

Minutes of the Meeting of the Corporate Overview and Scrutiny Committee held on 8 September 2020 at 7.00 pm

Present: Councillors Oliver Gerrish (Chair), Jack Duffin (Vice-Chair) , Suzanne Hooper (*substitute*), Shane Ralph, and Elizabeth Rigby (*substitute*)

Apologies: Councillors Colin Churchman and Garry Hague

In attendance:
Andrew Brittain, Strategic Lead Revenues and Benefits
Sean Clark, Corporate Director of Finance, Governance and Property
Karen Wheeler, Director of Strategy, Communications and Customer Service
Lucy Tricker, Democratic Services Officer

Before the start of the Meeting, all present were advised that the meeting was being recorded and live-streamed onto the Council's YouTube channel.

7. Minutes

The minutes of the Corporate Overview and Scrutiny Committee held on 9 June 2020 were approved as a true and correct record.

8. Items of Urgent Business

There were no items of urgent business.

9. Declaration of Interests

There were no interests declared.

10. Local Council Tax Scheme

The Strategic Lead Revenues and Benefits introduced the report and stated that the report outlined the Local Council Tax Scheme (LCTS) including how pension-age people were protected under the scheme, and how the scheme considered those of working age. He stated that section 3 of the report outlined the current scheme, and section 4 outlined the proposed consultation, which would run until December and include an LCTS Summit in November. He stated that the results of the consultation would be analysed and brought before the Committee in January.

The Chair welcomed the report as he felt the LCTS needed a review and was

pleased this would be taken for public consultation. He also supported the proposal that the consultation results would be brought back before committee. He highlighted section 4 of the report and questioned if the consultation criteria could be expanded, for example if the criteria surrounding number of dependants in a household could be consulted on. The Strategic Lead Revenues and Benefits responded that the only restrictions on the scheme were the protections surrounding pension-age residents and other vulnerable groups, as well as ensuring that going to work pays, but every other aspect of the scheme could be consulted on.

Councillor Hooper asked how the LCTS Summit would be held, if restrictions remained in place regarding COVID-19. The Corporate Director Finance, Governance and Property replied that this has not been decided on yet, but could potentially be held remotely via Microsoft Teams. He mentioned that the Deputy Leader was keen to build on the success of the Fair Debt Summit, and added that he would be working with the communications team to ensure residents were aware of the consultation and could respond. Councillor Ralph expressed his concern over the format of the consultation during COVID, particularly as the most vulnerable residents might not be able to access online consultations, but could be most affected by the proposed changes. The Director of Strategy, Communications and Customer Service responded that they would work with voluntary sector groups across Thurrock and use their networks to make residents aware of the consultation, as well as signposting through the contact centre. Councillor Ralph asked if assistance could be provided for those with disabilities that wished to respond to the consultation. The Director of Strategy, Communications and Customer Service stated that the team could provide assistance on request, such as large-print hard copies of the consultation, and the contact centre would try to facilitate these arrangements. She added that assistance with consultations could also be provided in local libraries and hubs.

Councillor Rigby added that the wording and format of the consultation needed to be considered to ensure it was user-friendly. She stated that there was also a proposed adult social care consultation, and wanted to ensure that there was no confusion for residents between the two consultations. The Corporate Director Finance, Governance and Property answered that this would be considered before it was released, and that residents would have the maximum consultation time of 12 weeks to respond. The Director Strategy, Communications and Customer Services added that she would check if there was any overlap with the adult social care consultation, and if there was this would be clearly communicated to residents and the contact centre team would be made aware. Councillor Duffin queried the proposed £6000 capital savings limit for access to the LCTS, and asked if special measures could be put in place to ensure that those residents who had been made redundant due to COVID could still access the LCTS fund. The Strategic Lead Revenues and Benefits replied that at this stage the report only considered the proposed consultation, with an impact assessment and consultation responses due to come back before Committee in January.

The Chair summarised the Committee's comments into four key points:

1. The breadth of coverage of the consultation and ensuring that as many residents can access it as possible
2. The contents of the consultation, ensuring that it covers as many elements of the scheme as possible
3. Ensuring the consultation is as accessible as possible
4. Ensuring the consultation is clearly differentiated from others

RESOLVED: That:

The Committee:

- 1. Noted the analysis of the current scheme;**
- 2. Considered the elements proposed for public consultation;**
- 3. That the results of the consultation, recommended changes and impact analysis return to Corporate Overview and Scrutiny for consideration in January.**

11. Financial Update

The Corporate Director Finance, Governance and Property introduced the report and stated that this was an update from the report that was brought before Committee in July. He drew Members attention to 3.2-3.4 of the report which showed additional central government grant support, of which £0.5billion was not ring-fenced and was for general spending, and the rest ring-fenced for specific purposes. He highlighted point 3.6 of the report which outlined the general grant position, which was £9.2million in July and had increased to £10.757million since then. The Corporate Director Finance, Governance and Property outlined point 3.8 of the report which described £58.3million in business rate relief, and £23million as part of the discretionary grant scheme that had been directed out to businesses. He described section 4 of the report which summarised direct COVID pressures on the council, such as expenditure on food parcels during the height of lockdown and a reduction in income. He stated that these pressures equated to £12.9million, of which £10.7million could be offset with a central government grant, leading to a deficit of £2.2million as a result of direct COVID pressures. He stated that a Cabinet report had been published today which outlined other indirect pressures.

The Corporate Director Finance, Governance and Property described section 5 of the report which focussed on council tax, the hardship fund and LCTS. He stated that the collection of council tax was currently holding, but the finance team had seen an increase in the number of LCTS claimants. He added that although council tax was currently stable, the country had not yet seen the peak of economic downturn, so the Council were expecting more redundancies, which would lead to a reduction in council tax collections and a larger increase in LCTS claimants in 2021/22 and 2022/23. He added that the Council's collection of debt was currently decreased, and the longer people were in arrears, the more likely they were to default on payments. The Corporate Director Finance, Governance and Property outlined section 6 of

the report and stated that the figure of £15mn deficit next financial year had been revised since the report was published, and was currently £20mn deficit, with a further £7mn deficit in 2022/23. He stated that the Cabinet report updated Members on the financial outlook for this financial year and next, but did not focus on how to close the deficit. He added that a report on how to close the deficit would be brought before Corporate O&S in November, before going to Cabinet next year.

The Corporate Director Finance, Governance and Property commented on the Housing Revenue Account, which was still balanced due to other housing development income, but the finance team were watching overall rent collection closely, as resident's inability to pay rent due to COVID was not yet showing. He stated that the Capital Programme was currently being completely reviewed, including capacity and inflationary issues. He added that all non-essential spend and recruitment had been halted for this financial year. He summarised and stated that this report presented a sober financial outlook, particularly in comparison to previous reports which had been in surplus.

The Chair thanked the Corporate Director Finance, Governance and Property and his team for the report. He stated that it appeared the financial impact of COVID would be limited in this financial year with only a £2mn overspend, but the impact would increase in 2021/22. He asked if in-year savings this financial year would improve future budgets and deficits. The Corporate Director Finance, Governance and Property responded that the Council were trying to make current in-year savings, such as freezing non-essential recruitment. He added that there were no current plans for significant closures, but any closures would require a long lead-in time and extensive consultation. He stated that the overspend of £2mn in this financial year and part of the deficit in 2021/22 could be offset by reserve funds, but that the council would consider broader reserves, such as the capital reserves, and this would be included in a report for Corporate O&S in November. The Chair queried what proportion of deficit would stem from COVID, and what proportion would stem from lost income. The Corporate Director Finance, Governance and Property gave a general overview of where the deficit would come from, which included a reduction of council tax collection and business rate payment (although these would only be accounted for in the next financial year, and this deficit could be spread over three years according to central government); a reduction in business growth and house-building as part of the global slowdown; and increase in adult and children's social care pressures. He added that a review of housing delivery was also being undertaken, as there were currently no Thurrock Regeneration Limited (TRL) schemes being started, and this growth and development had been included in the budget before the pandemic. He added that there would also be no further substantial investments this financial year, and the programme had entered a temporary pause. He added that the Committee had requested increased democratic oversight of this function in January 2020, and the Deputy Leader was organising a meeting next week to discuss the framework for that. He commented that current investments were still sound and paying out, but no new investments were being considered. The Corporate Director Finance,

Governance and Property summarised and stated that the Council had also seen a reduction in income from fees and charges, such as car park charges and planning fees.

The Chair queried whether the predicted deficits in 2021/22 and 2022/23 could be reversed and growth could be achieved, or if they were definite. The Corporate Director Finance, Governance and Property responded that these deficits could be reversed but the Council would still be working from a lower base. Councillor Duffin asked how Thurrock's COVID financial outlook compared to other Councils across the country. The Corporate Director Finance, Governance and Property replied that Thurrock were doing better than some local authorities, as the reserves that had been built-up could be used to counter this financial year's deficit, and help towards next year's overspend. He stated that some local authorities were in the position of having to go back to Full Council with emergency budgets, but Thurrock did not have to do that as it started the financial year with a £4mn surplus, of which £2mn could be used to balance the budget this year, with £2mn still in reserve. He stated that although the Council were in a fairly good financial position there was still lots of pressures and uncertainty.

Councillor Hooper thanked the Corporate Director and his team for their hard work, and asked if the Council would receive any more funding from central government, particularly if there was a second wave. She also queried funding to tackle homelessness and rough-sleeping across the borough, as this had been a priority at the start of the pandemic. Councillor Ralph echoed Councillor Hooper's point that Thurrock had worked hard at the start of the pandemic to safeguard homeless people across the borough, and hoped to see this continue post-COVID. Councillor Ralph added that if there was a second wave of the pandemic, this could lead to more job losses and business closures, and queried whether the £20mn deficit figure could rise. The Corporate Director responded that tackling rough sleeping had been a very early objective for central government and Thurrock at the beginning of the pandemic, but did not know the precise detail of homelessness funding. He added that Thurrock were hoping for more money from central government, but nothing had been announced yet. He responded to Councillor Ralph's point that he hoped the £20mn deficit figure did not increase, but the team were currently looking at a number of scenarios. He stated that legally the Council have to balance the budget, but it was difficult to predict future financial trends, as schemes such as furlough were due to end soon, which could affect people financially. He thanked the Strategic Lead Revenues and Benefits for his hard work distributing government grants, as well as wider Council staff for their hard work during the pandemic.

Councillor Rigby questioned if there was a longer-term recovery plan in place. The Corporate Director Finance, Governance and Property replied that the financial situation was currently difficult to assess. He stated that Thurrock produced a five-year Medium Term Financial Strategy (MTFS), but was only legally required to produce a three-year MTFS, and these included built-in growth assumptions from years two and three onwards, although this was now largely unknown. He added that there might be more central government

grants and new legislation that could improve the financial outlook and could change the financial recovery plans for Thurrock. He commented that the Council were still looking for growth in certain areas, such as the Local Plan as this would increase the number of people in Thurrock and reduce unemployment, which would help the Council's income.

The Chair summarised and stated that the next step in the financial process would be the September Cabinet report and November Corporate O&S report, which would provide high-level steering and an approach on how might be best to close the funding gap.

RESOLVED: That:

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

12. Quarter 1 (April to June 2020) Corporate Performance Report 2020/21 and End of Year Corporate Performance Summary 2019/20

The Director Strategy, Communications and Customer Services introduced the report and stated that this covered the first quarter of 2020/21 from April to June, which was during the height of national lockdown and the COVID pandemic. She stated that services had been impacted by the lockdown measures both directly and indirectly, and included some services stopping completely. She highlighted that 66% of key performance indicators (KPIs) still hit their targets, although this was down from 74% between April-June 2019 and the 2020/21 end of year figures. She drew Members attention to point 3.6 of the report which described which services had been impacted and commentary surrounding any mitigation. She outlined the current position as some services had now resumed, but some services would see a longer-term impact, which would continue to be monitored and mitigation sought. She summarised and stated that the report also contained the 2019/20 end of year summary, although the main focus was 2020/21 Quarter 1 and the COVID impact.

The Chair opened debate and thanked all Thurrock Council staff for their hard work in continuing to deliver services wherever possible during the pandemic, even during difficult circumstances and severe limitations. He stated that a large proportion of KPIs had been impacted by COVID and felt that no firm conclusions could be drawn from the data. He asked if there were any services whose missed target was not related to COVID. The Director Strategy, Communications and Customer Services replied that the team were focussing on KPIs which had been below target at end of year 2019/20, but potential mitigation to improve these services might not have happened because of the pandemic. She gave the example of waste collection as the Waste Management Working Group had achieved significant work that had not been implemented yet because of the pandemic. She stated that she hoped to see immediate improvement in some KPIs in quarter 2. The Chair highlighted page 41 of the agenda and asked if the proportion of household waste collected and recycled had increased during the lockdown, as more

people worked and stayed at home. Councillor Ralph, as a member of the Waste Management Group, replied that the proportion of waste had dramatically increased due to people working from home and doing more shopping, and waste collectors had described it as 'Christmas everyday'. He mentioned that before the lockdown waste collection trucks would complete one shift before needing to go to Bywaters to empty their trucks, but were now having to drive to Bywaters twice during a shift. Councillor Ralph thanked the waste collection staff for their hard work during this difficult period, in particular his local waste collector Paddy who had worked very hard and deserved recognition.

Councillor Duffin stated that even though there had been a pandemic, there was still numerous KPIs which had met their target, including the KPI regarding apprenticeships. He felt pleased to see that there were clear route to greens for KPIs which had not met their target. Councillor Hooper echoed Councillor Duffin's comments and added that because of COVID it was difficult to judge the KPIs this quarter. The Chair agreed and added that some KPIs such as street cleanliness would have improved due to the pandemic too. He summarised and stated that the Committee would continue to monitor the KPIs throughout the coming year to be able to accurately judge the longer-term impact that COVID may have had on some services.

RESOLVED: That:

The Committee:

- 1. Noted and commented upon the performance of the key corporate performance indicators, in particular those areas which are off target, and the impact of COVID-19;**
- 2. Identified any areas which require additional consideration;**
- 3. Noted the end of year outturns 2019/20.**

13. Work Programme

The Chair stated that a financial update report would be added to the Work Programme for November's meeting, to which the Committee agreed.

The meeting finished at 8.10 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**