

<b>26 January 2022</b>	<b>ITEM: 15</b>
<b>Council</b>	
<b>Report of the Cabinet Member for Finance</b>	
<b>Report of:</b> Councillor Shane Hebb, Deputy Leader and Cabinet Member for Finance	
<b>This report is Public</b>	

### **Introduction by Cabinet Member**

Local government has endured difficult times over the last 22 months, following a once-in-a-century, adult-centric, health pandemic.

The impacts on the UK local government sector finance are well documented, with many pressures to sustain pre-pandemic spending levels (BBC, 2021; LGC 2021). HM Government have worked to assist local government, and had the government not helped in the way it had, the local authority sector would have suffered; and thus, the residents which they serve. Thurrock has benefited from support from HM Government of £14.238m of unringfenced grant funding, further specific grants and funding totalling £11.920m, and funding to be passported to social care partner organisations totalling £2.789m. This includes funding to address specific pressures and funding passported to care homes to address specific issues such as infection control. The Council has received further funding of £4.853m to address ongoing COVID pressures in 2021/22 with further specific support continuing to be provided, for example, to support the management of outbreaks and provide ongoing support to care homes. This funding is welcome and necessary but there remains a significant concern in respect of the ongoing impacts in 2022/23 and beyond.

Thurrock businesses have benefitted from circa £72m of business rates relief across 2020/21 and 2021/22. In addition grant funding of £43m has supported local business through the pandemic through the national schemes and the wider discretionary funding put in place.

2020 was a difficult year for a number of councils, notably with S114 notices being issued in Slough and Croydon.

This has not been the case for Thurrock. The approach that the council took, initially in 2016, and adopted by Full Council in October 2017, enabled financial capability to withstand the economic shock through useable reserves being increased by 300% (from £8m, to £24m). This, of course, does not reflect that the policy, which all members approved, enabled (and has continued to) surplus spending on policing, social care, our environment – to name a few - to the tune of £14.976m over its lifespan. To date (inclusive of the entire COVID-19 period since March 2020) the approach enabled the council to fund an additional £114 million worth of public services above statutory services which would have otherwise been cut rapidly in 2016. For context, that is almost a whole year's annual revenue spend of a unitary authority, with highway and social care responsibility, like Thurrock – so one out of the last four years has effectively been funded by the approach the chamber agreed to (three times). It continues to perform after 22-months of COVID-19.

Since COVID-19 become such a formative part of our lives, we have seen some of Thurrock's best moments – with notable moments such as passporting business grants to

struggling businesses forced to close/adapt to social restrictions rapidly; injecting emergency support funding into the social care market which would otherwise have collapsed; providing consistent shelter for homeless residents; and helping to distribute food and supplies to those in the community who were most vulnerable, are moments we should all be proud of. The council was a partner with the voluntary sector, other public sector bodies, and elements of the private sector – this “partnership” made an undisputedly positive impact at a time which was so worrying, for so many.

Conversely, the council has had some tough moments. Policies which the entire chamber endorsed, which attracted awards, nominations, financial resilience and put Thurrock on the map for innovation, became possible; no longer. Rule changes driven by some councils investment approaches being unsuccessful, and a local reversal of support after three years meant that in February 2021, the council formally began the conclusion of the investment approach. As I said at Budget Council 2021, borrowing levels are set by members; it is in their gift to enable borrowing levels, as it is, to reduce them. We chose to provide officers the borrowing levels in 2017, 2018, and 2019 collectively. In 2021, we chose to reduce them, thus commencing the beginning of the end of the investment approach. That has impacts which members need to clear on.

Following the choice we made, we have to commence a period of fiscal re-engineering. We have to adjust the offer of the council, focusing on the delivery of core services, over other services not mandated of a council. The council has always been clear on the need to reduce the size of the council – the CSR process was part of that work which ran alongside the investment approach to reduce the base of the council, sensitively and considerately.

Now the investment approach has concluded, timescales of reform have to advance. No choice will be easy on what stays, and what cannot stay. No decision will be made without as much consideration and input as practically possible. Every decision made will be done, with a service-quality mind-set, albeit, in the constraints of spending power pressure.

At the time of this report, the council projects being balanced for 2021/22, but there are in-year pressures which will be managed, as members would expect. The council over the next two years, faced a large financial deficit, caused by the economic fallout of COVID-19, and the collapse of support for the investment approach. This means removing circa £35m from the council's base net budgeted spending power, out of circa £155m. For context, in a pre-COVID world back in February 2020, the Council confirmed projected budget surpluses of £5.8m and £4.1m for 2020/21 and 2021/22 respectively – a very different world.

I would hope that every elected member in Thurrock got into local politics to help our borough grow, and be a place; a home, a place of work, a place of play; a place they can reliably and proudly call theirs; a place that is there to help when help is needed.

That is a common cause. I thank those who will be, and already are, constructive and ready to face the challenge ahead, dutifully and with the best intentions. I thank everyone in my department, across the council, and in the borough of Thurrock, for what they have done to help other people over the last couple of years.

If we choose to - together, we are, and will emerge, stronger.

This report will be structured accordingly:

**Part 1:** Summary of the last financial year's performance of the department & economic resilience position – including reserves and investment activity;

## **Part 2: COVID-19 Specific Activity**

**Part 3: Reforming for the future to provide, at the least, the best core services for our residents in a post-2020 world – also accounting for Thames Freeport and Afghan Resettlement Plan**

### References

<https://www.lgcplus.com/uncategorized/councils-face-2-5bn-funding-shortfall-next-year-lga-warns-06-07-2021/> (LGC, 2021)

<https://www.bbc.co.uk/news/uk-57720900> (BBC, 2021)

## Part 1: Summary of the last financial year's performance of the department & economic resilience position – including reserves and investment activity (not including COVID-specific activity)

### CORPORATE FINANCE

#### ► SERVICE OVERVIEW

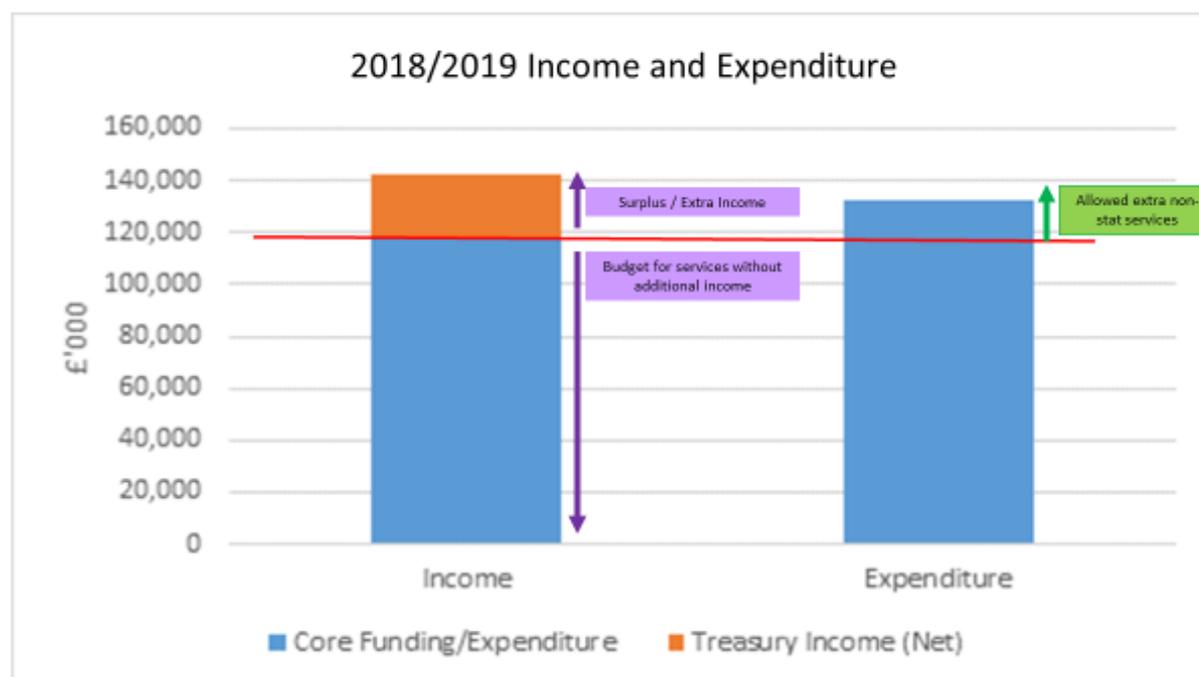
Corporate Finance lead on the promotion and delivery of good financial management to ensure that the council's financial position is managed appropriately and public money is safeguarded.

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

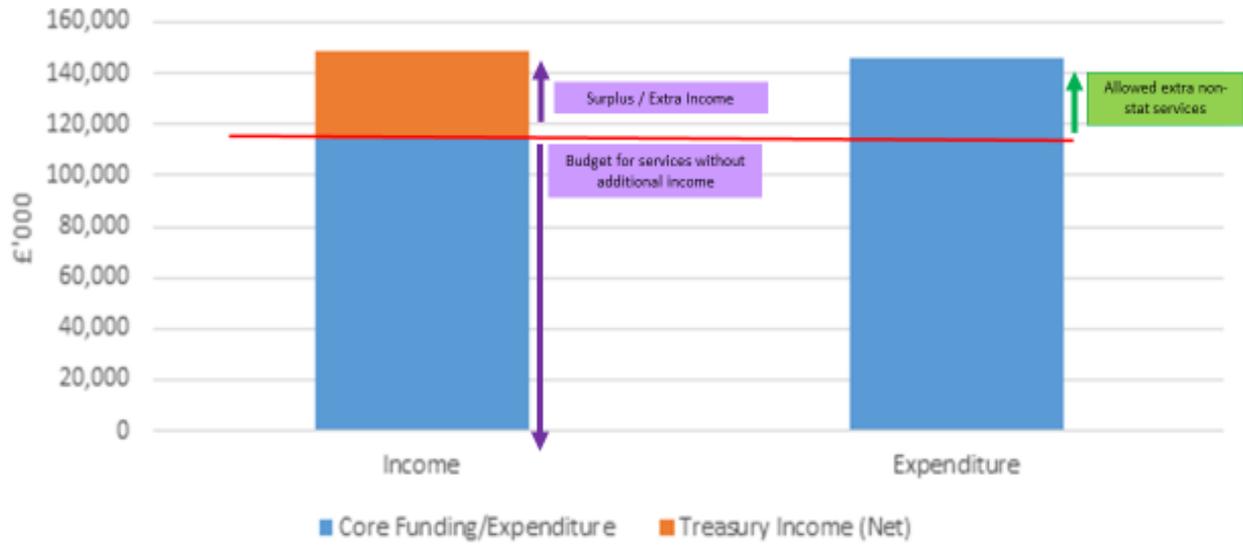
Despite the evolutions of the last 22 months, the long-term financial plan of Thurrock Council is to continue its objective of becoming self-sufficient from national government grant funding, albeit now having to adjust the pace in which it does that. Thurrock, like other councils, had to innovate to support the economic recovery objectives that the government had to undertake since the turn of the last decade.

A combination of service reforms completed at a considerate pace, interest receivable from the investment approach (circa £115,000,000), and a commercial focus, helped Thurrock deliver high quality services to residents; many public priorities above the statutory minimum required of a council, such as policing, social care, and improving our green and street and parks environment.

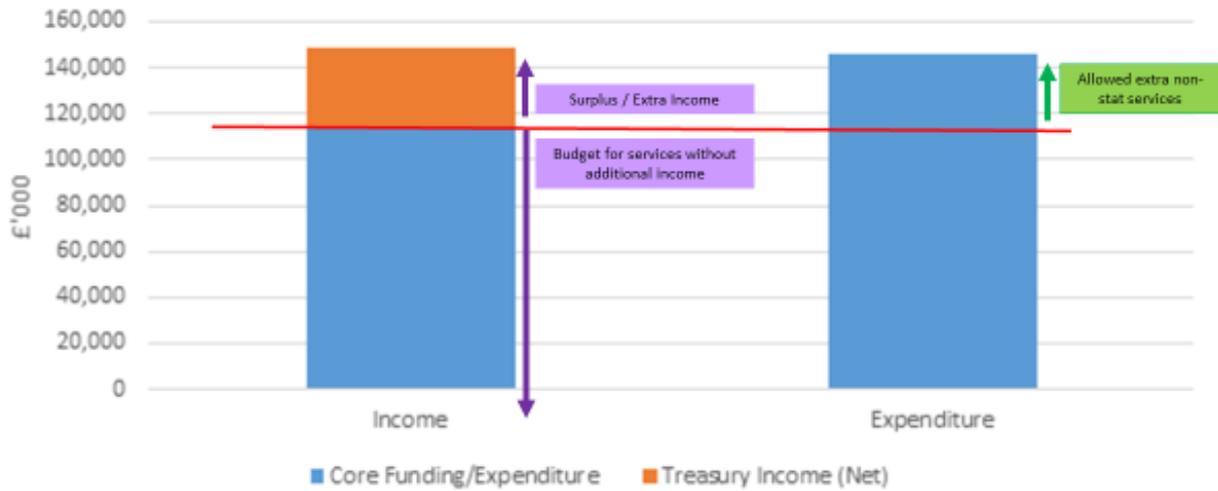
Before COVID-19, the approach enabled the Council to publish a three-year, balanced, Medium Term Financial Strategy - with projected surpluses totalling £5.531m over the subsequent three year period. This was in addition to the surpluses already generated since the inception of the Investment Strategy of over £9m in total. Pre COVID, the council assessed, year-on-year, the authority's financial wellbeing and the wider economic situation, in regards to taxation – and adopted all elements of the Adult Social Care precept, and averaged under-inflation general tax rises over the period of the last four years.



### 2019/20 Income and Expenditure



### 2020/21 > Income and Expenditure



A once-in-a-century, adult-centric health crisis changed everything at the turn of switch, whilst the long-term effects on health and the economy can never be reset back to its original position overnight. The financial pressures faced by the Council continue to be further challenged by the ongoing impacts of Covid-19, which includes significant demand increases in both children's and adults' social care; an issue growing across the entire local government sector.

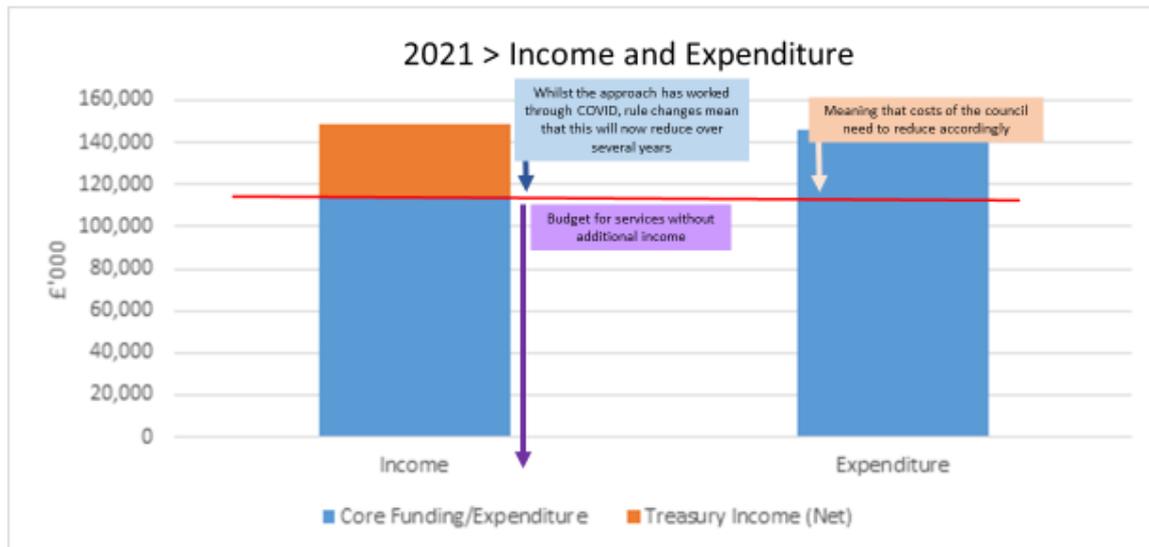
In addition and despite the approach successfully enduring the test of a 22-month international pandemic, and an approach that started initially in 2010 and then formalised in 2017, the Council continues to deprioritise the previously council-wide agreed investment approach as a result of rule changes driven at a national level on the backdrop of a number of local authorities whose investments did not perform as expected. There has, also, after three consecutive years of support from the council chamber (2017, 2018 and 2019) been a divergence of support for the approach locally.

For those who do not understand why Thurrock entered an investment approach - the Council's annual budget for 2020/21 is circa £150m – which is made up of £70m Council Tax, under £40m on Business Rates, £10m of grant funding, and circa £30m investment income. Without the £30m per annum from investment income, that a £30m gap; a gap successfully closed for four years through the approach members all signed up to.

To recap on the benefits of the approach:

- It generated £115m in income to fund services willed by the public (i.e. above the statutory minimum) – funding environment and green space improvements, extra police, as examples.
- The reserves for a 'rainy day' were very low at £8m in 2016, and the investments allowed them to rise to £24m
- Pre-COVID, the council had a three year balanced budget and a surplus of £5.531m over the three year period.

For the reasons further above, new investments that were planned and agreed as part of the medium term financial strategy have been removed from forecasts and existing investments will not be replaced. The removal of this funding support mechanism increases the funding gaps faced by the Council over the short to medium term. As such, the current investment surplus in excess of £30m per annum will be removed in a phased manner from the council's finances over the next decade adding to the annual pressures that every council faces.



Thurrock Council was able to balance its budget in the 2020/21 municipal year, and projects doing so for 2021/22, and is proposing a balanced budget for 2022/23.

Vulnerable residents were able to rely on Thurrock Council during this health crisis. And I want to levy my thanks to officials in this council, and partners who we work with in the private and voluntary sector, who helped secure the ability to serve those who needed us the most.

The government's allocation of £14.242m helped us bridge gaps from income streams from services which charge, such as registrars – as well as fund overspends critical to the local effort in providing the vulnerable the care they need, such as resilience payments into the adult care market.

Each department has also played its part, I want to pay a particular tribute to the social care and public health functions for what they faced, and overcame – along with departments who supported the common-cause, such as communities, the environment team – and all others.

The external audit process resulted in an unmodified opinion of the council's approach being issued in November 2020. The audits recognised the council's accounts and financial health with positive value for money opinions, and was the sixth such time this has occurred, and the second time from the currently appointed external auditor.

Below are a selection of points that I raised in my last report, which were identified as key 'reactions' to an emerging COVID world:

► RESERVES (incl. SOCIAL CARE RESERVE)

The table below sets out the Council's reserves by category:

31-Mar-20 £'000	Reserve Category	31-Mar-21 £'000
949	Education and Schools	1,151
-463	Adults, Community and Health	-4,250
-10,421	Other Earmarked Reserves	-9,426
-5,272	Transformation Reserve	-4,016
-6,162	Financial Resilience Reserve	-5,000
-11,000	General Fund Balance	-11,000
-5,852	HRA Related	-8,441
<b>-38,221</b>	<b>TOTAL</b>	<b>-40,982</b>

Notes to the reserves:

- Education and Schools – This includes individual schools' balances and Dedicated Schools Grant (DSG) which are ring-fenced for specific use. The movement on this reserve reflects the outturn DSG position;
- Adults, Community and Health – This includes carry forward funding from the Public Health Grant and the Better Care Fund – these are also ring-fenced for specific use. This includes the social care reserve of £1.5m
- Grants carried forward – ring-fenced grant allocations for specific use in accordance with grant conditions;
- Other earmarked reserves – This captures all other earmarked reserves including ring-fenced accounts such as building control and planning;
- Transformation Reserve – This includes the surplus funding and balances set aside to enable specific transformation projects and manage the funding and delivery of these between financial periods;
- Financial Resilience Reserve – This reserve was primarily established to manage any funding implications associated with the fair funding review, transition into the new system of business rates retention and investments. The reserve also enables wider financial resilience to offset any wider impacts which may emerge
- The General Fund Balance – the balance has been maintained to protect the Council from unmitigated budget pressures; and
- HRA Related – a balance of £2.175m to protect the council from unmitigated budget pressures. The remaining balance represent the capital reserves supporting existing Council programmes.

## ► PREVIOUS SURPLUS ALLOCATIONS

The Cabinet informed officers that some of the surplus previously allocated in January 2020 could be re-profiled and used for COVID-19 related pressures, preserving the Lower Thames Crossing effort and the policing commitments which we believe remain a resident priority during a crisis, or not.

All other surplus allocations were absorbed in combatting the COVID-effort.

## ► CAPITAL PROGRAMME

The council performed a full-review of the capital programme in response to the anticipated financial impact of the pandemic and schemes totalling £28m were paused for further consideration. This included the Riverside Business Centre, Thameside Refurbishment works and a range of specific enhancements to existing Council assets including the existing Civic centre. Furthermore the Stonehouse Park scheme was not progressed following further assessment of the feasibility of this scheme. This delay and reassessment reduced the Council's MRP bill in the short term and supported additional funding for priority schemes such as the Grays Underpass and Stanford-le-Hope Station.

2020 saw the start of a review of the council's housebuilding objectives, and the models in which it believes are needed to deliver essential houses for the next generations of Thurrock people, work that continued into 2021. It is now the intention of the council to commence with a number of schemes through the Thurrock Regeneration Limited model, along with working with external partners to recognised housebuilding opportunity (in arrangements such as JV's etc.).

## ► PLANNING TO REFORM SERVICES – SERVICES OF THE FUTURE

We need to adjust to work in a post-COVID world, and further detail on the structure of these changes can be found in Part 3 of this report, and as heard at various reports since 2020.

## ► FUTURE: SUPPORTING COMMUNITY ASSETS IN THE LONG-TERM

The CEDF fund was revised to reflect pressures on community assets from a revenue perspective, which threaten their long-term sustainability. The fund was designed to help retain sustainable assets across the borough – what it isn't, is a way of surviving for a small period without a plan thereafter.

Thurrock continues to provide funding for parts of the VCS sector, and will be moving to extend the governance arrangements around the issuing of funds for community projects for the forthcoming year (i.e. CEDF, VSDF), providing officers more time to perform post-COVID reflections of this funding source.

## ► LOCAL COUNCIL TAX SUPPORT SCHEME

In 2020/21, the administration ruled that to perform a review the LCTS scheme in the middle of an adult-centric pandemic, would be premature, and could fail to account for post-COVID realities. As such, this work was deferred. Subsequently, the LCTS expenditure increased by £1.5m following the increase in claimants as a result of COVID-19 in 2021/22. The case load of working age LCTS claimants changed by + 9% with an overall change of +4.3% in 2020/21. It should be noted that LCTS claimant levels have now normalised at near to pre-

pandemic levels. Corporate Overview and Scrutiny agreed the 2022/23 scheme at their meeting in November 2021.

#### ► INVESTMENT ACTIVITY

To date (inclusive of the entire COVID-19 period since March 2020) the approach enabled the council to fund an additional £115 million worth of public services which would have otherwise been cut rapidly in 2016. The interest income continues to support the delivery of the council's core services and priorities.

The position in respect of borrowing and investments as at 31 December 2021 was:

	£m
Gross Debt	1.475
Less:	
Covid- Related borrowing	(0.050)
Investments	(0.981)
<b>Net Debt</b>	<b>0.444</b>

The forecast position in respect of borrowing and investments as at 31 March 2022 is as set out below and reflects the reductions to investments alongside further investment in the capital programme in respect of General Fund and HRA schemes.

	£m
Gross Debt	1.460
Less:	
Investments	(0.944)
<b>Net Debt</b>	<b>0.466</b>

The impact of COVID restrictions highlighted the likely loss of income for those authorities who purchased, for example, shopping centres, airports or retail parks. Some councils are reporting significant income losses. The administration have always maintained that owning property investments leaves a council with long term fixed borrowing costs alongside variable income streams. This potential risk is not the case for Thurrock where the investments have been in bonds with a municipal relation ; where the drive to increase investment in renewable energy schemes is well documented at a national level and, incidentally, reflects the council's position of declaring a Climate Emergency in 2019.

I am pleased that the Corporate Overview & Scrutiny Committee agreed to my request, when I attended their meeting in July 2021, to conclude member's request of establishing a constituted investment committee arrangement by adding this onto its 2021/22 work programme. There have been two meetings of a 'shadow' group – held on 15/9/2021 and

10/12/2021. Information from independent financial advisors, Camdor Consultants, was provided at these sessions. There have also been a number of updates provided through email. Corporate Overview & Scrutiny Committee will hear the options for a constituted arrangement in January 2022.

As an aside, and being a council which declared a climate emergency through a motion from former councillor, Oliver Gerrish, I thought that this would interest not just the enthusiasts in the council for a greener-nation, but the wider public who are advocating and calling for public bodies to positively reduce carbon in our environment - officers did some work to quantify the positive impacts on the UK carbon footprint from the green energy assets the council has invested in.

In terms of the solar portfolio, Thurrock has had it confirmed - from external bodies - that the portfolio has generated the following positive benefits:

The portfolio produced 516,000MWh during 2020. That is enough clean electricity to power c. 178,000 homes for an entire year (based on Ofgem's 'typical UK domestic household' average annual electricity consumption). For context, that is making enough green energy to supply Thurrock twice over each year; and

It has avoided c. 222,000 tonnes of carbon emissions in 2020 (this is based off a comparison to a mix of 'traditional' fossil fuels). The amount of CO2 tonnes saved, equates to taking c. 71,000 diesel/petrol cars off the road for an entire year.

A truly outstanding contribution to the green-objectives of our government, and all of us, who believe a greener-nation and planet is possible.

As and when more interesting information about the positive impacts on reducing the nation's carbon footprint, we shall be sure to share them.

## **REVENUES & BENEFITS/COLLECTIONS**

### **► PERFORMANCE DATA**

#### **Covid Financial Support**

As with many other areas, COVID brought significant new challenges to the Revenues and Benefits service which required the team to adapt and balance the 'business as usual activities', to ensure the service delivery remained effective and appropriate within the pandemic, whilst reprioritising some of the planned 'development activities' to provide the team with the capacity to deliver the various vital additional support initiatives put in place both locally, and by the government to assist residents and businesses through the restrictions.

I am not the best at recognising performance; often defaulting to what we need to focus on that hasn't gone so well – but I do pay thanks to the Revenues and Benefits department, who skilfully, dutifully, and speedily got this support to vulnerable residents and enterprise in rapid speed. I saw first-hand the efforts the department went to, to do the right thing, at the speed that they did, consuming weekends to make magic happen in the first months of the

pandemic. The work the department did meant that businesses and households could survive.

We owe you many thanks for working at haste, and with accuracy, to help those you helped, a summary of which is outlined below:

- Business Rates Grants and Reliefs

Over 2,000 Thurrock businesses have been provided with one, or a combination of, the COVID financial support schemes administered by the council. The total value of support provided under these schemes since March 20 stands at £115m (£72m BR Relief, £43m Grants).

Whilst the majority of the above schemes were required to operate to fixed Government criteria, the Council was required to introduce a discretionary scheme to provide either additional support to those in receipt of the standard schemes or to provide support to a wider range of businesses not eligible for the standard schemes.

The local scheme was developed in conjunction with the Thurrock Business Board and took a phased approach to allow flexibility to ensure that; support was distributed rapidly to those most needing it, whilst allowing flexibility to adapt to the rapidly evolving situation.

Whilst the Council initially received funding of £5.035m to support local schemes through to March 22, as the situation worsened the Gov. urged swift distribution of these funds to local business and subsequently announced further conditional top up funding for councils who has successfully distributed 100% of the initial funding by 30 July 2020.

It is a mark of the success of the scheme that Thurrock introduced that the Council was one of the 1<sup>st</sup> to qualify for top up funding and as a result received an additional £1.3m to assist local business with ongoing initiatives through to March 2022.

- Hardship Payments

The Government provided 'hardship funding' to enable the council to provide an additional reduction to Working Age Claimants, in receipt of the Local Council Tax Scheme of £150. In total over 8,600 amended bills were issued to claimants with a total value of additional support provided of £1.2m.

- Self-Isolation payments

In order to assist low paid workers to be able to self-isolate when instructed to do so, the Government introduced a fixed £500 support payment for the period of isolation. The scheme operated largely to government eligibility criteria and to date 1,296 grants totalling £648k have been issued to eligible Thurrock residents. The Government has recently confirmed this scheme will be extended through to March 22.

- Free School Meals

Due to many people facing financial uncertainty and changes in circumstances at short notice due to Covid, the Awards Team experienced a vast increase in applications for Free School Meals.

This combined with the Covid Winter Food Fund implemented by Government in response to the crisis, has seen applications submitted increase over 60% from pre-covid volumes (1,824 in 19/20 to 2,989 in 20/21). The increase has continued into 2021, and is currently forecast to finish on similar volumes to 2020.

## **COLLECTIONS (Council Tax/Business Rates and Sundry Debt)**

Clearly the significant financial burden/uncertainty placed on many residents and businesses due to restrictions and the restrictions themselves courts, social distancing meant that we had to carefully consider how to maintain income to support vital services, whilst ensuring collection action for residents and businesses was appropriate and supportive during this difficult time.

Throughout the year, the Leader and I highlighted our commitment to working with any resident who reaches out to try and establish a way of help in regards to council tax payment.

As a result, many standard recovery stages were paused and replaced by tailored 'reaching out' initiatives to ensure that those experiencing difficulties in this unprecedented period were provided with the opportunity to seek assistance including the opportunity to revise payments plans where appropriate.

This approach fits squarely within the associated principle agreed at the Fair Debt Summit in 2018 to support those who "wanted to pay, but couldn't". The outturns listed further within this report provide testament to the success of this approach, with complaints held at minimal levels, and impacts on collection significantly mitigated,

Sadly, and not related to COVID, we have a cluster of routine offenders who continue to choose not to pay, even though they can. This is particularly saddening, given that the tax income funds services for our residents most in need.

Residents should be aware that council tax – unlike water bills etc. – carry legal sanctions, and is considered a 'priority debt' by the CAB. Non-payment can include committal in the long-term – and so we want to do what we can to ensure that we help people avoid collection action wherever possible. To do that, we ask that residents to reach out and ask for help. We will do what we can to help.

Complaints received regarding the debt collection process continue to remain low and in total last year there were 18 complaints received in relation to the collection of Council Tax, Business Rates and Sundry debt, 3 of which were upheld.

### **► FAIR DEBT SUMMIT**

Following the Autumn 2018 Fair Debt Summit, we have continued to progress our action plan which we co-developed at the summit with schools, the VCS sector, industry experts.

For the benefit of recap, the Fair Debt Summit 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) Help those who 'want to pay, but can't' - identify help where we can (while recognising that everyone ultimately needs to pay their dues)
- 2) Tackle those who 'can pay, but won't' - be tougher where we may need to be with those who play the system
- 3) Help provide some education for a younger generation who have yet to experience an economic downturn like the last recession of 2008-9.

As a result of the summit, a wide ranging action plan was produced. The impacts of 2020 led to less progress on this than I would have otherwise liked – owing largely to the team being occupied with processing grants etc. However, on the backdrop of unparalleled support from HM Government to the people of Thurrock - with the Job Retention Scheme (furlough) benefits, and the aforementioned social restriction business impact grants, being of particular note – this has meant we could see how COVID-19 impacted peoples work position, and further inform our Fair Debt approach.

A further report on this initiative was received favourably by Corporate Overview and Scrutiny Committee in November with the following recommendations agreed:

- 1.1 To note the initiatives delivered since the Fair Debt Summit.**
- 1.2 To review and comment on the performance.**
- 1.3 To review and comment on the draft revised Fair Debt Policy.**
- 1.4 To endorse that the Council uses all legal powers available to it to recover money owed by those who “can pay but won’t” including committal.**

#### Investment in new technology to help those who 'want to pay, but can't'

- As members will remember from my previous report, a 'Single View of Debt' solution had recently been implemented to enable officers to have a holistic view of amounts owed to the council by debtors and allow a view of potential vulnerability by bringing together debt information held across multiple different council systems into a single view. This was a ground breaking initiative which won an award at the Public Finance Awards.

After a pause to allow the team the capacity to deliver the vital financial support to residents and businesses, phase 2 of the project will recommence to look at how the system can be used to further encourage early contact and resolution by widening our outbound contact channels from traditional letter, to include where appropriate SMS, Email, self-serve web access, web chats etc. – this will enable residents in debt to “reach” out, without a formal setting, but with the same impact and outcome.

#### Education of our younger generation

The Education & Skills Team, working in conjunction with Thurrock Adult Community College, have extended the promotion and now run Money Management courses at Inspire Youth Hub, The Princes Trust, Gateway Academy and Mind.

This was ahead of COVID-19 changing everything in March 2020.

A report on this initiative was received favourably by Corporate Overview & Scrutiny in September with the following recommendations agreed:

- 1.1 Corporate O&S to support a joint working approach between finance and education to provide holistic opportunities to address debt management in schools.**
- 1.2 To recommend to Cabinet the continuing support for financial literacy to remain a key focus of the curriculum offer across schools and colleges.**
- 1.3.1 To recommend the debt management activities continue to be delivered across directorates, as well as making use of external agencies/services to support this programme of activity**

### ► 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 £88m. 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, and accuracy of billing, processing and assessment of applications and query resolution.

Operational costs of the department have not been impacted, despite the significant additional burdens placed on the team as a result of the pandemic. Timeliness of processing and accuracy levels also remains strong with most queries or applications resolved within the week they are received.

### ► PERFORMANCE DATA

For 2020/21, as a result of the pandemic the national average in year collection rate fell to 95.7%, however within Thurrock the reduction was largely mitigated by the additional support activities put in place, achieving an in year collection rate of 98%. Again this result places Thurrock amongst the best performing councils.

Complaints regarding council tax and business rates billing have continued to reduce with 37 being received last year compared to 38 in the preceding year. Of the 37 received in 2020/21 five were upheld. Again this is a low ratio, considering the 70,000 properties billed.

### ► COUNCIL TAX – FUTURE

The service continues to focus on promoting all means of available support in reducing amounts due through promotion and application of discounts and reliefs and ensuring flexible payment plans are available, especially in light of the economic impact of COVID-19.

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

For business rates we currently bill circa 4,300 businesses for a total net value of £111m (Includes reduction for 2021/22 Covid reliefs of £19m), under current funding arrangements in total Thurrock keeps approx. £36m of this income.

This team were also responsible for the distribution of the COVID Business Grants and Reliefs highlighted earlier in my report.

### ► PERFORMANCE DATA

Again collection rates nationally were significantly impacted by the pandemic with the national average reduced to 93%, however within Thurrock, again the reduction was largely mitigated by the additional support activities put in place, achieving an in year collection rate of 96.8%. Again this result places Thurrock amongst the best performing councils.

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

For the current year the team will continue to focus on maximising income but ensuring those entitled to support received assistance. Clearly the Business Rates team will also have a significant role to play in administering the new reliefs associated with Thames Freeport.

### ► 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. The effect of the pandemic meant that a large number of residents experienced a change in circumstances which resulted in their migration to Universal Credit.

As at May 2021 (the most recent figures available from DWP) within Thurrock there were 8,295 universal credit claimants in receipt of Housing support.

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.

For the Local Council Tax Support Scheme, as a result of COVID claimant numbers increased from 9,863 in March 2020, to a peak of 10,421 in November 2020, however claimant numbers have started to fall from this to 10,024 as at the end of August. Whilst this improvement is encouraging, we remain vigilant for further impacts on the scheme as a result of support schemes ending.

### ► PERFORMANCE DATA

Despite significant additional administrative workload in relation to Universal Credit and COVID support the time taken to process Housing Benefit and Council Tax Support remains extremely good with new claims being processed in an average of 10 Days and changes of

circumstance in less than a week. Recent figures from the DWP also place accuracy levels for Thurrock within the upper quartile of authorities.

Complaints regarding the service remain low with only 11 received in 2020/21 out of a total of 10,000 claimants, 4 complaints were upheld. This is another very pleasing result.

### ► 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.

## 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.

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 monitored the performance of external income across all Council areas. This level of scrutiny and discipline generates significant returns for the Council, However in the financial year 2020/21, gross external income from fees & charges reduced significantly in response to the pandemic. This was common to all local authorities where there were significant reductions in income across a range of services including the theatre, parking, private citizenships and music services to schools for example. A proportion of the lost income was recovered from Central Government (broadly 70% of the income loss net of any cost savings) totalling £1.070m. The combined position, alongside associated cost savings from not providing the relevant services, supported the balanced general fund position delivered by the Council.

The income compensation scheme remains in place in quarter 1 of 2021/22 but there is an ongoing concern over the stability of income that continues to be monitored by the commercial board and directorates as part of the financial forecasting.

The department continue to work to deliver additional income through enhancing and widening existing services and the development of new opportunities to support the longer term financial stability of the Council. This remains more challenging as the pandemic continues and alongside the wider financial challenges faced by the Council.

► Gross External Income from fees & charges

Directorate	2020/21 budget (£)	2020/21 Outturn (£)	Variance to budget (£)
Adults, Housing and Health	(423,247)	(310,556)	112,691
Children's Services	(1,399,570)	(557,909)	841,661
Housing General Fund	(572,959)	(608,631)	(35,672)
Public Realm	(4,724,119)	(4,738,381)	(14,262)
Resources & Place Delivery	(9,183)	(71,026)	(61,843)
Strategy; Engagement & Growth	(958,065)	(140,339)	817,726
	<b>(8,087,143)</b>	<b>(6,426,842)</b>	<b>1,660,301</b>

► COVID 19 – WHAT WE DID TO SUPPORT PEOPLE

## 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 Risk and Insurance Team have been able to sustain the service largely unaffected during the pandemic situation through agile working practices and the insurance arrangements operated in line with the renewed contract for 2019/20. The Strategic Corporate Risk and Opportunity Register continues to be refreshed annually and has been regularly reviewed and reported to Standards & Audit Committee, Directors Board and Performance Board in line with the Risk and Opportunity Management Framework.

► PERFORMANCE

The council continues to use the ALARM/CIPFA Risk Management framework to test the council's performance against good practice. For the 2020 review the Council attained level 4 out of 5 (where 5 is best). This along with the 2018 Internal Audit reviews of the service which resulted in a green report for Insurance and level 4 out of 5 (where 5 is best) for Risk Management provide assurance to the council that the Insurance and Risk Management functions are effective and performing well.

## **Part 2: COVID-19 Specific Activity**

### **► OVERVIEW OF COVID-19 EFFORT**

As outlined in my opening commentary, HM Government have helped Thurrock unequivocally during this crisis. This section of my report articulates 22 months of activity the Finance directorate put in during the COVID-19 crisis.

The government has granted Thurrock Council grants, to the total sum of £14.238m, to help it discharge its usual duties as a council, and the emerging COVID-19 pandemic pressures (based on timescales between the dates between 1<sup>st</sup> April 2020 and 31<sup>st</sup> March 2021). This has funded a wider ranging response across the Council to address the impacts experienced in all services. There have been significant pressures addressed in adult social care, homelessness, children's social care while providing wider support for essential services such as the schools transport and wider bus services for residents.

The ongoing impacts of the pandemic continue to be assessed in 2021/22 and further funding of £4.853m has been provided to fund the longer term impacts of the pandemic.

It should be noted that 2020/21 impacts on Council Tax and Business Rates income were offset by specific funding to support residents in the payment of Council Tax and through the wider business rates relief scheme offered available to businesses in the retail, hospitality and leisure sectors. This funding effectively supported these income streams and wider impacts on council tax and business rates are managed through the core system in subsequent years.

### **► HEALTH-SECTOR & HOMELESSNESS – OVERVIEW OF COVID-19 EFFORT**

In the wider national context, the Ministry of Housing, Communities and Local Government (MHCLG) has provided specific funding to address COVID-19 financial impacts totalling £4.6bn. Further measures have been taken to support the Council and the wider business community as set out below:

- £2.3bn has been provided directly to CCG's to support local authorities enhance the hospital discharge process.
- £1.9bn for local authorities to ensure care homes can continue to halt the spread of COVID-19 by helping them cover the costs of implementing infection control measures to reduce transmission and implement rapid testing of staff and residents. In 2020/21 the Council was allocated £2.207m to distribute to care homes to implement infection control measures that reduce the spread of COVID19. There is additional funding in place for 2021/22.
- DHSC provided £0.300bn for test and trace services and subsequently £1.4bn in contain outbreak management funding (targeted at high risk areas initially and then more widely as the country moved from local to national lockdowns in early 2021. The funding is intended to help each local authority develop tailored outbreak control plans, working with local NHS and other stakeholders. The Council will receive circa £1m. This was then increased with additional contain outbreak management funding of £4.2m which supports activity to the end of 2021/22 a range of services to mitigate the impacts of the pandemic
- Funding to tackle rough sleeping of £105m. The Council received funding of £0.34m in total and since 23 March 2020, the council undertook initial homelessness assessments

for approximately 720 households who were experiencing or at risk of experiencing homelessness. 83 individuals who were reported to be experiencing rough sleeping were housed directly through 'Everyone In'. It is noted there was significant additional costs incurred in 2020/21 and into 2021/22 as demand for services remains high. This cost is met from COVID grant funding but remains an ongoing

- The Council worked with Essex partners to ensure there was sufficient mortuary capacity available across the Essex, Thurrock and Southend areas – which cost £0.210m

### ► LOCAL JOBS ECONOMY STIMULUS – OVERVIEW OF COVID-19 EFFORT

HM Government supported local government in a number of ways above the support funding it has paid out, including:

- An upfront payment of the Business Rates Grant to support cash flow;
- The deferral of £2.6bn in business rates payments to central government from April 2020 until July 2020 to support cash flow; and
- £850m of existing social care grants to be paid up front in a move to support cash flow.

Thurrock is industry rich – and we are proud of that. It is a borough which boasts service-led markets and manual-markets, however, social distancing requirements across the nation led to economic impacts in different markets. Whilst some markets have held a strong and growing position during the crisis, owing to the services that they provide, there have been others which needed help. The consequence of not helping these businesses, is additional unemployment, higher social service and benefit costs, and a reduction of service offer affecting other businesses. The government's intervention is to be applauded. Whilst HM Government issued the funding, it was for Thurrock Council to passport a share of the following:

- A Hardship fund of £500m for those receiving Council Tax Support, of which an increase of claimants was inevitable; this led to a maximum of a one-off £150 discount being allocated to each recipient of LCTS. £1.2m received by the Council
- £1.8bn of Business Rates Relief; This equated to £52.6m of relief primarily to support business in the retail, hospitality and leisure sectors. An estimated further £20m of relief has been provided in 2021/22.
- £18bn of business grants targeted at business required to close including Rural and Small Businesses as well as the Leisure, Hospitality and Leisure sectors to local authorities in England. This came via several mechanisms as the pandemic evolved and;
- A further £581m to provide support to those businesses with ongoing premises costs but are not on the rating list. This is a discretionary scheme that must be set by individual councils.

In the Thurrock context, this has meant the following:

- Business Rates payments for all businesses were deferred for the month of April; so to provide HM Government the time to establish the ICT software to make wholesale

changes to business rate accounts for the industries who are beneficiaries of the government's policies.

- 2,401 businesses paid no business rates in 2020/21 due to the Small Business and Rural Rate Reliefs;
- Business rate relief was extended to all businesses within the Retail, Hospitality and Leisure sector with a rateable value between £15,000 and £51,000;
- Broadly the same businesses had the reliefs extended into quarter 1 of 2021/22 and receive a reduction of circa 33% for the remainder of the year. This equates to circa £20m
- A grant scheme covering all businesses that are in receipt of one of the reliefs above and a further local discretionary scheme designed to support businesses who did not meet the original criteria of the grant scheme, but are able to demonstrate COVID-19 impacts on their business viability. To date, over 2000 business have been paid out to the value of circa £43m.
- Additional subsidies have been paid to local bus providers to ensure services remained open to residents at a reduced level during the lockdown process – this is projected to cost £0.23m over the 4 month period; and
- The Council was allocated £0.156m of funding to support a range of practical safety measures to reopen high streets safely including new signs, street markings and temporary barriers.
- The Department of Transport allocated the Council a total of £0.978m for the emergency active travel fund to support increased infrastructure for cycling and walking.

The support for private markets and employees has been clear. It is evident HM Government seeks to make sure that the private sector is as close to what it was pre-COVID-19, when the crisis is over – however, it has also been very diligent in providing resilience and support for our public sector markets.

### ► **ADULT SOCIAL CARE – OVERVIEW OF COVID-19 EFFORT**

There was significant activity to ensure the local social care capacity was sufficient to address the increases in demand due to COVID-19

The focus was on:

- stabilising the care market;
- ensuring emergency care facilities had sufficient capacity for people being discharged from hospital;
- providing more financial resilience in the care sector;
- taking preventative actions to reduce hospital admissions;
- meeting the additional demand costs;
- managing staffing levels during the pandemic; and

- ensuring there is sufficient Personal Protective equipment available to staff.

This has been reflected in:

- 10% across the board resilience up-lift for 4 months to stabilise care provision in the local market and address income shortfalls and increased staffing costs;
- Establishing local Step-Down provision and designated settings - for example rapidly re-opening Oak House Residential Care home to take COVID positive patients discharged from hospital;
- Block booking, for a period, vacant beds within Thurrock to secure local provision and capacity; and
- Funding was provided to enable rapid testing to be available to care home staff to enable effective management of any virus outbreaks.

The financial resilience funding to residential care providers and an uplift in homecare costs totalled £1.1m. Following an initial reduction in occupancy demand for services has subsequently increased and funding of £1.5m from the covid funding has been required to meet this cost within 2020/21 and 2021/22. Additional staffing costs have been significant during the pandemic and continue to be managed within grant funding. Demand levels in the sector continue to be monitored with concern over the ongoing costs alongside inflationary pressures faced by the sector and with covid support ending in 2021/22.

Care homes were supported to meet the increased costs and ongoing requirements around infection control, rapid testing and workforce planning with grant funding from the Department of Health and Social Care totalling £2.8m (administered and passported through the Council) and intervention avoided significant market failure as the sector recovers from the pandemic and adapts to a changed market.

The government tasked Local Authorities to meet needs in the period before food deliveries could be achieved. The total cost of the operation to date is £0.1m to provide food to those without family support.

### ► CHILDREN'S SERVICES – OVERVIEW OF COVID-19 EFFORT

The key impact is the availability of placements for children looked after and is a critical function of the local authority. Placements have increased as the pandemic has developed and the service is experiencing significant additional demand. In addition there are further impacts through an increase in the complexity of need in some specific cases. In 2021/22, ten additional looked after children have exceeded the budgeted level and the change in placements available has created a potential cost pressure of £2.9m. Wider impacts have seen 6 additional remand cases, with a projected cost of £0.5m in 2021/22, linked to wider local social issues as lockdown measures eased. Another significant pressure of £0.475m in 2020/21 has arisen through cases initially brought through the Head Start Housing model which have evolved into more complex after care cases. This pressure continues to be monitored and will be met by the grant funding available in 2021/22.

Funding from the wider grant totalling £1.425m enabled these pressures to be met in 2020/21 and further funding has been allocated to the growing pressures in 2021/22 and this remains a high risk area in the current year. The wider significant risk is that the overall level of additional demand continues as the support funding ends. The service continues to

assess options to manage all risk areas alongside the delivery of savings to support the financial position.

Wider impacts include providing care leavers and children looked after with laptops to access education and working with schools to provide ongoing education to the children of key workers. Further additional funding of £0.458m support for home to school transport has been provided to enable safe travel in the context of social distancing requirements.

The Finance portfolio enables the Children's Services directorate, and other services, such as Housing, to realise their objectives and ambitions for a best-in-class care service for looked after children. That said, the Fair Debt Summit, specifically the education component, was designed to help equip all young persons entering the world of work, rents, mortgages and bills. The work was designed on the back of a Summit which had attending former-cared for children in attendance, who shared their experiences – and importantly, shared what they hoped the Fair Debt Summit could help improve in terms of outcomes for looked after children. There is more detail on this in this report, and full detail can be found by looking at the Corporate Overview & Scrutiny specific paper on the education-element of the Fair Debt Summit heard September 2021.

### ► OTHER SIGNIFICANT EXPENDITURE – OVERVIEW OF COVID-19 EFFORT

The Council has wider additional costs arising from the response to COVID-19. The Council initially reconfigured the Household Waste and Recycling Centre to address social distancing requirements and enable the facility to reopen. This required detailed traffic management planning to support this at a cost of £0.1m

The response to the pandemic directly impacted on the delivery of savings plans for 2020/21 and totalled £0.9m.

Members should also be aware that savings on non-COVID budgets were minimal. Government instructed local authorities that where contracts were in place – the highest value example being Home to School Transport – that payments should still be made despite the services not being provided either all or at a much lower level than originally budgeted.

### **Income**

As noted above the shortfall in fees and charges was £1.66m, of which key areas include:

- Environmental Services;
- Parking (Car Parks etc.)
- Children's Services (Catering, Thurrock Adult Community College, Grangewaters and Music Services); and
- Thameside Theatre.

The financial impact of not progressing with the TRL scheme at Belmont Road cost £2.4m. Owing to the fragility of the TRL model, the administration instructed a full house-building review be completed, with a combined model of delivery including TRL, JV's etc. The delay has led to a strengthened TRL model, with improved governance, and there will be larger requirement to update key stakeholders (i.e. General Services Committee) moving forward, so to ensure TRL's progress is monitored better moving forward.

### **Part 3: Reforming for the future to provide, or at the least; the best core services for our residents in a post-2020 world.**

After a difficult year, the administration party received the highest popular vote in the 2021 local election, and this administration take the duty that residents have trusted us with seriously and dutifully. We can and will grow into a council which offers key Services of the Future.

We have a choice – we either tax above referendum limits to pay for the additional services we have had, or we reform, change and slim down the size of the council to avoid the burden being borne onto residents. The administration are clear that taxes should not be the default approach to reforming the finances of this council – and believes in cutting the size of our cloth also being essential.

The administration stands ready to lead this borough through this challenge. Residents expect politics to be put aside, and we hope to work constructively with all parties in the reforms ahead.

The following list of future initiatives, projects and focuses which the department will be focused on in 2021 and 2022 (and beyond):

#### **► FUTURE: Transforming services for the future - providing, at the least, the best core services for our residents (including workforce changes)**

Thurrock Council is a low-tax council, already paying less than over £170 on council tax than wider Essex areas. Southend Council – our nearest statistical neighbour on a like-by-like service basis - receive circa £15m more per annum than Thurrock in council tax to pay for services that people use and depend.

To keep tax rises as low as possible, we need to take tough decisions so we can avoid the vulnerable going without care, and to build back after this pandemic in a way that is sustainable for the future. This means reforms to services, and change, will be larger.

Thurrock must now look at its Vision (People, Place, Prosperity), and identify what services it can and should provide in a post-2020 world; and therefore what and what it will no longer provide now it must be leaner; and how efficient services must operate from a resourcing and a process perspective.

The council, unanimously, previously voted for a Thurrock Vision which recognised a Fewer Buildings, Better Services model. As such, reforms are being put into train which are based on such a concept.

The Digital Age is upon us – smart-phones, iPads, and laptops. Technology is all around us, we use it to pay bills, tell the time, plan our social lives, and learn. Internally, and externally, the council will look to use technology to increase connectivity and improve efficiency

Vacancies and roles considered non-critical, or aligned to either concluding capital projects, or projects not being taken forward now, will not be replaced or maintained when current projects conclude. Some staff who will find their service reformed, or capital projects no longer being taken forward, may find their role is no longer required in a leaner organisation.

Overview & Scrutiny are engaged for input into plans under consideration through the remainder of this municipal year, ahead of the 2022 Budget Meeting

► **FUTURE: Increase housebuilding and contribute to revenue income (TRL)**

2020 and 2021 saw a review of the council's housebuilding objectives, and the models in which it believes are needed to deliver essential houses for the next generations of Thurrock people.

It is the intention of the council to commence with a number of schemes through the Thurrock Regeneration Limited model, along with working with external partners to recognised housebuilding opportunity (in arrangements such as JV's etc.).

This will help us provide more housing; more social housing using old, neglected, under-utilised estate, and generate an income from those development and renting and selling proceeds.

► **FUTURE: Assets – the future of presently-uneconomic, or unsustainable assets / estate which should not be owned by a local authority**

Some assets, capital projects and services are those that fall outside of the remit of what a local authority can do in a post-COVID world.

The council is assessing assets under the Retain-Release-Reuse model versus the Services of the Future concept. Assets which sit on its asset book, which in the event of being uneconomic, at-risk of requiring significant capital investment and associated revenue costs, or estate which should not be owned by a local authority (namely public houses, retail units etc.), will be put forward for release by the council to interested groups first, and then the open market if a deal with an interested group that is mutually agreeable can be agreed. There have been some positive movements on this front – and whilst no outcome can be guaranteed, there is a commitment from the council to work positively and constructively with such groups to find win-win solutions; for everyone.

This administration is focused heavily on retaining services in localities; but potentially, in different – and in many instances – better surroundings.

► **FUTURE: Income generation (non-investment related)**

Usual tax-raised/fees income were adverse receipts, albeit, much was compensated from government grant support. There will be on-going Fees and Charges/Rents Sense-Check for a post-2020 world approach to commercial models and realities (potentially tapered fees etc. / forecasted).

► **FUTURE: Thames Freeport**

The department will work with internal colleagues and external partners, with Thames Freeport, to unlock borough infrastructure investment through retained NNDR.

► **FUTURE: Further use of reserves**

It is anticipated that £8m of the increased reserves may be used to combat the aftershock issues of 2020 and the fiscal re-engineering activity required. There are no current plans to use the general fund balance, which is presently aimed to be maintained at £11m. When the fiscal re-engineering effort is completed over the next couple of years, the administration will seek to recommence the rebuilding of the reserves position to pre-COVID levels.

## ► **FUTURE: Fair Debt Summit**

In September 2018 Thurrock Council hosted its first Debt Summit.

The event brought together members from each political party, schools and colleges and people from local organisations across both the public and voluntary sectors.

The summit explored the reasons people get into debt, the consequences, and how the support we and our partners provide can be improved for people who ‘want to pay, but can’t’, and those who “want to pay, but can’t”.

### **Fair Debt Summit – those who “want to pay, but can’t”.**

As noted further back in this report, this will be a key focus – specifically around embedding the Single View of Debt initiative, technology exclusions to help financially include those who may be struggling, and publishing/embedding the revised Fair Debt Policy with its various discretionary elements, and build with the contributions of the Citizens Advice Bureau, and others who attended the Fair Debt Summit.

I am pleased that the Corporate Overview & Scrutiny Committee agreed to my request, when I attended their meeting in July 2021, to add this essential work onto its work programme for 2021/22, planned for November 2021. The Committee sponsored the approaches, and we are mobilising for the delivery of these newly agreed objectives.

### **Fair Debt Summit – those who “can pay, but won’t”.**

It is the department’s intention to target persistent, habitual council tax evaders; people who can pay, but chose not to pay into the delivery of services they use, as much as every other tax payer who do pay their council tax.

This will include utilising the committal process, in an effort to conclude habitual tax evasion from those who can pay, but chose to not pay.

### **Fair Debt Summit – developing financial capability in work-ready age groups.**

The summit was a joint initiative between Children’s Services and Finance to consider how we tackle some of the challenges that occur when people do not have the appropriate skills to develop strong financial management as they enter life after full time education

A money management programme was developed by Thurrock Adult Community College (TACC), and was piloted in a number of schools ahead of COVID-19 changing everything in March 2020.

I am pleased that the Corporate Overview & Scrutiny Committee agreed to my request, when I attended their meeting in July 2021, to add this essential review onto its work programme for 2021/22, which it reviewed at its meeting in September 2021, and sponsored the work, and in some regard, helped expand the work. There will be a concerted effort from us to begin to roll out this essential and valuable education content on a wide-spread basis across the borough, now social restrictions are easing.

### ► **FUTURE: Investment Committee**

I am pleased that the Corporate Overview & Scrutiny Committee agreed to my request, when I attended their meeting in July 2021, to add this essential review onto its work programme for 2021/22, and to conclude the request of all members of establishing a constituted investment committee arrangement. That meeting is being held on 18<sup>th</sup> January 2022.

### ► **FUTURE: Local Council Tax Scheme**

In 2020/21, the administration ruled that to perform a review the LCTS scheme in the middle of an adult-centric pandemic, would be premature, and could fail to account for post-COVID realities.

I am pleased that the Corporate Overview & Scrutiny Committee agreed to my request, when I attended their meeting in July 2021, to add this essential review onto its work programme for 2021/22. The committee agreed in November to support the approach coming to January Full Council.

### ► **FUTURE: Council Tax**

As members would likely know, there is always an in-built assumption in any MTFs of a year-on-year increase up. This has most recently been set at 1.99% per annum.

In 2021/22, the council proposed a budget which allocated all tax to the prevailing adult-social care market need. It was critical and of good conscience to inject extra funding into protecting and caring for care for later-life adults, who were more impacted by COVID-19 than any other group, who occupy a service more impacted by an adult-centric health crisis than any other. That increase enabled the service to provide stable care in an instable environment.

In 2022/23, the proposed increase of 1.99% would be ring-fenced entirely for Children's Social Care – an area with ever growing pressure across the country, as it does also in Thurrock. Members will have seen recent headlines about when Children's Social Care goes wrong – this increase is of good conscience to inject extra funding a service to avoid a situation we have seen in other councils Children's Services happening to a child of Thurrock.

For the purposes of forecasting, MTFs modelling over includes a council tax increase up to the maximum capped increase (capped, as in non-local referendum requiring increase – i.e. 1.99%).

The Cabinet view is that tax rises alone should not replace the effort around service reform and other income generation.

### ► **FUTURE: Funding Reform**

The funding reform associated with NNDR has yet to be finalised. This is unlikely to take place in this financial year.

Fair Funding details were received of 2021, and analysis was completed ahead of the 2022 Budget Meeting in regards to its impacts.

## FINANCE DIRECTORATE BUDGET CONTROL

### ► FINANCE FINANCIAL INFORMATION – 2020/21

Service Area	Full Year Budget £	Full Year Forecast £	Variance £
Finance, Procurement and Commercial Services	5,497,168	4,964,931	(532,237)*
<b>Total</b>	<b>5,497,168</b>	<b>4,964,931</b>	<b>(532,237)</b>

\*Variance from the budget due to a combination of holding of vacant posts, improved housing benefits position and wider cost control measures

### ► TREASURY – 2020/21

	Full Year Budget £000	Full Year Forecast £000	Variance £000
Interest & Fees Payable on External Debt	16,986	15,553	(1,433)
Interest Receivable on Investments	(46,192)	(46,188)	5
<b>Net Interest</b>	<b>(29,206)</b>	<b>(30,159)</b>	<b>(1,428)</b>
MRP	8,867	8,867	(0)
<b>Total</b>	<b>21,704</b>	<b>22,403</b>	<b>(699)</b>