

**24 July 2019**

**ITEM: 12**

**Council**

**Report of the Cabinet Member for Finance and Transformation**

**Report of:** Councillor Shane Hebb, Deputy Leader and Cabinet Member for Finance and Transformation

**This report is Public**

**Introduction by Cabinet Member**

The Thurrock Council economy is strong – and thus, the services to which residents use and depend on are safe until at least 2022/23.

Every council in the United Kingdom has a legal obligation to balance a budget – but there is a difference between Thurrock Council, and others:

- We have **exceeded** the legal requirement by putting forward a medium-term financial strategy which sees Thurrock Council financially balanced not just for one-year; but another four. Indeed, a child who was born in May 2016 will be in their late Early Years education before Thurrock Council is unable to fund services in the way that it does today;
- We are not only financially balanced, but we have **delivered a multi-year, multi-million pound financial surplus** – a surplus which has been spent, penny-for-penny, on our borough – whether it be purchasing a £7m new bin collection lorry fleet to complement our pledge to retain weekly bin collections; investing half a million pounds into delivery Mental Health services; 1.6m into fighting crime above our statutory duty; or funding our *Clean It – Cut It – Fill It* campaign to lift the environmental standards in this borough, and create a place where people are proud to call home;
- We have **protected our services by increasing our “rainy-day” reserve account** – an increase of 38% under the watch of this administration, ensuring that the roof is fixed whilst the sun is shining. We have also enacted a policy that **earmarked reserves will be spent on, on behalf of, and with residents in the forefront of our minds through key projects and initiatives** – Thurrock is not a council which subscribes to sitting idly on money of the tax-payers, for the tax-payers, in the council coffers;
- We remain a **low-tax council** and was one of less than 5% of council’s across the United Kingdom to freeze council tax in 2019/20. Our Council Spending Review objectives – service reviews; a commercial approach; and an investment strategy, has led to a Thurrock Council which no longer looks at what it doesn’t have; but what it does have; at what it can provide, rather than what it can’t; and
- We are a borough which has **record-level and un-paralleled infrastructure investment** happening in its borders, for those in our borders – schemes

designed to improve the life experience of our borough for residents, businesses, passers-by, and those coming to visit – £78m expanding the A13 at the Orsett Cock, £2.3m on building new homes and council properties, £17m on expanding schools, and over £20m on redeveloping Grays and Purfleet (-on-Thames!)

The plan that the Conservative administration embarked on in May 2016 is working – not just for the council's financial health; but more importantly; by extension, directly for our residents to whom we serve – through providing the services we were being told for years that could not be funded for much longer, now years into the future, all the while keeping tax low and leaving residents more money to spend on the families and in the Thurrock economy.

Whilst other councils have lamented and laboured away at a reducing Revenue Support Grant, Thurrock has rejected the ethic of hoping that "someday, something may change; that someone-somewhere, will do something for us". We rose to the challenge, and I am proud to work with everyone in the Portfolio to whom I work with; more than my team could ever know.

2019/20 will be a year where we hold true on the path we set. Of course, no path to the future is a straight line to the end-destination:

- This year we will be seeking to revitalise the Council Spending Review process – after our three-year service review schedule, we are taking a fresh look at our services, and this time, direction has been set that we need an even greater focus on service equality as part of the CSR expected outputs; and
- This council has a well-improved scorecard – going from 50:50 (pass:fail) to nearly 70:30 – but there is still a 30% gap. This administration is adamant that we wish to close that gap; and we are layering the next phase of the CSR with a refreshed look at not just the structure of services and how they are funded; but a far-harder ambition of service quality enhancement.

Aside from the Council Finances, a personal pride of passion for me is the work we set out and embarked on with our **#LifesLadder initiative - the Fair Debt Summit** in September 2018. As someone who once had household debt myself; as someone who will never forget the emotions, fears and anxieties that household debt can bring to an individual (and later for me, to my family), I was proud of what we achieved. Comprised of teachers, care workers, those with their own life experiences, voluntary groups, council staff, councillors of all colours – we set our ambition and have dedicated approaches to different situations:

- **Those who want to pay, but can't** – we reviewed our Fair Debt Policy and are introducing new technology to help those feeling alone and isolated to reach out for help, without having to face someone physically; whilst still facing up to the issue and getting the structured help needed to get one's personal finances in better health, and ensure that their obligations to pay their council tax can be balanced on a case-by-case basis;
- **Those who can pay, but won't** – we have set out objectives of proceeding to committal for those who starve the system of the tax it needs to pay – some people can afford but chose not to pay their council tax, whilst taking

and using the same services that those honest people, on the lowest incomes, pay for; and

- **We will help future generations anticipate and avoid getting into debt** – we are pioneering education packages for secondary students and young people, which helps them structure their finances, understand the short-and-long-term implications of personal debt, and anticipating when debts are building up out of control.

There remains much left to do – I am confident that Thurrock Council will grow on its financial successes, by pushing forward on the plan we have set out; reflecting on what we need to improve on and looking at those services afresh, and most importantly, by having the willingness and belief that every resident of this borough deserves-to, and can, prosper.

## **CORPORATE FINANCE**

### **► SERVICE OVERVIEW**

Corporate Finance lead on the promotion and delivery of good financial management to ensure that the council's financial position is managed appropriately and public money is safeguarded.

### **► REVIEW OF THE PREVIOUS 12M / PERFORMANCE:**

Thurrock Council continues to deliver an innovative investments strategy which, in conjunction with the commercial focus and alongside the Council's annual spending review, is delivering high quality services to residents. The approach has enabled the Council to not increase Council Tax while continuing to deliver in priority areas through allocation of the surplus funds projected in the budget. Within the context of a 0% Council Tax increase in 2019/20, the 4 year Medium Term Financial Strategy remains balanced with further projected surpluses totalling £16.7m. This continues the work to becoming financially self-sufficient whilst maintaining the focus on those services that are important to our residents.

The 2018/19 financial outturn position was reported to Cabinet in June 2019. This confirmed core services were delivered within budget, the projected surplus of £2.5m was delivered and the investment strategy enabled the Council to further develop financial resilience reserves. The surplus has been allocated to local priorities including additional policing, further work to address anti-social behaviour in the borough and to deliver outcomes from the fair debt and mental health summits held during 2018/19.

Whilst the Housing Revenue Account balance has been maintained at £2.175m, the General Fund balance has been maintained at £11m, continuing the Administration's commitment to increase this balance against economic and demand led risks.

### **► FUTURE: COUNCIL SPENDING REVIEW**

In 2016, the Administration launched a different approach to setting the Council's budget, the Council Spending Review (CSR). This was to move away from the historic approach of top-slicing service budgets but, instead, concentrates on:

reviewing bottom-up a service; a commercial approach; more or same for less; and reducing the level of growth on demand led services. This is underpinned by a comprehensive review of all services and an ambitious investment strategy.

The process was endorsed by the East of England Local Government Association's Finance Peer Review in June 2017. This continued to deliver service improvements and efficiency savings in 2018/19, which also attracted recognition through a number of awards and nominations in the last year from leading institutes such as the LGIU and the MJ.

The work carried out and planned under the CSR was presented to the Council in February of this year and contributes to a balanced medium term strategy for the next four years with surpluses planned as noted above.

### ► **FUTURE: CAPITAL PROGRAMME**

The capital programme continues to evolve under this Administration. There have been significant developments on major schemes in 2018/19. The widening of the A13 is in progress, The Purfleet Centre proposals have received outline planning permission and key projects in Grays town centre continue to develop. This is in addition to further capital investment in environment, schools and highways. There has been further investment in the transforming homes programme and the lifting of the HRA debt cap presents further opportunities to deliver new housing in the borough.

### ► **FUTURE: FUNDING REFORM**

The future of Local Government funding is still under review with consideration being given to the overall level of funding, the distribution of funding to authorities in the sector, and, the mechanisms to deliver this funding. Further clarity is expected during 2019/20 and Council Officers continue to consult, and proactively engage and contribute, with MHCLG and the LGA on the proposed reforms.

## **COUNTER-FRAUD & INVESTIGATION**

### ► **SERVICE OVERVIEW**

The service delivers the council's annual counter-fraud strategy, working across the different directorates to improve business processes and better educate staff on the fraud risks the council faces. The service also operates a model providing specialist crime fighting services to other public bodies.

### ► **REVIEW OF THE PREVIOUS 12 MONTHS**

The Standards and Audit Committee received the annual report last week that sets out the many successes and partnerships that the counter fraud service has delivered whilst also receiving international recognition.

Key successes include:

- £3.4m of detected economic crime last year, £27.9m since 2014;
- 2.04:1 ratio of detected fraud to cost;
- The safeguarding of 118 adults and children from harm;
- The use of the Proceeds of Crime Act and civil law to recover monies from fraudsters, over £4.9m has been recovered so far; and
- Launching and embedding the UK's first Cyber Resilience Service in local government, protecting Thurrock and other councils from cyber-crime.

## ► PERFORMANCE DATA

Reports of fraud received and under investigation:

- Housing fraud 127, under investigation 52;
- Blue Badge 10, under investigation 2;
- Social Care 7, under investigation 2;
- Council Tax 52, under investigation 10;
- Cyber 10, under investigation 1;
- Other 133, under investigation 30;
- The unit have recovered 30 properties that were being fraudulently used; these have now been re-let to those in genuine need. The value of this fraud is £690,000

## ► FUTURE: FOCUSES, PROJECTS AND INITIATIVES

Since central government granted funding to expand the centre of excellence model in 2014, over 44 public bodies have accessed the specialist capabilities held in the Counter Fraud & Investigation team. This support offered includes providing expertise to tackle the most serious crime including online child abuse, organised money laundering, fraud and cyber-crime.

The team developed a Cyber Resilience Service using its expertise in the investigation of cyber-crime to help other councils in that area too. In recent times, up to 76% of councils were affected by cyber-crime. This work continues to defend against cyber-terrorism, and also ensures we share what we are good at by helping other councils to do the same.

## ► NATIONAL INVESTIGATION SERVICE

Thurrock's enhanced counter fraud & investigation model has been operating as an investigation service nationally, providing the capability of a national crime-fighting team but working from here in Thurrock. The service was reviewed by MHCLG and the CIPFA towards the end of 2018 to examine how Thurrock invested in its counter fraud services. Thurrock's offering was one of another 58 local authorities who detected £100m fraud in total. The independent auditors found that Thurrock's team (1 of the 58 councils who received the same funding) alone detected £26.2m of the entire £100m.

The auditors commented on Thurrock's model being set apart from any other local authority in the country where its success speaks for itself. The auditor

recommended that Thurrock continue to support other LAs across the country, many of whom have limited or no capability to tackle the most serious cases. In response to this Thurrock has taken an innovative approach of relaunching its national service as the National Investigation Service.

The new National Investigation Service has received support from the Cabinet Office on its model and the function has partnered with the police Eastern Regional Special Operations Unit for Counter Terrorism and Organised Crime, in the only collaboration of its kind in the country.

Our priority has always been to ensure that the council can provide the best possible services to our residents, visitors and businesses taking a strong stance against those who seek to abuse those services for criminal gain. Our development of our Counter Fraud & Investigation function has ensured that it is at the forefront identifying and pursuing those who do attempt to commit crime.

As Cabinet Member for this department, I remain very keen to enhance relations with other local authorities and public sector bodies, of course, where there is a benefit of doing so.

My stance on fraud has always been clear – those that seek to defraud and take money fraudulently, which has expense to those hard-working and honest taxpayers, deserve the right accountability being levied against them. It is right that the correct processes are followed, and that we maintain an “innocent until proven guilty” approach – but those who engage with financial crime should know that Thurrock is no soft target, and our award-winning Counter Fraud team will lead to you being caught and, ultimately, being held to account by the justice system. This is a team which has positive links, and an even more positive perception, in other world-wide public sector bodies, for all the success that they have achieved on behalf of honest tax-payers, and they should remain very proud of their success.

## **RISK & INSURANCE**

### **► SERVICE OVERVIEW**

The Risk and Insurance team aim to maintain appropriate risk management, insurance and risk financing arrangements for the council.

### **► REVIEW OF THE PREVIOUS 12 MONTHS**

The Council successfully tendered the insurance contract during 2018/19 and improved the level of cover within the existing cost structure. The Strategic/Corporate Risk and Opportunity Register continues to be refreshed annually and has been regularly reviewed/reported to Standards & Audit Committee, Directors Board and Performance Board in line with the Risk and Opportunity Management Framework.

## ► PERFORMANCE

The council uses the ALARM/CIPFA Risk Management framework to test the council's performance against good practice. For the 2018 review the Council attained Level 4 out of 5 (where 5 is best).

Internal Audit reviews of the Risk Management and Insurance functions were undertaken in 2018 and resulted in a Green report for Insurance and a level 4 out of 5 (where 5 is best) for the Risk Management Maturity report. These reviews provide assurance to the council that both the Risk Management and Insurance functions are adequate, effective and performing well.

## ► FUTURE

The service continues to embed risk management into decision making and ensures the wider Council has access to appropriate advice as required.

## REVENUES & BENEFITS/COLLECTIONS

In autumn last year I chaired Thurrock Council's first Fair Debt Summit; part of a new #LifesLadder initiative. The event brought together key partners across various sectors, voluntary sectors and groups with a view to doing something different. It sought to identify ways to help people help themselves, avoid debts of any type, and also ensure that our collections process is fair to those who want to pay but find themselves unable to and not lenient on those that can pay but simply choose not to.

The aims of the Fair Debt Summit were simple:

- 1) Identify help where we can (while recognising that everyone ultimately needs to pay their dues)
- 2) Be tougher where we may need to be with those who play the system; and
- 3) Help provide some education for a younger generation who have yet to experience an economic downturn like the last recession of 2008/09.

As a result of the summit, a wide ranging action plan was produced. The plan included a number of initiatives, some of which were of a quick fix nature along with some that required a longer term approach. I am pleased to be able to provide an overview and progress update on the key themes as follows:

### Investment in new technology

- Currently amounts owing to the council are held in 4 different systems which creates difficulties in both establishing a total amount owed and discussing a holistic resolution. In addition information held by other council departments that may suggest potential vulnerability, relevant to an individual's ability to deal with their finances, may not currently be visible to the debt teams. We have therefore instigated a project to provide a '**Single View of Debtor**'. Phase 1 of this project will provide officers with a holistic view of council debts owed by an individual and ensure that any relevant information held by the council

in relation to someone's ability to deal with their financial affairs is visible to the debt teams. The initial part of this project is at a mature stage and whilst I expect this to continue to evolve, it is expected that the initial 'view' will be available to officers in August.

- In recognition that people who owe money fall into different debtor types eg. those that pay late, those that refuse or avoid payment or those that can't pay etc. in order to increase efficiency and enable a fairer approach, phase 2 of the SVoD project will investigate the business case for further development. This will enable us to move away from a standard 'one size fits all' collection process (where everyone receives the same reminders and follow up) to an enhanced data led intelligent approach, more appropriate to an individual's circumstances.

For example if somebody pays their council tax but pays late it may be more appropriate initially to send targeted correspondence to encourage the individual onto direct debit rather than warning them of consequences of non-payment.

Having created the 'Single View', phase 2 of the project will also look to further enhance efficiencies and care by looking for opportunities to combine collection activities for different debts owed – e.g. whilst we need to ensure we adhere to respective legislative processes for each debt type, it would make sense that if we are telephoning or visiting a resident, the officer is in a position discuss all debts owing, rather than undertaking totally separate communications on each debt type. This phase of the project has already commenced with some background investigations.

- We are also looking to further encourage early contact and resolution by widening our outbound contact channels from traditional letter, to include SMS, Email etc. This project has commenced and is currently at procurement stage. The platform is expected to be ready to use for targeted initiatives by December.

### Investment in Staff

- In order to create stability by attracting, developing and retaining staff with the right skillsets a new team structure has been agreed. The recruitment process has commenced and once complete will be followed with appropriate training including recognising potential vulnerability, customer care etc.
- Three members of staff have already attended the 'Suicide Prevention Training' facilitated by 'Reach Out'.

### Provision of debt advice/support

- We have ensured that information is available for those who need help. Not only do all our collection letters contain information on sign posting to organisations that can provide assistance if required, as an additional feature if somebody searches 'debt advice Thurrock' on the internet, the search results will include a link to a council Webpage. This details some "do's and

do not” and provides information on organisations that can provide further support.

- In order to provide an opportunity for people to obtain the support they need, where a recognised organisation requests it and where appropriate, a hold will be placed on collection action to allow the person owing money some breathing space and the people supporting them sufficient time to consider their finances and provide appropriate advice.
- In order to encourage people to save for a rainy day and provide those who may have difficulty obtaining credit with an alternative to doorstep lenders, we are investigating re-establishing a partnership between the council and an appropriate credit union. In order to achieve this a working group of council officers and support organisations has been formed to review a selection of Credit Unions who are licensed and have the potential to operate within the Thurrock area. The group is in the process of meeting with and reviewing each of the organisations and aims to conclude its recommendations by the end of August.
- The number of Financial Inclusion Officers within the Housing Team has been increased from 2 to 3.
- A financial inclusion role similar to those in place within Housing to prevent homelessness is being introduced within the Benefits team. This role will provide general welfare benefit advice, budgeting advice and assist those identified as potentially vulnerable who have wider council debts. The role will be independent of the debt team and will have autonomy to negotiate sustainable payment arrangements with the individuals they are assisting. I expect this role to be operational by October this year.

#### Education of our younger generation

- The Education & Skills Team working in conjunction with Thurrock Adult Community College and building on the pilot Money Management course held at Inspire for care leavers, are moving forward with plans to offer the course within mainstream schools. Following a recent presentation 3 schools have signed up to the pilot phase, results of which will be evaluated to consider the future offering. We will continue to offer the programme to care leavers and young people who are not in education, employment or training to ensure that vulnerable young people can gain the skills to manage money and prevent moving into debt.
- In addition to people of school age, Thurrock Adult Community College will be offering a budgeting course to adults as part of their prospectus. The debt team will be promoting this opportunity to people owing money.

#### For those that can but won't pay

Fortunately Thurrock enjoys some excellent collection rates compared to other councils. To maintain this we continue to pursue those who won't pay through all options available to us. To enhance this we are working with a specialist

enforcement agency to focus on a small hard-core group of debtors. Any residual accounts that the agency are unable to collect will be returned to the office to be considered for further action through Charging Order, Bankruptcy or Committal.

### ► PERFORMANCE DATA

Whilst there is still much to do, I am pleased to say that the 2018/19 outturn figures were extremely positive. Not only did Thurrock again achieve some of the best collection rates in the country, for Council Tax and Business Rates the number of people reaching court or enforcement stage continues to significantly reduce. To support the Fair Debt Agenda and evidence the direction of travel, I am also pleased to note that complaints received regarding the debt collection process significantly reduced last year by 30%.

In total last year, there were 47 complaints received in relation to the collection of Council Tax, Business Rates and Sundry debt, 5 of which were upheld.

### ► HOUSING BENEFITS AND COUNCIL TAX SUPPORT - REVIEW OF PREVIOUS 12M

The rollout of Universal Credit, which commenced in Thurrock in March 2015 for single people, progressed to full service in October 2017. Under full service new working age applicants, including those that have had a break in their claim, are now required to claim support for housing costs through Universal Credit rather than Housing Benefits. Within Thurrock there are currently circa. 3,100 claimants who now receive support with housing costs under the Universal Credit system and 8,000 who continue to receive support through Housing Benefit.

Migration of existing claimants has temporarily placed on hold to allow a small scale pilot to take place. The Government's latest estimate suggests that full migration to Universal Credit will not complete until 2023.

I would like to take the opportunity to remind members that whilst Universal Credit is administered by the DWP, even once fully rolled out, the council will still play a key role in signposting people for Universal Credit. The Council will also maintain responsibility for the administration of Housing Benefit for people of pensionable age, those in temporary homeless accommodation, all claimants for Local Council Tax support and Discretionary Housing Payments for those in receipt of Housing Benefit or Universal Credit, who require additional short term assistance to meet their Housing Costs.

### ► PERFORMANCE DATA

Despite some additional administration workload the time taken to process Housing Benefit and Council Tax Support remains good with New Claims being currently being processed in an average of 3 weeks and changes of circumstance in less than a week.

Complaints regarding the service remain low with only 28 received in 18/19 of which 29% were upheld. This is a pleasing result considering the service still has a caseload of 9,000 claimants.

## ► HOUSING BENEFITS - FUTURE

The service will continue to monitor developments and adjust service provision where possible to mitigate the impact of the roll out of Universal Credit and the wider benefit reform agenda.

## ► COUNCIL TAX - REVIEW OF PREVIOUS 12M

Within Thurrock we currently send a Council Tax bill to around 70,000 properties for a net value of £81m. This income stream is critical to fund the services the Council provide and therefore it is vital that to support effective collection and customer service we maintain timeliness + accuracy of billing, processing and assessment of applications and query resolution.

Again, I am pleased to report that whilst work volumes continue to increase in line with property numbers, operational costs have not been impacted. Timeliness of processing and accuracy levels also remains strong with most queries or applications resolved within the week they are received.

## ► PERFORMANCE DATA

For 2018/19 Thurrock maintained excellent collection rates for Council Tax to achieve an in year collection rate of 98.91%. Whilst we await publication of national results, it is envisaged these results will again place Thurrock among the top performing councils.

Complaints regarding council tax and business rates, billing have continued to reduce with 41 being received last year compared to 55 in the preceding year. Of the 41 received in 2018/19, 9 were upheld. Again this is a low ratio, considering the 70,000 properties billed.

## ► COUNCIL TAX – FUTURE

The service continues to focus on encouraging residents to transact with the service through cheaper more efficient on line channels.

## ► NATIONAL NON-DOMESTIC RATES (NNDR) - REVIEW OF PREVIOUS 12M

For business rates we bill in excess of 4,350 properties for a net value of £127m. Under current funding arrangements Thurrock keeps circa £38m of this amount.

## ► PERFORMANCE DATA

Regarding collection, Thurrock achieved an excellent in year collection rate 99.43% which again is expected to place Thurrock amongst the top performing Councils in the country.

## ► NATIONAL NON-DOMESTIC RATES (NNDR) - FUTURE

The service is focused on maintaining this excellent performance whilst continuing to monitor the Governments plans to introduce 75% Business Rates Retention which is currently expected from 2020/21.

## ► SUNDRY DEBTORS - REVIEW OF PREVIOUS 12M

In addition business as usual activities the team have been heavily involved in the migration to the new Oracle platform which went live in April this year.

## ► PERFORMANCE DATA

Income received through Sundry debt totalled £68.8m in 2018/19, with the net aged debt position remaining neutral compared to the previous year.

## ► SUNDRY DEBTORS – FUTURE

The implementation of the new Oracle platform will facilitate enhancements to be introduced to further improve efficiency such as introducing the option to pay by Direct Debit for Sundry customers.

## FINANCE DIRECTORATE BUDGET CONTROL

### ► FINANCIAL INFORMATION – 2018/19

Service Area	Full Year Budget £	Full Year Forecast £	Variance £
Finance	4,427,613	4,427,613	0
<b>Total</b>	<b>4,427,613</b>	<b>4,427,613</b>	<b>0</b>

### ► TREASURY – 2018/19

	Full Year Budget £000	Full Year Forecast £000	Variance £000
Interest & Fees Payable on External Debt	15,192	15,192	0
Interest Receivable on Investments	(38,527)	(38,527)	(0)
<b>Net Interest</b>	<b>(11,476)</b>	<b>(11,476)</b>	<b>(0)</b>
MRP	6,599	6,599	0
<b>Total</b>	<b>4,191</b>	<b>4,191</b>	<b>(0)</b>

## COMMERCIAL SERVICES

### ► SERVICE OVERVIEW

The Commercial Services team leads on the promotion and delivery of best practice in business development and procurement practices across the Council, continuing to build on the cultural shift within Thurrock Council to create a commercially astute Council that delivers innovative and entrepreneurial outcomes, which ultimately, ensures that services are financially safeguarded as they bring in the proportional

income they are expected to; as would be expected of a voluntary or private sector organisation.

The service continues to be the key enabler for ensuring the delivery of existing income generating commitments, identifying income streams that are in line with agreed commercial principles, stretching every pound we spend to continue to deliver great value for money while at the same time delivering best possible outcomes for residents

## ► REVIEW OF THE PREVIOUS 12 MONTHS

### ► External Income Monitoring

The Commercial Board, chaired by the Director of Commercial Services, monitor the performance of external income across all Council areas. This level of scrutiny and discipline has generated significant returns for the Council, which in turn, leads to funding security for the services of which residents use and depend. In financial year 18/19, gross external income from fees & charges exceeded budget expectations by 5.9%. The Commercial Board is working well and has Council wide representation from each Service Area all committed to delivering on Thurrock's Commercial Principles the outcome of which has resulted in an external income target for 19/20 of £8.9m, a 7.5% growth from 18/19 budget.

### ► Gross External Income from fees & charges

<b>Directorate £000's</b>	<b>Budget 18/19</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>
Adults	337.5	330.3	369.2
Adults Client contributions	1,183.4	1,183.4	1,183.4
Children's	1,173.9	1,067.4	1,088.0
Environment & Highways	2,311.4	2,633.6	2,646.7
Housing (GF)	413.2	413.2	414.5
Place	2,845.2	3,081.6	3,110.7
Corporate	25.0	70	100.0
<b>TOTAL</b>	<b>8,289.6</b>	<b>8,779.5</b>	<b>8,912.5</b>

### ► Business Development

In 2018 the business development team undertook a detailed review of the Thameside Theatre resulting in a three year business plan for the services. In financial year 2018/19 the theatre generated an income of £706.8k and was cost neutral. This year saw the introduction of a new ticketing system and a refresh of the theatres marketing strategy, the theatre has gone from strength to strength in its business plans, a record breaking pantomime and half term shows that were a sell out. New initiatives such as Wicked Wednesdays have brought a new audience to the theatre thanks to our new cinema technology. Commercial hire has also increased thanks to the new booking literature that is now available.

## ► FINANCIAL PERFORMANCE

	Budget 18/19	Outturn 18/19	Variance
Procurement Team	388,334	342,239	46,095
Business Development	294,659	294,659	-
TOTAL Commercial Services	682,993	636,898	46,095

\*Variance from the budget was primarily due to staff savings during vacancy and sickness periods, and from income generated following the What Makes a Winning Bid programme.

The Return on Investment of the Commercial Services department is at a ratio of 2:1 thus demonstrating further strength of the administrations financial strategies.

### ► Council Spending Review

The Service Review Board, chaired by the Director of Commercial Services, monitor the performance of internal, cross cutting service reviews across targeted Council areas. The reviews are carried out based on seven key service design principles that underpin good service delivery practice;

Theme	Principle
People	Are staff upskilled enough to support changes in service delivery models
Technology	Are we maximising the use of available technology to support and enhance service delivery
Procurement	Are we getting best value from 3 <sup>rd</sup> party contracts
Demand	Can we reduce or control demand within service
Process	Are we working with processes that optimise the efficiency of the service making things simpler for our residents
Property	Are we delivering the service making smart use of our assets
Commercial	Are we maximising opportunities to generate income within the services

During 2018/19 a number of reviews were undertaken across a number of service areas including:

- School Transport  
The School Transport Service Review led to a review of how home to school transport is provisioned. Using Ormiston Park Academy as a pilot, private hire transport were decommissioned on three of the four vehicles and children were moved onto public transport. Working together with the School and the Chief Operating Officer of Ensign Bus Company this has had very positive impact. This work will continue under the service review programme and compliments the boroughs wider plans on smarter and greener travel.
- Childrens Social Care Services  
The Children's Social Care Service Review resulted in a number of transformational programmes of change. It increased the number of social

workers and reduced the use of agency social workers. It increased the number of in-house foster carers and enabled more Thurrock children to be placed with Thurrock Carers. The implementation of an 'Edge of Care' early intervention strategy aims to provide support to more children and young people to remain safely with their families. Finally, the implementation of the 'Signs of Safety' model, an internationally recognised strengths based model, enables social workers to work more collaboratively with parents ensuring that their views and the views of the children are a key part of care packages.

- ICT & Technology

The ICT service review, resulted in a review of the structure of the team with an emphasis on value and quality of process. There is now a greater understanding of the ICT contracts portfolio and an alignment of many of the contracts e.g. consolidation of providers for staff mobile phone contracts. The restructure of the team resulted in an emphasis on SMART and emerging technologies. Smaller 'lean' improvements were also made such as the increased use of e-signatures to take away unnecessary paper-processing out of a number of key processes such as 'new starters'.

The Service Review Programme for 2018/19 delivered £930k of efficiency for the Council ensuring smarter use of spend. The ambition is to match this achievement again for 19/20.

Having concluded the three-year programme, the Administration have set direction that the CSR will be re-formulated, and a new full spending review of council services will begin - a non-arbitrary target driven study of services we perform, to understand what we should and could provide, and make informed cost/data-based decisions on the future of services, with a renewed looked at service quality to improve the experiences that residents have of the services the local authority provides.

The Administration have also set out plans to make the CSR process more inclusive of all levels of member engagement when the initial timetable for the forthcoming reviews is finalised in Summer 2019.

► **Discretionary Services Fees & Charges**

<b>£000's</b>	<b>Actual 16/17</b>	<b>Actual 17/18</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>
Total External Income	7,715.3	8,000.7	8,779.5	8,912.5

Our income growth performance over the last three years is impressive, we are not standing still and work will continue on future year fees and charges, ensuring that all commercial principles become a reality and ensure that all discretionary services are cost neutral. In addition, the traded services model will continue to develop throughout 2019/20.