

Minutes of the Meeting of the Cabinet held on 21 February 2024 at 7.00 pm

The deadline for call-ins is Monday 4 March 2024 at 5.00pm

Present: Councillors Andrew Jefferies (Leader), Deborah Arnold (Deputy Leader), George Coxshall, Barry Johnson, Ben Maney and Graham Snell

Apologies: Councillor Adam Carter

In attendance: Claire Demmel, Interim Executive Director of Place
Michael Jones, Assistant Director – Strategic and Corporate Finance
Alix Macfarlane, Communications Adviser – Intervention
Steven Mair, Interim Chief Financial Officer
Jayne Middleton-Albooye, Assistant Director of Legal and Governance
Patrick McDermott, Chief of Staff to the Thurrock Commissioners
Sheila Murphy, Corporate Director Children’s Services
Ewelina Sorbjan, Assistant Director Housing and Development
Dave Smith, Chief Executive and Managing Director
Commissioner
Stephen Taylor, Head of Freeport
Ian Wake, Corporate Director Adults, Housing and Health
Lucy Tricker, Overview and Scrutiny Officer

Before the start of the Meeting, all present were advised that the meeting may be filmed and was being recorded, with the recording to be made available on the Council’s website.

242. Minutes

The minutes of the Cabinet meeting held on 7 February 2024 were approved as a correct record.

243. Items of Urgent Business

There were no items of urgent business.

244. Declaration of Interests

No interests were declared.

245. Statements by the Leader

The Leader stated that the budget was being presented at Cabinet before going on for agreement at Full Council in late February. The budget had been thoroughly scrutinised by overview and scrutiny Members at their all-Committee meeting on 14 February. He thanked Members for their attendance and rigorous questioning at that meeting.

The Leader explained that the sale has been completed and a total of £510m has been received, which will be used to pay down debt.

246. Briefings on Policy, Budget and Other Issues

There were no briefings on policy, budget or other issues.

247. Petitions submitted by Members of the Public

There were no petitions submitted by members of the public.

248. Questions from Non-Executive Members

There were no questions from Non-Executive Members.

249. Matters Referred to the Cabinet for Consideration by an Overview and Scrutiny Committee

There were no matters referred to Cabinet for consideration by an Overview and Scrutiny Committee.

250. Thames Freeport Accountable Body Decisions (Decision: 110695)

Councillor Arnold introduced the report and stated that the Council is the Accountable Body for Thames Freeport and had responsibilities around the management of public money and good governance. She explained that £25m government funding had been allocated to support capital projects identified through the Freeport Full Business Case (FBC), which had been agreed by DLUHC. The projects could only be amended by the Thames Freeport Governing Board and DLUHC. The project promoters were now working to develop Outline Business Cases (OBCs) for the projects and the Accountable Body had been conducting due diligence checks. The report asked for approval for the projects that have passed the checks to be submitted to DLUHC. The funding allocated for these projects was time limited and had to be spent by March 2026, and to ensure there were no delays delegated authority to the S151 officer in consultation with the Leader, Portfolio Holder for Governance, Portfolio Holder for Finance, Chief Executive and Monitoring Officer was being sought to approve the remaining OBCs, to approve the FBCs and to enter into agreements to release funding. Councillor Arnold added that the report was also seeking delegated authority to approve the Freeport Finance and Business plan for 2024/25, subject to it passing all the necessary checks and there being legal agreements in place.

The Leader explained that the Council were ensuring it met its responsibilities as Accountable Body and were working closely with the Freeport to ensure the necessary legal agreements were in place. He thanked officers for their hard work on this report.

RESOLVED: that Cabinet:

1.1 Approved the Outline Business Case for Seed Capital Funding which have been completed and passed due diligence checks set out in exempt Appendices 1 and 2 for their submission to DLUHC.

1.2 Agreed that authority is delegated to the Section 151 Officer in consultation with the Leader, Portfolio Holder for Governance, Portfolio Holder for Finance, Chief Executive and Monitoring Officer to approve:

a. the remaining Outline Business Cases for Seed Capital Funding set out in exempt Appendix 3 once due diligence checks are complete and it has been confirmed by Officers projects align with the Thames Freeport Full Business Case or have otherwise been agreed by DLUHC through formal change control processes.

b. the release of initial Seed Capital Funding to project promoters to develop Business Cases if funding is requested, approved then released by DLUHC to the Council as Accountable Body subject to approval of the Thames Freeport Memorandum of Understanding and once relevant funding agreements are in place.

c. the Full Business Cases (FBCs) for Seed Capital Projects and to enter into funding agreements and release the funding as set out in the FBCs for the delivery of the projects subject to approval of the Thames Freeport Memorandum of Understanding, satisfactory completion of procurement processes, completion of checks and determination of the subsidy control position of the Accountable Body.

d. the Thames Freeport Operating Company Business and Finance Plan for 2024-5 and enter into a legally binding funding agreement subject to approval of the Business Plan by the General Purposes and Resources Committee of the Thames Freeport Governing Board, satisfactory completion of due diligence checks, establishment of the subsidy control position, approving the Thames Freeport Memorandum of Understanding and signing the appropriate legal agreements and to confirmation of the funding available through retained business rates section 31 grant.

*Reason for the decision: as outlined in the report
This decision is subject to call-in*

251. Section 25 Report (Decision: 110696) - Report to Follow

Councillor Snell introduced the report and stated that it was a legal duty for the S151 Officer to provide a Section 25 report, which outlined whether the Council could balance its budget, any risks or challenges to the organisation, and external issues which may affect the Council's finances. He explained that the officers had undertaken considerable mitigation work such as divestment of assets and implementing new ways of working to ensure a balanced budget. He summarised and stated that the budget met statutory requirements.

RESOLVED: that Cabinet:

1.1 Regarded this report when making decisions about the calculation of the council tax requirement.

*Reason for the decision: as outlined in the report
This decision is subject to call-in*

252. Medium Term Financial Strategy 2024-25 (Decision: 110697) - Report to Follow

Councillor Snell introduced the report and stated that the Council's financial position remained challenging, but savings were being implemented to stabilise the Council's finances. He highlighted table 1 within the report which explained that Thurrock was moving in the right direction, but needed to meet key deliverables, as outlined in 1.4 of the report. If the Council did not meet these key deliverables, then alternative savings would need to be found elsewhere in the budget. The Leader stated that the report had been presented to overview and scrutiny, who had commented and questioned the report in detail.

RESOLVED: that Cabinet:

2.1 Recommended the Medium-Term Financial Strategy (MTFS) to Council and in doing so agree:

- a. The financial targets summarised in paragraph 1.3;**
- b. The financial assumptions/deliverables as summarised at paragraph 1.4 to 1.7;**
- c. That if any of the above targets or assumptions adversely vary, alternatives to the same timescale and value will need to be identified and implemented;**
- d. The treatment of the MRP calculations is based on recent KC guidance and is subject to approval from the Council's auditors; there is an inherent risk that these numbers could change.**

*Reason for decision: as outlined the report.
This decision is subject to call-in.*

253. Treasury Management Strategy 2024-25 (Decision: 110698) - Report to Follow

Councillor Snell introduced the report and stated that the Treasury Management Strategy set out planned activity in 2024/25. The strategy reflected the Council's proposed capital programme from 2024/25 until 2028/29. He explained that the paper was in-depth and technical but had been through the overview and scrutiny process. Councillor Snell highlighted sections 9 and 7 which related to the MRP policy and borrowing strategy. The MRP policy had been reviewed following government intervention to ensure prudent financial provision was made in accordance with statutory requirements to implement a debt reduction policy. Councillor Snell outlined the MRP process and its implications for the Council, as well as the borrowing strategy which had been updated in line with the 2021 Prudential Code.

RESOLVED: that Cabinet recommended to Full Council:

1.1 The proposed Treasury Management Strategy for 2024/25.

1.2 The proposed MRP policy for 2024/25 as set out in Section 9.

1.3 The proposed Borrowing Strategy as set out in Section 7.

1.4 The requirement within the Prudential Code 2021 for quarterly reporting on the Council's Treasury Management activities. These reports will be presented quarterly during the year.

Reason for decision: as outlined in the report.

This decision is subject to call-in.

254. Capital Strategy Programme (Decision: 110699) - Report to Follow

Councillor Snell introduced the report and explained that it outlined the capital programme from 2024/25 until 2028/29. He stated that the programme had been reviewed in line with government directions, so no longer included some projects, and had been extended from three to five years. In 2023 the capital programme had capital spending at £202m over three years, but this had expanded to £275m in quarter one of 2023/24, of which £155m was to be funded through borrowing and £121m from external funding. Before March 2023 previously approved bids totalling £119m had been put on hold and were not included in the £202m of capital spending. Councillor Snell explained that following the review of the capital programme, £101m had been removed from budgets to reduce capital expenditure and to comply with the Section 114 notice. Councillor Snell summarised and stated that the report had been through the scrutiny process.

RESOLVED: that Cabinet:

1.1 Recommended to Full Council to:

a. Approve the revised capital programme and 5 year capital programme for 2024/25 to 2028/29 as set out in the report.

b. Approve that the capital projects:

(i) currently 'on hold' totalling £119.0m (see Appendix 2) are not included in the Capital Programme and the associated borrowing of £62.9m is not required;

(ii) the capital schemes that have not started totalling £3.3m (see Appendix 4) are also formally confirmed as removed from the capital programme and the associated borrowing of £3.3m is not required;

(iii) those schemes assessed and considered no longer necessary totalling £60.1m (see Appendix 5) are confirmed as removed from the capital programme and the associated borrowing of £56.5m is not required.

c. Approve the proposed financing of the capital programme as set out in Appendix 3.

d. Delegate to the Interim Director of Finance s151 all decisions surrounding the financing of individual items of expenditure within the revised capital programme, in line with the overall capital programme as set out in Appendix 3, in a manner which achieves the most effective use of Council's resources.

e. Approve that any future changes to the capital programme should be approved by Full Council, whilst ensuring that external funding is able to be used in a timely manner, with any new borrowing requirements subject to Commissioner approval.

f. Approve that the Capital Programme Board review and receive updates on the action plans put in place to address the further improvements identified in Appendix 7 and to note progress on continued delivery of these improvements.

Reason for decision: as outlined in the report.

This decision is subject to call in.

255. Council Tax base for 2024-25 and determination of collection fund (Decision: 110700) - Report to Follow

Councillor Snell introduced the report and stated that it outlined the number of council tax paying properties in Thurrock, and their banding, which required Cabinet approval each year. He highlighted that 70.3% of homes in Thurrock were bands A-C, so paid less than Band D properties. Officers were estimating that approximately 1.2% of council would not be collected, but had determined that the Council Tax Collection Fund would be in a surplus of £326,924 at 31 March 2024, which would be released to the 2024/25 accounts.

RESOLVED: that Cabinet:

1.1 Agreed that under existing delegated authority the Council Tax base for 2024/25, which has been calculated in accordance with legislation, has been set by the Interim Chief Financial Officer at 53,322.

1.2 Approved the proposal that in future years Cabinet will be required to approve the Council Tax Base.

1.3 Recommended that Council:

a. Determines the estimated 31 March 2024 balance of the Council Tax Collection Fund to be a surplus of £326,924 (before distribution to major precepting authorities).

b. Allocates the surplus to the three main precepting bodies in proportion to their precepts for 2023/24 as follows:

Thurrock Council £272,910;

***Essex Police £40,193;**

***Essex County Fire £13,821.**

***Police, Fire and Crime Commissioner, but each has an individual precept balance.**

1.4 Recommended that Council:

a. Determines the estimated 31 March 2024 balance of the Business Rate Collection Fund to be a surplus of £7,272,612 (before distribution to Central Government and Essex County Fire).

b. Allocates the surplus to the three main precepting bodies in the proportion set out in legislation:

(i) Thurrock Council £3,563,580;

(ii) Central Government £3,636,306; and

(iii) Essex County Fire £72,726.

Reason for decision: as outlined in the report.

This decision is subject to call-in.

256. Council Tax Premium 2024-25 (Decision: 110701) - Report to Follow

Councillor Snell introduced the report and stated that it proposed a charge in addition to council tax on properties in Thurrock that were empty, as outlined in the recommendations. It also proposed a charge, starting in 2025, for those properties classed as second homes. Officers were expecting an additional £447k in council tax revenue and the proposal could help bring buildings back

into use. The Leader felt it was important that houses in Thurrock did not stay empty and were brought back into use.

RESOLVED: that Cabinet:

1.1 Recommended to Council, that from the 1st April 2024 a council tax premium is charged (in addition to normal council tax) on long term empty and substantially unfurnished properties as follows:

- a. Properties empty after 12 months and up to 5 years = 100% premium;**
- b. Properties empty between 5 and up to 10 years = 200% premium;**
- c. Properties empty over 10 years = 300% premium.**

1.2 Recommended to Council, that from 1st April 2025 a 100% council tax premium is charged (in addition to normal council tax) on properties classed as second homes.

1.3 From 2024/25, in the quarterly reports to Cabinet on the outturn, there will be a clear and transparent report on the council tax performance, including additional income secured through the proposed changes to the premium.

*Reason for decision: as outlined in the report.
This decision is subject to call-in.*

257. Local Council Tax Scheme 2024-25 (Decision: 110702) - Report to Follow

Councillor Snell introduced the report and stated that the Local Council Tax Scheme 2024/25 remained the same as when it had been introduced in 2017/18, and no changes had been made. He stated that the report had been through the overview and scrutiny process. Councillor Snell explained that funds remained available for residents who were struggling to pay their council tax.

RESOLVED: that Cabinet:

1.1 Noted the analysis of the current scheme.

1.2 Recommended to Council to approve the current Local Council Tax support scheme for 2024/25 which has been in place since 2017/18 with no changes:

- a. To ensure work pays, the first £25 per week of earned income is disregarded when calculating levels of council tax support;**
- b. The maximum capital limit is to be set at £6,000. This means that anyone who has savings over £6,000 may not receive support with their council tax.**
- c. For working age claimants, the maximum support allowed is set at 75% of their full council tax bill.**
- d. To assist those with families, the Child Benefit and Child Maintenance**

received is not included as income in the calculation of council tax support.

e. The maximum period a claim can be backdated under the scheme is one calendar month. To qualify for this, the claimant will need to provide good reason for not claiming earlier.

f. There is full disregard of military compensation payments, including War Disablement Pensions, War Widow's Pension and Armed Forces Compensation Scheme payments.

g. Disability Living Allowance and Personal Independence Payments are fully disregarded.

h. The number of dependents assessed in the calculation of claimants' needed is a maximum of two.

i. The maximum period of an award when temporarily absent outside the United Kingdom is four weeks.

1.3 Recommended to Council, that in light of the Council's financial situation a full review of the scheme will again be carried out in 2024/25 and completed by autumn to enable inclusion within the budget setting process.

Reason for decision: as outlined in the report.

This decision is subject to call-in.

258. HRA Business Plan (Decision: 110703) - Report to Follow

Councillor Johnson introduced the report and explained that it was based on best assumptions, including that the Secretary of State will give permission for Thurrock to borrow to fund HRA development schemes, and that the current rules regarding right to buy section 11, paragraph 6 retention agreements will apply to the Blackshots and Teviot schemes. Councillor Johnson explained that if both assumptions did not apply then both schemes would not be able to proceed, and this would be reported back to Cabinet and Council. The Commissioners supported the HRA business plan report. The Leader clarified that the Council had written to the Secretary of State regarding the use of right to buy receipts and borrowing, and Thurrock Council were currently waiting for a response.

RESOLVED: that Cabinet:

1.1 Approved the HRA revenue budget for 2024/25 (Table 1 and Appendix A).

1.2 Noted the HRA 5-year revenue budgets for 2024-25 to 2028-29 (Table 1 and Appendix A).

1.3 Noted the HRA 30-year revenue budget for 2024-25 to 2053-54 (Appendix B).

1.4 Approved the HRA 5-year capital programme for a total of £175.069m

(Table 3 and Appendix C).

1.5 Noted the 30-year capital programme for 2024-25 to 2053-54 (Appendix D).

1.6 Noted the draft HRA reserves and balances for the 5-year business plan (Appendix E).

1.7 Noted the submission of the two requests to the Secretary of State. The outcome of it will be reported to Cabinet/Council.

Reason for decision: as outlined in the report.

This decision is subject to call-in.

259. HRA Rent Setting (Decision: 110704) - Report to Follow

Councillor Johnson introduced the report and stated that the report had been thoroughly scrutinised at overview and scrutiny, before being presented to Cabinet for approval. He explained that Council's were able to increase rents and charges in line with the inflation formula, which meant that rents could be increased by 7.7% in 2024/25, based on inflation in September 2023. This increase would be used to continue to fund the Transforming Homes project, ensure compliance with carbon legislation, and ensure that residents lived in good, safe, and sustainable housing. Councillor Johnson highlighted that questions and comments raised at overview and scrutiny had been emailed to Cabinet Members before the meeting, as some Members had felt that rent increases were unfair. Councillor Johnson, in response to overview and scrutiny comments, explained that monies brought into the Council through rent and charges were used to fund 26,000 housing repairs (92% of which had been on-time and to a 91% resident satisfaction rate); major capital investment in 460 homes; 87 external improvements; 277 heat pumps in homes; 344 new boilers; 2546 safety tests in homes and upgraded fire systems; new entry doors and communal areas in communal blocks; and many other projects.

RESOLVED: that Cabinet:

1.1 Agreed the proposed changes in the base budget for 2024/25 (as set out in Table 1).

1.2 Agreed the proposed increase in domestic rent charges of 7.7% in line with the 30-year HRA business plan, to be implemented from 1 April 2024.

1.3 Agreed the proposed increase in service charges to reflect the cost of running each service in line with the budget estimate from 1 April 2024.

1.4 Agreed the proposed charges for garage rents (para 3.12) to be

implemented from 1 April 2024.

1.5 Agreed the proposed increase in Travellers sites rent (para 3.13) to be implemented from 1 April 2024.

Reason for decision: as outlined in the report.

This decision is subject to call-in.

260. Treasury Management Half Year Report 23/24 (Decision: 110705) - Report to Follow

Councillor Snell introduced the report and stated that it provided an update on the Council's treasury management position for the first half of 2023/24 based on the strategy that was approved in 2023. He explained that the Council is currently working under a high level of debt, but were pursuing measures to reduce this level, including disposing of capital investments, reducing capital investments financed by borrowing and use of capital receipts to reduce outstanding debt. Appendix 1 of the report set out the performance of the treasury management strategy for the first half of the 2023 financial year. Councillor Snell outlined the proposed changes to the counterparty limits from £5m to unlimited, which would mean that investments placed with the Debt Management Office would not be in breach. In 2023/24 the Council had breached the DMO limit 52 times, and the removal of the £5m limit would bring Thurrock in line with other Councils and ensure no breaches. He explained that any cash received from divestments would be kept securely until ready to pay off debts. The Leader highlighted that it was unusual for Council's to have limits with the DMO, so this proposal would bring Thurrock in line with others.

RESOLVED: that Cabinet recommended to Full Council to agree the following amendments to the 2023/24 Treasury Management Strategy:

1. That there is a revision to the Counterparty Limits in that investments placed with the Debt Management Office (DMO) are changed from £5m to unlimited.

2. Amend the Minimum Revenue Position policy to revert back to Option 1 in respect of supported capital expenditure in line with the Statutory MRP Guidance.

261. Revenue Budget Savings 2024-25 (Decision: 110708) - Report to Follow

Councillor Snell introduced the report and stated that it outlined the second tranche of savings proposals, which had been rigorously questioned through the scrutiny process in November 2023 and January 2024. He explained that the report excludes those savings which had previously been scrutinised and approved by Cabinet, but these were included for reference in Appendix 4. He stated that £1.7m of savings needed to be found, but £869k had already been

proposed by Members, such as the removal of the council tax hardship fund. Councillor Snell stated that the removal of this fund had been questioned in detail by overview and scrutiny, and options for the fund would be revisited at a later date.

RESOLVED: that Cabinet:

1.1 Approved all savings proposals totalling £6.9m as listed in Appendix 1.

1.2 Approved the remainder of the Fees and Charges proposals, as recommended at the Cabinet meeting of 10th January 2024 and detailed at paragraph 3.14.1.

1.3 Noted the Community and Equality Impact assessments and summaries of the public engagement activities.

1.4 Noted the requirement to identify a further £831k recurrent savings by the 22nd March 2024, to be agreed by the Leader and CEO/Commissioner, in consultation with the s151 and Finance Commissioner. To be reported to Scrutiny and Cabinet.

*Reason for decision: as outlined in the report.
This decision is subject to call-in.*

262. Revenue Budget 2024-25 (Decision: 110707) - Report to Follow

Councillor Snell introduced the report and stated that it recommended to Full Council to agree the general fund revenue budget, which equated to £410m including the government capitalisation directive of £69m. He stated that the Council assumed an increase in council tax of 5.99% as well as a 2% adult social care precept increase; service growth; savings; and the local government pay award. The budget also included a Dedicated Schools Grant fund of £230m, of which Thurrock Council would receive £53m. Councillor Snell summarised and stated that the report had been through overview and scrutiny, where Members had asked numerous questions and made good comments.

RESOLVED: that Cabinet:

1. Recommended to take account of the statutory S25 report of the S151 Officer (shown earlier on this agenda) when considering the report and in determining:

- a. The proposed budget for 2024/25;**
- b. the level of reserve.**

Cabinet recommended to Council to:

1.2 Agree the second tranche of savings as set out in the Budget Savings Report, elsewhere on this agenda.

1.3 Approve the 2024/25 Budget to enable the Council Tax requirement for 2024/25 to be set at £91.266m (as per section 5), a 7.99% increase on 2023/24.

1.4 Approve the Council Tax Resolution 2024/25 as set out in Appendix 2 which shows that the Police, Fire and Crime Commissioner has increased Council Tax for Band properties to:

- a. £246.42 per annum (a 6% increase on 2023/24) for the Essex Police precept;**
- b. £82.62 per annum (a 3% increase on 2023/24) for the Essex County Fire precept.**

1.5 Agree for Members to work with officers to identify the full £1.7m in additional savings by 22nd March 2024, potential actions are presented in Table 18.

1.6 Approve the 2024/25 Budget based on the estimated financial deficit to be funded by a capitalisation direction of £68.6m.

1.7 Approve the submissions of business cases by services to secure approval to utilise budgets earmarked for contract inflation, use of contingencies and budgets earmarked for pressures (Section 10, Table 21) for approval by the Chief Finance Officer and the Finance Commissioner in conjunction with the Portfolio Holder for Finance, Human Resources and Payroll to allow in-year budget adjustments.

1.8 Approve the submission of a spending plan by services before the newly announced additional grant funding for Social Care can be utilised (£1.4m). This will require approval by the Chief Finance Officer and the Finance Commissioner in conjunction with the Portfolio Holder for Children and Housing to allow in-year budget adjustments.

1.9 Note the Council's estimated position on Reserves as set out in Section 13.

1.10 Note the Dedicated Schools Grant (DSG) settlement for 2024/25 and the Thurrock allocation of £53.3m as set out in Section 11.

1.11 Note the continued use of measures to control expenditure as set out in section 14.

*Reason for decision: as outlined in the report.
This decision is subject to call-in.*

The meeting finished at 8.00 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**