

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

Council

To the Members of Thurrock Council

The next meeting of the Council will be held at **7.00 pm** on **23 February 2022**

South Essex College Auditorium, High Street, Grays, Essex, RM17 6TF

Membership of the Council:

Sue Shinnick (Mayor)
James Halden (Deputy Mayor)

Qaisar Abbas
Abbie Akinbohun
Alex Anderson
Chris Baker
Gary Byrne
Adam Carter
Daniel Chukwu
Colin Churchman
Gary Collins
Mark Coxshall
Jack Duffin
Tony Fish
Mike Fletcher
Robert Gledhill
Shane Hebb
Victoria Holloway

Deborah Huelin
Andrew Jefferies
Barry Johnson
Tom Kelly
Cathy Kent
John Kent
Martin Kerin
Steve Liddiard
Susan Little
Ben Maney
Fraser Massey
Allen Mayes
Sara Muldowney
Bukky Okunade
Augustine Ononaji
Maureen Pearce

Terry Piccolo
Georgette Polley
Jane Potheary
Shane Ralph
Kairen Raper
Joycelyn Redsell
Elizabeth Rigby
Sue Sammons
Jennifer Smith
Graham Snell
Luke Spillman
James Thandi
David Van Day
Lee Watson
Lynn Worrall



Lyn Carpenter
Chief Executive

Agenda published on: 15 February 2022

Agenda

Open to Public and Press

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4 Declaration of Interests	
To receive any declaration of interests from Members.	
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In accordance with Chapter 2, Part 2(Rule 14) of the Council's Constitution.	
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In accordance with Chapter 2, Part 2 (Rule 14) of the Council's Constitution.

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Corporate Overview and Scrutiny Committee	16 November 2021
Cleaner Greener and Safer Overview and Scrutiny Committee	14 December 2021
General Services Committee	8 December 2021
Planning Transport and Regeneration Overview and Scrutiny Committee	7 December 2021
Children's Services Overview and Scrutiny Committee	11 November 2021
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Queries regarding this Agenda or notification of apologies:

Please contact Jenny Shade, Senior Democratic Services Officer by sending an email to Direct.Democracy@thurrock.gov.uk

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Information for members of the public and councillors

Access to Information and Meetings

Advice Regarding Public Attendance at Meetings:

Following changes to government advice there is no longer a requirement for public attendees to book seats in advance of a committee meeting. All public attendees are expected to comply with the following points when physically attending a committee meeting:

1. If you are feeling ill or have tested positive for Covid and are isolating you should remain at home, the meeting will be webcast and you can attend in that way.
2. You are recommended to wear a face covering (where able) when attending the meeting and moving around the council offices to reduce any chance of infection. Removal of any face covering would be advisable when speaking publically at the meeting.
3. Hand sanitiser will also be available at the entrance for your use.

Whilst the Council encourages all who are eligible to have vaccination and this is important in reducing risks around COVID-19, around 1 in 3 people with COVID-19 do not have any symptoms. This means they could be spreading the virus without knowing it. In line with government guidance testing twice a week increases the chances of detecting COVID-19 when you are infectious but aren't displaying symptoms, helping to make sure you do not spread COVID-19. Rapid lateral flow testing is available for free to anybody. To find out more about testing please visit <https://www.nhs.uk/conditions/coronavirus-covid-19/testing/regular-rapid-coronavirus-tests-if-you-do-not-have-symptoms/>

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

Recording of meetings

This meeting will be recorded with the recording being published via the Council's web site: [2021/22 recordings | Committee recordings | Thurrock Council](#).

If you have any queries regarding this, please contact Democratic Services at Direct.Democracy@thurrock.gov.uk

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

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

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

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

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

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

College Wi-Fi

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

- You should connect to College Guest Wi-Fi
- Enter the password **-21SEC22-** to connect to/join the Wi-Fi network.
- A Terms & Conditions page should appear and you have to accept these before you can begin using Wi-Fi. Some devices require you to access your browser to bring up the Terms & Conditions page, which you must accept.

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

Evacuation Procedures

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

How to view this agenda on a tablet device



You can view the agenda on your [iPad](#), [Android Device](#) or [Blackberry Playbook](#) with the free modern.gov app.

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

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

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

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

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

Helpful Reminders for Members

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

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

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



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

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

Disclosable Pecuniary Interests shall include your interests or those of:

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

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

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

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

Pecuniary

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

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

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

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

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

Non- pecuniary

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



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

PROCEDURE FOR MOTIONS

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

Our Vision and Priorities for Thurrock

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

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

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

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

WW2 in Memoriam

Remembering Thurrock's Fallen : Civilian Deaths due to enemy action and Roll of Honour

Today we share names on the Roll of Honour. These are people whose home address was shown as Thurrock who lost their lives during the Second World War whilst serving with the armed forces or merchant navy.

In recognition of the adversity and bravery experienced by ordinary people in Thurrock civilian deaths are also noted here in relevant months. 101 non-combatants were killed in Thurrock between 1939 and 1945 who will also be remembered.

A special thanks to Museum volunteer Pam Purkiss for compiling the Roll of Honour information. Civilians added by Valina Bowman-Burns from Thurrock Museum.

The names have been listed in date order.

February 1942

JAMIESON Walter E
BABBS Alfred G E
BEARMAN Frederick J
HAMMOND Arthur A
BETTISON Eric

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Minutes of the Meeting of the Council held on 26 January 2022 at 7.00 pm

- Present:** Councillors Sue Shinnick (Mayor), James Halden (Deputy Mayor), Qaisar Abbas, Alex Anderson, Gary Byrne, Adam Carter, Daniel Chukwu, Colin Churchman, Gary Collins, Mark Coxshall, Jack Duffin, Tony Fish, Robert Gledhill, Shane Hebb, Victoria Holloway, Deborah Huelin, Andrew Jefferies, Barry Johnson, Tom Kelly, Cathy Kent, John Kent, Steve Liddiard, Susan Little, Ben Maney, Fraser Massey, Allen Mayes, Sara Muldowney, Bukky Okunade, Augustine Ononaji, Maureen Pearce, Terry Piccolo, Georgette Polley, Jane Potheary, Shane Ralph, Kairen Raper, Elizabeth Rigby, Jennifer Smith, Graham Snell, Luke Spillman, James Thandi, David Van Day, Lee Watson and Lynn Worrall
- Apologies:** Councillors Abbie Akinbohun, Chris Baker, Mike Fletcher, Martin Kerin, Joycelyn Redsell and Sue Sammons
- In attendance:** Lyn Carpenter, Chief Executive
Matthew Boulter, Democratic Services Manager and Deputy Monitoring Officer
Jenny Shade, Senior Democratic Services Officer
-

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

81. Minutes

The minutes of the meeting of Council held on the 22 September 2021 were approved as a correct record.

The minutes of the meeting of Council held on the 24 November 2021 were approved as a correct record.

82. Items of Urgent Business

There were no urgent items of business.

83. Declaration of Interests

There were no declarations of interest.

The Mayor agreed to change the order of agenda so the Police Fire & Crime Commissioner item was heard first.

84. Police Fire & Crime Commissioner

The Mayor welcomed Roger Hirst the Police Fire & Crime Commissioner, Darren Horsman, Strategic Head of Policy and Public Engagement, and Mark Barber the District Commander to the meeting and asked they deliver their presentation which would then be followed by questions from members.

Roger Hirst updated members on the following:

- Crime Trends – Theft, Burglary, ASB and All Crime - Figures for anti-social behaviour had increased through lockdown with the impact of social distancing, engaging with residents and explaining how Government guidelines were being broken and to encourage behaviour. Figures continued to decline, but not where we want to be with lots to do to get crime down, knowing what to do and how this was working.
- Crime Trends – Domestic Abuse and Injury and All Crime – Levels had been down during the pandemic which may have been due to it being harder to report when in a domestic environment and this had been confirmed by charities who offered support. Violence with Injury, drug related, were at unacceptable levels and this issue would be given a big focus and support from the Government.
- Current Landscape of Crime – Thurrock's crimes were up and down and were having the same issues in Thurrock that were similar across Essex and would be taking the same approach.
- 2021-2024 Police and Crime Plan – Highlighted the 12 policing key priorities to get crime down.
- 200 more Police Officers taking total growth since 2016 to 900 officers and this had been strongest it had ever been with more Police on the streets, dealing with crime prevention in hot spots following the sharing of information and partnership working.
- Safer Streets – Launched by Government to make streets safer. In June 2021, Essex Police Fire & Crime Commissioner and Thurrock Council had been awarded £432k in funding and an additional match funding of £193K totalling £625k.
- Violence and Vulnerability – Working in partnership to reduce the volume of serious violence across the county, focusing on tackling gangs, county lines and exploitation.
- Thurrock Police Operational Activity – Off road motorbikes remained the number one anti-social hot spot in Thurrock. Referred to road policing operations which included cruisers.
- Ports and IOC – Tackling modern slavery, human trafficking and organised immigration crime continued to be a priority in the police and crime plan.
- Police Community and Visibility – Committed to invest even more in community and neighbourhood policing to get crime down.

The full PowerPoint can be found on-line from the following link:

<https://democracy.thurrock.gov.uk/documents/b18593/Item 10 - Police Fire Crime Commissioner Presentation 26th-Jan-2022 19.00 Council.pdf?T=9>

Members raised the following questions:

Councillor Ralph: Questioned how the Police were engaging with those using e-scooters to deliver drugs in Corringham town centre. Mark Barber stated the Town Centre teams around Corringham and Grays town centres had been briefed on the zero tolerance policy on e-scooters and had the enforcement to take e-scooters away for those undertaking a crime. It was the Town Centre teams that were the front facing officers who would respond quicker in town centres but if this was felt this was not being addressed he would be happy to have a conversation outside the meeting.

Councillor Jefferies: Referred to the two push bikes which had been delivered to the South Ockendon Police Station in 2019 from the Council. Councillor Jefferies raised this point at January 2021 Council but still the bikes were not being used and asked for reassurance they would be out on the streets in the near future. Roger Hirst apologised and would follow up.

Councillor Potheary: Referred to the stats on violent crime and questioned were these still ticking up and what the next steps would be to tackle those crimes. Roger Hirst stated this unfortunately was still ticking up and they were not yet ahead of violent crime. There had been successes in terms of drug and knives being taken off the street and there were domestic abuse solving teams picking up on victims and perpetrators.

Councillor Muldowney: Referred to the issue of off road motor bikes in Chadwell St Mary and questioned what the plan of action was to address this issue. Roger Hirst stated there was a plan and involved closer working with Councillors through the community safety partnership and had signed off his share of investments that would help to improve the situation. Mark Barber stated Chadwell St Mary had been recognised as one of the five hot spots. An action plan was in place for each of the five areas and highlighted some were more difficult to hard target than others. Mark Barber stated the Task and Finish Group was in place, the action for each area was in place and the Community Police Teams number one priority was around anti-social behaviour specifically around off road motor bikes through Operation Caesar to help tackle and the joint investment would help.

Councillor Gledhill: Thanked Roger Hirst for the joint work undertaken last year to help reduce fly tipping and the illegal transport of waste and questioned whether these, going forward, those joint operations would still continue to which Mark Barber stated yes absolutely and would be more than happy to have further conversations with Councillor Gledhill.

Councillor Collins: Referred to the "whose controlling your child" section on the 2021- 2024 Police and Crime Plan and questioned who they were targeting. Roger Hirst stated this was about the exploitation of young people by drug gangs intended to help parents, carers and teachers to enable them to spot signs of young people at risk, who were being groomed. This was predominately around sexual exploitation but mainly drug violence was the

bigger issue and there were some good training and education programmes in place.

Councillor C Kent: Referred to the 12 policing priorities to get crime down, specifically “Reducing Violence against Women and Girls” and questioned what the Essex Police had learnt from lessons of other Police authorities and what confidence could Roger Hirst give this evening that reports made by women and girls would be taken seriously and in a confidential and helpful manner. Roger Hirst stated this had formed part of this manifesto from last May and in his Police and Crime Plan, he stated this was an important issue and personally condemned violence by men against women and girls. Roger Hirst stated he would hold Essex Police to account to ensure they also did this. Roger Hirst was unable to offer a guarantee that every interface or contact between a woman and girl with Essex Police was going to be as it should be but was aware of the cultural challenges. Not to be complacent there was still a big job by Essex Police to do to help and support women and girls in Essex to feel safer and to have the confidence to report.

Councillor Spillman: Questioned the best example of partnership working in Thurrock and what areas were being looking at to develop in the short and medium term to improve this, to which Mark Barber stated anti-social behaviour focused on issues reported by local residents and local Policing and the successful partnership around anti-social behaviour, target hardening and the work undertaken in a short amount of time. In the last nine months there had been a reduction in anti-social behaviour. The partnership was good and strong around organised immigration crime but would like to see this grow, continue and widen across the force.

Councillor J Kent asked for this item to be extended so further questions could be heard.

The Mayor thanked Roger Hirst, Darren Horsman and Mark Barber for their time this evening.

Roger Hirst, Darren Horsman and Mark Barber left the meeting at 7.40pm.

85. Announcements on behalf of the Mayor or the Leader of the Council

The Mayor stated she would be attending a Holocaust Memorial service tomorrow to remember those who had suffered in the Holocaust and to reflect on our will to build peaceful communities for the future.

The Mayor stated in place of providing refreshments for Members following Council meetings she had made and would continue to make donations to food banks and made a donation to a children’s party in Tilbury.

Councillor Gledhill stated Members could send their un-answered questions to himself or directly to the Police Fire Crime Commissioner for a response.

Councillor Gledhill, Leader of the Council, made the following announcements:

New Chamber - It was a shame this meeting could not take place in our fantastic new Chamber, but it had simply not been possible to get it finished in time due to problems directly linked to COVID, and particularly the Omicron variant that had been prevalent since the start of December. Like many other businesses had been faced with the issues in the supply chain and contractors having to be absent because they have had to self-isolate. The good news was the major construction work had taken place and the building looked magnificent. This had helped kick-start the renaissance of Grays we know was coming including the Grays Town Fund, the new Weatherspoon's Pub at the State Cinema and the work was on-going with the owners of the Shopping Centre. The Leader also referred to the Safer Street scheme in Grays following funding received from Government to increase CCTV, lighting and security on Grays High Street.

COVID-19 Update - Tomorrow England would go back to Plan A measures with the requirement being lifted to wear face-coverings in indoor public spaces and on public transport. The Leader was pleased to report that Thurrock had seen vast improvements across the borough with the number of people testing positive in Thurrock dropping by 50%. Thurrock had also moved from having been in a position amongst the highest Upper Tier Local Authorities in the country in terms of infection to being in the bottom half of the table. The Leader stated it was important that everyone who was eligible sought the protection of the vaccination offer as this would reduce the chance of catching and spreading the virus. Thurrock had been awarded £485,000 in Government funding to help boost that rate and to ensure more Thurrock residents got the excellent protection vaccines offer and work would continue with partners in the Community and Voluntary Services to find innovative ways to encourage more people to come forward. The Leader urged anyone who had not been vaccinated to take action by booking an appointment on line, by phone or visiting a pop-up centre within the borough.

Thames Freeport – A full Business Case would be submitted at the end of this week for the Thames Freeport starting in the borough and ending in Barking and Dagenham and would, when open for business, would attract billions in private sector investment that would contribute to the delivery of many of the Council's objectives including economic growth, regeneration and levelling up for the benefit of residents and businesses across the borough. This would also create well-paid jobs and exciting apprenticeships in cutting edge green energy industries and it was the future being developed right here in Thurrock.

The Leader provided an update on Clean It, Cut It, Fill It that since April 2021:

- Had filled 2,912 potholes on our borough's roads. More than 99% within agreed timeframes.
- Had cleared 1,419 fly-tips.
- Removed 1,975 tonnes of waste from streets and other public areas.

- Had issued 3,666 fixed penalty notices for offences including littering, spitting and dropping cigarette ends.

Finally the Leader stated that having worked for Thurrock Council for 20 years working in Adult and Children's Social Care and also in the shared post of Chief Social Worker for Adults, Fran Leddra would be retiring. The Leader stated she had been a fantastic social worker who had been committed and wished her well in her retirement.

86. Questions from Members of the Public

Question 1 was withdrawn prior to the meeting.

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

87. Petitions from Members of the Public and Councillors

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

88. Petitions Update Report

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

89. Appointments to Committees and Outside Bodies, Statutory and Other Panels

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

The Leader of the Council, Councillor Gledhill, stated he had no changes to make.

Councillor J Kent, Leader of the Labour Group, stated he had no changes to make.

Councillor Byrne, Leader of the Thurrock Independent Group stated he had no changes to make.

Councillor Massey stated he had no changes to make.

90. Appointment of Interim Monitoring Officer

Councillor Gledhill stated that in accordance with the relevant legislation and Constitutional requirements the report provided Council with information for

noting with regards to the appointment of an interim Monitoring Officer, as an Emergency Decision, in order to ensure statutory and governance requirements were maintained. Councillor Gledhill made the recommendation that Mr Boulter act as the Council's Monitoring Officer on an interim basis.

Councillor J Kent stated he would not be noting this report and requested Mr Boulter leave the meeting for this item. Mr Boulter left the meeting at 8.04pm. Councillor J Kent stated it was crucial for Members to discuss this statutory role here this evening in accordance with the constitutional legislation. Councillor J Kent provided Members a timeline of events following the departure of the previous Monitoring Officer. Commented that no specific reasons for his departure were provided to Members. Questioned why the General Services Committee had not been convened to make this decision. Stated the report quoted incorrect constitutional references and the committee had been misled. Councillor J Kent stated that Mr Boulter was a very good officer but had concerns he was not a lawyer. Members had been informed a speedy recruitment exercise would take place to substantially fill this post but had not seen any timetable for this. Councillor J Kent concluded that in the manner in which the previous monitoring officer had left the Council, lack of details and information on this had not been available to Members, with Mr Boulter not being a lawyer and with Members being misled he urged Members not to vote in favour of the recommendation.

Councillor Byrne stated his agreement with the recommendation.

Councillor Gledhill stated he fully understood Councillor J Kent's concerns as these had been aired at the General Services Committee and taken on board. In Councillor Gledhill's opinion, this report should be noted this evening following a recommendation from the General Services Committee and a recruitment timeline would be prepared. Councillor Gledhill requested the report be moved to the recommendation.

RESOLVED

Noted the appointment of Mr Matthew Boulter to act as the Council's Monitoring Officer on an interim basis, taken as an Emergency Decision.

Mr Boulter returned to the meeting at 8.12pm.

91. Appointment of External Auditor

Councillor Hebb presented the report that under the Local Government Audit and Accountability Act 2014 the Council was required to appoint an auditor to audit its accounts each financial year. The report set out the options and a preferred approach for appointing the external auditor to the Council for the five year period from 2023/24, noting the current appointment applied up to and including the 2022/23 accounts. The decision on the appointment of the auditor was one that was required to be taken by Full Council.

Councillor Ononaji stated this support for Option 3 as this had many advantages to the Council. The Public Sector Audit and Appointments Limited (PSAA) were a professional organisation who would provide cost effectiveness to the Council and would benefit from transparency as all projects would be taken into consideration.

Councillor Hebb thanked Members for their support and moved to the recommendation.

RESOLVED

That the Council accepts the Public Sector Audit Appointment Limited (PSAA) invitation to 'opt-in' to the sector led national scheme for the appointment of external auditors for the five financial years commencing 1 April 2023.

92. Interim Review of Polling Places, Polling Districts and Polling Stations

Councillor Gledhill presented the report that requested Council to consider and approve the recommendations of the Returning Officer and Chief Executive in relation to an interim review of Polling Districts, Polling Places and Polling Stations in the Polling Districts listed and for the reasons outlined in the Appendix.

Councillor Massey praised the changes made as these were as small as possible and would not impact residents too much.

Councillor Spillman thanked Officers for handling the process effectively, this had been communicated and responded to very well.

Councillor Gledhill echoed Councillor Massey's comments and residents would be notified of changes to locations well before the May elections.

RESOLVED

- 1. That Aveley Hub be confirmed as the polling place for Aveley and Uplands, polling district B.**
- 2. That Royal British Legion Hall be confirmed as the polling place for Belhus, polling district F.**
- 3. That Chadwell Library be confirmed as the polling place for Chadwell St Mary, polling district J.**
- 4. That Inspire Youth Hub be confirmed as the polling place for Grays Riverside, polling district V.**
- 5. That United Reform Church, Bradleigh Avenue be confirmed as the polling place for Grays Thurrock, polling district Y.**

6. That Belhus Village Hall be confirmed as the polling place for Ockendon, polling district AF.
7. That Bannatyne Gym be confirmed as the polling place for South Chafford, polling district AL.
8. That Springhouse Club be confirmed as a temporary polling place for Stanford East & Corringham Town, polling district AP, for the polls to be held in May 2022.

93. Local Council Tax Scheme

Councillor Hebb presented the report that provided details of Thurrock's current scheme and analysis to support the recommendation that the current scheme remained unchanged for 2022/23.

Councillor Byrne questioned whether the Council were actually helping those lower paid residents who were being threatened by bailiffs to which Councillor Hebb stated as part of the mission of the fair debt approach was to help those that "want to pay, but can't" and to tackle those who "can pay, but won't". For this to be a process to help to pay debts in a compassionate and consistent way. Councillor Hebb asked Councillor Byrne to let him know of any particular instances outside of the meeting.

Councillor Massey referred to the full disregard of compensation payments and stated this was good to see for residents.

Councillor Little stated this report had been presented and discussed at the Corporate Overview and Scrutiny Committee and gave her full support to the recommendations and personally thanked Councillor Hebb.

Councillor Spillman stated he was pleased with the approach Councillor Hebb had taken which had taken some very dark places to better places. This had also been evident by the lower number of complaints he had received which had demonstrated a good campaign which had delivered good results.

Councillor Gledhill echoed Councillor Massey's comment on the compensation payments but disagreed with Councillor Byrne that the lower paid were being threatened with bailiffs, this was a long process to get to this point. Councillor Gledhill also echoed Councillor Spillman's comments when compared to where the Council had been some six to seven years ago. The process had paid off to help those that "wanted to pay, but couldn't". This support had been the right thing to do and at the right level.

Councillor Hebb thanked members for their support and reminded residents to reach out in a crisis as there was help and support available and the Council would help where and whenever it could.

RESOLVED

That Council agreed to maintain the existing scheme for 2022/23.

94. Report of the Cabinet Member for Finance

Councillor Hebb presented his report by stating:

- It had over 660 days since an adult-centric, once-in-a-century, international health crisis took hold of our lives and post COVID had been difficult for a number of Councils. This had not been the case for Thurrock as these Councils bought private sector assets, public ownership of private property the Council had invested in short term, ethical, already-established, municipal markets and as a result had bolstered the reserves. The impacts on local Government finance was well documented, with many reports on how the pressures to sustain pre-pandemic spending levels. Thurrock was able to withstand the immediate economic shock of the COVID storm and vulnerable residents were able to rely on Thurrock.
- The approach adopted by all parties and all members from 2017 enabled financial capability to withstand the economic shock, the useable reserves had increased by 300%, from £8m that this administration inherited, to £24m.
- To date the approach enabled the Council to fund an additional £115m worth of public services which would have otherwise been cut rapidly in 2016, and provide circa £28.8m to other public bodies.
- Despite the pandemic, Thurrock Council had balanced its budget. In the last 22 months, had seen some of Thurrock's best moments issuing over £43m of support to businesses and the 'at risk' and gave special thanks to the Finance team. Councillor Hebb gave thanks to officials in this Council, partners who the Council had worked with in the private and voluntary sector who had helped secure the ability to serve those who needed us the most.
- The Council had sustained focus on the three key tenets of the Fair Debt Summit by helping young adults identify the signs of household debt and how to avoid that; ensuring the collections process was reviewed with external groups to ensure collections were done right, consistent, with a compassionate approach to those who want to pay, but can't and mobilising efforts to ensure all elements of the armoury were available for habitual, long-term, debt avoiders who can pay, but chose not to.
- Last February the Council formally began the conclusion of the investment approach. Borrowing levels were set by the will of Full Council, choosing to provide officers the borrowing levels up to £2bn in 2017, 2018, and 2019; and in 2021, we chose to reduce them for the first time by nearly half a billion.
- With other Councils' collapse of their investment income, moving from surpluses to deficits and a lack of financial resilience prior to the pandemic in other Councils, HM Government were bound to change the rules. Thurrock had not been a victim of our success, but rather tarred with the same brush as our public-owning colleagues.
- It had been a long time since Governments called for self-sufficiency through income generation and being entrepreneurial.

- The blunt reality was the COVID aftershock, and the rule changes meant there would not be another £115m over the next four years of income for spending on services above core services.
- The administration stands ready to lead this borough through this challenge.
- Tax rises would not be a default to closing the gap, reform was needed. This year's proposed increase costs the same as a first-class stamp, and was about 2% under inflation, but would fund £2.2m worth of social care for a pressured Children's Social Care market and our Adult Social Care services.
- Residents expect politics to be put aside, and we hope to work constructively with all parties in the reforms ahead.
- Councillor Hebb concluded by noting on pages 118 and 119, 15/9/2021 and 10/12/2021 should both be 2020 and not 2021.

Councillor J Kent questioned whether the Council would reconsider this tax increase and instead recommend freezing council tax for this year. Councillor Hebb stated last year it had been decided to inject £2m into adult social care through the tax increase after the pandemic, the children's social care department had to be equipped as best as possible to deliver what needed to be delivered and had to progress with the plan.

Councillor J Kent stated the increase of council tax of 2.99% would bring in £2.14m and the recent financial settlement awarded to the Council of £2.5m more than expected and questioned why the Council would not use this windfall to fund a council tax freeze and give local residents some relief. Councillor Hebb stated that £8.5m would be put into council tax scheme and clarified that in pre-pandemic the number of cases were about 9800, then up to 10,400 and now around the 10,000 mark. That £8.5m had been injected last year when the cases were at their highest and although the numbers had come down they had still injected the same amount. So the Council continued to support those residents and for all the right reasons. Councillor Hebb hoped members would support the amendment to motion 4 this evening which was more a practical and ambitious approach.

Councillor Little thanked Councillor Hebb for the report and his attendance at the Corporate Overview and Scrutiny Committee, she warmly welcomed the report and was pleased that the report focused on those who wanted to pay but cant and those that can pay but choose not to.

Councillor Byrne thanked Councillor Hebb for the report but had been disappointed on his support for the closure of the adult day care centre. Councillor Byrne questioned whether the council had its own housekeeping in order against spending and overspending and referred to the enhanced redundancy payments and questioned whether the Council could afford this at this time. Councillor Hebb referred to the day care centre and stated the Council had voted on the concept of fewer buildings, better services and the consultation had demonstrated people were happy to move to a centralised estate. Redundancies had to be undertaken in the best possible way in terms

of efficiently and sensitivity and for the Council's housekeeping would continue to do what was needed.

Councillor Muldowney referred to the 2020/21 account having not been presented to the Standard and Audit Committee yet and stated the setting of the budget could be set before the previous accounts had been signed off and questioned when Councillor Hebb expected these to be signed off. Councillor Hebb reiterated the Secretary of State had written to about 350 Councils stating there were pressures in the system and had extended the deadlines with no Councils in Essex having had anything back to committee.

Councillor Duffin thanked Councillor Hebb and officers for including the investment breakdown on the website. This displayed clear and transparency and encouraged councillors and members of the public to check what was on there and see the good investments being made into the borough. Councillor Hebb stated the point of the website was for those who lived in Thurrock who had an interest in the subject and wanted to learn more about it.

Councillor Spillman stated inflation rates was not just a British problem but also a worldwide problem across all major economic across the world as issues came out of the pandemic. Councillor Spillman stated he would not put children's or adult services at risk by not telling the truth to residents that the Council could cover those costs without meeting those increases in inflation and was not what Thurrock residents deserved out of its representatives. Councillor Hebb stated also there was a requirement to increase pay and this also had to be funded.

Councillor Collins questioned what would the current reserves levels be if it had been kept at the same level as labour had done. Councillor Hebb stated after two years of COVID, nothing, the Council would have had to cut harder and further even than now. If we had not done what we had done the general fund balance would have been zero. With the Council having the reserve of £24m had allowed us to use £8m of that last year and this year to allow more the Council more headspace.

95. Report of the Cabinet Member for Environment and Sports & Leisure

Councillor Jefferies had the privilege of presenting his first portfolio report for environment and sports and leisure and thanked his predecessor, former Councillor Watkins for the work he had undertaken and the services offered to Thurrock residents. Through the Clean It, Cut It, Fill It policy had transformed the borough which continued to score well with Keep Britain Tidy and more importantly was complimented by residents. In particular, street cleaning, the frequency of grass cutting. Councillor Jefferies stated one of the best sights, following the pandemic, had been seeing young children running and playing around in Thurrock's open spaces and parks. This would not have been possible without Thurrock's workforce who throughout the pandemic had maintained those spaces and thanked all those who had worked in the department for all their hard work during that difficult time. When taking up this portfolio holder position, Councillor Jefferies had been determined to see

more trees planted and florals around the borough and has brought forward the land maintenance strategy which would see the Council's open spaces more efficiently managed and would help to improve the environment, air quality and bio-diversity in the borough. By doing this using the services more effectively and also making financial savings. Councillor Jefferies referred to two motions raised and approved for the planting of more trees in the borough and Councillor Jefferies reassured members where possible this process would be speeded up. Referred to possession of new bin lorries which would improve the services provided to residents and the service had suffered due to an unnecessary strike last year and now looked forward to an uninterrupted service for the residents of the borough. With the introduction of the food waste service and vehicles would see an increase in recycling rates. Finally, Councillor Jefferies gave thanks to the Towns Fund for their investment into the borough and the Government money was most welcome to make improvements in the borough's parks and open spaces.

Councillor Potheary asked when the KPI for recycling would be re-introduced to which Councillor Jefferies stated this had been suspended due to COVID as the amount of rubbish being generated was like Christmas every day and had effected the figures. Councillor Potheary was reassured the KPI would be reinstated soon and she would be the first to know when it had been.

Councillor Potheary stated cleaning the streets was key to the borough and requested in the next round of job cuts the front line staff would not be first in line again to which Councillor Jefferies stated it had been necessary to make savings and all resources would be looked into ways of working, using machinery, looking at all possible options to make savings but not to have reductions in services as these must be maintained and stay in place.

Councillor Potheary referred to brown bin collections and the welcomed u-turn on not charging for brown bin collections and questioned as part of that decision there was a £900k savings posted against this into the budget and questioned whether this was being met or deferred. Councillor Jefferies stated he had never been in favour of charging for brown bins and was opposed to those charges. That savings were being made but those savings had not fractured into finding any alternative.

Councillor Byrne referred to Balstonia Park in Stanford Le Hope and questioned when would the delayed work on the park be completed and questioned whether officers actually cared about Thurrock parks. Councillor Jefferies stated officers did care, they were a fantastic team. Councillor Jefferies apologised but stated errors had been made and had been let down by contractors and every effort would be made to get the park open for the school holidays.

Councillor Massey referred to Buckingham Hill Road and how the state of the road was dangerous to those using it and questioned were the plans for the concreting of the HWRC site still going ahead and if so when. Councillor Jefferies agreed to get back to Councillor Massey outside the meeting.

Councillor Duffin touched on the success of recycling in flats and questioned whether this was being rolled out in other places to which Councillor Jefferies stated yes this would rolled out into others and had already demonstrated recycling rates in flats was already up.

Councillor Ralph questioned whether the introduction of a Thurrock Spring Watch had been considered to reassure the different species of nature in Thurrock to which Councillor Jefferies stated this was a good idea, as part of the land maintenance strategy was to be environmental friendly and agreed to speak with Councillor Ralph further on this.

Councillor Worrall referred to Impulse Leisure and they were doing some fantastic work, with some success work with Impulse Leisure, trustees and the Council but stated she was the only woman on that trustee's board. Councillor Worrall questioned whether another woman from the conservative party could be appointed as part of the appointments made to outside bodies at annual council. Councillor Jefferies agreed Impulse Leisure had stepped up and was working well with the Council and agreed to look into the appointment of another woman on the trustee.

Councillor Maney referred to the Tree Strategy which was due to be presented to the Cleaner Greener Safer Overview and Scrutiny Committee next week and requested ward Members be informed when trees were due to be taken down and questioned why those trees had been taken down had not been replaced. Councillor Maney asked Councillor Jefferies to familiar himself with the two motions submitted by Councillor Redsell and Councillor Rigby, to ensure they were on track to be delivered. Councillor Jefferies agreed trees were not being planted for those that had been lost and resources by officers would be doubled up to replace these as soon as possible.

Councillor Jefferies summed up by stating his thanks to the Administration for making the borough brighter, tidier and cleaner.

96. Questions from Members

The Mayor informed the Chamber that one question to the Leader had been received and ten questions to Cabinet Members. Those questions not heard would either receive a written response or have the option to withdraw and resubmit.

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

At 9.13pm, Councillor J Kent referred to paragraph 16.1 of the Council procedure and rules to suspend standing orders. This was seconded by Councillor Byrne. The Mayor called a vote to which 17 Member voted in favour and 24 Members voted against. The Mayor stated she would now move to the notices of motion submitted.

97. Reports from Members representing the Council on Outside Bodies

This item fell.

98. Minutes of Committees

This item fell.

99. Update on motions resolved at Council during the previous year

This item fell.

100. Motion submitted by Councillor Redsell

This item fell and would be resubmitted to February Council.

101. Motion submitted by Councillor Muldowney

Councillor Muldowney withdrew her motion and resubmitted for February Council.

102. Motion submitted by Councillor J Kent

Councillor J Kent withdrew his motion and resubmitted for February Council.

103. Motion submitted by Councillor J Kent

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

This Council is concerned at the impact the Cost of Living Crisis is having on residents of Thurrock and notes that domestic gas and electricity bills are predicted to rise by, almost, 50% this year - from an average of £1277 to £1865. The Council resolves to:

- 1. Write to the Chancellor of the Exchequer to ask him to help residents by scrapping VAT on gas and electricity bills for one year.*
- 2. Write to Thurrock's Members of Parliament asking that they use their positions to support residents by working to achieve a cut in VAT on domestic energy bills.*

An amendment to this motion was received from Councillor Spillman and read as follows:

This Council is concerned at the impact the Cost of Living Crisis is having on residents of Thurrock and notes that domestic gas and electricity bills are predicted to rise by, almost, 50% this year – from an average of £1277 to £1865. The Council resolves to:

1. Write to the Chancellor of the Exchequer to deliver a Brexit promise and ask him to help residents by scrapping VAT on domestic gas and electricity bills.
2. Write to Thurrock's Members of Parliament asking that they use their positions to support residents by working to achieve a cut in VAT.
3. Write to Thurrock's Members of Parliament asking for a temporary suspension of all green levies on domestic gas and electricity bills.

Councillor J Kent agreed to move the amendments made by Councillor Spillman and requested this went to the vote. Members voted unanimously in favour of this Motion to which the Mayor announced the Motion carried.

104. Motion submitted by Councillor Collins

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

Modern Day slavery is seeing more and more people smuggled in to the UK using dangerous, and as we know too well sometimes fatal, methods as well as vulnerable UK minors and adults being groomed or duped and forced into sexual exploitation, domestic slavery, forced labour on farms, in construction, shops, bars, nail bars, car washes or manufacturing. We call on Thurrock Council to lead the charge in tackling this abhorrent practice by inviting all Thurrock based businesses to support our anti modern day slavery charter and drive down and stamp out modern day slavery.

Councillor Collins presented this motion by stating the Hidden and Extreme Harms Prevention Committee was a cross party committee that ensured all elements of the Council worked together to ensure the Council was fulfilling its duties in regards to Prevent, Human Trafficking and Modern Day Slavery and Unaccompanied Asylum Seeking Children. The committee would work reactively rather than proactively to drive the improvement of the services involved by interacting with partners and stakeholders. With changes to Section 54 of the Modern Slavery Act required commercial organisations carrying out business in the UK with a turnover of at least £36m would now need to prepare and publish a slavery and human trafficking statement for each financial year. A statement had been prepared by Thurrock Council and with the agreement from Cabinet would be put in place in Thurrock's businesses to support, protect and drive out modern day slavery. Councillor Collins stated modern day slavery had to be hounded out of Thurrock and urged all members to vote in favour of his motion this evening.

Councillor Collins thanked Fran Leddra for her commitment and the work she had undertaken in her role on the Hidden and Extreme Harms Prevention Committee and wished her every happiness in her retirement.

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

The meeting finished at 9.38pm

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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Appendix A to the Council Minutes – 26 January 2022

Item 6 – Questions from Public

The Mayor informed the Chamber that three questions had been received with question 1 being withdrawn prior to the meeting.

1. From Mr Perrin to Councillor Hebb

Mr Perrin

Can you tell me the full amount the Council has borrowed from outside sources, for example other Councils, over the past 5 years i.e. the “financial years 2016 to 2021”?

Mayor

Councillor Hebb

Councillor Hebb

Thank you Madam Mayor and thank you Mr Perrin and happy new year. So all councils borrow and lend for many reasons and borrowing funds as capital projects as well as investments and also refinancing some hard and historic debt. Capital projects are for things like school building, school expansion, road infrastructure and so on and that obviously speaks for itself. There are capital projects that are deemed invest to save so for example when you invest in upgrading the light circuits up to LED lighting and so forth, that is deemed a invest to save initiative. It produces electricity use and so forth.

Council borrowing is all repayable and are all paid when expected and as is expected. In 2016/17, all 49 Members, Conservatives, Labour and UKIP groups who later became the Thurrock Independents, consented to borrow £453.7m and Thurrock subsequently received £3.6m worth of income into Thurrock and £1m of income from lender bodies. In 2017/18, all 49 Members of Conservatives, Labour and UKIP groups consented to increase the Council’s borrowing up to £509.3m so an increase of £55.6m and Thurrock received £10.2m of income into Thurrock and £2m in income to the lender.

In the extraordinary paper in October 2017, all 49 Members of Conservatives, Labour and UKIP groups consented to an expansion of the investment approach to increasing the consented borrowing level of up to £859.3m which was an increase of £350m. In 2018/19 all 49 Members of Conservatives, Labour and Thurrock Independent groups consented to increase the council’s borrowing envelope up to £887.12m, an increase of £27.8m. Thurrock was then received £28m of income into Thurrock and £6.5m to the lenders. This reflects the uplift of the investment approach. In 2019/20, all 49 Members of Conservatives, Labour and Thurrock Independent groups consented to increase the council’s borrowing envelope up to £1.353b, an increase of £466.2m or up to £2b up to 3 years later over the life of the paper. That’s what all Members voted for. Thurrock then received £39m in terms of income into Thurrock and £10.8m in terms of income for the lenders. In 2020/21, the

divergence began. The Council consented to the Council borrowing £1.58b and Thurrock received £35m worth of income into Thurrock and £8.5m income to the lender. In 2021/22 all 49 Members of the Conservatives, Labour and Thurrock Independent groups voted to cut borrowing down to £1.5b thus ending the beginning of the investment approach. The economic approach that the Conservatives, Labour, UKIP/Thurrock Independent groups that all supported has helped earn over £144m over the last half decade. That's how long the investment activity has been going on. This isn't new. That's £115m for Thurrock, that's £29m for other external sources. And that helps all other areas and we live in a place that we're proud of.

So, now whilst borrowing will go down, the income that we received from the approach that we all voted for will drop off over a period of time, over the next few years as the investments become less and less as they mature. This means that the council will now have to cut the size of its cloth and become a leaner council.

Mayor

Mr Perrin, do you wish to pose a supplementary question?

Mr Perrin

Yes Madam Mayor. Councillor Hebb, I admit I find this a bit mind boggling for a member of the public and I'm not dealing with money of this kind. We're talking about a colossal amount of money. Can you assure me that if creditors suddenly requested loads to be paid back with interest, that the Council would remain solvent and capable of fulfilling its statutory liabilities without imposing prudent cuts, financial increases or worse going into administration as a bankrupt council?

Councillor Hebb

Thank you Madam Mayor and Mr Perrin for your question. This is a complicated matter and that's why we have produced a new website page to consolidate this for anyone who wants to have a read and doesn't want to go through various documents and public papers and so forth. It's meant to consolidate it to make it simpler to understand. But even then, it's still complicated. In terms of the interest, the answer to that question is yes, everything has been repaid will be repaid. The interest that you mention, that figure that I just gave you – the £115m and the £29m is actually after interest. So after everything that is said and done, after all borrowing is taken out and repaid and interest paid to those who are owed it, this scheme has earned £144m.

And the other thing, what it did allow us to do, is to increase our reserves position by 300% from what we inherited in 2016. We were an £8m reserve level and we went up to £24m. We've just gone through a 22 month adult centric health pandemic of epic proportions that nothing or any of us could have ever foreseen. We've been able to use that without then having to go into reserves without being one of those councils that you refer to. So yes, we are in good stead and it continues to perform estimated about £30.1m of income this year but like I said, it will start tapering out subsequently.

2. From Mr Rikowski to Councilor Mayes

Mr Rikowski

I live in Parker Road, Grays. On our street and surrounding areas we often detect a strong pollution that smells like washing detergent. I believe this comes from nearby factories or industry, and has been a concern for a number of decades. These strong chemicals trigger my asthma, cause my partner to suffer migraines and there is the wider concern for public health and air quality. What can be done to stop this issue from continuing to pollute the air for local residents?

Mayor

Councillor Mayes

Councillor Mayes

The sources of the odours referred to are historically associated with two factories in West Thurrock, Procter and Gamble (P&G) and Industrial Chemicals Group Limited (ICGL). Odours detectable at distance are invariably the result of chimney stack emissions rather than “fugitive” or building odours. Both factories have the potential for producing similar odours associated with the production of household detergents and geographically they are situated adjacent to each other. Procter & Gamble operates under a permit issued by The Environmental Agency not Thurrock Council. Odour complaints in respect of these premises are dealt with by the Environmental Agency who request all complaints to be logged using their 24/7 Freephone incident hotline number 0800 807060. Environmental Protection Officers from Thurrock Council liaise with the Environmental Agency and will make them aware of the concerns being raised. The Industrial Chemicals Group Limited have previously been the subject of the installation of odour abatement equipment. This oxidises the process odours prior to discharge to atmosphere. Oxidisers are an effective method of odour control but no method of control is 100% effective. The Council has responsibility for the investigation of the emission of odours from Industrial Chemicals Group Limited. Industrial Chemicals Group Limited’s abatement plant constitutes the current best means of odour control. Providing the abatement plant is operational, it is unlikely that further process operational controls could be required, however in response to this question, Council Environmental Protection Officers will investigate the concerns raised to ensure that the best practical means of odour control are being used and will liaise with the Environmental Agency as necessary.

Mayor

Mr Rikowski, do you wish to pose a supplementary question?

Mr Rikowski

Yes please.

In October 2019, Thurrock joined Parliament in the motion of declaring a climate emergency. I fully support this decision. My question now to Council is to clarify what

action is now being taken? What plans are in place to meet the challenges of this emergency, not just for council operations but also for local communities, infrastructure and businesses?

Mayor

This question is not related to the original question. Thank you for your question.

Item 17 – Questions from Members

The Mayor informed the Chamber one question to the Leader had been received and 10 questions to Cabinet Members.

QUESTIONS TO THE LEADER

1. From Councillor J Kent to Councillor Gledhill

Councillor J Kent

Does the Leader of the Council believe that the council, and his administration, act in accordance with the Nolan Principles of Standards in Public Life?

Mayor

Councillor Gledhill

Councillor Gledhill

Thank you Madam Mayor. I will give a shorter answer than the one prepared so that we can try and get through a few more of these questions. So the simple answer is yes, the seven Principles of Public Life, known as the Nolan Principles, apply to anyone who works in public office this includes all those elected or appointed to public office, both nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies and in the health, education, social care services. The seven principles are Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership. Of course there are part caveats to this so for instance where someone may hold information that is confidential and would be unable to disclose it that would be covered within our code of conduct and of course elected members up and down the country are entitled to a private life.

Mayor

Councillor J Kent do you wish to pose a supplementary question.

Councillor J Kent

Thank you Madam Mayor. The first of those principles is selflessness – it says “Holders of public office should act solely in terms of the public interest”. Does the leader believe that we have just acted solely in the terms of public interest in agreeing that we don’t finish the business of this meeting this evening?

Mayor

Councillor Gledhill

Councillor Gledhill

Thank you Madam Mayor and thank you Councillor J Kent for your supplementary question. Yes there is a good reason for us to come to an end and to bring this big agenda and we normally run to time and we should have done on this one so yes I do believe we are acting in the public interest as it would cost us more to keep this open as we go through an extended meeting.

Mayor

Councillor J Kent do you wish to pose a second supplementary question.

Councillor J Kent

Madam Mayor we will move onto Openness that “Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing”. The last time we met I asked the leader why the council was spending public money appealing against a verdict of a judge led tribunal that said the public has the right to know the detail of how Thurrock Council borrowed and invested more than £1b of tax payer’s money. Since then that appeal has been lost however the council is once again refusing to comply and is instead looking for further grounds to appeal. How does that square with the Nolan Principle that information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Mayor

Councillor Gledhill

Councillor Gledhill

Thank you Madam Mayor and thank you Councillor J Kent for your second supplementary question. I am not going to make any comment on a live actual court case and on an appeal that we have got going. It is not in the public interest as we have argued repeatedly and indeed since that last meeting we have now put up a significant amount of more information in relation to our investment strategy which is widely open for anyone to see.

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

1. From Councillor Muldowney to Councillor Jefferies

Councillor Muldowney

Can the Portfolio Holder tell us what action he has taken to address the issues with missed assisted bin collections in Chadwell St Mary?

Mayor

Councillor Jefferies

Councillor Jefferies

Thank you Madam Mayor. Thank you Councillor Muldowney for your question. Reports of assisted missed collections are investigated and resolved, usually this involves a conversation with the resident either by telephone or through a site visit. Once the issue has been resolved Team Managers continue to monitor the property for a four week period to ensure regular collections are made.

Mayor

Councillor Muldowney do you wish to pose a supplementary question.

Councillor Muldowney

Yes thank you Madam Mayor. The portfolio holder will remember that back in November he agreed to work with me to address the issues of bin collections in Chadwell. I have become pen pals with many residents, a lot of them are elderly and not in good health, in Chadwell who are on assisted collections. Since October, for example, 95 year old resident of Halton Road has had repeated missed collections during October, November, December and now January this year. Apart from replying to me to ask whether residents were reporting these issues and me providing evidence that they were reporting these issues I have heard nothing back from Councillor Jefferies. I have also had other requests come back saying that the reports could not be found that had been given to me with report numbers so is there a problem with reporting getting through to front line services that are dealing with these issues.

Mayor

Councillor Jefferies

Councillor Jefferies

Thank you Madam Mayor and thank you Councillor Muldowney for the question. So from the 18 May to the end of the December, 10 reports of assisted bins were missed and these complaints were received from yourself. One of those was actually during strike action and only one of these, is a repeat one, however I believe the particular case that you were talking about hasn't been dealt with properly and I would like to apologise to the resident for this and I have asked officers to look into why the response to this particular one, just this one complaint, was so poor and obviously I will reply back to the councillor when I get an answer to it.

Mayor

Councillor Muldowney do you wish to pose a second supplementary question.

Councillor Muldowney

Thank you Councillor Jefferies for that undertaking to look further into that particular instance, I appreciate that and so will the lady in question I'm sure. Another lady with heart problems in Waterson Road, because the lady in Halton Road is not the only one. Not only were her bins now collected but her neighbour's bins who weren't on the assisted collection were left over her drive, trapping in her home all day until her neighbours came home from work and were then able to move them. It was investigated and we were assured that it would not happen again as we have done time and time before but yet again there were more instances in November and December and now in January. So can we at least have an apology tonight from the portfolio holder for the stress and inconvenience caused to those who have had multiple missed bin collections? Thank you.

Mayor

Councillor Jefferies

Councillor Jefferies

Thank you Madam Mayor and thank you Councillor Muldowney for your question. Of course I apologise if bins are missed and for any stress or concerned that it has caused to residents if their bins haven't been collected. However what I would say to the councillor is please when people have a missed bin collection there is a process that they need to go through. Not just for it to be reported by councillors. If it is reported online or they telephone the call centre and report the fact that bins are missed it then goes into a log and can be investigated properly and also with assisted bin collections we have the additional thing where they are monitored over a period of time and we make contact with those people that have had their bins missed.

2. From Councillor Byrne to Councillor Jefferies

Councillor Byrne

Can the Portfolio Holder tell me about the aims of the No Mow Policy?

Mayor

Councillor Jefferies

Councillor Jefferies

Thank you Madam Mayor and thank you Councillor Byrne for your question. I would like to make clear there is no No Mow Policy, "No Mow" is number of mechanisms that will be used as part of the Land Maintenance Strategy, in appropriate areas, e.g. meadow planting, leaving areas to grow to provide natural habitats. The strategies aims are to provide more efficient and effective land management and increase biodiversity and habitats.

Mayor

Councillor Byrne do you wish to pose a supplementary question.

Councillor Byrne

Yes. Can you inform the chamber what maintenance programmes will be implemented, will there be in line with RHS recommendations for looking after wild flowers. You may already have read an article in the telegraph about it.

Mayor

Councillor Jefferies

Councillor Jefferies

Thank you Madam Mayor and thank you Councillor Byrne for the question. I actually use the BBC App to find out all my news. If you look at land maintenance strategy one of the things that we have said there is that we will be reviewing each area so it is not just a blanket where we are going to plant wild flowers in that area or in that area, trees in that area, cut that grass, we are going to look carefully at all areas and decide what is the best policy for that area and yes of course we will be following all the advice from organisations like the RHS provide.

Mayor

Councillor Byrne do you wish to pose a second supplementary question.

Councillor Byrne

Yes please. As a result of this plan will there be any, as Councillor Hebb calls it, reshaping, some call it resizing, I just call it plain English will there be any job losses.

Mayor

Councillor Jefferies

Councillor Jefferies

I am not in a position along with any of my cabinet colleagues to be able to say there will be no job losses in the future, I don't think any organisation can say that at all. But obviously they will be kept to the minimum obviously and we will look carefully as I said earlier our front line services and make sure they are protected and maintained as much as possible but unfortunately any organisation in today's economic situation have to look at job losses I am afraid.

3. From Councillor Byrne to Councillor Mayes

Councillor Byrne

Is the Portfolio Holder satisfied, from the Council's position as a partner to the project, in the progress of the Corringham IMC?

Mayor

Councillor Mayes

Councillor Mayes

Thank you Madam Mayor and thank you Councillor Byrne for your question. The Corringham IMC is a North East London NHS Foundation Trust building and the programme is being led by NHS partners. The building is on track to open in spring 2022 as planned and my understanding from the NHS Thurrock CCG's Alliance Director is that it will contain a GP practice and a wide range of other community health and wellbeing services. Council Chief Officers continue to work with the NHS and third sector partners through the Thurrock Integrated Care Partnership to design new models of integrated care that will operate from not only the Corringham IMC but will benefit all Thurrock residents through the integrated medical centres.

Mayor

Councillor Byrne do you wish to pose a supplementary question.

Councillor Byrne

I didn't get an answer to the first one, I only asked if he was happy. What I see from the IMC what I am not happy with is the travel plan for sick and elderly to walk or take a bike to the Corringham IMC as there are no provisions for parking. We're moving in the worst performing GP in Thurrock whose reports are so low it doesn't get graded, we are still unsure whether any services will actually be there and doesn't come close to living up to the expectations of promises to cover the services at Orsett Hospital so, again, are you happy with what is going on at the moment at the Corringham IMC?

Mayor

Councillor Mayes

Councillor Mayes

Thank you Madam Mayor and thank you Councillor Byrne for your supplementary. The meeting which I believe you are referring to, other colleagues went to as well and obviously by the sound of it, it wasn't in a position of what we would have liked it to have been. However as you may or may not know it is for the NHS to decide who goes in there, we can't pick a GP. I know from speaking with colleagues there are issues with that GP surgery but that is for the NHS to deal with. In terms of being happy it is on target and there is a wide range of services that will be running from there including COPD, diabetics, older adult services, Thurrock MIND will be in there, Inclusion Thurrock, IAPT, AMC community midwives and parenting sessions just to name a few. So yes it will deliver be part of the bigger wider integrated medical centre programme so in fact yes it is the first step, I am happy with what we have heard so far and obviously want to continue on the IMC programme. Thank you.

Mayor

Councillor Byrne do you wish to pose a second supplementary question.

Councillor Byrne

Is it still written in stone that until all the four IMCs are open that Orsett Hospital will stay open, is that like cast.

Mayor

Councillor Mayes

Councillor Mayes

Yes.

Questions 4 to 10 fell due to the timing of the meeting.

QUESTIONS FROM MEMBERS OF THE PUBLIC

1 question received from members of the public.

1. **From Mr Perrin to Councillor Spillman**

I believe six months have passed since it was announced that the Council was to initiate a report on the problem of damp and mould in Council owned housing. If, or when, such a report has been completed will it be published in the public domain?

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Petitions Update Report

Petition No.	Description	Presented (date)	Presented (by)	Responsible Director	Status
559	Resurface Nutberry Park car park as it is incredibly uneven and full of pot holes making it unsafe.	4/1/22	On-Line	Julie Rogers	The Council explored all options available to try to fund the works requested. It was important to note that this car park does not generate income. Car parks that are income generating use the funding to maintain the car park to a good standard. In the absence of income, we will explore if any patching work can be carried out in the interim while we seek funding opportunities to resurface the whole car park.

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23 February 2022	ITEM: 10
Council	
Assistant Director Appointment	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Rob Gledhill, Leader of the Council	
Accountable Director: Sean Clark, Corporate Director Resources and Place Delivery	
This report is Public	

Executive Summary

In accordance with Constitutional requirements this report seeks approval from Council to appoint the permanent Assistant Director Property and Facilities Management.

Following a robust search and selection process, General Services Committee interviewed on 10 February 2022 and agreed to recommend Mark Bradbury as Assistant Director Property and Facilities Management.

1. Recommendation

1.1 To approve in accordance with the Council’s Constitution the appointment of Mark Bradbury as Assistant Director Property and Facilities Management.

2. Introduction and Background

2.1 The Assistant Director Property and Facilities Management role has been covered by an interim acting up arrangement since October 2019.

2.2 This post is a permanent existing position in the senior structure and is critical to the delivery of key priorities for the Council.

3. Assistant Director Property and Facilities Management

3.1 Recruitment to the Assistant Director Property and Facilities Management role commenced in December 2021. The Council engaged executive search agency Tile Hill to run a full search and selection campaign.

- 3.2 The campaign attracted a total of eighteen applications which were assessed by Tile Hill and eight candidates were recommended to progress. Longlisting at General Services Committee took place on 27 January 2022 and nine candidates were progressed to the next stage.
- 3.3 Two candidates withdrew prior to the technical assessments. Technical assessments for the remaining seven candidates were conducted by an external independent expert on 2 February 2022. Shortlisting by General Services Committee took place on 7 February 2022, from the seven candidates three were selected to progress to the Selection Day.
- 3.4 Selection Day took place on 10 February 2022 with the shortlisted candidates. Selection involve interviews with a stakeholder panel and General Services Committee.
- 3.5 The stakeholder panel consisted of:

1	Kristina Jackson	Chief Executive, Thurrock CVS
2	Sharon Bayliss	Director of Programme Implementation, ASELA
3	Gerard McCleave	Assistant Director Economic Growth & Partnerships, Thurrock Council
4	Jo Broadbent	Director of Public Health, Thurrock Council
5	Ewelina Sorbjan	Assistant Director Housing Management, Thurrock Council
6	Mollie Quincey	Youth Cabinet
7	Sami Sahel	Youth Cabinet
8	Sarah Hirt	Panel Facilitator and HR Business Partner, Thurrock Council
9	Emma Elliott	Panel Facilitator and Resourcing Officer, Thurrock Council

- 3.6 After receiving stakeholder panel feedback, General Services Committee panel considered two candidates appointable. General Services Committee recommendation is to appoint Mark Bradbury as the permanent Assistant Director Property and Facilities Management.

4. Reasons for Recommendation

- 4.1 To appoint to this senior position to ensure the Council has appropriate senior leadership in place to deliver critical services and ambitions.

5. Consultation

- 5.1 Appointment to this senior management position has been conducted by General Services Committee with the full engagement of key stakeholders. GSC recommends the candidate be approved by Full Council.
- 5.2 Cabinet were advised of the recommended Assistant Director appointment and no objections were received.

6. Implications

6.1 Financial

Implications verified by: **Sean Clark**
Corporate Director Resources and Place Delivery

This is a substantive post and is therefore included within the council's core budgets.

6.2 Legal

Implications verified by: **Gina Clarke**
Corporate Governance Lawyer

A local authority shall appoint such officers as it thinks necessary for the proper discharge by the authority of such of their functions (section 112 Local Government Act 1972).

Under section 7 of the Local Government and Housing Act 1989, every appointment to a paid office or employment to a Council post must be made on merit.

The Local Authorities (Standing Orders) (England) Regulations 2001 and the Council's Constitution, set out compulsory provisions relating to the appointment of chief officers and deputy chief officers. An offer of employment as a chief officer or deputy chief officer shall only be made where no well-founded objection from any member of the executive has been received.

In addition, the proposed appointment must be made in accordance with the Council's Pay Policy Statement.

6.3 Diversity and Equality

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

This appointment is recommended based on the council's recruitment process which is underpinned by the Council's equal opportunity policy.

Report Author:

Jackie Hinchliffe
Director of HR, OD and Transformation

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23 February 2022	ITEM: 11
Council	
Annual Pay Policy Statement 2022/23	
Wards and communities affected: All	Key Decision: N/A
Report of: Cllr Jack Duffin – Portfolio Holder for Central Services and Communities	
Accountable Director: Jackie Hinchliffe – Director of HR, OD & Transformation	
This report is Public	

Executive Summary

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

The Council’s draft Pay Policy Statement for 2022/23, attached at Appendix 1, sets out the position on 1 April 2022 and meets the requirements of the Act.

In accordance with the Council’s Human Resources Framework Collective Bargaining Agreement and the Pay Strategy and Pay Policy for Senior Managers the pay awards contained in this report, and the Pay Policy Statement, reflect those from the independent market assessments, conducted by Total Reward Projects Ltd in December 2021, and for apprentices and the National Living Wage the Government’s Budget Statement published on 27th October 2021.

1. Recommendation(s)

1.1 The Annual Pay Policy Statement 2022/23 is endorsed in line with the Council’s obligations under the Localism Act 2011.

2. Introduction and Background

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

2.2 This report seeks approval of the Council's Annual Pay Policy Statement for 2022/23; in particular, the elements of this statement which vary from, or are in addition to, those contained in last year's pay policy.

2.3 The Pay Policy is informed by the Human Resources Framework Collective Bargaining Agreement 2019 – 2023 and the Pay Strategy and Pay Policy for Assistant Director and Director Posts.

3. Issues, Options and Analysis of Options

3.1 The outlook for pay settlements in 2022 is unpredictable due to the challenging backdrop of the post Covid economic recovery; the lifting of the public sector pay freeze and the unresolved Local Government pay negotiations for 2021.

3.2 The Chancellor announced a new National Minimum Wage of £9.50 in the October statement.

3.3 The forecast for pay settlements across the economy is difficult due to the turbulence but current expectations are for a median increase of around 2.5% in the private sector with the public sector seeing increases of around 2.0 – 2.5%.

3.4 The attached Pay Policy Statement (Appendix 1) and pay scales reflect the recommendation of the independent market assessment for both employees and Senior Managers and incorporate the new National Living Wage.

4. Independent Pay Reviews

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

5. Pay Award for Employees 2022/23

5.1 Under Thurrock's 2019 Human Resources Framework Collective Bargaining Agreement, the Council agreed to remove the historical annual link to National Joint Council for Local Government (NJC) pay rates and for the pay rates to be determined via "a locally agreed decision with reference to the National Negotiating Committee (NJC) recommendations, an independent pay review (commissioned annually by the Council), budget availability and the UK Living Wage".

5.2 Pay negotiations between the NJC and Trade Unions for 2022-2023 have not commenced. The current negotiations for 2021/22 have stalled and the Unions are currently balloting their members for strike action. The current expectation is that an agreement will not be reached before the 1st April 2022 for 2021/22 and could result in an agreement not being reached until late 2022/23 before negotiations start for 2022/23.

- 5.3 The independent pay review commissioned by the council recommends that, with effect from 1 April 2022, the council implements an increase of 2.5% for Bands A & B and 2.25% for Bands C to I.
- 5.4 The Government announced in the budget on 27th October 2021 that the public sector pay freeze was to be lifted for 2022/23. Local Government pay is negotiated separately from the public agencies covered by the Government's statement and the local Collective Agreement provides for no detriment across the lifetime of the agreement.

6. Pay Award for Senior Management 2022/23

- 6.1 In accordance with the Pay Strategy and Pay Policy for Senior Managers the Council has undertaken an annual independent market assessment of senior management pay.
- 6.2 The independent market assessment recommends the council implement a 2.25% increase across the Senior Manager Pay Scales.
- 6.3 Senior Manager pay in Thurrock has not kept pace with the national awards:

Table 1 – Senior Manager Pay Awards

Year	National Award	Thurrock Award
2019/20	2.0%	2.0%
2020/21	2.75%	2.0%
2021/22	1.50%	0.0%
2022/23	2.0%*	2.25%
Total	8.25%	6.25%

*Predicted based on independent pay report.

7. The National Living Wage (formally the National Minimum Wage)

- 7.1 The National Living Wage – the legal, minimum wage for workers aged over 22 will be £9.50 per hour from the 1st April 2022.
- 7.2 The National Living Wage for workers aged 21-22 will be £9.18 per hour from the 1st April 2022.
- 7.3 The Thurrock Living Wage (TLW) will increase by 2.8% to £9.50 per hour in order to match the National Living Wage.

8. Apprentices

- 8.1 The pay for Council apprentices is the National Living Wage appropriate to their age from the start of employment. This was agreed in the 2018/19 pay

policy statement, as an increase from paying apprentices the lower apprentice rate for the first six months of their employment.

- 8.2 It is proposed to continue this approach to apprentices, increasing the rates in line with the rates as shown in Table 1 below.

Table 2: Apprenticeship rates for 2022/23

	Aged 23 and over	Aged 21-22	Aged 18 to 20	Aged under 18	Apprentice Rate
Rates from April 2022	£9.50	£9.18	£6.83	£4.81	£4.81

9. Senior Managers

- 9.1 Following the introduction of the Government's code of practice for transparency in 2014¹, the Council will continue to publish specific details of senior managers' pay and responsibilities.
- 9.2 Section 12 of the Pay Policy Statement has been updated to ensure the appointment of senior officers reflects the requirements of the Council's Constitution and the Localism Act 2011.

10. Consultation with Local Trade Unions

- 10.1 The report and Pay Policy have been shared and discussed with the Council's recognised Trade Unions.

11. Implications

11.1 Financial

Implications verified by: **Sean Clark**
Corporate Director, Resources & Place Delivery

There is £3.6m growth built into the Medium-Term Financial Strategy that covers the costs that arise from this Pay Policy. In addition, there is a further £1m to cover the costs of the increase in Employer's National Insurance.

Members are aware of the significant pressures that the revenue budget is under and any growth simply adds to those pressures and requires budget reductions elsewhere.

¹ 'Local Government Transparency Code 2014' published by DCLG: 1
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/360711/Local_Government_Transparency_Code_2014.pdf

11.2 Legal

Implications verified by: **Mark Bowen**
Interim Deputy Monitoring Officer

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

11.3 Diversity and Equality

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

This pay statement implements the recommendations and standard protocols set by law and policy and therefore there are no diversity and equality implications arising.

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

No other significant implications have been identified.

12. Appendices

Appendix 1 – Pay Policy Statement 2022/23

Report Author:

Andrew Brown
Strategic Lead Pay and Operations

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THURROCK COUNCIL
PAY POLICY STATEMENT 2022/23

VERSION CONTROL SHEET

<i>Title:</i>	Pay Policy Statement 2022/23
<i>Purpose:</i>	To advise on the Council's pay policy including requirements under Section 38 of the Localism Act 2011.
<i>Owner:</i>	Human Resources & Organisational Development
<i>Approved by</i>	Council
<i>Date:</i>	23 February 2022
<i>Version:</i>	0.1
<i>Review frequency:</i>	Annually – in accordance with Section 38 of the Localism Act 2011
<i>Next review date:</i>	October 2022

Thurrock Council Pay Policy Statement 2022/23

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

Appendix 1 Senior Manager Pay Scales 2022/23

Appendix 2 National Minimum and Living Wage Rates 2022/23

Appendix 3 Collective Bargaining Pay Scales 2022/2023

1. Introduction

- 1.1 This Statement complies with Section 38 of the Localism Act 2011, which requires local authorities to produce a pay policy statement for each financial year in order to improve transparency and accountability within Local Government.
- 1.2 It may be adapted and/or updated by agreement at a full Council meeting.
- 1.3 Thurrock Council reserves the right to review, revise, amend or replace the content of this Statement from time to time to reflect service delivery needs and to comply with new legislation.

2. Scope

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

3. Determination of pay grades and salary levels

Senior officers

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

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

Employees who are not senior officers

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

4. Pay Progression

Senior officers

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

Employees who are not senior officers

- 4.3 New starters are paid in accordance with Section 15.5 of the council’s recruitment policy which states; ‘normally the pay point will be the minimum point of the band. Exceptions to this rule may be considered where the minimum point is below the candidate’s current salary.’
- 4.4 Employees will receive an increase of one incremental point each year, effective from 1st April, providing they (i) have performed their role entirely satisfactorily; (ii) have 6 months’ service before 1st April; (iii) are not already at the top point of their pay band. Performance objectives will be linked to service delivery plans and priorities.
- 4.5 Employees who are protected under TUPE arrangements will be paid according to their contract of employment.

5. Cost of living pay increases

Senior officers

- 5.1 The annual, independent market assessment conducted in December 2021 recommended there should be 2.25% for senior officers in 2022/23.

Employees who are not senior officers

- 5.2 Under the Human Resources Framework Collective Bargaining Agreement 2019, the Council agreed to remove the historical link to National Joint Council for Local Government (NJC) pay increases and for the pay increases to be determined via “a locally agreed decision with reference to the National Negotiating committee (NJC) recommendations, an independent pay review (commissioned annually by the Council), budget availability and the UK Living Wage”. This applies to all employees other than senior officers.
- 5.3 The annual independent assessment conducted in December 2021 recommended a pay increase of 2.5% for grades A & B and an increase of 2.25% for grades C to I for 2022/23.

6. Lowest paid employees

- 6.1 For the purposes of this Statement, employees on the lowest grade of the Council’s pay structure are classed as the lowest paid employees. The only employees paid at a lower rate than the Thurrock Living Wage are apprentices (see paragraph 7).
- 6.2 The Thurrock Living Wage pay point and grade are the Council’s minimum pay point with hourly pay set to £9.50 from the 1st April 2022.

7. Apprentices

- 7.1 The starting pay for Council apprentices is the national minimum wage or national living wage according to their age at the point of recruitment. The lowest pay rate for apprentices aged 16 - 17 years old will be £4.81 from 1 April 2022. The full range of NLW rates for 2022/23 are set out at Appendix 2.

8. Pay Multiple

- 8.1 Calculations were made using 2022/23 pay scales which show the pay ratios between the chief executive’s salary and the average salary of the workforce on grades A-I are as follows:

Chief Executive: mean salary of the workforce = 1:5.6

Chief Executive: median salary of the workforce = 1:6.3

- 8.2 These ratios were calculated from the median chief executive salary level of £186,000; the mean salary of all staff other than the chief executive of £33,374 and the median salary of all staff other than the chief executive of £29,651.

9. Acting up payments

- 9.1 For acting up or additional duties arrangements, an individual will be paid at the lowest point of the band being acted into, or one pay point higher than their substantive pay point if pay bands overlap.
- 9.2 Management do however have the discretion to award an acting up or additional duties allowance up to a maximum of 3 additional points from the employee's substantive pay point. The rationale for payment is subject to approval by the Councils Trade Union Board and evidence should be clearly documented on the employee's personal file.
- 9.3 Secondments are subject to the same pay allowances as stated above, however managers can make secondment arrangements according to the needs of their service are these are not subject to approval. Further details can be found in the Secondment policy.

10. Other payments

- 10.1 The Council has an employee relocation package, available to all new employees, subject to eligibility criteria.
- 10.2 The Council does not operate a bonus scheme for any employees, nor does it offer any other informal benefits to its senior officers
- 10.3 On occasions, for posts below senior officer level, temporary market supplements may be paid where difficult market conditions lead to recruitment and retention problems. Such supplements must be agreed by the Council's Trade Union Board.

11. Contractors and consultants

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

12. Appointment of senior officers

- 12.1 The appointment of senior officers will be conducted in accordance with the Employment Procedure Rules as defined by the Council's Constitution.

12.2 The appointment of individuals, including those receiving salaries in excess of £100k, is in accordance with the pay structure and the principles outlined in this policy.

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

13.1 In the event of redundancy or the early retirement of any employee, the Council will pay its standard severance payments within the discretions of the Local Government Pension Regulations.

13.2 In exceptional circumstances and where it represents best value for the Council, additional payments may be made to comply with the terms of a settlement agreement. These will be subject to the delegated powers and processes outlined in the Council's Constitution.

13.3 The Council will not normally re-engage, either in a contract of employment or a contract for services, any officer who has previously been paid a discretionary payment (via a settlement agreement or retirement package) on leaving the Council's employment. Only in exceptional circumstances, and with the agreement of the Chief Executive and the General Services Committee, will such an arrangement be sanctioned.

14. Mandatory Gender Pay Reporting

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

15. Transparency code

15.1 In accordance with Government guidelines¹, the council publishes details of senior managers' pay on its website.²

16. Publication of information

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

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

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

Appendix 1 - Senior Manager Pay Scales 2022/23

		50/50% Lower Base Pay		50/50% Median Base Pay		50/50% Higher Base Pay
	SCP	Annual Pay £	SCP	Annual Pay £	SCP	Annual Pay £
CEO	31	169,500	32	186,000	33	199,000
DIR5	28	132,000	29	144,500	30	154,000
DIR4	25	123,000	26	137,000	27	143,000
DIR3	22	114,500	23	128,000	24	131,000
DIR2	19	102,500	20	112,500	21	118,000
DIR1	16	96,000	17	107,000	18	109,500
AD5	13	92,500	14	102,500	15	106,500
AD4	10	90,500	11	99,000	12	102,500
AD3	7	85,000	8	95,000	9	98,000
AD2	4	80,000	5	88,000	6	92,500
AD 1	1	75,500	2	80,000	3	87,500

Appendix 2: National Living Wage Rates 2022/23

	Age 23 and over	Age 21 to 22	Age 18 to 20	Age under 18	Apprentice Rate
Rates from April 2022	£9.50	£9.18	£6.83	£4.81	£4.81

Appendix 3: Collective Agreement Pay Chart 2022/2023

Grade	Pay Point	2022/23 rate per hour		2022/23 salary	
I	54		£40.80		£78,723
	53		£39.62		£76,431
	52		£38.46		£74,196
	51		£37.33		£72,021
	50		£36.24		£69,909
	49		£35.17		£67,857
H	48	£34.14		£65,865	
	47	£33.14		£63,933	
	46	£32.17		£62,061	
	45	£31.23		£60,249	
	44	£30.32		£58,500	
G	43	£29.45		£56,808	
	42		£28.60		£55,179
	41		£27.76		£53,550
	40		£26.94		£51,978
	39		£26.16		£50,469
	38		£25.41		£49,023
F	37		£24.66		£47,571
	36	£23.94		£46,185	
	35	£23.25		£44,856	
	34	£22.56		£43,527	
	33	£21.90		£42,258	
E/F	32	£21.28		£41,052	
	31	£20.65		£39,843	
	30	£20.06	£20.06	£38,697	£38,697
	29		£19.46		£37,548
	28		£18.90		£36,462
E	27		£18.34		£35,376
	26		£17.80		£34,350
	25		£17.27		£33,324
D/E	24	£16.77	£16.77	£32,358	£32,358
D	23	£16.27		£31,392	
	22	£15.80		£30,489	
	21	£15.33		£29,580	
	20	£14.90		£28,737	
	19	£14.46		£27,894	
C/D	18	£14.05	£14.05	£27,108	£27,108
C	17		£13.64		£26,322
	16		£13.24		£25,536
	15		£12.86		£24,813
	14		£12.49		£24,090
	13		£12.26		£23,661
B	12	£12.01		£23,178	
	11	£11.76		£22,695	
	10	£11.54		£22,269	
	9	£11.32		£21,849	
	8	£11.10		£21,423	
	7	£10.88		£21,000	
A	6		£10.67		£20,577
	5		£10.45		£20,154
	4		£10.23		£19,728
	3		£10.04		£19,365
	2		£9.85		£19,005
	1		£9.66		£18,642
TLW	TLW	£9.50		£18,330	

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23 February 2022	ITEM: 12
Council	
Capital Strategy 2022/23	
Wards and communities affected: All	Key Decision: Yes
Report of: Councillor Shane Hebb, Portfolio Holder for Finance	
Accountable Assistant Director: Jonathan Wilson, Assistant Director - Finance	
Accountable Director: Sean Clark, Corporate Director of Resources and Place Delivery	
This report is Public	

Executive Summary

The Capital Strategy sets out the strategic framework underpinning capital expenditure and the associated financing at the Council.

This includes the Capital Project Programme – projected to increase from £550.581m (General Fund, HRA and TRL combined) to £634.526m and the now-historical capital investment activity, which is being wound down over several years and is projected to be funded by £915.759m of borrowing.

These investments continue to deliver a further surplus of circa £30m. This contributes to the £115m after interest that have funded services at levels above the statutory minimum.

It also includes the Treasury Management Strategy. These are set 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). It is noted these documents were updated in December 2021 with changes that need to be reflected in the 2023/24 Capital Strategy. These will be assessed and included in the annual update to the strategy.

The strategy is set in the context of the de-prioritisation of the Council's investment approach. This means previously planned investments were not progressed and have been removed from the medium term financial strategy. There is a continued focus on the management of the existing investments that have continued to create revenue returns that can then be allocated to spending on the services for Thurrock residents.

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

There are two points of note:

1. Borrowing levels

The borrowing levels set out in the report reflect the ongoing capital project activity in both the General Fund and the HRA alongside planned investments in Thurrock Regeneration Ltd (TRL). It is noted the planned increases in borrowing reflect the wider proposed changes to the capital programme and the associated interest costs will be met from the General Fund, HRA or the associated interest receivable in respect of TRL projects.

There is no new capital investment activity planned and the overall level of debt linked to this starts to reduce further in 2023/24. The balance will be managed down in line with agreed redemption dates (or sooner where the opportunity to do so is made available and can be managed in a financially sustainable way.

2. Capital Financing Requirement

The Capital Financing Requirement sets out the level of borrowing required to support the planned capital activity of the Council. The report sets out the levels through to 2024/25 and confirms the level of borrowing will be within this limit throughout this period.

In accordance with the above Codes, this report:

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

1 Recommendation(s)

That Full Council:

- 1.1 Approve the Capital Strategy for 2022/23 including approval of the Annual Minimum Revenue Provision (MRP) statement for 2022/23;**
- 1.2 Approve the adoption of the prudential indicators as set out in Appendix 1; and**
- 1.3 Note the revised 2021/22 and 2022/23 Treasury Management projections as set out in Annex 1 paragraph 2.32.**

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.

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 project bids;
 - Details on the sources of funding and projections on capital receipts (assets);
 - The strategic approach of the Council to borrowing and the governance arrangements in place;
 - The proposed prudential indicators for 2022/23;
 - Details of the Council's strategic approach to historic investments and commercial activities, and on-going management;
 - 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 though this has reduced significantly over the last two years. It is noted that there are further moves to alternative funders, including the PWLB, likely over the coming year; and

b) The approach taken to the Minimum Revenue Provision (as set out in Annex 1).

3.4 The capital strategy reflects the requirements of the The Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services and the Prudential Code (The Code). These documents were updated in December 2021, and the broad focus of the changes are to ensure the capital programme, investment activity and the associated borrowing is proportionate to the financial capacity of the organisation. The 2023/24 capital strategy will reflect the detailed requirements of the guidance and the Council continues to manage capital, investment and borrowing activity and effectively manages associated financial risk appropriately. Furthermore, it is noted the Council has deprioritised the Investment Strategy and hence the application of the new guidance will apply to the existing investment portfolio as it concludes.

3.5 There are further proposed updates to the guidance on the Minimum Revenue Provision. The government is proposing changes to regulations to make sure that practices remain prudent and consistent across the sector. The consultation raises a specific concern around how MRP has been applied in respect of commercial property held for investment purposes. This remains at the consultation phase and the final guidance will be considered in due course.

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 this report, the Capital Strategy is largely based on best practice and the Council's spending plans.

5.2 The Corporate Overview and Scrutiny Committee received this report at the meeting on 18 January 2022. There were no specific comments or concerns raised by members.

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 £34m by the end of 2021/22 and Investment activity has contributed circa £115m of additional income over the last five years.

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.

7.2 Legal

Implications verified by: **Gina Clarke**
**Corporate Governance Lawyer and
Deputy Monitoring Officer**

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

7.3 Diversity and Equality

Implications verified by: **Natalie Smith**
Community Development Officer

There are no direct diversity implications noted in this report

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

- Not applicable

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

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

9. Appendices to the report

- Appendix 1 – Capital Strategy Report 2022/23
- Annex 1 – Treasury Management Strategy 2022/23

Report Author:

Chris Buckley

Senior Financial Accountant, Corporate Finance

Appendix 1 - Thurrock Council
Capital Strategy Report 2022/23

Introduction

This capital strategy is a refreshed report for 2022/23, 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.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets 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.

In 2022/23, the Council is planning capital project expenditure of £120.047m as summarised below:

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

	2020/21 actual	2021/22 forecast	2022/23 forecast	2023/24 forecast	2024/25 forecast
General Fund services	73.262	117.595	81.496	69.782	56.546
Council housing (HRA)	18.934	54.775	39.051	16.260	18.410
TOTAL	92.196	172.370	120.547	86.042	74.956

The main General Fund capital projects include the Stanford Le Hope Interchange, Purfleet and Grays redevelopment, Highways Infrastructure Improvements, Provision of Care Home, Integrated Medical Centres, school expansions, and ICT improvements.

The Housing Revenue Account (HRA) is a ring-fenced account that ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately, and includes expenditure over the following 3 years of £86m including £32.9m for transforming homes and £29.4m for tower block refurbishments.

Table 1b: Prudential Indicator: Estimates of Capital Expenditure in £m – New investment activity

	2020/21 actual	2021/22 forecast	2022/23 forecast	2023/24 forecast	2024/25 forecast
Capital investments	15.302	0	0	0	0

There are no planned capital investments from 2022/23 onwards following an agreed pause to the investment strategy.

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

All capital expenditure must be financed, from either 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 sources in £m

	2020/21 actual	2021/22 forecast	2022/23 forecast	2023/24 forecast	2024/25 forecast
External sources	54.790	25.711	23.691	23.790	29.000
Own resources	15.805	20.907	10.790	11.046	11.307
Debt	36.903	125.752	86.066	51.206	34.649
TOTAL	107.498	172.370	120.547	86.042	74.956

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 that 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

	2020/21 actual	2021/22 forecast	2022/23 forecast	2023/24 forecast	2024/25 forecast
Own resources	5.189	6.675	9.024	10.756	12.796

The Council's full MRP 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 £83.945m during 2022/23 to reflect capital project programme changes. 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

	31.3.2021 actual	31.3.2022 forecast	31.3.2023 forecast	31.3.2024 forecast	31.3.2025 forecast
General Fund services	207.612	291.979	340.761	375.996	390.746
Council housing (HRA)	195.263	229.972	258.233	263.447	270.550
Capital investments	915.759	915.759	915.759	872.759	872.759
TRL Investments	29.632	28.632	35.532	78.782	71.882
TOTAL CFR	1,348.266	1,466.342	1,550.285	1,590.984	1,605.937

Asset management: To ensure that capital assets continue to be of long-term use, the Council has undertaken a detailed asset review in 2021/22 and the use and future of assets is being considered alongside the delivery of corporate priorities.

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 capital borrowing. The Council is currently also permitted to spend capital receipts on service transformation projects until 2024/25. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive capital receipts (total includes both GF and HRA receipts) in the coming financial year as follows:

Table 5: Capital (asset) receipts in £m

	2020/21 actual	2021/22 forecast	2022/23 forecast	2023/24 forecast	2024/25 forecast
Asset sales	6.931	15.000	10.000	10.000	10.000
Loans repaid	0.041	0.043	0.045	0.047	0.049
TOTAL	6.972	15.043	10.045	10.047	10.049

Treasury Management

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

The Council is projecting £1.460bn of borrowing at the end of 2022/23 at an average interest rate of 2.4% including £21m treasury investments at an average rate of 0.11%

- £550.581m for the capital programme (General Fund, HRA and TRL combined) and
- £915.759m for investments. In terms of the latter, the approach has generated an 11.5% return after all costs and interest are paid.

Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.30%) and long-term fixed rate loans where the future cost is known but higher (currently 0.95% to 1.37%).

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

	31.3.2022 forecast	31.3.2023 forecast	31.3.2024 forecast	31.3.2025 forecast
Debt (incl. PFI & leases)	1,460.385	1,533.932	1,552.237	1,502.237
Capital Financing Requirement	1,466.340	1,550.285	1,633.984	1,605.937

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

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

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

	2021/22 Forecast	2022/23 limit	2023/24 limit	2024/25 limit
Authorised limit – borrowing	1,570.385	1,633.932	1,652.137	1,602.237
Authorised limit – PFI and leases	0.000	0.000	0.000	0.000
Authorised limit – total external debt	1,570.385	1,633.932	1,652.137	1,602.237
Operational boundary – borrowing	1,470.385	1,533.932	1,552.137	1,502.237
Operational boundary – PFI and leases	0.000	0.000	0.000	0.000
Operational boundary – total external debt	1,470.385	1,533.932	1,552.137	1,502.237

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

Investment strategy:

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. Historical activity that will conclude as investments complete over the next several years were always based on low-risk activity, for lesser return; prioritising safety over risk. The approach has endured during the COVID-pandemic, contributing to a return of circa £115m of additional income over the last five years. 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. Both short-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

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

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Corporate Director of Resources and Place Delivery and staff, who must act in line with the treasury management strategy approved by elected members of 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 it would with other treasury-related investments, however it still plans for such investments to break even after all costs.

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

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

Commercial Activities

With central government financial support to local public services declining, the Council decided to investigate various options to increase income and has subsequently made investments in line with the principles set out in the Council's Investment Strategy. The approach started in 2010, and its first larger investment occurred in 2016. Members then supported a move to an investment approach in 2017. In 2020, the decision was made to pause the approach.

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

In 2020/21, the investment strategy was paused and following changes in the Prudential code and PWLB borrowing regulations the strategy has now been stopped with no further investments to be undertaken.

Liabilities

In addition to debt detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £195.941m at 31 March 2021). It has also set aside £10.164m to cover risks including 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 Corporate Director of Finance, Governance and Property. The risk of liabilities crystallising and requiring payment is monitored by Corporate Finance.

Revenue Budget Implications

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

This shows the net financing income that is in addition to the core funding streams of the Council.

Table 9 (i): Prudential Indicator: Proportion of net financing costs to net revenue stream

	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
Net financing income (£m)	(17.430)	(10.676)	(7.728)	(4.360)
Proportion of net revenue stream	14.64%	8.67%	6.04%	3.25%

For wider context, the table below shows the financing costs (Interest payable plus MRP) as a percentage of the revenue stream, excluding the investment income generated from the investment strategy. This demonstrates how this income is providing additional funding to meet service priorities including the delivery of the capital programme.

Table 9 (ii): Prudential Indicator: Proportion of financing costs to net revenue stream

	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
Financing costs (£m)	27.731	32.513	35.578	36.578
Proportion of net revenue stream	23.29%	26.41%	27.81%	27.30%

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

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Corporate Director of Resources and Place Delivery is a qualified accountant with 35 years' experience. The Council pays 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.

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Annex 1

Treasury Management Strategy 2022/23

The Treasury Management Strategy is a critical component of the way Thurrock Council manages cash-flow. It also supports the management of investments and borrowing to enable the net revenue returns to 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 2022/23; and
- b) sets out the Treasury Management projections for 2022/23.

2 Introduction and Background

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

Borrowing Activity 2021/22 to 2023/24

- 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:

	31/3/2022 Estimate £m	31/3/2023 Estimate £m	31/3/2024 Estimate £m
General Fund Borrowing CFR	291,979	340,761	375,996
Housing Revenue Account Borrowing CFR (includes effects of Housing Finance Reform based on current available figures)	229,972	258,233	263,447
Capital Investments (Including TRL)	915,759	915,759	872,759

	31/3/2022 Estimate £m	31/3/2023 Estimate £m	31/3/2024 Estimate £m
TRL Investments	28,630	35,532	71,882
Total Borrowing CFR	1,466,340	1,550,285	1,590,984
Less: External Borrowing	1,460,385	1,533,932	1,552,137
Under/(Over) CFR	5,955	16,343	38,847

- 2.4 The figures above reflect the proposed changes to the council's capital programmes in both the general fund and the HRA. Repayments of prudential debt are made through the annual Minimum Revenue Provision (MRP) and where surplus cash balances are accumulated. However, where the amounts needed to finance the capital programme, even just essential operational requirements, are in excess of these repayments this leads to an annual increase in net debt.
- 2.5 The Council's levels of borrowing and investments are calculated by reference to the current balance sheet and projected forward based on planned capital activity. The deprioritisation of the Council's Investment Strategy means there are no planned new investments included in the figures above. The Council's key objectives when borrowing money are to balance low interest costs with cost certainty over the period for which funds are required. A further objective is to provide sufficient flexibility to review the level and type of borrowing should the Council's long-term plans change.
- 2.6 In the context of the level of funding, the Council can access from the Local Government finance settlement, the Council's focus on the treasury management strategy remains on the balance between affordability and the longer-term stability of the debt portfolio. Subject to the availability of low short-term interest rates, it remains cost effective to borrow over short-term periods or utilise internal balances to fund specific activity.
- 2.7 Where available this further enables the Council to reduce borrowing costs and hence the overall treasury management risk. While this strategy is beneficial over the next year or two as official interest rates remain low, this depends on the availability of this funding means this will be supplemented by PWLB borrowing which will provide the balance of the funding. 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 2022/23.
- 2.8 In addition, the Council expects this will be supplemented by wider borrowing to enable the operational management of the Council's cash flow. Reasons can include DLUHC transactions, COVID grant payments to businesses – as examples.
- 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;
 - 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. In 2021/22 the Council has continued to review the debt portfolio to identify opportunities expected to lead to an overall saving or reduction in risk. For longer-term debt – such as LOBO debts from the mid-2000's there have not still been opportunities to renegotiate terms given the associated fees. For shorter-term debt, the Council has taken the opportunity to replace short-term debt borrowed from other local authorities with PWLB debt. This has led to an increase in interest cost and reflects the lack of availability of funding in the local authority market.
- 2.11 Borrowing and rescheduling activity will continue be reported to Cabinet on a regularly during 2022/23.
- 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. This was largely taken from other Local Authorities with surplus funding which was available at substantially lower rates than taking longer term fixed debt. This reduced the Council's borrowing costs and ensured the wider partners in the sector benefitted from the additional income. To the end of 2020/21 the rescheduling had saved £32.3m of interest costs and is estimated to have saved £34m by the end of 2021/22. Currently financing from short term money market debt is expected to continue, where available, into 2022/23 and beyond supplemented by borrowing from the PWLB should it be required. 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. The current base rate stands at 0.10% with short term rates standing at between 0.10%-0.40% and it is estimated that there will be increases in the base rate to around 0.50%-0.75% during 2022/2023. The future course of interest rates largely depends on macroeconomic factors such as inflation and wider economic impacts on the UK and global economies. Hence, future interest rate estimates are made in this context. Current PWLB rates at the shorter end of the market range

between 1%-1.25% that will be accessed if funding is not available in the short-term money market. However, even if the base rate increases to 0.75% this will still be below the level of current long term rates that the Council could borrow at. In addition, as the Council borrows from other public bodies, rates are not fixed to the bank base rate and are generally lower. The normalised level of the bank base rate post this period is expected to be between 2.50% to 3.50%.

- 2.14 Based on this outlook, the council may borrow on a short term basis when deemed beneficial to the taxpayer while monitoring interest rates to ensure borrowing is fixed if required. Prudently, the Medium Term Financial Strategy (MTFS) does assume rate increases over the three year period and this is included a part of the budget report to Council in February 2022.
- 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 schemes utilising borrowing and the abolition of the cap on housing debt has increased the funding flexibility available to the Council to deliver its investment in both existing housing stock and new housing schemes.
- 2.18 Finally, the general fund capital project programme is approved by members annually. The need to borrow to support the programme is approved as part of the annual budget setting process. Significant schemes are, as required, further considered by Cabinet in detail on a case by case basis that considers the financial risk alongside the individual project risks.

Investments

- 2.19 Where the Council holds excess funds, they may be invested with any of the counterparties detailed in Appendix 1 to this Annex. The balance is expected to meet only essential requirements at any specific time.
- 2.20 The Council holds a £103m investment in the CCLA Property Fund that is estimated to provide a gross return in 2021/22 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, as well as aiding the climate agenda (underscored by the fact that Thurrock declared a Climate Emergency in 2019). However, following changes to the Prudential Code and PwLB borrowing regulations the Council will not be making further investments of this type and maturing investments will be repaid. Whilst this will mean that the associated level of debt is repaid, it needs to be taken in the wider context that the interest received from the investments will also cease, meaning an end to the arrangements of the last half decade which has provided resources of circa £115m to fund services above the statutory minimum.
- 2.21 Local Authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk and to reduce costs or increase income at the expense of greater risk. The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over Authorities use of standalone financial derivatives. The CIPFA code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.
- 2.22 The Council will only use standalone derivatives (such as swaps, forward, futures and options) where they can be clearly demonstrated to reduce the Council's overall exposure to financial risks. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall Treasury Management strategy.
- 2.23 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit. The Local Authority will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use.
- 2.24 The Authority has opted up to professional client status with its providers of financial services, including, banks, brokers and fund managers, allowing it access to a greater range of services, but, without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities the Corporate Director

of Finance, Governance and 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 the Council's advisors and CIPFA. Corporate Finance staff are encouraged to study for professional accountancy qualifications from appropriate bodies.
- 2.27 Under the new IFRS standard the accounting for certain investments depends on the business model for managing them The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Annual Minimum Revenue Provision Statement

- 2.28 Local Authorities are required to prepare an Annual Statement of their policy on making MRP for each financial year. Appendix 2 to Annex 1 outlines the assessment of the Council's Annual MRP Statement for 2022/23, which is included in the Annual Strategy in paragraph 2.30.
- 2.29 Officers have reviewed the current strategy and recommend no changes for the 2022/23 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 2022:
 - 2.30.1 To obtain any long term borrowing requirement from the sources of finance set out in paragraph 2.9;
 - 2.30.2 A preference to continue to fund the ex-PWLB debt via short term funds from the money markets unless circumstances dictate moving back into longer 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 concluding ('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 1 to this Annex.;
- 2.30.8 To move funds into externally managed funds if it is felt prudent to do so following appropriate due diligence; and in consultation with the Cabinet Member for Finance;
- 2.30.9 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 2022/23 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
- 2.30.10 To ensure all borrowing and investment activities are made with due reference to any relevant Prudential Indicators.

Interest Projections 2021/22 Revised and 2022/23 Original

- 2.31 The CIPFA document Treasury Management in the Public Services: Code of Practice places a requirement on the Council to publish estimates relating to the operation of the borrowing and investment function.
- 2.32 The 2021/22 budget, the projected position are shown as at November 2021 in the table below along with an initial projection for 2022/23. Surpluses are indicated in brackets – i.e. the Projection 2022/23 shows a surplus of (20,172m) once interest is repaid:

	Budget 2021/22	Projected 2021/22	Projection 2022/23
	£'000's	£'000's	£'000's
Interest payable on External Debt			
Debt Interest	19,421	19,510	22,921
Total internal interest	<u>96</u>	<u>96</u>	<u>96</u>
Interest payable	<u>19,517</u>	<u>19,706</u>	<u>23,017</u>
Investment Income			
Interest on Investments	<u>(45,161)</u>	<u>(45,504)</u>	<u>(43,189)</u>
Net interest credited to the General Fund (for use in service delivery)	<u>(25,644)</u>	<u>(25,798)</u>	<u>(20,172)</u>
MRP- Supported/Unsupported Borrowing	<u>8,214</u>	<u>8,050</u>	<u>9,496</u>

- 2.33 It is noted that the figures shown above for 2022/23 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 central government Guidance, i.e. the investment:

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

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

Non-specified Investments

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

Non-Specified Investment Limits

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

Investment Limits

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

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

Liquidity Management

The Council maintains a cash flow spreadsheet that forecasts the Council's cash flows into the future. This is used to determine the maximum period for which funds may be prudently committed. The forecast is deliberately 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 2022/23:

- In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 the Council's policy for the calculation of MRP in 2021/22 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 DLUHC. The policy will be reviewed on an annual basis.

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23 February 2022	ITEM: 13
Council	
General Fund Budget Proposals	
Wards and communities affected: All	Key Decision: Yes
Report of: Councillor Rob Gledhill, Leader of the Council	
Accountable Assistant Director: Jonathan Wilson, Assistant Director - Finance	
Accountable Director: Sean Clark, Corporate Director of Resources and Place Delivery	
This report is Public	

Executive Summary

This report sets out the draft proposals for a balanced budget for the financial year 2022/23.

The budget, in part, addresses the wider cost pressures arising from increased demand for social care services and the decision to pause the investment strategy. Ongoing pressures within social care continue to require mitigating action to ensure the budget is delivered within available resources.

Following HM Government's Spending Review 2021, the additional funding reduces the financial gap for 2022/23 and provides some additional financial support to social care services. Supported by the continued use of capital receipts for transformational purposes and financial resilience reserves, the remaining gap can be addressed and a balanced budget can be set in 2022/23.

This position also assumes:

- The general council tax increase of 1.99% will be ring-fenced to Children's Social Care, to reflect well-documented pressures in the system (an issue seen across the entirety of councils with social care responsibility); and
- The additional 1% Adult Social Care precept will be used to fund increasing demand pressures within the service post Covid-19, as new and complex cases present themselves.

Members should note the use of one-off interventions results in underlying base pressures being carried forward into 2023/24 and 2024/25. The budget also reflects the agreed pause to the Investment Strategy approach adopted by the Council in October 2017. Hence, while significant savings have been identified for the latter

two years, the remaining gaps stand at £8.905m and £5.364m in 2023/24 and 2024/25 respectively. This will require significant further action by Members to move the Council back to a financially sustainable position.

The council has a statutory duty to set a balanced budget and the use of some of the council's reserves is required to achieve this for 2022/23.

The proposals were considered by the Corporate Overview and Scrutiny Committee on 18 January 2022 with the comments considered as part of the final budget proposals agreed by Cabinet at their meeting on 9 February 2022.

1. Recommendation(s)

That the Council:

- 1.1 Considers and acknowledges the Section 151 Officer's (Corporate Director of Resources and Place Delivery's) s25 report on the robustness of the proposed budget and the adequacy of the Council's reserves, as set out in Appendix 1, including the conditions upon which the following recommendations are made;**
- 1.2 Agree a 1.99% council tax increase; ring-fenced to meet the increasing costs and demands of Children's social care services and to move the council towards greater financial sustainability for the medium to longer term;**
- 1.3 Agree a 1% council tax increase towards the cost of Adult Social Care;**
- 1.4 Agree the use of capital receipts for transformational purposes as set out in paragraphs 6.29 to 6.34;**
- 1.5 Approve the new General Fund capital proposals, as set out in section 9 and Appendix 6; and**
- 1.6 Delegate to Cabinet the ability to agree schemes (a) where it can be evidenced that there is a spend to save opportunity and (b) that use any unbudgeted contributions from third parties, including those by way of grants or developers' contributions, and these be deemed as part of the capital programme.**

Statutory Council Tax Resolution

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

- 1.7 Calculate that the council tax requirement for the Council's own purposes for 2022/23 is £74,451,167 as set out in the table at paragraph 6.2 of this report.**

- 1.8 That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Act:**
- (a) £334,475,361 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act. (Note this figure excludes the Academy Recoupment element of the Dedicated Schools Grant).**
 - (b) £260,024,194 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act. (Note this figure excludes the Academy Recoupment element of the Dedicated Schools Grant).**
 - (c) £74,451,167 being the amount by which the aggregate at 1.8(a) above exceeds the aggregate at 1.8(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its council tax requirement for the year. (Item R in the formula in Section 31B of the Act).**
 - (d) £1,441.26 being the amount at 1.8(c) above (Item R), all divided by Item T (Council Tax Base of 51,657), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (including Parish precepts).**
 - (e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.**
 - (f) £1,441.26 being the amount at (d) above less the result given by dividing the amount at (e) above by Item T, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no Parish precept relates.**
- 1.9 To note that the Essex Police, Fire and Crime Commissioner has issued precepts to the Council in respect of Essex Police and Essex County Fire and Rescue Service in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the tables below.**
- 1.10 That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of council tax for 2022/23 for each part of its area and for each of the categories of dwellings.**

**2022/23 COUNCIL TAX FOR THURROCK PURPOSES EXCLUDING ESSEX FIRE
AUTHORITY AND ESSEX POLICE AUTHORITY**

Amounts for the Valuation Bands for 2022/23							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
960.84	1,120.98	1,281.12	1,441.26	1,761.54	2,081.82	2,402.10	2,882.52

- 1.11 That it be noted that for the year 2022/23 Essex Police, Fire and Crime Commissioner Fire and Rescue Authority has stated the following amounts in precept issued to the Council in respect of Essex Police for each of the categories of dwellings as follows:

Amounts for the Valuation Bands for 2022/23							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
145.68	169.96	194.24	218.52	267.08	315.64	364.20	437.04

- 1.12 That it be noted that for the year 2022/23 Essex Police, Fire and Crime Commissioner Fire and Rescue Authority has stated the following amounts in precept issued to the Council in respect of Essex County Fire and Rescue Service for each of the categories of dwellings as follows:

Amounts for the Valuation Bands for 2022/23							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
50.22	58.59	66.96	75.33	92.07	108.81	125.55	150.66

2022/23 COUNCIL TAX (INCLUDING FIRE AND POLICE AUTHORITY PRECEPTS)

Amounts for the Valuation Bands for 2022/23							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,156.74	1,349.53	1,542.32	1,735.11	2,120.69	2,506.27	2,891.85	3,470.22

2 Introduction and Background

The Process for Agreeing the Council's Budgets

- 2.1 The Council must, by law, set its annual revenue budget and associated council tax level by 11 March of the preceding financial year. If, for whatever reason, the Council cannot agree a budget and Council Tax level at its meeting on 23 February 2022, Members should be aware that the Council will not have a legal budget and this will impact on service delivery and cash flow with immediate effect whilst damaging the council's reputation and can, as a last resort, lead to intervention from the Secretary of State under powers given by section 15 of Local Government Act 1999.

- 2.2 The role of Council is to agree the level of Council Tax and inherently, the budget envelope for the Council. The precise allocation of that envelope and expenditure falls to the Cabinet.
- 2.3 It is also good practice to approve the capital programme at the same time because there is an interdependency between the budget streams.
- 2.4 This report presents the proposed 2022/23 General Fund revenue and capital project budgets, as per the recommendations of Cabinet that have been formed through budget reports presented to the Corporate Overview and Scrutiny Committee and the Cabinet over recent months.
- 2.5 The statutory statement of the Corporate Director of Resources & Place Delivery on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003 is included at Appendix 1. This must be considered by the Council before approving the council tax level.

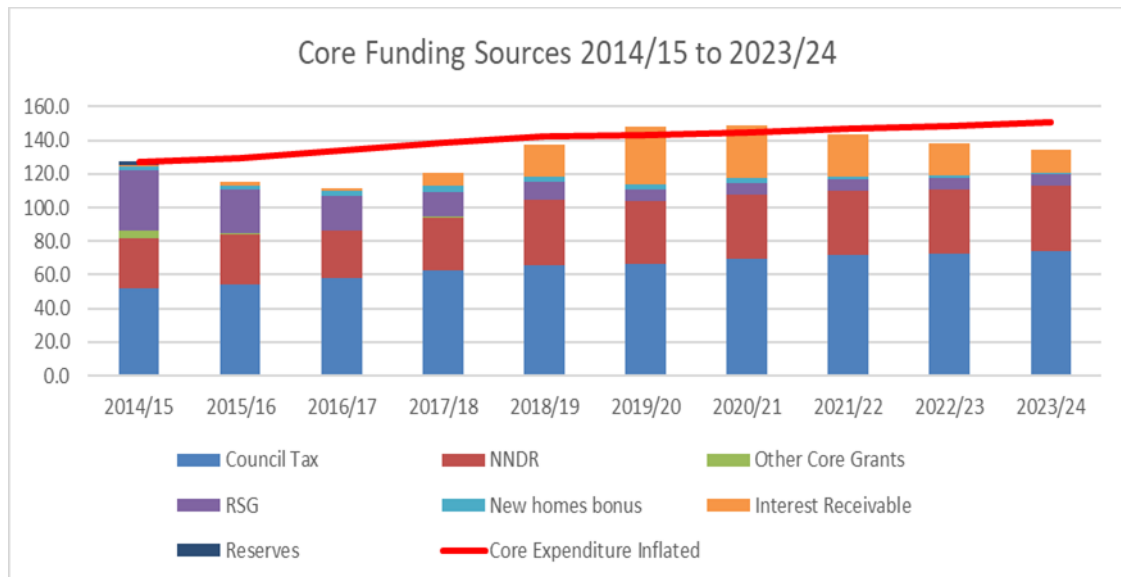
The 2021/22 General Fund Revenue Budget Position

- 2.6 Members have received reports throughout the year, with the most recent report forecasting a £0.721m pressure with the intention to balance the position by the end of the financial year. There is a significant pressure within core services relating to looked after children with increases in the number, type and complexity of cases alongside increases in the costs of care that has created significant budgetary pressure. This pressure is consistent with the wider experiences in the sector across the country as the longer-term impacts of the pandemic manifest themselves.
- 2.7 The wider impacts of the pandemic on local funding streams remain under consideration as the support mechanisms in place to support both residents and local business are reduced or come to an end and the longer-term economic impacts of the pandemic become clearer.

Financial Self-Sustainability and Government Grants

- 2.8 Officers have consistently reported over a number of years that the Council operates from a low financial base in terms of core funding:
- The council has the third lowest band D council tax compared to other unitary authorities at £1,399.32 (current). This is £499.23 lower than the highest amount raised by a unitary authority per band D property in 2021/22.
 - 70% of Thurrock properties are in band A-C and so raise significantly less than a band D level;
 - The amount raised in council tax in 2020/21 was £71.11m compared with the nearest neighbouring authority Southend of £87.64m. For wider comparison the highest level of Council Tax income raised by a unitary authority is £126.06m (Nottingham City Council); and
 - In 2021/22 Thurrock projected to raise £121.31m of business rates but retain just £38.37m of the amount collected in the area.

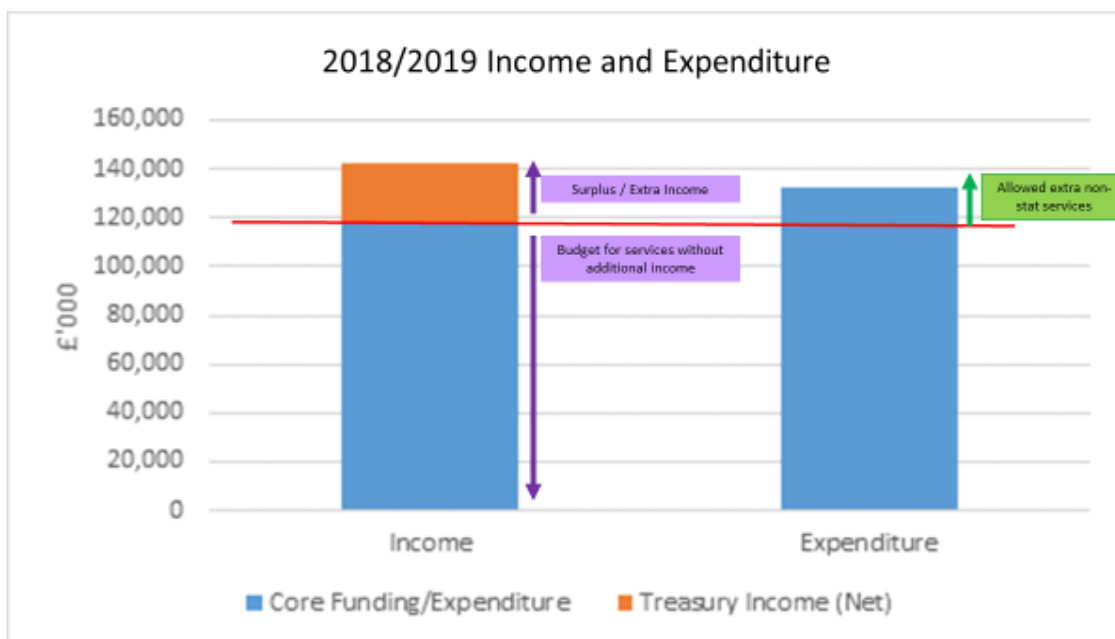
- 2.9 As previously reported, the CIPFA Resilience Index provides further context based on the proportionate level of Adult Social Care spend. One measure classifies the amount that Thurrock spends on Adult Social Care is higher than average percentage of overall budget (i.e. a risk) despite national benchmarking reporting that Thurrock Council is one of the lowest ASC spenders in the country and the total budget being low compared to others.
- 2.10 Council tax increases are limited every year and an annual increase of 1.99% is assumed for MTFs purposes. Increases to business rates are set by the government and not in the control of the local authority. As such, the ability to raise taxes locally are limited by central government.
- 2.11 The Local Government Association note, as recent as December 2021 that all local councils across the UK will need to increase council tax to stand any chance of achieving pre-pandemic level service quality.
- 2.12 For context, the graph below illustrates the position over several years, in regards to a reducing Revenue Support Grant position, and how the investment approach has been used to provide time to reform services at a pace far more considered than otherwise would have been the case. The approach undertaken in 2017, supported unanimously by council, sought to provide that headroom. Members should note that whilst council tax and NNDR income has increased over the period set out in the table, spending requirements have also increased over the same time-period, notably owing to growth, demand and inflationary pressures.

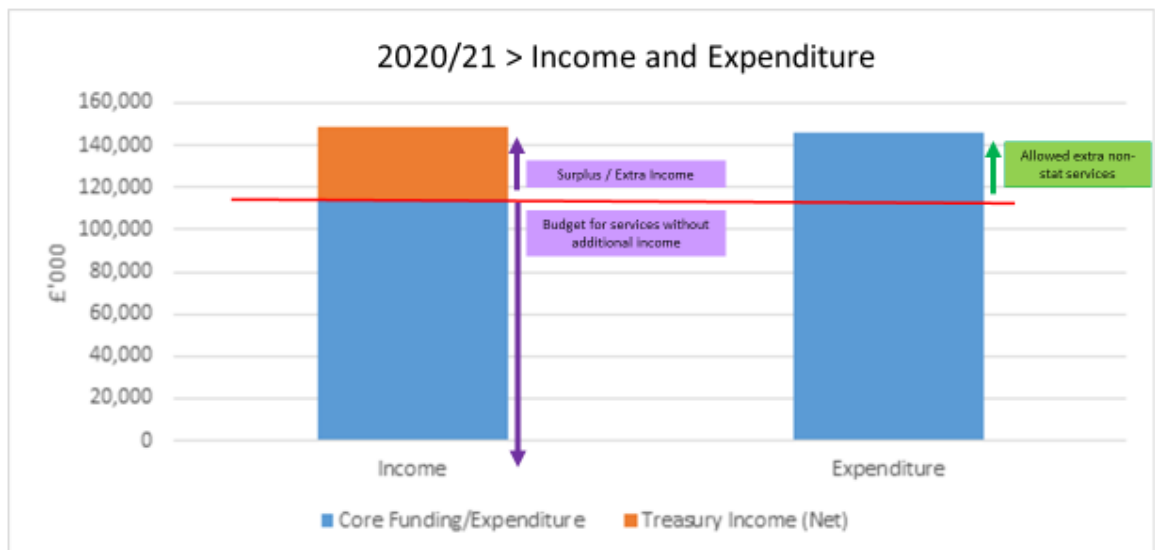
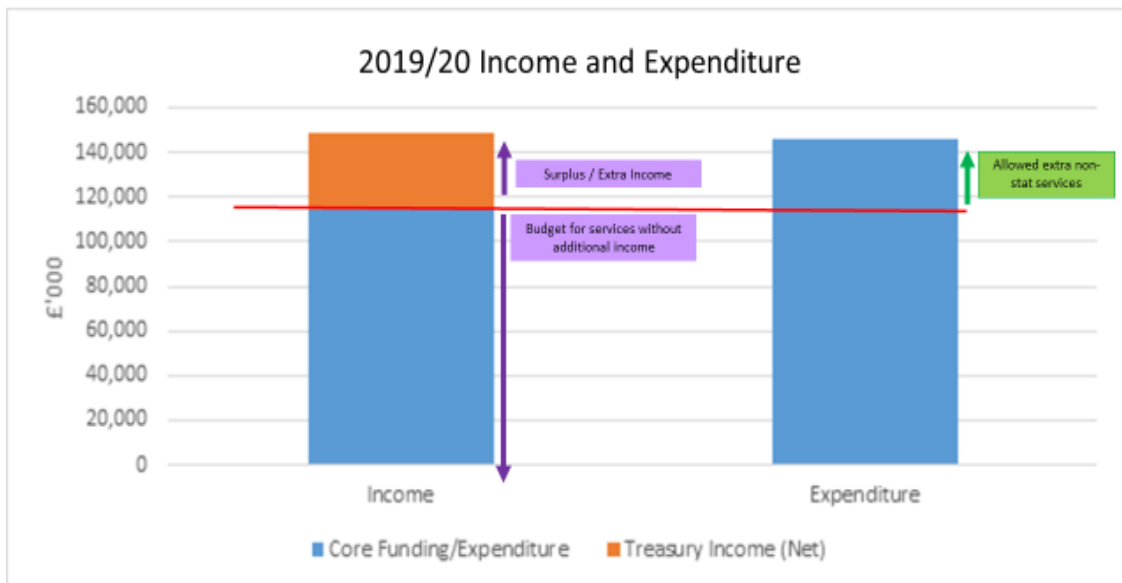


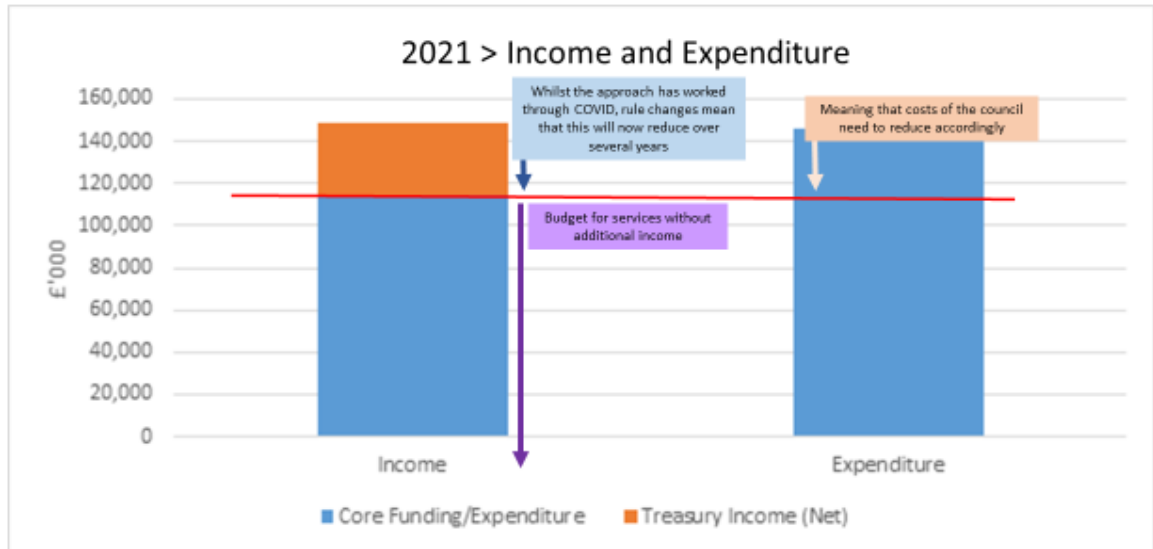
- 2.13 Council Tax and Business Rates remain the main sources of funding for the Council's total General Fund budget (excluding schools). Government funding of its main grant is the third ranked provider of funding. As such, it remains a reducing factor in determining the Council's revenue budget. The Comprehensive Spending Review for 2022/23 was announced on 27 October 2021 with further detail released in December 2021 and confirms the adjustments built into the MTFs.

- 2.14 Overall, the government said the settlement would provide a real-terms spending power increase of 4% on 2021/22. This reflects both inflationary rises to core grants and the assumption that Councils will raise council tax up to the referendum limit. In practice, this means a 1.99% increase in council tax, and 1% for the Adult Social Care precept.
- 2.15 The government has confirmed that within these increases councils will receive a share of £700m of new grant funding for social care. The social care precept and including this assumption equates to a total £1bn year-on-year funding increase in 2022/23. This also includes the Department for Health and Social Care's Market Sustainability and Fair Cost of Care Fund of £162m. This is to provide support as Local Authorities prepare their markets for reform and move towards paying providers a fair cost of care. The impact of the reforms are not yet known but will be assessed once further guidance is issued.
- 2.16 Whilst changes to core grant funding is welcomed, it needs to be considered in the context of the removal of the Covid-19 funding. The Council received a grant of £4.853m in 2021/22 and the removal of this offsets the wider benefits received from changes in core grant funding. As such, the 4% set out in para 2.14 is measured against the council's budget in this financial year after the removal of the £4.853m. The net effect of the settlement is an additional £2.470m.
- 2.17 As in previous years, the government also confirmed that the business rates multiplier will be frozen and local authorities would receive an equivalent compensation grant. In addition, there will be adjustments to business rates including a temporary relief of £1.7bn across 400,000 retail, hospitality and leisure properties in 2022/23. Broadly, this equates to a 50% business rates reduction for those qualifying businesses and local authorities will receive an equivalent grant to compensate them for the loss of income.
- 2.18 While there is some clarity on the level of sector-wide funding for the following two years, the individual allocations to local authorities have not been confirmed so in effect, this is a single year settlement. It is expected there will be further consideration of proposed reforms to the funding formula in 2022/23 to support the wider levelling up agenda, the impact of which on each local authority will not likely be clear until December 2022. The short term funding confirmation only provides limited and short-term stability for local authorities.
- 2.19 In addition and despite the approach successfully enduring the test of a 22-month international pandemic, the Council continues to deprioritise the previously council-wide agreed investment approach. This means investments that were planned and agreed as part of the medium term financial strategy have been removed from forecasts and existing investments will not be replaced. The removal of this funding support mechanism increases the funding gaps faced by the Council over the short to medium term. As such, the current investment surplus in excess of £30m per annum will be removed in a phased manner from the council's finances over the next decade adding to the annual pressures that every council faces.

- 2.20 Incidentally, the EELGA response to the CSR, published in September 2021 noted: Recent examples of commercial failures in some council ventures should not deter central or local government from pursuing relevant, suitable opportunities for prudent commercial decisions and developments. Instances of failure are relatively rare, so a proportionate response to risk mitigation is needed, so that councils can flourish and do their part to generate additional income where appropriate. Whilst there are public bodies that appear to continue to support the concept of local authority investments; whilst there remains uncertainty on what councils can and cannot do, the council will not seek to modify its position that it will exit on a phased-basis from the approach it commenced initially in 2016.
- 2.21 The impacts of this can be illustrated best by the graphics below – the first three graphs show how income from the approach allowed the funding of services above and beyond the statutory minimum (2018/19, 2019/20, 2020/21). The fourth graph (2021/22) illustrates how the income reduction from the phased-wind down of the approach means that the council will need to do what it would have had to do at rapid pace in May 2016.







2.22 For context - the Council's annual budget for 2021/22 is circa £150m – which is made up of £70m Council Tax, under £40m on Business Rates, £10m of grant funding, and [currently] circa £30m investment income.

2.23 Without the £30m per annum from investment income, the council faced a £30m gap. The gap has been successfully closed for four years through the Member-agreed investment approach. Had Full Council not supported the approach from 2017, council tax would have had to increase for every household by a further 42% over the last five years (or £432 per year on each household bill).

3 Collection Fund Balances and Council Tax Base

3.1 The Constitution delegates the factual calculation and agreement of Collection Fund balances and the Council Tax base to the Corporate Director of Resources & Place Delivery.

Collection Fund

3.2 The Collection Fund reflects the transactions for Council Tax and Business Rates billing including the collection and distribution of funds. Councils are required to estimate the balance on the Collection Fund as at the 31 March each year and for this to be allocated to the major precepting bodies to be accounted for in the budget setting for the following year.

3.3 These balances can be either surpluses or deficits and so will impact the budgets accordingly. The impact for Thurrock Council has been included within these budget proposals and precepting bodies have been notified of their shares.

- 3.4 Based on the latest forecasts of collections and write offs the Council Tax Collection Fund is estimated to be a surplus of £52,520 as at 31 March 2022. This is apportioned to the major preceptors as follows:

Major Precepting Authority	£
Thurrock Council	43,700
Essex Police Authority	6,512
Essex Fire Authority	2,308
Total Allocated	52,520

- 3.5 Based on the latest forecasts of collections and write offs the Business Rates Collection Fund is estimated to have a surplus of £657,594 as at 31 March 2022. This is apportioned under regulations as follows:

Major Precepting Authority	£
Thurrock Council	322,221
Central Government	328,797
Essex Fire Authority	6,576
Total Allocated	657,594

- 3.6 The collection fund balance on the Business rates account is after the application of the Section 31 Covid-19 business rates reliefs. This is paid to the Local Authority directly from Central Government to compensate the account for the lost income relating to business that are receiving support in 2021/22.

Council Tax Base

- 3.7 The Council Tax Base is the calculation formed by considering the number of properties within the borough from bands A to H, the discounts applied to a number of those properties and therefore, the likely reduction in liability through the Local Council Tax Scheme (LCTS).
- 3.8 All properties are averaged to calculate an equivalent of a number of Band D properties that is then used to derive the Council Tax income within the budget. Whilst there are over 69,000 properties in the borough, these equate to an equivalent Band D Council Tax Base of 51,657 properties that, when multiplied by the proposed Council Tax level, calculate a total that will be raised through Council Tax.

4 Council Tax Proposals

- 4.1 Members will be aware that Thurrock Council has the lowest council tax in Essex and one of the lowest of all unitary authorities throughout the country. For example, residents in Thurrock Band D properties pay circa £195 per annum less than residents in Band D properties in Southend-on-Sea and circa £282 less than residents in Band D properties in neighbouring Basildon. Officers' advice is clear that council tax increase of 1.99% remains essential in 2022/23 to ensure that the council can continue to fund the delivery of core services.

- 4.2 Whilst the Adult Social Care precept is required to provide much needed additional funding, the amount raised by Thurrock Council will be comparatively lower than the majority of top tier authorities as historically the Council has not maximised council tax increases up to the level indicated by Central Government in previous years. A comparison with the band D level of Council Tax at other Essex authorities confirms the Council position is circa £195 below the average. This equates to a level of funding circa £9.9m below the average level in Essex.
- 4.3 It remains critical to provide this additional financial resilience in future years to mitigate the identified budget shortfalls currently identified. This recommendation will be reflected in the S151 Officer's Section 25 statement.
- 4.4 A 1% council tax increase equates to £0.718m additional funding for the Authority.
- 4.5 The following table highlights the specific financial impact of a 1% increase on Council tax per annum/per household based on the 2021/22 band charge (which includes the Essex Police and Essex Fire Authority precepts).

Band	Band Charge	Properties		Average Net Charge	Average 1% Increase p.a.
		No.	%		
A	£1,070.22	7,491	10.8%	£643.80	£6.44
B	£1,308.02	13,819	19.9%	£982.76	£9.83
C	£1,494.88	27,438	39.5%	£1,249.30	£12.49
D	£1,681.74	12,657	18.2%	£1,490.68	£14.91
E	£2,055.46	4,809	6.9%	£1,885.98	£18.86
F	£2,429.18	2,278	3.3%	£2,275.09	£22.75
G	£2,802.90	847	1.2%	£2,625.39	£26.25
H	£3,363.48	55	0.1%	£2,446.17	£24.46
TOTALS		69,394	100.0%	£1,270.43	£12.70

- 4.6 This tax increase of 1.99% and 1% is 2.5% behind inflation (which was, as of December 2021, at 5.4%),
- 4.7 Members should note:
- That council wage increases also have to be funded; to not increase tax means that there is no extra funding for wage growth;
 - In January 2022, Full Council approved a second year of increasing the Local Council Tax Support scheme (LCTS) from £7.7m to £8.5m. Whilst cases have normalised to the 10,000 mark (an increase from a pre-pandemic caseload of circa 9,800, yet a drop from circa 10,400 mid-pandemic cases), Council

agreed to the recommendation to support residents who needed help the most through maintaining the increase to the LCTS; and

- This is further supported by all Band A-D properties (61,405 properties) receiving – at some point in the future - a £150 payment towards the cost of energy. This equates to £9.2m worth of support being paid out across all Bands A, B, C and D properties in the borough.

5 Medium Term Financial Strategy (MTFS)

5.1 The Comprehensive Spending Review has provided additional detail following their headline announcements on 27 October 2021. Overall, the government said the settlement would provide a real-terms spending power increase of 4% on 2021/22. This reflects both inflationary rises to core grants and the assumption that Councils will raise council tax up to the referendum limit. In practice, this means a 1.99% increase in council tax, and 1% for the Adult Social Care precept.

5.2 The below table shows the confirmed additional funding for 2022/23:

Narrative	2022/23
	£'000
Council Tax (1,99% plus 1% ASC precept)	(2,143)
Business Rates Funding (CPI increase)	(998)
Core Grant Changes	(3,740)
Removal of Covid-19 Funding	4,853
Market Sustainability & Fair Cost of Care Fund	(442)
Total	(2,470)

5.3 The revised MTFS is included in Appendix 2. The overall financial position over the next 3 years shows a revised deficit of £14.269m. This has arisen primarily from the projected long-term impact of Covid-19, including impact on both Adults' and Children's Social Care, the impact of higher inflation, a pause to the investment approach and the reversal of temporary support mechanisms.

5.4 The below table shows a summarised MTFS position and reflects all confirmed funding known to date:

MTFS Category	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000
Local Funding - Council Tax	(3,065)	(3,444)	(3,072)	(10,758)
Local Funding - Business Rates	(1,757)	(2,165)	(3,165)	(7,087)
Total Government Resources	796	784	157	1,612
Inflation and other increases	5,515	4,665	4,762	14,942
Treasury	6,754	2,948	3,368	13,070
Social Care Growth	7,241	3,314	3,314	13,869
Commercial Income	(1,089)	0	0	(1,089)
Savings allocation	(14,206)	(3,687)	0	(17,893)
Capital Receipts & Reserves	(190)	6,490	0	6,300
Remaining gap	0	8,905	5,364	14,269

- 5.5 The gap has been bridged by the extension of the use of capital funding to support transformation and, as required, further use of resilience reserves is applied to the 2022/23 position – which is only possible as a result of the reserves increases facilitated since 2016. This provides certainty that the Local Authority’s statutory duty to set a balanced budget can be met. Members should note that the use of reserves enables a one-off stimulus. They cannot be used for sustainable spending needs and, as such, Members are reminded of the need to reform services for a sustainable medium/long term cost base and every effort must be made to achieve further savings in 2022/23 to reduce the call on these one-off measures.
- 5.6 The proposed use of capital transformation activity and reserves in 2022/23 will leave remaining deficits of £8.905m and £5.364m in 2023/24 and 2024/25 respectively.
- 5.7 Significant savings have been identified through changes to service delivery, process automation, recruitment management and general efficiencies. Further work is required to identify additional savings that can be achieved through a wider transformation programme with the intention of balancing the 2023/24 and 2024/25 positions.

6 Draft Budget, Growth & Savings

- 6.1 The full MTFS forms the basis for the detailed budget allocation across the authority and changes are reflected to arrive at indicative cash envelopes for 2022/23. This is shown in Appendix 2.
- 6.2 Draft budgets are included at Appendix 3 but a summary of the overall budget envelope and financing is set out below:

	£m
Net Expenditure	125.860
<i>Financed by:</i>	
Revenue Support Grant	(7.056)
NNDR Precept	(39.820)
Other Grants	(4.171)
Collection Fund balances	(0.366)
To be funded through Council Tax	(74.451)

- 6.3 Growth has been applied in line with the government's intention to support both adults' and children's social care and is reflective of the most recent budget monitoring report presented to the Cabinet in which significant pressures were identified in both these key areas for 2021/22.
- 6.4 The 2022/23 budget relies on the achievement of a number of service led savings targets (developed in consultation with relevant portfolio holders) alongside additional crosscutting targets. The full saving list is included in Appendix 3 and summarised for each directorate below:

Directorate	Specific Directorate savings	Additional Cross-cutting savings	Total 2022/23 Directorate Savings
	£'000	£'000	£'000
Adults, Housing and Health	(2,264)	(117)	(2,381)
Children's Services	(2,859)	(140)	(2,999)
Housing General Fund	(1,495)	(24)	(1,520)
HR, OD and Transformation	(275)	(341)	(616)
Public Realm	(1,707)	(126)	(1,832)
Resources & Place Delivery	(1,963)	(945)	(2,908)
Strategy, Engagement & Growth	(355)	(94)	(449)
Wider Corporate Savings	(1,500)		(1,500)
Total	(12,418)	(1,787)	(14,206)

- 6.5 The following section sets out key growth and savings items for each directorate, supported by the full list in Appendix 3.

Adults, Housing & Health

- 6.6 Growth of £4.150m, funded through a combination of the Social Care precept, direct government grant and internal resources, has been allocated predominately to the external placements budget to support the increased demand for services (largely as a result of the COVID-19 pandemic). There is concern that the longer-term impact on service demand has not yet been fully realised at a local level and costs in this area will continue to increase.

- 6.7 Additional financial support will be required in this area in future years to ensure stability within the wider sector and is an issue that continues to attract national attention from pressure groups and advocacy groups.
- 6.8 A comprehensive review of the service has led to the identification of a number of targeted efficiencies across the fieldwork and provider services, including the amalgamation of the Older Peoples' Day Care Services and a change in the provision of the meal delivery service. As part of the continued transformation of Adult Social Care services, this proposal will achieve improved outcomes within provider and fieldwork services, whilst delivering a number of efficiencies.
- 6.9 Increased charging for domiciliary care will generate additional revenue and this will remain dependant on peoples' ability to pay. A thorough financial assessment and review process for each individual remains in place. The recent changes to government legislation regarding care cost cap will ensure no individual contributes more than £86,000 towards their care over their lifetime. The long-term impact of this legislative change on the Authority's finances will need to be considered as the detail of the proposals is shared with the sector.

Children's Services

- 6.10 Significant budget pressures have been highlighted in 2021/22, particularly regarding demand for placements for young people with more complex needs. These pressures will have an ongoing impact on future years. Growth has been allocated to the value of £3.091m to support key services related to looked after children's placements part funded by the 1.99% proposed increase.
- 6.11 Alongside this is an ambitious transformation programme that looks to reduce spend by over £3m in 2022/23, through a comprehensive review of education services, work to transform the delivery of social care, the continued review of high cost placements and a further review of the efficiency in which services are delivered. This will be informed by a specific financial review of the service to ensure a wider holistic view of the service can also inform the balance between the cost and effective delivery of the core services.
- 6.12 There remains significant risk in this area as reported throughout 2021/22 and the savings work continues against a backdrop of increased levels of looked after children. This will remain under review in the current year with actions being taken to address the significant high cost drivers.

Housing General Fund

- 6.13 A new approach to providing support for homeless people is intended to reduce significantly the demand for expensive temporary accommodation and the provision of Bed and Breakfast. The saving is based on the delivery of accommodation and hence any delay to the purchase of properties may affect the ability to realise fully the saving in 2022/23. There remains a focus to deliver the required accommodation in accordance with agreed timescales.

- 6.14 There is a specific reserve held to support this area that would provide one-off mitigation for any delays to the scheme becoming operational.

HR, OD & Transformation

- 6.15 Targeted staffing reductions and the use of capital funding to support the corporate transformation programme will realise a number of savings for the directorate.
- 6.16 The digital efficiency review is intended to identify a range of transactional processes across the authority that can be automated or streamlined and lead to a reduction in costs.
- 6.17 The centralisation of IT functions continues to rationalise and centralise further corporate systems that have historically been managed at directorate level. This ensures both the system and the service support required is considered in the context of the wider corporate IT delivery and enables rationalisation of systems and the associated support.

Public Realm

- 6.18 As part of the longer-term waste strategy, savings will also be realised by moving to fortnightly collection for residual waste, as agreed by Cabinet in November 2020. This transformation initiative's intention is to increase recycling rates by encouraging the use of the weekly recycling (blue) bin service, and to discourage the use of general waste (green/black) bins for anything other than non-recyclable waste, so to help move the council closer to complying with environmental requirements as set by the government (and thus, avoid penalties for recycling rates considered 'under target').
- 6.19 Continued work with external bodies will generate additional income for the Counter Fraud Team. This builds on the current service provided to central government to tackle fraud arising from the implementation of business loan schemes in response to the pandemic. The wider more commercial approach to income generation across the directorate will generate increased income from the enforcement of parking regulations, developing the commercial offer in respect of grounds maintenance and the provision of CCTV services.

Resources & Place Delivery

- 6.20 Capitalisation of staff time to relevant capital projects will reduce the pressure on the general fund budget whilst ensuring service levels are maintained across key areas.
- 6.21 A review of assets held by the authority, including the identification of those surplus to requirements, or those which are not efficient/self-sufficient, is intended to realise revenue savings by reducing the day-to-day running costs of the individual sites. Previous papers have been presented to Cabinet and discussions are ongoing regarding a number of options.

Strategy, Engagement & Growth

- 6.22 Customer Services face-to-face support was significantly scaled back as part of the national restrictions implemented during the pandemic however, support continued to be provided by telephone, via email and by accessing services online. The council's customer services strategy promotes self-service for residents who can access services digitally and aims to ensure vulnerable residents get the support they need. It is the intention to continue this approach and further develop digital by default for universal services while ensuring resource is focused on supporting the most vulnerable residents to realise associated savings in the base budget.
- 6.23 The impact of the above on each directorate's cash envelope for 2022/23 is shown in Appendix 4.

Use of Reserves and the Flexible Use of Capital Receipts

- 6.24 Members will be aware that, like many other authorities, the partial use of reserves was anticipated soon after the impacts (direct and indirect) of Covid-19 became clearer.
- 6.25 This has led to direct and indirect pressures and fluctuations. As such, a partial use of reserves continues to support the delivery of the 2021/22 budget. As noted above, the MTFs assumes a further use of reserves to support the delivery of the core budget in 2022/23. £3.3m is expected to be required to meet the underlying pressures but is subject to delivery of the 2021/22 position that will be confirmed at the end of the current financial year. This assumes that the £11m General Fund Balance remains intact.
- 6.26 There is no set formula to determine the General Fund balance but it is for the Council's S151 Officer to consider the Council's past financial performance and risk to the budget over the future medium term and to recommend a balance to the Council. It is, however, for the Council to set this balance considering that recommendation.
- 6.27 Based on the above, the Corporate Director of Resources & Place Delivery recommends the retention of the optimum balance of £11m as at 31 March 2022. This is reflected within the s25 statement at Appendix 1.
- 6.28 Members will be aware from previous reports that the council's reserves position has become far more resilient since 2016, as a direct result of the investment approach – a lift of 300% (£8m in 2016 to £24m at the start of the pandemic in March 2020). This included the creation of financial resilience reserves, which are planned to provide £4.684m to address pressures arising in response to the pandemic.
- 6.29 Furthermore, the planned flexible use of capital receipts will support the ongoing wider transformation activities and will support the delivery of the savings programme to ensure services that are financially sustainable in the medium term.

This allows local authorities to spend up to 100 per cent of their fixed asset receipts on the revenue costs of service reform and transformation.

6.30 This flexibility has been in place since the 2015 Spending Review and was recently extended by government until 31 March 2022. In February 2022, the government then set out its intention to extend further the deadline by another 3 years to 31 March 2025. It is noted that while assurance has been given over the continued use of this flexibility the regulations have not yet been formally laid and hence this remains under review. Confirmation on the position will be provided to Members once the regulations are formalised as part of the regular financial reporting process.

6.31 Transformation will continue to be achieved by using funding to develop savings programmes that continue to evolve around the following themes:

- Investment in technology;
- Investment in data and insight;
- Investment in new ways of working;
- Engaging and empowering our communities;
- Leveraging our partnerships; and
- Investing and rationalising the civic estate.

6.32 In terms of digital technology, the Council has moved to a fully agile approach and this transition continues to provide further opportunities for efficiency savings and improved productivity. The Digital Board is the key driver for further transformational projects and the funding will support the delivery of existing programmes planned for 2022/23 as well as forming the basis for further savings in 2023/24.

6.33 As required under the terms of the flexibility offered the funding will be applied to transformational activity that generates ongoing savings to the Council. There is a planned use of £3m and this investment will be specifically allocated to support savings programmes that will address the funding gap in 2023/24. This will be reported back to Members as part of the ongoing updates to the MTFs in the financial year.

6.34 The funding is based on the underlying capital receipts being generated in the 2022/23 financial year and links directly to the wider asset review programme. This is also reported back to Cabinet periodically.

7 Government Funding – Dedicated Schools Grant

7.1 On 17 December, the Secretary of State for Education announced details of the Dedicated Schools Grant (DSG) allocations for 2022/23. The tables below shows the agreed funding for Thurrock:

Dedicated Schools Grant	2021/22	2022/23	Increase
	£m	£m	£m
Schools	140.936	146.520	5.584
Central Services	1.783	1.688	(0.095)
High Needs	28.091	32.689	4.598
Early Years	12.877	10.734	(2.143)
Total	183.687	191.631	7.944

7.2 The autumn 2021 spending review confirmed £1.6 billion of additional funding for schools and high needs for the 2022/23 financial year. This provides support for the costs of the Health and Social Care Levy and wider costs. This funding will be allocated through the schools' supplementary grant 2022/23.

7.3 The schools' supplementary grant will fund maintained schools, academies and free schools. Thurrock's indicative allocation is £4.313m and the individual school allocations will be published in spring 2022. Academies are funded directly by the Education and Skills Funding Agency (ESFA) and are not reflected in the table above.

7.4 The High Needs additional supplementary funding, provided through the 2021 spending review, of £1.234m in respect of the Health and Social Care Levy is reflected in the table above and is part of the additional £4.598m High Needs Block increase.

Schools

7.5 Thurrock's funding formula in 2022/23 has implemented the following principles consistent with the decision made by Cabinet in December 2021:

- National Funding Formula values have been applied;
- An inflationary increase of £1.034m has been applied to Basic Entitlement values;
- Retained growth fund has been set at £0.887m; and
- Schools Forum have agreed a £0.700m transfer from the Schools Block to the High Needs Block to support increase in demand for specialist placement and Education, Health & Care Plans.

High Needs

7.6 In 2022/23 High Needs Block funding has an allocation of £32.689m, an increase of £4.598m or 14%. Whilst the increase is welcome, Thurrock continues to experience high level of demand for specialist places and Education, Health and Care Plans. The 2021/22 projected outturn is an overspend of £0.9m.

7.7 In 2022/23, the expansion of the local offer will increase commissioned numbers for the academic year to 806, an increase of 74. This reflects an increased in Treetops Free School, Primary Autism, and Secondary SEMH provision. In

addition, band values across all providers have been increased by 4.25% to reflect increased costs and inflationary pressures.

Early Years

- 7.8 In November, at the Spending Review, the Chancellor announced additional funding of £160m for 2022/23, £180m for 2023/24 and £170m for 2024/25 to enable local authorities to increase hourly funding rates paid to childcare providers for the government’s free childcare entitlements.
- 7.9 As a result of this, ESFA have confirmed that in 2022/23 the hourly funding rates will increase by 21p an hour for the two-year-old entitlement and by 17p an hour for the three-and-four-year-old entitlements.
- 7.10 In order to support settings Thurrock is to increase the funding rates paid to:
- 2 year-olds to £5.44 per hour, an increase of 21p per hour
 - 3 and 4 year-olds to £4.48 per hour, an increase of 12p per hour
 - Deprivation rates paid to 3 and 4 year olds, equal to a 3p per hour increase.
- 7.11 The complexity of the funding and continued uncertainty in early year numbers, arising from coronavirus, means it is not possible to passport the full hourly increase for three-and-four-year-old entitlement in 2022/23. However, in 2021/22 three-and-four-year-old providers did receive 2p per hour more than provided by ESFA.

Dedicated Schools Grant 2022/23 –Thurrock Allocation

- 7.12 On calculation of the School budget for 2022/23 the ESFA fund directly Academies (shown as Academy Recoupment). The Dedicated Schools Grant to be received by Thurrock Council in 2022/23 is shown in the table below:

Dedicated Schools Grant Funding Settlement	DSG £m	Academy Recoupment £m	Funding Block Transfer £m	Thurrock DSG £m
Schools Block	146.520	(141.118)	(0.700)	4.702
Central Schools Block	1.688			1.688
High Needs Block	32.689	(6.214)	0.700	27.175
Early Years Block	10.734			10.734
Total	191.631	(147.332)	0.000	44.299

8 Capital Programme

- 8.1 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.
- 8.2 The following sources of funding are available to the General Fund:

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

Current Programme

- 8.3 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 covering the period 2021/22 through to 2024/25.
- 8.4 The major projects that are included within the current programme are set out below and continue to be monitored by the Corporate Major Projects Board.

Major Projects
The widening of the A13
Purfleet Regeneration
A13 Eastbound Slip Road
Civic Estate Improvements
Grays Town Centre and Underpass
Stanford-le-Hope Interchange
Integrated Medical Centres
Improvements to parks and open spaces
New Educational facilities
The HRA Transforming Homes programme
HRA New Build Schemes
Highways infrastructure

- 8.5 Further additions will be finalised and agreed in 2022/23 in respect of the Towns Fund Programme for both Grays and Tilbury. These projects are funded by central government grant allocations and are currently at a feasibility stage. Furthermore, an outline capital programme funded from the projected retained rates income within the Freeport area is under consideration as part of the completion of the Full Business Case.
- 8.6 No further funding for feasibility projects is sought for 2022/23. However as the detailed review of assets developed this will enable longer-term decisions

that support an asset management strategy that aligns with the Council priorities.

- 8.7 The Capital Project Programme spend is projected to be £634.526m (General Fund, HRA and TRL combined).

9 Draft Capital Proposals

- 9.1 As set out above, there have been a number of schemes that can be seen as projects in their own right. These have been included at Appendix 6.
- 9.2 Having reviewed all of the other capital requests, they fall within one of three categories and are summarised in the table below. The amounts have been calculated using the respective bid totals and would be under the responsibility of a relevant Directorate/Board for allocation and monitoring. Funding is only committed in response to a specific need by the relevant service and is subject to finance approval. The further amounts have been assessed for the forthcoming year specifically to ensure priority work can be delivered. Subsequent years will be considered in the relevant year and in the context of the financial position at that point.

Project Pots	Examples	2022/23 £m
Service Review	These could include new systems that create efficiencies, upgrades to facilities to increase income potential and enhancements to open spaces to reduce ongoing maintenance.	2.050
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.	2.100
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, compliance work and minor enhancements.	1.100

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

9.4 Highways are expected to receive in the region of £4m per annum whilst Education are expected to receive a further £2m in 2022/23 with further allocations for free schools.

10 Other Capital Recommendations

10.1 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.

- 10.2 The delegation requested is that any approval is deemed to be part of the capital programme and that the necessary prudential indicators set out in the Capital Strategy are amended accordingly.
- 10.3 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.

11 Issues, Options and Analysis of Options

- 11.1 This report sets out the changes from the current 2021/22 budget that are proposed for 2022/23. The impact on service delivery, particularly as a result of the proposed savings targets, will be closely monitored throughout the year to ensure essential front line services are provided to the required level.
- 11.2 Officers recommend a maximum council tax increase as the Government's core spending power calculations and Comprehensive Spending Review will assume that the council has maximised resources from its ability to raise funding locally. The Government will not subsidise any income foregone, thus any increase applied which is lower than the maximum level will continue to impact on the council's resources in all future years.
- 11.3 The report also sets out the identified deficits over the three-year period of the MTFs. Members and officers will continue to work to identify further mitigating actions and carry out service review processes across a number of areas.
- 11.4 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 (or potentially the Community Infrastructure Levy – should such an arrangement be introduced in the future), 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.

12 Reasons for Recommendation

- 12.1 The Council has a statutory requirement to set a balanced budget annually and to review the adequacy of its reserves. This report sets out a balanced budget for 2022/23 but relies on the use of capital receipts and general fund reserves.
- 12.2 The capital programme forms part of the formal budget setting process and is an integral part of the Council's overall approach to financial planning.

13 Consultation (including Overview and Scrutiny, if applicable)

13.1 This report has been developed in consultation with the Leader, Portfolio Holders and Directors' Board.

13.2 Corporate Overview and Scrutiny Committee considered factors of this report at their meeting on 18 January 2022. Key points noted include:

- The proposed council tax increases were supported by the committee with four in favour and two Members against;
- Concern was noted in respect of the proposed increases in the context of the wider cost of living increases;
- Acknowledgement that core services (and particularly social care) require the additional funding raised from the proposed council tax increases to address the challenge of significant additional demand in the system;
- The need to further develop capacity to enable more effective engagement with central government on the development of policy and the associated funding impacts;
- Concern regarding capacity and the ability to deliver the ambitions of the Council following the success in securing funding through Freeports (subject to acceptance of the full business case) and the Towns Funds. This will be further considered once the Levelling Up white paper is released and its implications fully understood; and
- Acknowledgement that the additions to the capital programme were required to be limited to essential schemes in the context of the wider MTFS position. There was a request to consider the availability of more fuel-efficient vehicles in respect of the replacement fleet vehicles.

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

14.1 There are increases to frontline services where pressures have been identified in the current year that will help the council to deliver its statutory services to the most vulnerable members of the community.

14.2 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.

15 Implications

15.1 Financial

Implications verified by: **Sean Clark**

**Corporate Director of Resources and Place
Delivery**

The financial implications are set out in the body of the report and the appendices. The report sets out a balanced budget for 2022/23 on the basis that proposed funding decisions and actions to deliver savings are supported by Members.

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

Members should note that the actions set out do not fully address the underlying budgets issues in subsequent years. Further savings will be required in addition to those identified to date. Given the significant funding gaps that remain it is essential the Council supports the further measures required to create a sustainable MTFS and in a timely fashion that recognises the lead in time that significant savings require.

15.2 Legal

Implications verified by: **Gina Clarke**

**Corporate Governance Lawyer and
Deputy Monitoring Officer**

The provisions of the Local Government Act 1992 states that local authorities are required to calculate as part of their overall budget what amounts are appropriate for contingencies and reserves. The Council is required to set a balanced budget with regard to the advice of the Council's Section 151 Officer.

The Local Government Finance Act 1988 (Section 114) places the responsible financial officer under an obligation to make a report to Full Council 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.

Furthermore the Council's Monitoring Officer is required to report to Full Council if it appears to him that a decision has been or is about to be taken which is or would be unlawful or would be likely to lead to maladministration.

The Council's Constitution sets out the process for preparing draft budget proposals for each municipal year including consultation requirements. The Council is also required to comply with other consultation obligations required by statute or the common law that may apply to certain proposals being considered. The responses produced by the relevant consultations must be taken into account in finalising budget proposals.

In addition, the Council when exercising its functions must have due regard to its equalities duties under section 149 of the Equalities Act 2010. This can be achieved by considering the equalities and diversity implications at all stages of the budget setting process to ensure that budget proposals do not discriminate against any of the protected equality groups.

The setting of the budget is a function reserved to Full Council, who will consider the draft budget prepared by the Leader/Cabinet.

15.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**

**Community Engagement and Project
Monitoring Officer**

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

15.4 **Other implications (where significant – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Looked after Children)**

The council declared a Climate Emergency in 2019 through a motion at full council. The council's current investments continue to contribute towards the green agenda through supporting renewable energy schemes across the UK – notably, external advise is that one part of the portfolio generates twice the amount of energy to power the borough of Thurrock each year. Part of the budget surplus had previously been allocated to supporting climate change but, with the budget pressures the council now faces, this, along with other such allocations, has been centralised back into a general reserve to support the budget in this year and next.

16 Appendices to the report

Appendix 1 –Section 151 Officer’s Statement on the adequacy of balances and the robustness of the budget 2022/23

Appendix 2 –Medium Term Financial Strategy

Appendix 3 – Full list of savings targets

Appendix 4 – Directorate budget allocation

Appendix 5 – Current Capital programme summary

Appendix 6 - New Capital Projects

**SECTION 151 OFFICER'S STATEMENT ON THE ADEQUACY OF BALANCES
AND THE ROBUSTNESS OF THE BUDGET – BUDGET YEAR 2022/23**

Introduction

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

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

This includes reporting and taking into account:

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

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

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

Impact of Covid-19 and Ongoing Risks

I reported last year on the impact that Covid-19 has had on the Council's finances and reported that these were likely to continue to add pressures well into the medium term.

Key pressures have come from:

- Adults' Social Care – the ASC market has required resilience support due to both increased costs and the fact that Thurrock Council is, nationally, low cost in this service area. The service has also seen an increase in demand and

cost pressures are only being contained through additional government financial support that will be phased out;

- Children's Services – increase in referrals and numbers in remand that the Council is obligated to pay for. This is reflected in the 2021/22 budget monitoring that showed a projected overspend in Social Care of £4.8m that was partly offset by additional financial support – the net pressure was £2.978m;
- Homelessness – cost of increased homelessness activity; and
- Other – loss of income across all services.

This is reflected in the 2022/23 budget through an increase to social care budgets of £7.241m (equivalent to a circa 10% increase in council tax) and no target for additional income from core income streams.

Borrowing and Investments

The council currently has a net debt position of circa £292m in the General Fund and £230m in the Housing Revenue Account. Gross borrowing is circa £1.46bn but is offset by circa £944m owed to the council from repayable investments.

These investments currently return a surplus in excess of £30m per annum that has been used in recent years to:

- Increase reserves;
- Maintain or enhance services levels; and
- Provide additional services outside of the council's core offer.

This has undoubtedly strengthened the council's financial resilience, supported the council's response to the pandemic and reduced the impact on services in both the current and next financial years.

The council has now ceased any new investment activity and this includes not replacing any maturing investments in the future.

There are risks associated with investments, the most significant being:

- Any investment can also result in a capital loss through, for instance, business failure;
- A reduction in annual returns. This is more likely in the current economic environment but is likely to only impact for the short to medium term;
- Early redemption of investments. A Bond issuer is entitled to redeem their debt earlier than the maturity date and will lead to a net reduction in the council's annual finances; and
- Interest Rates. The interest rates secured by the council are dependent on the availability of finance and the source. Members should note that there is no direct correlation between changes to the UK Base Rate set by the Bank of England and the rates that the council can access. Reports in previous months have recognised that the council has accessed funding from the Public Works Loans Board (PWLB) and this does incur higher rates.

Local Government Finance/Central Government

Whilst there has been significant financial support from government to support local authorities through the pandemic, these have been largely phased out for the 2022/23 financial year. The biggest impact was the removal of the £4.853m core grant and no further support to reductions in fees and charges that have not returned to pre-pandemic levels.

The Chancellor announced in October 2021 a three year settlement for the Local Government sector. However, individually, local authorities have only been awarded a one year settlement and there is a clear intention to update the finance distribution methodology to meet the government's levelling up agenda. Simply, there will be the same amount of funding to the sector available but how it is distributed between authorities is likely to change.

Thurrock Council's Medium Term Financial Strategy currently assumes no change. However, the revised methodology will either increase or decrease resources although there will be some transitional protection in 2023/24 for those authorities that will see a reduction.

Recent years have also seen a transfer of responsibilities to local government. Whilst examples range from Public Health through to major infrastructure projects, such as the A13, there will be further requirements that cannot yet be quantified. Currently known examples include climate change targets and government's wider Levelling Up agenda.

The Medium Term Financial Strategy

For the financial years 2010/11 through to 2020/21, the council set budgets that did not require the use of reserves for core expenditure and, each year, has stayed within the agreed budget envelope.

It should be noted though that whilst there has been strong financial management within services, the main contributor to the above achievements has been through the Treasury and Accounting functions, neither of which will be able to support future activity to such an extent. These include:

- Debt refinancing from August 2010 – a move away from financing long term debt through the PWLB to accessing short term debt from the inter-local authority treasury market;
- Changes to the council's Minimum Revenue Provision (MRP) approach that has resulted in significant annual savings and large one off gains that has allowed the council to increase reserves and to provide the finance to exit the Strategic Service Provision contract; and
- Investments that contribute in excess of £30m per annum to the council's financial position.

The financial impacts of the pandemic, the wider rise in social care demand and complexity and inflationary increases impacting on pay, utilities and contracts requires budget increases that are far in excess of any additional income that can be

raised through government support and council tax increases. It is clear that the council cannot continue to operate in the same way as it currently does and significant changes will be required to reduce the net expenditure.

As a short term measure, the council agreed to use reserves to support the 2021/22 budget and it is proposed that a further use of reserves is agreed for 2022/23. This approach is not feasible in future years as the reserves level are further reduced through this process.

The approach to the 2022/23 budget has been through a range of measures that either provide an ongoing benefit to the council or serve as a one off solution that simply defers the inherent budget pressures into future years. Whilst this is not ideal, it does afford the council more time to make the necessary changes to service provision. Key measures and their robustness are as follows:

- Council Tax Increases – permanent – a 2.99% increase, the maximum allowed – subject to council approval;
- Use of Capital receipts for Transformation Activity – one off - subject to disposals but achievable and robust;
- Use of Reserves – one off – confirmed;
- A series of departmental savings, including identified staffing reductions; and
- A continuation of the controls on recruitment to both create additional in-year savings and as part of the phased reduction required to balance 2023/24.

As such, I consider that the budget plans for the 2022/23 financial year are robust subject to the council approving council tax increases totalling 2.99%, though recognise the ongoing and increasing pressures within both Adults' and Children's Social Care.

There is far less certainty over the following years. The deferment of pressures in the budget through the use of reserves and capital receipts, along with other demand led and inflationary increases, result in a forecast deficit for the following two years of £14.3m.

Whilst this report only considers the period to 2024/25, these pressures also need to be seen in the context of years 2025/26 to 2028/29 when considering:

- History shows that the required growth in council's budgets always exceed the ability to raise finance through council tax thus leading to pressures every year; and
- The council's investments will mature over the medium term creating the need to meet the lost income currently in excess of £30m per annum.

Thurrock Council also has one of the lowest council taxes of all Unitary Authorities in the country and one of the lowest budgets per head of population. National benchmarking on Adults' Social Care, the council's largest budget, also demonstrates one of the lowest in the country. Considering this context, it is more difficult to see how the council can balance the budget over the next six to seven years without significant reductions to services and staffing levels.

Considering all of the above, the council's record of delivering balanced budgets and achieving savings targets provide confidence that the financial pressures can be met. However, this is going to require significant changes to service levels and delivery and the support of Members to achieve this.

Housing Revenue Account

Cabinet agreed a rent increase of 4.1% at its meeting on 9 February 2022. Whilst this is welcome, it also needs to be seen in the context of several years of rent reductions that have impacted on the HRA's ability to meet the levels of improvements and repairs identified within the Stock Condition Survey.

Work continues on identifying new build and estate regeneration opportunities with affordability remaining an issue in many cases. This will increase borrowing within the HRA, the costs of which are included within the Business Plan.

The use of right to buy receipts is being carefully managed to ensure that they are maximised with any repayment to government minimised.

Forecast levels of reserves within the HRA are adequate.

Capital Programme

The capital programme was reviewed during 2020 with a number of schemes paused. The reasons for this were two-fold – the need to minimise future borrowing and the related cost impacts on the MTFs and the need to recognise reductions in staffing levels and, therefore, the ability to deliver the number of projects previously agreed.

As set out above, there is currently a shift to transfer delivery and financial risk – previously borne by organisations such as National Highways – to local authorities. This has been seen on the A13 widening project and will need to be a key consideration when deciding upon other projects such as the delivery of the East Facing Slips.

Key risks within the capital programme therefore include cost over runs and the relevant delivery resources required.

General Fund Reserves

All councils hold two types of reserves:

- An unallocated balance which, at Thurrock Council, stands at £11m; and
- Ear Marked Reserves that are set aside for specific purposes. The majority of these are restricted to an imposed use and so not available for general support to the council's general fund budget.

This level of reserves has been considered adequate in recent years and remains so under normal conditions. The pandemic has challenged these norms but cannot be considered in determining the adequacy due to the high level of uncertainty. Whilst

the level of reserves committed to support the budget protect the £11m balance, any cost over runs may well impact on this level being maintained.

Assurance

Given all these factors, especially given the history of delivering similar savings and the budget within the agreed envelope, I consider the estimates for 2022/23 to be sufficiently robust for approval by the Council. There are challenges and it is dependent on continued strong financial management from officers and Members.

Looking more medium to longer term is far more challenging especially considering the low level of council tax and overall budget envelope. It is difficult to state at this stage a level of confidence in agreeing balanced budgets from 2023/24 onwards, especially considering the additional responsibilities, risks and pressures set out above, coupled with the unknown impact of social care financial reform. Further reports will be provided to Members throughout the coming year on progress.

I consider the level of reserves within the General Fund and the Housing Revenue Account to be adequate at this time.

Medium Term Financial Strategy

Narrative	2022/23	2023/24	2024/25
	£000's	£000's	£000's
Net Resources			
Council Tax LA Element 1.99% Increase	(1,420)	(2,688)	(2,282)
Increase in the Council Tax Base	(1,197)	0	0
Adult Social Care Precept 1%	(723)	(756)	(790)
Business Rates Position	(1,998)	(2,165)	(3,165)
Collection Fund adjustments	517	0	0
Government Resources Position	796	784	157
Net Additional (Reduction) in resources	(4,025)	(4,825)	(6,080)
Inflation and other increases			
Pay award and legislative changes	4,603	3,685	3,769
Other	912	980	993
	5,515	4,665	4,762
Treasury			
Interest Costs	3,500	3,065	1,000
Investment Income	1,972	(117)	2,368
MRP	1,282	0	0
	6,754	2,948	3,368
Corporate Growth			
Adults	4,150	1,500	1,500
Children's	3,091	1,814	1,814
	7,241	3,314	3,314
Commercial Income	(1,089)	0	0
Core Budget Deficit before intervention	14,395	6,102	5,364
Savings			
Adults' Services:	(2,264)	(652)	0
Children's Services:	(2,859)	(651)	0
Public Realm:	(1,707)	(722)	0
Resources & Place Delivery:	(2,463)	(120)	0
Housing General Fund:	(1,495)	0	0
Strategy & Engagement:	(355)	0	0
HR; OD and Transformation:	(275)	(80)	0
Corporate	(1,000)	0	0
Total Departmental Savings	(12,418)	(2,225)	0
General Staffing	(438)	(1,063)	0
Cross Cutting	(1,350)	(400)	0
Wider Funding	0	0	0
Total General Savings	(1,788)	(1,463)	0
Core Budget Deficit Position	190	2,415	5,364
11. Other funding (not affecting baseline)			
Capital receipts 2022/23	(190)	3,490	0
Use of reserves 2022/23	0	3,000	0
	(190)	6,490	0
Overall Budget Working Total	0	8,905	5,364

Full Savings List

<u>Adults' Services:</u>	
Integrated Commissioning	(322)
Review of High Cost Supported Living Placements	(400)
New Model of Care – Supported Living	(200)
Implement increased Domiciliary Care Charging Immediately	(205)
Review and reduce ASC Fieldwork establishment	(150)
ASC Provider Services Transformation	(554)
Public Health restructure and establishment reduction	(88)
Public Health contribution to ASC	(200)
Reduction of Admin Function from 6.0WTE to 5.0WTE	(48)
Efficiencies from ending Section 75	(98)
	(2,264)
<u>Children's Services:</u>	
Comprehensive Review of Education Services	(670)
Home to School Transport Placements	(150)
	(300)
Review of Administration / Business Support / Commissioned services	(200)
Commission Emergency Duty Team	(300)
Social Workers	(1,000)
Nursery provision – Delivery Vehicle Change	(64)
Learning Universal Outcome	(175)
	(2,859)
<u>Public Realm:</u>	
Fortnightly Collection (Non-recycled and garden waste)	(322)
Commercial Waste	(50)
Bulky Waste	(20)
Counter Fraud Commercial Income	(500)
Commercially Trade CCTV Capability	(100)
Introduce Pay & Display in some green-space Car Parks	(100)
Commercial Grounds Maintenance Contracts	(150)
Council vehicles to be parked in the Depot overnight to reduce fuel costs	(21)
Cemetery Open Hours	(19)
Off- hire long term hire vehicles (not Covid related)	(48)
Increase Street works permitting income	(8)
Ceased Everbridge contract	(4)
Keep Britain Tidy - Street Cleanliness Assessments	(15)
Parking enforcement net income	(150)
	(1,507)
<u>Resources & Place Delivery:</u>	
Targeted Staff Reductions	(63)
Capitalisation	(1,400)
MRP and Treasury	(500)
Top Slice Grants	(500)
	(2,463)

Full Savings List

<u>Housing General Fund:</u>	
Reduce Private Sector TA with in borough provision	(1,495)
	(1,495)
<u>Strategy & Engagement:</u>	
Continuing limited face to face offer	(200)
Review of PQBS team structure	(45)
Review of advertising & publicity, look to use more online platforms	(25)
Operational & Finance support for High House Production Park	(85)
	(355)
<u>HR; OD and Transformation:</u>	
Training	(75)
Members Enquiries	0
IT	(50)
Capitalisation	(100)
Centralisation	(50)
-	(275)
<u>Corporate</u>	
Adjustment to baseline pay	(1,000)
	(1,000)
<u>Other Decisions within Council Control</u>	
Major Route/Weekend Cleaning Efficiencies	(100)
Grounds Maintenance Efficiencies	(100)
-	(200)
<u>Total Departmental Savings</u>	
	(12,418)
<u>10. General Staffing</u>	
Digital Efficacy Review Further 25 Staff by mid 2022/23	(438)
	(438)
<u>11. Cross Cutting</u>	
Stationery/postage reduction	(50)
Review of non-essential spend (subscriptions/project work/professional fees)	(100)
Efficiencies & process automation (linked to digital offer)	(100)
Additional General Costs - following DB	(250)
Asset Rationalisation - reduced to £850k 4/10/21	(850)
	(1,350)
<u>Total Savings</u>	(14,206)

Indicative Directorate Budget Impact

Directorate	Current 2021/22 Budget	Removal of one-off funding	Net resources	Inflation & Other Increases	Corporate Growth	Treasury	Commercial Income	Savings allocation	Capital Receipts 2022/23	Budget re-base	Cash envelope 2022/23
Adults; Housing and Health	47,329	(703)	(442)	874	4,150	0	0	(2,402)	0	0	48,806
Central Financing	(117,370)		(6,799)	0	0	0	0	0	0	1	(124,168)
Children's Services	42,064	(342)	(1,737)	1,087	3,091	0	0	(3,034)	0	55	41,183
Housing General Fund	1,988	(170)	0	93	0	0	0	(1,522)	0	(0)	389
HR; OD and Transformation	8,906		0	386	0	0	0	(618)	0	0	8,674
Public Health	203	(203)	0	0	0	0	0	0	0	0	0
Public Realm	35,387	(125)	0	1,749	0	0	0	(1,852)	0	(52)	35,107
Resources & Place Delivery	16,727	(610)	0	563	0	0	0	(2,910)	0	295	14,065
Strategy; Engagement & Growth	3,791		0	215	0	0	0	(449)	0	(0)	3,557
Treasury & Corporate costs	(39,025)	2,153	4,953	549	0	6,754	(1,089)	(1,418)	(190)	(299)	(27,612)
Grand Total	0	0	(4,025)	5,515	7,241	6,754	(1,089)	(14,206)	(190)	0	0

Current Capital Programme Summary

Directorate ID	Total Budget 2021/22 £'000	Total Budget 2022/23 £'000	Total Budget 2023/24 £'000	Total Budget 2024/25 £'000
Adults; Housing and Health	3,056	7,047	3,500	0
Chief Executive's Office	7,000	0	0	0
Commercial Services	18	0	0	0
Children's Services	5,064	9,411	7,000	0
HR; OD and Transformation	18,329	9,170	200	0
Public Realm	24,380	10,648	16,213	23,625
Resources & Place Delivery	59,444	30,524	24,484	10,300
Strategy; Engagement & Growth	304	63	0	0
Housing HRA	54,775	7,904	0	0
Total	172,370	74,767	51,397	33,925

New Capital Projects

Project	Director	Project Ambition	Total Value	2022/23	2023/24	2024/25
Fleet vehicle replacement	Julie Rogers	<p>To tender for the replacement of vehicles purchased from 2015-2017 as part of the vehicle replacement programme. All vehicles are put on either a 5 or 7-year renewal programme dependent of cost and operation.</p> <p>There are 8 Kubota F3890 ride on mowers due for renewal under the 5-year plan, purchased in June 2017 and reaching end of life they are now becoming uneconomical to repair due to the nature of their work and amassing vehicle downtime. Costs associated are approximately £21,000 per machine (£168,000) and will be phased over 5 years.</p> <p>There is also a requirement to purchase seven vehicles for housing caretakers to replace their current fleet vehicles that are again at the end of their 5 year planned replacement programme these include Medium vans, 3.5 and 5t tippers that are used to carry out their frontline operations. These will be specified in line with user requirements and with due consultation with the user. Cost associated with this are approximately £200,000 total.</p> <p>Adult social care also have 5 vehicles due replacement that are used for transporting clients to and from care facilities. These vehicles are 7 years old in 2022 and again are at the end of their replacement cycle. Estimated costs for renewal are approximately £310,000.</p>	678,000	168,000	510,000	-

New Capital Projects

Project	Director	Project Ambition	Total Value	2022/23	2023/24	2024/25
		Please note at the time of replacement diesel fuelled vehicles are understood to be the only option as zero emission vehicles are either not available in this class or at infant stage with associated costs. However, further work will be undertaken to assess this potential route.				
1934 Fort Road Tilbury - Bridge repairs	Julie Rogers	<p>Fort Road bridge is a strategically important highway asset in Tilbury which provides key linkages over the C2C Fenchurch Line for HGV movements to and from EMR Metal recycling and also Goshems Farm. Following a recent Special Inspection, it has been found to be showing significant failures in key elements.</p> <p>The structure is in a critical condition and needs key maintenance repairs undertaken to ensure durability of the structure and to future proof it. However due to the position of the structure over the railway line and the potential type of repair methods needed, it is likely to require significant works.</p> <p>Failure to action the issues will lead to high probability of failures of structures and/or long closures of strategic link and places the Authority at risk of claims.</p> <p>The proposal is commence design work and liaison with Network repair works. Aims of the project are to repair structure to ensure no liability going forward and allowing key HGV movement over the structure without diverting through East Tilbury or West Tilbury. Temporary</p>	785,000	85,000	700,000	-

New Capital Projects

Project	Director	Project Ambition	Total Value	2022/23	2023/24	2024/25
		<p>closures will be required to facilitate the repairs however but this will managed to ensure they are kept to minimum.</p>				
<p>Junction 31 Electrical Repairs</p>	<p>Julie Rogers</p>	<p>Junction 31 (M25/A1306 interchange) is part of Thurrock adopted Highway Network, as are the assets within it. National Highways have no legal obligation or requirement to maintain J31.</p> <p>The existing infrastructure for the assets consist of approximately 1km of cabling and houses approximately 100 street lighting assets and the associated cabling network which provides lighting for all roads users, including pedestrians and cyclists on the northern, eastern and western sides.</p> <p>This junction has a long history of faults associated with failing infrastructure that pre-dates any records we hold for the assets. These range from an 'all out' that means a significant proportion of assets out to individual cable faults. The faults are generally down to condition and age of the cabling network and damage caused by other</p>	<p>510,000</p>	<p>170,000</p>	<p>170,000</p>	<p>170,000</p>

New Capital Projects

Project	Director	Project Ambition	Total Value	2022/23	2023/24	2024/25
		<p>works completed over the years and are now a significant safety risk.</p> <p>Faults are typically expensive to rectify and having an impact on the revenue budget. With faults costing in the range £1500-£3000, due to complexities of the site and requirements for traffic management. The latest repair being £16k.</p> <p>Therefore, the proposal is the renewal and overhaul of all the associated street lighting assets.</p>				
Orchard Footbridge renewal	Julie Rogers	<p>Orchard Road footbridge is a strategically important highway asset in South Ockendon which provides key linkages over the C2C Fenchurch Line for pedestrians connecting two conurbations. Following a recent Principle Inspection, it has been found to be showing significant failures in the supporting elements.</p> <p>The structure is in a critical condition and needs to be either refurbished or replaced. However due to the</p>	645,000	85,000	560,000	-

New Capital Projects

Project	Director	Project Ambition	Total Value	2022/23	2023/24	2024/25
		<p>position of the structure over the railway line and the potential type of repair methods needed, it is considered better to replace the structure or parts of as refurbishing will incur significant risk and cost.</p> <p>Failure to action the issues will lead to high probability of failures of structures and/or long closures of strategic link and places the Authority at risk of claims.</p> <p>The proposal is commence advance design work and liaison with Network on a preferred options and then onto implementation. Aims of the project are:</p> <ol style="list-style-type: none"> 1. to provide a cost effective structure which reduces long term maintenance liabilities associated with Network Rail land 2. a structure which significantly improves ASBO concerns 3. improved connectivity for all vulnerable road users 				
Corporate Landlord's Maintenance Program	Sean Clark	Thurrock Council has a legal responsibility for a number of properties used by the council for direct service provisions and, in some cases, for properties that are leased out. This bid reflects the necessary works	1,925,000	1,100,000	825,000	-

New Capital Projects

Project	Director	Project Ambition	Total Value	2022/23	2023/24	2024/25
		required over the next three years to meet those obligations.				

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

There were no questions to the Leader and 10 questions to Cabinet Members, Committee Chairs and Member appointed to represent the Council on a Joint Committee.

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

1. From Councillor Kerin to Councillor Spillman

Can the Portfolio Holder for Housing please outline what he is doing for residents affected by mould in the six tower blocks of Grays Riverside?

2. From Councillor Little to Councillor Duffin

Please can you inform Council of the true and accurate timeline regarding the events surrounding the Communications Strategy?

3. From Councillor Little to Councillor Duffin

Can the Portfolio Holder explain the reasons the Council has chosen not to engage with Nub News please?

4. From Councillor Piccolo to Councillor Maney

Can the Portfolio Holder please update me on the progress of dealing with the ongoing issues of some operators on the Stanhope Industrial Estate? This is relating to their HGV movements that take place outside of the permitted hours for HGV movements as stated on their planning conditions. This is causing much concern and impact to the Wharf Road, Corringham Road and London Road community of Stanford-le-Hope.

5. From Councillor Redsell to Councillor Spillman

Would the Portfolio Holder for Housing advise what further steps have been taken since the resident's consultation on the future of Blackshots high rise flats?

6. From Councillor Byrne to Councillor Hebb

Can the Portfolio Holder tell us the level of the Council's gross debt?

7. From Councillor Byrne to Councillor Jefferies

Last month you praised the wonderful work being done in Thurrock's parks and when I challenged you on this you discarded my comments. In relation to pathways in Thurrock, do you still stand by your report and still happy defending the indefensible?

8. From Councillor Muldowney to Councillor Coxshall

Can the Portfolio Holder explain why the building which formally housed Cherubs, First Steps Nursery on Waterson Road in Chadwell St Mary has been lying empty since September 2020 despite interest from community businesses who want to use this space?

9. From Councillor Muldowney to Councillor Coxshall

Can the Portfolio Holder tell the Chamber what this administration intends to do with the land known as Flat Irons Field opposite Cole Avenue?

10. From Councillor Polley to Councillor Maney

Given concerns my residents have raised over road safety, would the Portfolio Holder agree to undertake a traffic assessment, at the junction of Foyle Drive and Stifford Road?

This report lists all motions from the previous twelve months which still have updates forthcoming. All Motions which have been resolved or the actions from officers have been completed are removed.

Date	From	Motion	Status	Director
26 January 2022	Cllr J Kent	<p>This Council is concerned at the impact the Cost of Living Crisis is having on residents of Thurrock and notes that domestic gas and electricity bills are predicted to rise by, almost, 50% this year – from an average of £1277 to £1865. The Council resolves to:</p> <ol style="list-style-type: none"> 1. Write to the Chancellor of the Exchequer to deliver a Brexit promise and ask him to help residents by scrapping VAT on domestic gas and electricity bills. 2. Write to Thurrock's Members of Parliament asking that they use their positions to support residents by working to achieve a cut in VAT. 3. Write to Thurrock's Members of Parliament asking for a temporary suspension of all green levies on domestic gas and electricity bills. 	Letters are being finalised to be sent to the Chancellor and Thurrock MPs expressing the concerns regarding the rising cost of living for residents and specific issues reflected in the Motion.	Karen Wheeler
26 January 2022	Cllr Collins	Modern Day slavery is seeing more and more people smuggled in to the UK using dangerous, and as we know too well sometimes fatal, methods as well as vulnerable UK minors and adults being	<ul style="list-style-type: none"> • The Modern Slavery Act 2015 (MSA 2015) applies to England and Wales and includes the offences of human trafficking and slavery, servitude and forced or compulsory labour. The Act consolidated and simplified existing offences and establishes a legal duty under Section 52 for specified public authorities to notify the Home Office where there are reasonable grounds to believe a person may be a victim of modern slavery. 	Julie Rogers

Date	From	Motion	Status	Director
		<p>groomed or duped and forced into sexual exploitation, domestic slavery, forced labour on farms, in construction, shops, bars, nail bars, car washes or manufacturing. We call on Thurrock Council to lead the charge in tackling this abhorrent practice by inviting all Thurrock based businesses to support our anti-modern day slavery charter and drive down and stamp out modern day slavery.</p>	<ul style="list-style-type: none"> • Section 54 of the MSA 2015 requires commercial organisations carrying out business in the UK, with a turnover of at least £35 million, to prepare and publish a slavery and human trafficking statement for each and every financial year. • A review of the legislation published in May 2019 recommended that Government should extend section 54 requirements to the public sector and strengthen its public procurement processes. Thurrock has prepared a statement and is ready for ratification and adoption by Cabinet. • This Modern Slavery and Human Trafficking Statement sets out the Council's current position to understand all potential modern slavery risks related to its business and to put in place steps to ensure there is no slavery or human trafficking in its own business and/or in its supply chains, and to protect and support victims. <p>Thurrock Council, through the Community Safety Partnership, is refreshing its strategy in relation to Modern Slavery and Human Trafficking. It is proposed that this ambition is reflected in one of our new priorities; <i>'Priority 3 Strengthened partnerships and outreach to Thurrock businesses to ensure ethical trading practices'</i>. This will enable us to include businesses in our action plan going forward and offer training and awareness raising alongside agreement to support our anti-modern day slavery charter.</p>	

Motions Submitted to Council

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

Motion 1

Submitted by Councillor Redsell

Irresponsible riders of motorbikes and other similar vehicles misusing public and private land are putting our resident's lives and wellbeing at risk. I call on the relevant authority to implement a borough wide PSPO to prevent the unlawful use of these vehicles where the residents have lawful access. This will help protect residents across Thurrock and also make it easier for the police and council to take action.

Monitoring Officer Comments:

The motion affects the authorities area and relates to a matter in which the authority has relevant powers. It will be a matter for Cabinet to make any order in line with the relevant legislation and guidance.

Before making an order the Council has to demonstrate that the behaviour which is being restricted has to: be having, or be likely to have, a detrimental effect on the quality of life of those in the locality; be persistent or continuing nature; and be unreasonable. This will require specific evidence and consideration of the locations where issues are occurring. It is very unlikely given the statutory guidance that a single order covering all open spaces within the borough equally will meet the necessary legal tests, however an order targeting those sites which are proportionate across the Borough may meet the tests providing that the evidence supports this.

The order has to be targeted to the specific harms, and be structured in such a way as to not interfere with lawful activities and uses. As with all the anti-social behaviour powers, the council should give due regard to issues of proportionality: is the restriction proposed proportionate to the specific harm or nuisance that is being caused? Councils should ensure that the restrictions being introduced are reasonable and will prevent or reduce the detrimental effect continuing, occurring or recurring. In addition, councils should ensure that the Order is appropriately worded so that it targets the specific behaviour or activity that is causing nuisance or harm and thereby having a detrimental impact on others' quality of life. Councils should also consider whether restrictions are required all year round or whether seasonal or time limited restrictions would meet the purpose.

Whilst the Council can make an order on any land where the public have access, on payment or otherwise, as of right or by virtue of express or implied permission. Where land is owned by a third party, the Council must consult with the land owner before making the order.

The Council has a duty to consult the police prior to making any orders. Any decision will need to be made in light of that consultation feedback, which can include

commentary on their view of information about the area and the problems being caused as well as the practicalities of enforcement.

The council must also consult whatever community representatives they think appropriate. It is strongly recommended that the council engages in an open and public consultation to give the users of the public space the opportunity to comment on whether the proposed restriction or restrictions are appropriate, proportionate or needed at all. The council should also ensure that specific groups likely to have a particular interest are consulted, or those involved in specific activities in the area, which would be impacted by the proposals. This will include any legitimate motorbike or motocross groups which use public areas.

It should be noted that any order is subject to a right of appeal by an interested person to the High Court, this can include a challenge to specific terms of any order, or the inclusion of any specific area of public space. A challenge would be successful where the order is excessive in terms of the areas covered or where the evidence does not support the basis for the order.

Section 151 Officer Comments:

It is not possible to provide a figure for the motion in the timescale. It is clear that there will be significant cost to progress a borough wide PSPO, especially considering the evidence gathering, legal input and bringing in the required resource.

Should Council agree to this motion, detailed costings will be included within the Cabinet report and, if agreed, would be a pressure on the budget as it would not be possible to meet this from existing budgets.

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

Yes

Motions Submitted to Council

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

Motion 2

Submitted by Councillor Muldowney

This Council notes that (1) a recent report to Government by the Social Mobility Commission reported that nearly a third of all children now live in poverty, with 500,000 children in England being plunged into poverty since 2012; and (2) the Council's Child Poverty Strategy lapsed in 2020 and needs to be refreshed. Council agrees with the Social Mobility Commission that (1) child poverty is a preventable problem and (2) agrees to undertake a rapid review of child poverty in the borough in order to inform a refresh of its Child Poverty Strategy.

Monitoring Officer Comments:

The motion relates to a matter affecting the authority's area and relates to a matter in respect of which the Council has a relevant function.

The Welfare Reform and Work Act 2016 removed from law the Child Poverty Act 2010 which placed certain responsibilities on local authorities and its partners to reduce child poverty. However child poverty is a cross cutting issue for services provided by the Council. Therefore the Council may rely on other powers available to mitigate child poverty through service provision.

A Cabinet decision would be required to approve an updated Child Poverty Reduction Plan. It should be noted that Council cannot impose a direct instruction for Cabinet to make such a decision.

Section 151 Officer Comments:

This was the subject of a recent report to Overview and Scrutiny. In discussion with Public Health, with other pressures from the Covid response, additional resource would be required to refresh the strategy at this time.

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

Yes

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Motions Submitted to Council

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

Motion 3

Submitted by Councillor J Kent

This Council believes that a free press is a cornerstone of a fully functioning democracy. Therefore, this Council is appalled at the decision to, effectively, blacklist the editor of Thurrock Nub News - Neil Speight - and calls on "Legal and Democratic Services" to reverse their decision and fully engage with Mr Speight and all bona fide journalists.

Monitoring Officer Comments:

This notice of motion relates to a matter which affects the Authority. The circumstances and information relating to the subject matter of the motion relate to an individual and is subject to data protection law. Further, schedule 12A of the Local Government Act 1972 provides that information relating to an individual is exempt information, subject to the public interest test.

Generally, there is a public interest in providing transparency of the decisions of the Council. However it is not considered to be in the public interest to disclose information at a public Council meeting where data protection law provides safeguards against disclosure of personal information, unless there is a legal basis for disclosing such information.

Section 151 Officer Comments:

There are no financial implications arising from this motion.

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

Yes

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