilbury be confirmed.
  8. That the existing arrangements for Grays Riverside be confirmed.
  9. That the existing arrangements for Grays Thurrock be confirmed.
  10. That Civic Hall, Blackshots Lane be confirmed as the polling place for Little Thurrock Blackshots, polling district AA.
  11. That the existing arrangements for Little Thurrock Blackshots, polling district AB, be confirmed.
  12. That the existing arrangements for Little Thurrock Rectory be confirmed.
  13. That the existing arrangements for Ockendon be confirmed.
  14. That the existing arrangements for Orsett be confirmed.
  15. That the existing arrangements for South Chafford be confirmed.
  16. That the existing arrangements for Stanford East and Corringham Town be confirmed.
  17. That the existing arrangements for Stanford-le-Hope West be confirmed.
  18. That the existing arrangements for Stifford Clays be confirmed.
  19. That the existing arrangements for The Homesteads be confirmed.
  20. That the existing arrangements for Tilbury Riverside and Thurrock Park be confirmed.
  21. That the existing arrangements for Tilbury St Chads, polling district BC, be confirmed.
  22. That the Fruitful Land Church (The Anchor Pub), Tilbury be confirmed as the polling place for Tilbury St Chads, polling district BD, subject to monitoring feedback from electors and further review if required.
  23. That the existing arrangements for West Thurrock and South Stifford be confirmed.
93. Corporate Parenting Committee Annual Report 2018/19

Councillor Redsell stated this was the first Corporate Parenting Annual Report to be presented to the Chamber following the committee being established some eight years ago. The report outlined the positive work that had been undertaken during 2018/19 by the Corporate Parenting Committee in relation to Looked After Children and Care Leavers to ensure members were fully involved and engaged in their Corporate Parenting responsibilities. Councillor Redsell thanked the Vice Chair for her contribution and support. Members were reminded of the importance of attending the Corporate Parenting training and all Members were corporate parents and all Members should be involved.

Councillor Okunade commended the Corporate Parenting Committee on the work undertaken.

Councillor Gledhill reiterated that Corporate Parenting Training was vital for all Members to attend and would show the Council's commitment to helping Looked After Children.

Councillor Redsell summed up by thanking the members on the Corporate Parenting Committee for their contributions and reminded Members they were all Corporate Parents.

## **RESOLVED**

**That the contents of the Corporate Parenting Annual Report 2018/2019 be noted.**

### **94. Purfleet: Changing name to Purfleet-on-Thames**

Councillor Gledhill, stated on 30 January 2019 a petition had been presented to Council requesting the current name of the town of Purfleet be changed to Purfleet-on-Thames. A public consultation had ran for 12 weeks from Monday 22 July to Sunday 13 October 2019 which had offered everyone an opportunity to give their views about the proposed name change to Purfleet-on-Thames. From this consultation, 84% of respondents thought the name should be changed to Purfleet-on-Thames. There had been a total of 185 responses received. The process for the change would be to seek agreement from the Secretary of State for Housing, Communities and Local Government and Ordnance Survey to which the decision would be made available on the Council's web site.

Councillor Gledhill paid special recognition to the Purfleet Forums, John Rowles and Trevor Batchelor for their continued commitment.

Councillor Gerrish, as Ward Councillor, was pleased with the proposal and would be supporting the decision to change the name to Purfleet-on-Thames. Councillor Gerrish then made a tribute to the residents of the Purfleet Regeneration Community and the Purfleet Community Forum for their huge dedication on such a major project and were commended on the engagement



undertaken. Councillor Gerrish stated this was an important part in history for Purfleet and hoped this would bring new momentum into the area.

Councillor Abbas stated his support for the recommendation and hope this would now raise the profile of Purfleet.

Councillor Holloway echoed the comments made and stated this proposal had been driven by residents and welcomed by Ward Councillors and welcomed the item into the Chamber. Councillor Holloway stated the Purfleet Riverside location would go hand in hand with the regeneration of Purfleet where residents would find Purfleet-on-Thames a desirable place to live and work.

Councillor Coxshall thanked residents, John Rowles and Trevor Batchelor for the work undertaken and stated this was a big asset that would put Purfleet back on the map.

Councillor Hebb stated residents should be proud of how they had continued to address this name change and they had changed something significant in the borough and suggested the Council report be framed and presented as recognition for the work undertaken.

Councillor Gledhill summed up by stating that even though this had been the longest ever community engagement it had been the best in the borough and agreed with Councillor Hebb that some form of presentation or ceremony should be undertaken.

## **RESOLVED**

**That Council agreed to change the name of the town of Purfleet to Purfleet-on-Thames.**

### **95. Report of the Cabinet Member for Central Services and Communities**

Councillor Huelin, Portfolio Holder for Central Services and Communities, stated how proud she was of her portfolio and had pleasure in presenting her portfolio holder report and updated Members on the following:

- Performance continued to improve from 68% in 2018/19 to 74% in 2019/20.
- Performance had been recognised externally with accreditation of the Customer Contact Association.
- Reductions had been made on last year's spend on agency staff.
- A Pay Review had been undertaken.
- The number of procurement exercises and contracts processed across the Council had continued to rise.
- Review on the Self Service had been undertaken.
- The Information Governance team won two gold performance awards in the Replace Exemplar Awards for management of street and address data.

- Legal Services had addressed the introduction of client aligned team structures and now employed safeguarding lawyers.
- Natalie Smith, Thurrock Council's Community Development and Equalities Manager, was congratulated on being awarded a Medallist of the Order of the British Empire (British Empire Medal - BEM) for services to the community in Thurrock.
- Councillor Huelin briefly mentioned Staff Awards, Lottery funding for the museum collections, Thameside, Tilbury shop fronts, Creative People and Places and the Library Strategy.

Councillor Gerrish questioned how many of the 300 staff recruitments mentioned in the report were new staff and what was the cost impact on this. Councillor Huelin did not have the numbers to hand and offered to send this information to Councillor Gerrish.

Councillor J Kent questioned the rumours that Thameside would close and when conversations would start for those tenants in Thameside about renewing their leases. Councillor Huelin stated the Thameside was not closing. There were currently engineers present in the building and once their work had been completed decisions would be made from their recommendations. Councillor Huelin stated the Portfolio for Regeneration and Officers would be talking to those tenants regarding their lease.

Councillor Spillman congratulated Natalie Smith on her achievement which was well deserved. Councillor Spillman asked for cross party involvement be undertaken in addressing the funding for the arts and culture budget.

Councillor Abbas thanked the Portfolio Holder for the report and questioned what plans were in place for the Culture Strategy. Councillor Huelin stated the Council had worked with local artists, community groups and other stakeholders to support the development of a bid for Creative People and Places funding which would provide a multi-million pound cash injection to support the arts in the borough. It was vital to learn more from those stakeholders and make available what residents what to see.

Councillor Huelin summed up by stating what a privilege it had been working on the Portfolio and working with officers, directors and the community.

## **96. Report of the Cabinet Member for Children's Services and Adult Social Care**

Councillor Little Portfolio Holder for Children's Services and Adult Social Care, stated it was a delight to be presenting her fourth portfolio holder report and updated Members on the following Adult Social Care items:

- For residents to live a healthy life and have good experiences for as long as possible and not feel unsafe or vulnerable. The Council offered a safe and supportive environment with aspirations and goals and to also ensure carers would not feel isolated. The Council's Adult Social

Care offered a large number of services which had been admired across the country.

- In January 2016 Cabinet approved for a new residential care facility to be built on the Whiteacre/Dilkes Wood site in South Ockendon with facilities providing social care and nursing care in a specialised setting. There would be 45 self-contained dwellings for single people and couples with additionally 30 ensuite bedrooms for intermediate care.
- Focused on the strengths and assets held by communities in helping to transform Health and Social Care as part of the Better Care Together programme.
- The roll-out of Community Led Support Social Work Teams to all areas of the Borough and recently launched a second team to cover South Ockendon, Aveley and Purfleet.
- A pilot project using an app call Brain in Hand had made a significant impact on young people's lives. Helping young people between 17-25 years old to gain confidence in navigating day to day activities.
- That Fran Leddra, principal social worker for Adult Social Care, had been asked to chair the National Principal Social Worker Forum and had now become Chief Social Worker for England.
- Ofsted Inspections was "good" across the board with some services bordering on excellent.
- Praise was given to Directors and Officers and to Rory Patterson who had retired early this year.
- Thanks were given to all those that helped with the evacuation of Collins House in December following an electrical incident.

Councillor Okunade thanked the Portfolio Holder for her report and congratulated the Council, Social Care Teams on the outcome of the recent Ofsted inspection. Councillor Okunade stated she hoped the Council could continue to be ambitious corporate parents to ensure the best outcomes for Thurrock children were achieved as the council were collectively responsible for them. Councillor Okunade asked the portfolio holder what where the three areas to be improved following the Ofsted inspection and asked for a brief update and how priority would be given on those areas for improvement. Councillor Little stated the area had been recognised as improvement needed was the transition between childhood and adulthood. Although recognised by Ofsted it was agreed more time was required for this to be embedded. That Ofsted had recognised that Thurrock heard the "Voice of the Child" which was the most important focus which had been worked on.

Councillor Spillman questioned whether Thurrock had the full complement of social workers and raised concerns on how the Government Strategy would

invest in social worker training. Councillor Little stated that outside investments had been made with the Ofsted rating good in the recent inspection. That social workers want to come to work for Thurrock but she would not be complacent and would keep striving until excellent across the board had been achieved. Ofsted staff reported social workers in Thurrock were positive, supported, happy and enjoyed working for Thurrock.

Councillor Holloway questioned the half a million pound overspend on the adult social care budget. Councillor Little stated that the £16 million budget was less than 1% overspent. That there was an aging population and would not stand by and see any resident suffer so with the agreement from Cabinet the money was spent. There was also an increased spend on some complex cases.

Councillor Redsell questioned what was being undertaken to achieve best standards of social care in Thurrock. Councillor Little stated it was basically listening to children, the voice of the child. To undertake robust training and encourage staff to attend. The Development Board had been created as well as monthly meetings. To identify amongst the different directorates what had gone wrong and scrutinise to ensure children in Thurrock were safe.

Councillor Collins congratulated Councillor Little and the Adult and Children's Social Care teams for achieving the continued and improved service as rated by Ofsted. That Councillor Little had made the portfolio her own and worked well and above her duty as portfolio holder.

Councillor Little asked whether Councillor J Kent had reconsidered his action in resigning from the position of Chair on the Children's Services Overview and Scrutiny Committee. Councillor J Kent responded by stating he had resigned as Chair as two reports requested for committee had not been delivered as requested, with no apology as to the reasons why. Councillor J Kent felt he had no option but to resign as Chair.

Councillor Little summed by thanking the Adult and Children Social Care Services, Foster Carers, Directors, Assistant Directors and past Director Rory Patterson.

## **97. Questions from Members**

The Mayor informed the Chamber that two questions to the Leader had been received and nine questions to Cabinet Members.

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

*At 9.30pm the Mayor called time on this item.*

The Mayor requested that Democratic Services contact those Members who questions were not heard as to whether they requested to resubmit or receive a written response to their question.

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

This item fell due to time limit of meeting being met.

**99. Minutes of Committees**

This item fell due to time limit of meeting being met.

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

This item fell due to time limit of meeting being met.

**101. Motion submitted by Councillor Huelin**

The Motion, as printed in the Agenda was proposed by Councillor. The Motion read as follows:

*The Motion calls on Council to adopt the below definition of antisemitism as set out by the International Holocaust Remembrance Alliance and its guidelines giving working examples of antisemitism.*

*“Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.”*

Councillor Huelin presented her motion by stating the theme of the motion was for all to stand together against hate crime. Although hate crime was low in Thurrock there had been a significant rise nationally and had welcomed the Government’s announcement that it would adopt the internationally recognised International Holocaust Remembrance Alliance definition and guidelines of antisemitism. For those who had visited Auschwitz would always have the horror of what they saw and there would be no denying what had taken place. Councillor Huelin summed up by stating the focus on diversity was important in Thurrock.

The Mayor called a vote on the Motion.

Members voted unanimously in favour of this Motion to which the Mayor announced the Motion carried.

**102. Motion submitted by Councillor J Kent**

The Motion, as printed in the Agenda was proposed by Councillor J Kent. The Motion read as follows:

*This year’s Holocaust Memorial Day marked the 75th anniversary of the end of the Holocaust. Thurrock Council understands the importance of*

*remembering the millions of people murdered in the Holocaust and the genocides in Cambodia, Rwanda, Bosnia and Darfur.*

*The Council calls upon Cabinet to explore the opportunity to work with schools to facilitate visits to former Nazi death camps, including Auschwitz-Birkenau, to help learn first-hand the consequences of hate. A future programme should seek to work across schools in Thurrock.*

Councillor J Kent started research had shown that one in 20 British adults did not believe the Holocaust happened with 8% saying the scale of the genocide had been exaggerated. That work was required to build on the notion of those Holocaust deniers that this did happen and how dangerous that this could happen again. Councillor J Kent stated for those who had visited Auschwitz would see the evil and brutality of the death camps and would have no doubt what had happened.

Councillor J Kent stated to help young people to fully understand the horrors of the Holocaust the Council should reinstate the Diversity Champions scheme.

The Mayor called a vote on the Motion.

Members voted unanimously in favour of this Motion to which the Mayor announced the Motion carried.

The Mayor asked Members to consider the nature of questions being submitted to meetings with a lot of the questions on this evening's agenda could have been sent through the Member Enquiries route or asked directly of the Portfolio Holder. Questions should be reserved for strategic matters and issues that may have an impact on the borough.

**The meeting finished at 9.38 pm**

Approved as a true and correct record

**CHAIR**

**DATE**

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

## **Appendix A to the Council Minutes – 29 January 2020**

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

There were 2 questions submitted from members of the public.

#### **1. From Mr Perrin to Councillor Coxshall**

When the new Council Office is built, will the Council ensure that the public gallery in the Council Chamber is sited so that members of the public are facing Councillors?

**Mayor**

Councillor Coxshall.

**Councillor Coxshall**

Thank you.

The chamber has certain characteristics and it has to maintain the top table where the Chair sits so that he would be able to see all the Councillors and makes sure that we can actively participate in the meeting. So that's one of the reasons why this style was chosen. But I agree with you, that you are correct really, that the meeting is not conducive to the public gallery who are at the back and seeing the back of the heads of Councillors.

So a way to avoid that, the latest plans were released last year and showed that a triangular shape, where the majority of Councillors will be in view and members of the public will also be able to see the top table.

I don't think it's my personal choice. I think that an adversarial position is slightly better for that very reason if you look at the House of Commons but it went through a consultation process last year, it was a triangle shape that it was rounded on. But I think I'm happy to share more details with you on that and if you didn't see that last year, obviously, I'm happy to intervene with the officer in post with a copy of the view of what they will look like originally. I'm happy to discuss with you if you think there should be something better to view. You've had some great ideas over the years that the Council has accepted.

But I must say, the Chamber wasn't the number one top of the list of the reasons of why we did this. I just want to say, the extension was to deliver better public access, not just for the Council, but we have vulnerable people –

**Mayor**

Councillor Coxshall. Councillor Coxshall.

Mr Perrin, do you have a supplementary?

**Mr Perrin**

Yes Mr Mayor, just briefly.

I'm glad that some effort is being made to make the public more participating and seeing what Councillors are doing. But I would just like to say before I actually sit back down, perhaps there are some Councillors who members of the public would rather see the back of.

**Mayor**

Councillor Coxshall that was not a question that was a statement, there is no need, no need for an answer.

**2. From Mr Hayes to Councillor Johnson**

*This question was not heard as the questioner was not in attendance.*



## **Item 18 – Questions from Members**

The Mayor informed the Chamber that 2 questions had been received to the Leader of the Council and 9 questions had been received to Cabinet Members, Committee Chairs and Member appointed to represent the Council on a Joint Committee had been received.

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

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

Can the Portfolio Holder provide an update on the role the CCTV played in the recent arrest of off-road motor bike riders on King Georges Playing Field in Blackshots?

**Mayor**

Councillor Gledhill.

**Councillor Gledhill**

Thank you Mr Mayor and obviously I need to put this answer into some form of context. The information supplied to us by Essex Police for the year to date shows there's a continued reduction in the number of calls regarding quad bikes, beach buggy, nuisance motorcycles, nuisance vehicle, quad bikes, dune buggies, scramblers, mini moto and dirt bikes.

Indeed, from its peak in 2016 at 399 a year has gone down by 27% and to just over 290. We also feel that there is a bit more confidence with residents reporting this because they can actually see action being taken although they may be slightly swayed by those who have not continued to hang on to the improved 101 system. Hopefully we will see that as the PCC's point in there earlier in that it improves.

Regrettably, the police are unable to identify all the specific cases on King George V playing fields but due to the Council supporting the police, providing evidence through monitoring on CCTV as well as target hardening to protect the land and other support that we have supplied through operations. This combined effort and Council funding for operations has led to: 14 arrests, 109 Section 59 notices, these are notices warning drivers of vehicles, sorry owners of vehicles that if they continue this behaviour, they will be found guilty of the crime and they will have their vehicles seized. 112 prosecutions for various driving offences.

I do remember from my regular briefings with officers during the summer that they were very clear that it was instrumental in catching a prolific group that were using King George V playing fields and indeed, surrounding areas for the illegal use and dangerous use of motorcycles. I would also like to add as we're going forward with our new CCTV policy that we will be asking to display the faces of those that are continuing this terrible antisocial behaviour,

into a public domain or on social media or indeed in council buildings, to try to get those apprehended and bring an end to this nuisance which actually is more than a nuisance, it's actually a very dangerous practice. Thank you.

**Mayor**

Councillor Redsell, do you wish to pose a supplementary question?

**Councillor Redsell**

Thank you Mr Mayor, thank you Councillor Gledhill. Would the Leader advise whether the highly successful joint police enforcement patrol seen last year in Thurrock involving Blackshots, will be repeated?

**Mayor**

Councillor Gledhill.

**Councillor Gledhill**

Thank you Mr Mayor. Of course, the highly visible Council and police activities that took place during the summer were not just during the day, they were also in the early evening and indeed, right through the night and were not limited to the King George V playing fields in the Blackshots area. However, it did quite clearly move a number of people that were involved in antisocial behaviour and we did see a number of those that were using the site for motorcycling and antisocial behaviour and indeed others, start to decline.

I know that speaking to Councillor Allen, also saw this in Tilbury and yes, I can confirm they will be continuing. I've approved some overtime for this year and indeed, with the excellent surplus budget that Councillor Hebb will be talking about next month as will I, will be looking to increase the number of officers in that particular area to ensure more of the Borough is covered more regularly.

**Mayor**

Councillor Redsell, do you wish to propose a second supplementary?

**Councillor Redsell**

No thank you Mr Mayor.

## **2. From Councillor Rigby to Councillor Gledhill**

Please can the Leader outline what the Council is doing to protect residents from misuse of fireworks?

**Mayor**

Councillor Gledhill.

**Councillor Gledhill**

Thank you Mr Mayor and thank you Councillor Rigby for your question.

The Councils Trading Standards Department licences firework sellers in Thurrock which are renewed each year. Premises are visited and inspected for safety prior both to being and when licensed to ensure the premises is suitable and during the sale period to ensure they are operating correctly, safely and in line with guidance.

During these visits the proprietors are given point of sale advice to assist them in avoiding inappropriate sales of fireworks, for example sale to children or adults who may be purchasing fireworks on behalf of children.

As part of our regular activities undertaken test purchase operations on firework sellers, this was undertaken in the lead up to November 5<sup>th</sup>, firework celebrations for Guy Fawkes Night and last year none of our sellers were seen to be selling to underage consumers.

I do know that with the proximity of other boroughs being so close that other boroughs locally also take this on board but I cannot comment of how diligent they are and if they are as diligent or more diligent than our officers who put in an extremely large amount of time into ensuring that our residents are safe.

However, in this society, does seem to me that fireworks seem to be getting much, much louder and does tend to be discharged for a much longer period over the year and I know this is causing concern with residents and we must do and continue to do all we can to protect our residents from the mis-sale and therefore, the misuse of fireworks.

**Mayor**

Thank you. Councillor Rigby, do you wish to pose a second supplementary?

**Councillor Rigby**

Thank you Mr Mayor, yes.

Could the Council look upon asking the government perhaps to consider restricting the timeframe of when the fireworks are sold because at present, it almost stretches over a 3 month period from sort of mid-October for nearly 4 weeks when you can buy fireworks and then again from 26<sup>th</sup> December for five days so it is sort of a 3 month period and we are sort of experiencing fireworks for that period in this area in this borough.

So I don't know whether that can be looked into and also the decibel level, you know, the fireworks do seem to be getting louder. They are causing a lot of stress to residents and also to their pets so perhaps the Council could look into this.

**Mayor**

Councillor Gledhill.

**Councillor Gledhill**

Thank you Mr Mayor and thank you Councillor Rigby for your supplementary question. If memory serves me correct, the period of time in which fireworks can actually be sold is designated by Government but you are quite right. It does seem to me that the periods of time, certainly towards the end of the year is stood at a number of months where fireworks can be purchased and indeed, over that period of time, residents discharging them either within that period or outside that period, which does cause problems to our residents.

I've had a few enquiries myself and one in particular, had set fire in multiple locations within an hour and was causing distress not only to them but as Councillor Rigby quite rightly pointed out, to pets. So, obviously, I'm more than happy to look to see what we can as Local Authority in relation to this. Indeed, not just here but right across the Essex Leaders' Forum as something to take forward just because, it's not just our residents suffering, it's also pets and I know how much stress that will put further stress on residents when an animal's in distress or indeed, ends up being ill from how loud the explosions seems to be getting as Councillor Rigby and I pointed out, they are getting louder and louder. Thank you.

**Mayor**

Councillor Rigby do you wish to pose a second supplementary?

**Councillor Rigby**

No thank you.

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

### **1. From Councillor Mayes to Councillor Johnson**

Can the Portfolio Holder tell me how long residents should expect to wait for repair jobs to lifts within flats?

**Mayor**

Councillor Johnson.

**Councillor Johnson**

Thank you Mr Mayor, thank you for your question Councillor.

The honest answer to your question, Councillor, is that the Council will monitor performances to ensure that repairs are completed within the fastest yet safest periods of time. Which, of course, can sometimes be extended if necessary paths are not readily available. But the best way for the Council to ensure targets are met by contractors for lift repairs, is to use our key performance indicators which are regularly reported to O&S and therefore regularly monitored.

**Mayor**

Thank you.

*(No further questions were heard as the allocated time for this item came to a close.)*

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## QUESTIONS FROM MEMBERS OF THE PUBLIC

There was 1 question from members of the public.

### **1. From Mr Perrin to Councillor Watkins**

I congratulate the Council on being named “Team of the Year” at the “Keep Britain Tidy” Awards 2020. However, at risk of raining on the Council’s parade, would you agree that there are some areas of the Borough where there is an urgent need for improvement to the environment, especially with regard to the Council’s policy for a “Cleaner, Greener Thurrock”?

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## Petitions Update Report

Petition No.	Description	Presented (date)	Presented (by)	Responsible Officer	Status
529	Council to consider replacing the grass area in Heathview Gardens with hard standing for parking.	18 September 2019	Cllr Redsell  Presented at Council	Andy Millard	This request has been sent to the Transport Development team so that it can be assessed and considered within the Kerb-it programme. A capital funding bid is currently being prepared in order to identify the additional funds required to assess and implement Kerb-it requests over the next 2 years. If this funding bid is successful all requests will be assessed and prioritised for implementation with the available funds. If Heathview Gardens is identified as a priority residents will be notified and engaged through a statutory consultation process.
531	Wild flower borders for Thurrock - Request the council implement wild flower borders in SS17 along the Manorway and other areas of Thurrock. To improve the look of the area and provide habitats for wildlife. This will also save the Council on maintenance costs.	1 October 2019	Karen Raja Presented On-Line	Julie Rogers	The Environment and Highways Department are taking an approach to introduce wildflower/meadow planting of borders and verges in appropriate locations, including consideration of the suggested area, The Manorway. The use of wildflower and meadow planting will increase biodiversity and habitats, improve presentation, while reducing maintenance and allowing resources to be targeted in other areas enhancing the overall presentation of the borough.
533	20mph limit zone outside East Tilbury Schools	10 October 2019	Cllr Massey Presented On-Line	Andy Millard	This would be covered under the Safer Routes to School programme; a 5 year programme to treat every school in the borough. At present, this school is not identified as a priority on the list. For reference, the priority list is based on Personal Injury Accidents (PIA) data from the Police, Travel Plan and officer site evaluations. However, site visits have identified that 20mph speed limits would have a limited impact on road safety for children in this area, considering that

## Petitions Update Report

					vehicle speeds on Gloucester avenue is relatively slow and Princess Margaret Road is located away from the school.
534	We the residents of Woodside note that the plans for the 300 pupil special needs school on the existing Tree Top site. Whilst we support the new school we are concerned about the traffic and air pollution this will cause in the area. We therefore ask for the construction of a new access road to the schools in order that existing and additional traffic be averted away from Woodside.	23 October 2019	Cllr Redsell Presented at Council	Andy Millard	A feasibility study has been commissioned for the possibility of alternative access arrangements to the school, made directly from the A1013 Stanford Road. This report was completed in November 2019 and has been used to inform the ongoing consideration of funding options including the Council's capital programme.

<b>26 February 2020</b>		<b>ITEM: 10</b>
<b>Council</b>		
<b>Revised Political Balance</b>		
<b>Wards and communities affected:</b> None		<b>Key Decision:</b> Not Applicable
<b>Report of:</b> Lyn Carpenter, Chief Executive		
<b>Accountable Assistant Director:</b> Tim Hallam, Acting Assistant Director of Law and Governance		
<b>Accountable Director:</b> Sean Clark, Corporate Director of Finance, Governance and Property		
<b>This report is public.</b>		

## Executive Summary

This report requests the Council confirm the calculations relating to the allocation of seats on committees following Councillor Allen becoming an independent councillor 3 February 2020.

### 1. Recommendation(s)

- 1.1 **That the political balance and allocation of seats, as set out in Appendix 1, be approved.**
- 1.2 **Council note the manual adjustment requirements outlined in 2.8 and 2.9 and agree those adjustments proposed by group leaders at the meeting.**

### 2. Introduction and Background

- 2.1 The political balance of the Council was confirmed at its annual meeting on 22 May 2019 following the local elections. A change to this balance was reported to Council in January 2020 and this has now further altered to the following:

Conservatives: 26  
Labour: 16  
Thurrock Independent: 5  
Independent: 2

## **New Political proportionality**

- 2.2 Appendix 1 of this report shows the impact of this change of party membership to the political balance. In summary there is no change to the political balance on committees from those reported on 29 January 2020.

## **Manual Adjustment**

- 2.3 To increase accuracy in the political balance and to properly recognise ungrouped members, Members should apply a manual adjustment. The revised manual adjustment is as follows:

- Labour lose 1 seat across committees
- Conservatives gain 1 seat across committees
- Thurrock Independents lose 4 seats across committees

- 2.4 This manual adjustment is similar to the manual adjustment agreed in January 2020 with the only difference being the Thurrock Independents losing an additional 2 seats across committees.

- 2.5 Group Leaders will propose their preferred manual adjustments at the meeting to be agreed by Council.

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

- 3.1 Manual adjustments are discretionary and are based on agreement between all group leaders as to how these adjustments should be made.

## **4. Reasons for Recommendation**

- 4.1 For transparency the Council are encouraged to have sight of any changes to political balance and agree or note them.

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

- 5.1 Consultation has been undertaken in respect of this report with the leaders of each of the political groups represented on the Council. Their agreement has been obtained to the calculations relating to the allocation of seats on committees and their respective nominations can be put before Council for approval.

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

- 6.1 Appointing members to committees in accordance with the political balance of the Council and associated allocation of seats on committees will enable the Council to properly discharge its functions.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Sean Clark**  
**Corporate Director of Finance, Governance  
and Property**

There are no direct financial implications related to the change in political balance. The cost of servicing committees will be met through the existing budgets.

### **7.2 Legal**

Implications verified by: **Tim Hallam**  
**Acting Assistant Director of Law and  
Governance**

The duties on Councils (under sections 15- 17 of the Local Government and Housing Act 1989) are to review the representation of different political groups on Committees and, as soon as practicable after such reviews, determine the allocation to different political groups and give effect to allocations. This is so as to ensure that the overall political composition of the Council is, so far as reasonably practicable, reflected in the appointment of Members to Committees and Sub-Committees.

This review has to be done at or as soon as practicable after the annual meeting of full Council. A review should also be done where the overall political balance of the Council changes during the course of the municipal year. Following any change in the overall political balance, the authority is required to undertake a review and consider any implications for representation on Council Committees and Sub-Committees. This would include following a Member(s) stating that he or she wishes to join a political group (reg. 17 of the Local Government (Committees and Political Groups) Regulations 1990).

If following a review it's considered that any changes need to be made to Committee and/or Sub-Committee allocations then a report needs to go to full Council setting out the recommended changes.

### **7.3 Diversity and Equality**

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

There are no direct implications for 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**

There are the following appendices to this report:

Appendix 1 – Revised Political Balance Calculations

**Report Author:**

Matthew Boulter

Principal Governance & Democratic Services Officer

Legal and Democratic Services

Thurrock Council  
No-Majority  
Proportionality

Party Group

Number of members

Overall proportionality

Total strict entitlement

Total rounded  
entitlement

Committee

Size of  
Committee

Children's O&S

6

Cleaner & Greener

6

O&S

Corporate O&S

6

Health O&S

6

Housing O&S

6

Planning, Transport &  
Regeneration O&S

6

Planning

9

Licensing

15

General Services

7

Corporate Parenting

8

Standards & Audit

6

Total seats

81

Adjustments

Conservative		Labour		No Party		Thurrock Independents		Ungrouped / Seats to allocate	
26		16		0		5		2	
0.530612245	53.06%	0.326530612	32.65%	0	0.00%	0.102040816	10.20%		
42.97959184		26.44897959		0		8.265306122			
43		26		0		8		77	4
Strict entitlement	Rounded Entitlement	Strict entitlement	Rounded entitlement	Strict entitlement	Rounded entitlement	Strict entitlement	Rounded entitlement	Total Rounded Entitlement	
3.18	3	1.96	2	0.00	0	0.61	1	6	0
3.18	3	1.96	2	0.00	0	0.61	1	6	0
3.18	3	1.96	2	0.00	0	0.61	1	6	0
3.18	3	1.96	2	0.00	0	0.61	1	6	0
3.18	3	1.96	2	0.00	0	0.61	1	6	0
3.18	3	1.96	2	0.00	0	0.61	1	6	0
4.78	5	2.94	3	0.00	0	0.92	1	9	0
7.96	8	4.90	5	0.00	0	1.53	2	15	0
3.71	4	2.29	2	0.00	0	0.71	1	7	0
4.24	4	2.61	3	0.00	0	0.82	1	8	0
3.18	3	1.96	2	0.00	0	0.61	1	6	0
	42		27		0		12	81	0
		1	-1	0				-4	+4

Total  
49

Notes:

- 1 The total rounded entitlement of each party group is compared with the total number of seats allocated to that group. The allocations are then adjusted manually to ensure that the number of seats allocated to a particular group matches their entitlement.
- 2 Compare total rounded entitlement of each party group (Row 7) with the total number of seats allocated to that group in Row 20. Then adjust the allocations manually to ensure that the number in Row 20 matches that in Row 7





<b>26 February 2020</b>		<b>ITEM: 12</b>
<b>Council</b>		
<b>Annual Pay Policy Statement 2020/21</b>		
<b>Wards and communities affected:</b> All		<b>Key Decision:</b> N/A
<b>Report of:</b> Cllr Deborah Huelin – Portfolio Holder for Central Services and Communities		
<b>Accountable Director:</b> Jackie Hinchliffe – Director of HR, OD & Transformation		
<b>This report is</b> Public		

## Executive Summary

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

The Council's Collective Agreement requires the Council to come to a locally agreed decision with the recognised Trade Unions, taking into account the National Joint Council for Local Government (NJC) pay settlement; the annual independent market assessment; budget availability and the UK living Wage as recommended by the Living Wage Foundation.

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

Recommendations contained in this report reflect those from the independent market assessments conducted by Total Reward Projects Ltd in December 2019 and, for apprentices, the Government's announcement on the 31<sup>st</sup> December 2019.

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

- 1.1 The Annual Pay Policy Statement 2020/21 is agreed in line with the Council's obligations under the Localism Act 2011, the Collective Agreement, the recommendations by the independent market assessment and the output of the pay review project (as agreed by General Services Committee on 8 October 2018).**

## **2. Introduction and Background**

- 2.1 This report seeks approval of the Council's annual Pay Policy Statement for 2020/21; in particular, the elements of this statement which vary from, or are in addition to, those contained in last year's pay policy.
- 2.2 The proposed statement attached at Appendix 1 was approved by Directors Board on 17<sup>th</sup> December 2019.

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

- 3.1 The 2019 pay policy statement implemented the recommendations of the pay review project commissioned by Council in 2018. The 2006 single status agreement (and associated pay structure) was replaced with a new Collective Bargaining Agreement signed by the Director of HR, OD & Transformation (under powers delegated by General Services Committee on 8 October 2018) and the three recognised trade unions.
- 3.2 As part of the new agreement the Council introduced a new pay structure for staff that removed overlapping grades and is being phased in over a period of 4 years to eventually limit the number of incremental points in each Grade in line with the Equalities and Human Rights Commission guidance on having no more than 5 increments (6 points within each Grade).
- 3.3 The pay scales included in Appendix 3 reflect year two of this agreement, with a new bottom rate of £9.24 per hour.

## **4. Independent Pay Reviews**

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

## **5. National Pay Award for Single Status Employees 2020/21**

- 5.1 Under Thurrock's 2019 Human Resources Framework Collective Bargaining Agreement, the Council agreed to remove the historical link to National Joint Council for Local Government (NJC) pay rates and for the pay rates to be determined via "a locally agreed decision with reference to the National Negotiating committee (NJC) recommendations, an independent pay review

(commissioned annually by the Council), budget availability and the UK Living Wage”.

- 5.2 Pay negotiations between the NJC and trade unions for 2020-2022 are still in progress with the current expectation is that an agreement will not be reached before the implementation date of 1<sup>st</sup> April 2020 and negotiations could result in an agreement not being reached until late 2020.
- 5.3 The independent pay review commissioned by the council recommends that with effect from 1 April 2020, the council implements a 2% pay increase on its current pay scales for employees in pay bands below the senior structure.
- 5.4 The Council allocates funding within the MTFS to cover pay increases.

## **6. Pay Award for Senior Management 2020/21**

- 6.1 In accordance with the Pay Strategy and Pay Policy for Senior Managers the Council has undertaken an annual independent market assessment of senior management pay.
- 6.2 This recommends a 2% increase in the pay clusters for senior management pay. This is reflective of the year on year increase in senior salaries in the sector and is only the fourth increase recommended since 2009.
- 6.3 The 2% increase in senior salaries represents a cost in the region of £60,000; the funding is allocated within the MTFS.

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

- 7.1 From 1<sup>st</sup> April 2020 there will be two minimum wage rates:
  - i) The National Minimum Wage – the legal, minimum hourly rate first introduced in 1999. Since 1<sup>st</sup> April 2017 this has only applied to workers aged under 26 (see paragraph 8.2, Table 1 below).
  - ii) The National Living Wage – the legal, minimum wage for workers aged over 25 – £8.72 per hour.
- 7.2 The National Minimum Wage (i) above) will have no effect on pay as it is below the lowest pay point.
- 7.3 The National Living Wage (ii) above) will have no effect on pay as the Council continues to pay above the National Living Wage.

## 8. Apprentices

- 8.1 The pay for Council apprentices is the National Minimum/Living Wage appropriate to their age from the start of employment. This was agreed in the 2018/19 pay policy statement, as an increase from paying apprentices the lower apprentice rate for the first six months of their employment.
- 8.2 It is proposed to continue this approach to apprentices, increasing the rates in line with the rates as shown in Table 1 below.

Table 1: Apprenticeship rates for 2020/21

	Aged 25 and over	Aged 21-24	Aged 18 to 20	Aged under 18	Apprentice Rate
Rates from April 2020	£8.72	£8.20	£6.45	£4.55	£4.15

## 9. Senior Manager Pay and Responsibilities

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

## 10. Consultation with Local Trade Unions

- 10.1 Negotiations with the Council's recognised trade unions began in May 2018 for each part of the pay review project. In October 2018, General Services Committee agreed to delegate authority to negotiate a new collective agreement with Trade Unions to the Director of HR, OD & Transformation in consultation with the Portfolio Holder for Central Services. This was signed by all parties in May 2019.
- 10.2 Full consultation with the trade unions on the pay rates contained in Appendix 3 of the pay policy statement has been satisfactorily concluded.

## 11. Implications

### 11.1 Financial

Implications verified by: **Sean Clark**  
**Corporate Director of Finance, Governance & Property**

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

The financial impact of the increase in pay rates for officers, the increase in senior manager pay and the increase in apprentice pay rates have been considered through this report and accounted for during the 2020/21 annual budgeting processes.

## **11.2 Legal**

Implications verified by: **Paul Field**  
**Solicitor, Senior Employment Lawyer, Law & Governance**

In setting out the proposal in this paper, due consideration has been given to:

- Equality Act requirements and compliance
- The requirement under the Localism Act for transparency over the Council's approach to pay.
- Recent high profile equal pay cases successfully brought against councils. ((e.g. Birmingham City Council v Abdulla & others, Armstrong v Glasgow City Council amongst others)

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

## **11.3 Diversity and Equality**

Implications verified by: **Natalie Smith**  
**Strategic Lead - Community Development**

This pay statement implements the recommendations approved by General Services Committee and standard protocols set by law and policy and therefore there are no diversity and equality implications arising. The increase to pay above apprentice pay rates will have a positive impact.

## **11.4 Other implications**

No other significant implications have been identified.

## **12. Appendices**

Appendix 1 – Pay Policy Statement 2020/21

### **Report Author:**

Andrew Brown, Strategic Lead Pay and Operations, HR, OD & Transformation

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**THURROCK COUNCIL**

**PAY POLICY STATEMENT 2020/21**

## VERSION CONTROL SHEET

<i>Title:</i>	<b>Pay Policy Statement 2020/21</b>
<i>Purpose:</i>	<b>To advise on the Council's pay policy including requirements under Section 38 of the Localism Act 2011.</b>
<i>Owner:</i>	<b>Human Resources &amp; Organisational Development</b>
<i>Approved by</i>	<b>Council</b>
<i>Date:</i>	<b>26 February 2020</b>
<i>Version:</i>	<b>0.1</b>
<i>Review frequency:</i>	<b>Annually – in accordance with Section 38 of the Localism Act 2011</b>
<i>Next review date:</i>	<b>October 2020</b>



# **Thurrock Council Pay Policy Statement 2020/21**

- 1. Introduction**
- 2. Scope**
- 3. Determination of pay grades and salary levels**
- 4. Pay progression**
- 5. Cost of living pay increases**
- 6. Lowest paid employees / UK living wage**
- 7. Apprentices**
- 8. Pay multiple**
- 9. Acting up payments**
- 10. Other payments**
- 11. Contractors or consultants**
- 12. Appointment of senior officers**
- 13. Payment on termination, and re-engagement of officers**
- 14. Mandatory Gender Pay Reporting**
- 15. Transparency Code**
- 16. Publication of information**

**Appendix 1 Senior Manager Pay Scales 2020/21**

**Appendix 2 National Minimum and Living Wage Rates 2020/21**

**Appendix 3 Collective Bargaining Pay Scales 2020/2021**

## **1. Introduction**

- 1.1 This Statement complies with Section 38 of the Localism Act 2011, which requires local authorities to produce a pay policy statement for each financial year in order to improve transparency and accountability within Local Government.
- 1.2 It may be adapted and/or updated by agreement at a full Council meeting.
- 1.3 Thurrock Council has, in addition, been conducting a pay review with the intention of modernising and simplifying current pay arrangements. The outcomes of phase 1 of that project are contained in this pay policy.
- 1.4 Thurrock Council reserves the right to review, revise, amend or replace the content of this Statement from time to time to reflect service delivery needs and to comply with new legislation.

## **2. Scope**

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

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

### **Senior officers**

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

its location, its changing demographics, its regeneration agenda and its complex external relations.

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

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

- 3.4 Employees other than senior officers are subject to the pay levels set out in the Council's Human Resources Framework Collective Bargaining Agreement which contains a single 'Thurrock Living Wage' grade for the lowest paid employees (excluding apprentices), plus 9 pay grades containing between 5 and 8 incremental pay points. Posts have been allocated to a pay band through a process of job evaluation, using the GLPC job evaluation scheme.
- 3.5 All new or revised posts must be evaluated. This is done by trained evaluators in-house, as is common in other local authorities, using the GLPC job evaluation scheme. The results of any such evaluation are subject to moderation by the Council's Trade Union Board, which comprises of officers and trade union representatives and open to a fair and transparent appeals process.
- 3.6 Changes to this structure are being phased in over the next four years, as agreed with General Services Committee in October 2018, which will lead to bands of 6 points, meaning staff can progress through in 5 years, in line with the Equalities and Human Rights Commission guidance on having no more than 5 increments (6 points within each Band). The pay structure in Appendix 3 reflect the second year of this transition.

#### **4. Pay Progression**

##### **Senior officers**

##### **4.1 Senior officer pay bands contain three pay levels:**

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

##### **4.2 The award of an annual increase to points (ii) or (iii) above is subject to satisfactory job performance.**

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

##### **4.3 New starters are paid in accordance with Section 16.6 of the council's recruitment policy which states; 'normally the pay point will be the minimum point of the band. Exceptions to this rule may be considered where the minimum point is below the candidate's current salary.'**

##### **4.4 Employees will receive an increase of one incremental point each year, effective from 1<sup>st</sup> April, providing they (i) have performed their role entirely satisfactorily; (ii) have 6 months' service before 1<sup>st</sup> April; (iii) are not already at the top point of their pay band. Performance objectives will be linked to service delivery plans and priorities.**

##### **4.5 Employees who are protected under TUPE arrangements will be paid according to their contract of employment.**

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

##### **Senior officers**

##### **5.1 The annual, independent market assessment conducted in December 2019 recommended there should be a 2% cost of living pay increase for senior officers in 2020/21.**

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

- 5.2 Under the Human Resources Framework Collective Bargaining Agreement 2019, the Council agreed to remove the historical link to National Joint Council for Local Government (NJC) pay increases and for the pay increases to be determined via “a locally agreed decision with reference to the National Negotiating committee (NJC) recommendations, an independent pay review (commissioned annually by the Council), budget availability and the UK Living Wage”. This applies to all employees other than senior officers.
- 5.3 The annual independent assessment conducted in December 2019 recommended a 2% cost of living pay increase.

## **6. Lowest paid employees**

- 6.1 For the purposes of this Statement, employees on the lowest grade of the Council’s pay structure are classed as the lowest paid employees. The only employees paid at a lower rate than the Thurrock Living Wage are apprentices (see paragraph 7).
- 6.2 The Thurrock Living Wage pay point and grade are the Council’s minimum pay point with hourly pay set to £9.24 from the 1<sup>st</sup> April 2020.

## **7. Apprentices**

The starting pay for Council apprentices is the national minimum wage or national living wage according to their age at the point of recruitment. The lowest pay rate for apprentices aged 16 -17 years old will be £4.55 from 1 April 2020. The full range of NMW/NLW rates for 2020/21 are set out at Appendix 3.

## **8. Pay Multiple**

- 8.1 Calculations were made using 2020/21 pay scales which show the pay ratios between the chief executive’s salary and the average salary of the workforce are as follows:

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

Chief Executive: median salary of the workforce = 1:7.5

- 8.2 These ratios were calculated from the median chief executive salary level of £182,000; the mean salary of all staff other than the chief executive of £29,155 and the median salary of all staff other than the chief executive of £23,788.

## **9. Acting up payments**

- 9.1 For acting up or additional duties arrangements, an individual will be paid at the lowest point of the band being acted into, or one pay point higher than their substantive pay point if pay bands overlap.
- 9.2 Management do however have the discretion to award an acting up or additional duties allowance up to a maximum of 5 additional points from the employee's substantive pay point. The rationale for payment is subject to approval by the Council's Pay and Reward Board and evidence should be clearly documented on the employee's personal file.
- 9.3 Secondments are subject to the same pay allowances as stated above, however managers can make secondment arrangements according to the needs of their service are these are not subject to approval by the Council's Pay and Reward Board. Further details can be found in the Secondment policy.

## **10. Other payments**

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

## **11. Contractors and consultants**

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

engaged at a pay rate outside of the equivalent salary point in Appendix 1

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

- 12.1 Full Council will agree the appointment of all permanent Directors and Assistant Directors.

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

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

returns to the same 'sub-sector' within 12 months of receiving the payment. If they return to the same sub-sector within 28 days the whole amount is due, thereafter tapering arrangements become operational. Full Council may exercise a waiver to exclude such a repayment. If a waiver is issued it must be published along with the reasons for doing so in the preceding twelve months at the beginning of a financial year or published in the annual accounts. Guidance is awaited on the exercise of a waiver. If reclaimed an exit repayment is made to the 'old' employer and the sum passed through to the Treasury.

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

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

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

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

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

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

### **Appendix 1 - Senior Manager Pay Scales 2020/21**

50/50%	50/50% Median Base	50/50%
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<sup>1</sup> 'Local Government Transparency Code 2014' published by DCLG: [Transparency Code](#)

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



		Lower Base Pay		Pay		Higher Base Pay
	SCP	Annual Pay £	SCP	Annual Pay £	SCP	Annual Pay £
CEX	31	166,500	32	182,000	33	194,500
DIR5	28	129,000	29	141,000	30	150,500
DIR4	25	121,000	26	134,000	27	141,000
DIR3	22	112,500	23	125,000	24	128,000
DIR2	19	100,500	20	110,000	21	115,500
DIR1	16	93,500	17	104,500	18	107,000
AD5	13	90,500	14	100,000	15	104,000
AD4	10	88,500	11	97,000	12	99,500
AD3	7	83,000	8	93,000	9	96,000
AD2	4	78,000	5	86,000	6	90,500
AD1	1	73,500	2	78,000	3	86,000

## Appendix 2: National Minimum and Living Wage Rates 2020/21

	Age 25 and over	Age 21 to 24	Age 18 to 20	Age under 18	Apprentice Rate
Rates from April 2020	£8.72	£8.20	£6.45	£4.55	£4.15

### Appendix 3: Collective Agreement Pay Chart 2020/2021

Grade	Pay Point	2020/21 rate per hour		2020/21 salary	
I	54		£ 39.91		£ 76,992
	53		£ 38.74		£ 74,748
	52		£ 34.40		£ 72,564
	51		£ 36.39		£ 70,437
	50		£ 35.44		£ 68,370
	49		£ 34.40		£ 66,363
H	48	£ 33.39		£ 64,416	
	47	£ 32.41		£ 62,526	
	46	£ 31.46		£ 60,696	
	45	£ 30.54		£ 58,923	
	44	£ 29.65		£ 57,213	
	43	£ 28.80		£ 55,557	
	42	£ 27.97	£ 27.97	£ 53,964	£ 53,964
G	41		£ 27.15		£ 52,371
	40		£ 26.35		£ 50,835
	39		£ 25.58		£ 49,359
	38		£ 24.85		£ 47,943
	37		£ 24.11		£ 46,524
	36		£ 23.41		£ 45,168
	35	£ 22.74	£ 22.74	£ 43,869	£ 43,869
F	34	£ 22.07		£ 42,570	
	33	£ 21.42		£ 41,328	
	32	£ 20.81		£ 40,149	
	31	£ 20.20		£ 38,967	
	30	£ 19.62		£ 37,845	
	29	£ 19.03		£ 36,723	
	28	£ 18.48	£ 18.48	£ 35,661	£ 35,661
E	27		£ 17.93		£ 34,599
	26		£ 17.41		£ 33,594
	25		£ 16.89		£ 32,592
	24		£ 16.40		£ 31,647
	23		£ 15.91		£ 30,702
	22	£ 15.45	£ 15.45	£ 29,817	£ 29,817
D	21	£ 14.99		£ 28,929	
	20	£ 14.57		£ 28,104	
	19	£ 14.14		£ 27,279	
	18	£ 13.74		£ 26,511	
	17	£ 13.34		£ 25,743	
	16	£ 12.95	£ 12.95	£ 24,975	£ 24,975
C	15		£ 12.58		£ 24,267
	14		£ 12.21		£ 23,559
	13		£ 11.97		£ 23,085
	12	£ 11.72	£ 11.72	£ 22,614	£ 22,614
B	11	£ 11.48		£ 22,140	
	10	£ 11.26		£ 21,726	
	9	£ 11.05		£ 21,315	
	8	£ 10.83		£ 20,901	
	7	£ 10.62		£ 20,487	
	6	£ 10.41	£ 10.41	£ 20,076	£ 20,076
A	5		£ 10.19		£ 19,662
	4		£ 9.98		£ 19,248
	3		£ 9.79		£ 18,894
	2		£ 9.61		£ 18,540
	1		£ 9.43		£ 18,186
TLW	TLW	£ 9.24		£ 17,832	

<b>26 February 2020</b>		<b>ITEM: 13</b>
<b>Council</b>		
<b>Capital Strategy 2020/21</b>		
<b>Wards and communities affected:</b> All		<b>Key Decision:</b> Yes
<b>Report of:</b> Councillor Shane Hebb – Deputy Leader and Portfolio Holder for Finance		
<b>Accountable Assistant Director:</b> Jonathan Wilson, Assistant Director - Finance		
<b>Accountable Director:</b> Sean Clark, Corporate Director of Finance, Governance and Property		
<b>This report is public</b>		

## Executive Summary

The Capital Strategy has been developed in accordance with revised guidance contained in The Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services and the Prudential Code (The Code). This sets out the strategic framework underpinning capital expenditure and the associated financing at the Council. This also includes the Treasury Management Strategy that was previously considered in isolation up to 2018/19. It is intrinsically linked to the council's ambitions of becoming a more commercially focused borough; one where sensible transactions are completed which create revenue returns that can then be allocated to spending on enhanced services for Thurrock residents.

The Code requires local authorities to determine the Capital Strategy and the associated Prudential Indicators on an annual basis. The annual strategy also includes the Treasury Management Strategy that is a requirement of the Ministry for Housing, Communities and Local Government Investment Guidance.

In accordance with the above Codes, this report:

- a) sets out the Capital strategy for 2020/21;
- b) confirms the proposed Prudential Indicators; and
- c) sets out the Capital and Treasury Management projections for 2020/21 to 2022/23.

## **1 Recommendation(s)**

**That the Council:**

**1.1 Approves the Capital Strategy for 2020/21 including approval of the Annual Minimum Revenue Provision (MRP) statement; and**

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

## **2 Introduction and Background**

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

2.2 The report also includes a forecast for Interest Receivable from Investments and the indicative Interest Payable on Borrowing. Interest payable covers borrowing for all forms of capital expenditure within both the General Fund and Housing Revenue Account.

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

### **Borrowing Activity 2019/20 and 2020/21**

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

3.1 The Capital strategy of the Council is attached as an appendix to this report and has been set with consideration of relevant legislation and appropriate guidance. This includes Annex 1 which incorporates the Treasury Management Strategy. The Prudential Indicators are governed by decisions made on the revenue and capital budgets.

3.2 The Capital Strategy sets out a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It includes the following:

- Details of capital expenditure and financing;
- The governance arrangements around the identification and approval of capital bids;
- Details on the sources of funding and projections on capital receipts;
- The strategic approach of the Council to borrowing and the governance arrangements in place;
- The proposed prudential indicators for 2020/21;
- Details of the Council's strategic approach to investments and commercial activities;

- Details of other liabilities and revenue implications arising from this strategy; and
  - A further annex containing the detailed treasury management strategy that supports the capital strategy. This includes the annual statement on the Minimum Revenue Provision.
- 3.3 There are two key areas in this report for Members to be particularly mindful of:
- a) The Council has held significant levels of temporary borrowing since 2010 and hence there is potential exposure to interest rate changes though it is important to note that the Local Government Market is not directly linked to central bank base rate changes. Officers continue to monitor this to ensure the Council can react to any changes in the economy; and
  - b) The approach taken to the Minimum Revenue Provision (as set out in Annex 1).

#### **4 Reasons for Recommendation**

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

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

- 5.1 As set out in section 3, the report is largely based on best practice and the Council's spending plans that have been scrutinised throughout recent months.
- 5.2 Corporate Overview and Scrutiny Committee considered the report at their meeting on 23 January 2020. The Committee recommended to Cabinet that it should consider the best way to increase the democratic oversight of investments. In addition, there was discussion of the overall treasury position, including explanation of how the local authority funding market works, the assurance provided by external agencies to support investment risk and consideration of the guidance framework the Council is required to follow in respect of treasury activity.
- 5.3 At their meeting on 12 February 2020, Cabinet agreed to come forward with options to increase democratic oversight in line with the Corporate Overview and Scrutiny Committee's recommendation.

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

- 6.1 Treasury Management plays a significant role in funding the delivery of services to the community. The debt restructuring carried out in August 2010 will have contributed savings in the region of £32.2m by the end of 2019/20 and continues to deliver annual savings of circa £3m per annum. Income from the various capital loan investments have subsequently created surplus funding to enhance the core service provision.

## **7 Implications**

### **7.1 Financial**

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

The financial implications are included in the main body of the report and appendix. Investment income generated from the Investment Strategy contributes significantly to the council's financial position.

### **7.2 Legal**

Implications verified by: **Tim Hallam**  
**Acting Head of Legal, Assistant Director Law and Governance and Monitoring Office**

The report is in accordance with the Local Government Act 2003, related secondary legislation and other requirements including the Prudential Code. Publication of the strategies is a statutory requirement and conforms to best practice as required by the CIPFA Code of Practice.

### **7.3 Diversity and Equality**

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

There are no direct diversity implications noted in this report.

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

- Not applicable

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

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

## **9. Appendices to the report**

- Appendix 1 – Capital Strategy Report 2020/21
- Annex 1 – Treasury Management Strategy 2020/21

### **Report Author:**

Chris Buckley  
Senior Financial Accountant  
Corporate Finance

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## Appendix 1 - Thurrock Council

### Capital Strategy Report 2020/21

#### Introduction

This capital strategy is a refreshed report for 2020/21, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance Members' understanding of these sometimes technical areas.

#### Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy or build assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

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

In 2020/21, the Council is planning capital expenditure of £341.471m as summarised below:

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

	<b>2018/19 actual</b>	<b>2019/20 forecast</b>	<b>2020/21 forecast</b>	<b>2021/22 forecast</b>	<b>2022/23 forecast</b>
General Fund services	44.643	171.592	63.723	61.180	98.998
Council housing (HRA)	21.303	30.219	27.748	29.717	19.155
Capital investments	401.176	54.170	250.000	250.000	250.000
<b>TOTAL</b>	<b>467.122</b>	<b>255.981</b>	<b>341.471</b>	<b>340.897</b>	<b>368.153</b>

The main General Fund capital projects include the widening of the A13, eastbound slip roads on the A13 at Lakeside, Purfleet redevelopment, refurbishment works at Thameside and Civic Offices and school expansions. The Council also plans to incur £250.0m of capital expenditure on investments, which are detailed later in this report.

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

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

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

*Table 2: Capital financing in £m*

	<b>2018/19 actual</b>	<b>2019/20 forecast</b>	<b>2020/21 forecast</b>	<b>2021/22 forecast</b>	<b>2022/23 forecast</b>
External sources	30.557	82.234	22.174	18.891	46.750
Own resources	19.872	21.034	14.515	10.757	11.415
Debt	416.693	152.713	304.782	311.249	309.988
<b>TOTAL</b>	<b>467.122</b>	<b>255.981</b>	<b>341.471</b>	<b>340.897</b>	<b>368.153</b>

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

*Table 3: Minimum Revenue Provision in £m*

	<b>2018/19 actual</b>	<b>2019/20 forecast</b>	<b>2020/21 forecast</b>	<b>2021/22 forecast</b>	<b>2022/23 forecast</b>
Own resources	2.808	5.343	7.893	9.184	9.950

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

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £294.713m during 2020/21. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

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

	<b>31.3.2019 actual</b>	<b>31.3.2020 forecast</b>	<b>31.3.2021 forecast</b>	<b>31.3.2022 forecast</b>	<b>31.3.2023 forecast</b>
General Fund services	179.441	262.392	296.498	329.603	371.900
Council housing (HRA)	187.260	197.509	210.292	229.252	236.992
Capital investments	739.847	794.017	1,044.017	1,294.017	1,544.017
<b>TOTAL CFR</b>	<b>1,106.548</b>	<b>1,253.918</b>	<b>1,550.807</b>	<b>1,852.872</b>	<b>2,152.909</b>

**Asset management:** To ensure that capital assets continue to be of long-term use, the Council is further developing an asset management strategy which will be completed in 2020/21.

**Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £8m of capital receipts (total includes both GF and HRA receipts) in the coming financial year as follows:

*Table 5: Capital receipts in £m*

	<b>2018/19 actual</b>	<b>2019/20 forecast</b>	<b>2020/21 forecast</b>	<b>2021/22 forecast</b>	<b>2022/23 forecast</b>
Asset sales	12.038	2.000	8.000	8.000	8.000
Loans repaid	5.525	0.039	0.041	0.043	0.045
<b>TOTAL</b>	<b>17.563</b>	<b>2.039</b>	<b>8.041</b>	<b>80.43</b>	<b>8.045</b>

## **Treasury Management**

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

Due to decisions taken in the past, the Council currently has £1.327bn borrowing at an average interest rate of 2.45% and £238.2m treasury investments at an average rate of 3.01%.

**Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 1%) and long-term fixed rate loans where the future cost is known but higher, currently 2.5 to 3.1%).

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

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

	<b>31.3.2020 forecast</b>	<b>31.3.2021 forecast</b>	<b>31.3.2022 forecast</b>	<b>31.3.2023 forecast</b>
Debt (incl. PFI & leases)	1,327.000	1,550.808	1,852.872	2,152.909
Capital Financing Requirement	1,253.917	1,550.808	1,852.872	2,152.909

Statutory guidance is that debt should remain below the capital financing requirement over the medium to long term but can exceed this in the short term. As can be seen from table 6, the Council complies with this requirement.

Members should note that 82% of debt is short-term and issued to fund historic and current capital programmes and investments. In addition, the following context should be noted:

- Capital projects are funded through the annual Minimum Revenue Provision – ensuring there is sufficient funding to repay debts – this is currently budgeted at circa £8m per annum;

- With respect to investments (capital loans) funded from borrowing, the redemption of the investment will pay back what is borrowed (and earning the associated income on top);
- Consequently 82% of borrowing has a mechanism which repays that debt in full; and
- The remaining debt includes £191m long term debt relating to the HRA self-financing settlement, and long-term LOBO debt. The Council continues to hold the associated HRA property and considers wider options to reduce long term LOBO debt.

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

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

	<b>2019/20 Forecast</b>	<b>2020/21 limit</b>	<b>2021/22 limit</b>	<b>2022/23 limit</b>
Authorised limit – borrowing	1,452.949	1,683.963	1,936.565	2,196.509
Authorised limit – PFI and leases	0.400	0.200	0.000	0.000
Authorised limit – total external debt	1,453.349	1,684.163	1,936.565	2,196.509
Operational boundary – borrowing	1,352.949	1,583.963	1,836.565	2,096.509
Operational boundary – PFI and leases	0.400	0.200	0.000	0.000
Operational boundary – total external debt	1,353.349	1,584.163	1,836.565	2,096.509

Members should note that should the Council exceed the agreed limits during a specific financial year then the limits are required to be reset and approved by Members before the end of that financial year, usually at the meeting that sets limits for the following financial year.

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

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

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

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

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

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

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	100%	0%
12 months and within 24 months	60%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	60%	0%
10 years and within 40 years	60%	0%
Over 40 years	100%	0%

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

### **Investments for Service Purposes**

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

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

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

### **Commercial Activities**

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

To this end on 25 October 2017 a Long Term Investment Strategy was approved by Council outlining the Council's approach to Service/Non-Treasury/Commercial Investments rather than the standard treasury investments. The report outlined the key principles involved, governance arrangements and the considerations required to ensure all investments are thoroughly scrutinised before completion.

### **Liabilities**

In addition to debt detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £162.6m at 31 March 2019). It has also set aside £4.9m to cover risks of business rates appeals, insurance claims and other possible liabilities.

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

### **Revenue Budget Implications**

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

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

	<b>2019/20 forecast</b>	<b>2020/21 budget</b>	<b>2021/22 budget</b>	<b>2022/23 budget</b>
Net Financing costs (£m)	(25,298)	(25,946)	(22,316)	(19,550)
Proportion of net revenue stream	-25.30%	-25.95%	-22.32%	-19.55%

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

### **Knowledge and Skills**

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Corporate Director of Finance, Governance and Property is a qualified accountant with 33 years' experience. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury), AAT & ACCA.

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



## Treasury Management Strategy 2020/21

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

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

In accordance with the above Codes, this report:

- a) sets out the Treasury Management strategy for 2020/21; and
- b) sets out the Treasury Management projections for 2020/21 to 2022/23.

## 2 Introduction and Background

- 2.1 The Treasury Management Strategy and Annual MRP Statement are prepared under the terms of the CIPFA Prudential Code for Capital Finance in Local Authorities (the Code).
- 2.2 The report also includes a forecast for Interest Receivable from Investments and the indicative Interest Payable on Borrowing.

### Borrowing Activity

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

	<b>31/3/2021 Estimate £m</b>	<b>31/3/2022 Estimate £m</b>	<b>31/3/2023 Estimate £m</b>
General Fund	296.468	329.603	371.900
Housing Revenue Account (includes effects of Housing Finance Reform based on current available figures)	210.292	229.252	236.992
Capital Investments	1,044.017	1,294.017	1,544.017

	<b>31/3/2021 Estimate £m</b>	<b>31/3/2022 Estimate £m</b>	<b>31/3/2023 Estimate £m</b>
<b>Total Borrowing CFR</b>	1,550.777	1,852.872	2,152.909
Less: External Borrowing	1,327.000	1,537.541	1,839.676
<b>Internal/(Over) Borrowing</b>	223.777	315.331	313.233
Less: Useable Reserves	(11.000)	(11.000)	(11.000)
<b>Borrowing Requirement</b>	212.777	304.331	302.233

- 2.4 The increases above demonstrate the size of the council's capital programme needs in both recent and future years. Repayments of prudential debt are made through the annual MRP provision and where surplus cash balances are accumulated. However, the amounts needed to finance the capital programme, even just essential operational requirements, are in excess of these repayments and so lead to an annual increase in net debt.
- 2.5 The Council's levels of borrowing and investments are calculated by reference to the balance sheet. The Council's key objectives when borrowing money are to secure low interest costs and achieve cost certainty over the period for which funds are required, all underpinned with sound Return on Investment principles. A further objective is to provide the flexibility to renegotiate loans should the Council's long term plans change.
- 2.6 In light of the ongoing reductions to Local Government funding, the Council's focus of the treasury management strategy remains on the balance between affordability and the longer term stability of the debt portfolio. Given the availability of low short term interest rates it remains cost effective to borrow over short term periods or utilise internal balances. The table above shows that it should not be necessary for the Council to borrow further funds above the current levels and this will be monitored on a regular basis by officers to assess the most appropriate form of borrowing. In the short term, these balances are generating investment returns to support service delivery.
- 2.7 This further enables the Council to reduce borrowing costs and hence the overall treasury management risk. While such a strategy may be beneficial over the next 2 to 3 years as official interest rates remain low, it is unlikely to be sustainable in the medium to long-term. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long term borrowing rates are forecast to rise. This will help inform whether the Council borrows additional sums at long term fixed rates in 2020/21.
- 2.8 In addition, the Council may use short term loans (normally up to one month) to enable management of the Council's cash flow and, where possible, generate a return on investment
- 2.9 The Council will keep under review the following sources for long term and short term borrowing:
- Public Works Loan Board (PWLB) loans and its successor body;

## Annex 1 – Treasury Management Strategy.

- UK Local Authorities;
  - Any institution approved for investments;
  - Any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK;
  - Public and private sector pension funds;
  - Capital market bond investors;
  - UK Municipal Bonds Agency;
  - Special purpose companies created to enable joint local authority bond issues;
  - Local Authority bills; and
  - Structured finance, such as operating/finance leases, hire purchase, Private Finance Initiative or sale and leaseback.
- 2.10 With regards to debt rescheduling, the PWLB allows Councils to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some lenders may also be prepared to negotiate premature repayment terms. The Council has in 2019/20 reviewed the debt portfolio to identify opportunities expected to lead to an overall saving or reduction in risk. At this time, it is not financially prudent to take any options of early repayment, owing to early redemption fees.
- 2.11 Borrowing and rescheduling activity will be reported to the Cabinet on a regular basis during 2020/21
- 2.12 In August 2010 the Council repaid its entire PWLB portfolio of loans (£84 million) to obtain significant interest savings. The re-financing was undertaken by utilising short term funds from the money markets, mainly other Local Authorities, at substantially lower rates than taking longer term fixed debt. To the end of 2018/19 the rescheduling had saved £29.2m of interest costs and is estimated to have saved £32.2m by the end of 2019/20. Currently financing from short term money market debt is expected to continue into 2020/21 and beyond. The inherent risk of this strategy is noted with potentially higher rates and increased debt costs in the future.
- 2.13 The Council retains the ability to fix interest rates. This can be achieved within a matter of days of the decision being made or profiled against the maturity schedule of the short term debt. Current Interest Rate forecasts show the interest rate being maintained at 0.75% during 2020 with the official rate remaining at that level for the foreseeable future. There is both a downside and upside risk to the forecast with the downside risk being larger in the main due to potential Brexit issues causing rates to be cut to stimulate the economy, but, the overall forecast is for rates follow the course outlined. However, even if the base rate increases to 1.50%, a 0.75% rise, due to any unforeseen circumstances this will still be below the level of current long term rates that the Council could borrow at from the Public Works Loans Board (PWLB). The recent increase from the PWLB of an additional 1% on top of current loan rates has led to 5 year rates of 2.52% and 50 year rates of 3.13%. In addition, as the Council borrows from other public bodies, rates are not fixed to the bank base rate and are generally lower. The normalised level of the bank base rate post this period is expected to be between 2.50% to 3.50%.

- 2.14 Based on this outlook, the council may borrow on a short term basis when deemed beneficial to the taxpayer while monitoring interest rates to ensure borrowing is fixed if required. Prudently, the Medium Term Financial Strategy (MTFS) does assume rate increases over the 5 year period.
- 2.15 The Council has £29 million of loans which are LOBO loans (Lenders Option Borrowers Option) where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. The last of these loans was taken out in 2005. All of these loans, excluding one with Barclays, could now be amended at the request of the lender only and, although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. In the event the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loan by borrowing from the PWLB or capital markets. Barclays have taken out the option to increase the rate of their loan thereby effectively turning the loan into a fixed rate deal. LOBO loans have become less attractive to Banks and there may be opportunities in the future to redeem these loans. Officers will continue to monitor any developments in this area.
- 2.16 On 1 April 2012, the Council notionally split each of its existing long-term loans into General Fund and Housing Revenue Account (HRA) pools. New long-term loans will be assigned in their entirety to one pool or the other. Interest payable and other costs and income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged or credited to the respective revenue account. The Council will credit interest to the HRA based on the average balances of its reserves and revenue account balance at the average 7 day LIBID rate for the year.
- 2.17 The Council continues to undertake a series of new housing related building schemes utilising borrowing. With the abolition of the Housing Debt Cap the Council will investigate whether further schemes can be undertaken.
- 2.18 Finally, there may be significant regeneration programmes to consider investment vehicles for. The need to borrow for investment will be on a case by case basis after considering investment returns, risk and the result of due diligence.

### **Investments**

- 2.19 The Council holds significant invested funds, representing loans received in advance of expenditure plus balances and reserves held. It is envisaged that investment balances held internally will be approximately £20 million at the financial year end. The Council may invest its surplus funds with any of the counterparties detailed in Appendix 2.
- 2.20 The Council holds a £103m investment in the CCLA Property Fund that is estimated to provide a gross return in 2019/20 of 4.25% with income in the region of £4.3m. The Council has also invested in a number of bonds of various durations since 2016/17 that provides finance to the private sector for,

as an example, the purchase of solar farms, whilst providing significant net returns to the council to support front line services in a move towards financial sustainability.

- 2.21 Local Authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk and to reduce costs or increase income at the expense of greater risk. The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over Authorities use of standalone financial derivatives. The CIPFA code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.
- 2.22 The Council will only use standalone derivatives (such as swaps, forward, futures and options) where they can be clearly demonstrated to reduce the Council's overall exposure to financial risks. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall Treasury Management strategy.
- 2.23 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit. The Local Authority will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use.
- 2.24 The Authority has opted up to professional client status with its providers of financial services, including, banks, brokers and fund managers, allowing it access to a greater range of services, but, without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities the Corporate Director of Finance, Governance & Property believes this to be the most appropriate status.
- 2.25 The Council complies with the provisions of s32 of the Local Government Finance Act 1992 to set a balanced budget.
- 2.26 The needs of the Council's Treasury Management staff for relevant training are assessed as part of the annual staff appraisal process and additionally where the responsibilities of individual members of staff change. Staff attend courses, seminars and conferences provided by Financial Authorities and CIPFA. Corporate Finance staff are encouraged to study for professional accountancy qualifications from appropriate bodies.
- 2.27 Under the new IFRS standard the accounting for certain investments depends on the business model for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

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

- 2.28 Local Authorities are required to prepare an Annual Statement of their policy on making MRP for each financial year. Appendix 3 outlines the assessment of the Council's Annual MRP Statement for 2020/21, which is included in the Annual Strategy in paragraph 2.30.
- 2.29 Officers have reviewed the current strategy and recommend no changes to the 2020/21 strategy.
- 2.30 Consequently the following paragraphs on Borrowing Activity and Investments form part of the Council's Treasury Management Strategy with effect from 1 April 2020:
- 2.30.1 To obtain any long term borrowing requirement from the sources of finance set out in paragraph 2.9;
  - 2.30.2 To continue to fund the ex-PWLB debt via short term funds from the money markets unless circumstances dictate moving back into long term fixed rate debt. The borrowing sources mentioned in paragraph 2.9 will then be assessed as to their suitability for use;
  - 2.30.3 To repay market loans requiring renewal by realising equivalent amounts of investments. If it is not possible to realise investments then the borrowing sources in paragraph 2.9 will be assessed as to their suitability for use as replacements;
  - 2.30.4 To undertake short term temporary borrowing when necessary in order to manage cash flow to the Council's advantage;
  - 2.30.5 To reschedule market and PWLB loans, where practicable, to achieve interest rate reductions, balance the volatility profile or amend the debt profile, dependent on the level of premiums payable or discounts receivable;
  - 2.30.6 To ensure security and liquidity of the Council's investments and to then optimise investment returns commensurate to those ideals;
  - 2.30.7 To contain the type, size and duration of investments with individual institutions within the limits specified in Appendix 2;
  - 2.30.8 To move further funds into the CCLA Property Fund or other externally managed funds if it is felt prudent to do so following appropriate due diligence; and in consultation with the Cabinet Member for Finance and Transformation;
  - 2.30.9 To meet the requirements of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 the Council's policy for the calculation of MRP in 2020/21 shall be that the Council will set aside an amount each year which it deems to be prudent and appropriate, having regard to statutory requirements and relevant guidance issued by DCLG. The Council will also consider the use of capital receipts to pay down any MRP incurred; and

- 2.30.10 To ensure all borrowing and investment activities are made with due reference to any relevant Prudential Indicators.

**Interest Projections 2019/20 Revised and 2020/21 Original**

- 2.31 The CIPFA document Treasury Management in the Public Services: Code of Practice places a requirement on the Council to publish estimates relating to the operation of the borrowing and investment function.
- 2.32 The 2019/20 budget and the projected position for 2019/20 as at November 2019 and also an initial projection for 2020/21 are shown in summary format in the table below:

	Projected 2019/20	Projection 2020/21
	£'000's	£'000's
Interest payable on External Debt		
Debt Interest	14,651	15,705
Total internal interest	<u>96</u>	<u>96</u>
Interest payable	<u>14,747</u>	<u>15,801</u>
Investment Income		
Interest on Investments	<u>(46,073)</u>	<u>(49,639)</u>
Net interest credited to the General Fund	<u>(31,326)</u>	<u>(33,838)</u>
MRP- Supported/Unsupported Borrowing	<u>6,018</u>	<u>7,893</u>

- 2.33 It is noted that the figures shown above for 2020/21 include assumptions made about the level of balances available for investment, any anticipated new long term borrowing and the level of interest rates achievable. They may be liable to a significant degree of change during the year arising from variations in interest rates, other market and economic developments, and Council's response to those events.
- 2.34 In accordance with the requirements of the revised CIPFA Treasury Management Code, the Council will report on treasury management activity and the outturn against the treasury related Prudential Indicators at least bi-annually.

## Approved Investment Counterparties:

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

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



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

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

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

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

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

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

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

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

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

with market prices and/or have a notice period will be used for longer investment periods.

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

Risk assessment and credit ratings: Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

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

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

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

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

### Specified Investments

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

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

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

### Non-specified Investments

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

### Non-Specified Investment Limits

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

### Investment Limits

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

	Cash Limit
Any single organisation, except the UK Central Government	£20m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£40m
Any group of pooled funds under the same management	£50m
Any external Fund Manager	£750m
Negotiable instruments held in a brokers nominee account	£20m
Foreign countries (total per country)	£30m
Registered Providers in total	£30m
Building Societies in total (excluding overnight investments)	£40m
Loans to small businesses	£20m
Money Market Funds	£40m
Investments approved by the Section 151 Officer	Reviewed for each case

### Liquidity Management

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

## **THE MINIMUM REVENUE PROVISION STATEMENT**

### **Introduction:**

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

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

### **Background:**

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

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

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

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

### **Considerations:**

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

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

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

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

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

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

### **The Annual MRP Statement**

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

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

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

### **Proposals**

The Minimum Revenue Provision Policy Statement for 2020/21:

- In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 the Council's policy for the calculation of MRP in 2020/21 shall be that the Council will set aside an amount each year which it deems to be prudent and appropriate, having regard to statutory requirements and relevant guidance issued by MHCLG; and
- The Council will also consider the use of capital receipts to pay down any MRP incurred.

The policy will be reviewed on an annual basis.

<b>26 February 2020</b>		<b>ITEM: 14</b>
<b>Council</b>		
<b>General Fund Budget Proposals</b>		
<b>Wards and communities affected:</b> All		<b>Key Decision:</b> Yes
<b>Report of:</b> Councillor Rob Gledhill, Leader of the Council		
<b>Accountable Assistant Director:</b> Jonathan Wilson, Assistant Director - Finance		
<b>Accountable Director:</b> Sean Clark, Corporate Director of Finance, Governance and Property		
<b>This report is</b> Public		

## Executive Summary

This report sets out the draft budget proposals for a balanced budget for three of the five financial years from 2020/21 through to 2024/25. This is based on a number of service review and investment assumptions, including the Council's continued support of Thurrock Regeneration Ltd. This is also based on the proposal for a 1.49% increase in general Council Tax and a further 2% for the Adult Social Care (ASC) precept allowed in 2020/21.

Furthermore, this paper confirms that the General Fund balance (the Council's non-specified reserve) has been maintained at £11m.

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

The Council continues to work towards self-sufficiency by creating a budget which works for all Thurrock residents; by building financial resilience and independence into the Council's spending and borrowing ability.

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

The Transformation Programme approach continues to be managed through the Strategic Boards, all of which are overseen by the Transformation Board.

The report presented to Cabinet on 15 January 2020 presented a proposed balanced budget for the financial years 2020/21 through to 2022/23. The proposals were considered by the Corporate Overview and Scrutiny Committee on 23 January 2020 where the main discussion was the proposed Council Tax increase and the impact of the investment strategy on the Medium Term Financial Strategy forecasts and sustainability into the future.

This report presents the final budget proposals agreed by Cabinet at their meeting on 12 February 2020 that, subject to other approvals, sets out a forecast balanced budget for the next three years.

This budget includes revenue investment in social care specifically as well as providing additional funding to address homelessness in the borough. The capital programme includes proposals that support underlying infrastructure improvements that support and drive the delivery of improved services whilst the future and aspirational proposals includes strategic and place making schemes that continue to support the place making and commercial agendas.

**1. Recommendations:**

**That the Council:**

- 1.1 Considers and acknowledges the Section 151 Officer's (Corporate Director of Finance, Governance and Property's) S25 report on the robustness of the proposed budget, the adequacy of the Council's reserves and the Reserves Strategy as set out in Appendix 1, including the conditions upon which the following recommendations are made;**
- 1.2 Agree a 2% council tax increase towards the cost of Adult Social Care;**
- 1.3 Agree a 1.49% council tax increase to meet the increasing costs and demands of all other services and to move the council towards greater financial sustainability for the medium to longer term;**
- 1.4 Approve the new General Fund capital proposals, including the allocation for feasibility work on future and aspirational proposals, as set out in section 10 and Appendix 6;**
- 1.5 Delegate to Cabinet the ability to agree schemes (a) where it can be evidenced that there is a spend to save opportunity or (b) that use any unbudgeted contributions from third parties, including those by way of grants or developers' contributions, and these be deemed as part of the capital programme.**



## **Statutory Council Tax Resolution**

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

- 1.6 Calculate that the council tax requirement for the Council's own purposes for 2020/21 is £69,168,853 as set out in the table at paragraph 5.8 of this report.**
- 1.7 That the following amounts be calculated for the year 2020/21 in accordance with Sections 31 to 36 of the Act:**
- (a) £477,989,694 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act.**
  - (b) £408,820,841 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.**
  - (c) £69,168,853 being the amount by which the aggregate at 1.7(a) above exceeds the aggregate at 1.7(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its council tax requirement for the year. (Item R in the formula in Section 31B of the Act).**
  - (d) £1,332.81 being the amount at 1.7(c) above (Item R), all divided by Item T (Council Tax Base of 51,897), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (including Parish precepts).**
  - (e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.**
  - (f) £1,332.81 being the amount at (d) above less the result given by dividing the amount at (e) above by Item T, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no Parish precept relates.**
- 1.8 To note that the Essex Police, Fire and Crime Commissioner has issued precepts to the Council in respect of Essex Police and Essex County Fire and Rescue Service in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the tables below.**
- 1.9 That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts**

shown in the tables below as the amounts of council tax for 2019/20 for each part of its area and for each of the categories of dwellings.

**2020/21 COUNCIL TAX FOR THURROCK PURPOSES EXCLUDING ESSEX FIRE AUTHORITY AND ESSEX POLICE AUTHORITY**

Amounts for the Valuation Bands for 2020/21							
A £	B £	C £	D £	E £	F £	G £	H £
888.54	1,036.63	1,184.72	1,332.81	1,628.99	1,925.17	2,221.35	2,665.62

- 1.10 That it be noted that for the year 2020/21 Essex Police, Fire and Crime Commissioner Fire and Rescue Authority has stated the following amounts in precept issued to the Council in respect of Essex Police for each of the categories of dwellings as follows:

Amounts for the Valuation Bands for 2020/21							
A £	B £	C £	D £	E £	F £	G £	H £
132.42	154.49	176.56	198.63	242.77	286.91	331.05	397.26

- 1.11 That it be noted that for the year 2020/21 Essex Police, Fire and Crime Commissioner Fire and Rescue Authority has stated the following amounts in precept issued to the Council in respect of Essex County Fire and Rescue Service for each of the categories of dwellings as follows:

Amounts for the Valuation Bands for 2020/21							
A £	B £	C £	D £	E £	F £	G £	H £
49.26	57.47	65.68	73.89	90.31	106.73	123.15	147.78

**2020/21 COUNCIL TAX (INCLUDING FIRE AND POLICE AUTHORITY PRECEPTS)**

Amounts for the Valuation Bands for 2020/21							
A £	B £	C £	D £	E £	F £	G £	H £
1,070.22	1,248.59	1,426.96	1,605.33	1,962.07	2,318.81	2,675.55	3,210.66

## 2 Introduction and Background

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

- 2.1 The Council must, by law, set its annual revenue budget and associated council tax level by 11 March of the preceding financial year. If, for whatever

reason, the Council cannot agree a budget and Council Tax level at its meeting on 26 February 2020, Members should be aware that the Council will not have a legal budget and this will impact on service delivery and cashflow with immediate effect whilst damaging the council's reputation and can, as a last resort, lead to intervention from the Secretary of State under powers given by section 15 of Local Government Act 1999.

- 2.2 The role of Council is to agree the level of Council Tax and inherently, the budget envelope for the Council. The precise allocation of that envelope and expenditure falls to the Cabinet.
- 2.3 It is also good practice to approve the capital programme at the same time because there is an interdependency between the budget streams.
- 2.4 This report presents the proposed 2020/21 General Fund revenue and capital budgets, as per the recommendations of Cabinet that have been formed through budget reports presented to the Corporate Overview and Scrutiny Committee and the Cabinet over recent months.
- 2.5 The Corporate Director of Finance, Governance and Property's statutory statement on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003 is included at appendix 1. This must be considered by the Council before approving the council tax level.

## **Revenue**

### **The 2019/20 Budget Position**

- 2.6 Members have received reports throughout the year that have set out the ongoing pressures in Adults and Children's Social Care as well as specific pressures relating to homelessness and the loss of Thurrock Regeneration Ltd investment income. Increased funding for these areas has been built into the budget allocations for 2020/21. This is recognised within the s25 statement when considering the robustness of estimates for 2020/21. The reports have also set out the in-year mitigation that has been taken to deliver a balanced budget position for the financial year 2019/20.
- 2.7 Work continues on finalising these projections and officers remain confident that further mitigation and favourable variances will be identified to stay within the service budget at year-end.

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

- 2.8 Council Tax and Business Rates remain the main sources of funding for the Council's total General Fund budget (excluding schools). Government funding of its main grant is the third ranked provider of funding. As such it remains a reducing factor in determining the Council's revenue budget. The Local Government Finance Settlement for 2020/21 was confirmed by the Ministry for Housing, Communities and Local Government (MHCLG) on 6 February 2020 and confirms the reductions built into the MTFS.

- 2.9 The latest Finance Settlement maintains the key changes in the way that Local Government is now financed, which were introduced in April 2013, with the main changes being from the launch of the Business Rates Retention (BRR) scheme as the principle form of local government funding. All forecasts continue with the principle of phasing out reliance on central government support and to replace this with income raised locally through Council Tax, Business Rates and income generation.
- 2.10 Regarding Adult Social Care (ASC), the ability for the council to raise an ASC precept is available for 2020/21 to the Council. It is noted the Local Government Finance Settlement made additional funding available for both Adults' and Children's Social Care through additional grant funding of £2.700m for 2020/21.
- 2.11 Recognising the direction of travel towards financial sustainability, the MHCLG increased the amount that a council could increase the Council Tax by 1.99% in 2020/21 financial year. Council Tax proposals for 2020/21 are set out below and recommend a Council Tax increase of 1.49%.
- 2.12 The Council also receives a number of grants for specific purposes. These include Housing Benefits Administration and Public Health.
- 2.13 As part of the reforms contained within the Health and Social Care Act 2012, responsibility for commissioning certain public health functions moved from the NHS to Local Authorities. In 2013 a ring fenced Public Health Grant was provided to all top tier local authorities in order to commission mandated and discretionary Public Health services.
- 2.14 Since 2015/16, there has been year on year reductions in the Public Health Grant. The grant will increase by 2.7% in 2020/21 although there remains the possibility this increase will be outweighed by the cost of additional services to be funded from the grant. In the longer term this grant is likely to be absorbed into core funding as part of the Government Comprehensive Spending Review.
- 2.15 Whilst 100% business rate retention did not factor in the Queen's Speech in 2017, the MHCLG announced its intention to move to 75% retention by 2020/21. Following the recent general election this has now been deferred to 2021/22. Currently the Council retains circa £36m from a total collection of £120m (30%) against a headline of 49% retention. Gains for Thurrock Council through a greater headline retention cannot be guaranteed and so are not assumed. What is known at this time is that other grants, such as Public Health Grant, will be met from greater retention but then at the loss of the specific grant.

### **3 Collection Fund Balances and Council Tax Base**

- 3.1 The Constitution delegates the factual calculation and agreement of Collection Fund balances and the Council Tax base to the Corporate Director of Finance, Governance and Property.

### Collection Fund

- 3.2 The Collection Fund is where the transactions for Council Tax and Business Rates billing, collection and distribution is accounted for. Councils are required to separately estimate the balance as at 31 March each year and for this to be allocated to the major precepting bodies to be accounted for in the budget setting for the following year.
- 3.3 These balances can be either surpluses or deficits and so will impact the budgets accordingly. The impact for Thurrock Council has been included within these budget proposals and precepting bodies have been notified.
- 3.4 Based on the latest forecasts of collections and write offs the Council Tax Collection Fund is estimated to be a surplus of £0.809m as at 31 March 2020. This is apportioned to the major preceptors as follows:

<b>Major Precepting Authority</b>	<b>£m</b>
Thurrock Council	0.671
Essex Police Authority	0.101
Essex Fire Authority	0.037
Total Allocated	0.809

- 3.5 Based on the latest forecasts of collections and write offs the Business Rates Collection Fund is estimated to have a surplus of £1.467m as at 31 March 2020. This is apportioned under regulations as follows:

<b>Major Precepting Authority</b>	<b>£m</b>
Thurrock Council	0.719
Central Government	0.733
Essex Fire Authority	0.015
Total Allocated	1.467

### Council Tax Base

- 3.6 The Council Tax Base is the calculation formed by considering the number of properties within the borough at the various bands of A to H, the discounts currently being afforded to a number of those properties and the likely reduction in liability through the Local Council tax Scheme (LCTS).
- 3.7 All properties are then averaged to create an equivalent of a number of Band D properties that is then used to calculate the Council Tax income within the budget. Whilst there are over 67,000 properties in the borough, these equate to a Council Tax Base of 51,897 Band D properties that, when multiplied by the proposed Council Tax level, calculate a total that will be raised through Council Tax.

## **4 Council Tax Proposals**

- 4.1 The Localism Act 2011 introduced the concept of a referendum where a proposed Council Tax increase exceeds its excessiveness principles either by

the billing authority (Thurrock Council) or one of its major preceptors. Simply, a referendum would be required if the Council resolved to increase council tax by a higher percentage than the government guidelines. This report does not propose increases that would call for a referendum.

- 4.2 As reported last year, Thurrock Council has one of the lowest Council Tax levels and Council Tax income of all of the Unitary Councils in the country and the lowest Council Tax in Essex. This low base means that, financially, Thurrock Council has less income than comparable councils to deliver the same suite of services, irrespective of demographic need, and limits any increase through the Council Tax precept as any percentage increase is on a lower amount than other authorities. A low base also means reduced flexibility in terms of having surplus funds to spend on capital projects and other initiatives, without having to rely on prudential borrowing where the need is identified.
- 4.3 The Council has made significant progress through the Council Spending Review (CSR) process, specifically around the commercial and investment approaches. However, the most significant and stable income stream that the Council has is through Council Tax and building this base is critical to sustaining the services offered by the Council and after accounting for factors such as inflation and wage increases in the social care sector.
- 4.4 There are two elements to the Council Tax that need to be considered:
- The general increase – this is capped at 2% and so the maximum increase that can be agreed is 1.99% for 2020/21. A 1.49% increase has been recommended by Cabinet and the MTFS assumptions have been updated to reflect the revised approach; and
  - The Adult Social Care (ASC) Precept – this precept was announced as part of the 2020/21 Local Government Finance Settlement. A maximum of 2% can be raised to support the provision of social care in the borough and the full amount is recommended by Cabinet.
- 4.5 There is a continuing need for sustained increases to the ASC budget to meet the increased costs of the national minimum wage and demand pressures as the population continues to live longer with more complex health and care needs. The Council continues to face considerable challenges with the domiciliary care market which remains a national trend. The new domiciliary care service is providing more stability locally but this remains a challenging area. The NHS locally is also under considerable pressure to discharge patients quicker and reduce Delayed Transfers of Care (DTOCs) – this equally puts further pressures on Adult Social Care.
- 4.6 The table below sets out the average impact on a household in each band when considering the various discounts and support already in place:

Band	Band Charge (2019/20)	Properties		Average Net Charge	Average 1% Increase p.a.
		No.	%		
A	£1,035.48	7,462	10.9%	£631.56	£6.32
B	£1,208.06	13,623	19.9%	£920.34	£9.20
C	£1,380.64	27,076	39.6%	£1,165.99	£11.66
D	£1,553.22	12,445	18.2%	£1,386.65	£13.87
E	£1,898.38	4,726	6.9%	£1,752.65	£17.53
F	£2,243.54	2,228	3.3%	£2,121.55	£21.22
G	£2,588.70	824	1.2%	£2,469.61	£24.70
H	£3,106.44	49	0.1%	£2,141.62	£21.42
<b>TOTALS</b>		<b>68,433</b>	<b>100.0%</b>	<b>£1,186.96</b>	<b>£11.87</b>

- 4.7 For over 70% of residents, each additional 1% increase in Council Tax equates to an average of 19.5 pence per week or £10.14 per annum whilst raising £0.7m to be applied to a wide range of services, including Children's and Adults' Social Care that work with the most vulnerable members of the community.

## 5 Proposed General Fund Revenue Budget 2020/21

- 5.1 The Council Spending Review "Service Review Board" has undertaken a number of cross cutting reviews which challenge current delivery models, structures and assumptions with a view to improving outcomes and identifying efficiencies. The Board has a savings target of £0.900m in 2020/21 which is to be delivered following the implementation of the review outcomes stated below:
- Insourcing services to be taken into back into Council - £0.300m;
  - Increased income from fees and charges - £0.250m; and
  - Social care services savings arising from data analytics predictive analysis - £0.350m.
- 5.2 Together these form an overall package that contribute towards a balanced budget and allows the Council to invest in enhancing existing services as well as providing additional services where they are deemed to be a priority.
- 5.3 The impact of this approach, together with the Investment Strategy, has supported the creation of identified surpluses over the next three years of £5.532m that can be used for one off investments in services and throughout the borough but roll forward to support the budget in the medium to longer

term. The approach has created a projected surplus in the region of £5.8m in 2019/20 and the key focus of this spend will be:

- £2.217m to address pressures in Homelessness, Children's Social Care and to support the deferral of TRL income in respect of the Belmont Rd project;
- £0.500m to improve Mental Health outcomes;
- £0.670m to provide additional Police Officers in the borough;
- £0.660m for the extension of the Kerb It programme; and
- £0.250m to fund a feasibility assessment required to improve the Thurrock Recreation, Leisure and Tourism offer.

5.4 Draft budgets are included at appendix 2 but a summary of the overall budget envelope and financing is set out below:

	£m
<b>Net Expenditure</b>	<b>117.124</b>
<b><i>Financed by:</i></b>	
Revenue Support Grant	(6.806)
NNDR Precept	(36.275)
Other Grants	(3.484)
Collection Fund Balances	(1.390)
<b>To be funded through Council Tax</b>	<b>(69.169)</b>

## 6 Medium Term Financial Strategy (MTFS) 2020/21 – 2024/25

- 6.1 The MTFS covering the period 2020/21 through to 2024/25 is attached at Appendix 3 which includes the assumption that there will be a 3.49% council tax increase in 2020/21 and 1.99% for subsequent years. This is in line with the current year recommendation and the flexibility provided to local government from the MHCLG.
- 6.2 Thurrock's Commercial and Investment approach has achieved budget surpluses for each of the next three years on the basis of known investments and the assumption that Council supports the proposed approach towards Thurrock Regeneration Ltd.
- 6.3 The five year MTFS attached at appendix 3 reflects the end of some current investments and assumptions over further investments to replace them. It reinforces the need to continue with increasing income from the commercial, investment and Council Tax streams. In summary, an extract from the MTFS shows:



	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
MTFS Budget Pressures (Net)	3.907	2.997	2.102	3.475
Surplus Brought Forward	(5.803)	(4.074)	(1.413)	(0.045)
Investment Income (Net)	(2.178)	(0.336)	(1.224)	0.365
<b>Total</b>	<b>(4.074)</b>	<b>(1.413)</b>	<b>(0.045)</b>	<b>3.795</b>

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

## 7 Reserves

- 7.1 There is no set formula to determine the General Fund balance but it is for the Council's S151 Officer to consider the Council's past financial performance and risk to the budget over the future medium term and to then recommend a balance to the Council. It is, however, for the Council to set this balance considering that recommendation.
- 7.2 Based on the above, the Corporate Director of Finance, Governance and Property expects the optimum balance of £11m as at 31 March 2020 and this is reflected within the s25 statement at appendix 1.

## 8 Government Funding – Dedicated Schools Grant

- 8.1 In September 2019, the government announced schools and high needs funding for the 3 year period 2020/21 to 2022/23. Additional investment will allow for cash increases of £2.6 billion in 2020/21, £2.2 billion in 2021/22 and £2.3 billion in 2022/23. On top of this, £1.5 billion will be provided each year to fund additional pension's costs for teachers, bringing the total schools budget to £52.2 billion in 2022/23.
- 8.2 On 19 December 2019, the Secretary of State for Education announced details of the Dedicated Schools Grant (DSG) allocations for 2020/21. The tables below show the funding to be received by Thurrock:

<b>Dedicated Schools Grant</b>	<b>2020/21</b>	<b>2019/20</b>	<b>Increase</b>
	£m	£m	£m
Schools	127.474	119.434	8.040
Central Services	1.850	2.073	(0.223)
High Needs	25.464	23.253	2.211
Early Years	12.413	12.332	0.081
<b>Total</b>	<b>167.201</b>	<b>157.093</b>	<b>10.109</b>

8.3 Thurrock's funding formula in 2020/21 has implemented the following principles consistent with the decision made by Cabinet in December 2018:

- National Funding Formula values have been applied;
- Unallocated funding of £0.9m has allowed an inflationary increase of 1.0168% to be applied to the Basic Entitlement values;
- Retained growth fund has been set at £1.385m; and
- Schools Forum have agreed a £0.635m transfer from the Schools Block to the High Needs Block to support increase demand for Specialist placements and Education, Health and Care Plans.

8.4 Further information for the Dedicated Schools Grant is shown at Appendix 8.

## 9 Capital Programme

9.1 The Capital Programme plays an understated role in not just supporting and maintaining the borough's and the council's infrastructure but also includes strategic and place making schemes supporting both the place making and commercial agendas.

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

- Capital Receipts – these are the receipts realised from the disposal of capital assets such as land and buildings. The Property Board, at the request of Cabinet, continues to strategically challenge the use of assets and which results in an outcome based on the simple ethos of Release – Reuse - Retain;
- Grants and Contributions - these could be ad hoc grants awarded from government or other funding agencies or contributions from developers and others;
- Prudential Borrowing – the Council is able to increase its borrowing to finance schemes as long as they are considered affordable and are deemed to meet the public good; and
- Revenue – the Council can charge capital costs directly to the General Fund but the pressure on resources means that this is not recommended.

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

## Current Programme

- 9.4 Before considering the new proposals, it is worth reflecting on the allocations that have been agreed over recent years. These are summarised in Appendix 4 but, covering the period 2018/19 through to 2020/21, total over £289m with £229m still to be spent as at 1 January 2020.
- 9.5 Set out below are the major schemes that are included within the current programme over that period that are already committed and many underway:

The widening of the A13;	Purfleet Regeneration;
Grays' Town Centre and Underpass;	Stanford-le-Hope Interchange;
Improvements to parks and open spaces;	New educational facilities;
The HRA Transforming Homes programme;	HRA New Build Schemes;
Highways infrastructure;	Aveley Community Hub;
Civic Office Development; and	Improvements to the Linford Civic Amenity Site.

## 10 Draft Capital Proposals

- 10.1 There have been a number of schemes that can be seen as projects in their own right. These have been included at Appendix 6 and will, in the main, be known to the relevant Overview and Scrutiny Committee in one form or another.
- 10.2 Having reviewed all of the other capital requests, they fall within one of four categories and are summarised in the table below. A schedule of some of the bids is included at appendix 8 for information. The amounts have been calculated using the respective bid totals and would be under the responsibility of a relevant Transformation Board or Directors' Board for allocation and monitoring:

<b>Responsible Board</b>	<b>Examples</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>
Service Review	These include new systems that create efficiencies, upgrades to facilities to increase income potential and enhancements to open spaces to reduce ongoing maintenance.	3.9	1.3	1.3
Digital	The council has been progressing steadily towards digital delivery, both with residents and amongst officers. This budget will allow for further progression as well as ensuring all current systems are maintained to current versions and provide for end of life replacement.	3.3	0.7	0.2
Property	This budget will provide for all operational buildings including the Civic Offices, libraries, depot and Collins House. It will allow for essential capital maintenance and minor enhancements.	3.1	0.3	0
Transformation	This budget is to provide the ability to build business cases for major projects as per paragraph 2.6. The recommendation is for an annual "top up" to bring the budget back to £3m at the start of each financial year. Examples are included in Appendix 5.	3.0	3.0	3.0

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

10.4 Highways are expected to receive in the region of £4m per annum from the Department of Transport whilst Education are expected to receive a further £4m in 2020/21 from the Department for Education with further allocations for free schools.

## **11 Other Capital Recommendations**

- 11.1 In previous years, the recommendations to Council have also included delegations to Cabinet to agree additions to the capital programme under the following criteria:
- If additional third party resources are secured, such as government grants and s106 agreements, for specific schemes; and
  - Where a scheme is identified that can be classed as 'spend to save' – where it will lead to cost reductions or income generation that will, as a minimum, cover the cost of borrowing.
- 11.2 The delegation requested is that any approval is deemed to be part of the capital programme and that the necessary prudential indicators set out in the Capital Strategy are amended accordingly.
- 11.3 This approach means that estimated amounts for schemes that may or may not take place are not included in the programme, removing the need for agreed provisions that may not be required.

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

- 12.1 The issues and options are set out in the body of this report in the context of the latest MTFS and informed by discussions with the Council Spending Review panel and Directors' Board.
- 12.2 The key option arising from this report is on the level of Council Tax that sets the overall budget envelope for the coming and subsequent years.

## **13 Reasons for Recommendation**

- 13.1 The Council has a statutory requirement to set a balanced budget annually. This report sets out the budget pressures in 2019/20 and recommends a balanced budget for 2020/21 to the Council.

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

- 14.1 This report has been developed in consultation with the Leader, Portfolio Holders and Directors' Board. Group Leaders and Deputy Leaders have been consulted throughout the budget planning process through the Council Spending Review Panel.
- 14.2 Corporate Overview and Scrutiny Committee considered factors of this report at their meeting on 23 January 2020. Main areas of discussion included:
- The proposals for the general Council Tax increase and the additional increase to fund adult social care;
  - Wider sources of funding that underpin the delivery of the 2020/21 budget;

- The impact of cost pressures identified in the current financial year;
- The impact of the wider investment strategy and the associated borrowing;
- The democratic oversight of treasury activity; and
- The outcomes from the community and equality impact assessment that was undertaken.

14.3 There were specific recommendations for consideration by Cabinet moved formally by the committee, although, these were not carried through a majority vote – these included a triple freeze for housing rents, housing service charges and Council Tax, a proposal to scrap the Civic Offices project and for Cabinet to agree to net zero carbon emissions by 2030.

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

15.1 The implementation of previous savings proposals has already reduced service delivery levels and our ability to meet statutory requirements, impacting on the community and staff. This budget continues the rebuild of key service budgets with real growth allocated to Children's and Adults' Social Care and Homelessness.

15.2 Whilst the direct impact on frontline services is low from the new proposals, the efficiencies could have an effect if not properly managed, as could be expected.

## **16 Implications**

### **16.1 Financial**

Implications verified by: **Sean Clark**

**Corporate Director of Finance, Governance and Property**

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

Whilst this draft budget report sets a balanced budget, it does not include the level of Council Tax increase assumed by Central Government in core spending calculations and so reduces the Council's ability to maximise Council Tax streams going forward in its aim to become financially self-

sufficient. Each 1% is circa £0.7m that is then lost to the income stream for perpetuity at a time where the government has made clear that councils will need to finance services through local revenues from both Council Tax and Business Rates.

The government in setting its grant support for the coming year has made the assumption that this funding would be realised and this will influence the Comprehensive Spending Review in 2020 that will determine the amounts of Business Rates that the Council will be able to retain for the delivery of local services over the period 2021-2024.

There has been some concern expressed nationally about the certainty of investment returns in the property market that rely on a number of economic factors regarding retail and office space. Thurrock Council's investments do not fall into this category and have more regularised income streams along with the repayment of principle at the term end.

Cabinet should note that even without investment targets included, the budget remains in balance thus demonstrating that the targets are not simply replacing a Council Tax increase.

## **16.2 Legal**

Implications verified by: **Tim Hallam**  
**Acting Head of Legal, Assistant Director Law and Governance and Monitoring Office**

There are statutory requirements of the Council's Section 151 Officer in relation to setting a balanced budget. The Local Government Finance Act 1988 (Section 114) prescribes that the responsible financial officer "must make a report if he considers that a decision has been made or is about to be made involving expenditure which is unlawful or which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency to the authority". This includes an unbalanced budget.

## **16.3 Diversity and Equality**

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

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

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

The Council's financial position has allowed for additional investment across all services with additional funding, specifically, for services to the vulnerable, fighting Anti-Social Behaviour and Climate issues including allocations for tree planting and air quality measures.

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

- Budget working papers held in Corporate Finance.

**18 Appendices to the report**

- Appendix 1 – Report of the Council's Section 151 Officer under Section 25 of the Local Government Act 2003: Robustness of Estimates and Adequacy of Reserves
- Appendix 2 – Allocation of Growth and Savings to Services
- Appendix 3 – Medium Term Financial Strategy
- Appendix 4 – Current Capital Programme Summary
- Appendix 5 – Examples of Proposed Future and Aspirational Projects
- Appendix 6 - New Capital Projects
- Appendix 7 – Examples of those Minor Schemes that form part of the General Allocations
- Appendix 8 – Dedicated Schools Grant 2020/21

**Report Author:**

Sean Clark

Corporate Director of Finance, Governance and Property



## **SECTION 151 OFFICER'S STATEMENT ON THE ADEQUACY OF BALANCES AND THE ROBUSTNESS OF THE BUDGET – BUDGET YEAR 2020/21**

### **Introduction**

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

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

This includes reporting and taking into account:

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

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

This document concentrates on all of the Council's budgets but, in addition, it also considers key medium term issues faced by the Council.

### **Assurance**

Given all these factors, especially given the recent history of delivering similar savings, meeting income targets, delivering the budget within the agreed envelope during 2017/18 – 2019/20 and the forecast surpluses, I consider the estimates for 2020/21 to be sufficiently robust for approval by the Council. There are challenges and it is dependent on continued strong financial management from officers and Members. I advise the Council that both the General Fund and HRA Reserves currently meet the minimum level required, indeed at or progressing towards optimum levels, to provide financial coverage over the medium term.

Looking more medium to longer term though is more challenging given the recommendation to increase Council Tax levels by 1.49% as opposed to the Central Government assumed level of 1.99%. Whilst the MTFS shows this as affordable for 2020/21, the result is a loss of £1.722m over the life of the MTFS and £0.331m per annum from the base for every year going forward.

It is also clear that this may be a consideration for MHCLG when concluding the Fair Funding Review and Comprehensive Spending Review in 2020 where an assumption will be a much higher notional level than the actual level of Council Tax that will result in a lesser settlement for the Council.

The MTFS currently assumes 1.99% increases per annum for the period 2021/22 through to 2024/25 that must be realised to build this element of the Council's foundation and compliment the other aspects of the Council Spending Review (CSR) process.

In response to questions from the Corporate Overview and Scrutiny Committee, I had to explain my role in this statement. Whilst being able to confirm that I believe the budget to be robust due to the Council's financial position, this should not be considered an endorsement of the Council Tax recommendation.

### **Statement of the Council's Section 151 Officer (Corporate Director of Finance, Governance and Property)**

1. I have reviewed the budget proposals for 2020/21 and consider them to be challenging but achievable. There are specific areas within the budget that carry a degree of risk and will require strong officer and Member management to achieve them:
  - a) The budget includes growth in all those service areas where pressures have been identified through 2019/20 but demand continues to increase;
  - b) Specific grant funding and the adult social care precept will help to address social care pressures in both Adults and Children's services. The Council's statutory responsibilities for social care mean there remains an underlying risk that demand for these service will exceed the available budgeted resources. This remains a national concern and the impact on the Council will be under review throughout the financial year;
  - c) The Council has experienced a significant increase in the number of cases of individuals and families presenting as homeless. Additional grant funding has been received, additional growth funding applied and the service has reorganised to ensure each case can be assessed and appropriate action taken. The expectation is, both locally and nationally, that demand will continue to increase and hence the budget in this area remains under pressure;
  - d) An increase in household waste collection rounds, due to property growth along with increased household waste disposal costs and lower recycling quality/rates are creating additional pressures. New contracts, plant and recycling campaigns will need to target greater impacts in these areas.

Changes in the Central Government Waste Strategy will focus on quality recyclates and once further information is available we can consider potential impacts for Thurrock;

- e) Whilst the MTFS is now balanced for the next three years, there are efficiencies of £0.900m identified for 2020/21 and a further £1.000m for 2021/22 to 2022/23 that have to be delivered through the CSR process;
- f) As the Council continues moving towards a more commercial approach, income targets will have increasing parity with the market. All targets have been agreed by the relevant services but obviously depend on take up from third parties and so carry a degree of risk. Improved monitoring arrangements have been implemented and the approach has proven successful in 2019/20;
- g) There are targeted reductions in additional employee costs through areas such as agency, overtime and consultancy. Confidence is taken from the increased management and targeted approach in these areas, including delivering similar savings throughout 2017/18 to 2019/20, but a high level of monitoring will remain;
- h) The impact of welfare reform and specifically Universal Credit continues to evolve and may increase demands on services and provide a challenge to the collection of Council Tax and rents;
- i) The domiciliary care market remains the biggest risk to financial and service stability. The increased resources from the Council Tax precept and the Improved Better Care Fund give greater resilience to the adult social care financial position;
- j) While the Public Health Grant has increased by 2.7% after many years of reductions, indications are the growth in funding will be offset by equivalent expenditure requirements. This could even result in an overall reduction in net resources which will be managed through some carry forward from previous years and an ongoing re-procurement programme;
- k) Financing of schools is a national pressure and Thurrock schools are no exception. Increased demand for the High Needs element of the Dedicated Schools Grant has led to overspends in this area that are in the process of being mitigated. Whilst this does not impact on the General Fund, it does put additional pressure on the borough's schools and could impact indirectly on the Council;
- l) The HRA continues to face pressures brought about by the legislative periods of rent reductions and Right to Buy sales that together have significantly reduced the HRA resource base. Demands for increased repairs budgets have been put at risk through these reductions and not generating alternative income with a number of areas highlighted as unbudgeted within HRA budget reports;

- m) By following an Investment Strategy the Council becomes more open to interest rate fluctuations with higher rates reducing the net benefit of an investment. Officers manage these cash flows on a daily basis and will take action as necessary;
  - n) There remains uncertainty around the impact of the recent exit from the EU to a borough with three ports, major shopping centre and the Dartford Crossing. Depending on the ongoing relationship established with the EU there is a possibility of additional disruption, cost and demands for increased services in, for instance, Environmental Health and Trading Standards. Work is underway with partners to identify and mitigate impact; and
  - o) For the medium term, the uncertainty around Members' commitment to maximising Council Tax increases to strengthen the Council's financial base.
2. A key process risk in making the above statement is the availability and understanding of timely and relevant financial information to the services. This is three-fold:
- a) The reporting ability of the Council's financial system is being improved to further meet service needs. The Oracle upgrade is now in place but there remains further work to develop the overall reporting capability;
  - b) A number of the service specific systems, notably Housing and Social Care, do not interface with the financial system in a way that allows the identification of future commitments. This is included within future Oracle upgrade considerations; and
  - c) The services' ability to interpret and forecast from a range of information and sources. The reporting upgrade and related training will go some way to mitigating this.
3. Demands on the senior leadership group to deliver core services, support the growth and infrastructure plans and ambitions throughout the borough, including the proposed Lower Thames Crossing, and implement the transformational change required means that capacity is a risk to delivery. The Council has one of the most significant capital programmes across the country that, along with significant benefit, come with both financial and reputational risk. Directorate Management Teams and Directors' Board will have to manage this risk and redirect resource where necessary.
4. My statement for both 2020/21 and the medium term is also conditional upon:
- Members supporting the continued need for the Council to become more commercial, including the need to increase the Council's income base, in both the General Fund and the Housing Revenue Account, through core business, a balanced investment approach and Council Tax and rent increases to make for a sustainable base;
  - The agreement of a Medium Term Financial Strategy to support the financial sustainability of the Council over the next 3-5 years;

- A recognition in the medium term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council has shown a commitment to increase reserves to a level which provides adequate cover for most identified risks during the planning period. It must be noted, however, that the recommended levels of reserves still leaves the Council exposed to the very exceptional risks identified in this review and, if those risks materialise, to reserves being inadequate;
  - Portfolio Holders, Directors and Assistant Directors managing within their cash limits for 2020/21 (and future years covered by the Medium Term Financial Strategy);
  - Taking every opportunity to meet the Reserves Strategy as a first call on windfall underspends or receipts;
  - Not considering further calls on reserves other than for those risks that have been identified, those that could not have been reasonably foreseen and that cannot be dealt with through management or policy actions. The exception to this is where the Reserves Strategy (reviewed annually) is met. Even in those circumstances, it is not prudent to finance ongoing spending from one-off reserves. Any excess reserves should be targeted towards one-off 'invest to save', supporting the transition that is required for future service delivery and contributions to fund the Council's capital programme;
  - Where there is a draw-down on reserves, which causes the approved Reserves Strategy to be off target, that this is paid back within a maximum of three years; and
  - That the Council has arrangements and resources in place to consider value for money in preparation for future years' budgets.
5. In relation to the adequacy of reserves, I recommend the following **Reserves Strategy** based on an approach to evidence the requisite level of reserves by internal financial risk assessment. The Reserves Strategy will need to be reviewed annually and adjusted in the light of the prevailing circumstances:
- An absolute minimum level of General Fund reserves of £9.0m that is maintained throughout the period between 2019/20 to 2022/23;
  - An optimal level of General Fund reserves of £11.0m over the period 2020/21 to 2022/23 to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances;
  - A maximum recommended level of reserves of £12.0m for the period 2020/21 to 2022/23 to provide additional resilience to implement the Medium Term Financial Strategy; and

- In relation to the Housing Revenue Account (HRA) my recommendation is that reserves be set at a minimum £1.7m as previous years but with a target of £3m to be achieved within three years.
6. The estimated level of unallocated General Fund reserves at 31 March 2020, based on current projections is £11.0m, depending on final spending. Therefore:
- The absolute minimum level of General Fund reserves of £9.0m is currently being achieved;
  - The optimal level of General Fund reserves of £11.0m is currently being achieved; and
  - The recommended maximum level of General Fund reserves of £12.0m is unlikely to be reached during 2020/21.
7. These recommendations are made on the basis of:
- The detailed discussions that have taken place at Directors' Board, including the regular review of the high risk proposals;
  - My own enquiries during the development of the budget;
  - The resilience required to deliver the Medium Term Financial Strategy;
  - One-off unallocated reserves not being used to fund new ongoing commitments;
  - Reserves in 2020/21 and the foreseeable future being used only where planned and if risks materialise and cannot be contained by management or policy actions; and
  - That where reserves are drawn down, the level of reserves is restored within a maximum of three years to that required by the Medium Term Financial Strategy.
8. There are also serious exceptional risks over and above those mentioned which, if they materialise, could eliminate the Council's reserves and leave its financial standing seriously in question. These include:
- Not having a clear plan on how to meet the financial challenges over the medium term, especially in the replacement of existing investments;
  - A failure to raise the Council Tax base to ensure sustainability;
  - Unforeseen impacts arising from the implementation of welfare reform, in particular the roll out of Universal Credit;
  - Unforeseen impacts arising from the governance and financial changes in the provision of public health services;

- The impact of the localisation of business rates and the consequences of future changes in the total rateable value of businesses located in Thurrock;
  - Interest rate rises that would reduce the ongoing savings arising from the restructuring of debt and the financing of investments;
  - The failure of major regeneration schemes throughout the borough where the Council has an interest;
  - The failure of Thurrock Regeneration Ltd; and
  - The lack of contingency funds to meet demographic and economic pressures, especially at this time of significant change.
9. In relation to the Capital Programme 2020/21 (including commitments from previous years and new projects):
- The HRA Capital Programme will need to be contained within total programme costs;
  - The General Fund Capital Budget is based on the best information available in terms of project costs. What is less certain, given the history of cost variations, is the phasing of expenditure; and
  - Capacity to deliver the schemes in both time and budget.
10. In relation to the medium/long term Capital Programme:
- The delivery of the agreed Capital Strategy and Asset Management Plan is a critical priority to enable the matching of resources to needs and priorities;
  - The increased support and focus on the work of Thurrock Regeneration Ltd and other major schemes brings both capacity challenges and a different risk profile from most other schemes; and
  - Developing the future and aspirational schemes to a viable business case stage.

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## ALLOCATION OF GROWTH AND SAVINGS TO SERVICES

Directorate	Revised 19/20 Budget	Council Tax charge 2%	Council Tax Social Care precept 2%	Business Rates Precept	RSG	Social Care grant	Other Grants	Inflation	Treasury & Central Financing	Social Care Expenditure	Corporate Growth	Surplus	Service Design Principles & Strategic boards	Base Budget 2020/21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000
Adults, Housing and Health	39,298	0	0	0	0	(737)	0	617	0	2,074	0		0	41,252
Central Financing & Treasury	(141,361)	(1,770)	(1,336)	(728)	(109)	0	366	0	(2,178)	0	1,287	(1,730)	0	(147,559)
Children's Services	38,848	0	0	0	0	(1,968)	0	882	0	1,968	0		(350)	39,380
Commercial Services	757	0	0	0	0	0	0	31	0	0	188		0	976
Corporate Costs	4,272	0	0	0	0	0	0	0	0	0	402		(550)	4,124
Environment and Highways	28,253	0	0	0	0	0	0	1,109	0	0	90		0	29,452
Finance, Governance and Property	16,436	0	0	0	0	0	0	409	0	0	730		0	17,575
Housing General Fund	1,114	0	0	0	0	0	0	55	0	0	300		0	1,469
IT, OD and Transformation	4,772	0	0	0	0	0	0	156	0	0	0		0	4,928
Place	4,818	0	0	0	0	0	0	310	0	0	223		0	5,351
Strategy, Communications & Customer Services	2,793	0	0	0	0	0	0	133	0	0	126		0	3,052
Grand Total	0	(1,770)	(1,336)	(728)	(109)	(2,705)	366	3,702	(2,178)	4,042	3,346	(1,730)	(900)	0

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## MEDIUM TERM FINANCIAL STRATEGY

Narrative	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
<b>1. Local Funding</b>					
Council Tax Base / Charge 1.5%	(1,770)	(2,099)	(2,162)	(2,228)	(2,253)
Council Tax Social Care Precept 2%	(1,337)	0	0	0	
	(3,107)	(2,099)	(2,162)	(2,228)	(2,253)
Business Rates Precept	(728)	(500)	(665)	(665)	(665)
	(728)	(500)	(665)	(665)	(665)
<b>2. Total Government Resources</b>					
Revenue Support Grant	(109)	6,831	0	0	0
Transfer to funding formula under 75% retention	0	(6,831)	0	0	0
Additional Social Care Grant	(2,705)	0	0	0	0
New Homes Bonus	114	527	491	289	0
Other Grants	252	283	0	0	0
	(2,449)	810	491	289	0
<b>Net (Additional) Reduction in resources</b>	<b>(6,283)</b>	<b>(1,789)</b>	<b>(2,337)</b>	<b>(2,605)</b>	<b>(2,918)</b>
<b>3. Inflation and other increases</b>					
Pay award at 2.8%, Increments and legislative changes	2,913	2,624	2,703	2,785	2,869
Contractual and Non Contractual Inflation	789	848	912	980	993
	3,702	3,472	3,615	3,765	3,862
<b>4. Treasury</b>					
Investment income	(3,818)	(3,214)	(3,756)	(1,700)	
Interest Costs	538	2,570	2,500	2,065	
MRP	1,102	308	32	0	
<b>Treasury and Capital Financing</b>	<b>(2,178)</b>	<b>(336)</b>	<b>(1,224)</b>	<b>365</b>	<b>0</b>
<b>5. Allocation of Social Care Funding</b>					
Adults Social Care - Precept	1,336				
Adults Social Care - Social Care Grant	738				
Children Social Care - Social Care Grant	1,968				
	4,042	0	0	0	0
<b>6. Corporate &amp; Demographic Growth</b>	<b>3,346</b>	<b>2,314</b>	<b>2,314</b>	<b>2,314</b>	<b>2,314</b>
<b>7. Services Design Principals and Strategic Boards</b>	<b>(900)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>0</b>	<b>0</b>
<b>Position before carry forward</b>	<b>1,730</b>	<b>2,662</b>	<b>1,368</b>	<b>3,839</b>	<b>3,258</b>
<b>C/f Position</b>	<b>(5,803)</b>	<b>(4,074)</b>	<b>(1,412)</b>	<b>(45)</b>	
<b>Working Total</b>	<b>(4,074)</b>	<b>(1,412)</b>	<b>(45)</b>	<b>3,795</b>	<b>3,258</b>

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## CURRENT CAPITAL PROGRAMME SUMMARY

Directorate ID	Total Budget 2019/20 £'000	Total Budget 2020/21 £'000	Total Budget 2021/22 £'000	Total Budget 2022/23 £'000
Children Services	25,141	6,458	-	-
Adults, Housing and Health	8,252	5,740	315	-
Environment and Highways	17,373	2,119	458	-
Place	93,640	16,467	13,603	38,000
Finance, IT and Legal	6,397	3,486	1,500	-
Commercial Services	24	-	-	-
HR, OD and Transformation	11,924	-	-	-
Strategy, Communications and Customer Services	336	-	-	-
Housing HRA	30,219	6,268	217	875
<b>Total</b>	<b>193,306</b>	<b>40,538</b>	<b>16,093</b>	<b>38,875</b>

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## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

Directorate	Capital Bid	Project Ambition
Environment and Highways	Thurrock Leisure, Recreation and Tourism Provision	A review of leisure, recreation and tourism, providing Thurrock residents access to much needed leisure and recreation facilities fit for the 21st century. Our current leisure centres are 50+ years old and costing the council significant maintenance costs. A review of the built facilities along with consideration of recreation, leisure and tourism offers throughout Thurrock is required building on Thurrock the Place and incorporating Thurrock's estuary and river frontage.
Place	Grays South Regeneration Area - Development Plots	<p>Development for town centre commercial and residential around the new pedestrian crossing and public squares to be created by the Grays South Regeneration Area phases 1 and 2 including possible reconfiguration and generation of alternative options for the underpass and access to the rail station to accommodate scheme changes in response to proposals by New River to redevelop Grays Shopping Centre.</p> <p>Recent proposals by New River for the redevelopment of the Grays Shopping Centre would require reconfiguration of the development site and redesign of access to the underpass and rail station. Consequently, in addition to the development feasibility costs there will be additional design costs to ensure the schemes work together and for the different access arrangements in to the underpass.</p>
Adults, Housing and Health	Integrated Medical Centre - Tilbury	The Orsett Hospital is planned for closure once services can be relocated to the four proposed Integrated Medical Centres earmarked for the Thurrock community at Tilbury/Grays/Corringham and Purfleet. The proposal for the Tilbury site is for the Council to build, own and operate the centre with required space leased to NHS partners over the life of the asset.

## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

Directorate	Capital Bid	Project Ambition
Finance, Governance and Property	Riverside Youth Centre - Refurbishment	<p>The current Youth Centre requires urgent assessment and there are 3 options under consideration for refurbishment of the current site. These are listed below and the most appropriate option will be selected once the feasibility work has been completed, including a full structural survey of the building.</p> <p>Option 1 – Refurbishment. In this option all services have been left in their existing locations to avoid the additional cost of re-routing the existing services to new locations.</p> <p>Option 2 - Refurbishment / Remodelling using the buildings uniquely curved walls as inspiration the services have been spread around the central hall as the main hub of activity.</p> <p>Option 3 - Remodelling - This option is focused around the central hall and curving all facilities and services around this central core / hub.</p>
Place	Aveley Freight Management (Ship Lane Scheme)	<p>This project will deliver a scheme to physically prevent HGV access from M25 J31 north into Aveley Village, diverting HGVs along the prescribed route of A1306. The initial feasibility study has identified a range of options, but through Public engagement in January 2019, residents supported the inclusion of a roundabout structure to be installed on Ship Lane and to provide a facility with a turn-around point. The location of scheme is to be determined but due to the scale the land acquisition will need to be advanced. The detailed design is to be advanced to identify the most appropriate location.</p>



## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

Directorate	Capital Bid	Project Ambition
Adults, Housing and Health	Corve Lane Complex	This proposal is to convert the unit so it can be used as a hostel for all ages that is owned and managed by Thurrock Council to avoid the use of hotels and out of the borough accommodation. The building is a large complex spread over two floors, the proposal would be to utilise the existing layout as much as possible to create individual bedrooms with shared kitchen and bathroom facilities and the building would be run as a hostel by the Council's temporary accommodation team in housing for homeless families. The building will need complete refurbishment back to the core building fabric therefore costs have been allowed to undertake this. Authorisation is required for change of use from an education establishment and this time limit is not currently defined therefore, additional time allowance has been allowed for this proceed to take place.
Environment and Highways	Thurrock Parkway depot design and development	The Environment and Highways Directorate currently occupy land at Oliver Close and St Clements Way in adjacent depots. Oliver Close is currently leased and has 23 years of the lease remaining whilst St Clements Way is council owned. The Directorate have seen additional departments added over recent years and have tried to centralise all teams within one location. This growth has put further demands on the two depots with regards to space and location. It should also be noted that the Council has a statutory obligation to have an operating centre that has the ability to house the amount of vehicles nominated on its operator's licence. Thurrock Parkway has been highlighted as an alternative solution for a possible relocation due to an increase in space and the central location within the borough for transport access and ability to respond and carry out its daily duties.

## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

Directorate	Capital Bid	Project Ambition
Place	Grays South Regeneration Area extension	<p>To deliver the Grays underpass, associated public realm and development plots an indicative red line area has been established to define the extent of required land assembly. Currently, the land assembly boundary focusses on the minimum area required to deliver the underpass. This project undertakes to complete a feasibility study to explore the merits of extending the development area northwards to George Street and westwards to Morrisons to create a larger, more flexible development plot, improve town centre circulation, respond to design challenges created by the proposals for the shopping centre area being promoted by New River and take advantage of potential funding opportunities available under the Future High Street Fund or Town Fund.</p> <p>An initial feasibility study will establish the approach to delivery including capacity studies, design studies alongside New River developing proposals for Grays Shopping Centre, and development appraisals to define development costs and returns.</p>
Children's Services	Oaktree Centre Feasibility /Surveys	The project is to survey and identify the work needed to consider the redevelopment or remodelling to make the centre fit for purpose for the provision of the service needs.
Place	Coalhouse Fort Radar Tower	Capital funding is required to carry out immediate repairs and to undertake a further programme of investigative works. The investigation must be done at the same time as the repairs due to the need to break open failing concrete/examining steel surrounded by concrete. The results of the investigations may produce a need for further capital.

## APPENDIX 6

### New Capital Projects

#### Essential Works

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
Principal Bridge Inspections and remedial works	Environment & Highways	To instigate a rolling programme, over 5 years, of Principal Inspections (PIs), of approximately 110 structures, on average 22 per year. Carrying out any subsequent essential remedial works to rectify any identified defects, allowing for rail possession costs, specialist access equipment and traffic management and work costs. Structures are required to be inspected both every 2 years (general inspections) and every 6 years (detailed principal inspections). This includes a risk based approach based on the results of this data to reduce future costs by performing PIs on lower risk structures every 12 years as recommended by the document 'Well-Maintained Highway Infrastructure - A Code of Practice'.	3,250,000 (over 5 years)	750,000	850,000	1,650,000
Ship Lane Traveller's Site Day Room Re-Development	Adults, Housing & Health	The project is for the demolition of all existing day rooms and associated extensions at Ship Lane Traveller's Site, Aveley, and the re-construction of all 21 plots to include a new kitchen, bathroom and living space. In view of current site conditions and the level of works required to ensure statutory obligations are	1,448,345	800,000	648,345	

## APPENDIX 6

### New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
		complied with it has been deemed more cost effective to undertake the demolition route when compared to traditional refurbishment schemes.				
Arterial Road - Safety & Maintenance Works	Environment & Highways	To resurface the entire extent between West Thurrock Way and the Lakeside Spiral before further deterioration occurs and deeper, more expensive treatments are needed. In addition whilst works are being undertaken the concrete lamp columns will also be replaced and ongoing costs will be reduced.	790,000	395,000	395,000	
Local Road Enhancement Scheme	Environment & Highways	This project is for the overlay of four concrete roads and intermittent repairs on those roads which are subject to significant feedback from residents and on heavily used roads in the borough. Eight sites have been selected based on either the number of unique comments received or the overall traffic levels.	750,000	375,000	375,000	

## APPENDIX 6

### New Capital Projects

#### Projects with Invest to Save Elements

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
Creative Enterprise Units at HHPP	Place	<p>The Council is working in partnership with HHPP to develop a c.30,000 ft² purpose-built facility of creative makers' workspace with a broad range of unit sizes to support creative micro and SMEs on the Production Park as part of the Council's Enterprise Unit programme to provide a platform for small and medium sized businesses to develop and flourish.</p> <p>Cabinet has granted in-principle approval on 11 Mar 2015 (Decision Notice: 01104382) to invest £2.5m in Creative Enterprise Units at High House Production Park. It is recommended that the budget allocation is increased to £5.25m. This will enable the proposals to continue to be developed and for funding applications to be made. Additional funding will be sought from external sources if the project scope exceeds the proposed capital budget.</p>	5,250,000 (over 5 years)	375,000		4,898,000
High House Complex Restoration	Place	The Council is working in partnership with HHPP to re-develop High House Complex to provide a community museum and further creative workspace on the Production Park. The proposals are at an early stage of development, but initial studies indicate that the building could	1,000,000	250,000		750,000

## APPENDIX 6

### New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
		provide between 5,000sqft to 6,000sqft of accommodation with development cost estimates ranging from £3.5m to £4.5m. The proposal is for the Council to invest around £1m in exchange for a long lease on circa 5,000 sq ft of creative workspace. HHPP would then bid for Heritage Lottery Fund's Heritage Enterprise Grant with the Council's investment in creative workspace as match to support the capital works. The viability of this development is subject to HLF grant funding.				
Flats Recycling	Environment & Highways	This is a project to encourage and enable residents who live in blocks of flats across the Borough to effectively participate in recycling their household waste. The intervention takes the form of targeted engagement and education for residents and a review of bin stores. Clearer signage and specialist recycling bins are installed as appropriate for each site. This follows an approach that has been tried and tested by other Local Authorities. With over 350 blocks of flats, equating to more than 10,000 households, current projections based on the pilot, are that the project has potential to improve the recycling rate by between 3 and 5%. The annual potential saving, based on current recycling gate	981,000	647,000	334,000	

## APPENDIX 6

### New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
		fees will be approximately £80k. One area of uncertainty is the cumulative impact of increased engagement of households in recycling activities, but this project would ensure that all our residents are being treated equally and consistently with the same opportunity to recycle.				

## APPENDIX 6

### New Capital Projects

#### New Standalone Bids

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
Kerb-It	Place	Kerb-It will deliver a programme of hardstanding improvements for grassed verge protection/conversion on local roads where parking capacity is identified as an issue. The priority locations to be taken forward for consideration and implementation are South Ockendon, Stifford Clays (lodge lane), Tilbury and Aveley	3,000,000	1,000,000	1,000,000	1,000,000
A1013 School access improvements	Place	The project will deliver a scheme to provide dedicated access to 4 schools in Little Thurrock (2 existing and 2 new). A feasibility study is underway to determine the suitability of an access onto the A1013 Stanford Road.	2,000,000	200,000	1,800,000	
Purfleet Centre	Place	The Purfleet Centre is a £1bn scheme to deliver a new town centre, up to 2,850 new homes and all associated infrastructure. The Council has entered into a Development Agreement (DA) with PCRL to deliver the scheme and through this contract has a number of obligations. To date the professional fees associated with supporting the Council in its role as partner in the DA have been paid from a ring-fenced budget inherited from the former Thurrock Thames Gateway Development Corporation. This budget	1,500,000 (over 5 years)	300,000	300,000	900,000



## APPENDIX 6

### New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
		has been utilised and further provision is needed to ensure that the Council can fulfil its obligations and secure the best outcomes from the project.				
London Road, SLH - Bridge 194 Renewal	Environment & Highways	A range of options are being considered with the most expensive option being the potential renewal of an aged (almost 100 year old) bridge on London Road, Stanford le Hope due to failing critical (load-bearing) elements. Amendments to the structure are needed as part of the Stanford-Le-Hope station redevelopment however these are severely limited due to the current condition of the bridge. By undertaking repairs or renewal in the FY 2020/21 costs can be saved by combining works with the station redevelopment	Up to 1,060,000	Up to 1,060,000		
National Cycle Network 13 improvements	Place	The scheme is for the implementation of a strategic cycle network between Grays and East Tilbury, via Tilbury Town. There is no additional government funding associated with this work at this time. The Infrastructure Development Programme (CIDP) funds have now been used and the programme of improvements is complete.	1,000,000	520,000	480,000	
Oracle Enhancements		Since Oracle Cloud's go live in April 2019 there have been a number of enhancements that have become	742,000	254,000	488,000	

## APPENDIX 6

### New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
	HR,OD and Transformation	available (such as the Contract Management module) and opportunities for further direct integration with other, currently separate, Corporate systems (such as the Matrix SCM system). It is expected that further enhancements and/or integrations will be required over the coming years. Because of the delayed progress of the current Oracle Cloud roll-out there is still unspent Capital budget reserved for 2019-20 and forecasted for 2020-21 in a previous year's submission. This bid allows for the carry forward of some of that budget plus increasing it over the following 2 years giving an overall Oracle development pot of circa £1m over the next 3 years.				
Core Licencing	HR, OD and Transformation	The majority of core licences e.g. Microsoft, MacAfee, Mimecast were originally sized for 2100 users. Recent usage reports identified that there are currently 2435 active users connected to the Thurrock Network. Under the licence terms these users must be licenced adequately. This will exclude licensing for line of business applications such as Objective, Oracle etc. and is only scoped for the core infrastructure that requires a licence for every connected users and	600,000 (over 5 years)	120,000	120,000	360,000

## APPENDIX 6

### New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
		device. ICT will work with its licensing partners to determine and review alternative license options e.g. cheaper Microsoft licences are available for users who do not require the full Microsoft office suite.				
Coalhouse Fort Bid Match Funding Horizon Enterprise	Place	Coalhouse Fort is classified as a heritage at risk asset by Historic England and it has come into a bad state of repair due to years of neglect. * The recent feasibility report identified the barracks block and several of the casemates as key areas of the fort that can be renovated to provide a rentable space with options for either workspace or residential uses under consideration. External funding secured last year has allowed a business plan to support this model but that grant support will be required in the first instance to support viability due to the conservation deficit created by the scheduled nature of the site. Thurrock has submitted a declaration of interest to the Heritage Horizon Award that takes applications for grants in excess of £5million. The award requires a 10% contribution to the development phase in addition to 10%on the delivery phase. Thurrock Council is seeking £5,125,000 for the works at the	515,200	20,000	165,000	330,200

## APPENDIX 6

### New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
HWRC Site Extension	Environment & Highways	Fort and will require a contribution of £515,200. Extension of HWRC site - As part of the HWRC redevelopment, a temporary site was to be provided on the existing site, while development took place. Early discussion with bidders during the procurement stage identified this couldn't be provided safely due to the size of the site. During discussions with planning for the temporary site provision, it has been established that subject to planning consent an area adjacent to the existing HWRC site could be used as a temporary site and later incorporated into the future development to increase capacity to accommodate future growth in the borough. This is additional to the original capital bid for the new HWRC site.	1,000,000	1,000,000		

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

### Service Review

Footway Slab Replacement Programme  
Safe and Accessible Parks and Open Spaces  
Cemetery Improvements  
High Risk Concrete Lamp Column Replacement

### Digital

Environmental and Parking Enforcement Software  
Synergy System Upgrade  
Thurrock WAN replacement  
Microsoft 365 implementation

### Property

Collins House Residential Care Home Improvements  
Landlord repairs to leisure centres  
Thurrock Adult Community College – Essential Building Works  
Thameside – Stage Lift replacement  
Agile Working – building adaptations

### Feasibility

Business cases to develop aspirational property schemes to the regeneration priorities of the Council

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## DEDICATED SCHOOLS GRANT

### Dedicated Schools Grant 2020/21

1. In September, the government announced schools and high needs funding for the 3 year period 2020/21 to 2020/23. The table below shows the funding to be received by Thurrock in 2020/21, following the Secretary of State for Education announcement on December:

Dedicated Schools Grant	2020/21	2019/20	Increase
	£m	£m	£m
Schools	127.474	119.434	8.040
Central Services	1.850	2.073	(0.223)
High Needs	25.464	23.253	2.211
Early Years	12.413	12.332	0.081
<b>Total</b>	<b>167.201</b>	<b>157.093</b>	<b>10.109</b>

### Schools Block

2. The increase in funding of £8.040m is as a result of increases to funding rates of £5.435m; an increase of 584 pupils, realising additional funding of £2.968m and a decrease in the growth fund by £0.363m.
3. In 2020/21, this funding will continue to be distributed using the Schools National Funding Formulae (NFF). The key aspects of the formula for 2020/21 are:

- The minimum per pupil funding levels will be set at £3,750 for primary schools and £5,000 for secondary schools.
- The funding floor will be set at 1.84% per pupil.

It remains the government's intention to move to a 'hard' NFF, where budgets will be set on the basis of a single, national formula.

4. In 2020/21 local authorities continue to have discretion over their schools funding formulae in their area. In determining its local funding formula for 2019/20, Thurrock Council agreed that the NFF would be implemented in full from 2020/21.
5. Thurrock's funding formula in 2020/21 has implemented the following principles consistent with the decision made by Cabinet in December 2018:
  - National Funding Formula values have been applied;
  - Unallocated funding of £0.9m has allowed an inflationary increase of 1.0168 to be applied to the Basic Entitlement values;
  - Retained growth fund has been set at £1.385m

## DEDICATED SCHOOLS GRANT

- Schools Forum have agreed a £0.635m transfer from the Schools Block to the High Needs Block to support increase demand for Specialist placements and Education, Health and Care Plans.

### Central Services Block

6. In 2020-21, historic commitments funding to be received will be reduced by 20%. For Thurrock this is a £0.256m reduction and will be incurred for the next 5 years until the historic commitments is removed.

### High Needs Block

7. The High Needs NFF for 2020/21 remains unchanged. However, with over £780 million of additional funding, the formula will ensure that every local authority will receive an increase of at least 8%.
8. Thurrock is to receive an increase of £2.211m or 9.51%. Whilst the increase is welcome, Thurrock continues to experience high level of demand for Specialist places and Education, Health and Care Plans.
9. A very challenging and stretching balanced budget is proposed but within this key risks of £1.4m have been identified, if demand continues at the same rate as in 2019/20.
10. Meetings are planned with Head teachers and the ESFA over the coming months to discuss options available to reduce demand and costs.

### Early Years Block

11. The Early Years funding allocation has increased by £66 million in 2020/21. The rate paid to Thurrock will increase by 8p per hour. This is the first increase that Thurrock has received since 2016/17.
12. Following discussion with the Schools Forum and Early Year's Providers the proposal is to:
  - passport in full the 8p increase in hourly rates to providers;
  - increase the deprivation quantum from £220,000 to £285,000, and change the formula to be based on the postcode of the child.
  - increase the hourly rate paid to 3 and 4 year old providers by an additional 2p per hour, with a cost implication of £45,000;
  - The hourly rates to be paid to providers are shown below:

	2019/20	2020/21
2 Year Old	£5.07	£5.15
3 & 4 Year Old	£4.18	£4.28



**DEDICATED SCHOOLS GRANT**

The total cost implication of £110,000 is to be funded from the ring-fenced Dedicated Schools Grant carried forward allocation of £167,000.

13. A final decision is to be made by the Schools Forum in March, pending the outcome of the January 20 census return, to understand if the proposal can be funded on an ongoing basis.

**Conditions of Grant**

14. The Dedicated Schools Grant (DSG) conditions of grant are expected to change with effect from the end of the financial year 2019/20. The change will clarify that councils are not expected to use their general reserves to fund deficits in the DSG but must carry forward overspends. The aim is to stop Local Authorities from reducing funding for other services to cover deficits, which are mostly due to high needs pressures. The Department for Education wants DSG deficits to be covered from DSG income over time. No timescale has been set for the length of this process.

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## QUESTION TIME

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

There are 0 questions to the Leader and 9 questions to Cabinet Members, Committee Chairs and Member appointed to represent the Council on a Joint Committee.

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

### **1. From Councillor Fish to Councillor Johnson**

Are residents on Seabrooke Rise Estate entitled to the same standard of caretaking as other similar areas of the borough?

### **2. From Councillor Byrne to Councillor Mayes**

Can the Portfolio Holder assure us that related STP proposals satisfy the health needs of Thurrock residents for emergencies and walk in patients?

### **3. From Councillor Okunade to Councillor Coxshall**

Can the Portfolio Holder for Regeneration confirm that the £25M Government funding for Tilbury Town has now been received by Thurrock Council?

### **4. From Councillor Okunade to Councillor Coxshall**

Can the Portfolio Holder tell us the composition of the Tilbury Town Fund Board that has recently been set up?

### **5. From Councillor Fletcher to Councillor Johnson**

Regarding the plans for new build in South Ockendon, and particularly the Culver and Callan sites, what consideration has the Portfolio Holder given to the infrastructure, including school places, medical facilities and shops, that such an increase in population will require?

### **6. From Councillor Kerin to Councillor Coxshall**

Does the Portfolio Holder believe that building 89 flats on the Grays Beach car park is a good idea?

**7. From Councillor Holloway to Councillor Mayes**

What consideration has been given to the health implications of removing green spaces from our borough?

**8. From Councillor Redsell to Councillor Watkins**

Could the Portfolio Holder inform the Chamber what we are going to achieve in the next phase of tree planting in the borough?

**9. From Councillor Kerin to Councillor Johnson**

What is the Portfolio Holders' view on the potential to build 82 flats opposite Seabrooke Rise on the current Civic Offices site, and 50 flats on the Darnley Road/Crown Road car park, meaning 132 extra properties in this area of Grays Riverside?

## Update on Motions agreed by the Council

Date	From	Motion	Status	Director
18/9/2019	Cllr Jefferies	This Council notes with concern the alleged violation of planning regulations at Buckles Lane in South Ockendon, which includes unlawful development in the greenbelt. Members therefore call on the Council to bring forward a report detailing violations, what action has been taken to date and how the authority will address planning infringements at Buckles Lane, including via the use of further enforcement proceedings, whilst protecting the Showmen community.	Part of the site is long established and is allocated as a Show people site, however in recent years the site has been sub-divided and extended with further unauthorised development and non-Show people have found accommodation on the site without permission which has created cramped living conditions and incidences of public disorder. Recent attempts to introduce further mobile homes onto the eastern part of the site without permission have been prevented by the Council through injunctive action. Through the Council's review of the site, genuine Show people have been receptive and keen to engage with the Council to achieve a permanent permission for the site. The Council has adopted a multi-disciplinary approach to the case and is committed to working with land owners to bring forward planning applications to create a safe and well-designed residential environment for the Showmen Community in Thurrock. This approach is supported by the Showmen's Guild who we have been closely liaising with. The Council recognises its role as part of a wider collective to ensure all aspects of the case are addressed. A cross-service group of officers now meet regularly, tasked with the responsibility of considering the full range of issues affecting the site. A dedicated Project Manager for Buckles Lane joined the Council in January 2020 providing further resource and momentum to the case.	Andy Millard

## Update on Motions agreed by the Council

Date	From	Motion	Status	Director
23/10/2019	Cllr Gerrish	<p>Thurrock Council therefore resolves to:</p> <ol style="list-style-type: none"> <li>1. Declare a 'Climate Emergency' that requires urgent action;</li> <li>2. Request that the Council's activities become net-zero carbon by 2030;</li> <li>3. Request that the Council embed this work in all areas and take responsibility for reducing, as rapidly as possible, the carbon emissions resulting from the Council's activities;</li> <li>4. Request that the relevant Portfolio Holder with responsibility for Climate Change convenes a Citizens' Assembly on Climate Change and a Climate Change partnership group, involving Councillors, residents, young citizens, climate science and solutions experts, businesses and other relevant parties. Over the following 6 months, the Group should consider strategies and actions being developed by the Council and other partner organisations and develop a strategy in line with a target of net zero emissions by 2030. It should also recommend ways to maximise local benefits of these actions in other sectors such as employment, health, agriculture, transport and the economy. The membership of this group should be</li> </ol>	As agreed by Group Leaders on the 13 January 2020, a Task Force containing business and resident's representatives will be established to consider the recommendations included within the motion, evidence from experts within the field and what actions are required to be taken. Terms of Reference for the Task Force are being drafted.	Andy Millard

## Update on Motions agreed by the Council

Date	From	Motion	Status	Director
		5. agreed in consultation with Group Leaders; 6. Request that all reports in preparation for 2020/21 budget cycle and investment strategy will take into account the actions Council will take to address this emergency; 7. Request that the Leader write to the UK Government asking them to provide the powers, resources and help with funding to make this possible and ask local MPs to do likewise		
29 January 2020	Cllr Huelin	<p>The Motion calls on Council to adopt the below definition of antisemitism as set out by the International Holocaust Remembrance Alliance (IHRA) and its guidelines giving working examples of antisemitism.</p> <p>“Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.”</p>	A reference will be added to the Equalities page of Thurrock Council to inform people that this definition and associated guidance has been adopted.	Roger Harris

## Update on Motions agreed by the Council

Date	From	Motion	Status	Director
29 January 2020	Cllr J Kent	<p>This year's Holocaust Memorial Day marked the 75th anniversary of the end of the Holocaust. Thurrock Council understands the importance of remembering the millions of people murdered in the Holocaust and the genocides in Cambodia, Rwanda, Bosnia and Darfur.</p> <p>The Council calls upon Cabinet to explore the opportunity to work with schools to facilitate visits to former Nazi death camps, including Auschwitz-Birkenau, to help learn first-hand the consequences of hate. A future programme should seek to work across schools in Thurrock.</p>	Officers are currently reviewing how the arrangements worked previously, the costs involved and engagement with schools. A report will be discussed with Cabinet in due course.	Roger Harris



## **Motions Submitted to Council**

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

### **Motion 1**

#### **Submitted by Councillor Halden**

The Chamber thanks those members retiring at the upcoming election for their service to the borough.

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

This Motion relates to a matter which affects the Authority or the Authority's area and for which there is a relevant function.

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

There are no financial implications arising from this motion.

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

Yes

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## **Motions Submitted to Council**

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

### **Motion 2**

#### **Submitted by Councillor Redsell**

Council calls on Cabinet to consider a new wood and bluebells to be planted on a piece of land at the edge of Woodside.

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

This Motion relates to a matter which affects the Authority or the Authority's area and for which there is a relevant function. Legal Services would be able to advise on any specific, direct legal implications in any report to Cabinet regarding this.

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

Should the motion be agreed, Cabinet will need to consider any cost implications whilst making their decision.

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

Yes

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## **Motions Submitted to Council**

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

### **Motion 3**

#### **Submitted by Councillor Rigby**

The high use of fireworks in the borough is causing distress and injury to pets and wildlife with an impact on air quality. Members therefore call on the Council to request the Government; via a letter to George Eustice, Secretary of State for Environment, Food and Rural Affairs, with copies sent to our two local Members of Parliament, Jackie Doyle - Price and Stephen Metcalfe; review current legislation to include the following:

- Reduce the time period fireworks can be purchased.
- Reduce the decibel level of fireworks for private use.
- Restrict use of fireworks to official dates such as Bonfire night, Diwali, New Year's Eve and Chinese New Year. All other times, for example weddings, requiring a licence.

We also request the Council provide improved notification of big scheduled events.

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

This Motion relates to a matter which affects the Authority or the Authority's area and for which there is a relevant function. Legal Services would be able to advise on any specific, direct legal implications for the Council in due course.

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

There are no financial implications arising from this motion.

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

Yes

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