

Minutes of the Meeting of the Corporate Overview and Scrutiny Committee held on 9 June 2020 at 7.00 pm

Present: Councillors Oliver Gerrish (Chair), Jack Duffin (Vice-Chair), Colin Churchman, Garry Hague, Shane Ralph and Gerard Rice

In attendance: Sean Clark, Director of Finance, Governance and Property
Jackie Hinchliffe, Director of HR, OD & Transformation
Lucy Tricker, Democratic Services Officer

Before the start of the meeting, all present were advised that the meeting was being recorded, and was being live-streamed onto the Council's YouTube channel. The Chair also thanked Council staff, residents, and key-workers for their hard work and dedication in helping prevent the spread of COVID-19, and ensuring vulnerable people were kept safe.

1. Minutes

The minutes of the Corporate Overview and Scrutiny Committee held on 14 January 2020, 23 January 2020, and 10 March 2020 were approved as a correct record.

2. Items of Urgent Business

The Chair raised one item of urgent business regarding the procurement of a Local Full Fibre Network (LFFN) on behalf of the Association of South Essex Local Authorities (ASELA). The Director of HR, OD and Transformation introduced the report and stated that Thurrock was the lead Council involved in this project, and had successfully submitted a bid to the Department of Digital, Culture, Media and Sport (DCMS) for a grant of £4.4million. She highlighted that this project came at no cost to the Council, as the entire project was being funded through the DCMS grant. The proposed procurement route represented the most effective route cost wise and for delivery. The LFFN supported council efficiencies by replacing some of the current Wide Area Network (WAN), and increasing capacity. The Director of HR, OD and Transformation added that this project supported the Council's wider digital aspirations through improved Wi-Fi connectivity, and had been a cross-organisation collaboration.

The Chair thanked officers for the report and sought clarification that the £4.4million project cost would be entirely funded by central government. He also asked if the £4.4million would be spent entirely within Thurrock, or if it would be split between all local authorities within ASELA. The Director of HR, OD and Transformation confirmed that the entire project cost was government

funded, and would be divided across ASELA. The Chair then asked what benefits an LFFN would provide for residents, the Council and its partners. The Director of HR, OD and Transformation responded that the LFFN would provide the infrastructure for better future connectivity. The Corporate Director Finance, Governance and Property added that out of the seven local authorities that formed ASELA, the government would be funding a total of 133 LFFN sites, of which 78 were in Thurrock. He mentioned that the LFFN would help to support the public sector, and stated that 22 sites would be within care homes, 23 sites in community buildings, and 2 sites in fire and rescue buildings. He stated that an LFFN could provide cheaper broadband, increased Wi-Fi speeds, and increased connectivity.

The Chair asked why the report had been brought urgently, and sought clarification of the governance process. The Corporate Director Finance, Governance and Property replied that originally the report had been two-fold, including both the LFFN and WAN. He stated that because of purdah, the WAN aspect of the report had been delegated via an ED2 form, but this had not included the LFFN. He stated that lessons had been learnt and provided his apologies for the lateness of the report.

Councillor Duffin thanked the team for their hard work on the project, and felt it was good to see Thurrock receiving grants from central government. He queried that although the national average for fibre broadband coverage was 10%, Thurrock only had 6% coverage, and asked what was being done to improve this connectivity. He added that due to the ongoing pandemic, more people were working from home and required good Wi-Fi speeds and connectivity. Councillor Ralph added that some areas, particularly in East Tilbury, Stanford-le-Hope and Fobbing, had very poor Wi-Fi connection, and asked how long it would be before they saw improvements. The Corporate Director Finance, Governance and Property responded that the LFFN presented to the Committee was the first stage in the project, but one of ASELA's main priorities was digital connectivity. He stated that he could bring a detailed report to the Committee later on in the year outlining what the Council could do, and was doing, to improve Wi-Fi for residents. Councillor Rice queried why Southend-on-Sea Council had not signed up to the LFFN project, and the Director of HR, OD and Transformation replied that it was because they already had full fibre coverage.

The Chair summarised the debate and asked that Cabinet be made aware of the Committee's comments, including asking them to focus on how the LFFN could benefit Thurrock residents and the local community.

RESOLVED: That:

1. The Committee recommended that Cabinet give delegated authority for award of contract for the delivery of a Local Full Fibre Network (LFFN) to MLL Networks Ltd, via the Suffolk Cloud Partnership agreement, to the Director of HR, OD & Transformation in consultation with the Leader of the Council. The total cost of this project is £4.436M for the rollout of Dark Fibre connectivity and an Irrevocable Right of Use

(IRU) of that fibre for 15 years. There is no additional ongoing cost for use of the dark fibre for the 15-year period.

3. Declaration of Interests

Councillor Rice declared a non-pecuniary interest as his wife worked for CVS.

4. COVID-19: Financial and Budget Implications

The Corporate Director of Finance, Governance and Property introduced the report and began by stating that COVID-19 had both direct and indirect financial implications for the Council. He commented that the direct affect was on the Council's expenditure on COVID-19 related issues, and the indirect implications stemmed from loss of income, such as through fees and charges. He stated that Thurrock were working closely with central government, but COVID-19 would have financial implications that affected next year's budget. He added that the report made numerous assumptions, but due to the pandemic, officers could not predict what was going to happen in the future. He stated that officers were currently working on a 4 month position, and were looking towards the gradual easing of lockdown and government restrictions.

The Corporate Director of Finance, Governance and Property went on to say that COVID-19 would have an approximate financial impact of £9.7million on the Council, although £9.2million of this should be funded by central government. He highlighted that the longer the pandemic continued, the bigger the financial impact would be. He clarified that £6million had been added to the resilience reserves, in addition to the general fund budget and the current financial position could be maintained in the short-term. He mentioned that the government had set-out £9.2million for Thurrock in financial assistance, although other money was being received from central government in support, such as through hardship grants, and money towards care home cleanliness. He added that government had also deferred payment of business rates, but these would have to be paid at some point in the future. The Corporate Director of Finance, Governance and Property stated that Thurrock had received £12.3million from central government in grant support to small businesses and those in sectors such as leisure and hospitality, and the first tranche of those payments had been made last week. He added that central government had also given Thurrock £1.237million for a second, discretionary scheme. He clarified that this year 2401 businesses would not be paying any business rates, and currently 1600 businesses had received grants.

The Corporate Director of Finance, Governance and Property stated that there were currently pressures in Adult Social Care as care homes had lost income due to people not moving in because of COVID-19 fears, and they had had to increase expenditure on areas such as PPE for staff. He added that Council expenditure had also increased to set up Thurrock Coronavirus Community Action (TCCA) to ensure that those residents who were shielding or vulnerable received the necessary support. He commented that the Council

were now renting High House Production Park as a base for TCCA operations, and were helping to support nearly 10,000 residents in a number of ways, for example delivery of food parcels or emotional support. The Corporate Director of Finance, Governance and Property added that financial pressures had also arisen in Children's Services and Environment, due to a fall in the number of placements and closure of household waste and recycling centres respectively.

The Corporate Director of Finance, Governance and Property moved onto discuss point 3.2.2 of the report and highlighted that the Council were not currently saving any more money than pre-COVID19 as contracts still had to be fulfilled, such as home to school transport, to ensure that businesses survived and could be utilised after lockdown finished. He clarified that the loss of revenue from council tax this year, would only start to affect the Council's budget next year due to accounting procedures. He mentioned that as Thurrock's current income from council tax was approximately £70million, and even a 1% rate of non-payment could affect the budget.

The Corporate Director of Finance, Governance and Property added that the Housing Revenue Account was beginning to see arrears, as some residents were now struggling to make rent payments. He added that some elements of the capital programme had also been delayed due to contractors stopping work because of social distancing. He stated that officers were currently considering what aspects of the capital programme were deemed to be urgent, and what could be deferred, although these discussions were still in a very early phase. The Corporate Director Finance and Governance summarised and stated that these figures were estimations, as the situation was very fast-moving and relied on central government's policy towards lockdown and social distancing.

The Chair thanked officers for the early report, and felt it was good for the Committee to see early estimations of potential pressures. He felt that the report presented a sobering view of the current outlook, and the financial impact the pandemic could have on the Council for years to come. The Chair asked what government support would be provided to meet the gap in Council COVID-19 expenditure, and if Thurrock had made a request at central government level for more funding. The Corporate Director Finance Governance and Property responded that Thurrock reported to the Ministry of Housing, Communities and Local Governments (MHCLG) on a monthly basis, which outlined the financial pressures faced. He added that some pressures would only become prevalent next financial year, as some pressures would be temporary, and some would be permanent.

The Chair then queried whether COVID-19 had affected any Council investments, and the Corporate Director Finance, Governance and Property replied that the Council had seen no impact on investments at the moment. He added that a detailed report would be going to Standards and Audit Committee in July, but that as the renewable energy sector was not adversely affected by the pandemic, the Council investments had not been affected. He clarified that other Council's had had issues with their investments, and

needed MHCLG support, but this was because they had invested in commercial property, which had seen a downturn during the lockdown. The Chair highlighted 2.6 of the report, and asked what was considered non-essential spending, as this had been frozen during the pandemic. The Corporate Director Finance, Governance and Property replied that some non-essential recruitment had been frozen for posts that did not directly support COVID-19, but that this had been decided at directorate level.

The Chair highlighted point 3.24 of the report and queried what proportion of Thurrock Regeneration Limited (TRL) over-spend had been COVID-19 related, and which projects had been behind before lockdown began. The Corporate Director of Finance, Governance and Property responded that TRL had overspent by £1.3million last year, but this had risen to £2.4million because of COVID-19.

Councillor Duffin thanked the Corporate Director of Finance, Governance and Property, and the finance team, for the report and felt it was good to see reserves had been increased. He asked if the Council Spending Review was still taking place during lockdown, and what the surplus on investments would be. The Corporate Director of Finance, Governance and Property responded that no new investments were currently being advanced due to COVID-19, but the Investment Strategy remained in place and Members would be involved once investments began again. He added that the surplus on investments would be approximately £33.35million.

Councillor Hague felt it was good to see small business grants being given to those that needed it, and queried how these had been marketed to local companies, to ensure that every company was aware of the support that could be accessed. The Corporate Director of Finance, Governance and Property explained that the grants fell into three categories, the first being for the hospitality sector, of which all grants had been sent to those companies that had been interested. He stated that the second category was for rural relief, and these grants had also largely been paid out. He explained that the third category was a discretionary small business rate grant. He stated that the team were currently trying to engage with these businesses through a variety of mediums, but was proving to be difficult in some cases due to businesses being closed for lockdown. The Corporate Director of Finance, Governance and Property explained that the government had provided a grant of £1.237million to set up the discretionary scheme, but no clear government guidance had been provided on distribution. He added that the Council were currently trying to establish how many businesses fit into this category before money could be distributed. He stated that this was being done in two tranches, with the first tranche due to end this week and approximately £1million being allocated to businesses on a pro rata basis. He stated that the first tranche had been running for two weeks and had helped to establish the number of businesses that would need to access the grant. He clarified that the second tranche was for those businesses who had not applied in the first round, and any money left over would be allocated to businesses from both tranches.

Councillor Ralph queried how the reserves had been increased during COVID-19, and the Corporate Director of Finance, Governance and Property replied that some of the reserve increases had come from investments and other services. He added that some Members of Cabinet had also given up their Members allocation to go into the reserve fund. Councillor Rice queried the overspend of the A13, and asked if this would affect the budget in this financial year or the 2021/22 financial year. He also asked how businesses were being identified for the discretionary grant, particularly businesses who were not on the business register but paying service charges to larger companies. The Corporate Director of Finance, Governance and Property answered that any overspend from the A13 project would affect the budget when it was completed. He added that the Council continued to seek grant funding from sources such as South East Local Enterprise Partnership (SELEP), but if these could not be found, then the finance team would look to funding the project through capital receipts or prudential borrowing, both of which would occur in 2022/23. He also replied that hundreds of businesses had applied for the discretionary grant in the first weekend it was opened, but the Council were working hard to identify more businesses that were not on the business register.

The Chair highlighted point 3.10 and 3.11 and asked for a breakdown of costs for the TCCA. The Corporate Director of Finance, Governance and Property replied that he did not have a detailed breakdown, but the majority of costs were on the rental of High House Production Park, the essential food and goods being provided to vulnerable and shielding residents, and the cost of setting up the call centre. The Director of HR, OD and Transformation added that the TCCA dashboard provided weekly expenditures for TCCA, and outlined the services this money provided, such as 500 food boxes delivered, and 3,500 interactions with residents.

The Deputy Leader added that this was a sobering and unprecedented time for Thurrock, as well as the wider UK, and a collaborative approach was needed to ensure the best outcomes for residents. He stated that conversations between all Members, and officers, needed to happen on a regular basis, but it should be recognised that some service reform might be needed and urged for sensitivity to be showed in upcoming conversations. He stated that financial outcomes were currently only projecting for a few months' rather than years due to COVID-19, but felt it was good to hear the Committee's discussion, and looked forward to hearing the debate at Standards and Audit Committee, and that members should be factual and accurate with statements made and recognise the commercial nature of the subject. The Chair welcomed the Deputy Leader's comments and agreed that it was good to receive regular updates regarding the Council's financial position. He also agreed with the Deputy Leader that the financial position and budget-setting process should be regularly reviewed, with feedback from the Corporate Director of Finance, Governance and Property included.

RESOLVED: That:

1. The Committee noted the assumptions and financial implications set out in the report.

5. Impact of COVID-19 on the Current Agile Working Programme

The Director of HR, OD and Transformation introduced the report and stated that the Council had seen lots of changes to working arrangements in a short space of time because of the pandemic. She highlighted that in December 2019 the agile working policy had been refreshed, but that because of COVID-19 the Council had to learn to adapt quickly to agile working for the majority of the workforce. The Director of HR, OD and Transformation thanked the IT team for their hard work in ensuring that all members of staff had access to the right equipment to work from home, including the fast-tracked rollout of Microsoft Teams. She clarified that although some services had to shut-down due to social distancing restrictions, the majority of services were being delivered successfully from home.

The Director of HR, OD and Transformation added that one of the main barriers to agile working pre-COVID19 had been the lack of home telephony solutions, but these had been successfully overcome within a week of lockdown being introduced. She added that the Council had also set up the TCCA, and given work mobile phones to those that needed them, as well as solving issues surrounding hunt groups. She stated that another barrier to agile working pre-COVID19 had been the amount of printing that had been done within the offices, but many services had been able to transfer successfully to digital working. She recognised that home working was not successful for all staff members, sometimes due to the lack of social interaction, particularly for those vulnerable people who were shielding. She stated that the Council had introduced new support packages for managers and staff to encourage social interaction virtually with team members, as well as a new e-learning agenda.

The Director of HR, OD and Transformation summarised and stated that agile working would continue to be the way of working once lockdown had ended, and her team were currently looking at ways to sustain the progress made. She added that as the country moved towards recovery, officers would be considering council buildings, as less space might be needed for staff, although a civic office would always be available for people who needed to work from the office.

The Chair welcomed the report and thanked officers for their hard work in keeping services running during this difficult time. He highlighted point 6.3 of the report and felt glad to see that agile working would become the new normality. He added that the transition to home working would also benefit the environment as people drove less and improved their carbon footprint. He queried what percentage of council staff would continue to be eligible for home working after lockdown had ended. The Director of HR, OD and Transformation replied that there were approximately 2,500 people that worked for the Council, of which one third were frontline workers, such as

care staff or waste collectors, and were based in the community. She stated that two-thirds of Council staff were office based, but confirmed that the majority of these roles could be undertaken from home. She stated that some services would remain in the Civic Offices as staff needed direct access to residents or colleagues. She felt that the policy of “less offices, better services” was ambitious, but hoped that the momentum started by COVID-19 could be sustained.

The Chair felt his key concern was ensuring good quality services for residents, and asked how oversight was being provided when staff members worked from home. The Director of HR, OD and Transformation replied that providing good quality services was a key priority embedded in every Council officers expectations. She added that staff members were being monitored on their outcomes, and this was being overseen by individual managers. She added that during lockdown the number of resident’s complaints and member enquiries had decreased, and this would continue to be monitored. The Chair asked if home working had affected the level of staff sickness. The Director of HR, OD and Transformation replied that pre-COVID19 the target for staff sickness had been 9 days, and the Council had struggled to achieve this. She was pleased to report that for 2019/20 the average number of day’s sickness had decreased to 8.2 days, representing great efforts by managers and HR. She stated that in the 2 months since lockdown began sickness had remained low due to number of factors such as a decrease in the spread of infections because of decreased social contact, and more flexibility for staff members. She clarified that the Council had always focussed on staff wellbeing and service provision, and was providing COVID-19 testing to those staff members that needed it.

Councillor Duffin congratulated officers on meeting the staff sickness target. He questioned the plans for the rebuild of the Civic Offices, and asked if discussions had been taking place on how to best utilise the space, if less office space for staff was needed. The Director of HR, OD and Transformation stated that the plans were currently being looked at, as although there is a need for the Civic Offices, the amount of space allocated to offices could change. She added that a baseline needed to be established post-lockdown of how many people needed to come into the offices on a regular basis, before any decisions could be made.

Councillor Ralph stated that he felt impressed at the speed of which the Council and its IT department had changed to home working. He added that working from home could have some negative impacts for people, such as loss of self-identity, decrease in physical and mental health, and the loss of an escape from home life. He queried what monitoring was being undertaken on members of staff to ensure their wellbeing whilst at home. The Director of HR, OD and Transformation replied that staff wellbeing was critically important, and highlighted that sources of help were available on the intranet for any staff that needed it. She added that managers were encouraged to ensure their teams did not feel isolated, and were encouraged to hold team or one-to-one meetings on a daily basis.

RESOLVED: That:

1. The Committee commented on the content of the report and the impact of the COVID-19 pandemic on Ways of Working.

6. Work Programme

The Committee requested the following items be added to the Work Programme:

1. A standing item updating the Committee on the Medium Term Financial Strategy and financial impacts of COVID-19, including the investment and commercialisation strategy.
2. A secondary report on community engagement, following from the report from the Strategic Lead Community Development and Equalities in the last municipal year.
3. An update on connectivity, Wi-Fi and internet for residents; how the Council were working to improve this across the borough; and how IT was being developed for Members.

The meeting finished at 9.04 pm

Approved as a true and correct record

CHAIR

DATE

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