

26 October 2016

ITEM: 12

Full Council

Cabinet Member Report for Finance and Legal

(Report II - Legal Services, Strategy & Communications, Commercial Opportunity)

Report of: Councillor Shane Hebb, Cabinet Member for Finance

This report is public.

Following on from my previous report, this is the second-half of my Cabinet responsibilities, revised to take account of recent Cabinet responsibility changes – the report specifically covers Legal Services, Strategy & Communications, and Commerciality.

The economic climate which all local authorities are navigating requires different thinking. The new administration has set-out its pro-revenue agenda which put simply:

£££ made (by our corporate finance arm) = **less savings** that have to be found in existing services + **more £££** which can be pumped into key initiatives such as Clean It, Cut It, Fill It.

Our commercial focus will complement the Council Spending Review; creating a borough which is set-up for success for the next 30 years; enabling a borough which works for everyone.

1. **Our unashamedly pro-revenue growth plan will generate new opportunities for Thurrock customers** – I have said before that revenue-generation is not an ugly word – it isn't. Local councils need to be more commercial, and not just talk about being open for business: they need to get on and do it! Our unique geographical position is one of our biggest assets – we are located 20 minutes from the greatest capital centre on Earth, and are at the epicentre of all of Essex and Kent. If we can't make money for the public services we provide to our customers, no one can...
2. **We need to take the opportunity to create an “Aspirational” Thurrock Vision** – the existing Vision has been our vision for six years, and it has served good purpose; and been our cross-party, cross-agency vision which saw us chart a new future once upon a time. The world has changed, and so have our needs. Clean It, Cut It, Fill It is not just about making Thurrock look nicer – it's merely the first step in our plan to make Thurrock be recognised as the best place to live, work and play. We have a wonderful; unique heritage –

one full of work opportunities, environmental delights and aspiring people. It is time to shape a new vision; one for an aspirational; heritage-rich borough, again as part of a cross-party, cross-agency piece of work.

3. **When we talk “Thurrock”, we need people’s heads to turn** - our innovative Communications team have a key role in marketing the best of Thurrock out to the wider world, to draw investment and engagement into our borough. Furthermore, our accelerated and ever-present social media presence means people can engage with our council in their homes, coffee bars, on break while at work, or even in the pub (personal preference clearly!). This administration will continue to ensure that when they talk to us on social media, they leave feeling they have spoken to a person representing the Thurrock-brand; not get a corporate fob-off.
4. **Politics in Thurrock has a unique platform to change for the betterment of our electorate** – the Administration will be taking forward a formal consultation with the electorate of Thurrock – do residents want (a) one vote every four years which will lead to the electorate deciding the colour of Thurrock’s future administration, or (b) retain the status-quo. A decision needs to be taken, and the argument for and against, informed by the opinion of Thurrock electors. 49 councillors, deciding the election process for 165,000 residents can never be right. It is time to trust the electorate with our futures.

Like the national scene in the United Kingdom, Thurrock has never been at a more critical pathway in terms of making this borough a place where everyone fits in, and has the opportunities to live healthy and happy lives.

I would like to pay tribute to all the individuals who work in the teams who are relentlessly driving this borough forward. Thank you – your part in taking the next steps in Thurrock’s journey is recognised, and most importantly, very much appreciated.

Cllr Shane Hebb | Cabinet Member for Finance & Legal, October 2016

LEGAL SERVICES

▶ SERVICE OVERVIEW

The Legal Services directorate includes the shared legal services team, democratic services, members services and electoral services.

▶ REVIEW OF THE PREVIOUS 12 MONTHS

LEGAL SERVICES

The Legal Shared Service has now been successfully established for over 5 years.

The Shared Service continues to enhance Thurrock's region wide reputation through building increased legal capacity, resilience and internal expertise which has resulted in both significant savings and – even more importantly – become the first successful generator of traded income for the council.

The Shared Service arrangement was recently amended to appoint a joint Legal Services Manager in order to improve services, build in extra capacity and responsiveness and help drive forward the Service' commercialisation and income generation agenda.

The Legal Service is now into its eighth year of being recognised as a top performing Legal Service by The Law Society for Lexcel Accreditation, which recognises legal practices who meet the highest management and customer care standards and show excellence in areas such as client care, case management and risk management.

Performance examples from our teams include:

Children's Legal Safeguarding team have had a case relating to the deprivation of liberty of a young person/ child that has been reported in the Law Reports. This is now seen as a leading case for deprivation of liberty cases for children and the procedure and guidance in that case should be used as a guide when the care plan for the child is to place in a placement that involves the deprivation of the child's liberty.

In the financial year 1 April 2015 to 31 March 2016 there has been over 100 per cent increase in the number of care cases, but it has to still been possible to conclude the cases within the 26 week timetable.

Contracts Procurement team has assisted with Thurrock's Legal Contracts and Procurement and has advised on a wide range of matters, spanning all directorates within the council. The team recently advised on a number of innovative contracts such as the completion of a concession contract allowing all council employees to borrow money at preferential rates of credit with repayment taken direct from their monthly salary; and a roundabout advertising concession contract, whereby the council granted a marketing company access to its roundabouts to providing an

advertising service for local businesses and enabling the council to generate a percentage of the income from chargeable marketing services.

The team supported the council's departments in providing a service to the young and vulnerable within the borough - such as procuring educational psychologists to work in schools supporting children with special educational needs, as well as a number of other contracts supporting young homeless people within the borough.

The team advised the Adult Social Care service in relation to a number of key projects, during a period of sustained budgetary pressure for the Directorate. With legal support the council has extended major contracts with resultant procurement savings, and successfully managed the contractual exit of a leading domestic care provider (by optimising TUPE consequences for incoming care staff, supporting the procurement of new domestic and residential care services, an innovative shared lives project, integration of health and care data project). This has resolved long-standing contractual issues arising from public health services commissioning, achieving significant financial savings for the council. The team is currently involved in advising on the re-procurement of the domestic care services, taking place in 2017.

Litigation, Housing, Education & Adults Team has assisted with aspects of the home to school transport policy review, which saved money for the council. Ongoing assistance with Special Education Needs cases, which are becoming more complex with the ongoing roll out of conversion from Statements to EHC plans.

Significant increase in planning prosecutions, for example in one case obtained a £20k and £18k fines (£20k being the statutory maximum) against the defendants for unlawful conversion of a car park to a car wash.

Successful pursuit of historic debts in Adult Social Care debt, has resulted in around £0.5m being recovered this financial year.

A continuation of a 100 % track record of representing the council in employment tribunal matters.

The Property & Regeneration Team within Law & Governance successfully completed the sale of the former Treetops School site at Dell Road, Grays on 28 September 2016 in accordance with the Asset Management Delivery Plan. The land sale has brought forward the redevelopment of the site for much needed housing close to Grays Town Centre comprising 74 dwellings incorporating a proportion of affordable housing provision with nomination rights to the council for affordable housing applicants on the council's housing register. Planning obligations were also secured by agreement with the developer Keepmoat Homes Limited providing education contributions towards the provision of facilities for the education and care of children in early years childcare and primary school at Thameside Primary Academy as well as protecting the woodland area to the south of the site by providing for its transfer to The Land Trust with a long term management strategy for public access making the managed woodland permanently available as outdoor space for the benefit of the community.

In addition the team completed leases for the Arthur Bugler and Chadwell St Mary Primary Schools, enabling the schools to fulfil their wish to convert to Academy status.

Completion of the sale of the former Caretaker's House at the Graham James School site on behalf of the council to the North East London NHS Trust will bring forward the delivery of a much needed new NHS facility for residents of the Corringham area.

The Procurement and Regeneration teams are jointly advising the council's Regeneration service in respect of the A13 Widening scheme which will improve the road network capacity and road connections with DP World London Gateway Port. DP World will provide £10 million funding towards these improvements. Works will begin once a further £80 million of government funding is confirmed.

Governance Team continues to build its regional reputation and income generation with its regular briefings on key developments, training courses and governance advice. The team has had 5 well received articles published in national legal journals, with our Annual Governance Conference being attended by over 80 delegates from 32 authorities with delegates stating:

- *“An informative and useful seminar which covered a wide range of topics. I found this to be very helpful in refreshing/updating my existing knowledge of the subject area.”*
- *“Excellent – covered a range of very relevant issues.”*
- *“The content and quality of delivery was excellent and speakers very responsive to answering questions, which is helpful.”*

This and the development of other initiatives such as public facing website, setting up and chairing a Thames Estuary Special Interest Group of lawyers from 15 authorities north and south of the Thames and developing a supportive third sector legal offer to local charities and the voluntary sector.

Traded Services

The Legal Shared Service Team is now into its third year of providing a full legal service offer to Brentwood District Council. This includes not only the Monitoring Officer and Head of Legal roles but also legal support across the full range of a district council's responsibilities. This work has been undertaken on a fee traded basis and has now been extended into next year 2017 with a view to long term contract. The team has also successfully provided legal services to East London Waste Authority, Westminster, Lea Valley Regional Park and Redbridge councils on a fee traded basis and continue to be approached by a range of other authorities interested in learning lessons on shared working, especially in Essex.

Going forward the direction of travel plan for the service includes:

- Agreeing a formal collaboration agreement to formalise the shared arrangement with a detailed strategic business development plan:
- Identifying the trading activity through greater use of available legal powers to target new clients
- Advance proposals of converting to a company structure to aid the business model and intensify trading. A key factor in this decision will be achieving financial targets set out in the business plan.

DEMOCRATIC SERVICES

Democratic Services continues to provide support to public committees at the council. The team won the prestigious “Team of the Year” Award at the annual Association of Democratic Services Officer Awards in Birmingham in November 2015 for their innovative approach to providing Democratic Services functions.

This included the team’s ability to streamline digital ways of working and improve processes regarding governance by working directly with the council’s senior management team.

Two members have completed their professional qualifications in Democratic Services and two other officers are on course to complete next year.

The team are continuing to introduce new ways of working to improve efficiency within the committee system.

ELECTORAL SERVICES

Some key outcomes delivered by Electoral Services in the last 12 months are:

Published the statutory revised electoral register on 1st December 2015;

Successfully managed the combined Police Crime and Commissioner Election and local elections on May 5th and May 6th 2016;

Successfully planned for and managed the EU Referendum on 23rd June whilst preparing and delivering the elections on May 5th 2016;

Processed 23,454 applications to register to vote between 1st December and September 2016. 18,000 were processed in the first six months of 2016 for the election and referendum;

TESTIMONIALS

Phil Ruck – Chief Executive – Brentwood Borough Council

“Brentwood Borough Council have been working in partnership with Barking, Dagenham and Thurrock legal services for nearly three years. During that time BDT have consistently proved themselves to be an organisation focused on customer

service but perhaps more importantly one that delivers the best legal solution/options to meet the ever changing environment we work in.

“Most importantly they understand local government and work hard to develop the relationships at all levels so that they understand the business context of the complexities faced by their clients. Their advice is very clear and they work at a pace that assists, not hinders, decision making.

“Clarity not jargon could well be said to be one of their USPs”.

Mark Ash – Managing Director – East London Waste Authority

“Despite being a single purpose body ELWA operates in a complex and commercial public sector environment and frequently requires legal support across a wide range of subject matters.

“The BDT Legal team has provided legal support to ELWA for the last 10 years in areas such as contract and procurement, property transactions and data protection. LBB also provide the Authority with Monitoring Officer and governance support and have become trusted advisors and partners.

“The team is knowledgeable, quick to get to grips with issues and provides client focussed sensible solutions and professional reassurance that allows ELWA to move forward within a legal framework.”

Philip Knight – Lexcel Assessor, Law Society

'BDT Legal continues to respond to the challenging and demanding local authority environment. The service develops and grows year on year with innovative solutions to expand income. This year has seen the development of a new website, an advocacy team and a greater training offer to the sector and staff. There is active management and leadership of staff at all levels with support to staff being given across a range of public sector clients. Interview feedback confirms the effectiveness of people management arrangements, with staff reporting that they feel well managed and well supported, with open communication structures, a high degree of transparency and easy access to Supervisors and Managers. The department exhibits commerciality at many levels with ideas for growth being developed at a pace many would envy. There is a high level of compliance across the service and the team can be justifiably proud of such an achievement'

► FUTURE

The shared service with the London Borough of Barking & Dagenham, deserve full recognition for embracing the need to become financially self-sustainable. This report details the income generated by the Legal team in terms of income versus cost to the council. The natural next question is simple – how far can it go? This report outlines an administration policy to transition our Legal service to a full commercial arm, where income generation potential is not in principle restrained to local-government practice.

The Legal Shared Service is now in the advanced stages of finalising a fully costed and commercial business and marketing plan to take forward and build on the traded aspect of the service - taking full advantage of changes within the regulatory environment for solicitors that will allow a broader legal offer.

The Democratic Services team has started to market its expertise and training offer to other authorities in the region.

Electoral Services team is currently undertaking the 2016 statutory annual canvass and will publish the revised register on 1st December 2016. As of the end of September 62% of households have responded.

Following the July 2016 Council, proposals of consultation documents and the consultation questions are being finalised, and I can confirm the timetable for the consultation will be Q1 2016. A reminder letter to engage with the consultation will be issued via the annual council tax notice letter, sent to all households. General Services Committee will be engaged in the formative stage of the consultation before the commencement of the consultation.

The administration's commitment on a higher form of councillor accountability endures – our study of other schemes, and previously debated schemes, has been useful and constructing proposals which will be brought to Council in the future. We have sent a message to national government, and this council will happily be the local authority in the UK which leads the pressure on this piece of democratic accountability.

► FINANCIAL INFORMATION

Service Area	Full Year Budget £0	Full Year Forecast £0	Variance £0
Legal Services	757,019	757,019	0
Members Services	785,280	785,280	0
Democratic Services	217,020	217,020	0
Electoral Services	433,222	433,222	0
Total	2,192,541	2,192,541	0

In 2012/13 the legal budget was £1,723,200 with an income figure of £72,500. In 2016 the baseline budget is £757,019 with a projected income target for this year of £691,904. There has also been a 20% increase in legal instructions from 2012/13 to

date. This makes the income recovery by the shared service as an even greater achievement.

STRATEGY & COMMUNICATIONS

▶ SERVICE OVERVIEW

The service leads on the wider corporate strategy, policy research/intelligence, as well as providing communications, including media relations, marketing, design, web and social media.

▶ REVIEW OF THE PREVIOUS 12 MONTHS

February was a particularly busy month with the LGA Corporate Peer Review, Lower Thames Crossing public meetings and the Thurrock Civic Awards 2016 – all of which were coordinated by the Strategy & Communications team.

The administration has a key ambition of creating a personalised, yet professional social media presence. From June 2016, we have ramped up our social media engagement and this is now a daily, two-way, instant channel of communication with our residents and other stakeholders. We now have around 9,500 followers on Twitter and nearly 2,000 Facebook “likes”. We tweeted over 800 times in the last four months. The key here, is that people feel like they can have a one-to-one dialogue with “someone”, rather than “something”. The focus on landing key messages in the hustle-and-bustle of modern working life, has led to the social media accounts being manned on evenings and weekends. This is part of our increasingly customer-centric approach to our residents.

We are now tweeting press releases and posting them on Facebook to get maximum coverage. We also utilise LinkedIn.

▶ FUTURE: REVIEW OF VISION AND PRIORITIES

The current vision and priorities need updating to reflect the uniqueness of Thurrock, where we are now, our ambition for delivery and balancing the need for growth with quality of life. This will be developed over the course of this municipal year with input from political groups and other agencies across the borough.

The new vision and priorities will also draw on the feedback from the Resident Survey which will take place during the autumn, with results expected back around Christmas time.

Through the survey we will establish a new baseline for perception levels focused on the current priorities, one clearly being improving the Thurrock environment (Clean It, Cut It, Fill It). The results will be used to inform the review of the vision and priorities including placemaking, with questions focused on views of Thurrock the place.

The results will also inform the KPIs we use going forward to reflect the issues of most concern to residents as well as provide evidence to help with policy direction and decision making to inform budget setting.

The administration also take a dim view of KPI's which do not add value, nor address the biggest performance deviations. The administration are therefore reviewing the Corporate KPI's, and ensuring that our top "complaints" are formed into the new scorecard. The mantra "what gets measured, gets done" is critical here. My Cabinet colleague, Cllr Deborah Stewart, will be reporting back on the HOW we achieve these KPI's in her report; my department outlines the WHAT we are going to target.

▶ **FUTURE: INCOME GENERATION**

Despite being a comparatively small team, the service is constantly looking at areas of generating income. As such, later this year we will be launching the new roundabout sponsorship scheme. Following a tender process, this will be run for us, as a concession contract, by an external organisation who specialises in this type of work and is expected to deliver approximately £80K per annum into the general fund.

▶ **FUTURE: E-NEWSLETTER**

A new monthly e-newsletter will be introduced during the Autumn - an additional, customer-centric communication channel to complement the use of other channels i.e. social media, website, local media, outdoor advertising. It will be coordinated by the Communications team and be campaign-led enabling the communication of key priority messages. It will also feature event dates for the diary. This will be a regular communique which residents can sign-up for, and we encourage them to do so.

▶ **FINANCIAL INFORMATION**

Service Area	Full Year Budget £0	Full Year Forecast £0	Variance £0
Strategy (including Performance)	401,244	401,244	0
Communications	434,191	434,191	0
Total	835,435	835,435	0

COMMERCIAL SERVICES

The procurement section of this portfolio was included in the report that came to Council in September, therefore this section concentrates on the work of the Commercial Board.

▶ BOARD OVERVIEW

The Commercial Board have developed a series of project income initiatives that will deliver £915k income growth for 2017/18 and further growth for future years.

A review of the progress against key income initiatives is summarised below.

▶ DIGITAL SMALL CELL CONCESSION:

Following the soft market test carried out in the summer, it was concluded that there is merit in progressing a wireless concession through the Wireless Concession Framework Agreement currently being established by the London Borough of Harrow which could leverage the delivery of Public Wi-Fi as part of a wider Small Cell opportunity for the Borough.

Tender documents have been issued and the timetable is such that award of a provider will be made by January 2017.

▶ ROOFTOPS:

A further recommendation from the soft market test carried out in the summer was to build on the current and meritable initiatives already being pursued by Asset Management in respect to the use of council owned rooftop sites and actively promote and utilise council owned rooftop assets to enable the provision of Superfast Business Broadband Connectivity into local businesses and business parks as well enhancing mobile coverage within the borough.

The intention was for this to be realised through direct engagement with the market, Thurrock have been approached by Optimity who have expressed an interest in some of our buildings and discussions are in progress to ascertain an appropriate income stream.

▶ COUNTER FRAUD & INVESTIGATORY DEPARTMENT (CFID) BUSINESS PLAN:

A detailed Sales & Marketing Plan has now been developed and endorsed by the Transformation Board.

The CFID will primarily offer a traded consultancy service with specialist public sector fraud and counter fraud expertise and commitment to a high quality provision. The aim is to expand upon previous external income generation and structure future growth so that both supply and demand are managed sustainably.

The business plan provides a proactive retention and acquisition sales approach that will increase income over a 3-year period as highlighted above.

▶ **TRADE WASTE INCOME GROWTH:**

Following a series of workshops with the Trade Waste Team during the Summer there is now a business plan in place for the trade waste activity.

With a current market share of 4.3% and an annual income of £189k and investment was made in the Trade Waste team to recruit two sales officers this summer. A weekly target of £2k sales per officer has been set (In keeping with other authorities) and the Director of Commercial Services meets regularly with the team to monitor their progress against target.

▶ **FEES & CHARGES**

During October a series of reviews will be undertaken by members of the Commercial Board to consider a more commercially orientated approach to fees & charges is presented for consideration.

▶ **TREASURY VEHICLES**

It is to be noted that this target has been delivered through the recently implemented Solar Project.

▶ **FINANCIAL INFORMATION**

Service Area	Full Year Budget £0	Full Year Forecast £0	Variance £0
Commercial Services (including Procurement)	610,020	610,020	0
Total	610,020	610,020	0