

Thurrock - An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future

Corporate Overview and Scrutiny Committee

The meeting will be held at **7.00 pm** on **2 February 2023**

Committee Room 2, Civic Offices, New Road, Grays, RM17 6SL

Membership:

Councillors Fraser Massey (Chair), James Thandi (Vice-Chair), Paul Arnold, Adam Carter, Victoria Holloway and John Kent

Substitutes:

Councillors Alex Anderson, Gary Collins, George Coxshall, Tony Fish and Sara Muldowney

Agenda

Open to Public and Press

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1 Apologies for Absence	
2 Minutes	5 - 24
To approve as a correct record the minutes of the Extraordinary Corporate Overview and Scrutiny Committee meeting held on 29 November 2022.	
To approve as a correct record the minutes of the Corporate Overview and Scrutiny Committee meeting held on 8 December 2022.	
The minutes of the Association of South Essex Local Authorities (ASELA) meeting held on 15 December 2022 are attached for the Committee's information.	
3 Items of Urgent Business	
To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B	

(4) (b) of the Local Government Act 1972. To agree any relevant briefing notes submitted to the Committee.

4	Declaration of Interests	
5	Draft General Fund Budget 2023/24 and Medium Term Financial Strategy Update	
6	Treasury Management Strategy 2023/24	25 - 38
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Queries regarding this Agenda or notification of apologies:

Please contact Lucy Tricker, Senior Democratic Services Officer by sending an email to Direct.Democracy@thurrock.gov.uk

Agenda published on: **25 January 2023**

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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

Breaching those parts identified as a pecuniary interest is potentially a criminal offence

Helpful Reminders for Members

- *Is your register of interests up to date?*
- *In particular have you declared to the Monitoring Officer all disclosable pecuniary interests?*
- *Have you checked the register to ensure that they have been recorded correctly?*

When should you declare an interest *at a meeting*?

- **What matters are being discussed at the meeting?** (including Council, Cabinet, Committees, Subs, Joint Committees and Joint Subs); or
- If you are a Cabinet Member making decisions other than in Cabinet **what matter is before you for single member decision?**



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

any of your registered interests and in particular any of your Disclosable Pecuniary Interests?

Disclosable Pecuniary Interests shall include your interests or those of:

- your spouse or civil partner's
- a person you are living with as husband/ wife
- a person you are living with as if you were civil partners

where you are aware that this other person has the interest.

A detailed description of a disclosable pecuniary interest is included in the Members Code of Conduct at Chapter 7 of the Constitution. **Please seek advice from the Monitoring Officer about disclosable pecuniary interests.**

What is a Non-Pecuniary interest? – this is an interest which is not pecuniary (as defined) but is nonetheless so significant that a member of the public with knowledge of the relevant facts, would reasonably regard to be so significant that it would materially impact upon your judgement of the public interest.

Pecuniary

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting

If the Interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register

Unless you have received dispensation upon previous application from the Monitoring Officer, you must:

- Not participate or participate further in any discussion of the matter at a meeting;
- Not participate in any vote or further vote taken at the meeting; and
- leave the room while the item is being considered/voted upon

If you are a Cabinet Member you may make arrangements for the matter to be dealt with by a third person but take no further steps

Non- pecuniary

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature



You may participate and vote in the usual way but you should seek advice on Predetermination and Bias from the Monitoring Officer.

Our Vision and Priorities for Thurrock

An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future.

1. **People** – a borough where people of all ages are proud to work and play, live and stay
 - High quality, consistent and accessible public services which are right first time
 - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
 - Communities are empowered to make choices and be safer and stronger together

2. **Place** – a heritage-rich borough which is ambitious for its future
 - Roads, houses and public spaces that connect people and places
 - Clean environments that everyone has reason to take pride in
 - Fewer public buildings with better services

3. **Prosperity** – a borough which enables everyone to achieve their aspirations
 - Attractive opportunities for businesses and investors to enhance the local economy
 - Vocational and academic education, skills and job opportunities for all
 - Commercial, entrepreneurial and connected public services

Minutes of the Extraordinary Meeting of the Corporate Overview and Scrutiny Committee held on 29 November 2022 at 7.00 pm

Present: Councillors Fraser Massey (Chair), Paul Arnold, Adam Carter, Victoria Holloway and John Kent (*arrived 7.09pm*)

Apologies: Councillor James Thandi (Vice-Chair)

In attendance: Gerard McCleave, Assistant Director of Economic Growth and Partnerships
Lucy Tricker, Senior Democratic Services Officer

Before the start of the meeting, all present were advised at the meeting was being recorded and live streamed, with the recording to be made available on the Council's website.

13. Items of Urgent Business

There were no items of urgent business.

14. Declaration of Interests

There were no interests declared.

15. Thames Freeport

The Assistant Director of Economic Growth and Partnerships introduced the report and stated that he believed the Thames Freeport was a significant economic opportunity for Thurrock over the next few years. He explained that it would be private sector led by Forth Ports, DP World and Ford, but would include three local authorities: Thurrock; the London Borough of Barking and Dagenham (LBBD); and the London Borough of Havering (LBH). He stated that the Freeport Business Case (FBC) outlined the proposed governance for the Thames Freeport, and framed by government guidance, there would be a Governance Board formally established with Ruth Kelly as the Chairperson, and 12 Board members, including local authorities and key stakeholders. He stated that the first meeting of the Governance Board would be in early 2023, dependent on Cabinet approval and approval of the FBC by the Department of Levelling Up, Housing and Communities (DHLUC). The Assistant Director of Economic Growth and Partnerships explained that the Board would be accountable to government through a Memorandum of Understanding, and would be responsible for the delivery of Freeport objectives such as creating a global hub for trade, a centre for innovation, and enabling levelling up and regeneration. He commented that the report asked the Committee to note the potential economic benefits, endorse the approach supporting Thames Freeport, and provide comments on the governance structure before the report was submitted to Cabinet on 7 December. The Assistant Director of

Economic Growth and Partnerships clarified the process that had been undertaken on Thames Freeport, explaining that a business case had been submitted to DHLUC on 14 April 2022, and was currently going through the quality assurance process, which included critical action responses from Thames Freeport to DHLUC. He expected formal approval of the FBC early in the New Year.

The Chair thanked the officer for the report and highlighted point 4.6. He queried which MPs would be the observers of the Freeport. The Assistant Director of Economic Growth and Partnerships explained that all MPs across the Freeport Outer Boundary covering Thurrock, LBB and LBH would be invited to attend meetings.

Councillor Kent arrived at 7.09pm.

Councillor Carter felt that the Freeport would be a good opportunity for Thurrock, and highlighted that 68% of investment would be within the borough. He asked if this percentage was an estimate or contained investments that had been agreed upon. The Assistant Director of Economic Growth and Partnerships explained that some investments had already been agreed and secured, including seven new private sector investments at London Gateway, funding for seed capital projects, as well as direct port investments. He stated that other longer-term planned investments had been estimated using asset sites, types of development and potential jobs over the next ten years.

Councillor Kent highlighted section 2.4 and asked if the borrowing against future business rates was no longer going to happen. The Assistant Director of Economic Growth and Partnerships confirmed that it would not, but clarified that retained business rates would still be available to be used by Thurrock for regeneration and levelling up projects. He explained that the team had remodelled and considered the impact, and as there would no longer be borrowing charges the amount of retained business rates available in the future would likely be considerably more than originally thought, in relation to governance and Accountable Body status. He added that the commissioners may also have a future role. Councillor Kent felt concerned that the Freeport would increase traffic and air quality issues in the borough. He also felt concerned that Thurrock officers, as the lead local authority/Accountable Body, would not have the capacity for the additional work and would become overstretched. The Assistant Director of Economic Growth and Partnerships replied that the need for additional capacity had been identified from the outset and had been considered in terms of the team for administration and operational roles in finance and legal etc., and this would be funded through business rates. The Chair asked if the other local authorities involved were at the same stage as Thurrock in terms of governance. The Assistant Director of Economic Growth and Partnerships stated that the governance structure of the Freeport Board would be signed off by the other local authorities in line with their own internal processes.

An additional recommendation was proposed and agreed:

“Asked Cabinet to consider and respond to comments made by the Corporate Overview and Scrutiny Committee.”

RESOLVED: That the Committee:

1. Noted the potential economic benefits, endorsed the overall approach to supporting Thames Freeport, and provided comments on the report and recommendations to be considered by Cabinet on 7 December 2022:

That Cabinet:

- a. considers the approves the Thames Freeport proposed governance structure (Section 4).
- b. Approves the appointment of the Leader of the Council or nominated representative to the Thames Freeport Governance Board (Section 4.4, 4.5 & 5.3).
- c. Endorses that relevant Officers support the Leader of the Council or nominated representative at the TFGB to participate in and represent the Council on the various Thames Freeport Sub-committees as necessary, delegating authority to the Acting Chief Executive to appoint officers as appropriate to Sub-committees e.g. Levelling Up and Regeneration (Section 4.10).
- d. Delegates authority to the Acting Chief Executive, in consultation with the Leader of the Council to enter into any Memoranda of Understanding with government and Freeport bodies to deliver activities of the Thames Freeport (Section 4.2, 4.13, & 5.4).
- e. To note the approach of investing retained business rates in regeneration and infrastructure projects as the rates become available to the Council (Section 2.4).

2. Asked Cabinet to consider and respond to comments made by the Corporate Overview and Scrutiny Committee.

The meeting finished at 7.20 pm

Approved as a true and correct record

CHAIR

DATE

Any queries regarding these Minutes, please contact
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Minutes of the Meeting of the Corporate Overview and Scrutiny Committee held on 8 December 2022 at 7.00 pm

Present: Councillors Fraser Massey (Chair), James Thandi (Vice-Chair), Paul Arnold, Adam Carter, Victoria Holloway and John Kent

Councillor Jack Duffin, Portfolio Holder for Central Services
Councillor Mark Coxshall, Leader and Portfolio Holder for Growth

In attendance: Andrew Brittain, Strategic Lead – Revenues and Benefits
John Jones, Director of Legal and Governance, and Monitoring Officer
Karen Wheeler, Director of Strategy, Engagement and Growth
Jonathan Wilson, Interim Director of Finance and S151 Officer
Lucy Tricker, Senior Democratic Services Officer

Before the start of the meeting, all present we're advised at the meeting was being recorded and live streamed, with the recording to be made available on the Council's website.

16. Minutes

The minutes of the meeting held on 6 October 2022 were approved as a true and correct record.

17. Items of Urgent Business

There were no items of urgent business.

18. Declaration of Interests

There were no interests declared.

19. Report of the Cabinet Member for Central Services

Councillor Duffin introduced the report and thanked officers in the directorate for their hard work throughout the year. He drew the Committee's attention to the Local Full Fibre Network (LFFN) which had received a £2million grant from central government and had introduced 85 sites covering 75km of fibre cables in rural areas throughout the borough, including Stanford-le-Hope and Corringham. He stated that 89% of Freedom of Information requests had been resolved within 20 days, and although the team were above the Council's target, they were working to achieve 100%. He added that 98,000 Thurrock residents were subscribed to the e-newsletter, with an approximate open rate of 65%. He stated that the new Digital and Customer Strategy had been agreed by the Committee and Cabinet, and he felt this would help improve transparency within the Council and help residents engage with the

Council in a more efficient manner. Councillor Duffin explained that he wished to introduce a new portal for customers to contact the Council, which would mean residents would be able to track their enquiry and would be able to copy multiple people into the enquiry. He felt that this process automation would mean a more efficient Council, but would be a longer-term project. He summarised and stated that the Digital and Customer Strategy would not exclude people who still wished to contact the Council through non-digital channels, and would give officers more time to deal with non-digital enquiries.

Councillor Carter queried the 65% open rate of the e-newsletter and asked if the open rate fluctuated from month to month, and if this had increased during the COVID-19 pandemic. Councillor Duffin stated that he would take this query away and would respond after the Committee. He added that the Digital and Customer Strategy also allowed for the implementation of new ideas such as a star-rating or qualitative feedback after an enquiry had been handled. He felt that this would provide data on which departments were handling enquiries well and could be used as best-practice examples, and which departments needed some work. He stated that reports on this data could be brought back to the Committee. Councillor Arnold expressed concerns regarding residents who wished to contact the Council via non-digital channels. He asked what Thurrock were doing differently compared to other local authorities and if benchmarking data was being collected. Councillor Duffin replied that the contact centre would remain, which would allow residents to contact the Council via non-digital channels. He stated that a piece of work was currently ongoing regarding the final offering of the Digital Strategy which would look at best practice examples from other local authorities, and would consider all processes within the Council, and this would help improve services for residents.

Councillor Kent queried the Local Full Fibre Network (LFFN) rollout and stated that currently only 48% of Thurrock residents had access to fibre broadband. He queried the timescales for full-fibre rollout across the borough. Councillor Duffin explained that there was no timescale for full-fibre rollout as the Council continued to look for and target government grants. Councillor Kent asked why the front doors to the Civic Offices were locked in the evenings when Committee meetings were taking place. He felt that the building should be more easily accessible to residents who wished to engage with Committee meetings. The Chair echoed Councillor Kent's comments and felt the building should be open in the evenings. Councillor Duffin commented that a wider discussion needed to take place regarding the Council offices in the evening, to ensure that members of the public could access Committee meetings, but remained safe. He added that he would take this away and discuss with officers. Councillor Kent then queried why there was no working hearing loop within the Council Chambers, to which Councillor Duffin replied he would discuss with officers and reply after the Committee. Councillor Kent moved on and asked how the HR team were motivating staff members during the Council's current financial difficulties. Councillor Duffin explained that internal communications with staff had increased since the commissioners had started their work, including a Q&A page on the intranet which outlined the current facts and was updated regularly. Councillor Kent felt that in recent years

relations with media outlets had been poor, but felt pleased to see that an effort was being made to improve this in recent months. He sought reassurance that this effort would continue in future. Councillor Duffin explained that in recent months regular Cabinet media briefings had been organised, and urged editors and media outlets to attend these sessions to better understand Cabinet reports and policies. Councillor Kent summarised and highlighted the section of the report related to electoral services and asked when free ID documents would be rolled out within Thurrock, to ensure the borough met new government regulations being introduced before the elections in 2023. Councillor Duffin stated that the Council were currently waiting on the government to release more information regarding the free ID documents, but an all-Member briefing would be organised for the New Year to discuss this with Councillors.

The Chair felt concerned regarding the enquiry ticketing system proposal, as he felt that Councillors should be able to help residents rather than referring them to an online contact form. He felt that a ticketing system might reduce the amount of human interaction residents could have with the Council and engagement with Council officers. Councillor Duffin felt that the current system of numerous inboxes for different departments was not efficient, and this could be improved by one contact form which had the ability to copy relevant people in. He stated that with this system residents could also monitor the progress of their enquiry and ensure quicker responses. Councillor Thandi sought reassurance that face-to-face contact would still be an option for residents. Councillor Duffin explained that the Council would push technology as the way of working, but a face-to-face option would be available, although would not be the primary communications channel. Councillor Carter asked how the Council were working to improve democratic engagement with Council committee meetings. Councillor Duffin explained that many residents were engaging with Council committee meetings digitally, through YouTube or the Council's webcast channel. He added his focus as Portfolio Holder was to increase the number of people registered to vote, as this would help improve democratic engagement.

Councillor Holloway asked for more detail regarding the IT solutions being provided at the new Integrated Medical Centres. Councillor Duffin commented that he would take this away and reply after the meeting. Councillor Holloway then highlighted page 20 of the agenda, which stated that Thurrock had an ambitious agenda and asked how this would be impacted by the Council's financial situation. Councillor Duffin felt that it was too early to fully understand how the Council's financial situation would affect individual projects, but discussions remained ongoing. Councillor Holloway queried how the proposed contact form and enquiry system would handle complex issues that required input from different departments. She felt concerned that the proposed reduction in officer numbers would affect the level of service that residents received when contacting the Council. Councillor Duffin responded that the old email system with numerous inboxes could be replaced with the ticketing system, but would not replace the face-to-face service. He stated that the new system would make it easy for residents to fill out the contact form, as it would provide one point of entry for residents which would be sent

directly to the relevant department. He stated that this was an ongoing piece of work to ensure that an enquiry could move between different departments and provide residents with a quick response. He felt that the ticketing system would also make the system more efficient for officers as the enquiry would be sent directly to the relevant department.

The Chair asked if a report could be brought back before the Committee regarding the proposed ticketing system. Councillor Duffin stated that this was a long-term piece of work, but when the proposal had been further developed it could be brought back before the Committee.

RESOLVED: That the Committee:

1. Noted the report and asked the Cabinet Member any related questions.

20. Corporate Peer Challenge 2022 Update

The Director of Strategy, Engagement and Growth introduced the report and stated that the Corporate Peer Challenge had been undertaken in January 2022, which had been led by the Local Government Association and officer/Member peers from other local authorities. She stated that the LGA and peers had met with staff Members and partners, and their report had been received in Spring 2022. She explained that from this report an action plan had been developed and published on the Council's website in June 2022. The Director of Strategy, Engagement and Growth explained that government intervention had begun in September 2022 which saw work start to develop an Improvement and Recovery Plan, and which could show similar themes from the Corporate Peer Challenge actions. She felt that the Corporate Peer Challenge would be subsumed by the Improvement and Recovery Plan, which would be shared with Members in the New Year and taken to the appropriate Full Council meeting. She stated that the process was iterative and would also feed information in from the Best Value Inspection.

The Chair highlighted that the report felt the Council took the lead on too many projects, and subsequently damaged its reputation with stakeholders. The Chair asked what had changed regarding this issue since the publication of the action plan. The Director of Strategy, Engagement and Growth explained that the Council had previously taken the lead on many projects with a range of partners, such as the Health and Wellbeing Strategy, the Economic Development Strategy implementation plan, and the Thames Freeport. She stated that the Council now had an opportunity to review and reprioritise major projects, and allow the voluntary and private sectors to take the lead when they were best placed to do so. Councillor Kent stated that Members had spoken to the LGA regarding the Corporate Peer Challenge in January 2022, and the report was only being presented to the Corporate Overview and Scrutiny Committee one year later. He felt that the report was now out of date due to the Improvement and Recovery Plan, and asked why

the report had not been presented to Members earlier, and sought assurance that the Improvement and Recovery Plan would be shared with Members. The Leader agreed with Councillor Kent that the report should have been shared with the Committee earlier. He felt that the Council needed to resolve the issues with finances, but also needed to undergo a cultural change and remove the culture of secrecy through leadership. The Chair agreed that the amount of time that had passed since the peer review had taken place devalued the report, and asked officers to ensure the Improvement and Recovery Plan was distributed to Members in a timely way. The Leader explained that the Improvement and Recovery Plan was an iterative process and would need to be agreed by the Secretary of State before being shared with Members.

RESOLVED: That the Committee:

1. Noted the outcomes of the LGA Corporate Peer Challenge in January 2022 and the actions as part of the wider response to the Best Value Inspection and intervention process.

2. Feedback on any specific areas which committee members feel should be focussed on in future iterations of the Improvement and Recovery Plan.

Councillor Duffin left the meeting at 7.51pm

21. Financial Update - Quarter 2 2022/23

The Interim Director of Finance introduced the report and highlighted paragraph 3 on page 39 of the agenda which stated that Thurrock Council was currently in a grave financial position, with a £469m deficit in the current year, and a £184m deficit for 2023/24. He explained that these deficits were mainly from investments and page 40 of the agenda provided a breakdown of the current position, including a write-down on investments, prudential borrowing, and further losses from investment income. He explained that the Council could undertake limited mitigation to reduce the deficit to £452m, as set out in the table on page 40, but exceptional financial support (EFS) would still be required from central government and a Section 114 notice would likely be issued before Christmas. The Interim Director of Finance explained that the most significant balances related to the write-down of the valuations of four investments, the most significant of which were the solar investments. He explained that the Council's position also reflected forward compliance with the new prudential code that would come into effect in April 2024. He explained that the position on investments had a long way to run, and the Council were currently quantifying issues surrounding this investment to form the basis of further discussions with central government. He added that there was only limited mitigation to date. He stated that the EFS request to central government was expected to be sent next week, but the government had been engaged with the process and had seen the report being presented to this Committee.

The Interim Director of Finance continued and outlined the Medium-Term Financial Strategy (MTFS) position, which he felt was also worrying as the Council continued to identify problems with the ongoing impact of investments. He highlighted Table 2 on page 41 of the agenda that outlined the ongoing impact of these issues, which totalled approximately £167m in addition to the Council's operational budget. He explained that if the Council divested their investments, then this would reduce interest costs and Minimum Revenue Position (MRP) costs, but the Council would continue to be in a deficit position. The Interim Director of Finance explained that the divestment strategy was ongoing, particularly regarding the solar investment assets, which were now likely to be sold from within an administration process, and noted that the administrator had recently appointed KPMG to lead on the sale of these assets. He was hopeful that the sale of this asset would happen within two years.

The Interim Director of Finance stated that although the investment figures were large, this should not detract from underlying issues, as regardless of the investment figures the Council had already had to use temporary measures to balance the budget in 2022/23, such as the use of reserves and capital receipts. He commented that this had been a problem before the investment issues, and the Council now needed to prove that it could become a sustainable Council in the future. He highlighted the Commissioner comments on page 42 of the agenda, and stated that the report had been agreed with them before publication. He explained that they had noted the Council's position in terms of the budget position, the level of reserves, and the impact of investments, and further work was required to look at other investments which would be outlined in the Quarter 3 Financial report. He explained that an initial review of the tail of investments had identified one further issue which was being quantified, and this would be presented to the Financial Reporting Board soon. The Interim Director of Finance explained the wider financial review remained ongoing and was an iterative process, which would also look at areas such as the Housing Revenue Account (HRA) and subsidiary companies. He felt that lots had happened at the Council in the past three months, and the Council would continue to work with the Commissioners and central government to consider whether the Council was sustainable, and this included work undertaken through the Best Value Inspection (BVI).

The Interim Director of Finance summarised and stated that the recommendations had been produced in consultation with the Commissioners, and the report had been deferred by Cabinet to ensure Corporate Overview and Scrutiny comments and feedback could be received. He added that meetings were currently being set up between the Council and external auditors to consider the revised MRP approach, and a further report would come back for Quarter 3 to confirm a prudent and robust approach was undertaken.

The Chair asked if anything had changed since publication of the report. The Interim Director of Finance replied that one investment may have lost value, but this still needed to be verified and would be brought back as part of the tail

of investment report. He explained that some changes and fluctuations were normal, but the Council would be taking a view on all investments and would undertake a constant dialogue to increase transparency. He added that the next phase was to understand the future of the MTFS with the divestment strategy over the next 5/6 years, but would also consider what the Council's finances would look like post-divestment, and the team were currently modelling different scenarios to do this.

Councillor Holloway highlighted that the Council's reserves were being decreased, and asked if this would open up the Council to further risk, and what this would mean practically for the Council. The Interim Director of Finance replied that the recommended level of reserves was £11m, and the Council's reserves were currently projected to be just above this level. He stated that this could leave the Council open to financial exposure, although the team were working to ensure reserves were built back up through a Reserve Strategy to achieve financial sustainability. He felt that this would help transform the Council and lead to sustainable decision making. Councillor Holloway questioned the impact that the Council's finances would have on the HRA and subsidiary companies, and asked if due diligence would be carried out before monies were secured. The Interim Director of Finance responded that the Council's finances could have an impact on the HRA, and the HRA could be considered as a capital asset of the authority. He added that consultation was currently being carried out to assess the capital contribution this asset could make. He explained that the first step was to understand the 30-year business plan of the HRA, but significant work needed to be carried out to decide if it could provide a financial solution. He stated that the two subsidiary companies were Thurrock Regeneration Limited (TRL) and Thurrock Regeneration Homes Limited (TRHL), who currently had one major project in St Chads to complete. He explained that the plan was to divest this housing, which would fund the TRL/TRHL loans. He explained that there could be exposure for the Council in this strategy due to housing and interest rates, but due diligence would be undertaken and would be presented to Members.

Councillor Holloway highlighted page 46 of the agenda and asked what financial assumptions had been made, what these assumptions had been based on, and what would happen if these were incorrect. The Interim Director of Finance responded that as some financial assumptions had been made within the report, the financial situation could deteriorate further, due to other costs such as the £1.5m intervention fee and short-term resources would be needed to fix these issues and therefore become a sustainable Council. Councillor Holloway then queried 3.11 on page 48 of the agenda and asked what it meant that the external audits were still outstanding. The Interim Director of Finance clarified that the audits assessed the financial situation of the Council when issues started arising. He stated that the current set of open accounts were in 2020/21. He explained that the auditors could reflect issues arising back to the end of 2018/19 and attach losses to previous periods as appropriate. He commented that these technical assessments were complex and included judgement decisions from auditors that could affect reserves and the open sets of accounts. Councillor Holloway asked how long the

Commissioners would be in Thurrock. The Interim Director of Finance believed that the Commissioners had been appointed for a minimum of period of three years. He explained that this was to ensure they could oversee financial aspects of the Council such as the divestment strategy and reserves, but they could be here longer to ensure the Council's sustainability. He explained that the Council was currently in conversation with the Department of Housing, Levelling Up and Communities (DHLUC) to develop a 30-year MTFS strategy.

Councillor Arnold thanked the Interim Director of Finance for the report, and asked if terminology within the report could be clearer to ensure residents could understand. He urged Members to contact the Interim Director of Finance if they did not understand terminology within the report. Councillor Arnold sought assurances that statutory services would continue to be provided. He also highlighted 3.12 – 3.13 of the report on page 48 of the agenda and asked what would happen if Thurrock did not comply with the Prudential Code. The Interim Director of Finance highlighted that Members would continue to be invited to Q&A and briefing sessions regarding the Council's finances. He explained that there had been two prudential codes iterations during the period of the investment strategy. He stated that a third iteration of the code was expected in April 2024 which the Council was currently working on to ensure forward compliance. He stated that under the first iteration of the Code, the Council's investment strategy had been compliant, but the rules regarding write-down of investments had changed in April 2019 with the second iteration of the Code and the Council were made no longer compliant. He stated that when the investment strategy had been agreed as an approach it had been Code compliant, but this had not been challenged when the rules had changed. He also confirmed that statutory services and contractual obligations would continue if a S114 notice was issued, but all spend would be considered in more detail to ensure good decision-making. He clarified that the S114 notice would probably be in place throughout 2023 to ensure revenue and capital spend was considered, but confirmed that staff and contractors would continue to be paid.

Councillor Kent thanked the Leader for deferring the Cabinet report to ensure Overview and Scrutiny comments could be included. He sought clarification that the budget and capital strategy agreed by Full Council in February was accurate. The Interim Director of Finance replied that the budget had been accurate, but the MRP policy had assumed that the recovery of funds would pay back borrowing. He stated that up until recently this assumption had held, and was an approach being taken by other Council's and supported by advisers, but the risks had been underestimated. Councillor Kent queried if the Q2 report being presented to the Committee was accurate and compliant with the Prudential Code. The Interim Director of Finance responded that the Q2 report was accurate and compliant with the Prudential Code. He stated that the investment approach had been deemed acceptable under the first Prudential Code, but had become unacceptable under the second Prudential Code as MRP was required on all assets. He felt that it was clear retrospectively that the Council's approach had been non-compliant with the second Code iteration, but the Council had not been challenged on this and

were now having to remedy this issue. He clarified that the investments had caused the Council's financial issues, but the MRP was a judgement call made by all local authorities. He felt that as some local authorities were under financial pressure, such as Thurrock, they had gravitated to setting a level of MRP which created greater exposure to the issues that subsequently arose.

Councillor Kent asked what an EFS and capitalisation directive was and how this would affect the Council. The Interim Director of Finance explained that the EFS confirmed that the Council had a gap on its balance sheet that it could not close, and allowed the Council to borrow money from central government to close this gap and pay it off over approximately twenty years so it remained balanced in the future. Councillor Kent asked what the consequences would be of an S114 notice. The Interim Director of Finance replied that an S114 notice was confirmation from the S151 Officer that the Council cannot deliver its budget within existing resources for 2022/23, and committed the Council to spending controls throughout the S114 period. He explained that a panel would be set up to approve spending limits, including on capital projects. He explained that it did not prevent the Council from spending money on sustainable transformation projects, but these would be subject to higher levels of scrutiny. He added that the BVI could override spending controls, but the bar for these exemptions would be high. The Interim Director of Finance sought assurances from Members that cost controls would be implemented, as the Council had to demonstrate to the BVI and external auditors it could manage costs appropriately. Councillor Kent felt concerned that money had been borrowed from the Public Works Loan Board (PWLB) and they had not done their due diligence. He queried if questions needed to be asked of the PWLB. He added that external auditors had not challenged the Council on their lack of compliance with the Prudential Code, and if the Council also needed to ask questions of them. The Interim Director of Finance replied that when the first iteration of the Prudential Code was in place, local authorities committed to fund borrowing and interest, and although there were restrictions in place, local authorities simply had to confirm they could pay their borrowing back. He stated that he could not comment on the due diligence of the PWLB, but concerns had been raised as other local authorities had also borrowed money from the PWLB, so felt it was not unreasonable to ask them to assess their borrowing process. He stated that from 2020 onwards the PWLB asked local authorities to confirm that they were not borrowing to invest. The Interim Director of Finance stated that the external audit was ongoing and would make assessments regarding investments.

Councillor Kent explained that an S114 notice would mean the Council would retreat to a statutory minimum, as defined by the S151 Officer, and asked what the Council's statutory minimum position was. He also sought clarification as several local authorities had sought EFS and capitalisation directives, and these authorities were now subject to a 1% future supplement on PWLB borrowing. He asked if this would be the same case for Thurrock. The Interim Director of Finance replied that Thurrock would have a 1% supplement on future borrowing from the PWLB. He added that the Spend Panel would make the judgement on all spend within the Council, and the

rules on spend would come to a Full Council meeting. Councillor Kent asked what Member oversight there would be on the Spend Panel. The Interim Director of Finance responded that the team were currently working on this, but felt that Member oversight would be key to the Panel.

The Chair sought confirmation that an S114 notice would trigger a Full Council meeting within 21 days. He asked what would be on the agenda for this meeting. The Interim Director of Finance replied that Full Council would need to meet within 21 days to acknowledge and endorse the S114 notice. He added that Full Council would also need to consider spending controls. He stated that the team were currently working on dates for the Full Council meeting to ensure the S114 notice could be implemented, and the report would make several recommendations to ensure Members fully understood the Council's position. Councillor Holloway stated that although other local authorities had submitted a S114 notice, Thurrock was in a unique position due to the deficit level and governance issues. She asked what would happen in the future to ensure that this level of deficit and governance issues does not happen again. She felt concerned regarding the level of Member oversight and sought assurances from officers that Members would be included in decision-making. The Interim Director of Finance replied that the BVI would consider all governance arrangements, and actions from this would be picked up through the Improvement and Recovery Plan. He added that the Commissioners would also provide another level of oversight, and would help reset the financial future of the Council. He stated that officers were taking all Member comments on-board, and these would also be included in the BVI report, which was due imminently.

RESOLVED: That the Committee:

- 1. Commented on the 2022/23 forecast funding gap of £469.581m including a request for exceptional financial support from central government.**
- 2. Noted the request for exceptional support will be delegated to the s151 officer.**
- 3. Commented on the updated Medium Term Financial Strategy which has a projected deficit in 2023/24 of £184.381m and which is expected to require a further request for exceptional financial support from central government.**
- 4. Noted that the position is subject to change, as further work is outstanding (as highlighted in the Commissioners commentary) which is likely to lead to changes.**
- 5. Noted additional actions will be required to identify further savings to manage the reported General Fund budget pressures.**
- 6. Noted that use of reserves as set out in appendix 5, subject to the finalisation of the audit process relating to financial years 2020/21 and**

2021/22 ad noted balances are subject to change.

7. Noted the proposed uses of further capital receipts projected to arise in 2022/23 as set out in Table 5 to mitigate the request for exceptional financial support from government.

8. Noted that further consultation with external audit will be required to finalise the technical accounting treatments relating to the investment valuations and the associated Minimum Revenue Position transactions.

9. Noted the position set out in respect of the capital programme and the reported slippage as set out in para 5.4.

10. Noted that Thurrock's 2023/24 Schools funding formula be implemented as stated in Appendix 6. This being consistent with Cabinet's decision made between 2020/21 and 2022/23 schools funding formula as per the report in Appendix 6.

22. Local Council Tax Scheme

The Strategic Lead – Revenues and Benefits introduced the report and stated that it set out the Council's obligations to consider the Local Council Tax Scheme (LCTS), which set out the level of support that working aged people could receive annually. He stated that the LCTS remained unchanged for 2023/24, as the level of complaints had been low, but the level of collections had been high in 2022/23. Councillor Kent stated that the number of claimants of LCTS had reduced over the past year, and asked if officers expected to see a rise next year due to the cost-of-living crisis. The Strategic Lead – Revenues and Benefits stated that the team were expecting to see a rise in the number of claimants due to a predicted rise in unemployment in the borough.

RESOLVED: That the Committee:

1. Noted the analysis of the current scheme.

2. Supported the recommendation that the current scheme remains unchanged for 2023/24.

23. Work Programme

The Chair proposed an update report on the future of Coalhouse Fort, as this would link to the Thameside, and Asset Management reports scheduled for February. This was agreed by the Committee.

The meeting finished at 8.52 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**



Meeting of Association of South Essex Local Authorities (ASELA) – Joint Committee

Date: Thursday, 15 December 2022

**Place: Council Chamber, Castle Point Borough Council, Kiln Road,
Thundersley, Benfleet, SS7 1TF**

Present: Councillor C Hossack (Chair) (Brentwood Borough Council)
Councillors S Wootton (Vice Chair) (Rochford District Council), A
Baggott (Basildon Borough Council), D Blackwell (Castle Point
Borough Council), M Coxshall (Thurrock Borough Council) S
George (Southend-On-Sea City Council)

In attendance: I Butt (Castle Point Borough Council), J Cuthbertson (Essex
County Council), E Helm (Southend-On-Sea City Council), A
Hutching (Castle Point Borough Council), S Logan (Basildon
Borough Council), R Polkinghorne (Southend-On-Sea City
Council), J Stephenson (Brentwood Borough Council and
Rochford District Council), K Wheeler (Thurrock Borough
Council)

Start/End Time
9.30am-10.16am

13. Apologies

No apologies were received.

14. Declarations of Interest

No declarations of interest were made at the meeting.

15. Minutes

Resolved:

That the minutes of the meeting of the Committee held on the 20 October
2022 be confirmed as a correct record.

16. Chairman's Report - Verbal Update

The Chair confirmed that the away day in November was a success with great attendance from members and officers. The purpose of the away day was to check the shared understanding of the opportunities and benefits ASELA can bring and to strengthen commitment to collaboration. The next steps are now in the process of being agreed.

17. ASELA Joint Committee Secretariat Arrangements

R Polkinghorne introduced the report. He confirmed the report was straightforward and outlined that approval from the Joint Committee was being sought to transfer the secretariat from Thurrock Borough Council to Southend-On-Sea City Council as Thurrock Borough Council were currently experiencing a challenging time.

RESOLVED:

- 1.1 That Southend-on-Sea City Council act as the Secretariat in relation to the ASELA Joint Committee with effect from the date of this meeting.**

18. ASELA Joint Committee Finance Report

E Helm introduced the report. She confirmed that following feedback from the last Committee meeting she had gone through each scheme with the programme leads. She confirmed that as she finalised this report further changes have taken place and more funding has been received. There is therefore a revised deficit of £79,000 down from £95,000.

The Committee discussed the funding of SEE PARK and the £750k funding received from Highways England. A Hutchings is currently in the process of confirming that the commitment of funding is enough for Highways England's accounting purposes.

Councillor George joined the meeting at 9.47am.

Councillor Baggott queried what the back-up plan is if Highways England do not accept this is enough for their accounting purposes. A Hutchings responded that it will be a stale mate as assurance is needed that the money will be received.

RESOLVED:

- 1.1 The Joint Committee noted the contents of the report.**

19. ASELA Joint Committee Communications Report

K Wheeler presented the Communications report. She confirmed that the website had been updated to better reflect the key themes of ASELA. Social media interest has continued to increase across all channels.

S Logan updated the Committee that it has been agreed that a communications lead from each organisation will support each of the programmes to help embed ASELA communications across all 7 Councils. S Logan suggested that he can bring a report to the next Joint Committee meeting regarding this and he will also set up a meeting in January with the communications leads.

R Polkinghorne suggested each programme lead could complete a short monthly update on each of the programmes.

Councillor Wootton highlighted that many members in Rochford are still not aware of what ASELA is and therefore more needs to be done to improve the branding of ASELA.

K Wheeler confirmed there will be a Newsletter issued before Christmas. The Chair suggested a tour is completed in the New Year and he could attend the Town Halls of each organisation to raise the profile of ASELA.

Councillor Baggott stated that the way they were communicating was archaic and highlighted that video content is popular and that the general population don't want to read long boring reports.

The Chair agreed that he could do a video update on ASELA and send the link out via You Tube video rather than a physical tour of each Council Town Hall.

R Polkinghorne suggested a digital round table meeting.

K Wheeler agreed that two-way engagement like a virtual webinar is good as people will have the opportunity to ask questions.

RESOLVED:

- 1.1 That the Joint Committee noted the update provided in the Communications report.**

20. Any Other Business

There was no other business.

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2 February 2023		ITEM: 6
Corporate Overview and Scrutiny Committee		
Treasury Management Strategy 2023/24		
Wards and communities affected: All	Key Decision: Key	
Report of: Gareth Moss, Chief Finance Officer		
Accountable Assistant Director: N/A		
Accountable Director: Gareth Moss, Chief Finance Officer		
This report is Public		

Executive Summary

The Treasury Management Strategy included in Annex 1 has been prepared in the context of the intervention initiated by the Department of Levelling Up, Housing and Communities (DLUHC) on 02 September 2022. It is presented following the issue of a Section 114 notice to Council members on 19 December 2022 which confirmed that exceptional financial support would be required by the Council in 2022/23 and 2023/24. The financial support required will enable the Council to mitigate the wider financial pressures that have arisen from the issues attached to the Council's investment strategy.

The Secretary of State's statutory directions included the requirement that Thurrock Council implements action plans to ensure that its capital, investment and treasury management strategies are sustainable and affordable, debt is strictly reduced and the MRP policy is revised.

The Treasury Management Strategy has been produced within context with a specific focus of reducing debt as part of delivering future financial sustainability. The strategy includes the capital and investment strategies and supersedes all existing strategies. The strategy is based on assumptions that are reasonable to support the current positions set out the but remain subject to significant change and so it is expected a further update to the strategy will be required during the 2023/24 financial year.

The Treasury Management Strategy is a critical component of the way the Council manages cash-flow and provides the framework for the management of borrowing and investments. The strategy also sets out the projected funding of the Council's capital plans, which is a key driver for the borrowing needs of the Council.

The intervention has led directly to focussed activity to review all commercial investments held by the Council. Key decisions have been taken in respect of specific investments which support the plans to move to a more sustainable financial footing and to also reduce debt significantly.

The projected financial outturn for 2022/23 reported to Cabinet on 14 December 2022 confirmed the need for exceptional financial support of £452m in respect of 2022/23 and £184m in respect of 2023/24. This support is expected to be in the form of a capitalisation direction and the strategy includes consideration of these balances.

The Council is considering all the levers available to repay the exceptional support required from government. It is clear that holding existing commercial investments continues to create significant financial pressures and leaves the Council exposed to significant financial risk. Hence, the divestment of investments is a priority for the Council and the strategy considers assumptions that support the reduction of debt through asset sales including property sales under the '3Rs' programme.

The Council has been exposed to a higher level of financial risk through the MRP policy that was in place which did not write down the borrowing funding the investment strategy over an appropriate period. Consequently, the MRP policy has been revised to include a full write down of the borrowing that funds the capital investment assets appropriately. While this has created significant additional financial pressures, it also ensures the Council's exposure to financial risk is reduced.

The wider investment portfolio is now under review and it is clear that most of the commercial Investments previously generating a net income stream are now being held at a net cost to the Council. This is set out in the strategy and is as a consequence of both the revised MRP policy and higher interest rates attached to the borrowing required to fund the investments.

Due to the Council's financial position, this is a holding Treasury Management Strategy and a revised strategy to be presented during 2023/24. This version includes all information known to date but there are areas that will be worked on over the coming months which will affect many of the assumptions included in the current version.

1. Recommendation(s):

- 1.1 That the Committee comment on the 2023/24 Treasury Management Strategy for consideration by Cabinet at their meeting on 8 February 2023.**
- 1.2 That the Committee consider the current assumptions (set out on page 3 of the strategy) underpinning the Treasury Management Strategy and note that this will be subject to further updates in 2023/24.**
- 1.3 That the Committee consider the strategy in the context of the directions issued by the Secretary of State for Levelling Up, Homes and**

Communities and specifically the need for a strict debt reduction plan.

- 1.4 That the Committee note the increase in the Council's Capital Financing Requirement (CFR) in 2022/23 as a result of the expected support from DLUHC in the form of a capitalisation direction, as set out in section 3.16.**
- 1.5 That the Committee note the divestment of investments and the sale of property assets are required to repay the Exceptional Financial Support from DLUHC and this is a key assumption supporting the strategy.**
- 1.6 The Committee note the Council's borrowing level will exceed the CFR in 2022/23 but is planned to be managed within this from 23/24 and onwards, as set out in section 3.16.**
- 1.7 That the Committee note the Prudential indicators included within the strategy that show commercial capital investments are generating net losses to the Council in the context of the revised MRP charges and current and projected interest rates, as set out in section 3.6.**
- 1.8 That the borrowing strategy supporting the commercial investment portfolio will be reset alongside wider revisions to the strategy in 2023/24**

2. Introduction and Background

- 2.1 The Treasury Management - Strategy has been produced in accordance with revised guidance contained in The Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services and the Prudential Code (The Code).
- 2.2 The issue of a Section 114 notice places limits on what the Council can spend with an assessment against strict criteria to support ongoing spend. All new spending and new agreements are reviewed on a case-by-case basis by formal spending review panels. This covers both revenue and capital expenditure and extends to all forms of service delivery including the Housing Revenue Account and to all Council owned entities
- 2.3 The Treasury Management Strategy sets out the strategic framework underpinning capital expenditure and the associated financing at the Council. The Treasury Management Strategy is a critical component of the way Thurrock Council manages cash-flow and also supports the management of investments and borrowing.
- 2.4 The Treasury Management Strategy sets out the Council's approach to ensuring cashflows are adequately planned to ensure the Council's capital programme and corporate investment plans are adequately funded, with cash being available when it is needed to discharge the Council's legal obligations and deliver Council services.

2.5 The strategy sets out a Treasury Management policy statement which define the policies and objectives of its treasury management activities as:

- the management of the authority’s borrowing, investments, and cash flows including its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.
- the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Authority and any financial instruments entered into manage these risks.
- the acknowledgement that effective treasury management will provide support towards achievement of its business and service objectives. Therefore, the Council is committed to the principles of achieving best value for money in treasury management, and to employing suitable, comprehensive performance measurement techniques within the context of effective risk management

3. Issues, Options and Analysis of Options

The Strategy sets out in detail sections of capital expenditure, borrowing, cash flow management, prudential indicators and the wider legal implications of the strategy. Further detail is set out below:

Capital Expenditure

3.1 The existing capital programme has been scaled back as part of an initial high-level review of capital activities. As part of this exercise, several projects have been put ‘on hold’. Further reviews will be undertaken to determine the future of these schemes and ‘a further wider review of the existing programme will be undertaken in 2023/24 New bids for capital projects have been reviewed on a case-by-case basis and proposals are part of the wider report on the agenda. There are further capital considerations set out in the strategy in respect of the exceptional financial support from DLUHC, in the form of a capitalisation direction required to support the financial position in 2022/23 and continuing in subsequent years. Table 1 below summarises the Council’s capital expenditure plans and financing.

Table 1 - Capital spending and funding plans

	2021/22 actual	2022/23 forecast	2023/24 forecast	2024/25 forecast	2025/26 forecast	2026/27 forecast	2027/28 forecast
	£m	£m	£m	£m	£m	£m	£m
Capital Expenditure							
General Fund services	74	60	47	19	7	7	7
Council housing (HRA)	44	49	25	76	48	12	12
Total Capital Expenditure	118	109	72	95	55	19	19
Projects for yield ¹ investment	-	-	-	-	-	-	-
Total Capital Expenditure (including Investments)	118	109	72	95	55	19	19
Capital Financing							
External sources	17	15	26	19	5	5	5
Own resources	30	13	10	18	16	12	12
Total Financing	47	28	36	37	21	17	17
Net financing - Borrowing	71	81	36	58	34	2	2
- Net financing HRA	13	36	12	55	32	-	-
- Net financing GF	58	45	24	3	2	2	1
Net financing - Borrowing	71	81	36	58	34	2	1
Capitalisation Direction - GF		462	182	162	75	73	69
Total Financing Need for the Year including Capitalisation Direction	71	543	218	220	109	75	71

3.2 The table above confirms the total financing need and the strategy notes that a key lever to address the financing requirements of the Council is asset sales including the divestment of investments. Capital receipts generated from asset sales will be used:

- to finance any expenditure capitalised under any Capitalisation Direction granted by the Government; and
- to repay existing debt and to reduce the Capital Financing Requirement (CFR) and reducing the Minimum Revenue Provision (MRP) in subsequent years.

Investments

3.3 The investment strategy was largely paused strategy since Oct 2020 following changes to the regulations governing the use of Public Works Loan Board funding. Since that point there has been limited activity and the total of commercial investments is set out in the table below:

	31-Mar-22 £m	31-Dec-22 £m
Non Treasury Investments		
Non Treasury Investment (Capital):		
Service type investments	30	29
Subsidiary - Loan	23	22
Subsidiary - Equity	6	6
Loan to Third Party	1	1
Commercial type investments	787	786
Corporate Bonds	670	670
Equity	97	97
Corporate Bond - converted largely to Equity	20	19
Non Treasury Investment (Revenue):		
Commercial type investments	234	232
Pooled fund	103	103
Corporate Bonds	95	91
Other funds	31	33
Loans to Businesses	5	5
Total Investments	1,051	1,047

- 3.4 As noted, further rises in interest rates and hence increasing borrowing costs, combined with the revised MRP charges means these investments are no longer generating net income streams for the Council. In fact, the loss of income in relation to specific investments and the net cost of the wider remaining portfolio is driving the budget deficit identified in 2022/23 and will continue to be an issue for years to come without appropriate action. This can be seen in the table below:

Investment	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Gross Investment Income	(358)	(1,887)	(3,506)	(10,315)	(26,352)	(45,008)	(45,344)	(17,679)	(13,102)

- 3.5 As part of a wider assessment of the investment portfolio, a number of commercial investments are not considered revenue in nature and hence the associated borrowing funding these investments is not supporting the capital plans of the Council. This is not considered compliant with the requirements of the Prudential Code and further action will be considered to address this in 2023/24.
- 3.6 The Code requires local authorities to determine the Treasury Management Strategy and Capital Strategy and the associated Prudential Indicators on an annual basis in accordance with the requirements of the Prudential Code. The basis for the investment indicators is set out on page 44 of the strategy. The Table below summarises the indicators which, in all cases, demonstrate the ongoing financial concerns over holding the commercial investment portfolio.

	Benchmark	Performance
Gross Debt to net service expenditure	300%	938%
Commercial income to net service expenditure	5%	(74.14%)
Investment cover ratio (interest covered by investment income)	>3	0.66
Loan to value ratio	<80%	134%
Benchmark returns	5%	(8%)

- 3.7 The Strategy sets out the wider investments in Thurrock Regeneration Ltd (TRL) and Thurrock Regeneration Homes Ltd (TRHL). Both companies are owned by the Council and TRL delivers revenue returns through interest repayments on loans made to the companies. These loans are funded by borrowing and, consequently, returns have been significantly reduced by the increase in interest rates. The strategy confirms the wider repayment of borrowing remains linked to the sale of the property held by TRHL.

Borrowing levels

- 3.8 The borrowing levels set out in the report reflect the current planned capital programme in both the General Fund and the HRA. Borrowing is also required in respect of the exceptional support funding from government that relates to addressing revenue deficits arising. It is noted the associated interest costs arising from borrowing to support the capital programme will be met from the General Fund and HRA respectively

The Council is currently maintaining a fully borrowed position (excluding the capitalisation direction). This means that the capital borrowing need (the Capital Financing Requirement), has been fully funded with loan debt. This means the Council is having to use a significant percentage of the net revenue budget to meet MRP and interest costs. Thus, reducing the ability of the Council to spend on service delivery.

- 3.9 From September 2022 the council has agreed a planned refinancing of Local Authority temporary borrowing with PWLB borrowing. This has a maturity of one year to enable wider consideration of the borrowing strategy going forwards.
- 3.10 With the conversion of borrowing from temporary loans to PWLB, the council is projecting an increase in interest costs of £14m in 2022-23. If interest rates increase in line with expectations as borrowing is replaced by PWLB borrowing, then interest charges on borrowing could increase by a further £23m in 2023/24.
- 3.11 The capital programme will be subject to further review in 2023/24 and any revisions will need to be included fully in further updates to the strategy.

- 3.12 If the Council is granted exceptional financial support in the form of capitalisation direction from the Department for Levelling Up, Housing and Communities (DLUHC) as part of the recovery measures, the value of this will become part of a further increase to the capital programme and relevant elements will need to be financed from borrowing alongside an MRP charge for the entire balance. Consequently, the Council will incur interest costs and a provision for the repayment of principal (MRP). The strategy currently estimates a position for this.
- 3.13 There is no new capital investment activity planned and the overall level of debt for investments is projected to start reducing by 2024/25 and may happen prior to this. The expectation is that borrowing levels will be managed down in line with agreed redemption dates or sooner where the opportunity to do so is made available and can be managed in a financially sustainable way.

Capital Financing Requirement

- 3.14 The Capital Financing Requirement (CFR) sets out the level of borrowing required to support the planned capital activity of the Council. The report sets out the levels through to 2027/28 and confirms the level of borrowing will be within this limit throughout this period from 2023/24.
- 3.15 The CFR represents all unfinanced capital activity (i.e., that which cannot be funded from internal resources), regardless of its purpose. This forms a comparator for the levels of debt that the Council holds. Measures are being worked on with a view to bringing down the CFR for the Council, which is currently significant as it reflects the quantum of commercial investments the Council has purchased under the investment strategy. A key way to bring the CFR down is through the disposal of assets which also provides a funding source to repay debt. The value and timing of these receipts remains uncertain, but projections are included in the strategy to demonstrate a current assessment of the impact to the Council going forward. As plans for the sale of assets develop an updated position will be reported along with a revised strategy.
- 3.16 The CFR is expected to fall following asset disposals however will increase due to the capital programme but largely due to the expected capitalisation direction as set out below:

Capital Financing Requirement

	31.3.2022 actual	31.3.2023 forecast	31.3.2024 forecast	31.3.2025 forecast	31.3.2026 forecast	31.3.2027 forecast	31.3.2028 forecast
	£m	£m	£m	£m	£m	£m	£m
General Fund services	258	296	312	305	296	287	278
Council housing (HRA)	208	244	256	311	343	342	342
Loans	1	1	1	1	1	1	1
Capital investments	525	450	327	71	39	36	33
TRL Investments	25	23	23	22	21	20	19
Capitalisation Direction	0	452	612	340	390	408	424
CFR - Borrowing	1,017	1,467	1,531	1,050	1,089	1,094	1,097
CFR - Other Liabilities	12	12	12	12	11	11	11
TOTAL CFR	1,029	1,479	1,542	1,062	1,101	1,105	1,108
Reason for change							
Net financing		81	36	58	34	2	1
MRP charge		(82)	(106)	(100)	(34)	(36)	(37)
Repayment of debt		(11)	(49)	(600)	(36)	(34)	(31)
Capitalisation Direction		452	182	162	75	73	69
Annual change		450	64	(480)	39	5	3

- 3.17 Borrowing levels are expected to fall by using capital receipts from the disposal of asset and investments to repay back borrowing. Table below demonstrates the borrowing levels falling in line with the Capital Financing Requirement.

Borrowing Levels compared to Capital Financing Requirement:

	31.3.2022 actual	31.3.2023 forecast	31.3.2024 forecast	31.3.2025 forecast	31.3.2026 forecast	31.3.2027 forecast	31.3.2028 forecast
	£m	£m	£m	£m	£m	£m	£m
Gross Projected Debt	1,449	1,511	1,504	945	985	990	993
Capital Financing Requirement	1,017	1,467	1,531	1,050	1,089	1,094	1,097
Under/(over) Borrowing	(432)	(45)	27	105	104	104	104

Minimum Revenue Provision (MRP)

- 3.18 Regulations require local authorities to make “prudent provision” for the repayment of debt. Statutory guidance was issued by the Secretary of State in 2008 and updated in 2018 concerning the “minimum revenue provision” (MRP), which is the minimum amount authorities are now required to set aside from revenue each year for this purpose. Authorities are free to set aside a greater amount than MRP, from revenue or capital resources.
- 3.19 It should be noted that changes to the statutory guidance on MRP requires the Council to make a provision retrospectively for activities that were not previously provided for, which has added to the overall request for government support. This is in respect of the additional provision required to write down all capital investments over their expected useful economic lives. Previously there was no amount calculated for this provision on the basis that the investments were expected to be repaid in full. Given the wider issues with the Council’s investments, a prudent approach has been taken to ensure

the provision reflects the exposure to financial risk that has become clear. It is important going forward that the Council complies fully with all guidance and regulations in this area. The repayment of debt is crucial to the financial sustainability of the Council as once debt is repaid, there is no longer a need to make the provision for it.

- 3.20 The proposed detailed policy for MRP is included in the attached strategy under para 66-93.

Prudential Indicators

- 3.21 The purpose of prudential indicators (PIs) is to highlight whether the Council's capital financing and borrowing strategy is affordable, prudent and sustainable. They also provide a reference point or "dashboard" so that senior officers and Members can easily identify whether approved treasury management policies are being applied correctly in practice and take corrective action as required.
- 3.22 These are set out on page 44 of the strategy and show the increase in capital expenditure associated with the grant of a capitalisation direction, the balance between the debt of the authority and the CFR and the ongoing impact of finance costs on the financial position of the authority. This confirms the need for further action to reduce debt as soon as practicable.

Managing Cash Balances

- 3.23 The Council's policy on treasury investments is to prioritise security (safeguarding invested sums from loss) and liquidity over yield (ensuring cash is available when needed) - that is to focus on minimising risk rather than maximising returns. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). All investments to be less than 12 months, aligned with the debt reduction policy.
- 3.24 As at 31 December 2022 core cash and short-term (treasury) investments totalled £53m. With a current debt reduction strategy, investing for longer period is not an option for the Council as any surplus cash is only maintained for cashflow purposes only. Any excess cash balances above what is required for cashflow purposes will be applied to reducing the Council's borrowing levels.
- 3.25 For its cash flow generated balances, the Council will seek to utilise its own bank accounts, Money Market Funds and short-dated deposits.

Summary Considerations

- 3.26 The following points are noted:
- a) The capital programme has been scaled back and continues to be reviewed in compliance with the requirements of the s114 notice.

- b) The Council currently holds significant levels of short-term borrowing as it determines the longer-term borrowing strategy. The cost of this borrowing is no longer affordable following significant increases in interest rates and therefore needs to be reduced significantly;
- c) Commercial investments are driving increased costs to the Council through the revised approach to the MRP and increased borrowing costs.
- d) The updated MRP policy will be applied retrospectively, and this created a £129m of the pressure reported to Cabinet in the Q2 financial report on the 14 December 2022.
- e) The Treasury Management Strategy including the Capital Strategy reflects the requirements of The Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services and the Prudential Code (The Code). These documents were updated in December 2021, and the broad focus of the changes are to ensure the capital programme, investment activity and the associated borrowing is proportionate to the financial capacity of the organisation. This strategy reflects the detailed requirements of the code and how the Council continues to manage capital, investment and borrowing activity. It is noted this strategy is based in underlying significant assumptions which are subject to change and a revision to this strategy is expected to be required during the next financial year.

4. Reasons for Recommendation

- 4.1 There is a statutory requirement for the Capital and Treasury Management Strategy, including the Annual Minimum Revenue Provision Statement to be ratified by Full Council. This report and appendices have been written in line with best practice and the Council's current spending plans.

5. Consultation (including Overview and Scrutiny, if applicable)

- 4.2 Consultation has been undertaken with the Commissioners to support the completion of the updated strategy.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The issues identified in the commercial investment portfolio have driven intervention at the Authority and, subsequently, the issue of a Section 114 notice. This will fundamentally impact on how services are delivered in Thurrock and this forms part of the delivery of the wider improvement and recovery plan.

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**
Acting Director of Finance and s151 Officer

The financial implications are included in the main body of the report and appendix. The strategy is set in the context of the intervention ordered by the Secretary of State on 2 September 2022. The completion of the strategy addresses a specific direction to the Council and is a key document supporting the wider assessment of a path to financial sustainability.

7.2 Legal

Implications verified by: **Gina Clarke**
**Corporate Governance Lawyer and
Deputy Monitoring Officer**

The Local Government Act 2003 provides the Council with the power to borrow and invest money for any purpose relevant to its functions and for the prudent management of its financial affairs. The Council is under a duty to determine and to keep under review how much money it can afford to borrow. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, provide that, in complying with this duty, the Council must have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities and CIPFA's Treasury Management Code of Practice.

CIPFA's Treasury Management Code of Practice requires the Council to agree a Treasury Management Strategy and investment Strategy for approval by the Full Council before the beginning of each financial year. The Council is also required to approve a Treasury Management Policy Statement.

As stated in this report, the Council is now subject to Government Directions which the Council must comply with, part of which includes ensuring that the Council's treasury management strategies are sustainable and affordable.

7.3 Diversity and Equality

Implications verified by: **Natalie Smith**
**Strategic Lead – Community Development and
Equalities**

While there are no direct diversity implications noted in this report, it is noted that the wider intervention and requirements of the Section 114 notice will impact on the future capital plans of the Authority. These may link to wider

service provision alongside revised plans for the use of existing assets and will be informed by consultation as appropriate.

7.4 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

- Not applicable

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- CIPFA Prudential Code
- DLUHC's Statutory Guidance on Minimum Revenue Provision
- DLUHC's Guidance on Local Government Investments
- CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes
- Treasury Management Policy Statement
- Investment Strategy
- Treasury sector Briefings

9. Appendices to the report

- Annex 1 – Treasury Management Strategy 2023/24

Report Author:

K Rai

Financial Accountant

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2 February 2023		ITEM: 7
Corporate Overview and Scrutiny Committee		
Capital Bids and Capital Programme Update		
Wards and communities affected: All	Key Decision: Key	
Report of: Gareth Moss – Chief Financial Officer		
Accountable Assistant Director: N/A		
Accountable Director: Gareth Moss – Chief Financial Officer		
This report is public		

Executive Summary

This report presents the committee with the recommended additions and approach to the new capital project programme for 2023/24 and subsequent years.

The total cost of the draft Capital Programme in 2023/24 is currently projected to be £62.158m, broken down as £37.043m relating to the General Fund and £25.115m relating to the HRA. The HRA capital programme is part funded by borrowing, grants and reserves and the associated revenue costs are managed from within the HRA budget envelope. The General Fund projects require prudential borrowing of £19.859m and the associated revenue impacts are also budgeted.

This programme has been prepared against a background of significant funding pressures as set out in the Financial Update Report considered by Cabinet on 14 December 2022 and hence the programme has been restricted to essential projects only and remains subject to further reviews. Following the issue of a Section 114 Notice by the Chief Financial Officer on 19 December 2022, only when sums contribute to statutory service provision, or where existing contractual obligations are in place, can new expenditure be incurred. The impact of the attached programme on the revenue budgets, in the form of interest and debt repayment costs, have been included in the Draft Budget and Medium-Term Financial Strategy (MTFS) Report, which also forms part of this agenda. This report sets out the requirements for additional projects proposed to be added to the capital programme and scheduled to commence in 2023/24.

As well as considering the impact of any new projects, the existing programme has been further scaled back as part of a high-level review of capital activities. As part of this exercise, a number of projects have been put 'on hold' meaning that the budgets and financing for these have been temporarily removed from the programme

pending a decision on whether they can be reinstated. This will be continued, in conjunction with a review of the remaining programme, in greater detail throughout the year as part of the wider review of the Council's finances and impact of proposed government support. A revised position will be reported to Members as early as is practical in the new financial year.

1. Recommendations:

That the Corporate Overview and Scrutiny Committee:

- 1.1 Note the changes to the capital programme as set out in this report and associated appendices**
- 1.2 Note the impact of new Prudential Borrowing on the debt levels of the Council as set out in Appendix 1**
- 1.3 Note the programme will be subject to a further review as set out in the report and following the issue of a Section 114 Notice**
- 1.4 Note the projected revenue impact of the MRP costs as set out in Section 5.2**
- 1.5 Comment on the proposed delegation to Cabinet to approve additions to the programme based on the criteria set out in section 5.2**

2. Introduction and Background

- 2.1** The capital programme has been prepared within the context of the Council issuing a Section 114 Notice on 19 December 2022, following government intervention on 2 September 2022, with the appointment of commissioners to oversee the financial management of the Council. Both recognise the current financial position of the Council is unsustainable and the urgent need to address ongoing costs. Part of the exceptional financial support to be provided by government is expected to be the permitted use of a Capitalisation Direction, the permission to finance revenue costs with capital resources, usually Prudential Borrowing, which will require the Council to take on additional debt in the short-term.
- 2.2** In respect of the capital programme, the impact on the revenue budget mainly occurs in respect of projects that are financed from Prudential Borrowing and this is in the form of Interest (the financing cost of the loan) and Minimum Revenue Provision (MRP) (the sum that is required to account for the principal repayment of a loan). Therefore, to the extent that projects are financed in this way, there will be an impact on the Council's revenue budgets. The updated projected revenue impact of the changes to the programme reflected in this report have been built into the Medium-Term Financial Strategy (MTFS) and will be considered by Members as part of the budget setting process.

- 2.3 As part of the recovery measures agreed with government, the Council is reviewing its asset base to identify any that could be disposed of to generate a capital receipt (the term for the proceeds of an asset sale). These receipts will be used to repay debt, which will, in turn, reduce the interest and MRP costs associated with this debt.
- 2.4 As part of the budget setting, the Council needs to set its capital programme for the following financial years. The development of the Medium-Term Financial Strategy (MTFS) will need to take account of future capital spending plans over the period of the strategy.
- 2.5 The following sources of funding can be used to fund capital in the General Fund:
- a) Capital Receipts – these are the receipts realised from the disposal of capital assets such as land and buildings;
 - b) Grants and Contributions - these could be grants awarded from government or other funding agencies or contributions from developers and others;
 - c) Prudential Borrowing – the Council can increase its borrowing to finance schemes subject to the plans in place being assessed and considered affordable; and
 - d) Revenue – the Council can charge capital costs directly to the General Fund, but this will create additional pressure on revenue resources.
- 2.6 Further work is being facilitated on Grants and Contributions, so to develop plans and secure grant funding from external agencies, or, from developers, for in-borough Capital Projects. The funding associated with the two Towns Fund bids are examples and, in the context of the section 114 notice, further work is being undertaken with officials at the Department of Levelling Up, Housing and Communities to ensure assurance is provided over the ongoing deliverability of the schemes.
- 2.7 Funding from capital receipts will also become available as part of the ongoing asset review. This continues to challenge the rationale for holding property assets. There are three potential outcomes which means assets are either:
- Released (for example to dispose of immediately to generate useable capital receipts)
 - Re-used (for example for different services or more intensive or changed use); and
 - Retained (to support existing service delivery or wider transformation).

Details on the potential use of these receipts has been included in the Capital and Treasury Management Strategy. Under the requirements of the intervention, it is important the Council considers all opportunities for the

reduction of debt, and this will be a primary consideration as assets are considered on a case-by-case basis.

- 2.8 Annually, all services consider their future capital needs and submit bids for schemes a range of projects that are required to support operational service delivery or provide essential works to address health and safety concerns – such as capital repairs to operational buildings and system upgrades.
- 2.9 In addition, there are transformational projects that provide service enhancements that will ultimately reduce costs or increase income. These will be subject to individual business cases to support the transformation activity identified.
- 2.10 The current context has required a wider review of the proposed capital bids and further reductions have been made. Of those that have been included, the further progress of the projects will be considered in conjunction with the requirements of the Section 114 notice.

3. Current Programme

- 3.1 The report also provides a summary of the existing programme that has been agreed in previous years. These are summarised in Appendix 1 and cover the period 2022/23 through to 2025/26 and have been shown at both Directorate and Portfolio level. Within this programme several projects are financed, at least in part, from Prudential Borrowing and a breakdown of these for the same period is included in Appendix 2.
- 3.2 The programme has also been subject to an initial review to consider further opportunities to remove projects. The initial focus has been on those projects that have not yet commenced or at an early stage of development and which are funded by prudential borrowing. The current programme has been amended to remove a number of projects in this category which total £22m.
- 3.3 The Committee should note that the capital programme will continue to be reviewed as part of a wider review of the Council's finances as part of the response to the intervention and in the context of the section 114 notice. It is expected that a revised capital programme will be presented to Members later in the year, along with any necessary changes to the Capital Strategy, once this has been undertaken.
- 3.4 It is also noted that debt funding projects in the General Fund and debt funding projects in the HRA should be considered in context. Where the HRA undertakes capital works financed from borrowing, these costs must be met in full within the HRA and are not subsidised by the General Fund (and vice versa). Therefore, when the HRA incurs capital costs financed by borrowing, this fund will be expected to meet the full costs of these, there will be no impact on the General Fund.

4. Draft Capital Proposals

- 4.1 As set out above the proposed additions to the capital programme have been included at Appendix 3.
- 4.2 Having reviewed these capital requests, they fall within one of three categories and are summarised in the table below. The amounts have been calculated using the respective bid totals and are shown under the relevant portfolio holder. Once projects are approved by members, funding is only committed in response to a specific need by the relevant service and is subject to further finance approval. These projects have been assessed for the forthcoming year specifically to ensure priority work can be delivered. Subsequent years will be considered in the relevant year and in the context of the financial position at that point.

Portfolio	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget
	£'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Expenditure:						
Portfolio for Central Services	3,846	2,083	723	355	355	330
Portfolio for Environment	2,474	447	471	494	518	544
Portfolio for Children and Education	1,386	888	313	185	0	0
Portfolio for Transport and Public Safety	4,785	1,285	1,100	1,100	850	450
Total Expenditure	12,491	4,703	2,607	2,134	1,723	1,324

- 4.3 The table above includes all new bids that have been received for inclusion in the 2023/24 capital programme, with the expenditure budgets being profiled over a number of years as set out in Appendix 3.
- 4.4 In addition, the General Fund capital programme also includes the Highways and Education. These are largely funded by government grants and will be considered by their respective Overview and Scrutiny Committees and the Cabinet under separate reports. The HRA capital programme is managed from within its own ring-fenced resources, so does not impact the General Fund.

5. Issues, Options and Analysis of Options

- 5.1 The proposed changes to programme are set out in the section above. The key context remains the financial position of the Council and the need to manage spend appropriately under the requirements of the Section 114 notice. As noted, in this context the capital programme remains under review and further options will be provided to members where opportunities to manage capital expenditure and the associated level of debt is found.

5.2 It is also noted the recommendations to Council include delegations to Cabinet to agree additions to the capital programme under the following criteria:

- If additional third-party resources have been secured, such as government grants and s106 agreements (or potentially the Community Infrastructure Levy – should such an arrangement be introduced in the future), for specific schemes;
- Where a scheme is identified that can be classed as ‘spend to save’ and can demonstrate this clearly in an associated business case that it will lead to cost reductions or income generation that will, as a minimum, cover the cost of borrowing.

5.3 The capital programme, as set out in this report, will impact the revenue resources of the Council. As well as any interest cost associated with any additional debt undertaken, there will be an additional charge to revenue in the form of MRP. The projected increases in costs to the General Fund revenue budget set out in the following table:

Year	Current Forecast	Increase	Revised Forecast
	£'000	£'000	£'000
2024/25	7,732	290	8,022
2025/26	7,702	436	8,138
2026/27	7,638	549	8,187
2027/28	7,487	652	8,139
2028/29	7,251	756	8,007

It should be noted that MRP is first incurred the year following that in which asset the borrowing relates to is first brought into use. Therefore, in the above table, MRP increases shown in 2024/25 relate to capital costs incurred in 2023/24.

6. Reasons for Recommendation

6.1 The capital programme forms part of the formal budget setting in February and is an integral part of the Council’s overall approach to financial planning.

7. Consultation (including Overview and Scrutiny, if applicable)

7.1 The various capital bids put forward have all been considered by the service management teams and by the Directors’ Board. Some projects will have also been reported separately to the relevant Overview and Scrutiny Committee.

8. Impact on corporate policies, priorities, performance and community impact

8.1 Capital budgets provide the finance to meet the Corporate Priorities. If a capital project was not to proceed, this may impact, positively or negatively, on the delivery of these priorities and performance with a corresponding impact on the community.

9. Implications

9.1 Finance

Implications verified by: **Jonathan Wilson**
Assistant Director - Finance

The financial implications have been set out throughout the body of the report. The financial impact of the borrowing decisions required to support the programme has been accounted for within the MTFs to date.

9.2 Legal

Implications verified by: **Gina Clarke**
Corporate Governance Lawyer and
Deputy Monitoring Officer

In financing capital expenditure local authorities are governed by the framework established by the Local Government Act 2003. Local authorities are free to borrow or invest so long as their capital spending plans are affordable, prudent, and sustainable.

The Council is under a duty to determine and keep under review how much it can afford to borrow. In complying with this duty, the Council must have regard to Prudential Code of Capital Finance in Local Authorities published by CIPFA. The Code requires that in making borrowing and investment decisions, the Council is to take account of affordability, prudence, and sustainability, value for money, stewardship of assets, service objectives, and practicality. The Capital Project Programme is an important part of the overall budget setting process. In considering the report Members must take into account the financial advice available.

The Council must have effective processes and practices in place to control, manage and govern capital investment and borrowing decisions. The Council's Chief Financial Officer has issued a section 114 Notice; therefore, the Council will need to keep the Capital Project Programme under review to ensure that the Council is proactive in ensuring that its capital spending plans support the financial recovery of the Council.

Full Council is responsible for approving the Capital Programme. As to recommendation 1.5 of this report, 3.17 of the Financial Procedure Rules provides that any proposal to amend an approved Capital Programme by including a new project or deleting an approved project shall require the

approval of the Cabinet. This must include all applications for schemes to be funded from Government sources, grants or other external funding. Where additional funding for a scheme is fully funded by external resources and is consistent with the Council's corporate priorities, to the satisfaction of the Corporate Director Resources and Place Delivery, the scheme shall be added to the capital programme with a subsequent report to the Cabinet.

9.3 Implications verified by: **Natalie Smith**
Strategic Lead - Community Development and Equalities Manager

All local authorities are required to have due regard to their duties under the Equality Act 2010. The capital programme is assessed at key stages to ensure the impact of each scheme is measured in a proportionate and appropriate way to ensure this duty is met and the needs of different protected characteristics are considered.

9.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, Climate Change and Impact on Looked After Children)

None

10 Appendices to this Report:

- Appendix 1 – Current Programme Summary
- Appendix 2 – Current Programme Financed by Prudential Borrowing
- Appendix 3 – New Capital Projects

Report Author:

Mark Terry

Senior Financial Accountant

2 February 2023		Item: 8
Corporate Overview and Scrutiny Committee		
Report of the Cabinet Member for Culture and Communities		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Qaisar Abbas, Cabinet Member for Culture and Communities		
Accountable Assistant Director: N/A		
Accountable Director: Les Billingham, Interim Director Adult Social Care & Community		
This report is Public		

1. Executive Summary

- 1.1 This is the first report of the Portfolio Holder for Culture and Communities.
- 1.2 This report has been drafted to reflect the activities of the service during the year. The challenges facing the Council during 2022 are well publicised and this report should be read in that context. Future service activity will need to reflect the intervention the Council finds itself in. Particularly difficult decisions will need to be made on levels of service and methods of service delivery during 2023 and beyond.
- 1.3 This report outlines the key areas of the Portfolio and highlights the achievements across the last year. The report is split into the following seven sections:
 - Arts, Culture and Heritage;
 - Community Led Local Development (CLLD);
 - Community Development and Equalities;
 - Libraries;
 - Thurrock Register Office;
 - Community Safety Partnership;
 - Finance.

Part 1:

2. Arts, Culture and Heritage

- 2.1 Arts, Culture and Heritage have an important role in driving opportunity and supporting economic growth and regeneration across Thurrock. The Council's vision for cultural regeneration in Thurrock is one where culture brings people together, strengthens communities, and contributes to the creation of a more vibrant place, harnessing the power of culture and creativity to support health, social care, education, physical environment and economic development where culture and creativity improves the well-being of individuals and tackles inequalities.
- 2.2 Thurrock has been designated a Levelling Up for Culture Place by Arts Council England (ACE), which comes with a commitment to focus additional engagement and investment in Thurrock. Recently ACE announced their National Portfolio Organisations for 2022-26. There are three successful Thurrock organisations that have been awarded funding to deliver creative and cultural engagement, activity and outcomes across the borough, these are Kinetika People, Arts Outburst and CoDa Dance Company.
- 2.3 Thurrock Council manages the Thameside Theatre, Thurrock Museum and supports development of the arts across the borough. The Cultural Services team has worked hard to revive and strengthen community engagement, creative and cultural activity since lockdown restrictions have been lifted.
- 2.4 During the past 12 months the Museum has designed and curated displays for several temporary exhibitions that celebrate and commemorate significant local, national, and international anniversaries and events, including Armistice Day, the Queen's Platinum Jubilee, and Windrush Day, supported by an enthusiastic and dedicated team of volunteers.
- 2.5 A major focus for the Museum this year has been to identify, record and digitise all the items within its collections, estimated at around 30,000 objects. This project is an important first step in enabling the Museum to redesign the services and in ways that increase accessibility to its collections for residents and communities across Thurrock. This work is expected to continue until at least June 2023.
- 2.6 The Museum has also supported cultural education by creating and delivering opportunities in local schools to experience 'A Day in the life of a museum curator' and to learn about the 'Battle of Britain', through the Royal Opera House Thurrock Trailblazer programme.
- 2.7 The Museum Team has started a conversation with Essex Fire Museum to display articles in both Museums and agreed to work together in future.
- 2.8 The Thameside Theatre continues to deliver a diverse programme of creative and cultural activities to engage with and entertain local communities, including amateur and professional shows, and community activities both within the Theatre as well as participating in external events across Thurrock.

- 2.9 Funding from the Cultural Recovery Fund has enabled the Theatre to diversify its cultural services offer and invest in different ways to share cultural activity with audiences such as equipment to enable filming, including recording and editing the music video for the unofficial England World Cup song 'Stick Another Star on the Shirt'.
- 2.10 Creative experiences for children and young people (CYP) has continued to be an important outcome for the Thameside Theatre. This includes supporting the Thameside Young Producers by providing volunteering opportunities at the theatre that enable CYP to gain invaluable skills and experience which may lead to further educational opportunities, such as university placements, and jobs in prominent creative and cultural settings, such as West End theatres.
- 2.11 The Theatre also delivers activities and experiences designed to engage with residents who are differently abled, including hosting dementia and autism friendly shows, and supporting the Toy Library to deliver a Christmas decoration making session.
- 2.12 Both the Thameside Theatre and Thurrock Museum are located in the Thameside Complex in Grays which has a history of underinvestment and thus a backlog of maintenance needs.

Thurrock Museum faces a number of physical and operational challenges, for example, the main exhibition space is on the 1st floor of the building with museum artifacts stored on the 4th floor and in the building's basement, which has suffered from damp and asbestos. The Thameside Theatre is located on the 3rd floor whilst performer costume changing facilities are located on the 2nd floor. The limited seating (300) and space on the stage restricts the type of touring shows attracted to the venue. During the past 12 months the theatre has also had major issues with the building's ventilation system that resulted in reduced audience capacity.

- 2.13 The Council is particularly supportive of community led arts and cultural activity in Thurrock and is a core consortium partner and providing match funding for the START: Thurrock Creative People and Places programme, funded by Arts Council England. Commencing delivery in April 2023, Creative People and Places is about more people choosing, creating, and taking part in brilliant creative activities.
- 2.14 The programme, being led by the Tilbury on Thames Trust, will draw in more than £1 million investment for cultural and creative activity in Thurrock. Groups and individuals across the borough have come together to help shape a shared vision for community led cultural activity across the borough.
- 2.15 The Council day-to-day operational management and strategic development responsibilities at High House Production Park (HHPP) on behalf of the charity continues, with the costs of this work being met by the charity. HHPP, a world-class centre for creative production, has raised Thurrock's profile as a centre for the creative industries – a growing sector in the UK economy. It will

be important to use the same collaborative approach the Council has adopted for the community driven cultural activity to help the sector to grow and create jobs, inward investment and wealth in Thurrock.

- 2.16 The Council, working on behalf of High House Production Park secured funding from the Creative Estuary programme to refresh the business plan for High House and to conduct a feasibility study on options for further development of creative workspace on site. Creative Estuary is also supporting a pilot programme in Purfleet aimed at embedding cultural facilities and activities into the major regeneration scheme. The Council is also actively involved in the creative industries work being carried out by the Association of South Essex Local Authorities (ASELA) across south Essex which includes supporting the development of research which identifies and defines the vital role of culture and the creative industries.
- 2.17 The Council is working with the Royal Opera House to deliver the Thurrock Trailblazer programme – enabling young people in Thurrock to benefit from high quality cultural activities.
- 2.18 The Thurrock Local Cultural Education Partnership is a cross sector, strategic group which has been established to address gaps in local cultural opportunity and improve cultural education for children and young people in Thurrock.

The current focus is arts in Early Years, through which the partnership has enabled 10 nurseries and childminders to receive training bursaries, hold two networking events and bring new arts organisations into Thurrock to deliver training for educators and nursery workers.

- 2.19 The Council has supported various communities and creative/cultural organisations and artists over the past 12 months, including We Are Creatives with their ‘Music Man’ project, Together Productions with their ‘Sharing Our Lives’ project, Thurrock’s Nepalese Community with the world premiere of a film produced and starring members of the local Nepalese community, High House Community Group with their Heritage Open Day and the LGBTQIA+ community with regular networking opportunities and events held at the Thameside theatre.

Going forward

- 2.20 The Local Authority will continue to work with partners to champion the importance of cultural services and in particular the approach to cultural regeneration to better support the Council’s place ambitions.
- 2.21 Working collaboratively with communities, partners and creative and cultural organisations, the Council will develop a ‘Thurrock Plan for Culture’ which will define our shared vision and mission and set out key priorities for nurturing, enabling, facilitating and delivering locally designed and driven cultural engagement and activities with communities in Thurrock.

- 2.22 This important plan will support cultural regeneration in Thurrock that is social, economic and physical over the long-term including exploring ways to maximise the power of culture and creativity to support the well-being of individuals and communities as part of an overall programme for economic growth that impacts positively on social change, tackles inequalities and promotes place shaping through creativity. This work has already commenced, and the Council expect to bring forward the new co-produced cultural strategy early in 2023.
- 2.23 Cultural stakeholders have feedback the need for better co-ordination and collaboration across the sector and in the development and delivery of cultural and creative activities. Utilising funding from the UK Shared Prosperity Fund, the Council will enhance its Cultural Services team, providing a dedicated resource to better support the creative and cultural sector in Thurrock, build and strengthen relationships that foster cooperation and mutual support to achieve our shared ambitions and provide a cultural co-ordination role. The Council will work in partnership with key stakeholders to identify opportunities to develop and deliver cultural activities across Thurrock.
- 2.24 The Local Authority will work with partners to deliver community driven arts and heritage activity across the borough in ways that help improve the quality of life for Thurrock's residents, reimagine high streets and open spaces, support a new dimension to the borough's economy, one that creates new jobs and opportunities for people to develop new skills as well as contributes to key messages, conveying Thurrock's success and opportunities and helping build external relationships for future prosperity.
- 2.25 The next section of the report provides an overview of the Community Led Local Development portfolio.

Part 2:

3. Community Led Local Development (CLLD)

- 3.1 The Tilbury Community Led Local Development (CLLD) programme covers Tilbury St Chads and Tilbury Riverside and Thurrock Park wards. The focus of the programme is to support local SME businesses as well as new start-ups and investment in projects that help unemployed or economically inactive residents to become economically active again. A Local Action Group (LAG) comprised of voluntary and community sector, resident, Member and business representatives agreed the priorities for the area and make key funding decisions.
- 3.2 The delivery element of the programme will run until March 2023. It is part-funded through funds drawn down through the Department of Levelling Up, Housing & Communities and Department for Work and Pensions.
- 3.3 The CLLD Programme offers grants of £1,000-£4,000 to small and medium-sized businesses to improve their business frontage or to provide funding for small items of equipment, marketing or procured services. By the end

of December 62 local businesses had been awarded £221,423 in grants, 38 being general grants and 24 frontage improvement grants. The aim is to support at least 68 businesses by the time the project concludes. To this end over 1,000 registered SMEs have been contacted about the grant scheme in the last two months.

- 3.4 The investment to support unemployed or economically inactive residents has to be matched pound for pound, meaning that the funding has only attracted interest from providers with project activity already funded in the area. Four projects are currently running, offering a range of help to prepare for, find and secure work or move into learning. Providers include voluntary and community sector, Thurrock Adult Community College and Council teams, with £1.32m in funding awarded. These services have been badly affected by the lockdown and the changing labour market but all of them are now delivering support in the heart of Tilbury. Around 250 residents have been registered to date with almost 70 helped into work.
- 3.5 An evaluation of the Programme is being commissioned, and work is underway to explore future support, including through the UK Shared Prosperity Fund and Freeport skills fund.

The next section of the report provides an overview of the Community Development and Equalities portfolio.

Part 3:

4. Community Development and Equalities

- 4.1 The Community Development and Equalities Team enables services to engage with communities to increase participation and opportunities for collaboration and co-production. The Team helps people to come together to take positive action on what is important to them, often in partnership with others including the voluntary sector, community hubs and libraries.
- 4.2 The Team leads on equalities for the Council, ensuring proposals developed by services are informed by duties as a public body under the Equality Act 2010 and also representative of local priorities. Building strong, resilient communities that enable integration and cohesion in a growing borough underpins the wide and varied work of the service.
- 4.3 Increasingly, so much of the Council's ability to achieve the best outcomes for residents relies on an independent and thriving voluntary, community and faith sector.
- 4.4 The current portfolio holder has initiated meetings with around 50 community groups and voluntary sector organisations, inviting them into the new Town Hall to hear about their work in Thurrock and to thank them for all they have achieved and to discuss options how as a council we can help and support them in their future projects. As a result of this, several practical steps have been taken to support their work including signposting to CVS for help with

policies, suggesting funding to develop their work, linking with other services to form new partnerships and helping to identify buildings where they can operate from. All are encouraged to join the Stronger Together database to further promote their work to residents and other partners, and all have welcomed the recognition and new relationships these meetings have helped to foster.

- 4.5 Many of the groups the portfolio holder has met with and introduced to the Council are supporting diverse communities who have not always felt they have a voice or influence as Thurrock residents. By helping to raise their profile and recognise the social value they bring to Thurrock, the Council is building their confidence to achieve more and to link with local services. A very successful marketplace was hosted by the Council in Interfaith Week which helped to showcase the diversity of faith in Thurrock. This included a new Hindu temple which has a recently establish regular presence at the Lightship Café in Grays although the community has lived here for some decades. They no longer need to travel out of borough to practice and the Council welcome the contribution they can now make locally. As the borough grows, it is increasingly important to ensure services and infrastructure reflects the changing needs of local people. The Local Authority is grateful to the Environment Team for enabling a dedicated space for Muslim burials as well as this year developing a dedicated section for burials in the Nepalese Gurkha community. In addition, we also planted a tree and installed a plaque in Grays Town Park to remember the victims of the genocide in Srebrenica.
- 4.6 Following the support given through Covid, the Stronger Together Partnership is developing as a key resource to help increase community resilience. A Cost of Living conference was held in December 2022 with over 100 services, businesses, schools and community groups coming together to map current support and consider future opportunities. A dedicated web page promotes local provisions. This includes a network of warm spaces across the borough which offer free hot drinks and activities, connecting communities, highlighting issues and helping to support positive change wherever possible.
- 4.7 In partnership with CVS, the Community Fund invested over £40,000 in May 2022 to local organisations to further their social value across Thurrock. Some of this funding included targeted support to build resilience post-pandemic. A further round opened in November 2022 and it is heartening to see the dedication and commitment from those who want to make a difference for their community be it of place, or of interest.
- 4.8 Small Sparks has been a huge success this year. Funds have been invested in supporting community initiatives including street parties to celebrate the Platinum Jubilee as well as communities coming together around Christmas and festive celebrations. The fund, administered by Thurrock CVS, remains open to support Warm Spaces at the present time.
- 4.9 The Council continues to support its own volunteer programme with over 200 volunteers active throughout this year in a variety of roles. This year the Libraries Summer Reading challenge was supported by 37 young volunteers

aged between 13-16, volunteering for over 780 hours. The Team provide training, advice and guidance to services on involving and supporting volunteers. A new Teams channel has been set up to support staff acting as a volunteer manager across all directorates, with anyone welcome to join.

- 4.10 Aveley Community Hub was launched in August 2022 and now hosts a library with study space and access to PCs and Wi-Fi, nursery, community hall and a café that provides affordable meals to visitors. The space also hosts Thurrock Adult Community College, a changing places provision and rooms to hire. In recent weeks, volunteers have worked with the hub to develop a warm space, toddler group, a winter warm coat rack and a community pantry. Services at the hub continue to develop along with its links to Purfleet Hub which reopened in March 2022. Since that time, Purfleet Hub has significantly expanded and is now open three days a week with a wide range of services for residents that extends from school uniform provision for families on a low income, art classes, a community fridge and plans for a community shop to open on the Garrison Estate.

Going Forward

- 4.11 Priorities for the future include building on the commitments set out in the Collaborative Communities Framework adopted in January 2021 and continuing to align the principles of engagement; empowerment and equality through the implementation of other key strategies including the Health and Wellbeing Strategy, Better Care Together Thurrock – Further Case for Change, Backing Thurrock and emerging Corporate Plan.

This approach includes improving the Council's engagement with all communities to shape the development of the organisation and its priorities, particularly working with those who may face barriers or be marginalised. In doing so, the development of new ways of working will seek to influence all new and existing strategies and improve the health and wellbeing outcomes for residents, for example, by piloting Community Investment Boards to agree local priorities and attract funding and resource to address inequalities at Primary Care Network (PCN) level.

- 4.12 The Council will improve how it embeds its understanding of health and equality considerations across the organisation and the transformation of services to ensure that its focus aligns with the need to level the playing field and improve equality outcomes for all residents.

The next section of the report provides an overview of the Libraries portfolio.

Part 4:

5. Libraries

- 5.1 Thurrock Libraries develop activities and service provision opportunities under the framework of both local strategic priorities and the Universal Offers as

defined by Libraries Connected, incorporating Information and Digital, Health and Wellbeing, Reading, Culture and Creativity, and the Children's Promise.

- 5.2 Thurrock Library Services continue to underwrite public access to books (for education and leisure purposes), authoritative information and PC facilities, including internet and printing. During April 2021 until March 2022 loans of physical items were at nearly 274k, and annual footfall across the borough for in-library services was almost 172k.
- 5.3 Thurrock joined The Libraries Consortium (TLC) in April 2021 and since then three other authorities have joined, broadening the range to 7.3M items available for Thurrock residents across 321 libraries. TLC is a business partnership of 23 library authorities, 19 of which are London boroughs, and that partnership provides value for money, shared resources, and joint contracts.
- 5.4 Physical stock is supplemented by a popular and expanding digital library, consisting of thousands of e-books, e-audiobooks, newspapers and magazines. During April 2021 until March 2022 approximately 13k loans were registered for eBooks and almost 14k for eAudiobooks for Thurrock.
- 5.5 Grays Library maintains a comprehensive Local Studies archive, containing items of unique historical interest, while East Tilbury hosts the Bata Heritage Collection.
- 5.6 Libraries are continually adapting and look for opportunities for good community engagement and income streams. Following the closure of Corringham Barclays Bank branch, they now operate two days a week at Corringham Library.

Grays and Chadwell libraries are hosting the Lower Thames crossing documents for public perusal. These two initiatives have generated an income of approx. £27k.

- 5.7 A dedicated Libraries Facebook page went live in October and Wi-Fi printing was successfully launched in November 2022. New promotional material has been produced in the form of z-cards which promote apps and online services and the Bitesize sessions where residents can book in for support have been a great success.
- 5.8 Libraries and Hubs have responded to the cost of living crisis by offering residents free, safe and supportive Warm Spaces between 2:00pm and 4:00pm at certain libraries on selected days during the colder winter months which have been supported by local organisations and supermarkets. During this time, residents have access to free hot drinks and trusted information.
- 5.9 Libraries also secured the National Databank offer via Good Things Foundation which provides free mobile data, texts and calls to people in need. SIM cards are distributed via libraries to adults who meet the criteria. SIM cards with 6 months sim and data have been gifted to 85 residents to the end

of December 2022. This amounts to a saving a resident between £100- £200 in the period of 6months. Cards are usually renewed for a further six months.

- 5.10 The Library offer has been extended with the support of Citizens Advice South Essex and Thurrock Adult Community College, who under a Self-Service Partnership Agreement open libraries on days which they are usually closed. Both organisations operate their own service, whilst enabling residents to access library facilities such as PCs, Wi-Fi, and printing and to browse, borrow, renew and return items using the self-service kiosks.
- 5.11 A successful £10k joint health literacy bid with Public Health will enable the upskilling of staff at three libraries. This will support residents to improve their local health literacy and digital skills and navigate local NHS and council services, access trusted health resources in partnership with Knowledge Staff at Basildon Hospital library. This is due to launch in March 2023.

Going Forward

- 5.12 The Council will build on its partnership with communities and services to develop the local offer within place-based settings. The Local Authority is working with organisations to generate income through room/space hire and will continue to maximise Library and hub outreach, activities and groups to tackle social isolation and to promote the value of reading. Libraries and hubs welcome more service contact to ensure better outcomes for residents in response to their local needs. The Council will continue to build on the success of regular events to enjoy and celebrate reading including the Summer Reading Challenge.

The next section of the report provides an overview of the Thurrock Register Office.

Part 5:

6. Thurrock Register Office

- 6.1 The Register Office provides the statutory service of registering births deaths and marriages, alongside the non-statutory service of citizenship ceremonies on both a group and individual basis.
- 6.2 This year the service has relocated to the new Council building providing all aspects of the service there from September. However, the new ceremony rooms were available to guests since April.
- 6.3 The new venue has enhanced the service as the Council is now able to offer new functions for ceremonies including live streaming and improved sound systems, as well as a new garden.
- 6.4 The Register office provides a welcoming, private and compassionate service to those users registering births, deaths and marriages with over 1000 being taken so far this year.

- 6.5 As the Registrar for weddings within Thurrock, the service has attended 450 ceremonies this year. Half of those took place in a Council venue, where families and guests were welcomed to the offices for the joyous occasion.
- 6.6 Citizenship ceremonies both private and group are carried out by the Register Office team. 89 ceremonies have taken place this year with each group session welcoming approximately 25 new citizens and their guests. Welcoming new citizens at this ceremony is an important event which the Mayor also attends.
- 6.7 The Team has been able to provide a consistent service this year with no COVID-19 restrictions which has allowed all aspects of the work to be completed efficiently and within a timely manner.
- 6.8 Customers can now complete satisfaction surveys following their use of the service in person and online, which allows the Local Authority to take on board the feedback and continue to improve the service.

Going forward

- 6.9 Ongoing promotion of the services that the Register Office provides.
- 6.10 Review of the website to ensure that the information is clear and relevant to users.
- 6.11 Continue to benchmark against other local authorities to ensure that the Council's fees and charges are in line.
- 6.12 Further review of the service to ensure that it is delivered efficiently and meets the needs of users.
- 6.13 Continue to provide all aspects of the service in line with the requirements of the General Registrar's Office.

The next section of the report provides an overview of the Community Safety Partnership portfolio.

Part 6:

7. Community Safety Partnership (CSP)

- 7.1 The Culture and Communities portfolio has been extended to include the work of the Community Safety Partnership which is key in supporting Thurrock's communities to remain resilient and has strong links to their health and well-being and supports the aims and ambitions of Domain 6 of the Health and Well Being Strategy 2022/26, which are:

- Thurrock is a place where people feel and are safe to live, socialise, work and visit;

- The Council will also ensure that victims/survivors of crime are able to access support to cope and recover from their experiences, should they need it.

7.2 The Partnerships priorities for 2022/23 are:

- 1. Tackling disproportionality in relation to Violence Against Women and Girls** – including sexual offences, stalking and rape, whilst recognising that men and boys can also be victims;
- 2. Breaking the cycle of Domestic Abuse:** in line with the Domestic Abuse Duty and needs assessment;
- 3. Violence and Vulnerability:** Tackling gang related activity and offensive weapons to reduce drug driven violence;
- 4. Counter Extremism and Terrorism:** Preventing Violent Extremism locally;
- 5. Reduce harm to and safeguard victims from Hate Crime** – including Sex/Gender based hate crime;
- 6. Tackling Community based Anti-social Behaviour and Safeguarding victims** - including off road motorbike nuisance;
- 7. Human Trafficking and Modern-Day Slavery, and Organised Immigration Crime;**
- 8. Safer streets through increased visibility and community engagement;**
- 9. Tackling offending** – reducing high volume crimes, for example burglary.

7.3 In 2022 the following progress has been made towards each of the CSP's priorities:

Violence Against Women and Girls

- 7.4 eLearning awareness product for Sexual Violence and Abuse developed and launched to provide a cost-effective training tool that can reach a wider audience across the borough.
- 7.5 Council Member awareness training delivered on sexual violence and abuse from the perspective of men and women.
- 7.6 Professional awareness session delivered on sexual violence and abuse from men and boys (survivor perspective).
- 7.7 Community Engagement pop up engagement event as part of 16 days of action event promoting Safer Streets.

Domestic Abuse (DA)

7.8 Year 1 and 2 of the New Burdens funding delivering against the Domestic Abuse Act 2021 continues to be rolled out resulting in more support services in Refuge, including:

- Financial inclusion support officer;

- Trauma focused counselling for children;
- Childrens worker- increase in capacity;
- Trauma focused counselling for adults;
- Specialist sexual violence and abuse counselling for survivors in Refuge and onto resettlement;
- Training for Refuge staff;
- Inclusion drop-in service;
- Tuition for Children;
- Flexible funding arrangements, following the principles of the Whole Housing Approach.

7.9 Professionals' visits to Thurrock Refuge continue with positive feedback from attending professionals and Refuge staff resulting in new connections and partnerships.

Violence and Vulnerability

7.10 Olive Outreach programme is in place and being well received by Secondary schools who are referring in those at risk of exclusion.

7.11 Contextual safeguarding reports are shared termly with school colleagues.

7.12 The recruitment of a 'Young Persons Exploitation Worker' has allowed for more structured work to be delivered to the under 18 years cohort. This provides opportunity for a 12 week period of structured intervention to be delivered which specifically focuses on gangs and exploitation.

7.13 Walk online roadshows highlighting risks in relation to online exploitation, gangs and knife crime delivered to years five and six. Years seven and eight are planned for March 2023.

7.14 Eight interim gang injunctions secured on youth members of the GTM gang.

Counter Terrorism and Extremism

7.15 Delivering ongoing training for Professionals on Prevent and includes an overview of hate crime.

7.16 Situational risk assessment shared quarterly as appropriate, including education settings, and action plan updated to reflect any emerging risks.

7.17 Communication strategy and plan drafted and shared for implementation.

7.18 Event Policy/speaker policy agreed and shared with some premises for testing.

7.19 Engagement with Members through Overview and Scrutiny and Hidden, and Extreme Harms Committee, including a Home Office led round table.

- 7.20 Presentation to community members of the Independent Advisory Group which the portfolio holder is a member of by the Counter Terrorism policing team.

Hate Crime

- 7.21 Thurrock has 210 trained hate crime ambassadors and the portfolio holder is one and was pleased to support promotion of this priority through attending events during Hate Crime Awareness week and reaching out to the borough's faith groups through the inter related faith week event.
- 7.22 Stay safe has been launched online for people with a learning disability.

Anti-social Behaviour (ASB)

- 7.23 The Council has seen a decrease in reports of off-road motorbike nuisance following the implementation of target hardening programme, and Essex Police, Thurrock Council and CSP jointly funded quadbikes to target off road motorbikes.
- 7.24 Car racing in West Thurrock continues to have a detrimental impact to residents, visitors to the borough and businesses despite ongoing enforcement of the West Thurrock PSPO with 78 Fixed Penalty Notices issued in respect of the Public Space Protection Order in 2022 through Op Irish lions.
- 7.25 Following increase in reports of ASB in Ockendon Op Uranium ran to identify the nominals of concern, and out of hours patrols.
- 7.26 Mapping of secondary fires is now reviewed quarterly and has led to education and target hardening in Ockendon area and an education and awareness event in Grays.
- 7.27 The Local Authority continue to use Locality Action Groups to work in partnership to safeguard victims, to promote ASB case reviews and respond accordingly to findings, Thurrock have implemented good practice guidelines of inviting the complainant of the anti-social behaviour to attend the case review in part, street lighting has been invested in in the Corringham area.

Human Trafficking and Modern-Day Slavery and Organised Immigration Crime

- 7.28 The CSP now have a three year strategy for Modern Day Slavery in Thurrock which sets out Thurrock's approach to tackling modern day slavery and duties under the Modern Slavery Act (MDS) 2015.
- 7.29 Thurrock Council has published a Modern Slavery Transparency Statement.
- 7.30 A regular training programme has been scheduled, providing an overview of types and signs of exploitation, what the barriers to reporting maybe for

victims and the action required by professionals to deliver an effective response.

- 7.31 To offer consistency and collaboration across documentation, a Southend, Essex & Thurrock Modern Slavery one minute guide has been completed.
- 7.32 In June 2022, a partnership joint operation with Essex Police, and Trading Standards was completed to inspect car washes through Op Aidant. There were no concerns found.
- 7.33 A toolkit for small and medium enterprises was promoted in Business Buzz newsletter business contacts in the borough.
- 7.34 In October 2022 a memorial service was held in remembrance of the 39 Vietnamese who were found, sadly deceased, in Thurrock on 23 October 2019. 39 trees were planted and a memorial unveiled which sets out Thurrock's commitment to preventing human trafficking and modern day slavery. A video of the service will be used to support teaching and education around organised immigration crime and consequences.

Safer streets through increased visibility and community engagement

- 7.35 Coffee with Cops are held across the district covering different days of the week and times and in partnership with locations, they are also held when community groups are also there to increase engagement.
- 7.36 Ukrainian refugee welcome events attended.
- 7.37 Attended event to celebrate inter faith week event.
- 7.38 Supporting National Hate crime awareness week – visiting HIRCS (hate incident reporting centres) and pop-up in Grays High Street.
- 7.39 Monthly pop-up events hosted in Grays.
- 7.40 Responding to off road motorbike concerns with two pop up events in Stanford Le Hope.
- 7.41 Responding to ASB and community concerns with pop up in Gobions Park which led to funding for street football.
- 7.42 The CSP provide a weekly input to the CVS newsletter highlighting a different topic weekly.
- 7.43 The Partnership hosted a day of activity for 16 days of action – including event at Grays and Palmers college and street engagement at Grays train station.

Tackling offending

- 7.44 Reducing reoffending is a statutory duty of both Local Authorities and CSP's and there is strong partnership working across all key agencies to support all people who have offended, with the aim of preventing them from re-offending. This includes children aged 10-17 years, (managed by our Youth Offending service) and adults from 18 upwards (managed by The Probation Service).

Going forward

Violence Against Women and Girls

- 7.45 Embed harmful sexual behaviours project with NSPCC.
- 7.46 Collection of Thurrock data regarding Female Genital Mutilation (FGM) to gain knowledge of common themes across the county.
- 7.47 Refresh the strategy from April 2023 incorporating DA.
- 7.48 To identify zones of high risk for women's safety through OP Minerva and put appropriate actions in place.
- 7.49 Development of street pastor project in Grays.

Domestic Abuse

- 7.50 A campaign to reach private landlords to build awareness, information and signposting for victims of domestic/sexual abuse and violence.
- 7.51 Explore with Southend, Essex and Thurrock (SET) partners the proper mechanism to ensure survivors of DA are involved, represented and shape the delivery of the local response to domestic abuse.

Violence and Vulnerability

- 7.52 Continue to progress work to develop predictive risk model for youth violence and gang involvement and to use it effectively to provide tailored preventative packages to enable effective multi-agency response to those at risk.
- 7.53 Strategic assessment in relation to youth violence is in development, with the draft strategy in response to Serious Youth Violence Duty planned June 2023.
- 7.54 To progress gang injunctions for adult members of the GTM gang.

Counter Terrorism and Extremism

- 7.55 Host an awareness session for Council and Health colleagues to look at those vulnerable due to mental health, utilising case studies.
- 7.56 Embed the revised Home Office training when released.

- 7.57 Extend the Prevent strategy for Thurrock beyond 2023 and refresh the Partnership's action plan.

Hate Crime

- 7.58 Re-engage Hate Incident Referral Centres (HIRCs), reduce where appropriate and enhance with new HIRCs.
- 7.59 Refresh and update printed resources to be shared with HIRCs and wider Ambassador community.
- 7.60 Promote and monitor the reporting of gender-based hate crime, where Essex Police now record Hate Crime where the primary motivation of the perpetrator is directed toward the sex/gender of the victim by delivering refresher training for our ambassadors and including within the CSP's web site and leaflets.

Anti-social Behaviour

- 7.61 One case currently progressing through the Magistrates Court for ongoing breach of a Community Protection Notice in relation to neighbourhood nuisance ASB.
- 7.62 To seek funding to implement identified measures to target harden East Tilbury and Davey Down from off road motorbike nuisance.
- 7.63 Public Consultation on implementing a Public Space Protection Order for (i) dogs to remain on leads in cemeteries (ii) dogs to be prohibited from multi-use games areas, play areas, skate parks and tennis courts, (iii) off road motorbikes and (iv) PSPO for Grays High Street to be renewed pending a public consultation where consideration will be given to extending the area to cover Grays Town Park.

Human Trafficking and Modern-Day Slavery and Organised Immigration Crime

- 7.64 Host a partnership event to share the latest updates and guidance from leading experts on tackling modern slavery.
- 7.65 Develop a draft Thurrock Modern Day Slavery (MDS) pathway for first responder and professionals who are made aware of a potential victim of MDS/human trafficking.
- 7.66 Promote the Landlord's guide to tackling modern day slavery, to reduce the risk of it in their properties. Private housing teams to carry out checks to properties with partners.

Safer streets through increased visibility and community engagement

- 7.67 Develop links to faith organisations made at the Celebrating Inter Faith Week event.

7.68 Continue to offer pop up events where issues of ASB identified.

Tackling offending

7.69 Continued Partnership working to tackle high priority repeat offenders through the Integrated Offender Management Programme.

7.70 Ongoing promotion and encouragement of referrals to the Essex Restorative Justice and Mediation service with refresher training.

7.71 Review and extensions of the Public Health funded Well Homes project which provides temporary housing accommodation to prolific ex-offenders and works closely with IOM and Thurrock Inclusions to provide employment and training interventions to increase their employment opportunities.

The next section of the report provides an overview of the Finances linked to the specific areas of the portfolio.

Part 7:

8. Finances

Arts, Heritage and Culture

8.1 The Theatre budget is based on a cost recovery basis. Income is generated through ticket sales and/or profit share arrangements, which can be negatively impacted by poor sales and/or other mitigating factors.

8.2 The Museum budget is £75,000 which supports staffing costs and essential costs to facilitate the day-to-day operation of the museum, including health and safety factors. A small amount of income, approx. £1500, is generated through Education programmes.

8.3 The Cultural Services budget is £13,500 and has an annual commitment over 3 years to provide match funding to the START: Thurrock Creative People and Places programme.

8.4 Operational and Strategic services provided to High House Production Park Ltd are delivered through a Service Level Agreement between Thurrock Council and the charity and are based on a cost recovery basis.

Community Development

8.5 £753,949 was spent by the service in 2021/22 with £406,997 distributed as grants to the voluntary sector. The service has an allocation of £835,266 in 2022/23.

Libraries

- 8.6 £1.115m was spent on the library service in 2021/22. The service has an allocation of £1.332m in 2022/23.

Thurrock Register Office

- 8.7 The Register Office budget is based on a cost recovery basis.
- 8.8 Income is generated through provision of services such as attending ceremonies and hiring of the Council's venue; however this is impacted by demand for the service which is outside of the organisation's control. The service is performing well year to date with forecasted income exceeding target for the year. The Council is hopeful that increased marketing of the new venue will enable further income generation next year.

Community Safety Partnership

- 8.9 The CSP has a grant from the Police Fire and Crime Commissioner of £24,976, the same as last year and an £18,343 contribution from Thurrock Council. These funds have been allocated to support delivery of the priorities.
- 8.10 The PFCC and partners have been successful in obtaining additional funds to support targeted work to tackle violence and vulnerability.

9. Conclusions

- 9.1 This report highlights the comprehensive and high-quality work undertaken across the diverse portfolio of services that are responsibility of the Cabinet Portfolio Holder for Culture and Communities. It documents continued performance and sets out an ambitious agenda of further transformation moving forward.

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2 February 2023		ITEM: 9
Corporate Overview and Scrutiny Committee		
Coalhouse Fort Update		
Wards and communities affected: All	Key Decision: N/A	
Report of: Mark Bradbury, Interim Director of Place		
Accountable Assistant Director: Gerard McCleave, Assistant Director of Economic Growth & Partnerships		
Accountable Director: Mark Bradbury, Interim Director of Place		
This report is Public		

Executive Summary

Coalhouse Fort and its surrounding park is of strategic importance in terms of the council's Local Plan as a valuable community, environmental and heritage asset.

A number of national, regional and local bodies have an interest in the site and its location including the Environment Agency, Historic England, National Highways (Lower Thames Crossing) and several community groups and individuals.

The park is well used and looked after operationally by the Park Ranger and Clean and Green team within the Public Realm directorate. It is popular with families, for walking and dog walking and the council receives a number of filming requests for the location with most recent activity including The Third Day (Sky), Vogue and The 1975 photo shoots.

The fort has been closed to the public since 2020. Now is an opportune time to consider the conservation and feasibility of future uses of the fort, including management models. The next steps for this work are:

- A review and updating of the current maintenance and health and safety plans for the fort and surrounding area.
- An assessment of the strategic fit of the heritage asset and its potential within the context of the emerging Thurrock Cultural Strategy.
- Consideration of options for management of the fort, including management models lead by the local community.

A list of key tasks in support of the next steps in included in Section 4.2.

1. Recommendation(s)

That the Corporate Overview and Scrutiny Committee:

- 1.1 Notes the current position relating to Coalhouse Fort;**
- 1.2 Notes the proposed approach / next steps for Coalhouse Fort; and**
- 1.3 Notes that further updates will be provided as key tasks are actioned / completed.**

2. Introduction and Background

- 2.1 The Ministry of Defence sold the 999-year lease for Coalhouse Fort to Thurrock (Urban District) Council in 1962 but retained the freehold. The fort has been closed to the public since 2020 and has not reopened.
- 2.2 Prior to 2019 Coalhouse Fort received funding from Thurrock Council, Historic England and the Heritage Lottery Fund amongst others which initiated repairs and supported an engagement and education programme including turning one of the casemates into a classroom. This funding included a Project Officer whose fixed-term appointment ended in May 2020. The Coalhouse Fort Project (community representatives) also had a significant role during this period.
- 2.3 The council's responsibility for the fort has previously sat with the Regeneration team but in mid-2022 a review of the current position was undertaken by Strategy, Engagement & Growth to understand the wider strategic opportunity and links to the emerging cultural strategy. The responsibility for Coalhouse Fort now sits within the interim Place Directorate.

3. Current Position

- 3.1 The fort has been closed for over two-years with restricted access mostly to allow the removal of items belonging to groups and individuals that used to use it under previous arrangements that have since expired. There is a need for a refreshed condition survey and to assess any immediate health and safety risks.
- 3.2 Recently a number of new opportunities and issues have emerged that could impact on the future of the fort. These include:
 - The Association of South Essex Local Authorities' (ASELA) is promoting the South Essex Estuary (SEE) Park to ensure every home will have easy access to high quality green space, creating new woodlands, restoring marshlands and completing a huge network of natural landscapes linked by safe greenways. The pioneer programme is focussing on enhancing the

coastal path and adjacent sites stretching from Tilbury Fort to Shoeburyness. The opening of the England Coast Path in July 2022 has already improved access with the new section of path in Essex spanning from Tilbury to Wallasea Island.

- The Lower Thames Crossing is being promoted by National Highways through the Nationally Significant Infrastructure Project process. In addition to its mitigation requirements, National Highways has significant funding available for legacy opportunities. There is interest in supporting opportunities to reopen Coalhouse Fort and to support studies to expedite this.
- The Environment Agency previously confirmed that they will formally cease to exercise their permissive powers to carry out any maintenance activities on "the Embankment" at Coalhouse Point from 1st January 2023. However, the damaged section of the seawall has been repaired throughout August 2022. The repair is to bring the seawall into the condition it was prior to it becoming damaged in September 2019. This work should reduce the number of flood warning closures undertaken at Coalhouse Fort and its car park, as the risk of a breach of the wall will be reduced.
- Wider levelling up and regeneration opportunities through the Thames Freeport and other investment and growth across the borough including in Tilbury, Grays and Purfleet-on-Thames. The Local Plan is progressing with ongoing engagement and information sharing, working towards major milestones in July 2023.

3.3 Colleagues from the council involved in the Local Plan and SEE Park and the Director of Strategy, Engagement and Growth met on site with Historic England and National Highways in May 2022, who have a significant ongoing interest.

3.4 Locally two community groups have come forward with proposals for consideration including potential community running of the fort. These groups are the Coalhouse Fort Historical Society and Coalhouse Fort Future. Both groups include members previously associated with the Coalhouse Fort Project and the latter includes the previous Project Officer. Officers have met with representatives from both groups as well as other interested individuals to understand their current concerns about the fort remaining closed and ideas for its future.

4. Next Steps

4.1 It is now an opportune time to consider the conservation and feasibility of future uses of the fort, including management models. The next steps for this work are:

- A review and updating of the current maintenance and health and safety plans for the fort and surrounding area.
- An assessment of the strategic fit of the heritage asset and its potential within the context of the emerging Thurrock Cultural Strategy.
- Consideration of options for management of the fort, including management models lead by the local community.

4.2 The following actions and tasks cover the immediate short-term and medium to longer-terms potential for Coalhouse Fort. It is anticipated that a number of these could be combined and/or run in parallel over the next 3-4 months (subject to cost, funding and IRP priorities) to ensure clarity of the overall position by Spring/Summer 2023.

Action	Task
1	Identify key partners and form a new steering group to scope the work set out below and monitor progress (February/March 2022): <ul style="list-style-type: none"> • Thurrock Council (chair) • Thurrock Council key services e.g. Local Plan, Heritage/Growth • SEE Park (ASELA) representative • Historic England • National Highways (LTC)
2	Refreshed Condition Survey/Assessment of the Fort and surrounding area: <ul style="list-style-type: none"> • identify any immediate health and safety concerns including compliance with council H&S/asset requirements • work towards move to Corporate Landlord from service responsibility • identify a list of priority repairs and maintenance • 5-year targeted plan for priority repairs including funding
3	Review and update the existing Conservation Management Plan 2017 <ul style="list-style-type: none"> • specifically look at the actions and tasks • review and report on progress against the actions
4	Feasibility and options for future use (including management models) <ul style="list-style-type: none"> • Review of best practice examples • Appraise proposals from local community groups • Identify a preferred option (including governance arrangements)

5. Reasons for Recommendation

5.1 There continues to be wide interest in the park and in the future of Coalhouse Fort. The purpose of this paper is to update Members on the current position

regarding the fort, advise on the next steps and key tasks and to ensure Members are fully informed on progress and delivery.

6. Consultation (including Overview and Scrutiny, if applicable)

6.1 During the review of the current position Officers met with Historic England and National Highways in May 2022 and have engaged with the two local community groups who have come forward with proposals. Officers will continue to engage with interested parties in progressing the next step actions set out in Section 4 above.

7. Impact on corporate policies, priorities, performance and community impact

7.1 The vision for Thurrock is: **An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future.**

7.2 Coalhouse Fort is an important heritage asset. Under the corporate priority banner People, Place, Prosperity, the council is creating a place where people want to live and are proud of, and where businesses want to stay and thrive, and where investors and talent want to locate. Specifically, under Place – a heritage-rich borough which is ambitious for its future – where public spaces connect people and places and clean environments that everyone has reason to take pride in.

8. Implications

8.1 Financial

Implications verified by: **Laura Last**
Senior Management Accountant

As a result of the Council's Section 114 notice new restrictions on spend are in place and priorities focused on the delivery of the Improvement and Recovery Plan. Any new work commissioned for Coalhouse Fort will need to be approved through the new financial management processes in place. Wherever possible existing studies and data will be used to inform decision making and external funding will be sought.

8.2 Legal

Implications verified by: **Helen Graydon**
Property Lawyer

There are no legal implications arising from this update report on Coalhouse Fort. The Council does have responsibility for health and safety at the site and will need to ensure that relevant legislation is adhered to should any new studies / visits or commissions take place at Coalhouse Fort.

8.3 **Diversity and Equality**

Implications verified by: **Becky Lee**
Team Manager – Community Development and Equalities

Coalhouse Fort is a valued heritage asset and the community would welcome better access to and use of the site. An Equalities Impact Assessment should be completed before decisions on the future uses, including management models, of the fort are taken.

8.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

None

9. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

10. **Appendices to the report**

None

Report Author

Gerard McCleave

Assistant Director for Economic Growth & Partnerships

Place Directorate

Work Programme

Committee: Corporate Overview and Scrutiny Committee

Year: 2022/23

Dates of Meetings: 12 July 2022, 6 October 2022, 8 December 2022, 2 February 2023

Topic	Lead Officer	Requested by Officer/Member
12 July 2022		
Asset Review and 3Rs	David Johnson	Officers
End of Year (April 2021 to March 2022) Corporate Performance Report 2021/22	Sarah Welton/ Karen Wheeler	Officers
Work Programme	Democratic Services Officer	Standard Item
6 October 2022		
Finance Update – Quarter 1 2022/23	Jonathan Wilson	Officers
Digital & Customer Experience Strategy	Jackie Hinchliffe/Karen Wheeler	Members
Work Programme	Democratic Services Officer	Standard Item
29 November 2022 - Extraordinary		
Thames Freeport: Governance Structure	Karen Wheeler/ Jonathan Wilson/ Mark Bradbury	Members
8 December 2022		
Local Council Tax Scheme	Andy Brittain/ Jonathan Wilson	Members

Work Programme

Topic	Lead Officer	Requested by Officer/Member
Corporate Peer Challenge 2022 Update	Sarah Welton	Members
Portfolio Holder Report: Central Services	Cllr Jack Duffin/Jackie Hinchliffe	Members
Financial Update – Quarter 2 2022/23	Jonathan Wilson	Officers
Work Programme	Democratic Services Officer	Standard Item
2 February 2023		
Draft General Fund Budget and Medium-Term Financial Strategy Update	Jonathan Wilson	Officers
Capital Programme 2023/24	Jonathan Wilson	Officers
Capital Strategy 2023/24	Jonathan Wilson	Officers
Report of the Cabinet Member for Culture and Communities	Cllr Qaisar Abbas	Members
Coalhouse Fort Update	Gerard McCleave	Members
Work Programme	Democratic Services Officer	Standard Item

Next Municipal Year:

- Ticketing System for Residents Contacting the Council Update Report
- Portfolio Holder Annual Report – Finance

Work Programme

Updated: 25th January 2023

Clerk: Lucy Tricker

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