

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

Cabinet

The meeting will be held at **7.00 pm** on **12 February 2020**

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

Membership:

Councillors Robert Gledhill (Chair), Shane Hebb (Deputy Chair), Mark Coxshall, Deborah Huelin, Andrew Jefferies, Barry Johnson, Susan Little, Ben Maney, Allen Mayes and Aaron Watkins

Agenda

Open to Public and Press

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Queries regarding this Agenda or notification of apologies:

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

Agenda published on: **4 February 2020**

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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

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

Helpful Reminders for Members

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

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

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



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

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

Disclosable Pecuniary Interests shall include your interests or those of:

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

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

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

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

Pecuniary

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

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

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

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

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

Non- pecuniary

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



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

Our Vision and Priorities for Thurrock

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

1. **People** – a borough where people of all ages are proud to work and play, live and stay
 - High quality, consistent and accessible public services which are right first time
 - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
 - Communities are empowered to make choices and be safer and stronger together

2. **Place** – a heritage-rich borough which is ambitious for its future
 - Roads, houses and public spaces that connect people and places
 - Clean environments that everyone has reason to take pride in
 - Fewer public buildings with better services

3. **Prosperity** – a borough which enables everyone to achieve their aspirations
 - Attractive opportunities for businesses and investors to enhance the local economy
 - Vocational and academic education, skills and job opportunities for all
 - Commercial, entrepreneurial and connected public services

Minutes of the Meeting of the Cabinet held on 15 January 2020 at 7.00 pm

The deadline for call-ins is Monday 27 January 2020 at 5.00pm

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

Apologies: Councillors Mark Coxshall

In attendance: Lyn Carpenter, Chief Executive
Sean Clark, Director of Finance, Governance and Property
Tim Hallam, Acting Head of Legal, Assistant Director Law and Governance and Monitoring Officer
Roger Harris, Corporate Director of Adults, Housing and Health/Interim Director of Children's Services
Andrew Millard, Interim Director of Place
Lucy Tricker, Democratic Services Officer

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

49. Minutes

The minutes of the Cabinet meeting held on 9 October 2019 were approved as a correct record.

50. Items of Urgent Business

There were no items of urgent business.

51. Declaration of Interests

There were no interests declared.

52. Statements by the Leader

The Leader began his statement by wishing everybody a Happy New Year and discussing a major power outage that had occurred on New Year's Eve at Collins House, during which all 38 residents had to be temporarily relocated. He stated that all residents had been moved out and back in quickly once the power had been restored. He thanked the residents, families, and staff who had managed the incident, and felt that everybody, particularly residents, had kept their spirits high during the difficult time. He also discussed a second major incident that had occurred on 6 January during which 415,000 litres of

sulphuric acid had been spilled. He thanked the emergency services who had attended, and had received minor injuries, and thanked every officer and department who had worked throughout the night to manage the incident. He stated that the gas cloud had dispersed naturally, but schools had been closed quickly to minimise the impact, and again thanked everyone for their management of the situation.

The Leader moved onto discussing two recent inspections that had occurred of Thurrock's vulnerable people services which had come back positive, as well as the recent OFSTED inspection, during which Thurrock had received a 'good' rating. He elaborated that Thurrock had narrowly missed the 'outstanding' rating, but this was due to timing. He thanked everyone for the effort they had put in to make the inspection a success, and for their continued hard work throughout the year. He stated that Thurrock's care homes had also recently had an inspection by the Care Quality Commission, and these services had also been rated 'good', which was an improvement on the previous inspection. He clarified that these services were also on the path towards an 'excellent' rating, and felt that many people had worked hard for this.

The Leader then mentioned the recent Keep Britain Tidy (KBT) scores that had improved since the last inspection, and mentioned that Thurrock had previously inspected themselves, but had moved this responsibility to Keep Britain Tidy, as they were independent. He felt that although there was still room for improvement, the directorate was moving forward and had numerous plans in place to improve the KBT scores. He highlighted that the Environmental Enforcement team had recently been shortlisted for an award by KBT, and wished officers good luck. He clarified that last year the environment directorate had doubled their street cleaning capacity, installed 600 new bins, 4 new road sweepers, and had improved the old road sweepers, which had made an impact across the borough. He also highlighted that the Civil Enforcement team had received devolved powers from the police, so they could now enforce certain laws such as underage possession of alcohol. He stated that additionally Thurrock had received the powers of injunction to remove illegal encampments, which was already being used where necessary, around the borough.

The Leader then talked about housing and the work Thurrock was doing to tackle rogue landlords and the successes that had been seen in court. He described how a review of Houses of Multiple Occupation (HMO) had been undertaken, during which 100 HMOs had been visited, 7 of which were found to be unlicensed, which Thurrock were taking action against. He stated that Thurrock had £27,000 to tackle criminal landlords who ran unlicensed care homes for vulnerable people, and this work was being discussed around Essex and London. He added that if residents knew of any potentially unlicensed HMOs, they could contact the council who would investigate.

The Leader then discussed £36million town centre funding, which had been granted for the improvement of Grays and Tilbury, and stated that Grays had also been one of only 50 towns nominated for the Future High Street fund,

which was a share of £1billion to attract businesses and people to the area. He added that £200million of private investment had also been granted to improve Grays town centre and the Thames, which showed that private companies were willing to invest in the town.

The Leader highlighted the work of the Trading Standards team, which had seized 120,000 counterfeit cigarettes worth £170,000 from 120 shops across the borough, with the help of sniffer dogs. He stated that one shop had been fined £13,000 for the possession of 17,000 illegal cigarettes in his shop, and although the Leader felt there was more to do, he felt glad that the number of prosecutions had risen since 2016. He added that the Trading Standards team were working closely with the police, and were now going after the suppliers of illegal cigarettes, as well as the shops that sold them.

The Leader detailed the work of the Civil Enforcement team as part of his statement and outlined a recent success whereby Civil Enforcement officers had found a marijuana growth site whilst tackling a fly-tip in East Tilbury. He felt that this showed the teams were not just focussed on one issue, but were working collaboratively. He stated that 15 Fixed Penalty Notices had been issued for fly-tipping, and 15 had been issued for anti-social behaviour, as well as 1 arrest for possession of drugs. He added that 10 community protection notices had issued for possession of marijuana, and 30 had been issued for anti-social behaviour including the use and disposal of nitrous oxide canisters. He added that these schemes would be extended in the new municipal year, and would have a wider scope of powers.

The Leader summarised and finished with the Clean It, Cut It, Fill It update and stated that since April 2019 156 potholes had been filled, 99% within target timeframes; 927 fly-tips had been cleared; 2720 tonnes of waste had been removed; 3213 Fixed Penalty Notices issued; and 3 illegal encampments moved. He added that 208 £400 fines had been issued for fly-tipping, and 268 people had been prosecuted for failure to pay fines.

53. Briefings on Policy, Budget and Other Issues

Councillor Watkins stated that work was being undertaken to install new air quality monitoring stations around the borough, to provide data for the new Air Quality Strategy, and help to tackle the problem of air pollution. He added that the environment team was working with Public Health on the air quality monitoring, and detailed findings would be reported back to the Cleaner, Greener and Safer Overview and Scrutiny Committee in February, which would outline the proposed changes and upcoming work. He added that as there had been very strong winds over the weekend 11 trees had fallen, but in line with the Tree Strategy, these would be replaced.

54. Petitions submitted by Members of the Public

No petitions had been received by members of the public.

55. Questions from Non-Executive Members

The Leader advised that one question had been received from Councillor Piccolo regarding Item 17: Acquisition of Land, and this would be discussed during that item.

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

There were no matters referred to Cabinet for consideration by an overview and scrutiny committee.

57. Lower Thames Crossing Task Force Update

The Leader stated that this report was for noting as Councillor Coxshall and Councillor Rice had been unable to attend the meeting. He stated that a number of Task Force meetings had taken place, and Thurrock had requested lots of data from Highways England. He felt that the meeting that had occurred in December discussing cut and cover had been particularly useful.

RESOLVED: That Cabinet:

1. Noted the work of the Lower Thames Crossing Task Force

*Reason for decision: as outlined in the report
This decision is subject to call-in*

58. Quarter 2 Financial Report

Councillor Hebb introduced the report and highlighted the three main points. He stated that the first point was the financial health of Thurrock was strong, as there was currently a surplus. He stated that the second point was Thurrock's handling of the economy which meant that a modest 1.49% rise in Council Tax was needed to maintain services such as weekly bin collections and the timely fixing of potholes. He commented that the third main point was Thurrock's commitment to delivering funding for new police officers in town centres and communities across the borough.

He stated that this report looked back at the financial health of Thurrock since the last budget had been agreed in February 2019, and there were currently pressures within some services, although the budget as a whole was forecast to be balanced. He stated that one of the main directorates that was experiencing financial pressure was adult social care, as pressures were external and outside of the councils control. He commented that this was due to a few high-need, high-cost placements, which could push the budget envelope. He added that this was the first time in many years that the service would experience overspend, and the budget was being handled well despite external pressures, and the fragility of the domiciliary care market. He felt that the most important factor for adult social care was that good quality care was provided, and the financial budget had to be a secondary concern.

Councillor Hebb then moved onto discussing the pressures within children's social care, which although was overspending by £900,000 had reduced their overspend compared to previous years. He felt that this directorate was very fluid, as a few high-need placements could again push the cost envelope. He congratulated the team on their 'good' OFSTED rating, and felt that the investment in the system highlighted in the report would help to sustain this level of achievement and help to achieve the 'excellent' rating in the future. He added that lots of investment had also occurred in the environment directorate, such as for street cleaning and parks, but was still under-budget and thanked the team in the hard work dealing with market pressures. Councillor Hebb added that due to the Homelessness Reduction Act, Thurrock had seen an increase in the number of people presenting as homeless, but Thurrock were working hard to tackle this in line with the central government strategy.

Councillor Hebb stated that Thurrock were predicting a surplus for the next three years, and if this occurred, it would mean a balanced budget for a total of seven years. He elaborated that this was due to reform of services, as well as investment, and this led to the ability for a one-off spend on more policing. He added that corporate projects totalled £112million spending for new infrastructure and projects that were outlined in appendix 2 of the report, and included the regeneration of Purfleet and Grays, A13 east-facing slips, 21st century care homes and new schools. He added that he had met with the Leaders of opposition parties to discuss surplus spending and they had agreed on the majority of ideas, findings of which would be published next month. He added that to facilitate necessary elderly care, the report proposed a 2% rise for the adult social care precept. He summarised and stated that pressures were being managed to ensure the budget was balanced and there was a surplus to spend on projects such as additional police officers. He clarified that the 1.49% council tax rise would be ring-fenced spending. He finally thanked those departments which were under-budget as these helped to support the councils wider goals.

Councillor Halden felt that it was good to see a balanced budget and surplus, and stated that the proposed council tax rise was still below inflation. He also stated that there had been no council tax rise in 2018/19 and no maximum increase the year before, which only 5% of councils had managed to achieve. He highlighted the pressures within the Dedicated Schools Grant, and stated that this was because there had been a 35% increase in requests for Education, Health and Care Plans, and a 24% increase in requests for placements in special schools. He felt that although there were many pressures, the team were trying hard to reduce the debt. He added that all special schools across the borough had maintained their 'excellent' OFSTED rating even with new, tougher criteria. Councillor Halden added that there were plans to build a new special school called Treetops 2, as well as the infrastructure to support this in Blackshots. He stated that 2020 was the 'Year of Inclusion' and this scheme was being launched soon, which would involve more investment in schools, to ensure more rigorous standards and more timely processes for requests. He stated that statutory guidance for processing education requests was 20 weeks, but Thurrock wanted to cut this

in half to stem late crisis referrals and build a more responsive system.

Councillor Watkins thanked the Deputy Leader for his report, and stated that the environment directorate had increased their revenue compared to the last administration, which he felt had been understaffed and underfunded. He commented that the KBT scores needed to be improved, but the team had worked hard for worthwhile investment, such as new street sweepers. He added that officers were being taught about KBT scoring systems, so they could self-monitor as part of the 'Think 4 5' Strategy. Councillor Watkins summarised and stated that there were overall market pressures in waste disposal that the team were aware of and working to mitigate, as well as working closely with partners and the Waste Management Working Group to look at the future of waste in Thurrock.

The Leader welcomed the report and the ring-fencing of the proposed council tax increase for the three strategic priorities, as many residents often asked where their council tax went, and now Councillors could give a clear answer. He was also pleased to hear that there was alignment between the Cabinet and opposition leaders, as they had many of the same ideas and could work together for maximum impact. He stated that areas of overspend were being worked on, but this could prove difficult in pressure-led directorates. He summarised and felt that Thurrock were in a good position compared to other councils, and felt it was good to see tax-payers money being used to invest in services across the borough.

RESOLVED: That Cabinet:

- 1. Noted the revenue forecast outturn position for 2019/20 and that further mitigation is required to outturn within the agreed budget envelope**
- 2. Noted the proposed updates to the Medium Term Financial Strategy**
- 3. Noted that the updated Medium Term Financial Strategy forms the basis of the 2020/21 Budget and asks Corporate Overview and Scrutiny Committee to comment and make recommendations back to Cabinet in February ahead of Full Council**
- 4. Following Cabinet's decision in December 2018 to allocate funding for additional police officers that the Director of Environment and Highways, in consultation with the Corporate Director of Finance, Governance and Property and the Leader, be authorised to enter into a four year contract (with the right to renew for another 4 years)**
- 5. Noted the results of Treasury Management activities undertaken in the first half of 2019/20**
- 6. Noted the capital forecast outturn position and the overall position on the approved proposal.**

*Reason for decision: as outlined in the report
This decision is subject to call-in*

59. Housing Development Process

Councillor Johnson introduced the report and stated it was important as it ensured the delivery of housing programmes, both internally and through Thurrock Regeneration Limited. He clarified that this report did not discuss specific sites but outlined the proposed process and criteria for choosing sites. He stated that this report had gone to the Housing Overview and Scrutiny Committee who had approved the recommendations, and wished to see an update report in six months' time to be able to monitor progress. He explained that this report set out robust criteria for housing development sites, whilst still allowing projects to be delivered at pace. He described how careful consideration would be used for all sites to ensure that no unsuitable sites would be brought forward in the future, and focus would be put on Ward Councillors and residents views. He clarified that if a site was added to the long-list, this did not mean it had received planning endorsement, as the new process meant the site would have to go to scrutiny, then Cabinet, before finally arriving at Planning Committee. He summarised and stated that this would be an annual process, with scrutiny committees and Ward Councillors seeing sites first, for a smoother and more transparent process.

Councillor Halden thanked the Portfolio Holder for his report and thanked him for his support in the Head Start Housing Scheme, which ensured young people leaving care had somewhere suitable to live. The Leader added that he felt it was good to see earlier engagement and consultation with Ward Councillors and residents as it would improve the process for land release, and ensure that sites were worth selling before planning approval was sought.

RESOLVED: That Cabinet:

1. Approved the proposed process and criteria by which Council owned sites are selected for redevelopment for residential purposes.

*Reason for decision: as outlined in the report
This decision is subject to call-in*

60. Homelessness Prevention and Rough Sleeping Strategy 2020-2025

Councillor Johnson introduced the report and stated that it strengthened the strategy, which had last been updated in 2015. He commented that homelessness was a concern across the country, and the new Homelessness Prevention Act put the onus on councils to tackle homelessness within their borough. He stated that the Act had increased the number of households eligible for homelessness assistance, and this had increased the homelessness figures across Thurrock. He stated that this report had been made in consultation with a number of other directorates such as education, and had consulted with residents who had had lived experience of

homelessness. He stated that a Homelessness Partnership Board had been put in place to monitor the progress of the strategy, and described how the strategy increased access to services for armed forces veterans and those people who were escaping domestic violence. Councillor Johnson highlighted that the report increased accessibility to temporary accommodation, winter night shelters and council housing for residents faced with homelessness.

The Leader felt this report was very important as many people experienced homelessness through no fault of their own, and felt glad to see the scope of the strategy increasing. He was glad to see that Thurrock would not send homeless people and families to other boroughs unless necessary, as this further disrupted people's lives, such as their employment or access to schools. The Leader stated he was pleased to see increased access to services for veterans. Councillor Hebb echoed the Leader's sentiments and supported the strategy as he felt it tried to avoid crises before they appeared.

RESOLVED: That Cabinet:

1. Approved the implementation of the draft Homelessness Prevention and Rough Sleeping Strategy 2020-25

*Reason for decision: as outlined in the report
This decision is subject to call-in*

61. School Protocol to Reduce Serious Youth Violence

Councillor Halden introduced the report and felt that young people needed to feel safe in schools to be able to receive the best education. He outlined the changes in the nature of crime over recent years, and felt that gang violence could affect every area of society. He highlighted that gangs tended to prey on vulnerable adults and could use their houses as gang bases, as well as being aware of the legislation regarding curfews and police presence to evade arrest. He described how the Youth Offending Service had been expanded and now included officers with expertise in gang violence, and this had reduced youth reoffending rates to 27%, which was 10% lower than the national average. Councillor Halden also highlighted that young people not in education, employment or training was also only 1.5%, which was half of the national average. He added that Thurrock had granted £1million to Essex Police to help them tackle gangs across the borough, which had led to 24 injunctions and 16 prosecutions of youth gang members.

Councillor Halden then outlined the proposed Protocol and stated that it gave schools the opportunity to designate specific staff members with the powers of stop and search, for both children and adults on school premises. He clarified that the proposed protocol was clear on the policy and its uses, as well as being responsible and robust. He added that the Protocol brought together the Youth Offending Service, as well as pastoral care such as mental health workers, careers advisors and the drug/alcohol teams. He stated that this would tackle the root causes of gangs in the borough. He added that the

report would produce a proactive network, which would work both in and out of schools throughout the year to help vulnerable children and young adults, and would provide a wrap-around service. He stated that this report would increase the relationship with schools as it expanded the role of the mental health teams and Youth Offending Service, as well as working to avoid exclusions and expulsions.

Councillor Hebb stated that he felt this was a good initiative as it increased collaboration between teams and would support vulnerable children. He asked if there was a role for the finance team and debt management officers. Councillor Halden replied that the debt management team could be brought into the Protocol, as they could work with young adults on the Life's Ladder initiative and teach young people how to avoid debt and enter into schemes such as the Help to Buy. He stated that this could provide young people with financial stability and mobility, which would reduce the pull of gang membership. The Leader stated that it was good to see partnerships on projects such as these, as collaboration became standard practice across the council. He stated that this report would provide the appropriate level of action when required, and would not become mass stop and search policies as was seen in some American schools.

RESOLVED: That Cabinet:

- 1. Approved the Schools Protocol to reduce vulnerability factors and safeguard children and young people from serious youth violence.**
- 2. Continued to invest and identify positive activity programmes to provide alternative pathways for vulnerable children and young people.**
- 3. Continued to endorse the cross directorate working that is in place to support our wider community safety ambitions for children and young people.**

*Reason for decision: as outlined in the report
This decision is subject to call-in*

62. CCTV Identification Policy

The Leader introduced the report and stated that this report focussed on the CCTV strategy as a whole, as well as the identification of criminals through their photos on the internet, which many other councils already do. He mentioned that this policy would have numerous benefits as it meant that criminals could be caught quicker, as the police requested Thurrock's CCTV footage very regularly. He stated that the London Borough of Barking and Dagenham, and the London Borough of Havering currently used the same system to catch fly-tippers and had a 'most wanted' page on their website. He stated that photographs of criminals would appear both on the council's website and around the Civic Offices to ensure criminals are successfully caught, and anti-social behaviour could be prevented across the borough. He

stated that overview and scrutiny had agreed the recommendations and requested an update report in six months' time to monitor progress and make comments. He stated that this would become recommendation 1.4 of the Cabinet recommendations.

Councillor Little asked if the policy would be used for both town centres and rural areas, as she felt there was often large fly-tips on the fens. The Leader replied that the policy would be used across the entire borough, and the photos of criminals would be easily accessible on the council's website. He described how the policy outlined the use of both covert and overt CCTV, and the team were becoming more adept at recognising hotspots when they appeared and catching culprits. Councillor Watkins added that this policy also used inter-departmental working, which he felt was good to see. He outlined changes to the Household Waste and Recycling Centres that would reduce fly tipping across the borough, and asked residents to check waste carrier licences when they used such companies to remove their waste. He also detailed a new zero-tolerance policy on fly-tippers bringing their waste from other boroughs, and stated that signs had been erected at the entrances to the borough outlining this scheme.

RESOLVED: That Cabinet:

- 1. Approved the implementation of a Public Identification CCTV policy for enforcement purposes.**
- 2. Approved the use of images in local publications and on the internet including the council's website.**
- 3. Approved that the Community Safety Partnership monitor the implementation of this policy.**
- 4. Approved the Cleaner, Greener and Safer Overview and Scrutiny Committee receive an update report on the Policy in six months' time to monitor the progress made.**

*Reason for decision: as outlined in the report
This decision is subject to call-in*

63. Mid-Year Corporate Performance Report 2019/20

Councillor Huelin introduced the report and stated that 74% of Key Performance Indicators (KPIs) were now on target, compared to less than 50% under the last administration. She highlighted that 50% of KPIs had also improved since last year, such as the number of apprentices, number of potholes filled in on time, and percentage of bins collected on time. She stated that the Corporate Overview and Scrutiny Committee were particularly happy with the success of the KPI relating to the percentage of tenant satisfaction, and the introduction of the 'route to green', which focussed on improvements that needed to be made. Councillor Huelin drew Cabinet's attention to page 145 of the agenda and felt that there had been a good direction of travel for

the majority of KPIs, and felt pleased to see the spreadsheet was mostly green.

Councillor Watkins felt this was a good report, and elaborated on the environment directorates KPIs. He described the KPI relating to bins collected on the correct day as he felt pleased that this target had been met every month, barring February 2019 when the target had been missed by a marginal percentage. He stated that this service had been improved by the introduction of Bartec, which reported bins missed to the contact centre and the relevant collection trucks, so bins could be picked up. He added that the KBT scores had improved and thanked the department for their work on the 'Think 4 5' Strategy which set the standard for cleanliness across the borough. Councillor Watkins then moved onto discussing the environment directorates missed KPIs, such as the percentage of waste recycled. He commented that this was a challenging KPI, but lots of work had been done on its improvement, such as the introduction of the Waste Management Working Group who were currently undertaking resident consultation. He stated that a pilot scheme had also recently been completed to improve recycling in flats, which the estates management team had found successful, and had rolled out across their sites earlier than anticipated. He also highlighted a schools outreach programme that was currently underway to teach children about recycling, as well as highlighting changes to the Household Waste and Recycling Centres, which would be introduced in March.

Councillor Little elaborated on social care's two missed targets, but stated these were out of her control, as they were due to the death of residents. She stated that this report held the council to account and felt that improvements had been made across the directorates. She also felt pleased to see that all children's social care KPIs had met their target. The Leader outlined which KPIs his directorate had missed, including the non-payment of Fixed Penalty Notices for littering, although he stated that these had started to increase. He mentioned that the new CCTV Identification Policy would help enforcement officers tackle the problem of criminals providing false names and addresses, which would increase the number of Fixed Penalty Notices and prosecutions.

RESOLVED: That Cabinet:

- 1. Noted and commented upon the performance of the key corporate performance indicators in particular those areas which are off target.**
- 2. Identified any areas which require additional consideration.**

64. Acquisition of Land

The Leader highlighted that there were two exempt appendices to the report, but felt that as long as these were not directly discussed, the meeting could remain open.

There had been one question submitted by a non-Executive Member.

Councillor Piccolo asked the following question to Councillor Coxshall, relating to Item 17 on the agenda: Can the Portfolio Holder outline how his new plans for Stanford le Hope station will benefit residents? As Councillor Coxshall was unable to attend, the Leader replied that the Stanford Le Hope Transport Hub was a significant project to deliver much improved station facilities in Stanford Le Hope for residents, businesses and commuters. He added that the original design of the scheme with a cantilevered deck proved to be an expensive design, requiring complex engineering solutions to be delivered all of which pushed the scheme much beyond the existing budget available. He clarified that consequently the scheme had been under review to identify alternative design and construction options that could deliver a high quality design within the available budget. The Leader stated that the options included identifying additional land that could, if secured, result in much improved public realm outside of the station and a dedicated bus turnaround/waiting area on land in the vicinity as well as much needed additional parking provision.

Councillor Piccolo was invited to ask a supplementary question and asked the following question: since the Labour administration sold Sandpits carpark, Stanford-le-Hope residents have been struggling to park, and there has been a lack of infrastructure links in the town. Can the Leader assure me that the proposed purchase of land will reduce the stranglehold of capital landowners in the town?

The Leader replied that the proposed acquisition of land would increase both commuter parking and parking for residents wishing to access the town centre, as well as a new bus turnaround location. He stated that although the new station car parking would not be as convenient as Sandpits for access to the town centre, it would still provide parking within walking distance. He stated that parking and development of the station was long overdue.

The Leader introduced the report on behalf of Councillor Coxshall and stated that this report was a fantastic opportunity to improve Stanford-le-Hope station, after the loss of Sandpits carpark, the increase of commuters, and the expansion of DP World. He felt that this report would deliver the required improvements to the station at a timelier pace, and would reduce the need for a complicated design. He mentioned that the new design would not require a complicated cantilever bridge, changes to Mucking Creek, and would not encroach as much on resident's houses. He added that the new design would also provide better bus turnaround facilities, so workers at the port could access the buses more easily, and would increase commuter and town-centre parking. He apologised to the residents of Stanford-le-Hope for the delay in the implementation of the project, but felt that it was better to get the project right first time, rather than increasing spending and the risk of flooding with the original design.

Councillor Hebb added that the new proposed design would benefit residents more, as it would save bricking over the River Hope, which was a large part of the identity of Stanford-le-Hope, and did not affect residents near the station as much as the original design. He commented that this proposal was a partial resolution after the sale of Sandpits and would unburden the local

infrastructure and highways. Councillor Maney echoed the comments made and felt it was important to get the scheme back on track. He commented that he hoped the Compulsory Purchase Order option would be a last resort, and the Leader commented that it was, although would be used if necessary.

RESOLVED: That Cabinet:

1. Noted the regeneration and financial opportunities presented by the potential acquisition of land identified in Appendix A.

2. Delegated authority to the Director of Place and Director of Finance, Governance and Property in consultation with the Cabinet Member for Regeneration to commence negotiations and seek to agree final terms for the acquisition of the site and to enter into any such agreements necessary to conclude the acquisition of the site.

*Reason for decision: as outlined in the report
This decision is subject to call-in*

The meeting finished at 8.45 pm

Approved as a true and correct record

CHAIR

DATE

**Any queries regarding these Minutes, please contact
Democratic Services at Direct.Democracy@thurrock.gov.uk**

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12 February 2020	ITEM: 10
Cabinet	
Incorporation of South East Local Enterprise Partnership	
Wards and communities affected: All	Key Decision: No
Report of: Cllr Rob Gledhill, Leader of the Council & Portfolio Holder for Public Protection and Anti-Social Behaviour	
Accountable Assistant Director: N/A	
Accountable Director: Andy Millard, Director of Place	
This report is public	

Executive Summary

The South East Local Enterprise Partnership (SELEP) is one of 38 established Partnerships across the country, set up to provide the vision and strategic leadership to drive sustainable private sector-led growth and job creation. The Local Enterprise Partnership (LEP) is responsible for distributing significant amounts of Government funding to support growth priorities. Thurrock has been allocated funding to support the Grays South Regeneration and the widening of the A13 among other things. Following a Government Review all Local Enterprise Partnerships have been required by central government to comply with a set of recommendations including establishing a legal entity. This report explains how incorporation of the South East LEP is proposed to happen and asks Cabinet to take the necessary decisions.

1. Recommendation(s)

That Cabinet:

- 1.1 Note that the Council will become a member of South East LEP Limited with articles of association as set out in appendix 1.**
- 1.2 Note that the Council will sign the framework agreement as set out in appendix 2.**
- 1.3 Agree that the Leader will be the Council's initial member of the Board with the Portfolio Holder for Regeneration and Strategic Planning as alternate director.**

1.4 Agree that the Leader will be the Council's initial member of the Accountability Board with the Portfolio Holder for Regeneration and Strategic Planning as principal substitute.

2. Introduction and Background

2.1 Local Enterprise Partnerships were created to replace Regional Development Agencies. In order to allow flexibility, the Government did not have any prescriptive requirements as to legal structure to enable a variety of operating models to develop. However, following a review of LEPs Government has set out a series of recommendations with which LEPs must comply – including establishing themselves as a legal entity if they are to continue to be eligible to receive government funding.

2.2 Thurrock is part of the South East Local Enterprise Partnership (SELEP). This covers the combined administrative areas of:

- East Sussex
- Essex
- Kent
- Medway
- Southend on Sea
- Thurrock

2.3 SELEP currently operates as a partnership with Essex County Council acting as the 'Accountable Body'. As Accountable Body it is legally accountable to government for how the money is spent across the SELEP area. SELEP has a strategic board and four federated boards which are all informal bodies with no legal constitution. These organisations consider applications for funding and the Strategic Board makes recommendations to a local authority joint committee comprising one member for each of the six upper tier local authorities and an independent non-voting chairperson drawn from the Strategic Board. Funding passes from ECC to the relevant local authority who then enters into an agreement with the recipient, ensuring there is local accountability for funding. SELEP is supported by a small team of officers who are employed by Essex County Council but who report directly to the Section 151 Officer. The current structure therefore gives:

- A strong voice for business who dominate the Federated and Strategic Boards.
- An efficient structure which uses existing employers, pension arrangements and financial systems.
- Local accountability so that local authorities have an input in allocation of funds via the Strategic Board and the joint committee and are accountable for the activities of recipients of funding by signing agreements with the Accountable Body.

2.4 A sketch diagram showing how SELEP currently operates is attached at appendix 3.

2.5 To comply with the recommendations in the LEP Review the Government decided that all LEPs would need to have a legal identity by April 2020.

2.6 The SELEP partners have been working on how best to achieve this. The consensus is that a company should be established and that as far as possible this should be with minimal impact on the other arrangements for Governance and Operation.

3. Issues, Options and Analysis of Options

3.1 The Strategic Board of the LEP established a sub-group to consider legal entity and agreed a proposal to create a company limited by guarantee. A sketch diagram showing how the company will operate is at appendix 3. The members of the company would be:

- Members of the federated boards who wish to become members of the company.
- One member nominated by each local authority.

This will continue to give federated boards a strong voice in the running of the company and the members/federated boards will continue to make recommendations on allocation of funding and will continue to have a say in the appointment of the board of the company

3.2 The board of the company would be comprised of between 20-25 directors as follows:

(1) Fourteen Private Sector Directors:

- The Chair (independently appointed)
- The Deputy Chair (independently appointed)
- Two individuals nominated by the Success Essex Members
- Two individuals nominated by the Opportunity South Essex Members
- Five individuals nominated by Kent & Medway Members
- Three individuals nominated by East Sussex Members

(2) Six Public Sector Directors, one appointed by each of the six local authorities.

(3) Up to five co-opted directors:

- Two District/Borough/City Council Leaders or Cabinet Members
- One Further Education representative
- One Higher Education representative
- One Third Sector representative

- 3.3 This is the maximum size of board permitted by central government and strikes a balance between different parts of the LEP. The government also requires a local authority to remain as accountable body since the statutory power used to pay money only allows funds to be paid to local authorities.
- 3.4 In order to minimise the changes required the Strategic Board has decided that it does not want the company to hold the funding or employ any staff. This minimises risk and cost and does mean that it is still the local authorities who will be making the final decision on allocation of funding via the Accountability Board and money will still pass from the Accountable Body to the local authority.
- 3.5 The business members of the SELEP Boards have decided that this is the way in which they want to work. They are comfortable with this because in practice the SELEP partners and the secretariat have worked hard to develop consensus on funding, meaning that in practice funding is rarely contentious by the time decisions are taken. The joint committee will of course continue to give great weight to the views expressed by the federated boards and the business representatives.
- 3.6 The SELEP Strategic Board has therefore recommended that this approach is taken.
- 3.7 The other main option considered was to have the company employing the secretariat and receiving and distributing the funding, but this would involve a lot of legal and financial structures and the consensus is that the costs and bureaucracy involved in this outweighs the benefits.
- 3.8 The recommended approach has been developed in consultation with the Ministry of Communities, Housing and Local Government and the Department for Business, Energy and Industrial Skills who are happy with the proposals.

4. Reasons for Recommendation

- 4.1 The Government Review of Local Enterprise Partnerships (LEPs) set out a series of recommendations with which each LEP is required to comply. The Recommendations cover issues such as legal identity, board composition and size, election of Chair and other issues.
- 4.2 To comply with the recommendations SELEP must establish a legal identity for the Local Enterprise Partnership by 31st March 2020. To establish the Company Limited by Guarantee requires approval from each of the upper tier authorities in the SELEP area.

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

- 5.1 The changes to the Local Enterprise Partnership have been considered by the Strategic Board whose members include each upper tier authority, private sector and Further Education and Higher Education.

5.2 The Chair of Corporate Overview and Scrutiny Committee has been briefed on the changes and decisions that Cabinet need to take to comply with SELEP requirements.

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

6.1 The SELEP Board and secretariat have sought to minimise the changes required to the LEP and its operating procedures while ensuring that it complies with the changes required by Government.

6.2 As an upper-tier Authority Thurrock will still have representation on the Strategic Board and the Accountability Board. The Council will still be able to access funding managed by the LEP and will contribute to development of policy.

7. Implications

7.1 Financial

Implications verified by: **Jo Freeman**
Finance Manager

This report will have no direct financial implications since SELEP will continue to operate in the current manner and the Council will continue to contribute and passport funding to recipients in the same way as it currently does. The changes will comply with Government recommendations.

7.2 Legal

Implications verified by: **Courage Emovon**
Acting Strategic Lead / Deputy Head of Legal Services/ Deputy Monitoring Officer

The recommendations in this report have been developed in consultation with the other five local authorities and with the current SELEP boards.

SELEP has obtained Counsel's advice on the potential liabilities of Directors and Members of the proposed new company. Directors' liabilities are statutory in accordance with the Companies Act 2006. Counsel has advised that since the company will have no assets the risks to Members/ Local Authorities are low. Potential liabilities will be mitigated by the Directors and Officers insurance which the company intends to procure. Legal Services will provide advice as and when required.

7.3 Diversity and Equality

Implications verified by: **Becky Lee**
Team Manager – Community Development and Equalities

The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

No equality impact assessment has been written as this report will largely continue with SELEP's existing processes. One positive impact which is related to but not directly caused by the incorporation of SELEP is that the new assurance framework requires SELEP to meet requirements relating to equalities which is therefore likely to lead to a greater participation in public life by people with a protected characteristic.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder, and Impact on Looked After Children)

None

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

None

9. Appendices to the report

- Appendix 1 – Articles of Association
- Appendix 2 – Framework Agreement
- Appendix 3 – Diagrams showing how SELEP operates

Report Author:

Stephen Taylor

Strategic Lead – Economic Development

Economic Development

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY
GUARANTEE

ARTICLES OF ASSOCIATION
OF

SOUTH EAST LEP LIMITED (the "Company") Dated 2020

Interpretation, objects and limitation of liability

1. INTERPRETATION

1.1. In these Articles, unless the context otherwise requires

Accountability Board means the joint committee of the Councils constituted in accordance with the Framework Agreement

Accountable Body: means Essex County Council or such other local authority from time to time having responsibility for overseeing the proper administration of financial affairs within the LEP Area when these relate to public funds;

Act: means the Companies Act 2006;

AGM: has the meaning given to it in article 26;

Articles: means the Company's articles of association for the time being in force;

Assurance Framework: means the local assurance framework as adopted by the Company with the agreement of the Accountable Body from time to time in accordance with the requirements of the central government in order to pay funding to local enterprise partnerships;

Bankruptcy: includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

Business Day: means any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;

Chair: has the meaning given to it in article 12.1;

Code of Conduct: means the code of conduct contained in the Assurance Framework

Confidential: information is classified if it falls within the definition of 'exempt information' or "confidential information" by virtue of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. This includes:

- (a) Information provided by a Government Department on terms which forbid the disclosure of the information to the public;
- (b) Where disclosure to the public is prohibited by a court or;
- (c) Where the Accountability Board holds "exempt information" under Schedule 12A of the Local Government Act 1972.

This also includes information relating to an individual, relating to the financial or business affairs of a particular person, negotiations, labour relations, legal professional privilege and in connection to the investigation or prosecution of a crime.

Conflict: means a situation in which a Director has or can have, a direct or indirect interest that conflicts or may conflict, with the interests of the Company;

Conflicts of Interest Policy: means the policy of the Company governing Conflicts, as set out in the Assurance Framework.

Co-opted Directors: means the following, selected in accordance with the Assurance Framework

- Two District/Borough/City Council Leaders or Cabinet Members
- One Further Education representative
- One Higher Education representative
- One Third Sector representative

Councils means Southend on Sea Borough Council, East Sussex County Council, Essex County Council, Kent County Council, Medway Council and Thurrock Council

Deputy Chair: has the meaning given in article 12.2;

Director: means a Director of the Company and includes any person occupying the position of Director, by whatever name called;

Directors: means all of the Co-opted Directors, the Private Sector Directors, the Public Sector Directors, the Chair and the Deputy Chair.

Document: includes, unless otherwise specified, any document sent or supplied in electronic form;

Electronic form: has the meaning given in section 1168 of the Act;

Eligible Director: means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter pursuant to article 15 and/or the Conflicts of Interest Policy);

Federated Boards: means all or any of the four groups of persons known at the date of incorporation from the four federated areas known as follows,

- "Success Essex",
- "Opportunity South Essex",
- "the Kent and Medway Economic Partnership" and
- "Team East Sussex "

or such successor or replacement body approved by the Directors as part of the Assurance Framework with the consent of each Council whose administrative area is served by the relevant Federated Board.

Federated Board Members: means a person who appears to the Directors to be a member of any of the Federated Boards.

Framework Agreement: means the agreement between the Councils and the Company constituting the Accountability Board

Class of Members means either the East Sussex Members, the Essex Members, the South Essex Members, the Kent and Medway Members as the case may be

LEP Area: means the combined administrative areas of the Councils or such other geographical area as is assigned to the Company by government from time to time;

Member: means a person whose name is entered in the Register of Members of the Company and **Membership** shall be construed accordingly

East Sussex Member means a Member who was either

- nominated by the **East Sussex Members**;
- was a member of the Team East Sussex Federated Board at the date of incorporation; or has been nominated by the Directors as an East Sussex Member in accordance with article 23

Essex Member means a Member who was either

- nominated by the **Essex Members**;
- was a member of the Success Essex Federated Board at the date of incorporation; or
- has been nominated by the Directors as an Essex Member in accordance with article 23

Kent and Medway Member means a Member who was either

- nominated by the **Kent and Medway Members**;
- was a member of the Kent and Medway Economic Partnership Federated Board at the date of incorporation; or
- has been nominated by the Directors as a Kent and Medway Member in accordance with article 23.

South Essex Member means a Member who was either

- nominated by the **South Essex Members**;
- was a member of the Opportunity South Essex Federated Board at the date of incorporation; or
- has been nominated by the Directors as a South Essex Member in accordance with article 23.

Model Articles: means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

Objects: has the meaning given to it in article 2.1 and **object** shall mean any one of them;

Private Sector Director: means the following:

- The Chair
- The Deputy Chair
- Two individuals nominated by the Success Essex Members as the Success Essex business representatives
- Two individuals nominated by the Opportunity South Essex Members as the Opportunity South Essex business representatives
- Five individuals nominated by Kent & Medway Members as the Kent & Medway Economic Partnership business representatives
- Three individuals nominated by East Sussex Members as the Team East Sussex business representatives

Public Sector Director: means a person nominated as such by one of the Councils being

- One person from Essex County Council,
- One person from Thurrock Council,
- One person from Southend-on-Sea Borough Council,
- One person from Medway Council,
- One person from Kent County Council and
- One person from East Sussex County Council

Scheme of Delegation: has the meaning given to it in article 7.3;

Secretariat means those persons employed by the Accountable Body or a Council for the purposes of providing administrative, technical, secretarial or professional support to the Company and the Accountability Board pursuant to the Framework Agreement

Secretary: means an officer of the Secretariat nominated by the Accountable Body to act as such

Special Resolution: has the meaning given in section 283 of the Act;

Subsidiary: has the meaning given in section 1159 of the Act;

Writing: means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4. A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5. Unless expressly provided otherwise, a reference to a statute or statutory provision shall include any subordinate legislation from time to time made under that statute or statutory provision.
- 1.6. Any word following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7. The Model Articles shall not apply to the Company.

2. OBJECTS

- 2.1. The objects for which the Company is established (**Objects**) are:
 - 2.1.1. to stimulate economic growth, productivity, employment, community development, job creation, inward investment, training and development, and commerce in the LEP Area;
 - 2.1.2. to promote the LEP Area positively at regional, national, European and international levels on matters affecting its economic development; and
 - 2.1.3. to act as a facilitator to develop strong working relationships between key stakeholders across the South East of England, ensuring there is a shared vision for a prosperous LEP Area to unlock barriers to growth.

3. POWERS

- 3.1. In pursuance of the Objects, the Company has the power to:
 - 3.1.1. do all such things which in the opinion of the Directors are in the best interests of the Company and its Members; and
 - 3.1.2. do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the Objects.

4. INCOME

- 4.1. The income and property of the Company from wherever derived shall be applied solely in promoting the Objects.
- 4.2. No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent payment in good faith by the Company of expenses to Members or Directors in accordance with policies that may be adopted from time to time in the Assurance Framework.

5. WINDING UP

On the winding-up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remain available to be distributed or paid, shall not be paid or distributed to the Members but shall be transferred to similar bodies or another body with objects similar to those of the Company within the LEP Area or as directed by the government department then responsible for Local Enterprise Partnerships or their successor body.

6. GUARANTEE

- 6.1. The liability of each Member is limited to £1.00, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he or she is a Member or within one year after he or she ceases to be a Member, for
- 6.1.1. payment of the Company's debts and liabilities contracted before he or she ceases to be a Member;
 - 6.1.2. payment of the costs, charges and expenses of the winding up; and
 - 6.1.3. adjustment of the rights of the contributories among themselves.

Directors: General

7. DIRECTORS' GENERAL AUTHORITY AND CONDUCT

- 7.1. There shall be **between twenty and** twenty-five Directors of the Company
- Fourteen Private Sector Directors
 - Six Public Sector Directors (no more than one nominated by each Council)
 - Five Co-opted Directors
- 7.2. Subject to these Articles, Directors are responsible for the management of the Company's business and may exercise all the powers of the Company accordingly.
- 7.3. Each of the Directors shall use their respective rights and powers to procure, so far as they are each able, that decisions of the Company are carried out in accordance with the Assurance Framework and any scheme of delegation for the time being adopted by the Company and contained in the Assurance Framework (**Scheme of Delegation**).
- 7.4. Subject always to the Act, in their conduct of the Company's business the Directors shall at all times:
- 7.4.1 conduct themselves in a professionally responsible manner;
 - 7.4.2 have due regard to all confidentiality obligations concerning the Company's business; **Page 31**
 - 7.4.3 observe the seven principles as set out by The Committee on Standards in

- 7.4.4 Public Life (as amended from time to time); and
comply with the provisions of the Assurance Framework.

8. DIRECTORS MAY DELEGATE

8.1. Subject to the Articles:

- 8.1.1 the Directors may delegate any of the powers which are conferred on them under the Articles and which are in line with the Assurance Framework and any Scheme of Delegation:
- i. to such person or committee;
 - ii. by such means (including power of attorney)
 - iii. to such an extent;
 - iv. in relation to such matters or territories; and
 - v. on such terms and conditions;
 - vi. as they think fit.
- 8.1.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 8.1.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions at any time.

Directors: Decision-Making

9. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 9.1. The general rule about decision-making by Directors is that any decision of the Directors must be a majority decision taken in one of the following ways:
- 9.1.1. on show of hands at a meeting of the Directors;
 - 9.1.2. by written resolution, copies of which have been signed by a majority of the Eligible Directors or to which a majority of the Eligible Directors have otherwise indicated agreement in writing; or
 - 9.1.3. by a majority of the Eligible Directors indicating to each other, by any means, that they share a common view on a matter.
- 9.2. A decision may not be taken in accordance with this article 9 if the Eligible Directors purporting to take the decision would not have formed a quorum had the decision taken place in a meeting.

10. DIRECTORS' MEETINGS

- 10.1. Directors' meetings shall take place not less than once per every three months. Directors meetings shall be open to the public, with the exception of any information or items classified as Confidential
- 10.2. Notwithstanding the provisions of article 10.1 meetings of the Directors are called by the Chair or Deputy Chair by giving not less than twenty Business Days' notice of the meeting to the Directors or by authorising the Secretary (if any) to give such notice.
- 10.3. A Director who is absent from the UK and who has no registered address in the UK shall

not be entitled to notice of the Directors' meeting.

10.4. A person is able to exercise the right to speak at a Directors' meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting

10.5 No business shall be transacted at a meeting of directors unless it is either:

- (a) included on the agenda for the meeting which is sent out with the notice given under article 10.2 convening the meeting; or
- (b) certified by the Chair as urgent after consulting all directors by email.

11. QUORUM FOR DIRECTORS' MEETINGS

11.1. At a meeting of the Directors, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

11.2. The quorum for the transaction of business at a meeting of Directors is any fifteen Eligible Directors, provided that such number must include

- At least one Success Essex business representative
- At least one Opportunity South Essex business representative
- At least one Kent & Medway Economic Partnership business representative
- At least one Team East Sussex business representative
- At least three public sector Directors

11.3. If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decisions other than to appoint Co-opted Directors if there is a vacancy in accordance with article 19.

12. CHAIRING OF DIRECTORS' MEETINGS, APPOINTMENT OF CHAIR AND DEPUTY CHAIR AND TERMS OF OFFICE

12.1. The Company shall have at all times appointed a chairperson who shall be a Private Sector Director and who shall be appointed in accordance with the process set out in the Assurance Framework and the person so appointed for the time being is the **Chair**.

12.2. The Company shall have at all times appointed a deputy to the Chair (Deputy Chair), who shall be a Private Sector Director and who shall be appointed in accordance with the process set out in the Assurance Framework and the person so appointed for the time being is the **Deputy Chair**.

12.3. Subject to clause [12.4], a Chair or Deputy Chair (as applicable) shall be appointed for periods of no more than two years, such appointment ending at the meeting of the Directors falling closest to the second anniversary of their appointment (or re-appointment). Unless otherwise determined by [special resolution], the Chair or Deputy Chair (as applicable) shall be entitled to put themselves forward for re-election for a further period of two years in accordance with the Assurance Framework provided that no Chair or Deputy Chair shall be able to serve more than six years in their respective role.

12.4. Where the Chair or Deputy Chair puts him or herself forward for re-election, such election shall occur at the board meeting at which their board appointment ends in accordance with article [12.3].

13. NOT USED

[not used]

14. CASTING VOTE

- 14.1 If the numbers of votes for and against a proposal at a meeting of Directors are equal, the Chair or Deputy Chair chairing that meeting has a casting vote.
- 14.2 But this does not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the Chair or Deputy Chair chairing the meeting is not an Eligible Director for the purposes of that meeting (or part of a meeting).

15. DIRECTORS' CONFLICTS OF INTEREST

- 15.1 The Company shall at all times keep in force the Conflicts of Interest Policy to deal with Conflicts.
- 15.2 Subject always to the provisions of the Conflicts of Interest Policy, if a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes unless the Director's interest cannot in the opinion of the Chair reasonably be regarded as likely to give rise to a conflict of interest
- 15.3 For the purposes of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.

16. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

17. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to these articles, the Directors may make any rule which they think fit about how they and any committees formed by them take decisions, and about how such rules are to be recorded *or* communicated to Directors, provided always that any such rule is consistent with the Assurance Framework, the Framework Agreement and these Articles.

Directors: numbers and appointment

18. NUMBER OF DIRECTORS

Unless otherwise determined by special resolution, the number of Directors shall not be less than twenty but shall not exceed twenty-five.

19. APPOINTMENT OF DIRECTORS

- 19.1 The Directors shall be composed of Private Sector Directors, Public Sector Directors and Co-opted Directors.
- 19.2 Upon a vacancy arising for any reason for a Private Sector Director, other than the Chair and the Deputy Chair, a replacement shall be appointed by the Class of Members for the area in which the vacancy has arisen.

- 19.3 The person appointed to a vacancy as set out in article 19.2 shall be the person securing the largest number of votes at a meeting of the relevant Class of Members

held for this purpose and notified to the Secretary by the person chairing that meeting in accordance with any applicable requirements and policies set out in the Assurance Framework.

- 19.4 Upon a vacancy arising for any reason in the office of Chair or Deputy Chair a replacement shall be appointed in accordance with article 12.
- 19.5 Upon a vacancy arising for a Public Sector Director, a replacement shall be appointed on the written nomination of the relevant Council given to the Secretary by the proper officer of that Council.
- 19.6 If at any time there are fewer than five Co-opted Directors then the Directors may co-opt a person appearing appropriate to the Board in accordance with the Assurance Framework.

20. RETIREMENT OF DIRECTORS

- 20.1 A Private Sector Director shall retire from office on the second anniversary of their appointment. Subject to articles 20.2 and 20.3, such retiring Director shall be eligible for re-appointment by relevant Class of Members.
- 20.2 A Private Sector Director shall, subject to article 20.3, be eligible for re-appointment for two further periods of two years.
- 20.3 Any Private Sector Director (including the Chair and Deputy Chair) who shall have served for a total of six years shall not be entitled to be re-appointed.
- 20.4 Co-opted Directors shall retire from office on the first anniversary of their appointment.
- 20.5 A Director may resign from office by notice given to the Secretary.

21. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 21.1 A person ceases to be a Director as soon as:
- 21.1.1 that person ceases to be a Director by virtue of any provision of the Act or these Articles or s/he becomes prohibited by law from being a Director;
 - 21.1.2 that person shall for more than twelve months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that that person's office be vacated;
 - 21.1.3 a Bankruptcy order is made against that person;
 - 21.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 21.1.5 two-thirds of the board of Directors resolve that the person has failed to conduct themselves in accordance with article 7 and should as a consequence be removed from office; or
 - 21.1.6 in the case of a Public Sector Director, they cease for any reason to be a member of Cabinet of the Council which appointed them; or
 - 21.1.7 in the case of a Private Sector Director (other than the Chair and Deputy0, by a vote to that effect passed by a majority of those present and voting at a meeting of their appointing Class of Members .
- 21.2 Save where a Director is a Public Sector Director, a Director shall upon ceasing to be a Director by virtue of article 21 at the same time cease to be a Member.

22 ALTERNATE DIRECTORS

- 22.1 Directors may appoint alternates in accordance with the provisions of the Assurance Framework for the Directors and any alternate appointed in accordance with such provisions shall be bound by any rules relating set out in the Assurance Framework [and Terms of Reference] for the Directors.

Members: becoming and ceasing to be a Member

23 MEMBERSHIP

- 23.1 The first Members of the Company at incorporation shall be those who have subscribed to these articles.
- 23.2 Subject to article 23.3 any person appearing to the Directors to be a Federated Board member shall be entitled to become a Member if they submit an application for membership in the form prescribed by the Company
- 23.3 The maximum number of each Class of Members (East Sussex Members, Essex Members, South Essex Members and Kent and Medway Members) shall be as specified in the Assurance Framework from time to time but shall not in any event exceed fifty Members per Federated Board.
- 23.4 If the number of any category of Members is fewer than the maximum determined by reference to Article 23.3 then the Members of that category may, at a meeting of that category of Members called for the purpose, nominate a further Member to that category of Members by a majority of those present and voting.
- 23.5 Each Council is entitled to nominate one Member.
- 23.6 If anyone nominated as a member does not opt to become a member within one month of being nominated (or their nomination being accepted by the Directors if later) then the person or group entitled to nominate to that vacancy may make a further nomination to replace the original nominee.

24 DISQUALIFICATION AND REMOVAL OF MEMBERS

- 24.1 A person ceases to be a Member as soon as:
- 24.1.1 that person ceases to be a Member by virtue of any provision of the Act or these Articles or s/he becomes prohibited by law from being a Member;
 - 24.1.2 that person misses two consecutive AGMs without attending any meetings in the intervening period;
 - 24.1.3 a Bankruptcy order is made against that person;
 - 24.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 24.1.5 notification is received by the Company from the Member that the Member is resigning, and such resignation has taken effect in accordance with its terms;
 - 24.1.6 The Member is in breach of the Code of Conduct or is otherwise disrupting the business of the Company and at a meeting of that category of Members called for the purpose a majority of those present and voting resolve to remove that person as a Member;
 - 24.1.7 In the case of an Essex Member an East Sussex Member, a Kent and Medway Member or a South Essex Member, it appears to the Directors that the Member is no longer a member of a Federated Board.

25 TRANSFER OF MEMBERSHIP

Membership shall not be transferable.

26 ANNUAL GENERAL MEETING

- 26.1 The Company shall hold an annual general meeting (**AGM**) at least once every calendar year and which shall be open to the general public save at a time when the meeting is considering items classified as Confidential.

27 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 27.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

- 27.2 A Member is able to exercise the right to vote at a general meeting when:

27.2.1 that Member is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

27.2.2 that Member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other Members attending the meeting.

- 27.3 The Directors may make whatever arrangements they consider appropriate to enable those Members attending a general meeting to exercise their rights to speak or vote at it.

- 27.4 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.

28 Not used

29. CHAIRING GENERAL MEETINGS

- 29.1. The Chair or, in his or her absence, the Deputy Chair shall preside as chair of every general meeting.

- 29.2. If neither the Chair nor the Deputy Chair is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the meeting shall be adjourned and reconvened.

30. ATTENDANCE AND SPEAKING BY NON-MEMBERS

- 30.1 At an AGM the Chair of the meeting shall permit such other persons who are not Members of the Company to attend and speak in accordance with the Assurance Framework.

- 30.2 In addition to the other provisions of these articles the Chair of a general meeting may permit others to attend a meeting and speak.

31. ADJOURNMENT

- 31.1. The chair of the meeting may adjourn a general meeting if:

31.1.1. the meeting consents to an adjournment; or

31.1.2. it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

- 31.2. The chair of the meeting must adjourn a general meeting if directed to do so by at least

50% of the Members present at the meeting.

31.3. When adjourning a general meeting, the chair of the meeting must:

31.3.1. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and

31.3.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

31.4. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

31.4.1. to the same persons to whom notice of the Company's general meetings is required to be given; and

31.4.2. containing the same information which such notice is required to contain.

31.5. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Voting at general meetings

32. VOTING: GENERAL

Without prejudice to any other provision of these Articles, a resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

33. ERRORS AND DISPUTES

33.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

33.2. Any such objection must be referred to the chair of the meeting whose decision is final.

34. POLL VOTES

34.1. A poll on a resolution may be demanded:

34.1.1. in advance of the general meeting where it is to be put to the vote; or

34.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

34.2. A poll may be demanded by:

34.2.1. the chair of the meeting;

34.2.2. the Directors;

- 34.2.3. two or more persons having the right to vote on the resolution; or
 - 34.2.4. a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.
- 34.3. A demand for a poll may be withdrawn if:
- 34.3.1. the poll has not yet been taken; and
 - 34.3.2. the chair of the meeting consents to the withdrawal.
- 34.4. Polls must be taken immediately and in such manner as the chair of the meeting directs.

35. CONTENT OF PROXY NOTICES

- 35.1. Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:
- 35.1.1. states the name and address of the Member appointing the proxy;
 - 35.1.2. identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;
 - 35.1.3. is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - 35.1.4. is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 35.2. The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 35.3. Unless a proxy notice indicates otherwise, it must be treated as:
- 35.3.1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - 35.3.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

36. DELIVERY OF PROXY NOTICES

- 36.1. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person, and if s/he does so the proxy (notice) shall be revoked.
- 36.2. An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 36.3. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 36.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to

execute it on the appointer's behalf.

37. AMENDMENTS TO RESOLUTIONS

37.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

37.1.1. notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place {or such later time as the chairman of the meeting may determine); and

37.1.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

37.2. If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

Administrative arrangement

38. MEANS OF COMMUNICATION TO BE USED

38.1. Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

38.1.1. if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

38.1.2. if properly addressed and delivered by hand, when it was given or left at the appropriate address;

38.1.3. if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

38.1.4. if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

38.2. In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

39. INDEMNITY AND INSURANCE

39.1. Subject to article 39.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

Appendix 1

- 39.1.1. each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which s/he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
- 39.1.2. the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 39.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 39.2. This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.
- 39.3. The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 39.4. In this article:
- 39.4.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 39.4.2. a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- 39.4.3. a **relevant officer** means any Director or other officer or former Director or other officer of the Company, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not s/he is also a Director or other officer), to the extent s/he acts in his capacity as auditor.

40. Changes to Articles or Assurance Framework

- 40.1 No change to these articles or to the Assurance Framework shall take effect unless agreed in advance by the Accountable Body and until the Accountability Board has been given written notice of the proposed changes, those changes have been considered at a meeting of the Accountability Board and the decision maker has considered any comments or views expressed by the Accountability Board or any members thereof.
- 40.2 The Accountable Body shall not withhold its approval under article 40.1 unless in its opinion the change is likely to prejudice the ability of the Company or the Accountable Body to comply with the terms of any agreement to which the Accountable Body is party relating to the administration of funds or the ability to be allocated Government Funds.
- 40.3 In addition to the preceding clauses, no change to the articles which would affect the number of directors or members who are appointed or nominated by any Class of Members may be approved without the approval of a majority of all Classes of Members

40.4 In addition to the preceding clauses, no change to the number of directors to be appointed by any Local Authority may be approved without being approved without the approval all local authority members.

DATED _____ **2020**

- SOUTHEND-ON-SEA BOROUGH COUNCIL** (1)
and
EAST SUSSEX COUNTY COUNCIL (2)
and
ESSEX COUNTY COUNCIL (3)
and
KENT COUNTY COUNCIL (4)
and
THURROCK COUNCIL (5)
and
MEDWAY COUNCIL (6)
and
[SOUTH EAST LEP LIMITED] (7)

FRAMEWORK AGREEMENT

In relation to South East Local Enterprise Partnership

THIS AGREEMENT is made on

2019

BETWEEN

- (1) **SOUTHEND-ON-SEA BOROUGH COUNCIL** of Civic Centre, Victoria Avenue, Southend-on-Sea, SS2 6ER (“Southend”);
- (2) **EAST SUSSEX COUNTY COUNCIL** of County Hall, St Anne’s Crescent, Uckfield, Lewes, East Sussex, BN7 1UE (“East Sussex”);
- (3) **ESSEX COUNTY COUNCIL** of County Hall, Market Road, Chelmsford, Essex, CM1 1QR (“Essex”);
- (4) **KENT COUNTY COUNCIL** of County Hall, Maidstone, Kent, ME14 1XQ (“Kent”); and
- (5) **THURROCK COUNCIL** of Civic Offices, New Road, Grays, Essex, RM17 7SL (“Thurrock”);
- (6) **MEDWAY COUNCIL** of Gun Wharf, Dock Road, Chatham, Kent, ME4 4TR (“Medway”)

together referred to as “**the Councils**” and individually as a “**Council**”.

- (7) **[SOUTH EAST LEP LIMITED]** of [] (“**Company**”)

BACKGROUND

- (A) The Councils are local authorities for the purposes of the Local Government Act 1972 and best value authorities for the purposes of the Local Government Act 1999.
- (B) The unincorporated SELEP partnership was established in [] with the aim of stimulating growth in the economy across [] area. In part it aim to do this by playing a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs. It is a primary partnership of the Councils.
- (C) The Company was incorporated on [] in response to the requirement of Central Government for all Local Enterprise Partnerships to have legal personality.
- (D) Essex is the Accountable Body for the purposes of Funding allocated to the Company by central government and other responsibilities as set out in the Assurance Framework.
- (E) The purpose of this Agreement is to create an overarching framework setting out the duties and obligations, roles and responsibilities of the Councils, the Accountability Board, Accountable Body and the Company in relation to the activities undertaken to enable the delivery of the LEP achieve the Company's objects (as defined in its articles of association) and ithe Aims and Objectives.

IT IS AGREED AS FOLLOWS:

1 Definitions

1.1 In this Agreement the following terms shall have the following meanings:

Accountable Body means Essex

Accountability Board means the joint committee of the Councils constituted in accordance with Schedule 2

Agreement means this Framework Agreement and any schedules;

Aims and Objectives means those aims and objectives set out in the Assurance Framework

Assurance Framework means the local assurance framework of the Company as adopted by the Company with the agreement of the Accountable Body and the Accountability Board from time to time in accordance with the requirements of central government in order to pay funding to local enterprise partnerships

Commencement Date means [xxxx] 2020

Councils means Southend, East Sussex, Essex, Kent, Medway, Thurrock.

Council Contribution for a particular Financial Year means a contribution which a Council has agreed to make to the Support Funding

EIR means the Environmental Information Regulations 2004;

FOIA means the Freedom of Information Act 2000;

Financial Year means during the continuance of the Agreement any period commencing on 1 April and ending on the following 31 March

Funding means all and any devolved government revenue and capital funding which central government pays to the Accountable Body for the purpose of SELEP;

Funding Agreement means an agreement between the Accountable Body a Council or such other Party to receive funding as may be necessary under which the Accountable Body pays Project Funding to that Council or such other party for onward transmission to a Recipient

Parties means the parties to this Agreement.

Project Funding means that part of the Funding which is to be used for the purposes of schemes allocated by the Company and Accountability Board

Recipient means a person or entity which has received Project Funding from a Council

Secretariat means those persons employed by the Accountable Body for the purposes of providing administrative, technical or professional support to the Company and the

Accountability Board in accordance with this Agreement

Support Funding means that part of the Funding which is not Project Funding aggregated with the Council Contributions.

SELEP Area means the combined administrative area of the Councils

Support Contracts means contracts entered into by the Accountable Body to the extent that they relate to the provision of advice or support or the provision of services to the Company and the Accountability Board.

Terms of Reference means the terms of reference of the Accountability Board as set out in Schedule 1.

- 1.1 Headings contained in this Agreement are for reference purposes only and should not be incorporated into this Agreement and shall not be deemed to be any indication of the meaning of the clauses to which they relate.
- 1.2 References to any statute or statutory provision include references to:
 - 1.2.1 all Acts of Parliament and all other legislation having legal effect in the United Kingdom;
 - 1.2.2 any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute;

2. Duration

- 2.1 This Agreement shall commence on the Commencement Date and shall continue in effect until terminated in accordance with Clause 25 of this Agreement.

3 Principles and Key Objectives

- 3.1 The Parties will work together to deliver the Aims and Objectives acting in their respective capacities as Accountable Body, Accountability Board and the Company.
- 3.2 The Parties agree that the following principles underpin their collaborative working and the terms of this Agreement as follows:
 - 3.2.1 mutual co-operation and collaboration;
 - 3.2.2 accountability;
 - 3.2.3 transparency;
 - 3.2.4 mutual benefits
- 3.3 In order to achieve these objectives and the Aims and Objectives, the Parties agree that they will work together with mutual trust, good faith and in an open, co-operative and collaborative manner. The Parties will work together in a spirit of mutual trust in order to ensure the successful management of the Aims and Objectives and will respond in a timely manner (or within the timescales agreed between the Parties

where appropriate) to all reasonable requests from each other.

- 3.4 It is the overriding responsibility of the Parties to ensure that Funding is allocated in such a way which
 - 3.4.1 ensures that the Company and the Accountable Body comply with the terms and conditions on which Funding is paid to the Accountable Body
 - 3.4.2 ensures that public money is spent in the best way to develop and enhance the economy of the SELEP Area
 - 3.4.3 is in accordance with the Assurance Framework.

4 Accountability Board

- 4.1 The Accountability Board is constituted in accordance with Schedule 2 to this Agreement
- 4.2 The Parties agree that each will comply with its obligations set out in Schedule 1 to this Agreement.
- 4.3 In making decisions the Accountability Board will primarily have regard to the need to ensure that decisions it makes are supported by the people and organisations who participate in achieving the aims and objectives of the Company, the need to maintain the confidence of such persons in their ability to influence the award of funding insofar as it is proper to do so. Accordingly, the Accountability Board will give great weight to any recommendation made to it by or on behalf of the Company. The Accountability Board will also have regard to the following:
 - 4.3.1 The fact that Funding is paid to the Accountable Body by central government so that it can be spent in accordance with the Assurance Framework
 - 4.3.2 The fact that the Assurance Framework includes checks and safeguards designed to ensure that recommendations made to the Accountability Board have been made having regard to Aims and Objectives articulated by the Company and without the participation of any person or organisation which has a conflict of interest.
 - 4.3.3 The need to ensure that Funding is only paid when it is received from Central Government by the Accountable Body and the Accountable Body is satisfied that the conditions of Funding attached by central government have been complied with and that the Recipient has agreed to comply with any conditions of Funding required by central government or the Accountable Body.

5 Finance

- 5.1 The Accountable Body will hold all Funding on behalf of the Company and Accountability Board and will
 - 5.1.1 Maintain accounting records of transactions undertaken by or on behalf of the Company and Accountability Board in accordance with proper accounting practice
 - 5.1.2 Provide such information as the Accountability Board, Secretariat or the Company shall reasonably require about the money held by the Accountable Body
 - 5.1.3 Arrange for the external audit of the Funding.

Appendix 2

- 5.1.4 Ensure that the Chief Executive Officer of SELEP is accountable to the Company in the discharge of his duties in accordance with the Assurance Framework.
- 5.2 The Accountable Body's section 151 officer will be responsible for ensuring that the Accountable Body complies with its duties under this agreement
- 5.3 The Accountable Body will not spend any Project Funding unless:
 - 5.3.1 The spend is in accordance with a decision taken by the Accountability Board;
 - 5.3.2 The spend is required in accordance with the conditions upon which the Funding was paid to the Accountable Body; or
 - 5.3.3 The spend is to defray a liability incurred by the Accountable Body wholly as a result of and in accordance with its role as the Accountable Body
- 5.4 The Accountable Body will only spend Support Funding on:
 - 5.4.1 The costs incurred in connection with employing the Secretariat
 - 5.4.2 Making an internal recharge in accordance with proper accounting practices to reflect the cost of providing services to the Company, the Accountability Board or to the Secretariat.
 - 5.4.3 The costs incurred in connection with the Company and Accountability Board Support Contracts.
- 5.5 Before the start of each Financial Year the Secretariat in consultation with the Company will bring a report to the Accountability Board with the proposals (a **Proposed Budget**) setting out
 - 5.5.1 the proposed level of Council Contributions (subject to agreement by the relevant Council, such agreement not to be unreasonably withheld and it shall be reasonable if the proposed Council Contribution is no more than the previous year's contribution increased in line with the retail prices index (excluding mortgages) over the previous 12 months using the most recent figures published at the time of calculation),
 - 5.5.2 the total Support Funding available
 - 5.5.3 how the Support Funding is to be allocated with respect to that Financial Year.
- 5.6 The Accountability Board shall approve the proposals with such amendments as they reasonably require, but in making amendments they must ensure that there will be sufficient Support Funding available in that year to defray the cost of implementing the Proposed Budget.
- 5.7 The Proposed Budget as approved by the Accountability Board shall be the Budget for that Financial Year.
- 5.8 The Budget may be amended by the Secretariat from time to time after consulting the Accountable Body with approval of the Accountability Board, but subject always to continuing obligation to ensure that there will be sufficient Support Funding available in that Financial Year to defray the cost of implementing the Budget
- 5.9 The Accountable Body shall manage the Support Funding with an officer in the Secretariat being the budget holder in accordance with the Accountable Body's constitution and financial regulations and shall use all reasonable endeavours to only spend the Support Funding in accordance with the Budget as amended from time to time.
- 5.10 If the Accountable Body incurs expenditure contrary to the Budget it shall report this to the Company and the Accountability Board promptly.
- 5.11 Each Council shall pay its Council Contribution to the Accountable Body no later than 1

July in each Financial Year

6 The Secretariat

- 6.1 The Accountable Body will employ the Secretariat who will be employed on the Accountable Body's terms and conditions of employment and be subject to the employment policies of the Accountable Body.
- 6.2 The Accountable Body will ensure that line management is provided to the Secretariat in consultation with the Chair, where necessary, in order to ensure that the Secretariat is effectively performing its role.
- 6.3 The role of the Secretariat is
 - 6.3.1 to support allocation of Funding
 - 6.3.2 to liaise with members of the Company and Accountability Board, applicants
 - 6.3.3 to procure and manage the Company and Accountability Board contracts
 - 6.3.4 to administer the Company and Accountability Board
 - 6.3.5 to respond to requests for information regarding the Company and its business from the Accountability Board, and the Company;
 - 6.3.6 to manage the expenditure and recovery of Project Funding
 - 6.3.7 to manage the Company website and ensure it is kept updated
 - 6.3.8 to report to the Company, to the Accountability Board and to the Accountable Body about issues affecting SELEP and to provide such information as those bodies shall reasonably require.
 - 6.3.9 to liaise with central government and anyone providing Funding.
 - 6.3.10 to draft the Assurance Framework and to review it annually to ensure that it meets the requirements of the National Local Growth Assurance Framework
 - 6.3.11 to ensure that all operations and decision making of the Company and the Accountability Board meet the requirements of the Assurance Framework

7 Project Funding

- 7.1 The process for allocation of Project Funding shall be in accordance with the Assurance Framework..
- 7.2 Subject to clause 5.3, the Accountable Body will not spend any Project Funding unless it has been allocated to the proposed spend by the Accountability Board on the recommendation of the Company and there is a contract (a Funding Agreement) relating to that Funding which is in such form as may be approved by the Company and the Accountable Body in place between
 - 1.1.1. the Accountable Body
 - 1.1.2. the Company; and
 - 1.1.3. the Council in whose administrative area the project will be delivered.
- 7.3 The Accountable Body will release Project Funding in accordance with the terms of Funding Agreements subject to the Accountable Body being reasonably satisfied that
 - 7.3.1 the terms of such agreements have been complied with, and
 - 7.3.2 the Accountable Body having received sufficient Project Funds to meet the release of the Funding.
- 7.4 A Council which is Party to a Funding Agreement will ensure that it is only paid out on

Appendix 2

terms which require the Recipient to use the funding for the approved purposes and achieve those outputs within a defined time and which otherwise comply with the Assurance Framework and the terms upon which the relevant Project Funding is received.

7.5 A Council which is a party to a Funding Agreement must take action against the Recipient to enforce the terms of the agreement with the Recipient of the funding where there has been a breach of the agreement between the Council and the Recipient and either

- The Accountable Body considers that the Council needs to take action in order to comply with the terms of any Project Funding;
- The Accountable Body considers that it is necessary to do so in order to maintain public confidence in the Company and/or the Accountability Board or to minimize or avoid fraud; or
- the Company makes a written request.

8 Governance and decision making

8.1 The Assurance Framework sets out governance and how decisions will be made and may only be changed:

8.1.1 By the Company with the agreement of the Accountable Body.

8.1.2 By the Accountability Board where agreement in accordance with 8.1.1 has not been possible and the change is the minimum required in order to comply with the requirements of the National Local Growth Assurance Framework, as may be amended from time to time, and the terms upon which any Funding is paid or is proposed to be paid or which the Company and/or the Accountability Board is required to make.

8.2 The Company agrees that it will not change its articles of association other than with the prior agreement of the Accountability Board (not to be unreasonably withheld or delayed).

8.3 The Company will

8.3.1 Approve an Economic Plan which sets out the Company's Strategic Direction and aims and objectives from time to time.

8.3.2 Appoint an investment panel to prioritise the allocation of Project Funding

8.3.3 Provide an Interface with central government

8.3.4 Oversee pan LEP work

8.3.5 Develop an annual delivery plan

8.3.6 Develop strategic economic plans and policies.

8.3.7 Identify a prioritised list of schemes within the available Project Funding including under / over programming to enable prudent management.

9 The Accountable Body will take reasonable steps to

9.1 Ensure decisions and activities of the Company and the Accountability Board conform with legal requirements with regard to equalities, social value, environment, State Aid, public procurement;

- 9.2 Ensure that the funds are used appropriately, and in a manner that is consistent with the contents of the offer letter from central government, where appropriate;
- 9.3 Ensure that the Assurance Framework is adhered to;

10 Freedom of Information, Environmental Information and Transparency

- 10.1 Each Party acknowledges that the other Party is subject to the requirements of the FOIA and the EIR and each Party shall, where reasonable, assist and co-operate with the other (at their own expense) to enable each Party to comply with these information disclosure obligations.
- 10.2 Where a Party receives a request for information under either the FOIA or the EIR in relation to information which it is holding on behalf of another Party it shall:
 - 10.2.1 transfer the request for information to the other Party as soon as practicable after receipt and in any event within 2 (two) Business Days of receiving a request for information;
 - 10.2.2 provide the other Party with a copy of all information in its possession in the form that the other Party reasonably requires within ten (10) Business Days (or such longer period as the other Party may specify) of the other Party requesting that information unless the cost of compliance exceeds the limit set down pursuant to FOIA (and provides reasonable proof of this to the other party); and
 - 10.2.3 provide all necessary assistance as reasonably requested by the other Party to enable the other Party to respond to a request for information within the time for compliance set out in the FOIA or the EIR.
- 10.3 Where a Party receives a request for information under the FOIA or the EIR which relates to this Agreement, it shall inform the other Parties of the request for information as soon as practicable after receipt and in any event at least four (4) Business Days before disclosure and shall use all reasonable endeavours to consult with the other parties prior to disclosure and shall consider all representations made by the other Party in relation to the decision whether or not to disclose the information requested.
- 10.4 Subject to Clause 12 (Confidentiality), each Party shall be responsible for determining in their absolute discretion whether any information for the purposes of FOIA or the EIR,:
 - 10.4.1 is exempt from disclosure under the FOIA or the EIR; and
 - 10.4.2 is to be disclosed in response to a request for information.
- 10.5 Each Party acknowledges that the other parties may be obliged under the FOIA or the EIR to disclose information:
 - 10.5.1 without consulting with the other Party where it has not been practicable to achieve such consultation; or
 - 10.5.2 following consultation with the other Party and having taken its views into account.
- 10.6 The parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA or the EIR, the content of this Agreement is not Confidential Information.

Appendix 2

10.7 Notwithstanding any other provision of this Agreement, the parties hereby consent to the publication of this Agreement in its entirety including from time to time agreed changes to this Agreement subject to the redaction of information that is exempt from disclosure in accordance with the provisions of the FOIA or the EIR.

11 Data Protection

11.1 The Parties shall comply with their obligations under the Data Protection Act 2018 in the performance of their obligations under this Agreement.

11.2 The provisions of this Clause 11 shall apply during the continuance of this Agreement and indefinitely after its expiry or termination.

12 Confidentiality

12.1 The parties will not use or disclose any confidential information provided by any other Party pursuant to this Agreement otherwise than for the performance of their obligations under this Agreement, save as may be otherwise agreed or required by law.

12.2 For the avoidance of doubt, confidential information shall not include:

12.2.1 any information obtained from a third Party who is free to divulge such information;

12.2.2 any information which is already in the public domain otherwise than as a breach of this Agreement; or

12.2.3 any information which was rightfully in the possession of a Party prior to the disclosure by any other Party and lawfully acquired from sources other than any other Party.

12.3 Subject to Clause 12.2 the Parties shall not make any press announcement or publicise the Agreement or any part of the Agreement in any way, except with the agreement of the other Parties

13 Equality

13.1 The Parties shall perform their respective obligations under this Agreement in accordance with:

13.1.1 all applicable equality laws (whether in relation to race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy, maternity or otherwise);

13.1.2 any applicable equality and diversity policy of the Parties from time to time; and

13.1.3 take all necessary steps, and inform each other of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission (or any successor organisation).

14 Social Value

- 14.1 In performing their respective obligations in pursuance of this Agreement the Parties shall comply with the requirements of Public Services (Social Value) Act 2012.

15 Environmental

- 15.1 In performing their respective obligations in pursuance of this Agreement the Parties shall at all times co-operate with each other to improve environmental performance where it is not detrimental to the interests of any Party to do so.

16 NOT USED

[Not used]

17 Disputes

- 17.1 Any dispute between the Accountable Body, the Company and the Accountability Board shall

17.1.1 first be escalated to the Chair of the Company, the Deputy Chair (as Chairman of the Accountability Board) and the and the Section 151 Officer of the Accountable Body within ten working days of the dispute arising. The Chair of the Company and the Accountable Body shall procure that Section 151 Officer agree to discuss and, in good faith, attempt to resolve any such dispute and try and reach agreement on the action required to resolve the dispute.

17.1.2 In the event that the Chair and the said Section 151 Officer are unable to resolve the dispute, then the matter shall be referred to central government (or grant awarding body if not central government) by any party to the dispute for consideration.

- 17.2 Prior to action under [TO BE INSERTED] of the Assurance Framework, if any Party has any issues, concerns or complaints about any matter relating to this Agreement that Party shall notify the other Party/Parties and the Parties shall then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter shall be escalated to the Secretary of State for Business Environment and Industrial Strategy to resolve such dispute ([] Assurance Framework, paragraph []).

- 17.3 If any Party receives any formal inquiry, complaint, claim or threat of action from a third Party they shall notify the Accountable Body and the Secretariat and co-operate with each other to respond, or take such action, as is appropriate and/or necessary in accordance with the complaints Policy in the Assurance Framework.

18 The Contracts (Rights of Third Parties) Act 1999

- 18.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement but this does not affect any rights which are available apart from this Act.

19 General

- 19.1 Each of the Parties represents and warrants to the others that it has full capacity and authority, and all necessary consents, licences and permissions to enter into and perform its obligations under this Agreement, and that this Agreement is executed by its duly authorised representative.

Appendix 2

- 19.2 This Agreement cannot be varied except in writing signed by a duly authorised representative of each of the Parties.
- 19.3 The Agreement contains the whole agreement between the Parties. The Parties confirm that they have not entered into the Agreement on the basis of any representation that is not expressly incorporated into the Agreement. Nothing in this clause shall exclude liability for fraud or fraudulent misrepresentation.
- 19.4 The Company shall permit any intellectual property created by or on behalf of the Company to be used by the Accountable Body and the Secretariat for the management and running of the Accountability Board, but for the avoidance of doubt, this clause does not operate to transfer the ownership of any intellectual property;
- 19.5 Any waiver or relaxation either partly, or wholly of any of the terms and conditions of this Agreement shall be valid only if it is communicated to every other Party in writing and expressly stated to be a waiver. A waiver of any right or remedy arising from a breach of contract shall not constitute a waiver of any right or remedy arising from any other breach of this Agreement.
- 19.6 This Agreement shall not constitute or imply any partnership, joint venture, agency, fiduciary relationship or other relationship between the Parties other than the contractual relationship expressly provided for in this Agreement. No Party shall have, nor represent that it has, any authority to make any commitments on the other Parties' behalf.
- 19.7 Except as otherwise expressly provided by this Agreement, all remedies available to any Party for breach of this Agreement (whether under this Agreement, statute or common law) are cumulative and may be exercised concurrently or separately, and the exercise of one remedy shall not be deemed an election of such remedy to the exclusion of any other remedy.
- 19.8 If any provision of this Agreement is prohibited by law or judged by a court to be unlawful, void or unenforceable, the relevant provision shall, to the extent required, be severed from this Agreement and rendered ineffective as far as possible without modifying the remaining provisions of this Agreement, and shall not in any way affect any other circumstances of or the validity or enforcement of this Agreement.

20 Notices

- 20.1 Any notice to be given under this Agreement shall be in writing and may be served by personal delivery, first class recorded or e-mail to the address of the relevant Party set out below, or such other address as that Party may from time to time notify to the other Parties in accordance with this clause.

21 English Law

- 21.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 21.2 The Parties hereby agree and declare irrevocably that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-

Appendix 2

contracted disputes or claims) arising out of or in connection with this Agreement or its subject matter or jurisdiction.

22. Insurance

- 22.1 The costs of public liability insurance and employee insurance for the Secretariat will be covered by the Accountable Body's insurance arrangements where that liability arises due to the actions of the Secretariat. Where a Council incurs liability, that Council will need to deal with that liability itself.
- 22.2 All costs including claims administration and legal costs and a fair proportion of the premium paid by the Accountable Body will be paid for by the Accountable Body from the Support Funding.
- 22.3 All insurance claims made against or on behalf of the Secretariat or the Accountability Board will be managed on their behalf by the Accountable Body.
- 22.4 All Councils will cooperate with insurance claims investigations and notify the Accountable Body of any potential claims relevant to this Agreement in its subject matter as soon as is reasonably practicable and take all reasonable action to prevent and minimise any loss.
- 22.5 It is the responsibility of the individual Councils separately to ensure that appropriate insurance in relation to insurance for that Council's buildings and contents and other assets are in place. Consequently the insurance cost for buildings and assets shall not be charged to the Accountability Board.
- 22.6 The Accountable Body shall consider any reasonable request made by the Councils for the purpose of facilitating the procurement, administration and maintenance of any insurance relating to the Company and/or the Accountability Board.

23 Variation

- 23.1 Any proposed variation to this Agreement will be discussed at the Accountability Board and at a board meeting of the Company. Each Party will then be responsible for agreeing those changes that are passed at such board meeting.

24. Withdrawal from this Agreement

- 24.1 A Council may serve notice in writing to the Accountable Body at least nine months before the date on which it is to take effect, that they will be withdrawing from this Agreement. Such withdrawal may only take effect on 1 April in any year.
- 24.2 When the withdrawal of a Council takes effect
- (a) it shall no longer be entitled to contribute to the decisions taken by the Accountability Board or the Company.
 - (b) It shall no longer be required to pay a Council Contribution
 - (c) It shall not be responsible for debts or liabilities which are incurred by the Accountability Board after the withdrawal takes effect
- 24.3 A Council which withdraws from this Agreement shall continue to be liable under any Funding Agreements to which it is Party and may be required to enforce the terms of any Project Agreement under the terms of this Agreement as if it were still a party.

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- 24.4 If any Party incurs any cost as a result of a Council withdrawing from this agreement then that Council shall bear that cost in full, and pay the same within [4] days of demand.
- 24.5 The provisions of this clause 24 shall survive a Council's withdrawal from this agreement.

25. Dissolution of the Company

- 25.1 If the Company wound up or passes a resolution for its winding up or shall otherwise cease to exist then this clause 25 shall apply from the date of the resolution to terminate or the dissolution of the Company (whichever is the sooner) ('the Cessation Date').
- 25.2 From and after the Cessation Date:
- 25.2.1 The Accountability Board shall not approve any further allocation of funding.
 - 25.2.2 All Councils shall continue to be liable under Funding Agreements to which they are a Party and may be required to enforce the terms of any Project Agreement under the terms of this Agreement as if this Agreement were still fully in effect.
 - 25.2.3 Each Council shall pay to the Accountable Body within 30 days of demand an equal proportion of all costs incurred by the Accountable Body relating to the costs of closing down the Secretariat and other parts of SELEP relating thereto insofar as they cannot be met by any Funding.
- 25.4 The Parties shall work together with the relevant Secretary of State to decide how any remaining public funds will be managed.
- 25.5 This agreement shall terminate three months after all liabilities under clause 25.2.3 have been discharged or on such other date as may be agreed by the parties.
- 25.6 This clause applies subject to any contrary obligation on the Accountable Body imposed by any agreement between central government and the Accountable Body relating to the award of Funding.

IN WITNESS WHEREOF the parties have signed this Agreement as a Deed on the day and year first before written.

Schedule 1

Terms of Reference of the Accountability Board

- 1 The Accountability Board shall exercise the functions with respect to:
 - 1.1 the implementation of the Assurance Framework and all processes by which bids are assessed, risks considered, approvals made and performance managed
 - 1.2 appraisals and approvals of grants and loans, in accordance with recommendations made by the Company;
 - 1.3 monitoring project assessment and delivery;
 - 1.4 ensuring accountability from each of East Sussex, Essex, South Essex and Kent and Medway, relating to expenditure and programme delivery in accordance with recommendations made by the Company;
 - 1.3 considering and, if thought fit, approving variations to schemes which have received Project Funding;
 - 1.4 quarterly performance reporting on an exceptions basis to the board of the Company;
 - 1.5 reporting on progress to central government;
 - 1.6 any other accountability or assurance function required by central government or recommended by the Accountable Body's auditors or the S.151 Officer of the Accountable Body;
 - 1.7 approving an Annual Report to be made available to the Councils;
2. The Accountability Board will not have responsibility for
 - (a) staffing decisions.
 - (b) decisions about operational implementation and decisions will be taken as appropriate by the Secretariat or their representatives.
3. The Accountability Board may perform such other functions as the Councils may from time to time delegate to the Accountability Board with the written agreement of the Accountability Board and the Company.
4. Each Council agrees that it will not exercise its functions in relation to the function of the Accountability Board except;
 - 4.1 via the Accountability Board;
 - 4.2 via powers delegated to an officer by the Accountability Board; or

4.3 after consultation with the other Councils and the Company

Schedule 2

Constitution of the Accountability Board

1. Definitions and Interpretation

1.1 In this Schedule:

the Act means the Local Government Act 1972;

Annual Report means the report(s) which sets out the Accountability Board's activities, finance and performance for the preceding year, as required by paragraph 1.7 of Schedule 1;

Clerk means the person appointed in accordance with paragraph 12;

Committee Member means a member of the Accountability Board;

Co-opted Members means a Committee Member who is not a Council Member;

Council Member means a Committee Member who is a councillor of a local authority;

Executive Member means an elected member of a Council that is a Cabinet Member or a member of the Executive.

Further Education Sector means educational institutions or facilities providing education and training beyond compulsory education, but not falling within the definition of Higher Education Sector

Higher Education Sector means the education institutions which provide education and training at degree level and above;

Deputy Chair has the meaning given in the Company's articles of association.

2. **Joint Committee**

2.1 The Councils hereby exercise their powers under sections 101 and 102 of the Act, section 9EA of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 and any other enabling legislation to form a joint committee to be known as the Accountability Board to manage the distribution of Funding

2.2 The Councils hereby delegate to the Accountability Board each Council's functions as set out in the Terms of Reference.

3. **Membership of the Accountability Board**

3.1 The Accountability Board shall consist of nine members:

(a) Six local authority members comprising one executive member nominated by each Council (if a Council ceases to operate executive arrangements then it shall appoint its leader or deputy or the Chair or Vice-Chairman of a relevant Committee)

(b) Three non-voting Co-opted Members, appointed as follows;

- (i) One member appointed by the Accountability Board on the nomination of the Higher Education Sector in the SELEP Area;
- (ii) One member appointed by the Accountability Board on the nomination of the Further Education Sector in the SELEP Area; and
- (iii) the Deputy Chair of the board of the Company (ex officio).

3.2 A person who is disqualified under Part V of the Act from being an elected member of a relevant authority shall be disqualified from membership of the Accountability Board.

3.3 Each Council may change its nominated Committee Member at any time provided that written notice of any such change is given to the Secretariat, taking effect upon receipt. Such written notice may be given by electronic mail. Such change may be temporary or permanent.

3.4 Subject to the provisions of this Agreement officers and elected members of the Councils may attend meetings of the Accountability Board (or any sub-committee) to support their Committee Member in attendance at that meeting.

4. Term of office

4.1 A Council Member will hold office until one of the following occurs;

- (a) they are removed or replaced by the Council which appointed them; or
- (b) they cease to be an elected member of the Council which appointed them

4.2. Where a vacancy occurs under paragraph 4.1 it shall be filled as soon as possible by the relevant Council.

4.3 Co-opted Members shall be appointed for a term of two years and shall be eligible for re-appointment for a maximum of two further two-year terms (i.e. a maximum of six years including their first term).

4.4 A Co-opted Member shall cease to hold office if

- (a) they resign by giving written notice to the Secretariat (in the case of the Deputy Chair that notice shall also take effect as a resignation as Deputy Chair of the Company);
- (b) in the case of the Deputy Chair, they cease to hold that office;
- (c) they are removed from office by the Accountability Board
- (d) they are replaced by the sector which appointed them.
- (e) in the case of the education representatives they cease to be employed by or hold office in an institution in the relevant sector in the SELEP Area.

4.5 Where a vacancy occurs under paragraph 4.4 it shall be filled as soon as possible in accordance with this schedule and the Assurance Framework .

5. Voting

5.1 Any question arising at a meeting of the Accountability Board shall be decided by a simple majority of the Council Members present and voting,

5.2 All voting shall be by a show of hands. Any Council Member may require the way

they voted to be recorded in the minutes of the meeting.

5.3 Co-opted Members are not entitled to vote.

6. Substitute Members

6.1 A Council may appoint another Executive Member from the same Council to be a substitute member. No later than 30 minutes before the start of the meeting a substitution notice may be given to the Secretariat by:

(a) the Council Member concerned; or

(b) the Council

that the Substitute will be attending a meeting of the Accountability Board in place of the Council Member. Where a substitution notice is in effect the substitute will be in all respects a member of the Accountability Board in place of the Council Member.

7. Chair and Vice Chair of the Accountability Board

7.1 The Deputy Chair shall be the Chair of the Accountability Board.

7.2 At its first meeting in the municipal year the Accountability Board shall appoint a Co-opted Member as Vice Chair.

7.3 If the Deputy Chair is not present within 15 minutes of the time at which the meeting was scheduled to begin the Vice Chair shall chair the meeting. If neither the Deputy Chair nor the Vice Chair are present within 15 minutes of the time at which the meeting was scheduled to begin, or are otherwise both unwilling to chair the meeting, then another Council Member present, chosen from amongst those present, shall chair the meeting. The person chairing the meeting shall be the "Chair" for the purposes of this Schedule for the duration of the meeting.

8. Assurance

8.1 The Section 151 Officer and Monitoring Officer of the Accountable Body, or their representative, will attend meetings of the Accountability Board meetings in an advisory capacity.

8.2 Unless otherwise agreed all reports to the Accountability Board must also be sent to the Section 151 Officer and Monitoring Officer of the Accountable Body at least five clear working days before they are due to be published.

8.3 The Section 151 Officer and the Monitoring Officer, or their representatives, from the other Councils will be invited to observe the Accountability Board meetings.

9. Meetings of the Accountability Board

9.1 The Accountable Body will maintain the official record of the Company and Accountability Board proceedings and hold copies of all relevant documents relating to funding allocated to the Accountable Body for the purposes of allocation by the Company;

9.2 The Accountability Board shall meet at least four times in each year save and except that;

9.3. The Chair of the Accountability Board may cancel any meeting if there is insufficient

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business to be transacted but must give detailed reasons for doing so and as much notice as is reasonably possible.

- 9.4 A meeting of the Accountability Board must be convened to take place within one month of receipt of a written requisition from
- (a) the Chair of the Accountability Board
 - (b) at least three Council Members.
 - (c) the Monitoring Officer or Section 151 officer of the Accountable Body
- 9.5 The dates for the meetings in any year shall be agreed at a meeting of the Accountability Board, other than those convened pursuant to paragraph 9.4.
- 9.6 Meetings of the Accountability Board shall normally take place at High House, Production Park, Purfleet, RM19 1RJ or at such reasonable alternative venue as notified to the Councils by the Secretariat from time to time.
- 9.7 The agenda and reports for each meeting shall be issued by the Secretariat at least five clear days in advance of the meeting unless by exception by agreement of the Chair before the meeting and sent to each Committee Member and to the proper officer of each Council.
- 9.8 No item of business may be considered at a meeting of the Accountability Board unless it is on the agenda for the meeting or unless the Chair has agreed to accept the item on the grounds of special urgency which shall be set out in the minutes for the meeting.
- 9.9 Any key decisions must be included on the Forward Plan published 28 days in advance of the meeting.
- 9.9 Meetings of the Accountability Board will be open to the public and press except where the Accountability Board resolves that the press and public be excluded (which may only be during consideration of items containing confidential or exempt information within the meaning of Schedule 12A of the Act).
- 9.10 The agenda for each meeting shall include an opportunity for the public to ask questions or make statements on a matter within the remit of the Accountability Board.
- 9.11 The Secretariat and any Council may make a request to the Chair of the Accountability Board that a particular person or organisation is to be invited to attend a meeting of the Accountability Board for the purpose of making a presentation, or participating in discussion, on any item relevant to the Accountability Board's functions.
10. **Quorum**
- 10.1 The Quorum for meetings of the Accountability Board is two thirds of the Committee Members, including at least four Council Members.
11. **Minutes**
- 11.1 The minutes of the meeting shall be circulated to all Committee Members and shall be approved or amended at the next available meeting and, once approved, signed as an accurate record of the meeting by the Chair of the Accountability Board or by the person presiding at the meeting.
- 11.2 Minutes of the Accountability Board shall be published as required by law except to

the extent that they include any exempt information.

12. Clerk

12.1 The Clerk shall be nominated by the Accountable Body from time to time. The Clerk in conjunction with the Secretariat is responsible for ;

- (a) Organising and publishing dates of forthcoming meetings;
- (b) Production, publication and distribution of agendas, reports and minutes of meetings;
- (c) Ensuring representation at meeting;

12.2 Advising on the operation of the Accountability Board; and

12.3 Providing guidance to, and the recording of Committee Members' declarations of interest in accordance with the code of conduct and the Assurance Framework.

13. Sub-Committees

13.1 The Accountability Board may from time to time appoint such sub-committees as it considers appropriate to exercise such functions as may be delegated to it by the Accountability Board and to advise the Accountability Board in the discharge of its functions, save and except that the Accountability Board may not delegate to any sub-committee the approval of the budget or Annual Business Plan or the fixing of the annual contributions payable by the Councils.

13.2 The Accountability Board will determine the membership and terms of reference of any sub-committee.

14 Scrutiny Arrangements

14.1 The decisions made by the Accountability Board may be subject to the individual scrutiny arrangements of each Council.

14.2 Committee Members and their officer advisers shall co-operate with the relevant Scrutiny Committee of any of the Councils and shall, where requested, comply with any statutory duty to attend any meeting of any relevant Scrutiny Committee.

15. Call in

15.1 Call in should only be used in exceptional circumstances Day to day management decisions or routine operational decisions should not be subject to Call in.

15.2 Other than in the case of a decision which the Accountability Board resolves is a decision that shall be exempt from Call-in as it needs to be implemented urgently, no decision of the Accountability Board may be implemented until the later of

- (a) 5pm on the third day after the decision has been published on the Company website and sent to the Councils ('the Call-in Period');
- (b) the conclusion of any call-in received during the Call-in Period

15.3 A decision is called in by an elected member or members of a Council in the same way they would call in a decision of each Council's Cabinet except that elected members of a Council may only call-in a decision which affects that Council or its administrative area.

Appendix 2

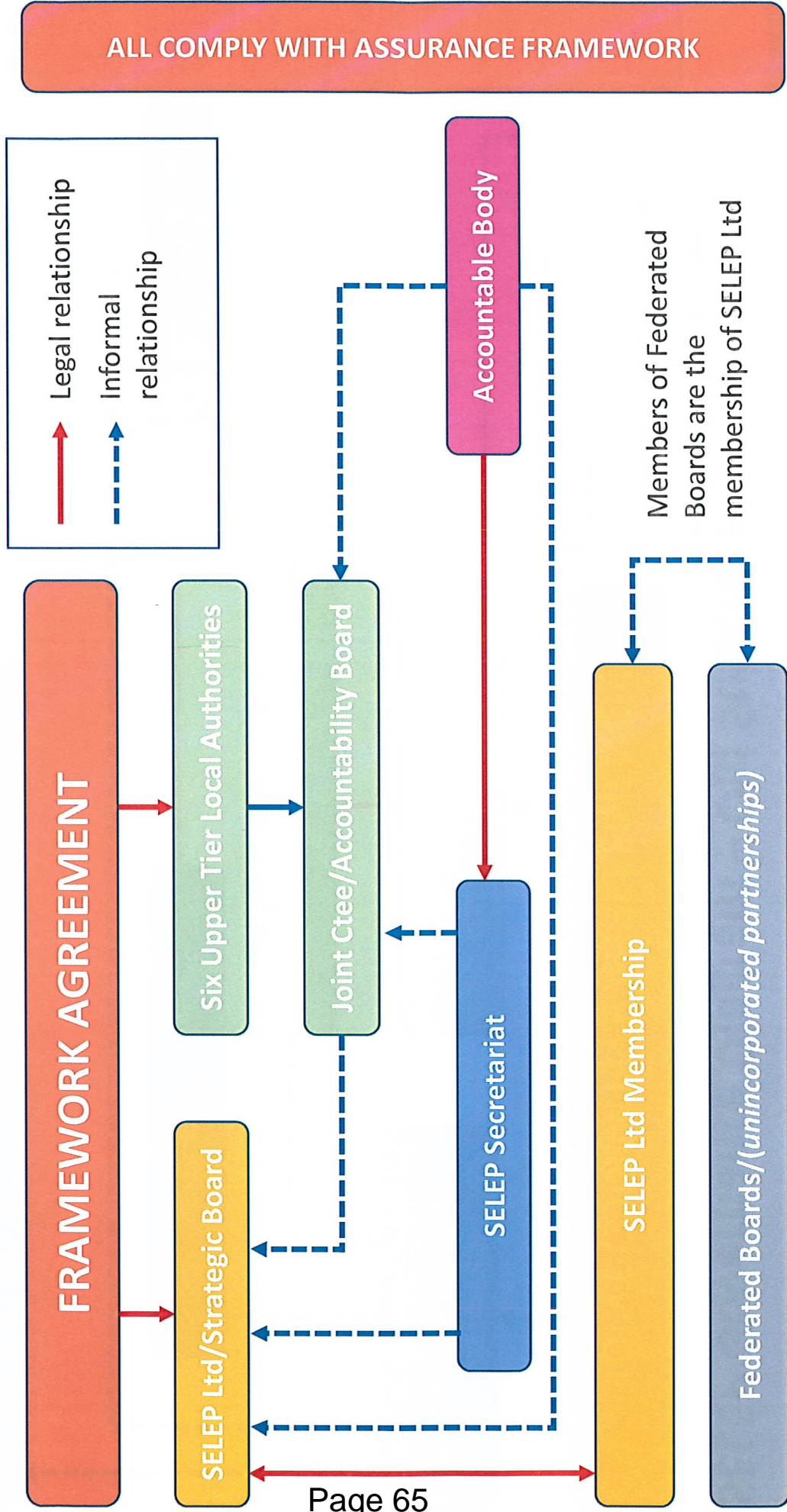
- 15.4 Once a decision or other action taken has been called in it may not be implemented until the scrutiny arrangements of the relevant Council whose membership has called in the decision or action have been completed. Where a relevant Scrutiny Committee (or full Council) makes recommendations to the Accountability Board, the Accountability Board shall arrange for the decision or action to be reconsidered in the light
- 15.5 When a Council receives notification that a decision has been called-in it will immediately notify the Clerk and the Secretariat by telephone or email.
- 15.6 If the Accountability Board is required to reconsider a decision at the request of a Council's Scrutiny Committee or full Council then it shall do so at a meeting and it may be necessary to convene a special meeting to deal with this.
- 15.7 Where any Member or officer is required to attend a Scrutiny Committee, the Chair of that Scrutiny Committee will inform the Secretariat who will ensure that the monitoring officer of that authority and that of the Accountable Body is informed
- 15.8 The operation this clause shall be kept under review.

16. Conduct and expenses of members

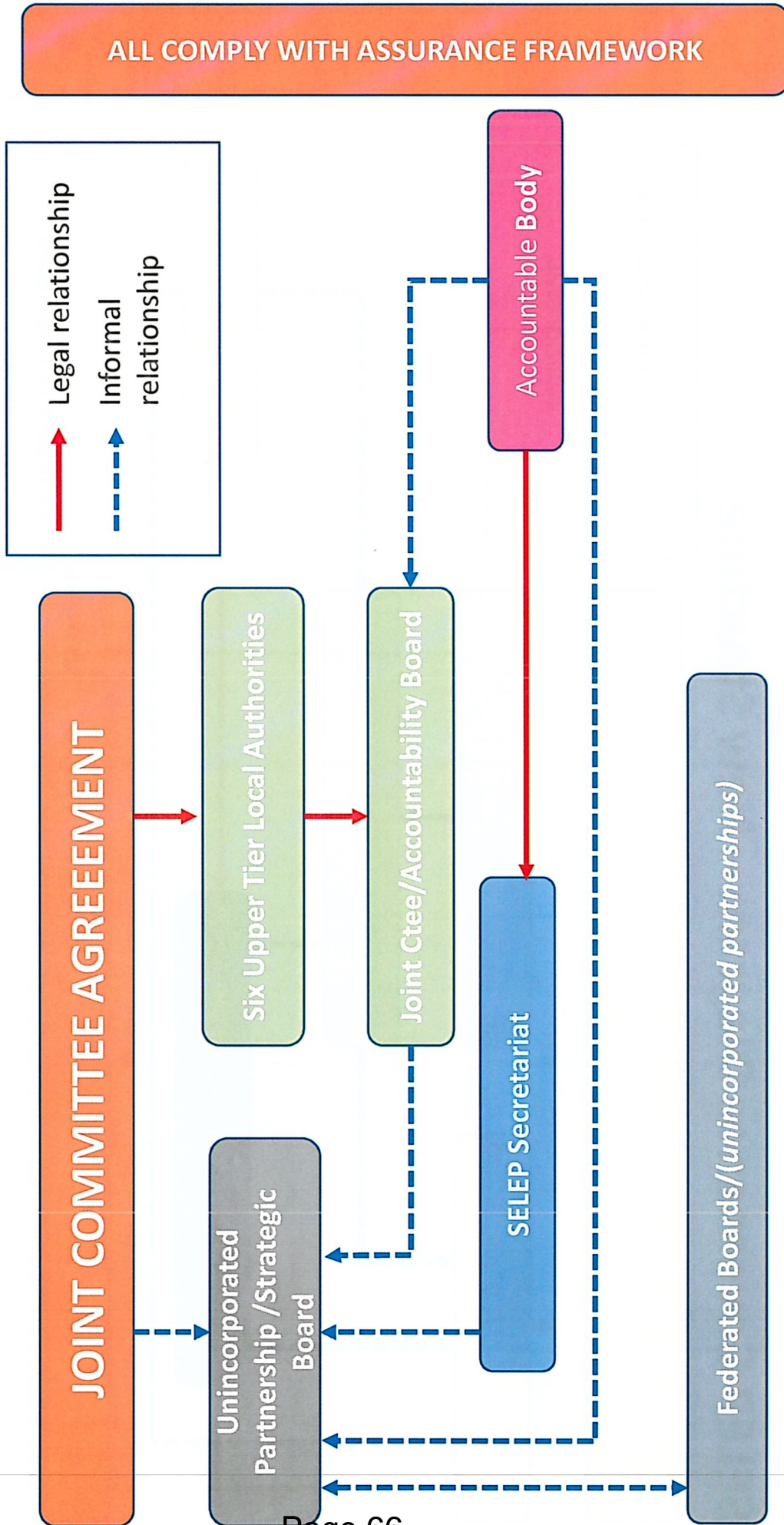
- 16.1 All Council Members shall observe at all times the provisions of the Code of Conduct adopted by their respective Councils.
- 16.2 Each Council shall be responsible for meeting any expenses to which any Committee Member or officer appointed by them, as its representative, is entitled as a result of their attendance at meetings of the Accountability Board.

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SELEP Governance Diagram – New Structure



SELEP Governance Diagram – Old Structure



12 February 2020	ITEM: 11
Cabinet	
Procurement of Transport & Highway Contracts	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Ben Maney, Portfolio Holder for Highway and Transport	
Accountable Assistant Director: Anna Eastgate, Assistant Director of Lower Thames Crossing and Transport Infrastructure; and Julie Nelder, Assistant Director of Highways, Fleet and Logistics	
Accountable Director: Andrew Millard, Director of Place and Julie Rogers, Director of Environment, Highways and Counter Fraud	
This report is Public	

Executive Summary

This report aims to gain delegated authority to procure and award a Works contract, a Professional Services contract and a Structures Consultancy contract necessary to deliver the Transport and Highways capital works programmes for the next five years, commencing 1 April 2021.

1. Recommendations:

That Cabinet:

- 1.1 **Delegate authority to the Director of Place and the Director of Environment and Highways, in consultation with the Portfolio Holder for Highways and Transportation to decide the appropriate procurement route for the delivery of the Transport & Highways services and schemes for the next five years commencing 1 April 2021.**
- 1.2 **Approve the process to commence procurement of Transport & Highways services and schemes for a five-year period commencing 1st April 2021, which will be compliant with relevant EU Public Procurement Regulations, the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.**
- 1.3 **Delegate authority to the Director of Environment and Highways, in consultation with the Portfolio Holder for Place and Environment and Highways, to award any contracts necessary for the delivery of transportation and highways services for a five year period**

commencing 1 April 2021.

2. Introduction and Background

- 2.1 In June 2015 Cabinet gave delegated authority to the Director of Planning and Transportation, in conjunction with the Portfolio Holder for Highways and Transportation, to decide the appropriate procurement process and to award contracts necessary for the delivery of Transport and Highways services for the then next five years. That procurement route was through the Official Journal of the European Union (OJEU)
- 2.2 This allowed the procurement of contracts as follows: a £40 million term maintenance and highway improvements contract for works, a £2 million engineering professional services and a £1.35 million structures consultancy contract.
- 2.3 These contracts allowed transportation and highways teams to gain efficiencies through reduced administration and procurement costs. On previous occasions, a mini competition procurement process was necessary for each new project, many of which were of low value but still necessitated the undertaking of a procurement process to comply with the Council's Contract Procedure Rules.
- 2.4 This meant that the Transportation and Highway teams had an opportunity to concentrate on service delivery and were able to identify further service needs, which are processed through an internal capital bid process. Projects such as the full reconstruction of Stonehouse Lane and 'Kerb it' are funded this way.
- 2.5 In the first two years of the term contract, the works procured amounted to £17 million. This means that the estimated average spending used to procure £40 million contract (1 April 2017 – 31 March 2023) increased from £6.67 million to £8.5 million in the past two years and a further increase to £10.75 million is projected for 2019-20. If the spending through the term maintenance and highway improvements contract remains at the latter value, the total expenditure by year six would rise to around £60 million, 50% over the value of tendered contract.
- 2.6 Any further expenditure over 50% of the original contract sum is not permitted under Public Contract Regulations 2015 (Regulation 72) and there is therefore a requirement to undertake a new procurement process.
- 2.7 Following Cabinet approval and a decision on the most appropriate procurement route, the procurement timetable below is proposed for the Works contract. The Professional Services and Structures Consultancy procurement timetables are of a shorter period and will be procured within the timescales for the Works contract.

Works Contract – Procurement Timetable

KEY EVENT	DATE
Issue of ITT	1 st July 2020
Deadline for clarification requests re ITT	31 st July 2020
Closing date for tender submissions	30 th September 2020
Notification of result of evaluation	30 th November 2020
Standstill period	10 days
Expected date of award of contract	19 th December 2020
New contract start date	1 st April 2021

- 2.8 The proposed value of the new Works contract will be in the region of £30m. The Professional Services contract £2m and the Structures Consultancy £1.4m.

3. Issues, Options and Analysis of Options

- 3.1 The current Term Maintenance contract is due to expire on 31 March 2023. Before that time the value of the contract may well exceed its original contract value by a figure of 50%. That level of increased spend is the maximum permitted under the Public Contract Regulations 2015 (Regulation 72). Any additional spend can lead to a procurement challenge which would likely be successful.
- 3.2 There is therefore a requirement for the procurement of a new Works contract to avoid the risk of any challenge. It is considered that to procure a Professional Services contract and a Structures Consultancy contract at the same time is the best way forward. Any new procurement routes will have to comply with EU Public Procurement Regulations, the Public Contracts Regulations 2015 and the Councils Contract Procedure Rules.
- 3.3 The Public Contracts Regulations 2015 thresholds for Works and Services are as follows:
- For works contracts £4,733,252
 - For services contracts £189,330
- 3.4 Any new Transport and Highways Professional Services and Structures Consultancy contracts will incorporate significant core and additional work for delivery over the next five years. This includes:

Core annual capital expenditure

- £971,000 Integrated Transport Capital Programme;
- £1,938,000 Highway Maintenance Works Capital Programme.

Additional capital funding approved

- £5.6 million from Developer Funded schemes.
- Overall over £4 million from capital investment in highway assets.

Funding subject to final approval

- £50 million for A13 East Facing Slips

- 3.5 Thurrock is continuing to seek further funding from sources such as the South East Local Enterprise Partnership, Highways England and the internal capital bid process.
- 3.6 The Council's Social Value Framework will be set out in the tender documents and bidders will be asked to propose added value initiatives that will enhance their bid and which will be subsequently incorporated into the contractual requirements. Typically, with this type of service provision apprenticeships and the use of local suppliers would feature in the evaluation criteria.
- 3.7 In order to deliver various Council projects within the timescales, it is recommended that the Director of Place and Director of Environment and Highways be given delegated authority, in consultation with the Portfolio Holder, to determine and develop the appropriate procurement route for the transportation and highway capital works programme, followed by a tender process and delegated award.
- 3.8 Any procurement process will be undertaken in accordance with the European Union Procurement Rules, the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

4. Reasons for Recommendation

- 4.1 The current Term Maintenance contract is likely, at its current spending levels, to exceed its contract value by around 50%. Any additional spend over 50% is not permitted under procurement regulations. There is therefore a need to undertake a new Works procurement process to avoid the risk of any procurement challenge. It is considered that to procure a Professional Services contract and a Structures Consultancy contract at the same time is the most efficient way forward.

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

- 5.1 Consultation has taken place with colleagues from the Procurement and Transportation Teams and in the writing of this report.

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

6.1 This report and recommendations comply with Thurrock Council's policies, priorities and community impact. In particular it complies with the Thurrock Constitution and Procurement governance.

7. Implications

7.1 Financial

Implications verified by: **Rosie Hurst**
Interim Senior Management Accountant

This report recommends procurement of a Works contract, a Professional Services contract and a Structures Consultancy contract. These procurements should maximise cost efficiencies of delivering transportation and highway schemes within the borough.

7.2 Legal

Implications verified by: **Courage Emovon**
Acting Strategic Lead / Deputy Head of Legal Services / Deputy Monitoring Officer

This report makes recommendation for delegated authority and seeks approval from Cabinet to tender for contracts as noted in the report and subsequently award contracts as necessary for the delivery of transport and highways services for a five years period. The value of the proposed procurement is estimated to be above the EU threshold for Works contract. This means that there is a legal requirement to competitively tender the contracts. Subject to Cabinet approval, an appropriate procurement route for the delivery of transport and highways services will be determined and any procurement process will need to comply with the Public Contracts Regulations 2015 and the Councils Contract Procedure Rules.

The Public Service Social Value Act 2012 imposes a duty upon Local Authorities to take into consideration the promotion of economic, social and environmental well-being when procuring services.

Social value must therefore be considered when the Council procures public services contracts and Legal Services will be on hand to advise on any legal implications arising from the tender.

7.3 Diversity and Equality

Implications verified by: **Becky Lee**

Team Manager - Community Development and Equalities

This report and recommendations deals with the procurement of a Works contract, a Professional Services contract and a Structures Consultancy contract. Social value benefits must be considered when the Council procures public services contracts in line with the Council's Social Values Framework. Given the projected spend on these procurement it is seen that robust social value benefits can be achieved.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder, and Impact on Looked After Children)

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):

- Cabinet 10 June 2015 Item 18 Transportation and Highways Supply Chain Efficiencies
- Budget Council 27 February 2019 General Fund Budget Proposals Appendix 5
- Planning, Transport and Regeneration Overview and Scrutiny Committee 9 July 2019 Integrated Transport Block Capital Programme 2019-20 Appendix 1 and 5

9. Appendices to the report

None

Report Author:

Peter Wright

Strategic Lead – Highways Infrastructure

Environment and Highways

12 February 2020	ITEM: 12 Decision: 110523
Cabinet	
A13 East Facing Access Scheme Update	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Mark Coxshall, Cabinet Member for Regeneration and Strategic Planning	
Accountable Assistant Director: Leigh Nicholson, Interim Assistant Director of Planning, Transport and Public Protection.	
Accountable Director: Andrew Millard – Director of Place	
This report is public	

In 2018 the Council submitted a funding bid for £48.5m through the Major Road Network (MRN) Funding Submission for an east facing access on the A13. Following a Ministerial Announcement by the Secretary of State for Transport in October 2018, Department for Transport (DfT) invited Thurrock Council to make an Outline Business Case and Detailed Design for the scheme.

The Outline Business Case and Detailed Design cannot be taken forward until a robust process of Options Assessment has been undertaken. This report seeks to update Members on the general progress relating to the A13 East Facing Access (EFA) scheme and to provide greater detail on the Options Assessment Report (OAR) process.

The report also sets out the next steps in relation to proposed timescales for progressing scheme options to Outline Business Case, updated scheme costs, detailed design and Full Business Case submission to DfT.

1. Recommendations

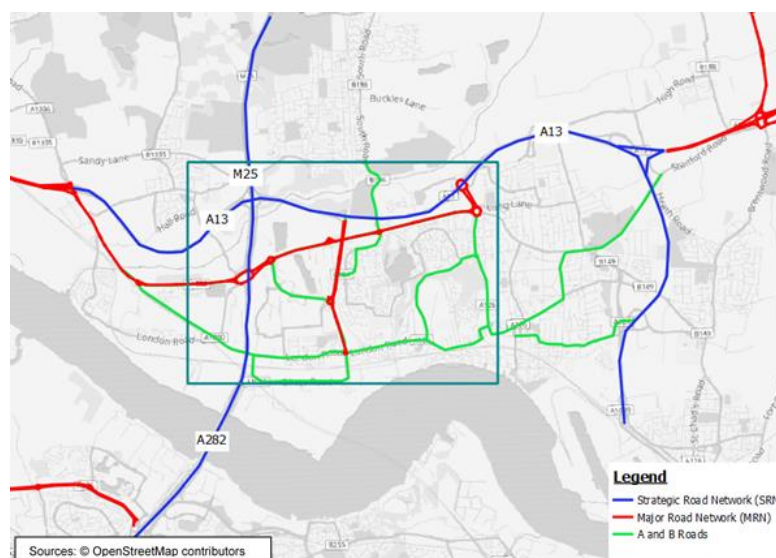
- 1.1 **Cabinet note and endorse the work undertaken to develop the A13 East Facing Access scheme to date.**
- 1.2 **Cabinet note and endorse the Options Assessment process identifying the sifting process and prioritisation of schemes for submission to the Department for Transport.**
- 1.3 **Cabinet note the funding implications associated with the A13 East Facing Access scheme options, as set out in Section 7.**

- 1.4 **Agree that the Director of Place in consultation with the Cabinet Member for Regeneration and Strategic Planning submit the outline business case to the Department for Transport and continue to develop the full business case for the scheme.**

2. Introduction and Background

- 2.1 The implementation of an A13 East Facing Access road project (often referred to as 'East Facing Slip Roads') is a long-held ambition for Thurrock Council. Access improvements would enhance capacity at J30 of the M25 (a nationally significant part of the strategic road network) and would support free-flowing traffic on the A13 and unlock congestion and gridlock issues across Thurrock, South Essex and the wider Thames Estuary area.
- 2.2 The Thurrock Local Plan Issues and Options Stage 2 Consultation Document (December 2018) set out the Council's ambition to deliver 32,000 new homes and 24,500 new jobs. In many ways, the level of growth is dependent on the capacity of the A13.
- 2.3 The project is fundamentally focused on simplifying the A126/A13 access arrangements leading to significant benefits in terms of relieving congestion and associated potential environmental improvements by reducing traffic flows and travel distances on the adjacent road network, including the A1306 and B186.
- 2.4 As shown in Figure 1, the area of scope for the A13 EFA scheme includes the A13 between M25 J30 and North Stifford Interchange, the A1306 Arterial Way, the A126 and the B186.

Figure 1: Area of impact



2.5 The Option Assessment Report (OAR) sets out the key transport problems, transport needs, objectives and high-level options for the East Facing Access scheme. The aim of the OAR is to identify and consider all reasonable scheme options, to set out why certain options have not been selected and which options have been prioritised for inclusion in the Outline Business Case.

3. Issues, Options and Analysis of Options

3.1 Current and future issues

3.2 As set out above, there has been a longstanding desire to improve the connection between the Lakeside basin and the strategic road network. Many of the traffic-related issues in the basin and surrounding built-up area are directly related to the lack of direct access to the A13 to travel east.

3.3 The local road network does not experience the traditional 'commuter' peaks in the morning and evening rush hours. Due to the prevalence of the retail employment in the area, the evening peak extends from early afternoon through to early evening through the week and weekends meaning that the poor traffic conditions are experienced by shoppers, workers and residents for a considerable portion of the week.

3.4 Excess traffic on the local roads has been seen to lead to:

- Congestion and slow journey speeds through much of the day;
- Collision concentrations can be seen at the Stifford Interchange due to the high volumes of conflicting traffic, moving in a constantly stop-start manner due to queuing;
- The A1306 in particular is the location for Air Quality Management Areas (AQMA), where the amount of private and commercial traffic has pollution impacts.

3.5 Through the analysis of national traffic forecasts, it is estimated that vehicle trips at peak times are expected to increase between 17-26% across the study area between 2018 and 2036. Without key infrastructure investment or significant changes in travel demand and behaviour, this growth will exacerbate the existing issues and make it unviable for business to expand or move to the area.

Objectives

3.6 The overarching objective of the A13 East Facing Access scheme is to improve strategic connectivity to the east which will reduce congestion across the study area. This will have an impact on journeys along the A13, traffic visiting and leaving Lakeside as well as local traffic.

- 3.7 Reducing congestion will increase the capacity available in the local network, which will be able to accommodate future population, housing and economic growth planned in Thurrock.
- 3.8 The scheme will support sustainable growth and improve local accessibility, not only by road but also by other sustainable modes; the scheme will help to reduce severance on the B186 and A1306 and where possible create opportunities for dedicated infrastructure for walking and cycling.
- 3.9 The scheme will also reduce the likelihood of accidents, improve air quality and have minimal impacts on the local environment in order to ensure there are overall improvements to physical and mental wellbeing.

Option assessment process

- 3.10 In order to align with the DfT's Transport Appraisal Process, the following three-stage process has been adopted to support the selection of scheme options:

A - Appraising a range of strategic level solutions (rather than specific interventions) including all transport modes, managing demand as well as an option to do nothing.

The result of Stage A was the identification of online and offline highway approaches to be the focus for the remainder of the appraisal process.

B - Undertaking a long-listing exercise identifying many feasible online and offline highways options which fall under the preferred strategic approach, and then assessing those options against a range of social, economic and environmental criteria to lead to a shortlist.

The outcome of Stage B was the progression of options 6B, 1A, 4B, 4A and 2A to Stage C for further appraisal.

C - Appraising the shortlisted options (6B, 1A, 4B, 4A and 2A) to understand in greater depth the likely impacts and deliverability of the scheme options.

The result of Stage C was the identification of a set of preferred options to take forward for detailed assessment in the Outline Business Case (OBC).

The first two stages have been completed using a combination of desktop constraint and opportunity analysis, engineering judgment and stakeholder (Thurrock Council officers) involvement.

- 3.11 The framework used to appraise the options assessment was Mott MacDonald's in-house Investment Sifting and Evaluation Toolkit (INSET). INSET functions by undertaking a scoring assessment of multiple criteria, categorised by broader themes. The themes considered are:

• Transport Benefits	• Wider Economic Benefits
• Environment	• Social Impacts
• Alignment with Objectives	• Deliverability

3.12 The full criteria applied under these broad themes at each stage can be seen in Appendix A.

Stage A

3.13 In Stage A, the strategic level solutions identified for appraisal were:

- Do nothing
- New/improved bus services
- Increased rail frequencies
- Demand management
- Park & Ride
- Online highway improvements – improving the existing highway infrastructure.
- Offline highway improvements – new roads or substantial infrastructure
- Traffic management
- Active travel

3.14 The scoring of the strategic solutions determined that online and offline highway solutions were the most appropriate to take forward to Stage B. Active travel initiatives also scored highly, but such interventions on their own will not support the wider strategic connectivity objectives of the A13 EFA scheme. Consequently, active travel improvements are advised to be incorporated into both online and offline highways proposals.

Stage B

3.15 For the Stage B appraisal, a total of 21 potential online and offline highways schemes were drawn up. Sketches and descriptions can be found in Appendix B. All options were presented to officers from Thurrock Council to gather local knowledge and consolidate understanding as to which options are likely to be most plausible and feasible. These views were then incorporated into the scoring for the Stage B appraisal.

3.16 The Stage B appraisal assessed the transport benefits, wider economic benefits, environment, social impacts, alignment with objectives and deliverability themes in greater detail. The scores assigned to the 21 potential online and offline highway schemes in Stage B also incorporate several constraints. These included:

• Environmental designations	• Ancient Woodland	• AQMAs
• Flood zones	• Wildlife sites	• Buildings
• Travellers site	• Listed buildings	• Infrastructure

• Rail line	• Overbridges	• Level changes
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3.17 Following completion of Stage B, the highest scoring options were **6B and 1A**. **Options 4B, 4A and 2A** scored slightly lower than the top performing options but were still recognised as valid schemes to progress to the short-list. (Option scoring is attached in Appendix C)

Stage C

3.18 The five short-listed options were reappraised at Stage C, including undertaking preliminary traffic modelling to understand the relative impacts. The preferred options (1A and 6B) were progressed to the Outline Business Case (OBC) stage.

Confirmation of the options and next steps

3.19 It is suggested that the options to be taken forward to OBC are Options 6B and 1A. These options have been shown to score the highest in all themes and against most criteria throughout the Stage A and B assessment.

Figure 2: Option 6B

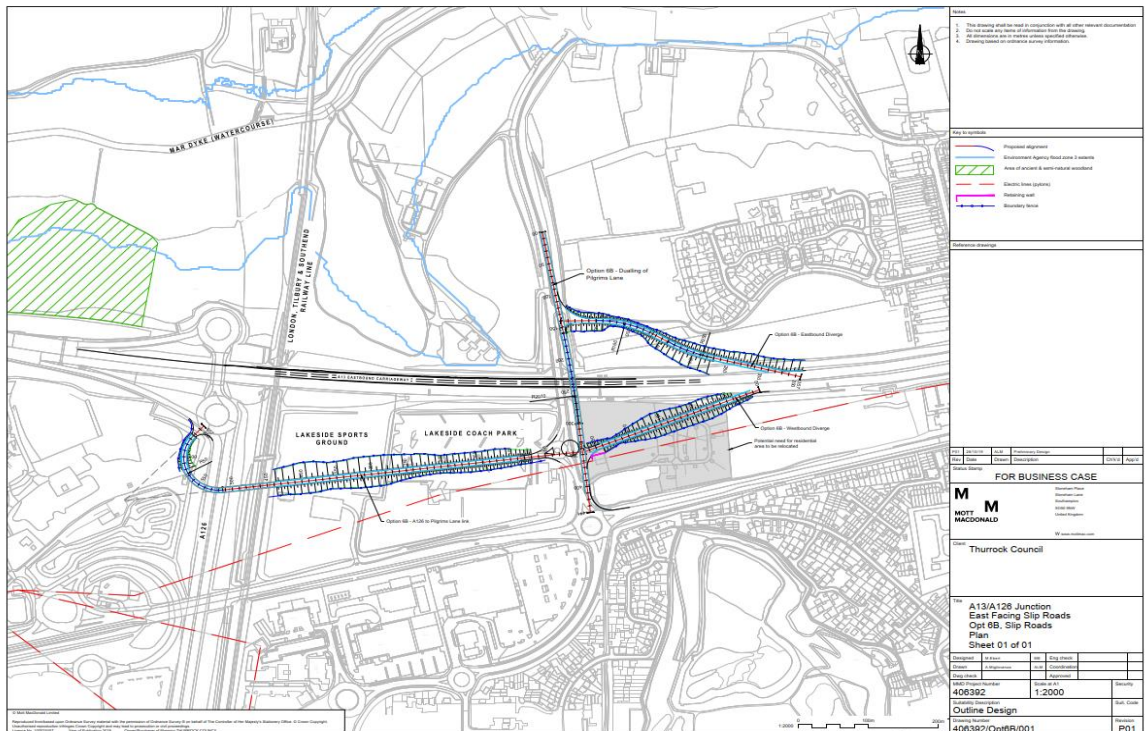
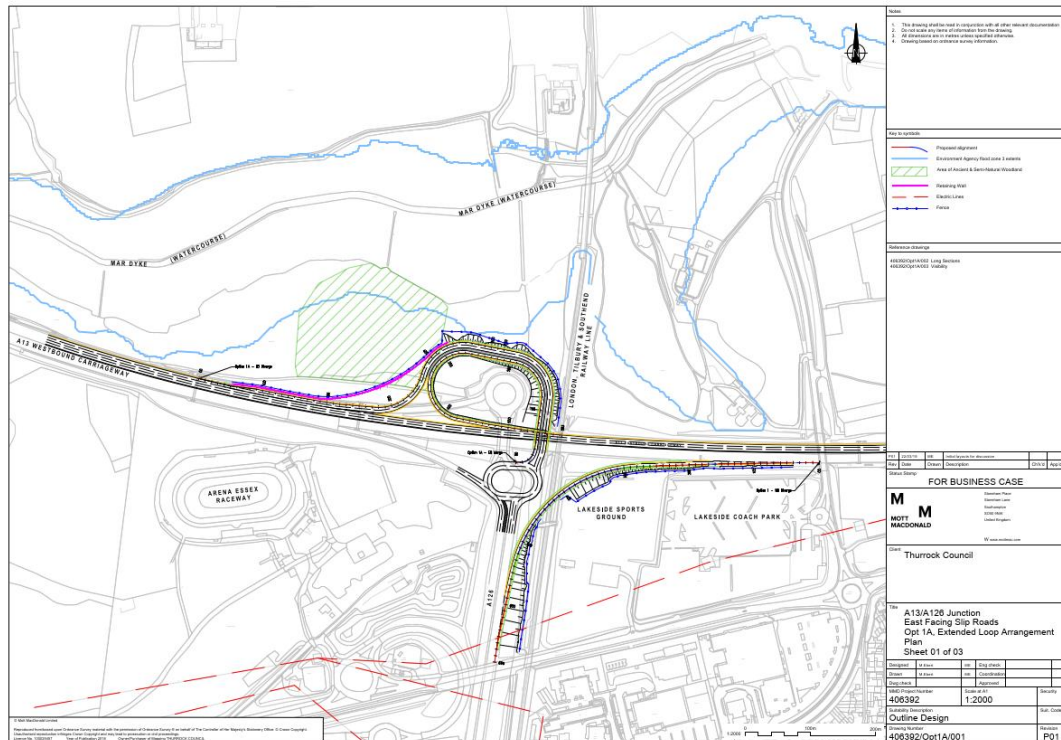


Figure 3: Option 1A



3.20 The above options scored particularly highly against the potential to deliver improved connectivity on both the local and strategic networks, and thereby reduce congestion, severance and accidents.

Rank	Scheme	Transport Benefits	Wider Economic Benefits	Environment	Social Impacts (QOL)	Alignment with objective	Deliverability
1	6B	Very good	Very good	Neutral-poor	Very good	Very good	Neutral-good
2	1A	Very good	Good	Poor	Very good	Good	Neutral-good

3.21 Nevertheless, both options will potentially have environmental and deliverability issues which will need to be mitigated during the design development stages. Option 1A would involve removal of an area of designated ancient woodland which would require significant mitigation. Option 1A also involves rail crossings and the loss of part of the existing football ground. Option 6B avoids the ancient woodland and public open space but has more significant impact on the existing football ground as well as an existing residential area and coach park. It also has the potential to frustrate the proposed housing development at Arena Essex.

3.22 The cost estimate for the preferred schemes has increased from the initial costs identified in the 2018 MRN submission. This is a result of undertaking a more robust costing approach to the scheme and the need to apply a higher level of risk funding to the proposed schemes.

- 3.23 The OBC will be submitted to DfT in February 2020. The Council can expect to receive confirmation from DfT within 4-6 weeks, following Minister approval. DfT will advise regarding the timeline and submission for the Full Business Case so that procurement of detailed design, project management and construction contracts can be progressed.

It is anticipated that the scheme will commence on site towards in mid-2023.

4. Reasons for Recommendation

- 4.1 A13 East Facing Access presents a 'game changing' opportunity in terms of enhanced connectivity and the network relief that will be applied across the local and strategic network. This scheme will improve capacity at J30 of the M25 (a nationally significant part of the strategic road network). It will also deliver free-flowing traffic on the A13 and unlock congestion and gridlock issues across Thurrock, South Essex and the Thames Estuary.

- 4.2 Delivering this additional capacity at J30, by removing both east bound and west bound traffic from this junction, will help to unlock the Council's requirement to deliver new homes and jobs in Thurrock. East Facing Access will also support the emerging South Essex 2050 Vision and Joint Strategic Plan (JSP) which identifies the A13 Corridor as a Strategic Area of Opportunity for the wider South Essex area where there is a need to deliver over 100,000 new homes in the period up to 2038 to meet future housing needs.

- 4.3 Failure to deliver an access improvement scheme on the A13 could stifle development potential within Thurrock and across the wider South Essex area.

- 4.4 Options 6B and 1A are to be taken forward to Outline Business Case submission to DfT in February 2020. These options have scored particularly highly against scheme objectives and potential to deliver improved connectivity on both the local and strategic networks. The scheme costs for Options 1A and 6B have increased from the initial MRN submission, and these costs will need to be borne by a combination of DfT funding and local sources, including developer contributions and Council funds.

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

- 5.1 Scheme options have been discussed and analysed within several workshop sessions in order to identify all reasonable possibilities. These options have undergone a 'sifting' process in order to identify the most suitable schemes.

- 5.2 High level discussion, with DfT and Highways England have progressed in order to gain a level of support for the scheme options.

- 5.3 Following submission of the OBC the Council will commence a more robust and focused programme of community and stakeholder engagement. This will

include community events and opportunities for the scheme objectives and details to be discussed and understood further.

- 5.4 The consultants for this scheme have a wide level of experience in community engagement and they will work closely with the Council's Community Engagement team to ensure that every opportunity for input and discussion is afforded.
- 5.5 PTR Overview and Scrutiny Committee considered a report on EFAS on 21.01.2020. Members of the Committee voiced their support for the scheme and its objectives. The key areas of discussion focussed upon the deliverability of the scheme, scheme finances, and scrutiny over the options assessment work.

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

- 6.1 A13 East Facing Access will have an impact upon all communities within Thurrock. Implementing a scheme which improves connectivity and subsequently removes congestion and gridlock from the road network and improves traffic flow on local roads will support economic growth and promote Thurrock's Local Plan aspirations.
- 6.2 Improved network functionality and resilience will make Thurrock a more attractive place for business and developers to locate and enhance communities, making Thurrock a place where people of all ages can work, play, live and stay in a clean environment that everyone has reason to take pride in.

7. Implications

7.1 Financial

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

The scheme cost (both scheme options) is likely to be within the range of £70m-£85m

These costs are subject to additional scrutiny and may increase / decrease as scheme design and other factors are progressed.

DfT funding allocations will be attributed to 90% of the total scheme cost. The remaining 10% is to be allocated from contributions from Thurrock Council and other sources (such as developer contributions). This will be subject to consideration of the overall final projected cost to the Council.

Thurrock Council has already committed £3.5m to this scheme through the internal capital bid process. Developer contributions, equating to c£2.9m have been sought and are currently at different levels of negotiation and discussion.

It should be noted that both scheme options include a risk contingency of approximately £19m. Further discussion with the DfT will be undertaken to understand how additional costs will be allocated between funding partners.

Should the indicative costs exceed the provisional estimate for the scheme (inclusive of the contingency), then this will be reported back to Members. These costs will be better understood once the detailed design work has been undertaken.

7.2 Legal

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

Legal Implications are contained within the body of the report, setting out the MRN bidding process, the Ministerial Announcement by the Secretary of State for Transport in October 2018 and DfT invitation to progress an Outline Business Case and Detailed Design.

An Options Assessment Report has been submitted to DfT and the Outline Business Case will be submitted to the department in February 2020 as requested, allowing detailed design and Full Business Case submission to be progressed.

There will be opportunity to apprise the Committee of the consenting route and likely timescales for business case submission and scheme construction. These elements can be covered in more detail as required.

7.3 Diversity and Equality

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

An Equality Impact Assessment will be undertaken as the preferred A13 East Facing Access scheme is progressed.

The assessment will focus on key groups and locations across the borough to identify if the scheme has any adverse impact upon them and the mitigation measures that should be considered and applied, taking account of legislative considerations such as the Equality Act.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder, and Impact on Looked After Children)

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):

- MRN Funding submission

9. **Appendices to the report**

- Appendix A – Assessment criteria
- Appendix B – Longlisted Schemes
- Appendix C – Scheme Option Scoring

Report Author:

Mat Kiely

Transportation Services Strategic Lead

Transport Development

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APPENDIX A

Assessment Criteria

APPENDIX A

Appendix A

6 Initial option assessment (Steps 5 - 6)

6.1 Step 5 – Generating options

6.1.1 In order to identify an appropriate intervention that can achieve the objectives set out in Chapter 5, a multi-layered optioneering process is required.

6.1.2 Optioneering within Stage 1 of the Transport Appraisal Process for a transport intervention can be undertaken in a three-step process of Multi-Criteria Assessment (MCA) framework:

- A. Appraising a range of strategic level solutions (rather than specific interventions) including all transport modes, managing demand as well as the option to do nothing. The result of this stage is to identify which strategic approaches should be focused on in the remainder of the appraisal
- B. Undertaking a long-listing exercise identifying as many feasible options which fall under the preferred strategic approach, and then assessing those options against the criteria to lead to a shortlist.
- C. Further assessment of the shortlisted options to identify a set of preferred options to take forward of further assessment in the Outline Business Case (OBC).

6.1.3 The content of the previous chapters of this report highlight that the fundamental transport issues are caused by available capacity are outweighed by excess demand in the local area. Strategic solutions should therefore be seeking to introduce additional capacity, reduce the demand on the network or a combination of the two.

6.1.4 At Stage A (the strategic level), potential solutions can be drawn from all transport modes and methods of managing demand. The list of solutions has been identified as:

- Do nothing
- New/improved bus services - provide more bus services on the A13, A1089, A282 and on smaller roads in and around the Chafford Hundred/Grays area.
- Increased rail frequencies - increase services from Chafford Hundred, Grays, Tilbury Town and Purfleet railway stations
- Demand management - implement parking charges at intu Lakeside shopping centre, or install road charges on or between the A13, A282 and A1089
- Park & Ride – build a remote Park & Ride site and provide onward transport
- Online highway improvements – improving the existing highway infrastructure.
- Offline highway improvements – new roads or substantial infrastructure to provide east facing access to the A13
- Traffic management - implement effective road closures in the Grays/Chafford Hundred area which do not worsen the level of traffic congestion elsewhere in the area. Also apply Traffic Regulation Orders to restrict the types of vehicles able to route through the area.
- Active travel – providing dedicated infrastructure for pedestrians and cyclists, improving the local connectivity and safety

6.1.5 The outcome of Stage A will provide one or more selected strategic solutions which have been assessed as providing the best opportunity for meeting the scheme objectives and resolving the identified transport problems.

6.1.6 At Stage B, a second round of optioneering will identify a long-list of options drawn from the preferred strategic solutions.

6.2 Multi-criteria assessment methodology

6.2.1 The MCA framework used in evaluating the potential solutions and options is Mott MacDonald's in-house **Investment Sifting and Evaluation Toolkit (INSET)**. INSET is a scalable and flexible tool that can be adapted for any stage of the scheme business case development process to help decision-makers manage information on investment options and evaluate them across multiple criteria. It provides a clear and transparent audit trail to demonstrate how selected schemes have been prioritised or selected for further scheme development and enables a wider conversation around the merits of individual schemes or investment decisions. For other studies, INSET has been used in stakeholder engagement sessions, transport committee meetings and in peer review settings to illustrate how robust decisions have been arrived upon.

6.2.2 INSET functions through undertaking a scoring assessment of multiple criteria which could include social, economic or environmental indicators of scheme performance. Assessment criteria are commonly defined as measurable elements that can be linked to an evidence base. Based on the detail of the data provided, a scoring framework is developed through which each of the criteria can be appraised. This can range from a simple "Yes/No" query (e.g. does the scheme pass through a flood risk area?) to a more quantified response based on scoring bands (e.g. how much employment land could be unlocked by this intervention?).

Themes

6.2.3 For the assessment of the A13 East Facing Access study, the following themes have been set:

- Transport benefits
- Wider economic benefits
- Environmental impact
- Social impacts
- Alignment with objectives
- Deliverability

6.2.4 Underpinning the assessment of these themes are structured main and sub criteria. The number of criteria changes depending on the stage of the assessment as the level of detail and appraisal increases. Table 10 provides the incremental evolution of the criteria used for assessment at the three stage of optioneering.

Table 10: Assessment criteria by INSET stage

Theme	Stage A - Strategic solutions		Stage B - Long-list options		Stage C - Short-list options	
	Main criteria	Sub criteria	Main criteria	Sub criteria	Main criteria	Sub criteria
Transport Benefits	Local connectivity	Improve local connectivity	Local connectivity	Improve local connectivity	Local connectivity	Reduce journey times on the B186/A1306 through West Thurrock and Chafford Hundred
	Strategic connectivity	Improve strategic connectivity	Strategic connectivity	Improve strategic connectivity	Strategic connectivity	Reduce journey times on other routes through West Thurrock
	Congestion relief	Ability to relieve congestion	Congestion relief	Ability to relieve congestion	Congestion relief	Reduction in traffic between A126 and M25
	Potential to deliver and mitigate for growth	Potential to deliver and mitigate for growth	Enable development Mitigate for growth	Improved access to land Increased transport capacity	Enable development Mitigate for growth	Reduction in delay at A13 junctions Reduced local road network delay Reduced strategic road network delay
Wider Economic Benefits	Environmental impact	Impact on the environment	Environmental impact	Air quality	Environmental impact	Improved access to land
				Landscapes		Increased transport capacity
				Cultural heritage		Air quality
				Ecology		Landscapes
Social Impacts (Quality of Life)	Social impact	Social impacts	Social impact	Ecology	Social impacts	Cultural heritage
				Noise		Ecology
				Water		Noise
						Water
Alignment with Objectives	Alignment with objectives	Fit with wider policy objectives	Alignment with objectives	Social impacts	Alignment with objectives	Safety
				Population & economic growth		Severance
				Sustainable growth in Lakeside basin		Fit with wider policy objectives
				Physical and mental wellbeing.		Population & economic growth
Deliverability	Complexity	Level of complexity	Complexity	Scheme cost	Complexity	Reduced volume of traffic on local road network
				Level of complexity		Fit with wider policy objectives
				Affordability		Population & economic growth
						Sustainable growth in Lakeside basin
				Physical and mental wellbeing.		Physical and mental wellbeing.
				Scheme cost		Scheme cost
				Affordability		Engineering complexity
				Complexity		Public acceptability
						Stakeholder acceptability
						Timescales

Option scoring

- 6.2.5 INSET allows for a variety of scoring mechanisms which can be tailored to suite specific criteria. For example, environmental impacts may be scored on a 5-point or 7-point scale from large negative being the lowest score and large positive the highest score. Alternatively, an option's fit to local policy may range from 0-5 where 5 is a strong fit. Some criteria may simply have a yes or no answer. INSET not only allows for various methods to be used within the same framework, it can also 'normalise' all scores to allow the different mechanisms to be treated in the same way.
- 6.2.6 Furthermore, INSET allows criteria to be weighted depending on importance to the overall assessment.

6.3 Step 6 – Initial sifting

INSET Stage A

- 6.3.1 At this stage, transport benefits have been treated as the most important factor. Therefore, the category has been given a weighting of two, whereas all other categories are one. Additionally, within the deliverability category, the complexity score has been deemed twice as important as the estimated costing of the scheme. The deliverability category weighting has remained at one.
- 6.3.2 Table 11 summarises a comparison of how the strategic solutions scored against the six assessment themes. Whilst a Do Nothing scenario has been included within the assessment, it is used as a baseline against which to compare the other solutions. As such, it's performance will not be commented as it will clearly fail to resolve the known transport problems.
- 6.3.3 Within the table, very good describes criteria which the scheme does not have any negative qualities against. Good describes the criteria schemes mostly provide benefit to, with reasonably good highlighting that there are some negativities. Neutral describes the criteria that the scheme does not impact. Very poor indicates that there are no positives the scheme provides when compared with the criteria and poor describes criteria where the negatives outweigh the positives.
- 6.3.4 Offline and online highway are shown to be most effective at providing transport benefits whilst it is felt that bus priority lanes, traffic management and demand management will have the least impact due to the failure to result in mode shift and an improvement in the operation of the network.
- 6.3.5 For the Wider Economic Benefits theme, the assessment concludes that offline highway will have the highest impact through its ability to mitigate for planned or future growth. Aspirations to deliver growth may come forward quicker with offline improvements that allow access to land.
- 6.3.6 Active travel, bus priority lanes, park & ride, new/improved bus services and increase rail services all have positive environmental benefits, whilst offline and online highway schemes have negative environmental impacts. All other schemes are neutral.
- 6.3.7 All schemes are expected to have a positive impact on quality of life, apart from demand management which will be costly to the user and unfairly disadvantage those on lower incomes.
- 6.3.8 Active travel is the scheme that is most in line with the objectives, due to the fact it is sustainable and has positive benefits to health. Traffic management and demand management do not align to any of the objectives in a significant way.

- 6.3.9 All schemes have been scored highly for deliverability except for rail services which would require new signalling systems to allow more services, and park & ride largely due to the complexity and cost..
- 6.3.10 An offline highway scheme comes out with the highest overall benefits. It is expected to provide benefits in all categories apart from the environment. This will be considered at the following stage. Active travel, bus priority lanes and online highway also rate highly.
- 6.3.11 However, bus priority has very low transport benefits, whilst the lanes may improve journey time for passengers, there is not likely to be a significant enough increase in patronage to have an impact on the congestion. Additionally, the introduction of bus priority lanes likely means a reduction in traffic lanes, which would lead to increased congestion in some areas which would not solve the problem assessed in this report. Furthermore, any improvements to the bus service are unlikely to result in the necessary modal shift to reduce congestion.
- 6.3.12 Whilst an active travel scheme has positive implications, it would have no large impact on existing congestion or providing additional capacity for future development. Instead, active travel should be considered with a scheme which will also improve capacity.

Table 11: INSET Stage A – Comparison of strategic solution scores

Scheme	Transport Benefits	Wider Economic Benefits	Environment	Social Impacts (Quality of Life)	Alignment with Objectives	Deliverability
Offline highway	Very Good	Very Good	Poor	Good	Good	Very Good
Active Travel	Reasonably Good	Neutral	Good	Good	Very Good	Very Good
Online highway	Very Good	Good	Poor	Good	Reasonably Good	Very Good
Bus Priority Lanes	Neutral	Neutral	Good	Good	Reasonably Good	Very Good
Traffic management	Neutral	Neutral	Neutral	Good	Neutral	Very Good
Park & Ride	Reasonably Good	Neutral	Good	Good	Good	Neutral
New/ improved bus services	Reasonably Good	Neutral	Good	Good	Reasonably Good	Reasonably Good
Increased rail frequencies	Reasonably Good	Neutral	Good	Good	Reasonably Good	Neutral
Do nothing	Neutral	Neutral	Neutral	Neutral	Very Poor	Very Good
Demand management	Neutral	Neutral	Neutral	Poor	Neutral	Very Good

- 6.3.13 The conclusions of the initial sifting of the strategic solutions are provided in Table 12 along with a decision on whether they should pass to the next stage of the assessment or not.

Table 12: INSET Stage A - Strategic solution summary

Option	Description	Pass / Fail	Summary of assessment
A	Do nothing	Fail	<ul style="list-style-type: none"> ○ The existing problems with congestion and delay will remain, no additional capacity will be created ○ The air quality in the area will continue to be affected ○ Drivers will still have to sit in congestion ○ No immediate costs
B	New/ improved bus services	Fail	<ul style="list-style-type: none"> ○ Could lead to slight increase in patronage ○ Minimal impact on capacity and reduction in emissions ○ Provides sustainable alternative for local residents ○ Can be costly and complex to implement
C	Increased rail frequencies	Fail	<ul style="list-style-type: none"> ○ Could lead to slight increase in patronage ○ Minimal impact on capacity and reduction in emissions ○ Provides sustainable alternative for commuters to/from the area ○ Would be costly and complex to implement new signalling systems
D	Demand management	Fail	<ul style="list-style-type: none"> ○ Congestion and delay could be shifted elsewhere if road charges were implemented ○ The relative impact on overall congestion and omissions would be minimal ○ Cause of economic disparity ○ Reasonably low cost
E	Park & Ride	Fail	<ul style="list-style-type: none"> ○ Would likely lead to a small increase in capacity ○ The correct location could improve accessibility of new development ○ Potentially small reduction in emissions ○ Can be costly and complex
F	Online highway	Pass	<ul style="list-style-type: none"> ○ Would provide some reduction in congestion and increase capacity slightly ○ Minimal positive environmental impacts ○ Can be delivered more easily than offline highway improvements
G	Offline highway	Pass	<ul style="list-style-type: none"> ○ Could significantly reduce localised congestion and improve capacity ○ Minimal positive environmental impacts ○ Could be implemented with sustainable measures ○ Costly and complex to implement
H	Traffic management	Fail	<ul style="list-style-type: none"> ○ Could have a negative impact on congestion and capacity overall ○ Could locally improve air quality and noise pollution, but have a negative impact elsewhere ○ Potentially improving the local area for residents ○ Low cost
I	Bus Priority Lanes	Pass	<ul style="list-style-type: none"> ○ Reduce journey time for passengers ○ Limited potential to result in mode shift ○ Potentially reduce traffic lanes, therefore increasing congestion in some areas ○ Provides sustainable alternative for local residents ○ Can be costly to acquire the land
J	Walking/cycling infrastructure	Pass	<ul style="list-style-type: none"> ○ Improve local connectivity ○ Minimal impacts on congestion and air quality ○ Sustainable alternative, health benefits ○ Can be implemented alongside another scheme, therefore reasonable low cost

INSET Stage B

6.3.14 A long-list of 21 offline and online highway interventions have been identified for the second appraisal stage, for which sketches and descriptions can be seen in Table 13.

APPENDIX B

Longlisted Schemes

EXERCISES

EXERCISES ON PAGES 94-95

Option	Image	Description	Option	Image	Description
6A		<ul style="list-style-type: none"> Construction of east facing slips between Pilgrims Lane and A13 New junctions required on Pilgrims Lane north and south of A13 Link to WTAW reconfigured New link road parallel with A13 to the south, elevated to cross railway line Link road joins A126 at new raised junction 	9B		<ul style="list-style-type: none"> Construction of realigned EB off-slip leading to existing overbridge New EB link constructed from northern dumbbell roundabout, rising in an elevated loop to gain height to cross the rail line. Continuation of new link as a dedicated lane to new junction on Pilgrims Lane, north of A13 Construction of EB slip to A13 from new junction as simple taper Construction of WB off-slip from A13 to end at new junction on Pilgrims Lane Continuation of WB slip to cross rail line and join A1260 north of West Thurrock Arterial Way Demolition of existing EB off-slip, undertaken off-line Construction of realigned EB off-slip and overbridge, reconfigured dumbbell roundabouts north and south of A13 on A126 Link road from northern dumbbell roundabout to Pilgrims Lane, over rail line New roundabouts constructed on Pilgrims Lane, north and south of A13 East facing simple taper on and off-slips from new junctions to A13 New link road from southern roundabout on Pilgrims Lane to A126, north of West Thurrock Arterial Way Demolition of existing eastbound off-slip and overbridge.
6B		<ul style="list-style-type: none"> Construction of east facing slips between Pilgrims Lane and A13 New junctions required on Pilgrims Lane north and south of A13 Link to West Thurrock Arterial Way reconfigured New link road parallel with A13 to the south, elevated to cross railway line and the A126 New roundabout within Essex Arena site linked to reconfigured dumbbell roundabout on A126 	9C		<ul style="list-style-type: none"> Construction of realigned EB off-slip and overbridge, reconfigured dumbbell roundabouts north and south of A13 on A126 New simple taper EB on-slip constructed from the northern roundabout over rail line WB off-slip constructed as simple taper over rail line, to join A126 north of West Thurrock Arterial Way New east facing slips to end at existing rail abutment Demolition of existing eastbound off-slip and overbridge
7		<ul style="list-style-type: none"> Construction of realigned EB off-slip starting to the east of the existing diverge New overbridge across A13 Realigned roundabout on A126, south of A13 EB simple taper on-slip constructed within the curve of the off-slip Similar WB on and off-slip constructed to the south of A13, avoiding new crossings over rail line Demolition of existing EB off-slip and WB off-slip completed off-line, existing over bridge demolition would require closure of A13 Affect part of Brickbarn Wood, designated ancient woodland Reduce area to the south of A13 available for residential development 	10		<ul style="list-style-type: none"> Construction of realigned EB off-slip and overbridge, reconfigured dumbbell roundabouts north and south of A13 on A126 New simple taper EB on-slip constructed from the northern roundabout over rail line WB off-slip constructed as simple taper over rail line, to join A126 north of West Thurrock Arterial Way New east facing slips to end at existing rail abutment Demolition of existing eastbound off-slip and overbridge
8		<ul style="list-style-type: none"> Construction of realigned EB off-slip leading to existing overbridge EB simple taper on-slip constructed within the curve Overbridge made two-way, no widening required Construction of WB off-slip over rail line Demolition of existing EB off-slip, can be done off-line Affect all Brickbarn Wood, designated ancient woodland 	11		<ul style="list-style-type: none"> Construction of auxiliary lanes from/to M25 J30 and new dumbbell roundabouts north and south of A13 connected by a new overbridge Existing westbound facing slips would need to be demolished New east facing slips to end at existing rail abutment. Merging onto the A13 on the approach to M25 J30 would be difficult to construct
9A		<ul style="list-style-type: none"> Construction of realigned EB off-slip leading to existing overbridge New EB link constructed from northern dumbbell roundabout, rising in an elevated loop to gain height to cross the rail line EB on-slip to A13 constructed as a simple taper Construction of WB off-slip, requiring a new bridge over the rail line Demolition of existing EB off-slip, undertaken off-line Affect part of Brickbarn Wood, designated ancient woodland 			

Table 13: Longlisted schemes

Option	Image	Description	Option	Image	Description
1A		<ul style="list-style-type: none"> Construction of realigned eastbound (EB) off-slip and additional EB entry slip Realigned A126 roundabout, linked to EB slips by new overbridge Construction of westbound (WB) off-slip, crossing the rail line to the east Required demolition of the existing off-slip and bridge, over bridge would require closure of A13 Part of Brickbarn Wood, designated ancient woodland, would be affected 	4A		<ul style="list-style-type: none"> Increase capacity from Lakeside shopping car parks to WTAW (not highway) Dualling of WTAW between Lakeside and Pilgrims Way New junctions constructed on Pilgrims Lane to south and north of A13 East facing simple taper slips onto A13
1B		<ul style="list-style-type: none"> Realigned EB off-slip starting east of existing diverge point New EB entry slip within curve of EB off-slip, joining A13 as auxiliary lane taper New overbridge and realigned A126 roundabout Requires demolition and reconstruction of existing railway bridge to widen A13 Construction of westbound (WB) off-slip, crossing the rail line to the east Required demolition of the existing off-slip and bridge, over bridge would require closure of A13 Part of Brickbarn Wood, designated ancient woodland, would be affected 	4B		<ul style="list-style-type: none"> Increase capacity from Lakeside shopping centre to B186 Fenner Road and along Fenner Road to the A13 Junction improvements at WTAW New junctions constructed on Pilgrims Lane to south and north of A13 East facing simple taper slips onto A13
2A		<ul style="list-style-type: none"> Construction of a new exit from existing northern dumbbell roundabout Existing A13 bridge made two-way, no widening required New exit from northern dumbbell lead to elevated slip road over railway EB on slip requires bridge over A13, simple taper Construction of westbound (WB) off-slip, crossing the rail line to the east Majority of the work could be completed off-line Less effect on Brickbarn Wood, but would also cross a public open space 	4C		<ul style="list-style-type: none"> Increase capacity from Lakeside shopping car parks to WTAW (not highway) Dualling of WTAW between Lakeside and Pilgrims Way New junction on Pilgrims Lane north of A13 and an EB facing simple taper on-slip Westbound traffic would follow existing routes
2B		<ul style="list-style-type: none"> Construction of a new exit from existing northern dumbbell roundabout Existing A13 bridge made two-way, no widening required New exit from northern dumbbell lead to elevated slip road over railway EB on-slip would join A13 as auxiliary lane taper Requires demolition and reconstruction of Pilgrim Lane bridge to provide width on A13 Construction of westbound (WB) off-slip, crossing the rail line to the east Majority of the work could be completed off-line Less effect on Brickbarn Wood, but would also cross a public open space 	4D		<ul style="list-style-type: none"> Increase capacity from Lakeside shopping centre to B186 Fenner Road and along Fenner Road to the A13 Junction improvements at WTAW New junctions constructed on Pilgrims Lane to south and north of A13 East facing simple taper slips onto A13 Introduction of traffic restrictions in residential area, potentially introducing dedicated bus/cycle infrastructure
3A		<ul style="list-style-type: none"> Increase capacity on West Thurrock Arterial Way to attract EB traffic to M25 M25 J30 is at capacity, so elevated slip roads creating a fourth level of separation would be required. New EB and WB slips would connect to A13 east of existing slips 	4E		<ul style="list-style-type: none"> Increase capacity from Lakeside shopping centre to B186 Fenner Road and along Fenner Road to the A13 Junction improvements at WTAW New junctions constructed on Pilgrims Lane to south and north of A13 East facing simple taper slips onto A13 Introduction of traffic restrictions in residential area, potentially introducing dedicated bus/cycle infrastructure Construction of westbound (WB) off-slip located further west, crossing the rail line to the east Increase capacity from Lakeside shopping car parks to WTAW (not highway) Dualling of WTAW between Lakeside and A1012 Junction improvements at Pilgrims Lane and Elizabeth Road
3B		<ul style="list-style-type: none"> Increase capacity on West Thurrock Arterial Way to attract EB traffic to M25 EB traffic would join A13 at M25 J30 	5		<ul style="list-style-type: none"> Increase capacity from Lakeside shopping car parks to WTAW (not highway) Dualling of WTAW between Lakeside and A1012 Junction improvements at Pilgrims Lane and Elizabeth Road

APPENDIX C

Scheme Option Scoring

Table 15: INSET Stage B Scores

Rank	Scheme	Transport Benefits	Wider Economic Benefits	Environment	Social Impacts (Quality of Life)	Alignment with Objectives	Deliverability
1	6B	Very Good	Very Good	Very Poor	Very Good	Very Good	Good
2	1A	Very Good	Good	Poor	Very Good	Good	Good
3	4B	Very Good	Good	Very Poor	Good	Good	Very Good
4	4A	Very Good	Very Good	Very Poor	Neutral	Good	Very Good
5	2A	Very Good	Good	Very Poor	Good	Good	Good
6	1B	Very Good	Good	Poor	Very Good	Good	Very Poor
7	4E	Very Good	Good	Very Poor	Good	Good	Good
8	5A	Very Good	Good	Very Poor	Very Good	Good	Very Poor
9	4C	Very Good	Good	Very Poor	Neutral	Very Good	Very Good
10	6A	Good	Good	Very Poor	Good	Good	Very Good
11	7	Very Good	Very Good	Very Poor	Very Good	Good	Very Poor
12	Do nothing	Neutral	Neutral	Neutral	Neutral	Reasonably Good	Very Good
13	8	Very Good	Good	Very Poor	Very Good	Good	Very Poor
14	5	Good	Reasonably Good	Very Poor	Poor	Good	Very Good
15	4D	Good	Reasonably Good	Very Poor	Poor	Good	Very Good
16	2B	Very Good	Good	Very Poor	Good	Good	Very Poor

Option 6B

- 6.3.24 Option 6B was appraised as being the best performing option at INSET Stage B. The scheme scored ‘very good’ in its ability to deliver transport benefits. The introduction of east-facing slip roads provides a strategic connection directly to the A126 without the need to route through the A1306 or B186 to get to and from the Lakeside Basin. As well as leading to shorter journey times for longer distance trips, this will reduce traffic and congestion on the local road network and at the Stifford interchange potentially making local journeys quicker.
- 6.3.25 By providing new slip roads onto the A13 from the B186 rather than the A126, this option avoids the Brickbarn Wood ancient woodland. Less traffic on the local roads will generally lead to an improvement in air quality. However, there is a potential impact on the receptors within the AQMA near the A13 that reduces the score. Reduced traffic on the local roads suggests that Option 6B is likely to have a positive impact on social indicators such as safety, severance and journey quality.
- 6.3.26 Despite constraints associated with land use and ownership, specifically the sports ground, coach park and travellers’ site to the north of the A1306, and land within the Essex Arena site, it is not considered that these are insurmountable in delivering the scheme. If this option can be designed to provide improved access to the potential development at Essex Arena it will mitigate for the existing planning constraints associated with the site. The option will require several new structures, although these are not thought to be particularly complex in nature.
- 6.3.27 Figure 36 shows the proposed schematic for option 6B.

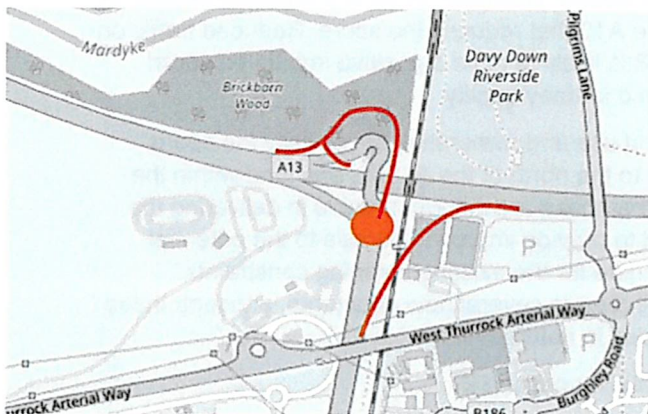
Figure 36: Option 6B



Option 1A

- 6.3.28 Option 1A scored the second highest in Stage B INSET appraisal. As this option provides direct access from the A13 to the A126 without interacting with any existing roads, it is anticipated that it will result in the highest level of benefit in improving local and strategic road connectivity. It is also expected to remove the most traffic from local roads and therefore reduce congestion. These transport benefits enable additional road capacity to be released which allows Thurrock to mitigate for future growth.
- 6.3.29 The redistribution of traffic away from local roads will provide social and environmental benefits such as reducing severance and accidents, whilst also improving air quality through AQMAs. However, Option 1A cuts through a proportion of Brickbarn Wood and therefore scores poorly against the environmental themes.
- 6.3.30 In terms of deliverability, the option is technically quite complex to implement, due to the necessary closure of the A13 and the need to build a large new bridge over the rail line.
- 6.3.31 Figure 37 shows the proposed schematic for option 1A.

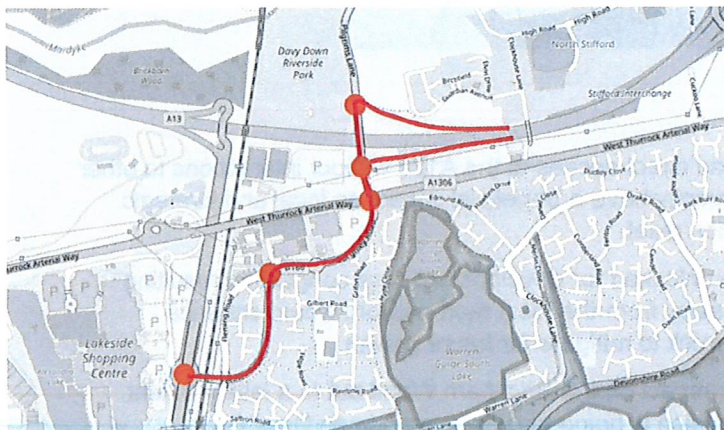
Figure 37: Option 1A



Option 4B

- 6.3.32 Option 4B provides east-facing slip roads in the same manner as Option 6B. However, instead of providing a new direct route to the A126, the option seeks to improve the B186 with selected widening and junction improvements.
- 6.3.33 Through avoiding the need to travel through the Stifford interchange and the A1306, the option is predicted to have some impact on strategic and local connectivity as well as congestion alleviation. At the same time, improved local connectivity may also improve by increased capacity on the B186 which can then be used to accommodate future growth.
- 6.3.34 This option avoids the ancient woodland but impacts the air quality score due to location of the AQMA near the A13. Option 4B is also expected to lessen the number of accidents and improve severance, minimising the social implications.
- 6.3.35 Whilst the scheme aligns with policy and scheme objectives, the option is not expected to enable a substantial amount of population and economic growth.
- 6.3.36 The deliverability aspect of the scoring was very positive due to the lower costs and relative ease of implementing the scheme in comparison to 1A.
- 6.3.37 Figure 38 shows the proposed schematic for option 4B.

Figure 38: Option 4B

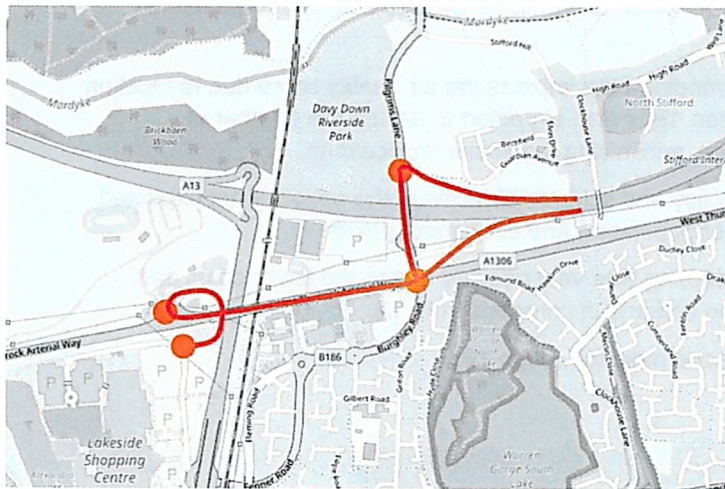


Option 4A

- 6.3.38 Option 4A provides east-facing slip roads in the same manner as Option 6B. However, instead of providing a new direct route to the A126, the option seeks to dual the carriageway and improve junctions along the A1306.
- 6.3.39 The option is expected to have some impact on improving local and strategic connectivity as well as alleviating congestion. Although the A13 east-facing slips are in place, traffic may still route via B186 Fenner Road to access INTU lakeside. Greater network capacity may also be established between the Lakeside shopping centre car parks and the West Thurrock Arterial Way. The scheme improves access to land enabling development whilst mitigating for forecast growth in the area.
- 6.3.40 The scheme bypasses the ancient woodland but is still has a very poor environmental score due to the impacts on AQMAs near the A13. Air quality overall, however, across the study area is not worsened by this option.

- 6.3.41 No extensive positive social implications are expected with option 4A, as the scheme is unlikely to reduce accidents or severance on the local network.
- 6.3.42 Option 4a scored very highly for deliverability due to relatively low cost and that it is technically not challenging to implement.
- 6.3.43 Figure 39 shows the proposed schematic for option 4A.

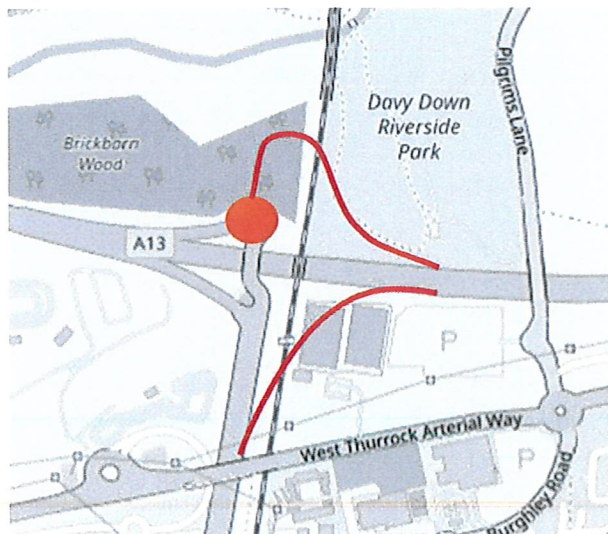
Figure 39: Option 4A



Option 2A

- 6.3.44 Option 2A provides an eastbound direct access to the A126 without interactions to other existing roads. This will subsequently have a beneficial impact on local and strategic connectivity along with congestion relief.
- 6.3.45 Whilst no additional land will be unlocked for development, less congestion resulting from the redistribution of traffic away from the local road network would enhance network capacity, enabling Thurrock to mitigate for future growth.
- 6.3.46 Environmentally, Option 2A will impact on the Brickbarn Wood but to a lesser extent than Option 1A. However, the option is going to greatly impede on Davy Down Riverside Park; open space heavily valued by the public. The AQMA covering the A13 will be impacted by Option 2A although there will be improvements in other areas.
- 6.3.47 The social implications of the scheme are positive with reductions in collisions and the level of severance expected.
- 6.3.48 Option 2A aligns with wider policy objectives and works to encourage population and economic growth. There are, however, concerns whether the option will encourage sustainable growth and contribute to improvements in physical and mental wellbeing.
- 6.3.49 Overall, Option 2A scores fairly well for deliverability as the scheme ranks medium for cost and is not hugely complicated to construct. Whilst most of the construction work could be completed off-line, two new structures do need to be built over the rail line which adds to the technical complexity of the project.
- 6.3.50 Figure 40 shows the proposed schematic for Option 2A.

Figure 40: Option 2A



Disregarded options

- 6.3.51 Prior to assigning scores for options 6B, 1A, 4B, 4A and 2A in INSET Stage C, it is important to detail why the remaining options assessed in INSET Stage B were not progressed. Table 16 shows the highway options disregarded before INSET Stage C.

12 February 2020	ITEM: 13
Cabinet	
Fees and Charges Pricing Strategy 2020/21	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Shane Hebb, Portfolio Holder for Finance and Transformation	
Accountable Assistant Director: Jonathan Wilson, AD Finance, Corporate Finance	
Accountable Directors: Sean Clark – Corporate Director of Finance, Governance and Property	
This report is public	

Executive Summary

This report summarises the fees and charges papers as reviewed by the respective Overview and Scrutiny Committees. Any new charges will take effect from the 1 April 2020, subject to Cabinet approval, unless otherwise stated.

In preparing the proposed fees and charges, directorates have worked within the charging framework and commercial principles set out in section three of the report. In particular, that fees and charges are aligned to the commercial strategy and aims to ensure that all discretionary services cost recover.

Service director delegated authority is sought to permit Fees and Charges to be varied within financial year in response to commercial requirements, in consultation with the Corporate Director of Finance, Governance & Property and the relevant portfolio holder.

The appendices to this report cover:

- Appendix 1 - Schedule of individual proposed Fees and Charges for 2020/21;
- Appendix 2 - Schedule of individual Fees and Charges that are no longer applicable;
- Appendix 3 - Feedback from Overview and Scrutiny Committees;
- Appendix 4 – Fees and Charges proposed 2020/21 targets.

1 Recommendations:

- 1.1 That Cabinet agree the proposed fees and charges, including those no longer applicable as per Appendices 1 and 2;**
- 1.2 That Cabinet approve delegated authority to allow Fees & Charges to be varied within a financial year in response to commercial requirements, in consultation with the Corporate Director of Finance, Governance and Property and the relevant portfolio holder; and**

1.3 That Cabinet note the feedback from all Overview and Scrutiny Committee meetings.

2 Background

2.1 The paper describes the fees and charges council wide approach 2020/21 building upon the previously agreed Commercial principles with regard to charging.

2.2 The revised target for income generation through fees and charges for 2019/20 is £7.305m which the Authority is set to achieve £7.753m. It should be noted that there has been related increases in expenditure to achieve this level.

	2018/19 Outturn	Fees & Charges 19/20 target	2019/20 Month 7 forecast	Variance to target
	£000	£000	£000	£000
Fees and charges income	(7,963)	(7,305)	(7,753)	(448)

2.3 A review of all income generation through fees and charges has taken place with each directorate. The approach has been to quantify the targets and set achievable levels which take into account any increases to individual charges, current and previous year performance, demand fluctuations and future plans for individual services. A number of one-off income streams have been identified as a result and these have been removed from the proposed targets for 2020/21.

2.4 The 2020/21 targets have been considered by Commercial Board and received further challenge from Corporate Finance to ensure they are fully aligned with the overall budget setting process.

2.5 The rebased 2020/21 target has been set at £7.411m, this is an increase of £0.106m on the 2019/20 target. This is lower than the expected level of income to be achieved in 2019/20 and corresponding reductions in expenditure will mitigate this. It should be noted that these adjustments are set in the context of an overall balanced budget for the Authority.

2.6 Individual service level income targets for 2020/21 for each Directorate are detailed in Appendix 5.

3 Thurrock Charging Policy

3.1 The strategic ambition for Thurrock is to adopt a policy on fees and charges that is aligned to the wider commercial strategy and aims to ensure that all discretionary services cost recover.

- 3.2 Furthermore, for future years, while reviewing charges, services will also consider the level of demand for the service, the market dynamics and how the charging policy helps to meet other service objectives.
- 3.3 When considering the pricing strategy for 2020/21 some key questions were considered.
- Where can we apply a tiered/premium pricing structure?
 - How sensitive are customers to price? (are there areas where a price freeze is relevant)
 - What new charges might we want to introduce for this financial year?
 - How do our charges compare with neighbouring boroughs?
 - How do our charges compare to neighbouring boroughs and private sector competitors? (particularly in those instances where customers have choice)
 - How can we influence channel shift?
 - Can we set charges to recover costs?
 - What do our competitors charges?
 - Statutory services may have discretionary elements that we can influence
 - Do we take deposits, charge cancellation fees, charge an admin fee for duplicate services?

4 Cleaner, Greener, Safer – Summary of Changes

The key following changes have occurred for 2020/21 fees and charges:

- 4.1 **Outdoor Sports and open spaces** - have increased fees and charges by a range of between 1.94% - 9.76% to reflect moving towards a cost neutral approach.
- 4.2 **Allotments** - fees and charges have increased in line with forecast inflation 2020/21 (subject to rounding).
- 4.3 **Burials and Memorials** - Following a thorough benchmarking exercise last year it has been decided that this year all burial fees will be increased in line with forecast inflation (subject to rounding) and the cost of living.
- 4.4 **Environmental Enforcement** – fees and charges are set by legislation, with Council charging the maximum permitted, in line with policy.
- 4.5 **Registrars** – on the 16th February 2019 the new regulations come into force for the Local Registration Service (LRS) the regulations make the following changes to certificate fees, which have been agreed with the National Panel for Registration, the revised fees mirror those that will be provided by the General Registration Office (GRO) and remove the disparity between the two services as they have been set at a National Average Level:

1) The three-tier Certificate fees will be removed and replaced by one single (standard) fee of £11 regardless of when the application is made. The £11 fee will also apply to a Short Birth Certificate.

2) The introduction of a statutory priority certificate for of £35 for a 24hour service

4.6 **Theatre** – each year the theatre reviews charges based on monitoring in year changes to demand, customer feedback and changes made by neighboring theatres. For 2020/21 most fees and charges will increase in line with forecast inflation however there are a number of exceptions including:

- Performance surcharges, costs for extra staff, some hire charges, the gallery deposit scheme and costs of ticket printing remain unchanged;
- Hire charges for using the museum as an additional dressing room will increase to offset additional cleaning costs we now incur, with the addition of the cleaning costs now included in the price this is a 28.3% increase which is needed to cover our costs of the cleaning;
- Technical hire packages have been introduced to simplify hire of technical equipment and improve take up;
- New services (and charges) will be introduced including a cost to hire the theatre spaces for dance festivals; the foyer for private functions and for offering staff services and technical support to events arranged by third parties.

4.7 **Public Protection** - licensing fees and charges are set through the licensing committee and TBC for 2020/21. Other Public Protection fees and charges remain unchanged for 2020/21 with the exception of those relating to the Control of Dogs, which have been restructured in line with the charges levied by a new contractor, and are above inflation.

4.8 **Heritage Service** – the service charges for educational visits to Coalhouse Fort and to the Museum, talks, informal education, topic loan boxes and research tickets. It is proposed that charges are not changed for 2020/21.

4.9 All other charges remain unchanged or increase in line with forecast inflation (subject to rounding).

5 **Planning, Transportation and Regeneration – Summary of Changes**

The key following changes have occurred for 2020/21 fees and charges:

5.1 **Permits** – fees and charges are unchanged for the 1st and 2nd permits and increased in line with forecast inflation for the 3rd permit for 2020/21, with amendments being made in relation to charity permits and a new temporary resident's permit to aid new residents/car owners.

5.2 **Highways infrastructure** – specific fees and charges have been revised to better scale with larger application requirements, using value thresholds to switch to a percentage value of actual costs; as well as having the minimum charge fee increased in line with actual costs where applicable.

- 5.3 **Transport Development** – the main transport and development fees and charges are unchanged for 2020/21, with the exception of:
- **Travel plans** – monitoring charges initially set were set in line with other Local Authorities. These have now been reduced in line with costs incurred.
 - **Bikeability** - training is currently funded by a grant, however this is expected to be partially removed in 2021/22, with award announced summer 2020. Charges will enable continuation of Bikeability training across the borough.
 - **Scooter Training** - Fee of £30 per session will remain for 2019/20 academic year. This planned to increase to £40 per session in 2020/21 academic year to ensure cost recovery.
- 5.4 **Transport** – Vehicular MOT Testing – charges are now shown in the report and remain unchanged for 2020/21.
- 5.5 **Land Charges** – charges are unchanged except for the introduction of an assisted personal search fee to ensure cost recovery.
- 5.6 **Corporate Property & Assets** – have changed the majority of their charges for 20/21 from Price-On-Application (POA); to more accurately reflect to the client the actual costs incurred for the services delivered.
- 5.7 **Town Centre Management** – new promotional activity fees have been introduced to help support projects and event run by the Town Centre Management team to help revitalise our high streets, with differing charges for commercial and charitable operators.
- 5.8 All other charges remain unchanged or increase in line with forecast inflation for 2020/21.

6 **Health & Wellbeing Summary of Changes**

The key following changes have occurred for 2020/21 fees and charges:

- 6.1 With regard to Placement charges, the declared rates have been adjusted to reflect inflationary increases, this in line with the agreed nationally set process.
- 6.2 All other charges are subject to public consultation and remain unchanged at this time.

7 **Housing – Summary of Changes**

The key following changes have occurred for 2020/21 fees and charges:

- 7.1 **Enforcement Notices** – These will increase in line with forecast inflation.

- 7.2 **Penalty Charges – Housing Planning Act 2016.** These charges were introduced in 2018/19 and are scaled up to the maximum sum allowed .
- 7.3 **Travellers Sites** - These will increase in line with forecast inflation.
- 7.4 **Selective Licensing** - (proposal for 2021- no fee yet allocated).
- 7.5 **Non-Statutory Housing Reports** – These have been removed as these will be captured as a Traded Service for 2020/21.

8 Childrens – Summary of Charges

- 8.1 The key following changes have occurred for 2020/21 fees and charges:
- 8.2 **Certain nursery place charges** have in some cases increased above inflation to take account of the actual costs of service delivery, which are dependent on the ages involved and corresponding staffing ratios. These will be in line with central government grant funding.
- 8.3 **New nursery place charges for 0-2 years and babies** have been introduced.
- 8.4 **Nursery after school charges** have been removed as this is no longer economically viable to provide, due to market competition.
- 8.5 **Grangewaters** charges have increased in line with forecast inflation.
- 8.6 **Thurrock Adult Community College** have been integrated into the Council's fees and charges process. Small increases in community hire which is still significantly below market rates.
- 8.7 **Music Services** has had a slight increase, Instrument load hire has increased slightly to enable the instrument maintenance programme to be enhanced.
- 8.8 All other charges remain unchanged or increase in line with forecast inflation.

9 Reasons for Recommendation

- 9.1 The setting of appropriate fees and charges will enable the Council to generate essential income for the funding of Council services. The approval of reviewed fees and charges will also ensure that the Council is competitive with other service providers and neighbouring councils. The ability to vary charges within financial year will enable services to more flexible adapt to changing economic conditions.
- 9.2 The granting of delegated authority to vary these charges within financial year will allow the Council to better respond to the needs of the communities, legal requirements and regulatory changes. And ensure that charges applied to residents, visitors and businesses correctly reflect current regulatory and legislative requirements.

10 Consultation (including Overview and Scrutiny, if applicable)

- 10.1 Consultations will be progressed where there is specific need. However, with regard all other items, the proposals in this report do not affect any specific parts of the borough. Fees and charges are known to customers before they make use of the services they are buying.
- 10.2 Due to the General Election, presentation of the fees and charges schedule to the appropriate Overview and Scrutiny meetings had not taken place at the time of writing this report. They are timetabled to do so and feedback from those forums will be sought.

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

- 11.1 The changes in these fees and charges may impact the community; however it must be taken into consideration that these price rises include inflation and no profit will be made on the running of these discretionary services.

12 Implications

12.1 Financial

Implications verified by: **Joanne Freeman**
Finance Manager

The impact on income budgets has been set out earlier in the report and has informed the MTFs and annual budget setting process. Additional income is expected to be generated, however, this is dependent on demand for the services. Where an income source has decreased the corresponding expenditure budgets have also been adjusted to minimise the net impact on the overall budget. The income position will continue to be monitored throughout the year.

12.2 Legal

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

Fees and charges generally fall into three categories – Statutory, Regulatory and Discretionary. Statutory charges are set in statute and cannot be altered by law since the charges have been determined by Central government and all authorities will be applying the same charge.

Regulatory charges relate to services where, if the Council provides the service, it is obliged to set a fee which the Council can determine itself in accordance with a regulatory framework. Charges have to be reasonable and must be applied across the borough.

Discretionary charges relate to services which the Council can provide if they choose to do so. This is a local policy decision. The Local Government Act 2003 gives the Council power to charge for discretionary services, with some limited exceptions. This may include charges for new and innovative services utilising the Council's general power of competence under section 1 of the Localism Act 2011. The income from charges, taking one financial year with another, must not exceed the cost of provision. A clear and justifiable framework of principles should be followed in terms of deciding when to charge and how much, and the process for reviewing charges.

A service may wish to consider whether they may utilise this power to provide a service that may benefit residents, businesses and other service users, meet the Council priorities and generate income.

Decisions on setting charges and fees are subject to the Council's decision making structures. Most charging decisions are the responsibility of Cabinet, where there are key decisions. Some fees are set by full Council.

12.3 **Diversity and Equality**

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

The Council has a statutory responsibility under the Equality Act 2010 to promote and have due regard to the need to eliminate discrimination and advance equality of opportunity between individuals who share a relevant protected characteristic and those who do not share it. Decision on setting fees and charges are subject to the Council's decision making structures. Proposals developed by services have given due consideration to equality considerations as these have been developed.

12.4 **Other implications (where significant)** – i.e. Staff, Health, Sustainability, Crime and Disorder, and Impact on Looked After Children

None applicable

13 **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):

- Cleaner, Greener and Safer Overview & Scrutiny Committee – 6 February 2020 – ITEM 6 – Fees and Charges Pricing Strategy 2020/21
- Children's Overview and Scrutiny Committee – 4 February 2020 – ITEM 10 – Fees and Charges Pricing Strategy 2020/21
- Housing Overview and Scrutiny Committee – 14 January 2020 – ITEM 4 – Fees and Charges Pricing Strategy 2020/21

- Health and Wellbeing Overview and Scrutiny Committee – 23 January 2020 – ITEM 6 – Fees and Charges Pricing Strategy 2020/21
- Planning, Transport and Regeneration Overview and Scrutiny Committee – 21 January 2020 – ITEM 10 – Fees and Charges Pricing Strategy 2020/21

14 Appendices to the report

- Appendix 1 – Schedule of Proposed Fees and Charges for 2020/21
- Appendix 2 – Schedule of Fees and Charges no longer applicable
- Appendix 3 – Feedback from Overview and Scrutiny Committees
- Appendix 4 – Fees and Charges 2020/21 proposed targets

Report Author:

Kelly McMillan

Business Development Project Manager

Business Development & Innovation

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Name of fee or Charge	Directorate	Overview and Scrutiny Committee	Owner	Statutory/ Discretionary Charge	VAT Status 19/20	Charge excl. VAT 2019/20	VAT Amount 2019/20	Charge incl. VAT 2019/20	VAT Status 20/21	Charge excl. VAT 2020/21	VAT Amount 2020/21	Charge incl. VAT 2020/21	Change from last year (incl. VAT)	Change from last year (% incl. VAT)	New, Removed, Unchanged
10% discount HMOs 5 year License - 11 to 15 people - Non Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
10 % discount HMOs 5 year License - 16 to 20 people - Landlord Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
10% discount HMOs 5 year License - 16 to 20 people - Non Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
10% discount HMOs 5 year License - 21 to 29 people - Landlord Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
10% discount HMOs 5 year License - 21 to 29 people - Non Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
10% discount HMOs 5 year License - 30 or more people - Landlord Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
10% discount HMOs 5 year License - 30 or more people - Non Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15% capped discount HMOs 5 year License - 4 to 5 units - for more than 2 properites Landlord Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15% discount HMOs 5 year License - 4 to 5 units - for more than 2 properites Non Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15% Discount HMOs 5 year License - 6 to 10 units - for more than 2 properites Landlord Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15% discount HMOs 5 year License - 6 to 10 units - for more than 2 properites Non Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15% discount 5 year License - 11 to 15 people - for more than 2 properites Landlord Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15% discount HMOs 5 year License - 11 to 15 people - for more than 2 properites Non Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15 % discount HMOs 5 year License - 16 to 20 people - for more than 2 properites Landlord Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15% discount HMOs 5 year License - 16 to 20 people - for more than 2 properites Non Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15% discount HMOs 5 year License - 21 to 29 people - for more than 2 properites Landlord Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15% discount HMOs 5 year License - 21 to 29 people - for more than 2 properites Non Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15% discount HMOs 5 year License - 30 or more people - for more than 2 properites Landlord Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
15% discount HMOs 5 year License - 30 or more people - for more than 2 properites Non Accredited	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
Mobile Homes annual licence fee	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
Mobile Homes annual licence fee	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
Mobile Homes annual licence fee	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
Mobile Homes annual licence fee	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
Mobile Homes annual licence fee	Adults, housing and Health	Housing	Dulal Ahmed	D	O	r	£ -	£ -	O	REMOVED	£ -	£ -	£ -	-	REMOVED
Thursday Friday evening + Sat hall or room	Adults, housing and Health	Children's Health & Wellbeing	Michele Lucas/Jaki Bradley	D		remove		remove		REMOVED	£ -	removed	£ -	-	REMOVED
Cultural Services - Libraries - Visa Services	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		r		r		REMOVED	£ -	r	£ -	-	REMOVED
Cultural Services - CD Rom print outs - Colour	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D	S	£ 0.25	£ 0.05	£ 0.30	S	REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Microfilm Prints - Per page from old machine (new machine is same as printouts)	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D	S	£ 0.25	£ 0.05	£ 0.30	S	REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Other organisations and non public meetings of political parties - Per hour - Under 24 sq.m	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 35.00	£ -	£ 35.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - 24 to 70 sq.m. Sole use outside of opening times.	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 35.00	£ -	£ 35.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - Over 70 sq.m. Sole use outside of opening times.	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 25.00	£ -	£ 25.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - Under 24 sq.m. Sole use outside of opening times.	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 20.00	£ -	£ 20.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Other organisations and non public meetings of political parties - Per hour - 24 to 70 sq.m. Sole use outside opening times.	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 20.00	£ -	£ 20.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Other organisations and non public meetings of political parties - Per hour - Over 70 sq.m. Sole use outside opening times.	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 20.00	£ -	£ 20.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Other organisations and non public meetings of political parties - Per hour - Under 24 sq.m. Sole use outside opening times.	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 25.00	£ -	£ 25.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - 24 to 70 sq.m. Sole use during opening times.	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 20.00	£ -	£ 20.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - Under 24 sq.m. Sole use during opening times.	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 15.00	£ -	£ 15.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Other organisations and non public meetings of political parties - Per hour - 24 to 70 sq.m. Sole use during opening times.	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 15.00	£ -	£ 15.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Other organisations and non public meetings of political parties - Per hour - Under 24 sq.m. Sole use during opening times.	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 5.00	£ -	£ 5.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Other Organisations and community groups - part use e.g. hire of table space during opening times	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D		£ 10.00	£ -	£ 10.00		REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Premises Hire - Community Groups - meeting room during opening times	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D	E	25% Commission or minimum hire charge	£ -	25% Commission or minimum hire charge	E	REMOVED	£ -	£ -	£ -	-	REMOVED
Cultural Services - Exhibitions - Exhibition Space - Exhibition of works or crafts by individual artists and craftsmen	Adults, housing and Health	Health & Wellbeing	Natalie Warren	D	Z	£ 0.50	£ -	£ 0.50	Z	REMOVED	£ -	£ -	£ -	-	REMOVED
Learning and Universal Outcomes - After School Club - Holiday Club - Per day	Children's	Children's	Andrea Winston	D	E	REMOVED	£ -	£ -	E	REMOVED	£ -	£ -	£ -	-	REMOVED
Learning and Universal Outcomes - Nursery Places- After school club per week	Children's	Children's	Michelle Lucas	D	E	REMOVED	£ -	£ -	E	REMOVED	£ -	£ -	£ -	-	REMOVED
Learning and Universal Outcomes - Nursery Places - After school club per day	Children's	Children's	Michelle Lucas	D	E	REMOVED	£ -	£ -	E	REMOVED	£ -	£ -	£ -	-	REMOVED
Learning and Universal Outcomes - Nursery Places -Holiday club per day	Children's	Children's	Michelle Lucas	D	E	REMOVED	£ -	£ -	E	REMOVED	£ -	£ -	£ -	-	REMOVED
Learning and Universal Outcomes - Nursery Places -Holiday club per week	Children's	Children's	Michelle Lucas	D	E	REMOVED	£ -	£ -	E	REMOVED	£ -	£ -	£ -	-	REMOVED
Learning and Universal Outcomes - Nursery Places -non- core hours premium hourly rate	Children's	Children's	Michelle Lucas	D	E	REMOVED	£ -	£ -	E	REMOVED	£ -	£ -	£ -	-	REMOVED

Name of fee or Charge	Directorate	Overview and Scrutiny Committee	Owner	Statutory/Discretionary Charge	VAT Status 19/20	Charge excl. VAT 2019/20	VAT Amount 2019/20	Charge incl. VAT 2019/20	VAT Status 20/21	Charge excl. VAT 2020/21	VAT Amount 2020/21	Charge incl. VAT 2020/21	Change from last year (incl. VAT)	Change from last year (% incl. VAT)	New, Removed, Unchanged
Burial Grounds - Part 3 Monuments, Gravestones, Tablets & Monumental Inscriptions - For the right to erect or place on a grave in respect of which exclusive right of burial has been granted, a monument, gravestone or tablets	Environment and Highways	Cleaner, Greener, Safer	Vincent Taylor	D	E	r	£ -	£ -		REMOVED	£ -	£ -	£ -	-	REMOVED
Highways - Licences - Anything done in connection with site inspections to monitor compliance with duties imposed by Section 172(3) and by Section 173(1) of the 1980 Act on a person who has erected a hoarding or fence.	Environment and Highways	Planning, Transport, Regen	Peter Wright	S	Z	Actual Costs + £150 Admin	£ -	Actual Costs + £150 Admin	Z	REMOVED	£ -	REMOVED	£ -	-	REMOVED
Street Naming and Numbering - New Properties - 1-5 Properties 4 weeks administration	Environment and Highways	Planning, Transport, Regen	Peter Wright	D	O	£ 159.00	£ -	£ 159.00	O	REMOVED	£ -	REMOVED	£ -	-	REMOVED
Street Naming and Numbering - New Properties - 6-25 Properties 6 weeks administration	Environment and Highways	Planning, Transport, Regen	Peter Wright	D	O	£ 260.00	£ -	£ 260.00	O	REMOVED	£ -	REMOVED	£ -	-	REMOVED
Street Naming and Numbering - New Properties - 26-75 Properties 8 weeks administration	Environment and Highways	Planning, Transport, Regen	Peter Wright	D	O	£ 370.00	£ -	£ 370.00	O	REMOVED	£ -	REMOVED	£ -	-	REMOVED
Street Naming and Numbering - New Properties - 76-100 Properties 10-12 weeks administration	Environment and Highways	Planning, Transport, Regen	Peter Wright	D	O	£ 475.00	£ -	£ 475.00	O	REMOVED	£ -	REMOVED	£ -	-	REMOVED
Street Naming and Numbering - New Properties - Over & Above 100 Properties - for every additional property	Environment and Highways	Planning, Transport, Regen	Peter Wright	D	O	£ 31.00	£ -	£ 31.00	O	REMOVED	£ -	REMOVED	£ -	-	REMOVED

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Appendix 3 - Feedback from Overview and Scrutiny Committees

Provided below is the Feedback from the respective Overview and Scrutiny Committees held In January 2020.

- It was highlighted at the Housing Overview and Scrutiny meeting that the wording around the Inflation increase was incorrect and was later amended.

Please note extracts from the minutes in relation to the Fees and Charges items from Overview and Scrutiny Committees were not available at the time of writing this report.

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Appendix 4 Version 1

Allocation of 2020/21 fees and charges targets across individual directorates

Directorate	2018-19 Outturn	2019/20 Month 7 forecast	Revised Fees & Charges 19/20 target	Proposed 2020/21 target	Movement from 2019/20 target	Narrative
Adults, Housing and Health	(341,279)	(305,877)	(369,253)	(375,328)	(6,075)	Increases Extra Care café to reflect plans to redesign the service
Children's Services	(975,772)	(1,009,704)	(1,088,040)	(1,030,150)	57,890	Reduction in Day nursery fees and Grangewaters income (corresponding expenditure also reduced)
Environment and Highways	(2,172,220)	(2,327,151)	(2,322,935)	(2,273,360)	49,576	Reduction in fees related to Highways maintenance works (corresponding expenditure also reduced)
Finance, Governance and Property	(85,176)	(59,592)	(133,895)	(52,558)	81,337	Reduction in income related to the Civic Offices and functions of the Corporate Landlord
Housing General Fund	(508,194)	(618,633)	(414,500)	(597,209)	(182,709)	Inclusion of fees related to Private Sector Housing and a 3% increase to Traveller site rent and service charges
Place	(3,624,762)	(3,193,865)	(2,706,800)	(2,837,065)	(130,265)	Rebasing of charges across Planning, Building Control and Local land charges
Strategy, Communications & Customer Services	(255,395)	(238,618)	(270,024)	(245,777)	24,247	Reduction in fees related to Private citizenships provided by the Registrars service
Total	(7,962,799)	(7,753,440)	(7,305,447)*	(7,411,447)	(105,999)	

* The original 2019/20 allocation of £7.729m has been reduced to £7.305m reflecting a reclassification of legal and enforcement income as 'income from Traded Services'

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12 February 2020	ITEM: 14
Cabinet	
Draft 2020/21 Budget Proposals and Medium Term Financial Strategy Update	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Shane Hebb, Portfolio Holder for Finance and Transformation	
Accountable Assistant Director: Jonathan Wilson, AD Finance	
Accountable Director: Sean Clark, Corporate Director of Finance, Governance and Property	
This report is public	

Executive Summary

Cabinet agreed a draft budget at their meeting on 15 January 2020 and referred their proposals to the Corporate Overview and Scrutiny Committee for their consideration and comment. This report sets out the committee’s comments for Cabinet to consider when recommending their final budget proposals to Full Council.

Service Review proposals have been developed and are summarised in the body of this report.

The council embarks on multiple approaches to achieving financial self-sufficiency; to not have to rely on general fund grants from national government. The investment strategy is a part of that objective.

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

Council general fund balance (reserves) has been maintained at £11m for a number of years; and it is proposed to hold them at this level.

This report has been considered by Corporate Overview and Scrutiny at its meeting on 23 January 2020 and the committee’s comments are included in section 12 of the report.

- 1. Recommendations:**
- 1.1 That Cabinet consider the comments from Corporate Overview and Scrutiny committee as set out in section 12 of the report;**
- 1.2 That the Cabinet propose a 2% council tax increase towards the cost of Adult Social Care;**
- 1.3 That the Cabinet propose 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 Note the budget report set out through this report and appendices;**
- 1.5 That the Cabinet recommend to Full Council the capital proposals set out in this report and appendices;**
- 1.6 That Cabinet consider and allocate the budgeted surplus for 2019/20 as set out in section 3;**
- 1.7 That Cabinet endorse the Thurrock 2020/21 Schools funding formula to be implemented as stated in section 9. This being consistent with Cabinets decision made in December 2018; and**
- 1.8 That Cabinet endorse the Early Years Funding formula for 2020/21, as shown in Appendix 6, and allow the Schools Forum to consider that the rates to be implemented can be made permanent, following review of the January 2020 census data.**

2 Introduction and Background

- 2.1 All Members are aware of financial pressures that all councils continue to experience alongside the challenge to become financially self-sustainable from national government general fund grant allocation.
- 2.2 The Medium Term Financial Strategy (MTFS) presented to Cabinet on 15 January 2020 showed a balanced budget for the next 3 years. These were based on a number of assumptions that, when delivered, continue to put Thurrock Council in a stronger position than most other councils for the challenges ahead when the Revenue Support Grant discontinues and proposed reforms to the Business Rates Retention system are implemented.
- 2.3 These assumptions continue to be supported through the ongoing review of staffing requirements, procurement improvements, and increased efficiencies delivered, for example, by challenging delivery methods and utilising digital solutions. This is further underpinned by income generation through council tax, fees and charges and investments.
- 2.4 A key change to the MTFS presented to Full Council on 26 February 2019 is the decision to recommend a general council tax increase of 1.49 per cent.

The previous MTFS assumed a 1.99 per cent increase and the proposed level reduces income by £1.722m in that and subsequent years.

2.5 The Council Spending Review “Service Review Board” has undertaken a number of cross cutting reviews challenging current delivery models, structures and assumptions with a view to improve outcomes and identify efficiencies. The board has a savings target of £0.900m in 2020/21 which is to be delivered following the implementation of the following review outcomes:

- 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.

2.6 Together these form an overall package that not only balance the budget but allows the council to invest in enhancing existing services and providing new services where a priority.

2.7 Before considering future years it is important to recognise any impacts from the current year. Cabinet have received two update reports in recent months with the most recent report on 15 January 2020 setting out net pressures of £1.317m net of funding from the surplus. Main areas of concern are within Children’s and Adult Social Care and General Fund Housing Services.

2.8 To recognise the above, relevant growth has been included within the MTFS to meet the ongoing expected pressures.

3 Allocation of the 2019/20 Surplus

The 2019/20 forecast position has been reviewed and reported to Cabinet on 15 January 2020. The report has identified demand led pressures in Children’s and Adults Social Care and in Homelessness. These are common pressures at many local authorities nationally and Central Government has proposed increased funding in these areas in 2020/21. In addition there has been a pressure arising through the loss of investment income linked to the pause of the Belmont Rd scheme. It is expected this will be deferred into the subsequent year should the position be resolved quickly.

Consequently the surplus has been allocated to address these pressures initially as set out below:

	£m
Children’s Social Care	0.600
Homelessness	0.330

TRL Income deferral	1.287
Total	2.217

Further items proposed are set out below and will be funded from the balance of the surplus. These are:

	£m
Additional Police Officers (as proposed in December 2018)	0.670
Funding to support Mental Health outcomes (as proposed at the July 19 Cabinet)	0.500
Extension of Kerb It Programmes	0.660
Feasibility Assessment – Leisure Village	0.250
Expand out of hours ASB team for parks and team centres (pilot)	0.320
Tree planting for avenues and areas of pollution	0.230
Air Quality – Cycle Lanes & Switch Off Zones	0.150
Youth Offending Team	0.250
Total	3.030

4 Draft 2020/21 Budget and Future Forecasts

- 4.1 The MTFs attached at Appendix 1 continues to set out a balanced budget for three of the five years set out based on the assumptions set out in the body of this report and appendices, of which the council remains in surplus of circa £5m. It should be noted that, this time last year, the surplus position over the same time-period was £15m
- 4.2 The summarised budget position for the medium term now stands at:

Narrative	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
Net (Additional) Reduction in resources	(6,283)	(1,789)	(2,337)	(2,605)	(2,918)
Inflation and other increases	3,702	3,472	3,615	3,766	3,862
Treasury and Capital Financing	(2,178)	(336)	(1,224)	365	0
Allocation of Social Care Funding	4,042	0	0	0	0
Corporate Growth	3,346	2,314	2,314	2,314	2,314
Services Design Principals and Strategic Boards	(900)	(1,000)	(1,000)	0	0
Position before carry forward	1,729	2,661	1,368	3,840	3,258
C/f Position	(5,803)	(4,074)	(1,413)	(45)	0
Working Total	(4,074)	(1,413)	(45)	3,795	3,258

- 4.3 The budget surplus in each year should only be used for one off expenditure and/or as a contribution to reserves. By not committing this surplus to ongoing expenditure the surplus carries forward to the subsequent year.
- 4.4 The scale of these surpluses provide the Council with further stability against any budget fluctuations whilst also offering the opportunity to major investment in the borough.
- 4.5 The draft Local Government Finance Settlement confirmed expected grant levels as set out in this and previous versions of the MTFs.

5 Council Tax and Future Funding

- 5.1 Cabinet will be aware that Thurrock Council has the lowest council tax in Essex and one of the lowest of all Unitary authorities throughout the country. Whilst there is no desire or need to change this position, officers' advice is clear that council tax increases are required and this is echoed in the Director of Finance's s25 Statement in recent years.
- 5.2 The assumptions at the start of the municipal year within the MTFs were a 1.99% council tax increase in 2020/21 (0% in 2018/19) and 1.99% thereafter.
- 5.3 Whilst surplus balances would suggest to most that increases are not required, Members have to consider the following:
- 5.3.1 Advice from CIPFA is clear that investments should not solely be used to replace existing funding streams but for additionality;
- 5.3.2 Any investment is temporary in nature whereas council tax is a sustainable resource for the longer term;
- 5.3.3 The Comprehensive Spending Review has been deferred until 2020/21 and will assume that the council has increased council tax by allowable levels (1.99% for this year) and so the amount the council can retain from its

business rates will be reduced accordingly – the government will not replace any income foregone by local decision making. Government figures now set out an assumed council tax income in 2020/21 of £0.331m higher than that will be achieved with the proposed council tax precept of 1.49%;

- 5.3.4 The Adult Social Care precept is welcome to provide much needed funding that enables further demand-avoidance initiatives. It should be noted that the amount raised is relatively lower than the majority of other top tier authorities due to the lower council tax base enjoyed by the council;
- 5.3.5 Following the above, it is still unclear how local government will be funded going forward. One aspect that is clear though is the direction of travel across the UK remains for councils to rely on locally raised taxation and other forms of income generation; and
- 5.3.6 As other grants, such as public health, become part of mainstream funding councils will see a switch of statutory services currently being funded centrally needing to be funded locally.
- 5.4 Having considered the advice as set out above, the Cabinet has chosen to recommend a 1.49% general council tax increase supplemented by a 2% Adult Social Care precept and the figures have been amended accordingly.

6 Capital Proposals for 2020/21

- 6.1 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.
- 6.2 The following sources of funding are available to the General Fund:
- Capital Receipts – these are the receipts realised from the disposal of capital assets such as land and buildings. The Property Board, at the request of Cabinet, has commenced a strategic review of the asset base and will report back to Cabinet with an updated strategy, including a disposal programme, in due course. Asset management in the future will be based on the simple ethos of– Release – Reuse - Retain;
 - Grants and Contributions- these could be ad hoc grants awarded from government or other funding agencies or contributions from developers and others;
 - Prudential Borrowing – the Council is able to increase its borrowing to finance schemes as long as they are considered affordable and are deemed to meet the public good; and
 - Revenue – the Council can charge capital costs directly to the General Fund but the pressure on resources means that this is not recommended.

- 6.3 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.
- 6.4 Funding from capital receipts will be assessed in the financial year as a review of the Council's assets is underway as part of the '3Rs' Programme – Retain, Reuse, Release. This challenges the rationale for holding the asset resulting in the classification of assets as either:
- Released (for example to dispose of immediately or develop for housing);
 - Re-used (for example for different services or more intensive or changed use); and
 - Retained (business as usual, little need or opportunity for change identified).
- 6.5 Several sites have been identified for release and the Corporate Property Team has been reviewing these to determine their redevelopment potential and has commenced a release disposal programme. This will potentially enable further funding of capital projects from the capital receipts generated and reduce the level of prudential borrowing required.
- 6.6 Members should note that General Fund Capital Receipts can also be used to finance Housing Revenue Account capital expenditure and has been used to good effect in securing Right to Buy buy-backs match funded with HRA resources that has helped maximise the use of Right to Buy receipts.
- 6.7 Annually, all services consider their future capital needs and submit bids for schemes ranging from projects in their own right to smaller schemes that are required to maintain operational ability – such as capital repairs to operational buildings and system upgrades.
- 6.8 In addition, the Council Service Review (CSR) process is identifying a number of service enhancements that will ultimately reduce costs or increase income. These will need to be funded as and when identified.
- 6.9 Finally, there are those projects that require seed funding to prepare more detailed business cases. The council agreed in February 2019 to maintain a £2m budget provision to ensure funding is available to prepare business cases for Future and Aspirational Capital Schemes.
- 6.10 It is recommended that this budget be increased to £3m for the coming year to reflect the wider capital aspirations of the Council and the full amount is expected to be required.

Current Programme

- 6.11 Before considering the new proposals, it is worth reflecting on the allocations that have been agreed over recent years. These are summarised in Appendix 5 but, covering the period 2018/19 through to 2020/21, total over £289m with £229m still to be spent as at 1 January 2020.
- 6.12 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.

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

7 Draft Capital Proposals

- 7.1 There have been a number of schemes that can be seen as projects in their own right. These have been included at Appendix 7 and will, in the main, be known to the relevant Overview and Scrutiny Committee in one form or another.
- 7.2 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:

Responsible Board	Examples	2020/21 £m	2021/22 £m	2022/23 £m
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.	3.0	3.0	3.0

7.3 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.

7.4 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 2019/20 from the Department for Education with further allocations for free schools.

8 Other Capital Recommendations

8.1 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.

8.2 The delegation proposed 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.

8.3 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.

9 Dedicated Schools Grant

9.1 In September, the government announced schools and high needs funding for the 3 year period 2020/21 to 2020/23. 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.

9.2 On 19 December, 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:

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
Total	167.201	157.093	10.109

9.3 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.

9.4 Further information for the Dedicated Schools Grant is shown at Appendix 6.

10 Issues, Options and Analysis of Options

- 10.1 This report sets out the changes to the current year budget that are proposed for 2020/21. The impact on services is limited compared to previous years and allows for significant growth within the council's frontline services.
- 10.2 Council tax increases will always be recommended by officers, due to their ability to continue towards financial self-sustainability.
- 10.3 The report also sets out surpluses over the first three years of the MTFS. It is recommended that they only be used for one off expenditure as any commitment to ongoing expenditure will impact on future years as the budgets become a core requirement.
- 10.4 In previous years, the recommendations to Council have also included delegations to Cabinet to agree additions to the capital programme under the following criteria:
- If additional third party resources are been secured, such as government grants and s106 agreements, for specific schemes;
 - Where a scheme is identified that can be classed as 'spend to save' – where it will lead to cost reductions or income generation that will, as a minimum, cover the cost of borrowing; and
 - For Thurrock Regeneration Ltd schemes – these actually also fall under the 'spend to save' criteria set out above but has not been agreed over the last couple of years.

11 Reasons for Recommendation

- 11.1 The Council has a statutory requirement to set a balanced budget annually and to review its adequacy of reserves. This report sets out a balanced budget for 2020/21 and maintains the £11m level for the General Fund Balance.
- 11.2 The capital programme forms part of the formal budget setting in February and is an integral part of the Council's overall approach to financial planning.

12 Consultation (including Overview and Scrutiny, if applicable)

- 12.1 The budget planning governance structure includes involvement and consultation with officers, Portfolio Holders and Members. The process includes the Council Spending Review Panel, made up of cross-party Group Leaders and Deputies who meet during the budget planning period and ahead of key decision points. Discussion at CSR in this municipal year has canvassed opinions on the surplus allocation; of which a number of proposals mimicked those being drafted by the administration.
- 12.2 Corporate Overview and Scrutiny Committee considered 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
- The outcomes from the community and equality impact assessment that was undertaken.

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.

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

- 13.1 There are increases to frontline services where pressures have been identified in the current year that will help the council to deliver both its statutory services and priority areas.
- 13.2 The surpluses will also allow for additionality in services through enhancement, provision of new services or, indeed, a major capital investment in the borough.
- 13.3 Capital budgets provide the finance to meet the Corporate Priorities. If a capital project was not to proceed, this may impact, positively or negatively, on the delivery of these priorities and performance with a corresponding impact on the community.

14 Implications

14.1 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. Internal austerity measures in place are continually reinforced across the Council in order to reduce ancillary spend and to ensure that

everyone is aware of the importance and value of every pound of the taxpayers money that is spent by the Council.

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

The government in setting its grant support for the coming year has made the assumption that this funding would be realised and this assumption will also influence the Comprehensive Spending Review in 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.

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

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.

14.2 Legal

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

There are no direct legal implications arising from this report.

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

14.3 Diversity and Equality

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

All local authorities are required to have due regard to their duties under the Equality Act 2010. A comprehensive Community and Equality Impact Assessment (CEIA) has been completed for council tax increases.

The capital programme is assessed at key stages to ensure the impact of each scheme is measured in a proportionate and appropriate way to ensure this duty is met and the needs of different protected characteristics are considered.

14.4 Other implications (where significant – i.e. Staff, Health, Sustainability, Crime and Disorder, and Impact on Looked After Children)

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

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

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

16 Appendices to the report

- Appendix 1 – Medium Term Financial Strategy
- Appendix 2 – Indicative Service Budgets 2020/21
- Appendix 3 – Current Capital Programme
- Appendix 4 – Future and Aspirational Projects
- Appendix 5 - New Capital Projects
- Appendix 6 – DSG 2020/21

Report Authors:

Sean Clark

Corporate Director Finance, Governance and Property

Medium Term Financial Strategy

Narrative	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
1. Local Funding					
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)
2. Total Government Resources					
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
Net (Additional) Reduction in resources	(6,283)	(1,789)	(2,337)	(2,605)	(2,918)
3. Inflation and other increases					
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
4. Treasury					
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	
Treasury and Capital Financing	(2,178)	(336)	(1,224)	365	0
5. Allocation of Social Care Funding					
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
6. Corporate & Demographic Growth	3,346	2,314	2,314	2,314	2,314
7. Services Design Principals and Strategic Boards	(900)	(1,000)	(1,000)	0	0
Position before carry forward	1,730	2,662	1,368	3,839	3,258
C/f Position	(5,803)	(4,074)	(1,412)	(45)	
Working Total	(4,074)	(1,412)	(45)	3,795	3,258

Indicative Service Budgets 2020/21

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
HR, 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

Current Capital Programme

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, Governance and Property	6,421	3,486	1,500	-
HR, OD and Transformation	11,924	-	-	-
Strategy, Communications and Customer Services	336	-	-	-
Housing HRA	30,219	6,268	217	875
Total	193,306	40,538	16,093	38,875

Future and Aspirational Projects

Directorate	Capital Bid	Project Ambition
Environment and Highways Page 140	Thurrock Leisure Village	<p>A new sporting village would provide the residents of Thurrock access to much needed leisure facilities fit for the 21st century. Our current leisure centres are 50+ years old and costing the council significant maintenance costs. If we do not replace them now, we will need to spend money in 10 years' time and spend an additional £10m in the next few years keeping the buildings compliant with health and safety laws until they reach the end of life.</p>
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>

Future and Aspirational Projects

<p>Adults, Housing and Health</p>	<p>Integrated Medical Centre - Tilbury</p>	<p>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.</p>
<p>Finance, Governance and Property Page 141</p>	<p>Riverside Youth Centre - Refurbishment</p>	<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>

Future and Aspirational Projects

<p>Place</p>	<p>Aveley Freight Management (Ship Lane Scheme)</p>	<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>
<p>Page 142 Adults, Housing and Health</p>	<p>Corve Lane Complex</p>	<p>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.</p>

Future and Aspirational Projects

<p>Environment and Highways</p>	<p>Thurrock Parkway depot design and development</p>	<p>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.</p>
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Future and Aspirational Projects

<p>Place</p> <p>Page 144</p>	<p>Grays South Regeneration Area extension</p>	<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>
<p>Children’s Services</p>	<p>Oaktree Centre Feasibility /Surveys</p>	<p>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.</p>

Future and Aspirational Projects

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.
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New Capital Projects

Essential Works

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
Principal Bridge Inspections and Remedial works Page 146	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 complied with it has been deemed more cost effective to undertake the demolition	1,448,345	800,000	648,345	

New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
		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	

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 Page 148	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 provide between 5,000sqft to 6,000sqft of accommodation with development cost	1,000,000	250,000		750,000

New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
		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.				
Page 149 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 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	981,000	647,000	334,000	

New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
		ensure that all our residents are being treated equally and consistently with the same opportunity to recycle.				

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 has been utilised and further provision is needed to ensure that the Council can	1,500,000 (over 5 years)	300,000	300,000	900,000

New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
		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	HR,OD and Transformation	Since Oracle Cloud's go live in April 2019 there have been a number of enhancements that have become available (such as the Contract Management module) and opportunities for further direct integration with other, currently separate, Corporate systems	742,000	254,000	488,000	

New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
		(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 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.	600,000 (over 5 years)	120,000	120,000	360,000

New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
<p>Coalhouse Fort Regeneration Enterprise 2019-2024</p>	<p>Place</p>	<p>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 Fort and will require a contribution of £515,200.</p>	<p>515,200</p>	<p>20,000</p>	<p>165,000</p>	<p>330,200</p>
<p>HWRC Site Extension</p>	<p>Environment & Highways</p>	<p>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</p>	<p>1,000,000</p>	<p>1,000,000</p>		

New Capital Projects

Project	Directorate	Project Ambition	Total Value	2020/21	2021/22	2022/23 onwards
		<p>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.</p>				

DSG 2020/21

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
Total	167.201	157.093	10.109

Schools Block

2. The increase in funding of £8.040m is as a result of increases to funding rates of £5.435m; increase 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
 - 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.

DSG 2020/21

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 are 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

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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12 February 2020	ITEM: 15
Cabinet	
Capital Strategy 2020/21	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Shane Hebb – Deputy Leader and Portfolio Holder for Finance and Transformation	
Accountable Assistant Director: Jonathan Wilson, Assistant Director - Finance	
Accountable Director: Sean Clark, Corporate Director of Finance, Governance and Property	
This report is public	

Executive Summary

The Capital Strategy has been developed to apply from 2019/20 in accordance with revised guidance contained in The Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services and the Prudential Code (The Code). This sets out the strategic framework underpinning capital expenditure and the associated financing at the Council.

This also includes the Treasury Management Strategy which was previously considered in isolation up to 2018/19. It is also intrinsically linked to the council's ambitions of becoming a more commercially focused borough; one where sensible transactions are completed which create revenue returns which is then allocated to spending on the services which Thurrock residents use and depend. This income continues to support and enhance service delivery in the borough.

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.

1 Recommendation(s)

That the Cabinet recommends that Full Council:

- 1.1 Approve the Capital Strategy for 2020/21 including approval of the Annual Minimum Revenue Provision (MRP) statement for 2020/21;**
- 1.2 Approve the adoption of the prudential indicators as set out in Appendix 1; and**
- 1.3 Note the revised 2019/20 and 2020/21 Treasury Management projections as set out in Annex 1 paragraph 2.32**
- 1.4 Considers the recommendation from the Corporate Overview and Scrutiny Committee to further increase the democratic oversight of investment activity**

2 Introduction and Background

- 2.1 The Capital Strategy and the Annual MRP Statement are prepared under the terms of the CIPFA Prudential Code for Capital Finance in Local Authorities (the Code) and approval is sought for the adoption of the Prudential Indicators that have been developed in accordance with the Code.
- 2.2 The report also includes a forecast for Interest Receivable from Investments and the indicative Interest Payable on Borrowing.
- 2.3 The report covers a range of areas as set out below with the detailed document attached at Appendix 1.

Borrowing Activity

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. Officers continue to monitor this to ensure the Council can react to any changes in the economy through MTFS forecasting; and
- b) The approach taken to the Minimum Revenue Provision (as set out in Annex 1).

4. Reasons for Recommendation

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

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

5.1 As set out in section 4, the report is largely based on best practice and the Council's spending plans that have been scrutinised throughout recent months.

5.2 Corporate Overview and Scrutiny Committee considered the report at their meeting on 23 January 2020.

5.3 The discussion included consideration of:

- capital expenditure, capital financing and treasury management activity
- a summary of the overall treasury position of the Council
- a summary of the approach to short term and long term borrowing including an explanation of how the local authority market provides the opportunity for investment and borrowing at competitive interest rates
- how assurance is provided by external agencies to support the level of investment risk taken on by the Council

- An overview of the impact of the guidance the Council is required to meet on the treasury activity undertaken.

5.4 The Committee recommended to Cabinet that it should consider the best way to increase the democratic oversight of investments.

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.

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 Assistant Director for Law & Governance, Head of Legal and Monitoring Officer

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

7.3 **Diversity and Equality**

Implications verified by: **Becky Lee**
Team Manager - Community Development

There are no direct diversity implications noted in this report

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

- Not applicable

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

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

9. Appendices to the report

- Appendix 1 – Capital Strategy Report 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 £10k are not capitalised and are charged to revenue in year.

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

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

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

	2018/19 actual	2019/20 forecast	2020/21 forecast	2021/22 forecast	2022/23 forecast
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
TOTAL	467.122	255.981	341.471	340.897	368.153

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 Director's Board. This includes a final appraisal of all bids including final consideration of service priorities and financing costs. The final proposed capital programmes is then collated and reported with recommendations to the Corporate Overview and Scrutiny committee. The final capital programme is then presented to Cabinet and to Council in February each year as part of the overall budget setting process.

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

Table 2: Capital financing in £m

	2018/19 actual	2019/20 forecast	2020/21 forecast	2021/22 forecast	2022/23 forecast
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
TOTAL	467.122	255.981	341.471	340.897	368.153

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

	2018/19 actual	2019/20 forecast	2020/21 forecast	2021/22 forecast	2022/23 forecast
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

	31.3.2019 actual	31.3.2020 forecast	31.3.2021 forecast	31.3.2022 forecast	31.3.2023 forecast
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
TOTAL CFR	1,106.548	1,253.918	1,550.807	1,852.872	2,152.909

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

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

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

	31.3.2020 forecast	31.3.2021 forecast	31.3.2022 forecast	31.3.2023 forecast
Debt (incl. PFI & leases)	1,327.000	1,550.808	1,852.872	2,152.909
Capital Financing Requirement	1,253.917	1,550.807	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 recognising borrowing requirements ahead of need for future capital expenditure. As can be seen from table 6, the Council complies with this requirement.

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

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

	2019/20 Forecast	2020/21 limit	2021/22 limit	2022/23 limit
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

It is noted 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.

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

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

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

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

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

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

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

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

Investments for Service Purposes

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

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

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

Commercial Activities

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

To this end on 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 and insurance claims.

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

Revenue Budget Implications

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

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

	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
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 Director of Finance & IT is satisfied that the proposed capital programme is prudent, affordable and sustainable as set out annually in the s25 statement accompanying the setting of the annual budget.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Finance & IT is a qualified

accountant with 32 years' experience. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury), AAT & ACCA.

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

Treasury Management Strategy 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

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 2019/20 and 2020/21

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

	31/3/2021 Estimate £m	31/3/2022 Estimate £m	31/3/2023 Estimate £m
General Fund Borrowing CFR	296,468	329,603	371,900
Housing Revenue Account Borrowing CFR (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

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Total Borrowing CFR	1,550,777	1,852,872	2,152,909
Less: External Borrowing	1,327,000	1,537,541	1,839,676
Internal/(Over) Borrowing	223,777	315,331	313,233
Less: Useable Reserves	(11,000)	(11,000)	(11,000)
Borrowing Requirement	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;
 - UK Local Authorities;
 - Any institution approved for investments;

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- Any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK;
 - Public and private sector pension funds;
 - Capital market bond investors;
 - UK Municipal Bonds Agency;
 - Special purpose companies created to enable joint local authority bond issues;
 - Local Authority bills; and
 - Structured finance, such as operating/finance leases, hire purchase, Private Finance Initiative or sale and leaseback.
- 2.10 With regards to debt rescheduling, the PWLB allows Councils to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some lenders may also be prepared to negotiate premature repayment terms. The Council has in 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. 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.

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- 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 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.

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- 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.

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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:

	Budget 2019/20	Projected 2019/20	Projection 2020/21
	£'000's	£'000's	£'000's
Interest payable on External Debt			
Debt Interest		14,651	15,705
Total internal interest		96	96
Interest payable	<u>0</u>	<u>14,747</u>	<u>15,801</u>
Investment Income			
Interest on Investments	<u>0</u>	<u>(46,073)</u>	<u>(49,639)</u>
Net interest credited to the General Fund	<u>0</u>	<u>(31,326)</u>	<u>(33,838)</u>
MRP- Supported/Unsupported Borrowing	<u>0</u>	<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
UK Govt	N/A	N/A	N/A	N/A	£unlimited	50 years	N/A	N/A	N/A	N/A
AAA	£10m	5 years	£20m	20 years	£20m	50 years	£10m	20 years	£10m	20 years
AA+	£10m	5 years	£20m	10 years	£20m	25 years	£10m	10 years	£10m	10 years
AA	£10m	4 years	£20m	5 years	£20m	15 years	£10m	5 years	£10m	10 years
AA-	£10m	3 years	£20m	4 years	£20m	10 years	£10m	4 years	£10m	10 years
A+	£10m	2 years	£20m	3 years	£10m	5 years	£10m	3 years	£10m	5 years
A	£10m	1 year	£20m	2 years	£10m	5 years	£10m	2 years	£10m	5 years
A-	£7.5m	13 months	£15m	13 months	£10m	5 years	£10m	13 months	£10m	5 years
BBB+	£5m	6 months	£10m	6 months	£5m	2 years	£5m	6 months	£5m	2 years
BBB	£5m	100 days	£10m	100 days	N/A	N/A	N/A	N/A	N/A	N/A
BBB-	£5m	100 days	£10m	100 days	N/A	N/A	N/A	N/A	N/A	N/A
None	£5m	6 months	N/A	N/A	£5m	25 years	N/A	N/A	N/A	N/A

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Specified Investments

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

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

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

Non-specified Investments

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

Non-Specified Investment Limits

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

Investment Limits

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

Appendix 2

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

Liquidity Management

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

THE MINIMUM REVENUE PROVISION STATEMENT

Introduction:

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

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

Background:

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

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

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

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

Considerations:

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

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

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

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

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

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

The Annual MRP Statement

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

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

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

Proposals

The Minimum Revenue Provision Policy Statement for 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 DCLG; and
- The Council will also consider the use of capital receipts to pay down any MRP incurred.

The policy will be reviewed on an annual basis.

12 February 2020	ITEM: 16
Cabinet	
Housing Revenue Account - Business Plan and Budgets 2020/21	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Barry Johnson – Portfolio Holder for Housing	
Accountable Assistant Directors: Carol Hinvest – Assistant Director for Housing, Jonathan Wilson – Assistant Director for Finance	
Accountable Directors: Roger Harris – Corporate Director of Adults, Housing and Health, Interim Corporate Director of Children’s Services, Sean Clark – Corporate Director of Finance, Governance and Property	
This report is public	

Executive Summary

This report sets out the base budget position for 2020/21 following the review and update of the 30 year Housing Revenue Account (HRA) Business Plan. The Business Plan is a statutory requirement used to assess the ongoing financial viability of the HRA and its ability to deliver the Council’s Housing priorities.

The Business Plan considers whether the revenue streams from all sources, principally rents and service charges, are sufficient to finance anticipated expenditure on housing stock (both revenue and capital), service delivery, debt management and recharges.

From 2020/21 local authorities and registered providers have the ability to increase social and affordable rents in line with the new rent standard. In brief, this uses the formula of the September 2019 CPI rate of inflation (1.7 per cent) plus 1 per cent. This equates to a maximum level of increase applicable to a dwelling of 2.7 per cent. This provides the resources to meet the projected inflationary demands in order maintain the current level of service, whilst allowing some additional funding for service improvement.

Officers from the Corporate Finance department and the Housing service undertook a series of consultations with tenants in October 2019 to explain the rent setting process, changes in legislation and what a rent increase would mean financially for the HRA. These sessions were attended by 113 people in total, and allowed tenants to ask questions and voice any concerns that they had. Whilst the sessions were

primarily aimed at explaining rent and service charges, it also allowed tenants to raise specific issues around repairs and maintenance and service delivery.

A review of the housing services funded by the HRA has been undertaken. This has included identification of essential works required to the existing HRA stock and a detailed assessment of the demographic and inflationary costs in future years. This assessment has been factored into the budget requirement set out in this report

The stock condition survey has informed a number of the budget requirements for both the medium and long term. In addition, changes in legislation require the Council to finance compliance works, most notably in relation to high rise tower blocks. This is also included in the budget provision.

The transforming homes programme, which is intrinsically linked to the stock condition survey, has identified significant investment is required annually across the life of the 30 year Business Plan. Delivery of these works will ensure properties reach and maintain a decent homes standard. Specific capital investment in certain types of dwellings is also needed, namely non-traditional properties. This encompasses internal and external features of residential units (general needs and sheltered) as well as other assets such as communal hallways, parking areas, and garages.

The Housing service is focussed on ensuring that the HRA remains financially viable, and that the right priorities are set for capital expenditure to ensure residents have safe and secure accommodation maintained to a good standard of repair.

The proposed changes to rents and service charges are essential to ensure the level of investment identified in the business plan can be fulfilled and the HRA property is provided to a standard that primarily meets the needs of residents, while also delivering on the statutory responsibilities of the Council.

1. Recommendation(s):

- 1.1 That the changes included in the base budget for 2020/21 be agreed.**
- 1.2 That an increase in domestic rent of 2.7%, in line with the 30-year HRA business plan from 6 April 2020 be agreed.**
- 1.3 That a 2.7% increase in service charges for 2020/21 be agreed.**
- 1.4 That the Leaseholder charges for Homeownership services, detailed in para 5.8 be agreed.**
- 1.5 That the changes to garage rents detailed in para 3.11 be agreed.**
- 1.6 That the approval process for specific acquisitions that affect the HRA, detailed in para 4.5 be agreed.**

1.7 That Cabinet consider the recommendation made by the Housing Overview and Scrutiny Committee, set out in section 7.

2. Introduction and Background

2.1 The proposed Housing Revenue Account budget for 2020/21 is summarised below, and has been set in accordance with the revised 30 Year HRA Business Plan. This takes into account the long term strategy and financial viability of the service. The Business Plan, in its full detail sets out how the Council will finance the delivery of services within HRA over the next 30 years.

2.2 Following the tenants consultation, and taking on board the feedback from residents, funding has been identified and allocated for the priority areas discussed which include additional works on door entry systems, a brand new external and communal areas decorating programme, external refurbishment of tower blocks and the continuation of the transforming homes programme. This forms the basis of the proposed 2020/21 budget which can only be made possible with an increase to rent at the recommended level of 2.7%.

Table 1: Provisional 2020/21 budget summary

Service	2019/20 Revised Budget	2020/21					2020/21 Base Budget
		Additional Income	Inflationary Pressures	External decorating	Additional Repairs and Maintenance	New Build Properties	
£000's							
Financing and Recharges	23,681					509	24,190
Housing Operations	10,886		325				11,211
Repairs and Maintenance	13,597		160	600	559	203	15,118
Development and Regeneration	178		12				190
Rent and Income	(48,342)	(1,656)				(712)	(50,709)
Net Budget	0	(1,656)	497	600	559	0	0

2.3 Income raised through tenant's rents and service charges is ring-fenced, and cannot be used to fund expenditure outside of the housing revenue account.

3. Issues, Options and Analysis of Options

Rent and Service Charges

3.1 As detailed in the Housing O&S report on 1 October 2019, Central Government has given Councils the ability to increase rents from 2020/21. This follows the previous requirement for the Council to implement rent reductions in each of the previous 4 years.

3.2 For 2019/20, and the preceding three years, housing rents were subject to a 1% annual reduction. The financial impact of this on the previous HRA business plan, after being adjusted for inflation, equated to a cumulative reduction of 11% in the weekly rent charge. As a result of the rent reductions, and taking into account inflation, tenants, on average have been paying £10.74 per week less.

This is illustrated in the table below:

Table 2: Inflationary impact of rent reductions:

Financial Year	September CPI for prevailing	Rent Reduction applied	CPI + 1%	Reduction including inflation	Average Rent applying new standard	Actual Average	Inflated Reduction	Inflated rent reduction
		%	%	%	£	£	£	
2019/20	Sep-18 2.40%	-1%	3.40%	4.40%	97.77	87.03	10.74	11.0%
2018/19	Sep-17 3.00%	-1%	4.00%	5.00%	96.73			
2017/18	Sep-16 1.00%	-1%	2.00%	3.00%	93.01			
2016/17	Sep-15 -0.10%	-1%	0.90%	1.90%	91.19			
	Average Rent 2015/16 (prior to rent reductions)				90.18			

3.3 Since the report to the Housing Overview and Scrutiny Committee in October 2019, the following updates are applicable:

- The proposed average increases in rent and service charges has reduced from 3.2% to 2.7% following confirmation of the September 2019 CPI (1.7%).
- An extensive face to face and online consultation exercise has been undertaken to engage with residents.
- The findings of the Phase 1 Grenfell Tower inquiry have been published.

3.4 In order to finance the required level of investment, and taking on board feedback from residents on the proposal and their views on service delivery and priorities, it is recommended that the Council apply the full 2.7% rent increase in 2020/21. Based on the overall average of the stock, this is shown in the Table below:

Table 3: Proposed 2020/21 weekly rents

Number of properties	Bedrooms	2019.20	2019.20	2020.21	2020.21	2020.21
		Actual Rent	Service Charge	Proposed Rent	Proposed Service Charge	Actual Rent Increase %
244	Studio	60.47	21.00	62.09	21.57	2.69%
2791	1	73.69	9.76	75.68	10.03	2.70%
2205	2	80.47	17.00	82.62	17.45	2.68%
4211	3	100.54	2.39	103.25	2.45	2.70%
223	4	113.00	0.26	116.04	0.27	2.69%
7	5	113.22	0.00	116.28	0.00	2.70%
3	>5	124.20	0.00	127.43	0.00	2.60%
9,684	OVERALL	87.52	8.26	89.88	8.48	2.69%

Tenants Consultation

- 3.5 The overarching response from tenants, as detailed in the executive summary, was that they appreciate the need to continue with, and improve service delivery, and that the HRA needs to increase rents in order to generate the resources required to finance the plans of the service. One key area of clarification required at the meetings was an explanation of how Local Authority funding works, and in particular, the distinction between the HRA and the General Fund. Tenants were assured that any increase in rent charges would result in additional resources that are ring-fenced to the HRA which cannot be spent on wider Council activities and must provide a direct benefit to housing tenants.
- 3.6 No significant concerns were raised towards an increase to the rent, and the underlying message that the Council can only deliver improved services with additional resources resonated well with the participants in these discussions.
- 3.7 Clarification was also provided to explain a 2.7% rent increase would still result in rent being significantly lower than the Local Housing Allowance (or upper limit for housing benefit and universal credit).
- 3.8 Officers from the Council articulated where the additional funding would be spent with the key focus being the medium term continuation of the transforming homes programme and further improvements to housing stock through additional funding of repairs and maintenance
- 3.9 The weekly rent charge, including service charges applied to new build properties has been capped at the Local Housing Allowance level for the area. This will apply to the new properties at the Tops Club site in Grays, and

Claudian Way in Chadwell that will form part of the housing stock in the near future.

Adjustments to reflect spending in current financial year

- 3.10 The HRA has seen an increase in demand for repairs and maintenance during the current financial year. Specifically these additional works pertain to electrical maintenance testing, as well as minor repairs. The 2020/21 budget will be increased to reflect the additional cost pressures to address the demand, and allow the continuation of these works.

Garage Rents

- 3.11 The current weekly charges for garage rents are £10 per week for council tenants and £12 per week for non-Council tenants. It is recommended that these charges are increased to £10.50 for a Council tenant, and £15.00 per week for a non-Council tenant in 2020/21. This will bring the up to a level in line with inflation.

Capital programme and priorities

- 3.12 The medium term (next 5 years) findings of the HRA business plan have highlighted a need to significantly increase the capital investment in existing the stock. The key areas of focus are:
- Continuation of the transforming homes programme
 - Fire safety works
 - Tower block refurbishment
 - Non-traditional property refurbishment
 - Large scale replacements of maintained items i.e. boilers, door entry and water mains
 - Refurbishment of lifts
 - Additional resources to manage the maintenance and safety of the stock
- 3.13 The medium term financial implication of these works are set out in the table below:

Table 4: HRA Business Plan Capital Investment Requirements

Programme	Year/£m				
	2020/21	2021/22	2022/23	2023/24	2024/25
Transforming Homes	11.84	10.30	10.30	10.30	10.30
Major Adaptations	0.15	0.15	0.15	0.15	0.15
Sheltered Improvement Project	0.50	0.00	0.00	0.00	0.00
Fire Safety Works	1.00	1.00	1.00	1.00	1.00
Tower Block Refurbishment	6.18	14.42	2.58	0.00	0.00
Non-Traditional Refurb	0.20	1.72	2.34	3.03	0.00
Garages	0.20	0.50	0.50	0.50	0.50
Gas Boiler Installs	0.60	0.60	0.60	0.60	0.60
Lifts	0.14	0.14	0.14	0.14	0.14
Door Entry Installations	0.35	0.35	0.35	0.35	0.35
Water Mains	0.16	0.16	0.16	0.16	0.16
Staffing Costs Capital Programme	0.16	0.16	0.16	0.16	0.16
Capital financing requirement	21.48	29.50	18.28	16.39	13.36
Financing of Capital Programme					
Revenue Contribution to Capital	(10.54)	(10.54)	(10.54)	(10.54)	(10.54)
Borrowing requirement	(10.94)	(18.96)	(7.74)	(5.85)	(2.82)
Revenue Capital financing cost	0.33	0.57	0.23	0.18	0.08
Cumulative budget requirement	0.33	0.90	1.13	1.31	1.39

3.14 Through the use of prudential borrowing and revenue contributions to Capital, the HRA is able to finance the cost of the proposed five year capital programme. This will ensure that the Council is able meet the cost of existing statutory compliance works, continue with the transforming homes programme as well as additional recommendations that have been made following the Grenfell tragedy.

3.15 It is essential that these works are completed within the medium term, and the prudential borrowing costs will be funded from additional income generated through the rent increase. This will also ensure that the maximum number of tenants receive a tangible benefit from the rent increase proposed. Furthermore, additional investment into the stock will have a financial benefit by reducing the level of voids, and re-let times and increase long term sustainability.

4 HRA New Build – Continuing to Build

4.1 The housing developments at Tops Club and Claudian Way are now nearing completion, and will add additional capacity to the housing stock in the form of

new, quality dwellings. In 2021/22, Calcutta Road will continue to be built out, thus completing the first phase of the HRA new build programme.

- 4.2 The HRA has a clear ambition to deliver new, quality social housing. Through a combination of prudential borrowing and the application of Right to Buy one for one capital receipts, delivery of new housing is financially viable and achievable while also capping rents at an upper limit equal to the Local Housing allowance. Further development sites continue to be identified, and will come forward to Cabinet in due course.

One for One Right to Buy Receipts

- 4.3 The Council currently has unallocated receipts in the region of £10m. Under current Central Government legislation, these receipts remain time limited and must be return, with a compound interest of 4% per annum. The proposal to utilise the receipts which are approaching their expiration period in March 2020, was through a programme of strategic property acquisition comprising of the following:

- Purchase of properties for the Head Start Housing Programme in conjunction with Children's services and endorsed in the recent OFSTED inspection
- Purchase of 5 and 6 bedroom properties to combat the overcrowding problems some families are experiencing with their current housing allocation

- 4.4 This programme is fully funded through a combination of prudential borrowing, the capital allocation within the General Fund (£1m agreed within the 2019/20 Capital programme for Head start Housing) and the use of one for one receipts, which will fund 30% of all expenditure

- 4.5 In light of the decision taken by General Service Committee and full Council to change the constitution with regards to property acquisitions and disposals over £0.200m, Cabinet are asked to agree a process for specific acquisitions that affect the HRA. This will include the acquisition of properties where the HRA is buying back properties that were previously sold under right to buy, and open market properties where 30% of the cost can be offset by utilising one for one right to buy receipts. This recommendation will also include properties to be used as part of the Head start housing programme where a quick decision is required in order to complete the purchase within a short time frame. Cabinet will be asked to delegate these decision to the Corporate Director in consultation with the Portfolio holder. This will ensure that the properties can be acquired speedily (subject to appropriate due diligence), and avoid the need to return the right to buy capital receipts, whilst at the same time ensuring there is appropriate member oversight.

5 HRA Medium Term Financial Strategy

- 5.1 The table below sets out the main HRA budget medium term financial strategy from the HRA Business Plan, 2020/21 to 2024/15. This shows the forecast incremental changes to the budget for the duration of the next five years.

Narrative	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
1. Local Funding					
Rents and Service Charges for existing stock	(1,427)	(1,358)	(1,399)	(1,440)	(1,481)
New Build rents and service charges	(712)	(250)	0	0	0
Other Income	(15)	(15)	(15)	(15)	(15)
	<u>(2,154)</u>	<u>(1,623)</u>	<u>(1,414)</u>	<u>(1,455)</u>	<u>(1,496)</u>
Net Additional (Reduction) in resources	(2,154)	(1,623)	(1,414)	(1,455)	(1,496)
2. Inflation and other increases					
Housing Operations	341	351	360	370	380
Repairs and Maintenance Contractors	156	160	164	169	173
	<u>497</u>	<u>510</u>	<u>524</u>	<u>538</u>	<u>553</u>
3. Treasury					
Interest Costs	1,584	0	0	0	0
Treasury and Capital Financing	<u>1,584</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4. Growth					
Exterior Decorating	600	200	200	200	200
Repairs and Maintenance	559	250	250	250	250
New Build contingency	203	0	0	0	0
	<u>1,361</u>	<u>450</u>	<u>450</u>	<u>450</u>	<u>450</u>
5. Capital Financing Adjustment	(1,288)	0	0	0	0
6. Future Service Investment	0	663	440	467	493
(Surplus) / Deficit	0	0	0	0	0

Reserves

- 5.2 The opening level of useable reserve for 2019/20 are detailed in the table below. Funding within the development is earmark against the cost of the HRA new building programme, and the housing zones funding supported the development of identified sites.
- 5.3 The HRA is required to maintain a level of balances, which currently amount to £2.175m. This balance will be maintained in the current financial year, and will be assessed on a annual basis to ensure that remains sufficient.

HRA Reserves	Opening 2019/20
Development Reserve (HRA)	(5.785)
Balances (HRA)	(2.175)
Housing Zones Funding (HRA)	(1.,274)

Leaseholder charges – Homeownership Services

- 5.4 The Council has almost 1,000 leaseholders, of these 337 do not reside at their property. Additionally, 185 do not reside within the Borough.
- 5.5 In addition to the day to day services provided to manage and administer these properties, the Homeownership team are asked to provide a number of services to the Council's leaseholders and their legal representatives. This arises when the leaseholders wish to sell on their properties, make changes to their lease arrangements or require additional copies of previously provided information.
- 5.6 Housing are seeing increased requests for these services. In addition to this all local authority leases are now falling below 80 year life spans and are therefore requiring extensions in order for the properties to remain mortgage able. The Homeownership service have processed the first of these this year and we are likely to see many more requests for these at the point of sale in future.
- 5.7 It is normal practice for local authorities to make charges for these additional services and to recover the costs of any professional fees required.
- 5.8 It is proposed that the following charges are applied. The charges proposed are comparable to other boroughs and housing organisations.
- Housing Management Pack £ 210
 - Housing - Management Pack follow up questions £ 45
 - Lease Extension - valuation and administration £1,200
 - Retrospective landlord consent - Homeownership fee £ 120
 - Retrospective landlord consent - Surveyors fee £ 120
 - Notice of Assignment - Homeownership fee £ 17

6. Reasons for Recommendation

- 6.1 The report sets out the 2020/21 HRA budget implications following the update of the HRA business plan. The proposals put forward have been calculated and assessed in terms of affordability. It is a legal and operational requirement that a balanced budget is set for the HRA.

7. Consultation

7.1 The report was presented to the Housing Overview and Scrutiny Committee on 14 January 2020. The Committee commented on the budget assumptions made within the report, the impact of the rent increase on the business plan and the ability to deliver the services and level of Capital investment required. The Committee concluded that they could not endorse the recommendation of a 2.7% rent increase, and a 2.7% increase in service charges (to reflect the cost of delivering the service to maintain cost recovery), and made a recommendation to propose to Cabinet a freeze on both of the increases.

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

8.1 The management and operation of the HRA strives to support vulnerable residents. The 30 year business plan sets out to ensure there is value for money within the Housing Service. The service is committed to the delivery of decent homes for its tenants, and compliance with legislation.

9. Implications

9.1 Financial

Implications verified by: **Mike Jones**
Strategic Lead Corporate Finance

Financial implications are set out in the body of the report.

9.2 Legal

Implications verified by: **Martin Hall**
Housing Solicitor

Section 76 of the Local Government and Housing Act 1989 imposes a duty on local housing authorities to prevent debit balances arising in their Housing Revenue Account (“the HRA”). The HRA is a record of revenue expenditure and income in relation to an authority’s own housing stock.

The principal statutory provision governing the fixing of rent for Council property is contained in section 24 of the Housing Act 1985, which provides that authorities may “make such reasonable charges...as they may determine.” Further, it requires the local authority, from time to time, to review rents and other charges and make such changes, as circumstances may require.

9.3 Diversity and Equality

Implications verified by: **Natalie Smith**

Community Development and Equalities Manager

The Council's Housing Revenue Account works to reflect the Council's policy in relation to the provision of social housing with particular regard to the use of its own stock. In addition to the provision of general housing, it incorporates a number of budgetary provisions aimed at providing assistance to disadvantaged groups. This included adaptations to the stock for residents with disabilities.

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

None

- 11. Appendices to the report**

None

Report Author:

Mike Jones

Strategic Lead

Corporate Finance

12 February 2020	ITEM: 17 Decision: 110524
Cabinet	
Housing Development Options List	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Barry Johnson, Portfolio Holder for Housing	
Accountable Assistant Director: David Moore, Interim Assistant Director of Place Delivery	
Accountable Director: Andy Millard, Director of Place	
This report is Public	

Executive Summary

On 15 January 2020, Cabinet agreed a process and criteria by which Council owned sites are selected for redevelopment for residential purposes. This report now follows the criteria established by Cabinet and sets out a list of site options that are recommended to be considered for residential development by the Council (through the Housing Revenue Account (HRA)) or by the Council's wholly owned company, Thurrock Regeneration Limited (TRL).

The list of site options will enable officers to have greater focus and work more efficiently towards delivering the housing development targets as time will be spent on sites that are agreed, rather than reacting and working on sites that may be abortive.

The report does not seek approval for individual housing development schemes, nor for housing development contracts to be tendered. Its purpose, in accordance with the procedure agreed by Cabinet in January, is to identify a list of potential housing development site options that have been assessed against the initial criteria agreed by Cabinet. The list of site options will then be explored further to establish their suitability for development, subject to the appropriate levels of engagement and consultation with stakeholders and communities.

1. Recommendation

- 1.1 **Cabinet approve the list of housing development site options to be taken forward for further detailed work, involving engagement with stakeholders and communities.**

2. Introduction and Background

- 2.1 The emerging Local Plan refers to the need for up to 32,000 new homes in Thurrock during the next Local Plan period to 2038.
- 2.2 As a contribution to this target, the Council has agreed its own ambitious targets for house-building, both through the Housing Revenue Account (HRA) and through Thurrock Regeneration Limited (TRL). These targets are to build:
- up to 500 affordable HRA homes between 2019 to 2029
 - 1,000 homes for sale and rent by TRL by 2023
- 2.3 This follows the publication of the South Essex Strategic Housing Market Assessment (May 2017) which objectively assessed the need for housing in Thurrock between 2014 and 2037 as being between 1,074-1,381 new dwellings per annum, within which the affordable housing element is estimated at 472 dwellings per annum.
- 2.4 On 18 June 2019, the Housing Overview and Scrutiny Committee endorsed the delivery of a New Homes Delivery Programme through the HRA for the next 5 to 10 years and resolved to receive regular updates to assist in its successful delivery.
- 2.5 Further reports to Housing Overview and Scrutiny and Cabinet on 29 October 2019 and 15 January 2020 respectively established the process and criteria by which sites are to be identified as potential housing development sites.
- 2.6 The aim of the list of site options is to provide greater transparency on the sites being considered for potential housing development, to address the Council's growth aspirations and Housing Development targets.
- 2.7 The list of development site options will also provide a focus for Housing Development activity in the Council and through TRL, leading to greater efficiencies and improved delivery.

3. Issues, Options and Analysis of Options

The Options List

- 3.1 This report identifies twenty Council-owned sites that have been through the newly established process and criteria and have been identified as potentially being suitable for residential development by the HRA or TRL. The list of site options is summarised in Appendix A, with more detailed site by site information contained in Appendix B.
- 3.2. In total, the site options on the list could deliver up to 926 new homes against the Council's and TRL's targets, although it should be emphasised that these figures are presently indicative. It is expected that there will be a mix of unit

types, tenures and sizes that are appropriate for each site and which also meet (at a programme level) the Council's cross-tenure housing needs.

- 3.3 It should be noted that the recommended approval of the Housing Development Options List does not constitute any form of planning endorsement, nor does this report create authority for schemes to proceed or construction contracts to be tendered. The sites on the list will be brought forward in the normal way, including consultation with stakeholders and communities. Regular progress and update reports will be brought to the Housing Overview and Scrutiny Committee, on the overall progress of the housing development programme, together with any additional schemes or amendments to the existing programme.
- 3.4 In addition, if site options are identified as being suitable for development by TRL, then further approvals will be needed from TRL's Board once the site has been deemed viable. The terms of any land transfer will require separate Cabinet approval.

Next Steps

- 3.5 Following agreement of sites on the options list, they will be taken forward for further development work and detailed engagement with local communities, in a process that will be supported by the Council's internal Community Development and Equalities Team, with input from other agencies as required. This is to ensure that any new development meet the Council's standards and that stakeholders and communities are fully engaged in the process.
- 3.6 Those sites considered suitable to progress to the development stage will then be subject to final approvals at Cabinet (tender approvals, award of contracts etc.) and Planning Committee as set out above.

Updates and Amendments

- 3.7 The list of potential sites for development will from time to time require amendment and updating as new sites become available in line with the established criteria. The housing development programme will need to be dynamic and forward moving and it is recommended that programme updates should be brought to Housing Overview and Scrutiny Committee on a regular basis to update Members on progress.
- 3.8 Any significant changes to the sites on the agreed list (such as changes to the "redline" boundary if neighbouring sites are identified that could sensibly be added to an agreed scheme) would be made in consultation with the Portfolio Holder and reported back regularly to Housing Overview and Scrutiny Committee.

4. Reasons for Recommendation

4.1 The recommendation is informed by the recently agreed Housing Delivery process, which was put into place in order to ensure that the Council can achieve its Housing Delivery targets in an open and transparent manner and in close liaison with local communities and can then focus on the effective delivery of schemes.

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

5.1 These site options are to be considered by Housing Overview and Scrutiny Committee on 11th February 2020 and, due to the need to publish this Cabinet paper prior to that meeting, comments from the Housing and Scrutiny Committee will be reported verbally to Cabinet.

5.2 Housing Overview and Scrutiny committee has also previously considered the New Homes Delivery Programme on 18th June 2019 and the Housing Development Process on 29th October 2019.

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

6.1 The proposed list of housing development site options aligns closely with the Council's Vision and Priorities adopted in 2018. In particular it resonates with the "Place" theme which focuses on houses, places and environments in which residents can take pride.

7. Implications

7.1 Financial

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

Approval of the process will enable the Council and TRL to move forward with delivering a house programme which will contribute to the wider objectives of the Council and support the Council's MTFs (where schemes are developed through TRL).

Costs associated with the initial feasibility assessment of schemes will need to be considered depending on the nature of the scheme and whether it is subsequently developed by the HRA or TRL.

The proposal is also likely to reduce the level of capital receipts available to the Council to fund other priorities.

7.2 Legal

Implications verified by: **Courage Emovon**
Acting Strategic Lead / Deputy Head of Legal Services & Deputy Monitoring Officer

This report sets out the list of potential site options for development on Council owned sites for residential development via the Housing Revenue Account or for development by Thurrock Regeneration Limited (a Council wholly owned company). Legal Services will provide all legal advice (if any) arising from this report, as and when required by the Council.

7.3 **Diversity and Equality**

Implications verified by: **Becky Lee**
Team Manager – Community Development and Equalities

The service has completed a Community Equality Impact Assessment (CEIA) in line with Equality Act 2010 requirements and to gather an understanding of the impact on protected groups through the implementation of the process set out in this report. The findings from the CEIA established that the implications for each protected group is currently considered neutral. Individual CEIAs will sit alongside development proposals with information gathered in consultation with communities determining potential impacts and mitigation where identified for individuals or groups with protected characteristics. This will ensure more detailed consideration of the impacts of particular developments than is possible within the scope of the overarching CEIA and process set out in 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):

- Cabinet report 15 Jan 2020 (Housing Development Process)

9. **Appendices to the report**

- Appendix A – The list of proposed residential development sites
- Appendix B – Individual site infographics

Report Author:

Keith Andrews

Housing Development Manager

Place Delivery

APPENDIX A - HOUSING DEVELOPMENT OPTIONS LIST

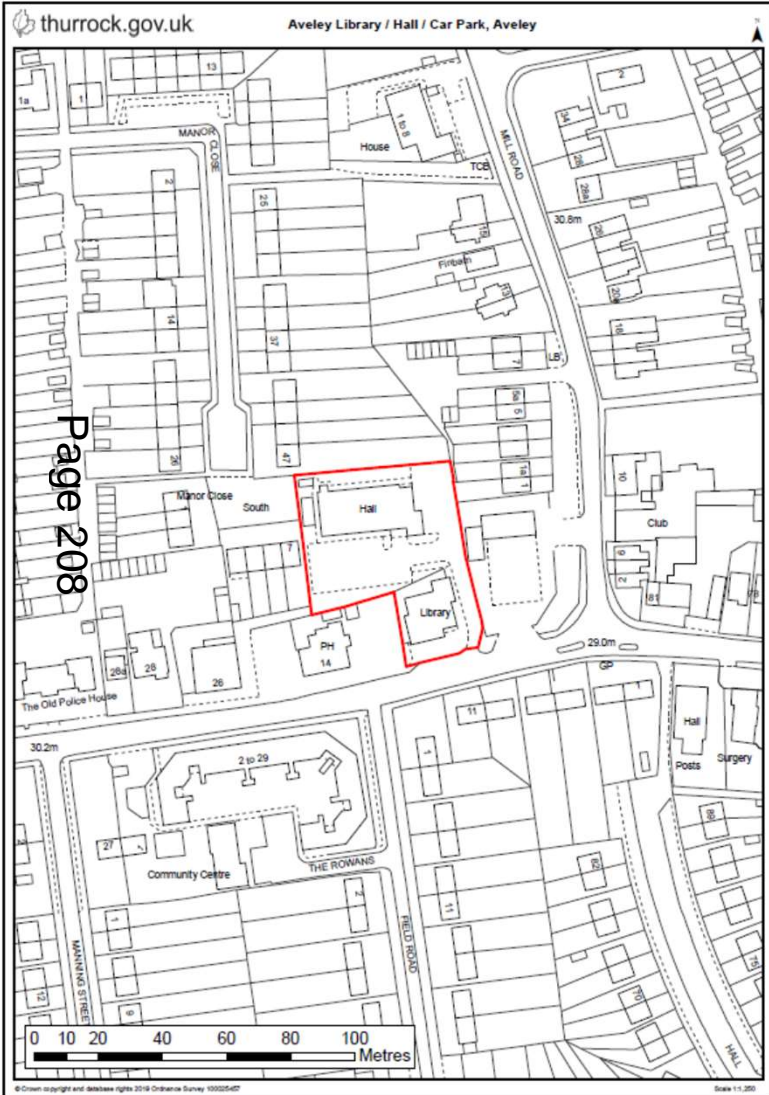
#	SCHEME NAME	Size (ha)	Size (ac)	Potential Capacity	Ward	Comment
1	Aveley Library/Hall/Car Park	0.26	0.64	9	Aveley & Uplands	Library re-provided. Future of adjoining hall remains under discussion but could be incorporated if released for development.
2	Garron Lane/Humber Ave	0.78	1.93	26	Belhus	Existing grassed area identified by 3R's review and does not provide high quality amenity space
3	Enborne Green	0.35	0.87	11	South Ockendon	Existing grassed area identified does not provide high quality amenity space
4	Derry Avenue	0.40	0.99	14	South Ockendon	Existing grassed area identified does not provide high quality amenity space
5	Culver Centre & Field	4.42	10.92	195	Belhus	Open space identified as "low" quality & surplus to requirements. Education support release of former Culver Centre as surplus.
6	Whiteacre	1.24	3.06	45	Belhus	45 self-contained dwellings as part of a wider residential care facility
7	Prince of Wales Public House	0.46	1.14	10	South Ockendon	Vacant and dilapidated former pub. Potential wider site with adjoining open space
8	Callan Grove	0.51	1.26	43	Belhus	Existing grassed area identified does not provide high quality amenity space
9	Broxburn Drive	0.81	2.00	60	Belhus	Site includes a high number of vacant garages and infill
10	Crammervill Street/Fleethall Grove	0.50	1.24	17	Stifford Clays	Locations largely comprised of underused and cleared HRA garage sites.
11	Darnley & Crown Road	0.56	1.38	90	Grays Riverside	Council car park. Parking survey identifies surplus town centre parking
12	CO1(Civic Offices).	0.18	0.44	82	Grays Riverside	Housing redevelopment replacing office space to be relocated under the civic extension project
13	Argent Street	0.21	0.52	32	Grays Riverside	Council car park. Parking survey identifies surplus town centre parking
14	Thames Road	0.40	1.00	89	Grays Riverside	Council car park. Parking survey identifies surplus town centre parking
15	Manor Way	0.82	2.03	60	Grays Thurrock	Potential development with adjoining private sector led development.
16	Bridge Road (East Side)	0.54	1.33	20	Grays Thurrock	Cleared site adjoining scout hall. Infographic red line includes part of land used as car parking for Adult Education Centre if not required for that purpose.
17	13 Loewen Road	0.12	0.30	5	Chadwell St Mary	Vacant HRA dwelling in poor condition in large plot
18	Vigerons Way	0.17	0.42	8	Chadwell St Mary	Underused and largely vacant HRA garage site
19	Ridgewell Road	1.50	3.71	55	Orsett	Redevelopment and replacement of existing Pre-cast dwellings HRA and privately owned dwellings.
20	Springhouse Road	1.78	4.40	55	Stanford East & Corringham Town	Open space. Identified for redevelopment by 3R's review

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Appendix B

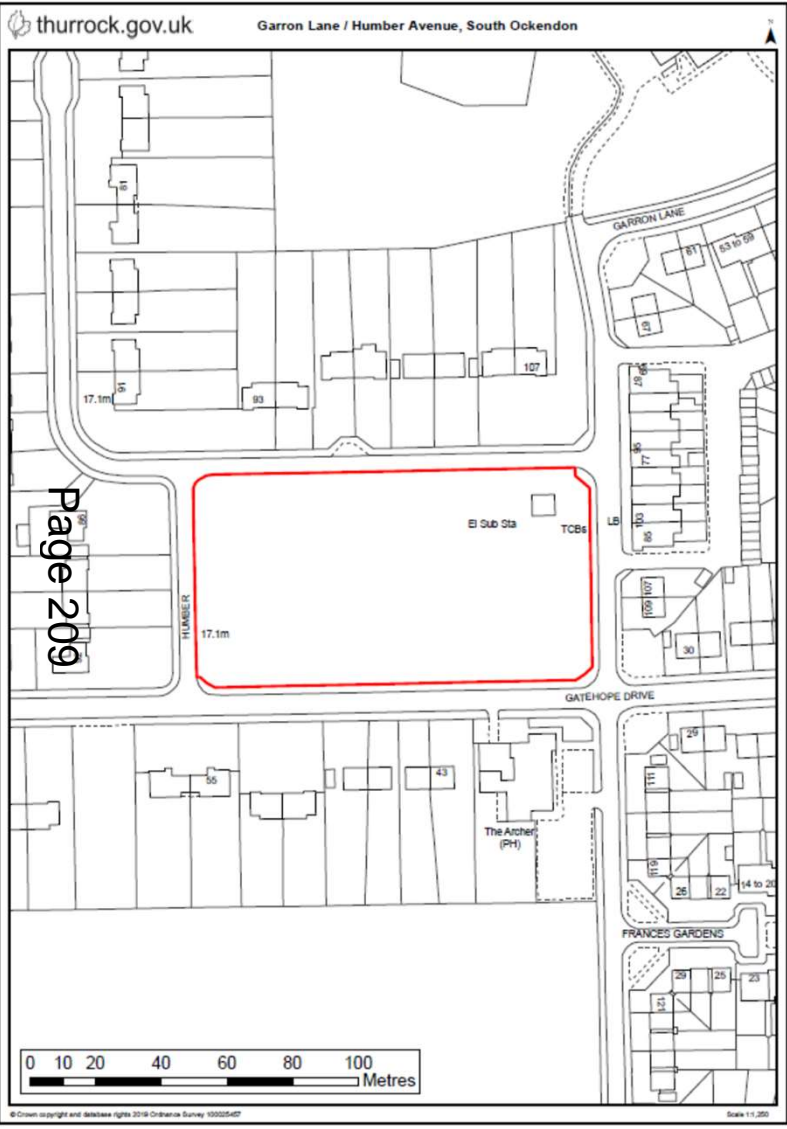
Housing Development Options List - Infographics
Cabinet

12 February 2020



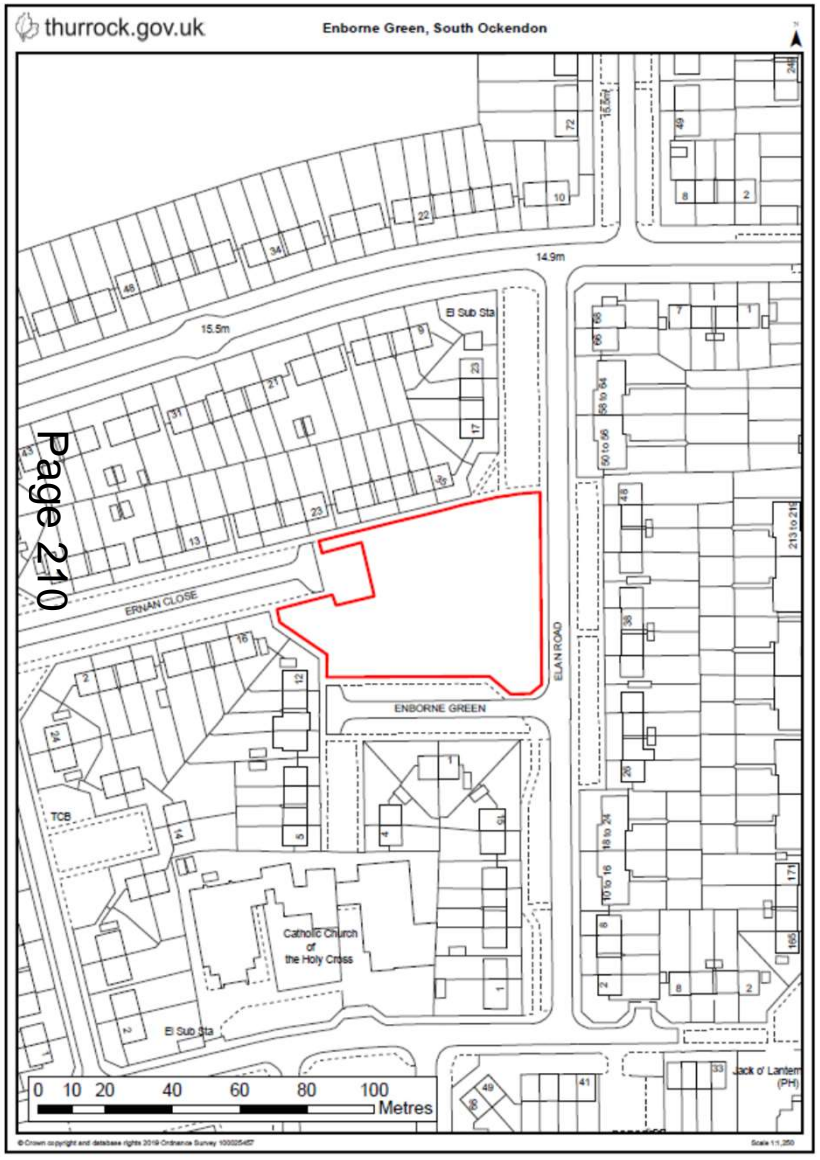
Name - Site #1	Aveley Library/Hall/Car Park, Aveley
Address	Aveley Library, Purfleet Road, South Ockendon, RM15 4DJ
Ward	Aveley & Uplands
Site Area	0.26 Hectares / 0.64 Acres
Tenure	Freehold
Existing Use	Vacant Site (Brownfield)
Local Plan Designation	Undesignated
Estimated Site Capacity	9 Units





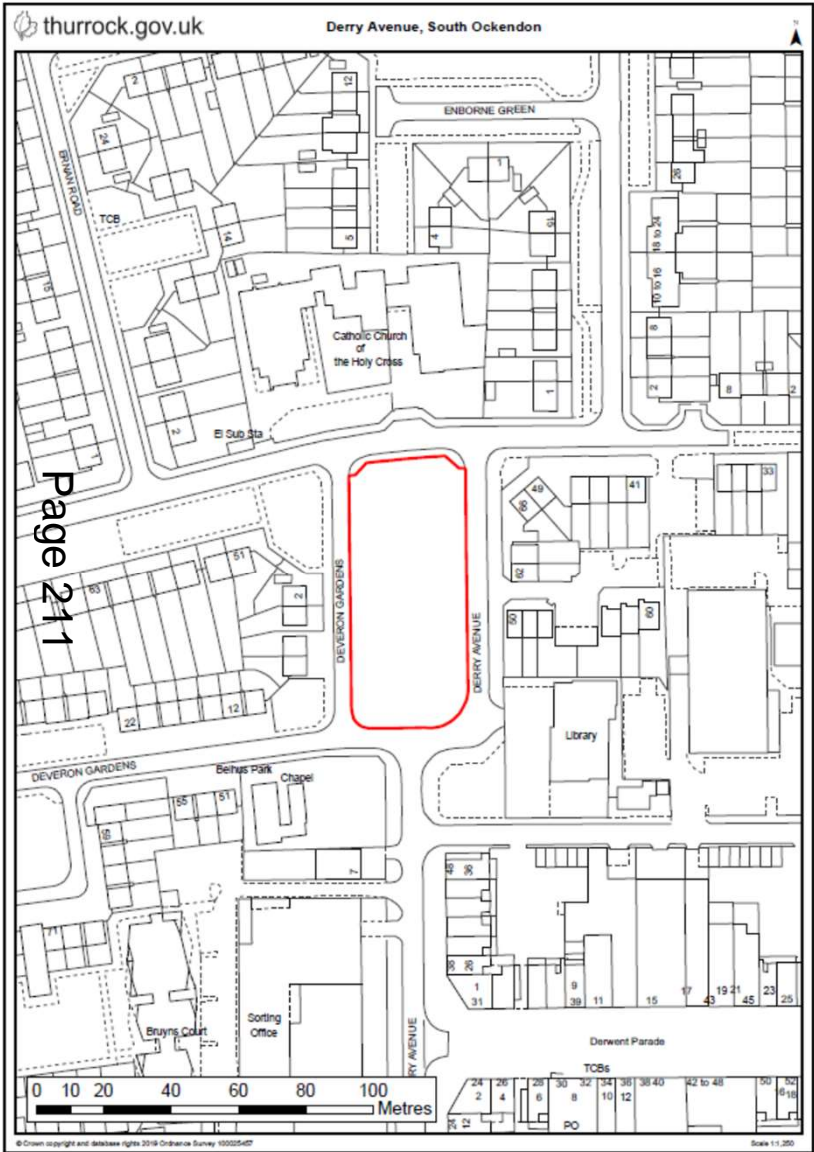
Name – Site #2	Garron Lane/Humber Ave South, Ockendon
Address	Garron Lane/Humber Ave, South Ockendon RM15 5JQ
Ward	Belhus
Site Area	0.78 Hectares / 1.93 Acres
Tenure	Freehold
Existing Use	Amenity Green
Local Plan Designation	Existing Open space
Estimated Site Capacity	Houses: Total: 26 Units





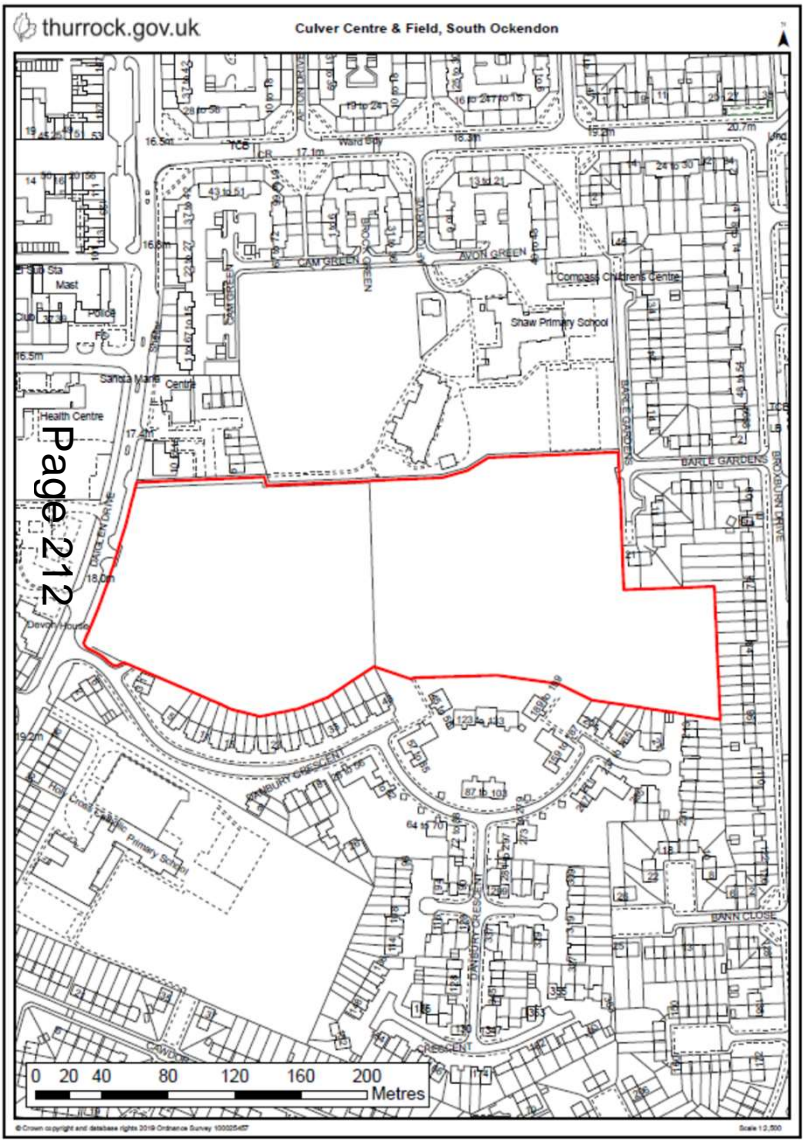
Name – Site #3	Enborne Green, South Ockendon
Address	Enborne Green, South Ockendon, RM15 5EL
Ward	South Ockendon
Site Area	0.35 Hectares / 0.87 Acres
Tenure	Freehold
Existing Use	Amenity Green
Local Plan Designation	Undesignated
Estimated Site Capacity	Houses: Total: 11 Units





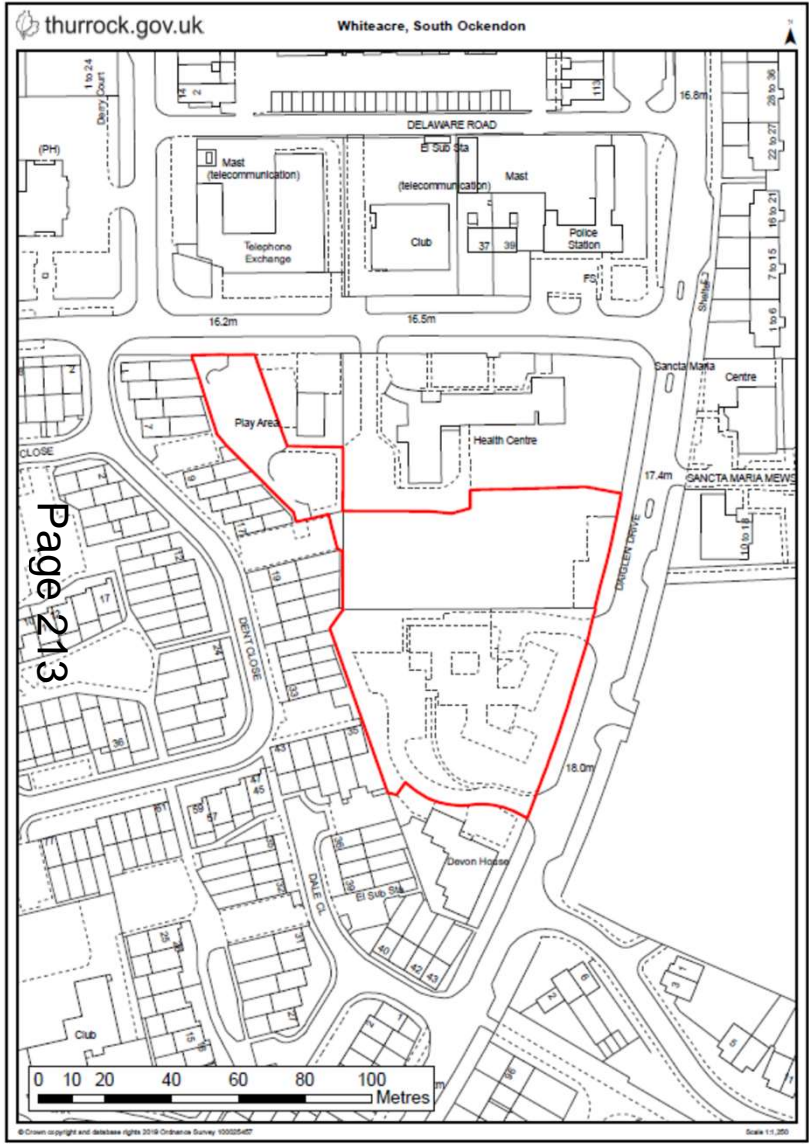
Name – Site #4	Derry Avenue, South Ockendon
Address	Derry Avenue, South Ockendon RM15 5DZ
Ward	South Ockendon
Site Area	0.4 Hectares / 0.988 Acres
Tenure	Freehold
Existing Use	Amenity Green
Local Plan Designation	Undesignated
Estimated Site Capacity	Houses: Total 14 Units





Name – Site #5	Culver Centre & Field, South Ockendon
Address	Culver Centre, South Ockendon, RM15 5RR
Ward	Belhus
Site Area	4.42 Hectares / 10.92 Acres
Tenure	Freehold
Existing Use	Vacant Brownfield & Open Space
Classification	Part Existing Open Space & Part Undesignated
Estimated Site Capacity	(Mix of Houses/Apartments) Total: 195 Units

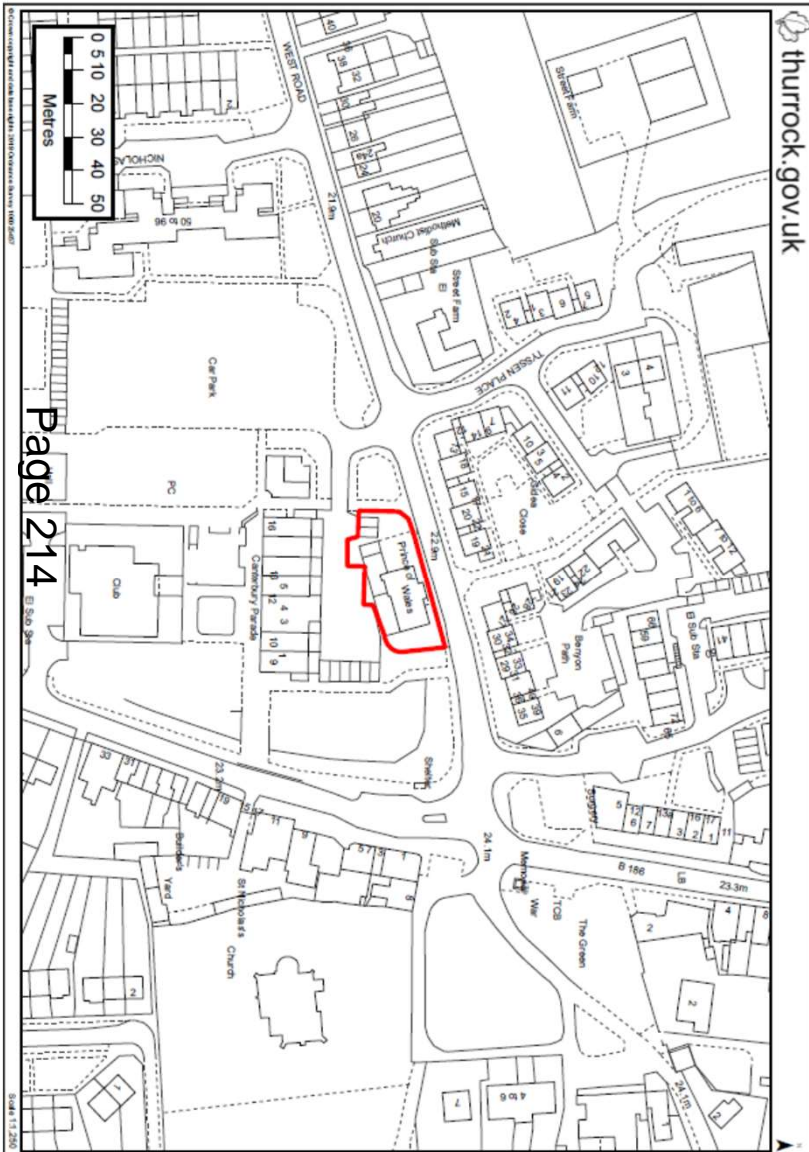




Name – Site #6	Whiteacre, South Ockendon
Address	Whiteacre, South Ockendon
Ward	Belhus
Site Area	1.24 Hectares / 3.06 Acres
Tenure	Freehold
Existing Use	Vacant site (Brownfield) – Cabinet approval exists for redevelopment for scheme providing residential and nursing care
Local Plan Designation	Undesignated
Estimated Site Capacity	A new residential care facility will provide social care and nursing care in a specialised setting of 45 self-contained dwellings, and 30 ensuite bedrooms, with associated care facilities (lounges, restaurant, treatment rooms, laundry etc).

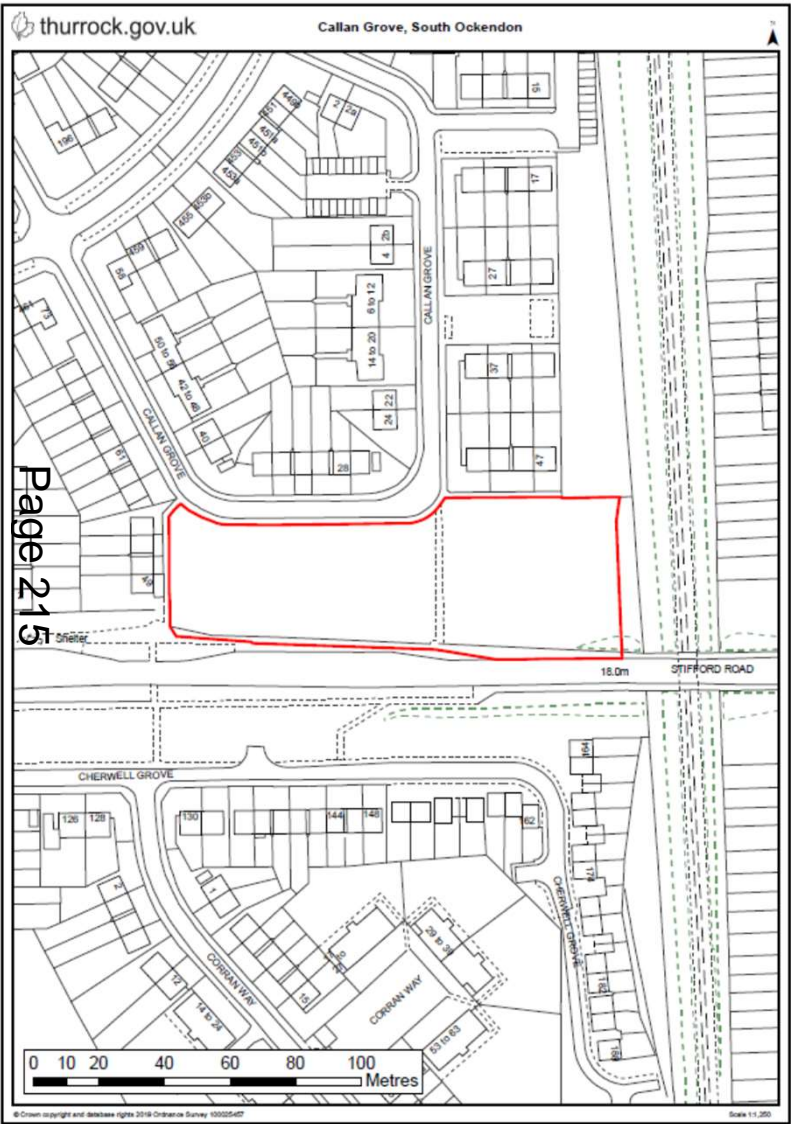


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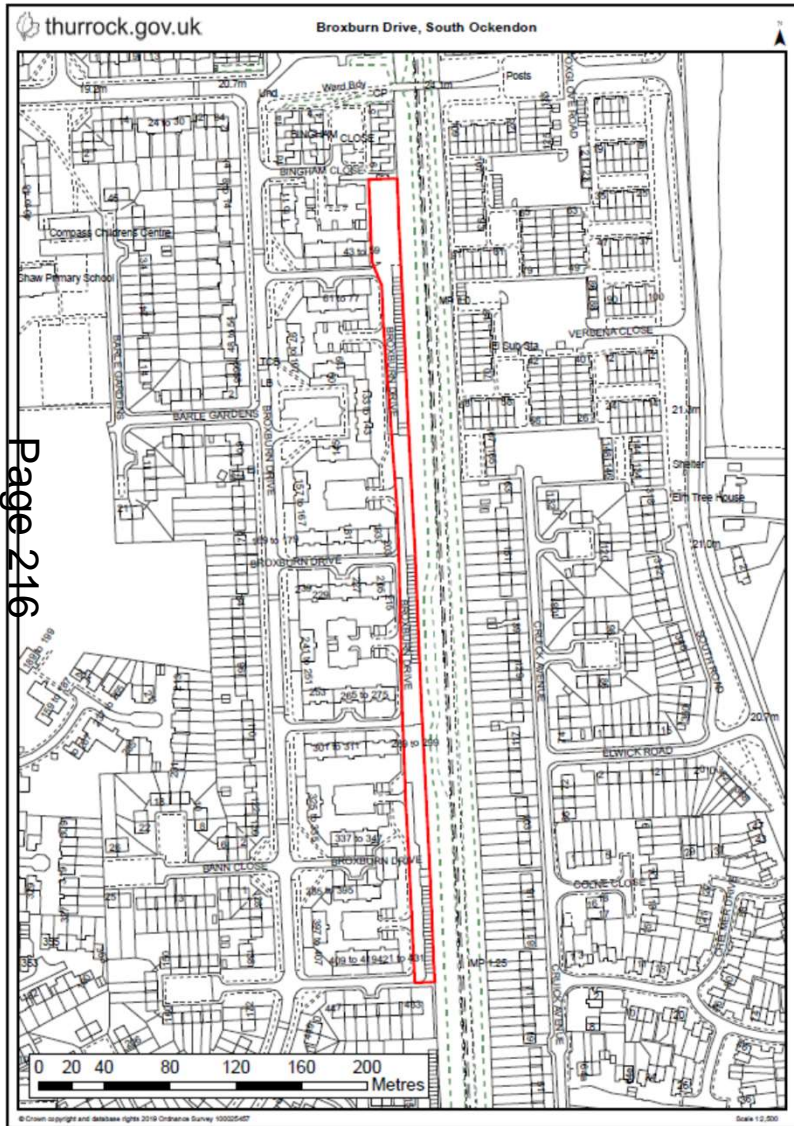
Name – Site #7	Prince of Wales Public House, South Ockendon
Address	Prince of Wales, South Ockendon RM15 6PA
Ward	South Ockendon
Site Area	0.46 Hectares / 0.14 Acres
Tenure	Freehold
Existing Use	Vacant site (Brownfield)
Local Plan Designation	Undesignated
Estimated Site Capacity	Apartments: 10 Units





Name – Site #8	Callan Grove, South Ockendon
Address	Callan Grove, South Ockendon RM15 5PW
Ward	Belhus
Site Area	0.51 Hectares / 1.26 Acres
Tenure	Freehold
Existing Use	Open Space
Local Plan Designation	Existing Open space
Estimated Site Capacity	Apartments: 43 Units

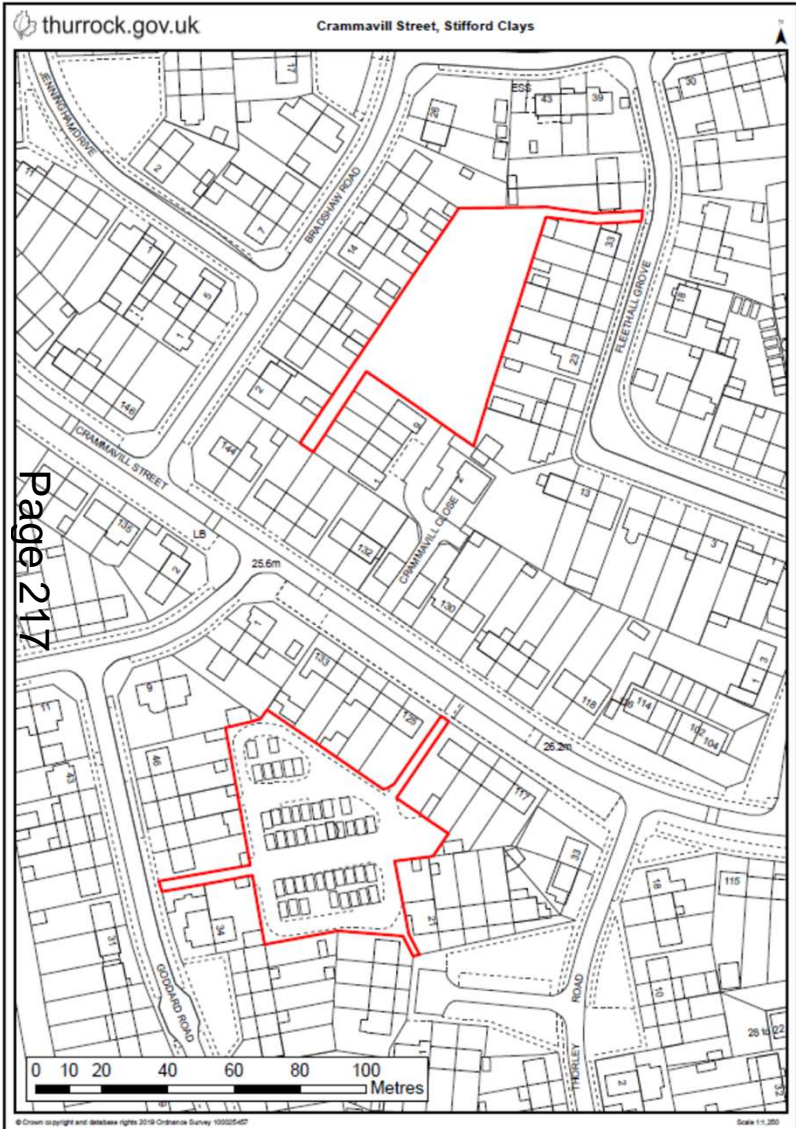




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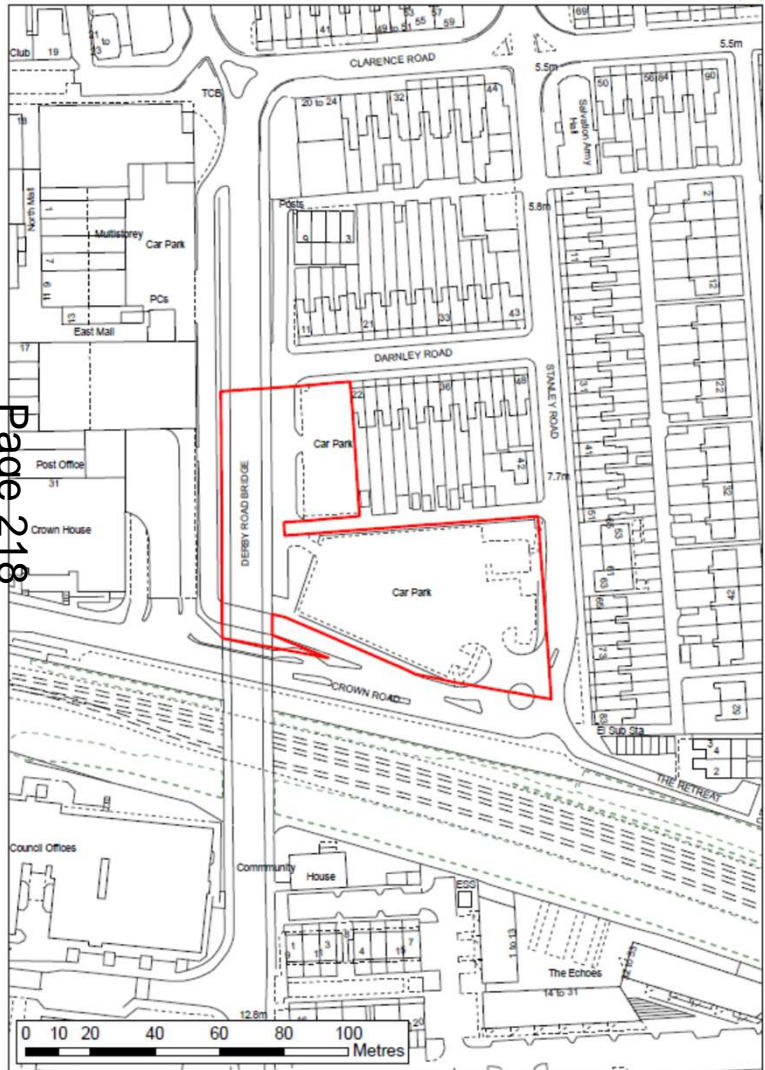
Name – Site #9	Broxburn Drive, South Ockendon
Address	Broxburn Drive, South Ockendon RM15 5PJ
Ward	Belhus
Site Area	0.81 Hectares / 2.00 Acres
Tenure	Freehold
Existing Use	Vacant garages and greensward
Local Plan Designation	Undesignated
Estimated Site Capacity	Apartments: 60 Units





Name – Site #10	Crammaville&Fleethall Stifford Clays
Address	Crammaville Street, & Fleethall Grove, Stifford Clays
Ward	Stifford Clays
Site Area	0.50 Hectares / 1.24 Acres (combined)
Tenure	Freehold
Existing Use	Existing and Cleared Garage site
Local Plan Designation	Undesignated
Estimated Site Capacity	Houses: 17 Units in total



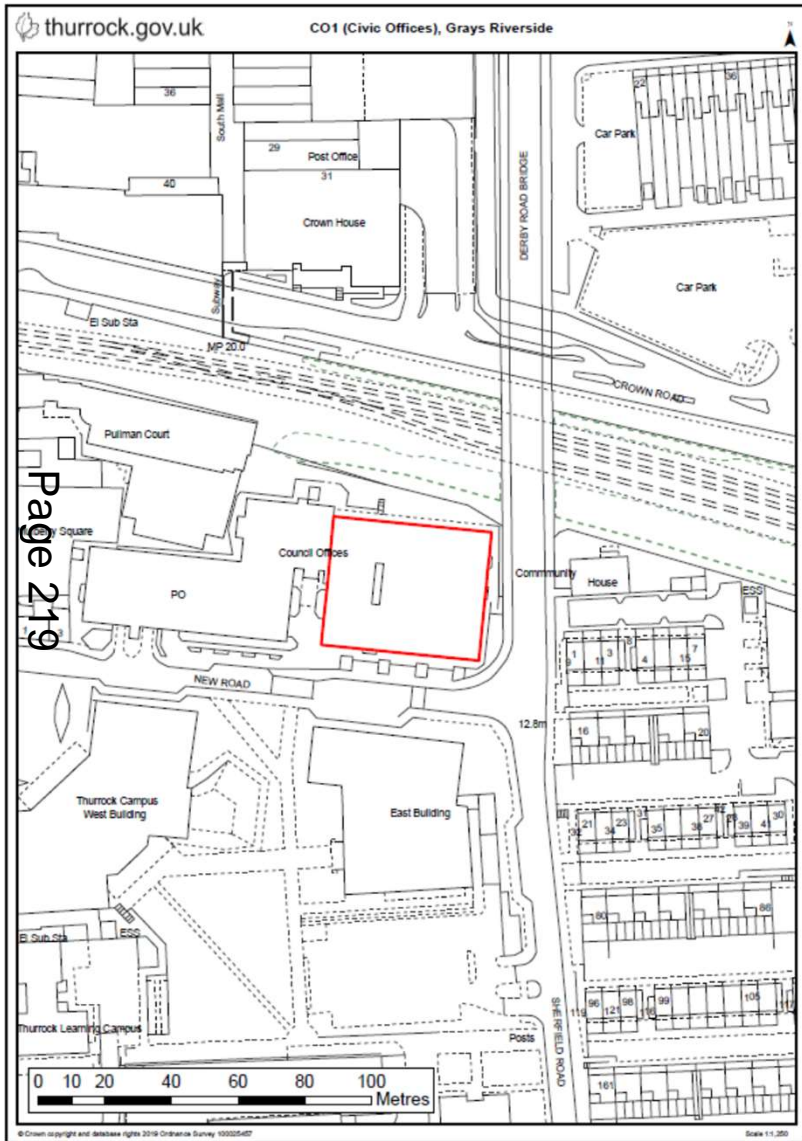


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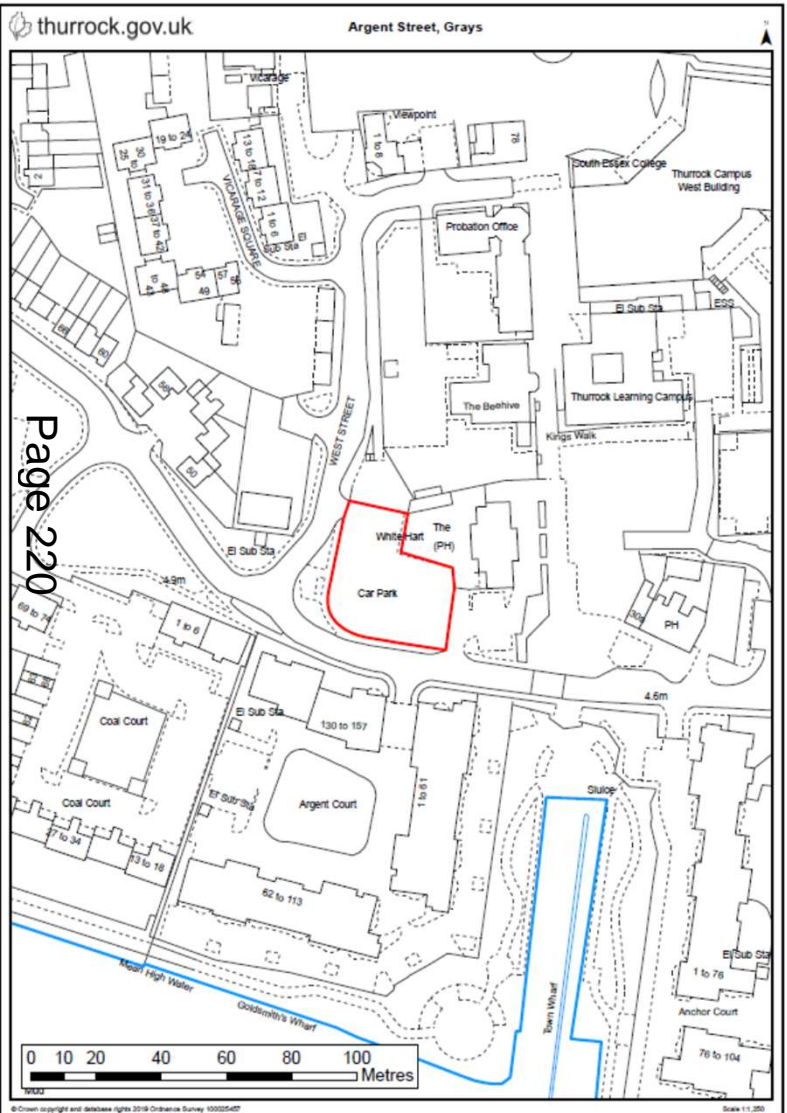
Name – Site #11	Darnley & Crown Road, Grays
Address	Darnley Road, Grays RM17 6QS
Ward	Grays Riverside
Site Area	0.56 Hectares / 1.38 Acres
Tenure	Freehold
Existing Use	Surface Car Park
Local Plan Designation	Undesignated
Estimated Site Capacity	Apartments: 90 Units





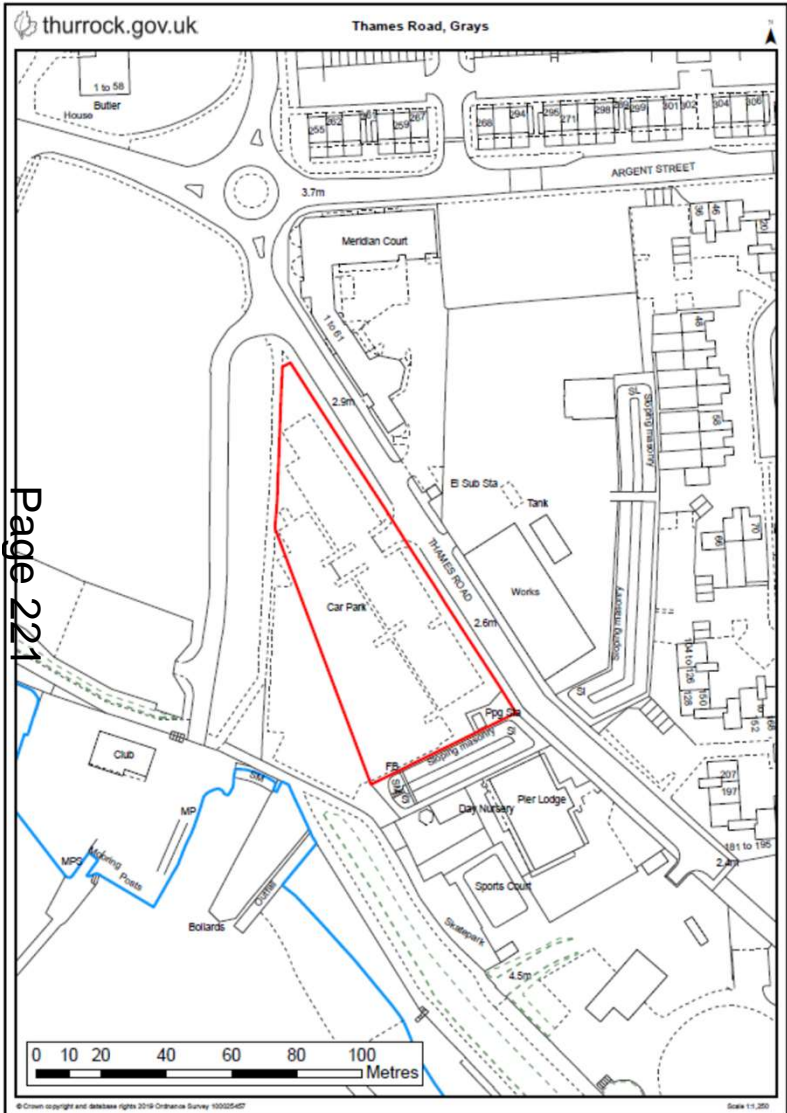
Name – Site #12	CO1 (Civic Offices), Grays Riverside
Address	CO1 Civic Offices, Grays Riverside RM17 6SL
Ward	Grays Riverside
Site Area	0.18 Hectares/ 0.45 Acres
Tenure	Freehold
Existing Use	Offices
Local Plan Designation	Undesignated
Estimated Site Capacity	Apartments: 82 Units





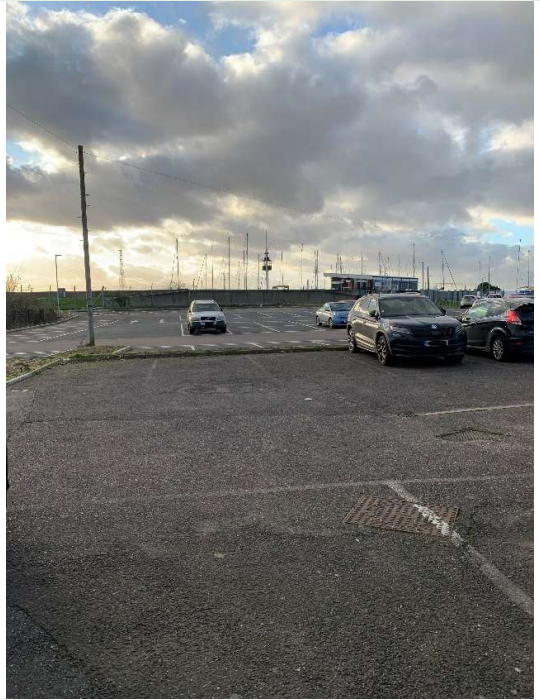
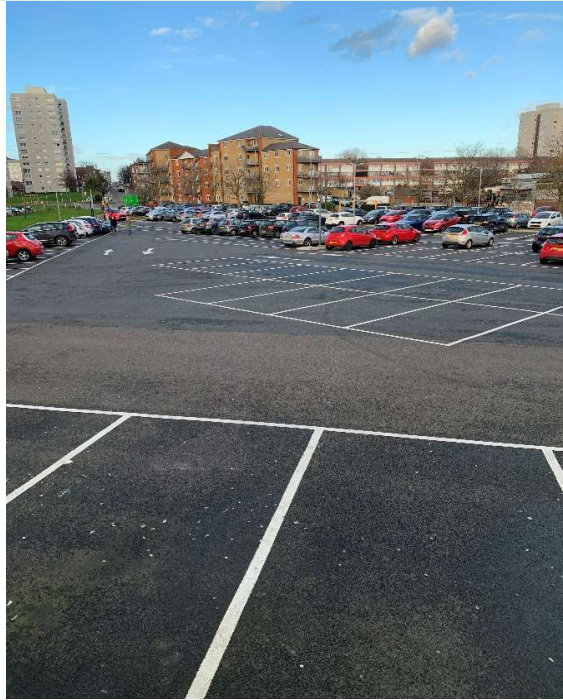
Name – Site #13	Argent Street, Grays
Address	Argent Street, Grays Riverside, RM17 6NZ
Ward	Grays Riverside
Site Area	0.21 Hectares / 0.52 Acres
Tenure	Freehold
Existing Use	Car Park
Local Plan Designation	Undesignated
Estimated Site Capacity	Apartments: 32 Units

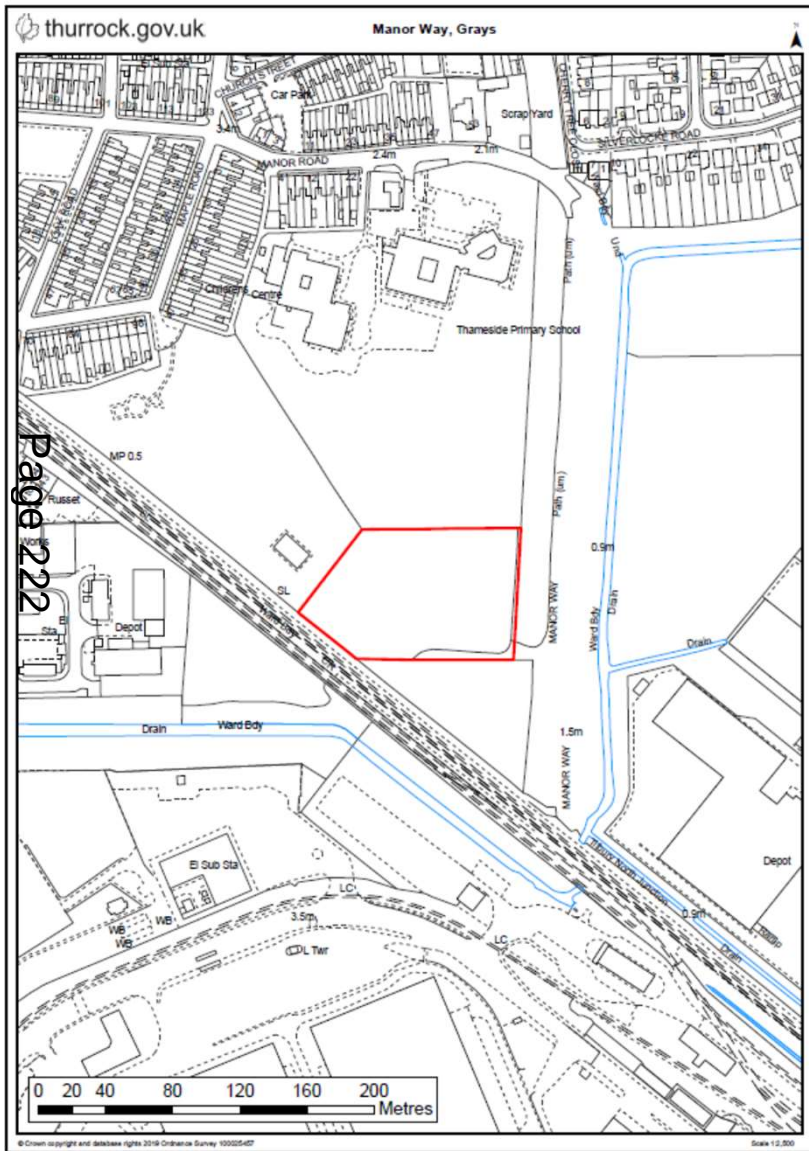




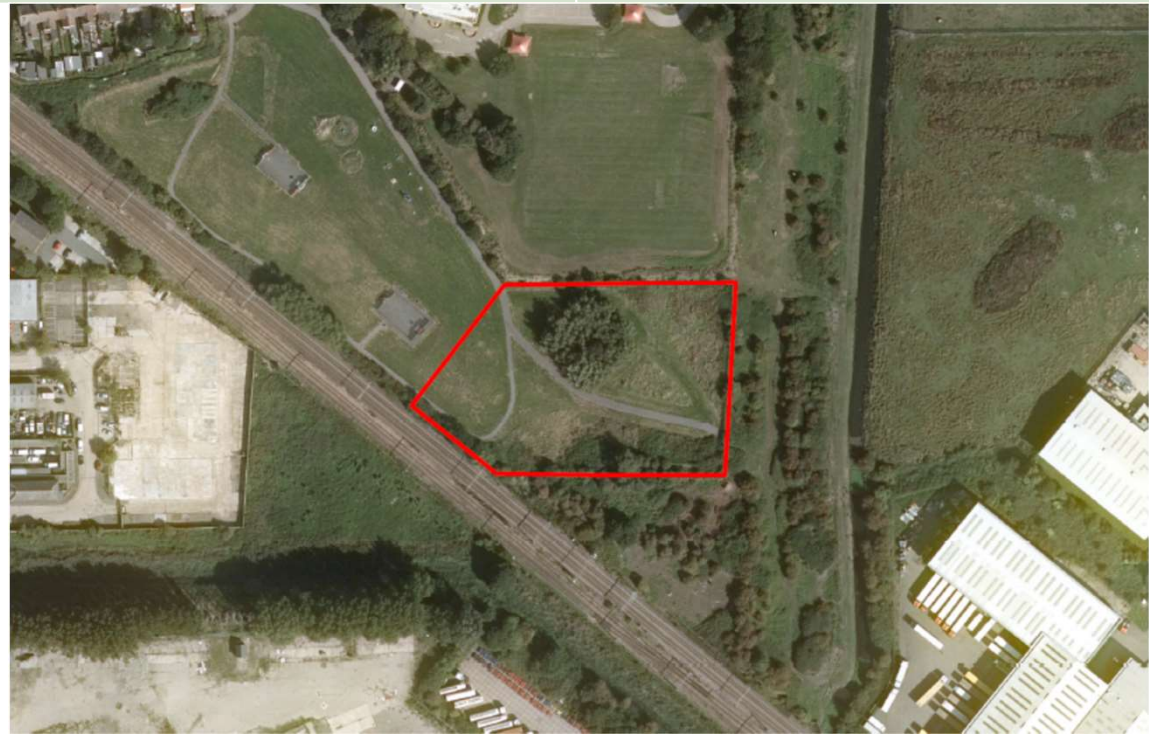
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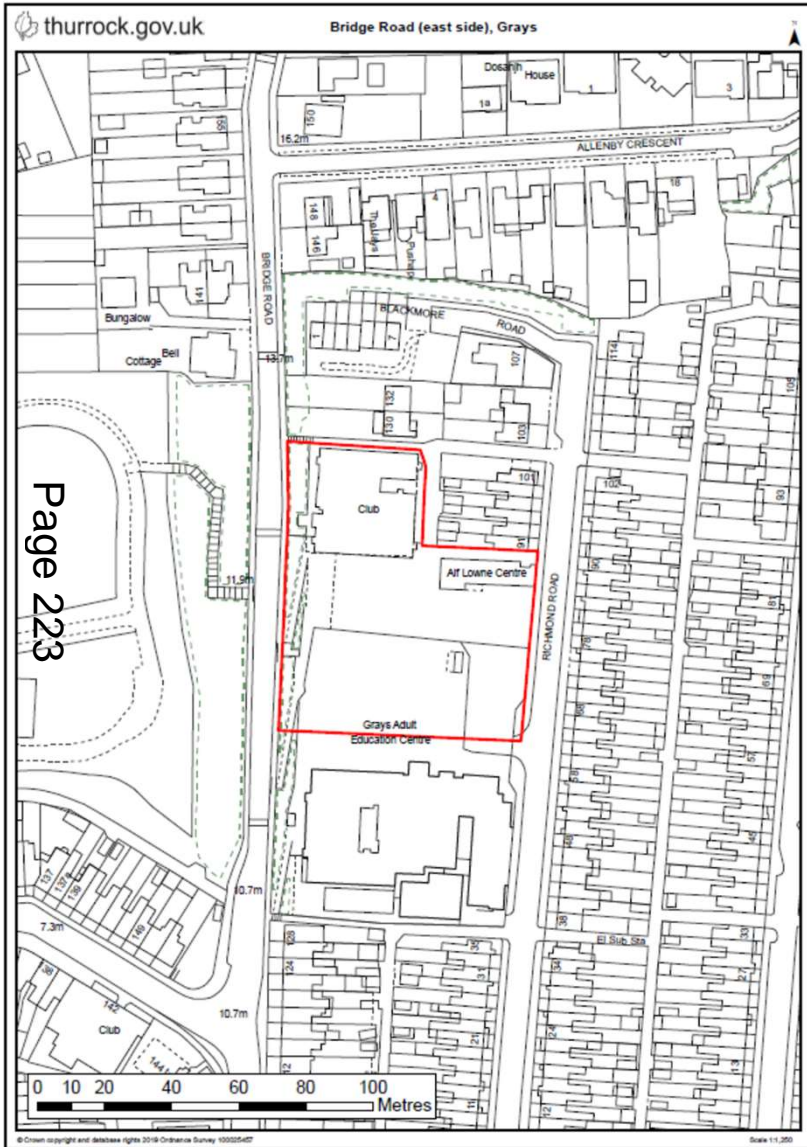
Name – Site #14	Thames Road, Grays
Address	Thames Road, Grays RM17 6JT
Ward	Grays Riverside
Site Area	0.40 Hectares / 1.00 Acres
Tenure	Freehold
Existing Use	Car Park
Local Plan Designation	Existing Open Space
Estimated Site Capacity	Apartments: 89 Units





Name – Site #15	Manor Way, Grays
Address	Land adjacent Manor Way, Grays
Ward	Grays Thurrock
Site Area	0.82 hectares/ 2.03 acres
Tenure	Freehold
Existing Use	Open Space
Local Plan Designation	Green Belt/Additional Open Space
Estimated Site Capacity	Total: 60 Units

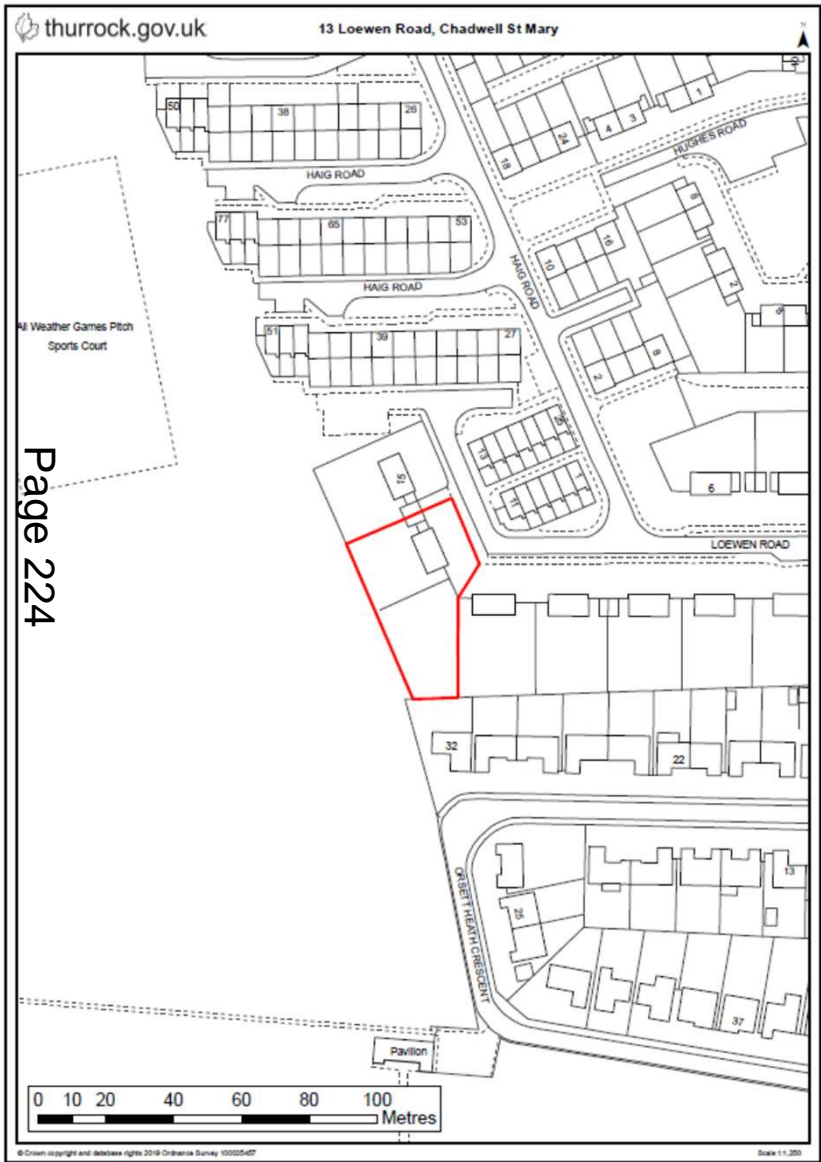




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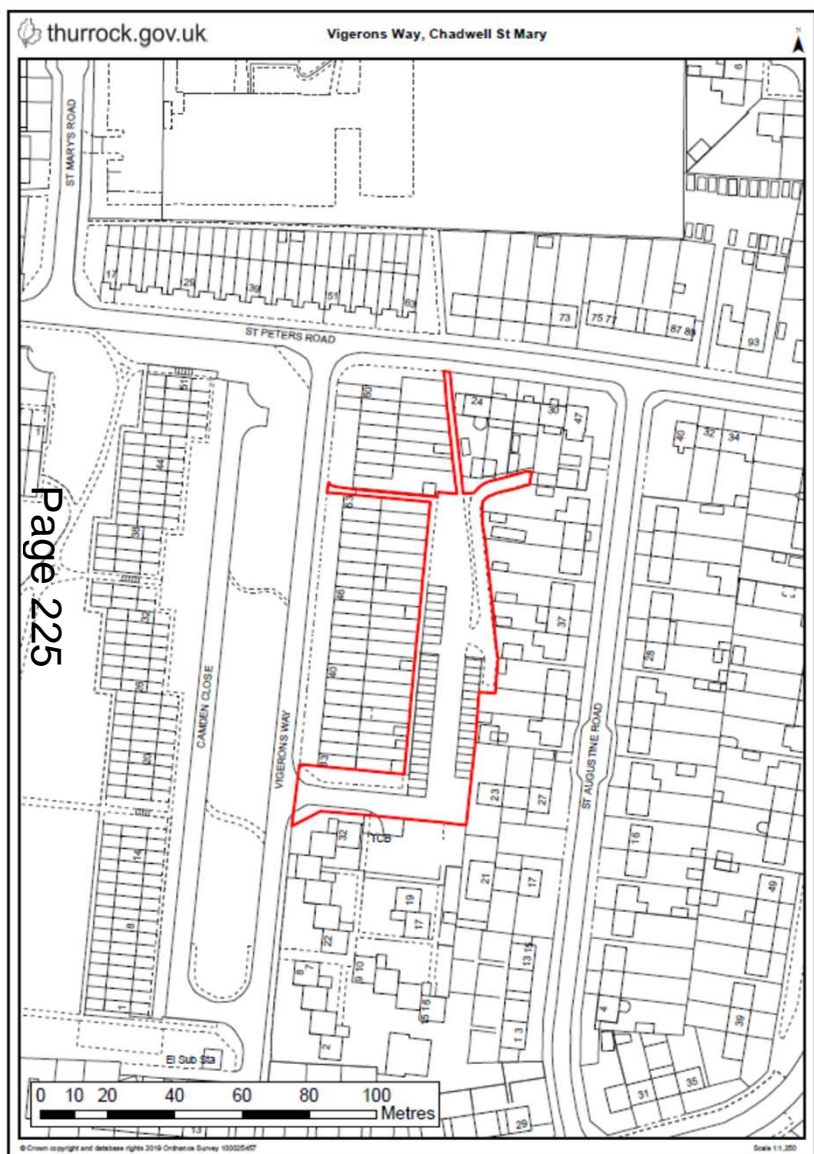
Name – Site #16	Bridge Road (East side) Grays
Address	Bridge Road, Grays, Thurrock RM17 6RS
Ward	Grays Thurrock
Site Area	0.54 Hectares / 1.33 Acres
Tenure	Freehold
Existing Use	Vacant Site (Brownfield)
Local Plan Designation	Undesignated
Estimated Site Capacity	Total: 20 Units





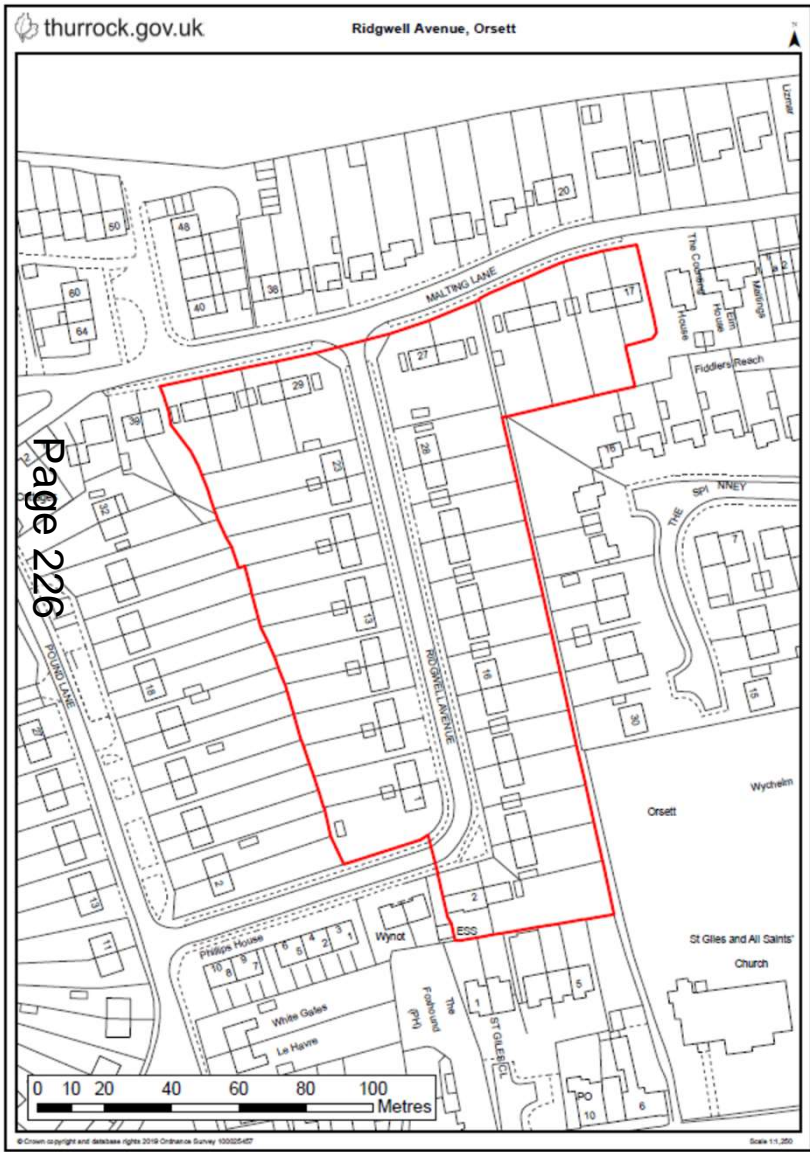
Name – Site #17	13 Loewen Road, Chadwell St Mary
Address	13 Loewen Road, Chadwell St Mary RM16 4XP
Ward	Chadwell St Mary
Site Area	0.12 Hectares / 0.30 Acres
Tenure	Freehold
Existing Use	Vacant dwelling
Local Plan Designation	Undesignated
Estimated Site Capacity	Houses: 5 Units





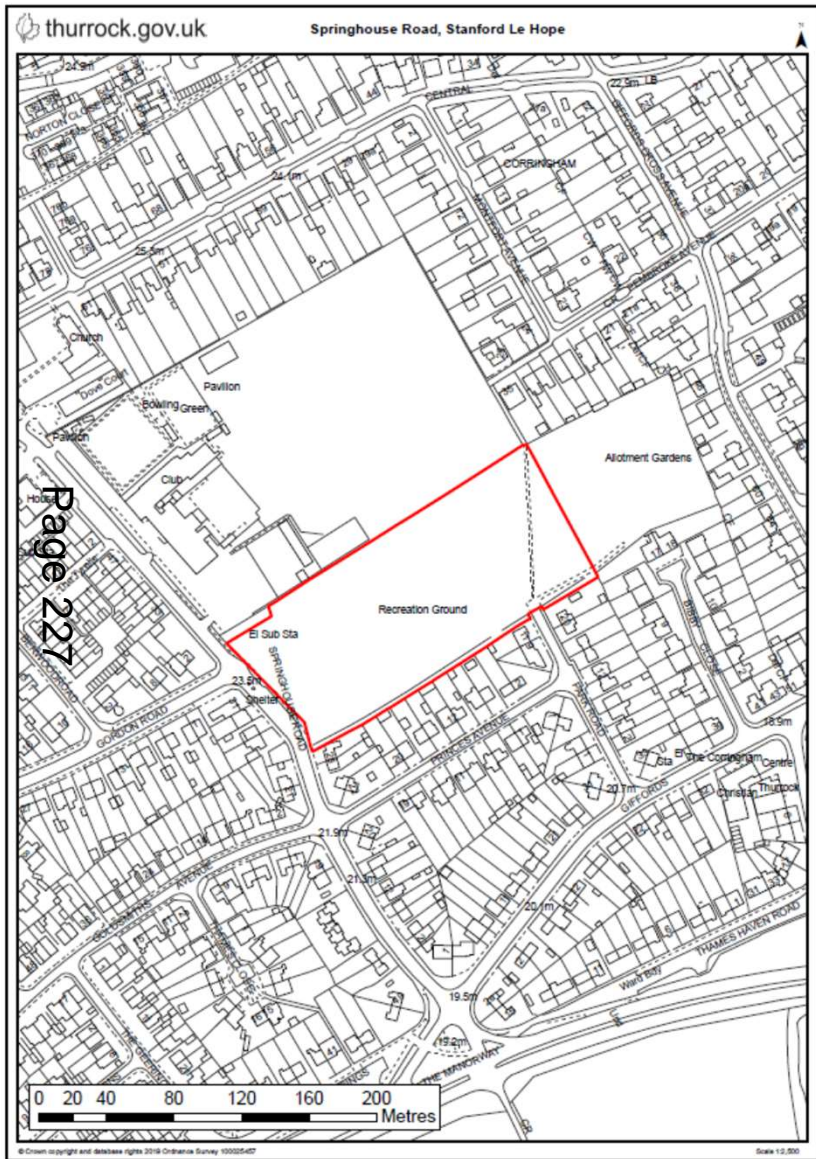
Name – Site # 18		Vigerons Way, Chadwell St Mary	
Address	Vigerons Way, Chadwell St Mary RM16 4LX		
Ward	Chadwell St Mary		
Site Area	0.17 Hectares / 0.42 Acres		
Tenure	Freehold		
Existing Use	Former Garage Site		
Local Plan Designation	Undesignated		
Estimated Site Capacity	Houses: 8 Units		





Name – Site #19	Ridgwell Avenue, Orsett
Address	Ridgwell Avenue, Orsett, RM16 3HR
Ward	Orsett
Site Area	1.50 Hectares /3.71 Acres
Tenure	Freehold
Existing Use	Occupied HRA/Private dwellings
Local Plan Designation	Undesignated (outside of Conservation area)
Estimated Site Capacity	Houses: 55 Units





Name – Site #20	
Springhouse Road, Stanford-le-Hope	
Address	Springhouse Road, Stanford-le-Hope
Ward	Stanford East & Corringham Town
Site Area	1.78 Hectares /4.40 Acres
Tenure	Freehold
Existing Use	Open Space
Local Plan Designation	Existing Open Space
Estimated Site Capacity	Houses and Apartments: 55 Units



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