

13 February 2013		ITEM: 19 01104190
Cabinet		
2013/14 GENERAL FUND REVENUE REPORT		
Report of: Councillor John Kent		
Wards and communities affected: All	Key Decision: Non-key	
Accountable Head of Service: Sean Clark, Head of Corporate Finance		
Accountable Director: Martin Hone, Corporate Director of Finance & Corporate Governance		
This report is Public		
Purpose of Report: To agree the General Fund revenue and capital budgets for recommendation on to Council on 27 February 2013.		

EXECUTIVE SUMMARY

Cabinet and the various Overview and Scrutiny Committees have received a number of reports in recent months that have put forward a series of savings proposals and a number of budget assumptions and growth items in accordance with the agreed budget timetable and consistent with the Council's Medium Term Financial Strategy (MTFS).

This report brings together all of the above, and other changes recognised through detailed budget setting, into a proposed budget for consideration for onward recommendation to Council for approval. The report covers the General Fund 2013/14 revenue and capital budgets – the Housing Revenue Account (HRA) revenue and capital budgets are included in a separate report on this agenda.

1 RECOMMENDATIONS:

Revenue

That Cabinet:

- 1.1 Consider and acknowledge the Section 151 Officer's (Corporate Director of Finance and Corporate Governance) report on the robustness of the proposed budget, the adequacy of the Council's reserves and the reserves strategy as set out in Appendix 1, including the conditions upon which the following recommendations are made;**

- 1.2 Note that, in accordance with the delegated authority given by Council on 23 January 2013, the Director of Finance and Corporate Governance set:**
- 1.2.1 The Council Tax Base as 45,539;**
 - 1.2.2 The Collection Fund Balance as a deficit of £472,437 apportioned to Thurrock Council (£400,391), Essex Police (£47,952) and Essex Fire and Rescue (£24,094); and**
 - 1.2.3 The NNDR 1 at £106,531,052 apportioned to Thurrock Council (£52,200,215), Central Government (£53,265,526) and Essex Fire and Rescue (£1,065,311);**
- 1.3 Considers the comments from the six Overview and Scrutiny Committees, as set out in paragraph 5.17 and Appendix 2, specifically in relation to:**
- 1.3.1 Specific concern over the planned £50k reduction to the Voluntary Sector Development Fund in 2014/15;**
 - 1.3.2 The planned reduction of £20k in the diversity budget for 2013/14;**
 - 1.3.3 Support for the alternative proposal in relation to additional trading standards enforcement, a growth bid of £50k;**
 - 1.3.4 A further review was asked to be carried out before any changes are made to the Meal on Wheels services, planned for 2014/15;**
 - 1.3.5 Request for Cabinet to reconsider the saving proposal of £65k by the removal of a school improvement post;**
 - 1.3.6 Request for Cabinet to reconsider the saving proposal of £10k by the reduction of the consultant budget relating to EHE;**
 - 1.3.7 Request for Cabinet to reconsider the saving proposal of £15k by reducing consultant support to vulnerable and underperforming schools;**
 - 1.3.8 That Cabinet consider an alternative proposal growth bid of £13k per annum to support targeted life chances, increase youth offending funding and pilot a project for improving links between schools and employers;**
 - 1.3.9 An alternative proposal was to set up a one off school improvement reserve for those schools that had transferred, or were transferring, to Academy status. The committee agreed to support the proposal as long as the reserve was**

available to all schools. This would require a £1m contribution from earmarked reserves;

- 1.3.10 That Cabinet consider an alternative proposal growth bid of £5k, that can be met from existing departmental budgets, to carry out a review of the costs of children's social care; and
- 1.3.11 Proposals in relation to an additional £200k of ground maintenance works procured through the Environment department was asked to not be included until a review of the service had been undertaken (this has already been removed from the budget proposals);
- 1.4 Instruct officers to identify those savings planned for 2014/15 that can be brought forward to 2013/14 with the aim of creating a budget surplus that will meet the outstanding pressures in 2014/15 as set out in paragraph 5.34.

And recommends that Council:
- 1.5 Confirm the Council Tax Band D for 2013/14 at £1,124.73, representing a 1.99 percent increase (excluding other preceptors);
- 1.6 Approve a General Fund net revenue budget for 2013/14 of £125,049,079 allocated as set out in paragraph 5.23 with further supporting information in Appendix 3;
- 1.7 Approve that no Special Expenses be charged for 2013/14;
- 1.8 Agree that the use of earmarked reserves for their published purpose be agreed as part of the budget;
- 1.9 Agree to the use of reserves as set out in paragraph 4.6 whilst maintaining an unallocated balance of £8m;
- 1.10 Note the growth and savings assumptions that have been built into the proposed budget at Appendix 4;
- 1.11 Note that although the MTFs still shows a deficit in 2014/15, the financial years 2013/14 to 2014/15 will have been balanced in cash terms over the two year period;
- 1.12 Note the Medium Term Financial Strategy as set out in Appendix 5 and the fact that further significant savings are required;
- 1.13 Note the indicative schools' budget as set out in Appendix 6;
- 1.14 Considers the precepts for the Fire and Police Authorities when agreeing its Council Tax.

Capital

That Cabinet recommend to Council that it:

- 1.15 Approve a General Fund Capital Programme and funding of £11.733 million for 2013/14 (excluding further re-profiling of budgets from 2012/13) as shown in Appendix 7;**
- 1.16 Note the indicative capital budgets for 2014/15 through to 2016/17;**
- 1.17 Agree that the release of prudential borrowing for ICT projects be delegated to Cabinet on the receipt of a business case;**
- 1.18 Agree that the release of prudential borrowing for other buildings be delegated to the Chair of the Corporate Property Board with specific consideration of Health and Safety Issues and the Making Our Assets Work initiative;**
- 1.19 Agree that the allocation of any Transport and Education capital grants be delegated to Cabinet;**
- 1.20 Agree that any unbudgeted contributions from third parties in the way of grants or developers' contributions be deemed as part of the capital programme; and**
- 1.21 Agree that housing development be deemed as part of the general fund capital programme should the ongoing discussions about affordable housing development recognise the general fund as the most appropriate delivery vehicle.**

2 THE PROCESS FOR AGREEING THE COUNCIL'S BUDGETS

- 2.1** The Council must set its annual revenue budget and associated Council Tax by 11 March of the preceding financial year. If, for whatever reason, the Council cannot agree a budget and Council Tax at its meeting on 27 February 2013, Members should be aware that it is unlikely that the Council Tax bills could be sent out in time for April instalments (taking into account the necessary notice period and the time required to print the bills and the accompanying leaflet).
- 2.2** It is also good practice to approve changes in fees and charges and the capital programme at the same time because there is an interdependency between the three budget streams. The recommended schedule of fees and charges for 2013/14 have been included elsewhere on this agenda.
- 2.3** The Housing Revenue Account (HRA) budget needs to be agreed in a timely manner to ensure rent increases can be reflected from 1 April of each year. A separate report on this agenda deals with Housing Rents, Charges and HRA revenue and capital budgets for 2013/14.
- 2.4** This report presents the proposed 2013/14 General Fund revenue and capital budgets for Cabinet's recommendation to Council on 27 February 2013. It

builds on a number of budget reports that have been considered by Cabinet and the various Overview and Scrutiny Committees over recent months.

- 2.5** The Corporate Director of Finance and Corporate Governance's statutory statement on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003 is included at Appendix 1. This must be considered by Cabinet before recommending the budget to Council. It must also be considered by Council before approving the budget and Council Tax.

REVENUE

3 THE 2012/13 BUDGET POSITION

- 3.1** Cabinet have received three earlier reports on the 2012/13 General Fund budget position. The reports identified two significant operational pressures in Children's Services and Environment totalling £3.7m.
- 3.2** There have been additional pressures of:
- 3.2.1** £0.436m unachieved Serco savings against the target of £1m. Discussions are ongoing and officers are confident that the full £1m will be achieved, and has therefore been accounted for, in 2013/14;
- 3.2.2** £0.5m unachieved procurement savings. Although there have been a number of successes in reducing procurement costs within services, a review to identify a new procurement model is still being discussed;
- 3.2.3** £0.56m unachieved asset related savings linked to asset disposals and the reduction of operational buildings.
- 3.3** There have also been a number of operational savings totalling £2.1m that, with technical savings from the debt restructuring exercise and pension contributions, have reduced the budget pressures to £1.2m (as at month 9 reporting). Members will recall that Council agreed to a £2m contingency to meet demographic pressures and unachieved savings and this will be used to meet this balance leaving the unused element, currently £803k, to be set aside for similar pressures in 2013/14 ensuring that the overall budget remains within the agreed envelope..

4 RESERVES

- 4.1** Council was advised at the budget meeting on 29 February 2012, that the Council had now achieved the optimum level of reserves, as set by the S151 Officer, of £8m. This was confirmed in the 2011/12 outturn report to Cabinet and subsequently in the audit opinion on the financial statements.
- 4.2** A summary of available reserves is as follows:

Reserve/Fund	01/04/2012	2012/13	01/04/2013	
Corporate Plan	500		500	To support the delivery of the Corporate Plan.
Transformation	400	-400	-	To develop and project manage the various Transformation schemes.
Demographics/Savings Contingency	1,863	-937	926	To meet any demographic and savings target budget pressures.
LABGI	956	-200	756	To finance various Economic Development projects.
ICT	646	137	783	To pump prime ICT initiatives and finance various ICT needs throughout the year.
General Balance	8,000	0	8,000	The optimum level of unallocated funds to meet unexpected events - set by the S151 Officer.
DC - Asset Disposals	4,303			Transferred to the Council on cessation of the Development Corporation for various regeneration projects, namely Purfleet.
DC - Project Budgets	1,388			
DC - CLG Grant	1,480	-738	742	Revenue grant to meet part costs of the Planning and Regeneration services transferred to the Council.

- 4.3** As can be seen from the table above, the Council has secured the optimum level of £8m and, in addition, has a number of other reserves earmarked for other purposes.
- 4.4** However, there is an opportunity to take advantage of the £4.303m Development Corporation related transfer that is earmarked for the Purfleet Regeneration Project. This sum was actually realised from the sale of assets by the Development Corporation that, within the local authority, would have been treated as capital receipts.
- 4.5** On advice from the Audit Commission, the Council was advised to treat this sum as a revenue grant from the Department for Communities and Local Government meaning that the funding is now available for revenue projects. This funding could then be replaced by capital resources, including prudential borrowing, should the funding be required.
- 4.6** The budget setting process has identified the following proposals for the one off use of reserves:
- 4.6.1** £1m over three years to support continued education improvement in the borough, including implementing the finding of the Education Commission;

- 4.6.2 £50k to employ a specialist project manager to make changes to secure savings on the delivery of supervised contact services, achieving high quality and low cost, building on similar projects which have already taken place in London boroughs;
- 4.6.3 The Council has been successful in securing £4.3m of Regional Growth Funding for Thurrock businesses through the TIGER programme. In order to ensure that all the funding allocated goes to support business the programme management costs of £60k p.a. for the next three years, starting in 2013/14, will be met from Council reserves; and
- 4.6.4 There is a general need whilst the Council moves through a period of significant challenge of funding reductions and transformation, to call on reserves to fund severance, transformation, transitional arrangements and spend to save initiatives.

5 THE 2013/14 PROPOSED REVENUE BUDGET

Government Funding – Formula Grant and Business Rate Retention

- 5.1 Formula Grant now provides approximately 60% of the funding for the Council's net non-schools revenue budget and so represents a significant factor in determining the Council's revenue budget.
- 5.2 In recent years, Formula Grant has been the sum of Revenue Support Grant (RSG) and the national reallocation of National Non Domestic Rates (NNDR) (Business Rates). Members will be aware that Thurrock has always been a net contributor of NNDR, collecting approximately £100m but only receiving £57m back (2012/13 figures).
- 5.3 The government has now changed legislation through Business Rates Retention. Unfortunately, as the scheme has become clear in recent months and particularly since December, the impact for Thurrock, although positive assuming planned growth, is only a proportion of what could have been expected.
- 5.4 The government grant announcement on 19 December 2012 set the Council's initial share of the baseline £104m collectable in 2013/14 at £52m (50%). However, a tariff of £23m is then set reducing the amount that the Council retains to £29m.
- 5.5 The main difference in the scheme is that growth or losses against this baseline is then shared between the Council and the government whereas, until now, all changes only impacted government. A key driver for this approach was to incentivise Councils to promote growth in their area. However, the risk is that the Council must also share in losses.
- 5.6 As the government also introduced levies as well as tariffs into the scheme, the treatment of losses and gains are not equitable. For Thurrock:
 - 5.6.1 Every £100k lost against the baseline, the Council loses £49k (49%); but

- 5.6.2 Every £100k gained against the baseline, the Council gains £27k (27%).
- 5.7 Members also need to be aware that the government plans to rebase the scheme within the next ten years although the date is uncertain. The worst case scenario is that any gains that the Council has benefitted from in terms of growth could be removed and redistributed nationally. This means that the Council will have to be prudent in its use of any gains so as not to become over reliant. At this stage, amounts of £300k and £285k have been assumed for 2013/14 and 2014/15 respectively with further assumptions for the latter years.
- 5.8 In addition to the NNDR of £29m, the Council also receives RSG of £43.6m bringing the total award to £72.6m. Although this is a higher headline amount than 2012/13, the comparison is not like for like. There are a number of service related grants that had previously been awarded separately now 'rolled up' into these figures, most noticeably the grants for Council Tax Benefits, Early Intervention Grant and Learning Development, £8.3m, £5.8m and £4.6m respectively. This has the effect of showing an increased net budget whilst there has been an obvious reduction in resources overall.
- 5.9 Considering government grants as a total, but stripping out those new grants where there is new expenditure (such as public health), the Council's financial resources have reduced by £7.0m between 2012/13 and 2013/14.
- 5.10 The forecasts set out in the Chancellor's Autumn Statement have been reflected in the Council's MTFs. A further reduction between 2013/14 and 2014/15 is clearly stated at £6.5m and the direction of travel over the three years 2015/16 to 2017/18 suggest further reductions of £15m with an experience of the government front loading these.

Government Funding – Dedicated Schools Grant (DSG)

- 5.11 The Dedicated Schools Grant (DSG) was introduced in 2006/07 as a 100% specific grant to fund the schools' budget.
- 5.12 For 2013/14 the structure of the DSG has significantly changed, having now been split between three separate blocks. The three blocks are Schools Block, High Needs Block and Early Year Blocks. Whilst the DSG is ring fenced the separate blocks are not ring fenced to each area, however any movement between the blocks would need to be agreed by the Schools Forum.
- 5.13 The separate blocks of DSG have been calculated based on the 2012/13 spend, the Schools element has then been uplifted by the increase in pupil numbers. There will also be an increase in the Early Years allocation based on the number of pupils in the termly pupil count. Whilst there has been no specific decrease in the DSG, previously the whole of the grant would be uplifted by the population. As the High Needs block represents 16% of the DSG funding, over time there is a concern that as the population increases there will be a shortfall in the available funding for additional support for high needs pupils.

- 5.14** Within the Schools block there is the expectation that with the exception of prior central expenditure commitments, which are not permitted to increase, all funding will be delegated to schools to manage locally. Several central services and contingencies have now been delegated to Schools to manage, and to choose how to buy back services going forward.
- 5.15** The basis of the pupil count for the grant has changed from being calculated using January pupil data, to now being based on October pupil data. This means that unlike in previous years, we have been given a final DSG allocation in December 2012 for the Schools and high needs blocks, whereas in previous years this had not been confirmed till the following June.
- 5.16** Funding for Special Schools is no longer accounted for as part of the Individual Schools budget, but is included in the High Needs Block.
- 5.17** DSG is calculated for all Schools in Thurrock, including Academies, the budgets are calculated using the Thurrock funding formula, the EFA then recoup funding to be distributed to Academies and a net Grant is paid to the Authority. This ensures that Academy and maintained Schools are funded on the same basis.
- 5.18** Two elements of additional duties have been introduced to the DSG, these are the duty to provide free nursery provision for 400 of the most deprived two year olds, from September 2013 (rising to 800 from September 2014) this is funded through an additional DSG allocation, which will be attributable to the Early years block going forward. Authorities have also taken on the responsibility for funding post 16 high needs provision, which had previously been centrally administered by the EFA. Funding has been transferred into the LAs allocation in the High Needs Block
- 5.19** The per pupil rate of Schools block DSG paid to Thurrock is £4,431.35, the early years per fte pupil rate is £3,715.04. The total value of the DSG paid for 2013/14 is £125.096m, made up of:-

5.19.1 Schools Block	£97.210m
5.19.2 High Needs Block	£19.722m
5.19.3 Early Years Block	£6.041m
5.19.4 Additional Allocation*	£2.123m

(*attributable to Early Years Block)

- 5.20** At the end of 2012/13 all but two secondary Schools will have converted to Academy status, 10 of the 40 Primary Schools and 1 of the 2 special Schools. There are a number of Schools currently investigating the possibility of converting to Academies.

Nb: Gateway Academy is not part of the DSG Recoupment model, as Academies that were opened before September 2008, have been funded on a different model by the DfE.

Proposed General Fund Revenue Budget 2013/14

5.21 The draft General Fund revenue budget for 2013/14 was considered by the Cabinet on 12 December 2012 with further savings considered on 16 January 2013. All savings and growth proposals have been considered by the six Overview and Scrutiny Committees, along with alternative proposals submitted by the Conservative Group. Related minutes of the Overview and Scrutiny meetings are included at Appendix 2 but the main headlines are as follows:

5.21.1 Planning, Transportation and Regeneration Overview and Scrutiny

- The committee agreed that budget reductions for regeneration would not result in the reduction of activity at key regeneration hubs in the Borough.

5.21.2 Corporate Overview and Scrutiny

- General concern on overall reductions but acknowledgement of the need to carry them out;
- Specific concern over the planned £50k reduction to the Voluntary Sector Development Fund in 2014/15 and the planned reduction of £20k in the diversity budget for 2013/14;
- An alternative budget proposal was submitted to reduce the level of the pay increment budget in 2013/14. Officers explained the contractual issues and that a pay review was already underway. The committee agreed they would play an active role in the review over the coming months;
- An alternative budget proposal to move community services to local precepting bodies was discussed. The committee have agreed to add this to the workplan;
- An alternative budget proposal was to bring forward the entire community hub programme into 2013/14. Officers explained that there would be capacity issues and could actually increase costs in the short term but the committee supported the principle of community hubs being delivered at the earliest opportunity; and
- The committee considered the alternative proposal of introducing four yearly elections. The committee agreed to set up a task and finish group to give this proposal more in-depth consideration.

5.21.3 Health Overview and Scrutiny Committee

- The Committee supported the alternative proposal in relation to additional trading standards enforcement, a growth bid of £50k.
- A further review was asked to be carried out before any changes are made to the Meal on Wheels services, planned for 2014/15

5.21.4 Children's Overview and Scrutiny Committee

- Request for Cabinet to reconsider the saving proposal of £65k by the removal of a school improvement post;
- Request for Cabinet to reconsider the saving proposal of £10k by the reduction of the consultant budget relating to EHE;
- Request for Cabinet to reconsider the saving proposal of £15k by reducing consultant support to vulnerable and underperforming schools;
- To note that the committee will revisit the 2014/15 saving (£200k) for the social work service for disabled children post the review currently underway, but supportive in principle;
- To note that the saving (£56k) relating to the Traveller Achievement Team is dependent on the cost being absorbed within the DSG;
- That the saving regarding the Munro Principal Social worker be supported but that joint working opportunities be explored with a wider selection of other authorities;
- That Cabinet consider an alternative proposal growth bid of £13k per annum to support targeted life chances, increase youth offending funding and pilot a project for improving links between schools and employers;
- That Cabinet note that the Committee did not support an alternative proposal to bring back the previously centralised communications service;
- That an alternative proposal relating to schools transport be brought back to the committee once Cabinet have considered a paper on the subject at their March meeting;
- An alternative proposal was to set up a one off school improvement reserve for those schools that had transferred, or were transferring, to Academy status. The committee agreed to support the proposal as long as the reserve was available to all schools. This would require a contribution from general reserves. £1m was requested;
- An alternative proposal to move the education department to an 'all academy model' was not supported;
- That Cabinet consider an alternative proposal growth bid of £5k as a one off contribution from reserves to carry out a review of the costs of children's social care; and
- An alternative proposal for a contribution of £30k from reserves to carry out a zero based budget review of education spend was not supported. It was explained to the Committee that a ZBB review had taken place in the last two years already.

5.21.5 Housing Overview and Scrutiny Committee

- Alternative proposals – Proposals in relation to additional £200k of ground maintenance works procured through the Environment department was asked to not be included until a review of the service had been undertaken,

5.21.6 Cleaner, Greener and safer Overview and Scrutiny Committee

- Saving PP22 Cessation of Overtime Working. Gavin Dennett stated that some further advice has been received from HR that raised issue with the legality of the proposals. The proposal will affect existing terms and conditions of some employees, and whether this is equitable with other posts within the Council. Further investigations will be undertaken with HR on the contractual issues to determine the feasibility of the proposal going forward.

5.22 Cabinet are asked to consider the outcomes of each of the Overview and Scrutiny meetings with specific regard to those issues set out above.

5.23 The proposed net General Fund revenue budget is £125,049,079 that, although higher than the 2012/13 headline figure, actually represents a reduction in resources overall as explained in paragraph 5.8. Further details, together with service allocations, are shown in the table below and Appendix 3.

	2013/14 Base
Services	134,414,972
Transformation	1,751,652
Transformation Savings	(1,050,000)
Pensions	(900,000)
Procurement	(750,000)
Shared Services	(500,000)
Other non Specific Grants	(5,694,000)
Public Health	7,200,000
Public Health Income Grant	(7,400,000)
Service Budget Total (Appendix 3)	127,072,625
Levies	542,200
Capital Financing	(2,565,745)
Net Expenditure	125,049,079
Finance by:	
Revenue Support Grant	(43,606,000)
NNDR	(29,010,000)
Collection Fund Deficit	400,000
New Homes Bonus	(1,068,000)
New Homes Bonus Top Slice	(246,000)
Additional NNDR	(300,000)
To be funded through Council Tax	51,219,079

5.24 The key variable features of the proposed budget, include:

- A 1.99% increase in Council Tax;
- A 1% cost of living increase for salaries or wages;
- A series of growth and savings budget amendments as set out in Appendix 4;
- Inflation only included for those budgets where there is a contractual commitment or, like utilities, where an increase is unavoidable;
- The revenue impact of an overall increase in prudential borrowing, specifically towards ICT, Transformation and public buildings; and
- Savings from a number of initiatives through transformation, procurement and shared services.

Council Tax Base 2013/14 and Estimated Collection Fund Balance 2012/13

- 5.25** The Council Tax Base for 2013/14 was approved by the Director of Finance and Corporate Governance on 31 January 2013 at 45,539 (equivalent Band D properties). It is difficult to compare this to previous years as it has been significantly reduced by the effect of the Local Council Tax Scheme (LCTS) that sees a number of residents paying up to 25% of their council tax where they had previously received benefits. The 75% is now awarded through council tax discounts and this has the effect of reducing the Band D multiplier.
- 5.26** The Council Tax Base has also been increased through the amendments to exemptions that were agreed by the Council on 28 November 2012.
- 5.27** The estimated balance on the Collection Fund as at the end of 2012/13 was approved by the Director of Finance and Corporate Governance on 31 January 2013. A deficit of £472,437 was declared of which £400,390 relates to Thurrock Council. This has the first call on council tax receipts and has been built into the budget.

Council Tax

- 5.28** The Localism Act 2011 has introduced the concept of a referendum where a proposed Council Tax increase exceeds its excessiveness principles either by the billing authority or one of its major preceptors. The levels of excessiveness for 2013/14 have been set at 2.0% for Principal Authorities.
- 5.29** Thurrock Council is proposing a 1.99% increase in Council Tax for 2013/14. However, should Members decide to agree an increase in excess of 2.0% there remains an onus on the authority to calculate an alternative budget that does not breach the limit. The referendum would have to be held on the first Thursday of May and would effectively require a vote between the two potential budgets.

- 5.30** The total Council Tax payable by tax payers consists of Thurrock Council's element plus the precepts for Essex Fire and Police Authorities (meetings still to be held).

A Balanced Budget and Deliverable Savings

- 5.31** This budget report assumes that all savings will be achieved. In the event that it does not prove possible, alternative savings will be sought from elsewhere within the overall agreed spending on Council services.
- 5.32** The Section 151 Officer's statement on the robustness of the estimates included at Appendix 1 does recognise the risk to the budget of this approach. The remainder of savings from Serco, Procurement and Transformation are all challenging but achievable.
- 5.33** The objective of this budget round has been to deliver a balanced budget over the two financial years, 2013/14 and 2014/15. The Council's determination of a balanced budget is where ongoing expenditure is met from ongoing resources and where reserves are only used for short term expenditure and projects.
- 5.34** The Council had been on course to achieve this up until the government grant announcement when the budget reduction in grant was doubled to £12m over that anticipated, adding a further pressure of £6m. At this stage, officers are working on identifying those savings in 2014/15 that can be brought forward and delivered into 2013/14 that will have the following two effects:
- 5.34.1 Firstly, this will ensure that the Council meets the definition of a balanced budget as above; and
- 5.34.2 Secondly, will create an under spend that will add to reserves the amount required to finance the budget deficit in 2014/15.

Medium Term Financial Strategy

- 5.35** The Council prepares a high level four year Medium Term Financial Strategy (MTFS) which is reviewed annually. The MTFS for 2013/14 to 2016/17 was considered earlier on this agenda as part of the Corporate Plan.
- 5.36** Members will have seen that the Council still faces significant funding gaps in each of the financial years 2013/14 through to 2016/17 and Cabinet has instructed officers to identify options for closing those gaps as a priority. Those gaps in 2013/14 and 2014/15 will be managed through bringing forward savings from 2014/15 as set out in paragraph 5.34. Directors' Board are now working with the Portfolio Holders to explore options for the authority going forward to meet the challenges of further reduced resources and increased demand.
- 5.37** Adoption of the policy outlined above will increase the savings that the council needs to find in 2015/16 above that which would otherwise be required.

- 5.38** The Transformation Programme remains a key driver for these savings but there is a reasonable probability that front line services will also be affected.

Fees and Charges

- 5.39** Fees and Charges have been considered by the relevant Overview and Scrutiny Committees and by Cabinet earlier on this agenda.

CAPITAL

Background

- 5.40** Capital expenditure is defined as expenditure incurred on the acquisition or creation of assets needed to provide services, such as houses, schools, vehicles, etc. This is in contrast to revenue expenditure which is spending on the day to day running costs of services such as employee costs and supplies and services. Capital grants, borrowing and capital receipts can only be spent on capital items and cannot be used to support the revenue budget.
- 5.41** Under the Local Government Act 2003 each authority can determine how much it can borrow within prudential limits (unsupported borrowing). The government does have powers to limit the aggregate for authorities for national economic reasons. For example, it has set a premium of 1% on Public Works Loan Board rates to deter excess borrowing in the public sector (more recently netted down to just a 0.8% premium).
- 5.42** Prudential borrowing is not supported financially by either capital or revenue grants and so the full cost is met from Council Tax.
- 5.43** As Thurrock Council has realised minimal capital receipts in recent years, the capital programme has been largely based on schemes that could be funded through third party contributions, namely government capital grants and developers' contributions. This has resulted in a lack of investment in areas such as ICT and operational buildings as these rarely receive third party contributions of this nature.
- 5.44** For the last two years, prudential borrowing has been approved to meet these requirements and this is assumed to continue for the life of the MTF5. However, the Asset Management Strategy is now becoming embedded throughout the organisation and a cross party Asset Disposal Working Group are identifying assets for disposal although consideration must also be given to the market at this time.
- 5.45** Having now inherited the full responsibility for regeneration from the Development Corporation and the need to finance transformation activity to meet the need of improving services and reduced resources, realising capital receipts is essential. Although prudential borrowing can be used for this purpose, the revenue cost dilutes the benefit that could be obtained.
- 5.46** Elsewhere on this agenda, the Housing Revenue Account (HRA) budget report explains how there will be significant budget surpluses available over the coming years for the new development of affordable housing. As the HRA

is restricted in its ability to borrow and with the uncertainty of its ability to build mixed tenure development, one option being considered is whether to set up a general fund vehicle that would effectively manage the cash flow.

- 5.47** This will be the subject of a further report to Cabinet in due course but, should the general fund vehicle prove to be the best approach, Council are being asked to agree that any related expenditure be deemed as part of the capital programme and that the necessary amendments to the prudential indicators be delegated to Cabinet.
- 5.48** The proposed capital programme and funding is included at Appendix 7.

Capital Government Grants

- 5.49** During 2012/13 no new Government supported borrowing allocations were made, with support given in the form of a grant only. In terms of the 2012/13 grant allocations compared to the amounts received for the previous year, Highways received an additional 7% in funding whereas Education funding decreased by 10%.
- 5.50** Grant announcements are still being made for future years.

St Chads Site

- 5.51** Cabinet will recall that the Council entered into an arrangement as part of the funding commitment for the Gateway Academy to pay over to the Department for Education £5m which was linked to the disposal of the former St Chads School site. Officers can confirm that the payment has now been made in full and that the site has been actively marketed.

6 ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:

- 6.1** The report identifies a number of pressures within the budget and these have, in the main, being dealt with through the budget setting process for the period 2013/14 – 2014/15.
- 6.2** However, Members should note three specific pressures:
- a) Prudential Borrowing – the MTFs currently assumes that the repayment shortfall from asset disposals will be made in 2013/14 and so will be the first call on any capital receipts;
 - b) That the shortfall in Serco savings will be identified and actioned in time for the full £1m to be achieved in 2013/14; and
 - c) The need to bring forward 2014/15 targeted savings to balance the budget over the two year period will bring a number of challenges.
- 6.3** Any changes to these assumptions have a direct impact on the current budget gap, considered elsewhere on this agenda.

7 REASONS FOR RECOMMENDATION:

7.1 The recommendations are to ensure that the Council meets its obligation to set a sustainable and legal budget.

8 CONSULTATION (including Overview and Scrutiny, if applicable)

8.1 There have been a number of budget reports to Cabinet and each of the Overview and Scrutiny Committees covering corporate assumption, fees and charges, savings and growth. The Lets Talk campaign has also sought views from residents and other interested parties.

9 IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

9.1 The budget provides the finance to meet the Corporate Priorities. Any changes to the budgets may impact, positively or negatively, on the delivery of these priorities and performance with a corresponding impact on the community.

10 IMPLICATIONS

10.1 Financial

Implications verified by: **Sean Clark**
Telephone and email: **01375 652010**
sclark@thurrock.gov.uk

These are included in the body of the report.

10.2 Legal

Implications verified by: **David Lawson**
Telephone and email: **01375 652087**
dlawson@thurrock.gov.uk

Local authorities are under an explicit duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. This budget and strategy report contributes to that requirement although specific legal advice may be required on the detailed implementation of any options agreed as a result.

10.3 Diversity and Equality

Implications verified by: **Samson DeAlyn**
Telephone and email: **01375 652472**
SDeAlyn@thurrock.gov.uk

Any changes to the budgets and service provision should consider the impact on diversity and equality. Equality Impact Assessments were carried out for all of the savings that have been incorporated into the draft budget proposals.

10.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental

The assessment of risks associated with the 2012/13 budget by the Council's S151 Officer is set out in Appendix 1.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):

- There are various working papers within directorates and accountancy, as well as previous budget reports.

APPENDICES TO THIS REPORT:

- Appendix 1 – Report of the Council's Section 151 Officer under Section 25 of the Local Government Act 2003: Robustness of Estimates and Adequacy of Reserves.
- Appendix 2 – Draft Overview and Scrutiny Minutes (Planning, Transport and Regeneration Overview and Scrutiny Minutes are to follow).
- Appendix 3 – Service Budgets
- Appendix 4 – GF Growth and Savings
- Appendix 5 – Medium Term Financial Strategy
- Appendix 6 – Schools' Budget
- Appendix 7 – GF Capital Programme

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THE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE'S S25
STATEMENT

**SECTION 151 OFFICER'S STATEMENT ON ADEQUACY OF BALANCES AND
THE ROBUSTNESS OF THE BUDGET – BUDGET YEAR 2013/14**

Introduction

The Chief Financial Officer is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

- (1) *Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major precepting authority) or section 85 of the Greater London Authority Act 1999 (c.29) (Greater London Authority) applies is making calculations in accordance with that section, the chief finance officer of the authority must report to it on the following matters:-*
 - (a) *The robustness of the estimates made for the purposes of the calculations, and*
 - (b) *The adequacy of the proposed financial reserves.*
- (2) *An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.*

This includes reporting and taking into account:

- The key assumptions in the proposed budget and to give a view on the robustness of those assumptions.
- The key risk areas in the budget and to assess the adequacy of the Council's reserves when reviewing the potential financial impact of these risk areas on the finances of the Council. This should be accompanied by a Reserves Strategy.

This report has to be considered and approved by Council as part of the budget approval and Council Tax setting process.

This document concentrates on the General Fund 2013/14, the Housing Revenue Account and Capital Programme, but in addition it also considers key medium term issues faced by the Council.

Assurance Statement of the Council's Section 151 Officer (Corporate Director of Finance & Corporate Governance)

The following are the summary assurances and recommendations of the Council's Section 151 Officer (The Director of Finance & Corporate Governance). They must be read in conjunction with the supporting statement (from Page 6 of this appendix) which together make up the Section 151 Officer's statutory duty to report under Section 25 of the Local Government Act 2003.

THE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE'S S25 STATEMENT

1. In relation to the 2013/14 General Fund Revenue budget I have examined the budget proposals and I believe that, whilst the spending and service delivery proposals are challenging, they are nevertheless achievable given the political and management will to implement the changes, good management, and the sound monitoring of performance and budgets. I am satisfied that sufficient management processes exist within the Council to deliver this budget and to identify and deal with any problems which may arise unexpectedly during the year.
2. The key process risks in making the above statement are the comparatively low resources within the Council, compared to other Unitary Authorities, dedicated to providing financial support services and advice to managers, which will require the finance teams to be focused on key risk budgets.
3. My recommendations are also conditional upon:
 - The agreement of a Medium Term Financial Strategy and Plan for 2014/15 to 2016/17 that includes provisional planned reductions in net revenue expenditure to deliver a balanced budget for financial year 2014/15.
 - A recognition in the medium term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic, and shows a clear commitment to prudent contingency planning. It must be noted, however, that the recommended levels of reserves still leave the Council exposed to the very exceptional risks identified in this review and, if those risks crystallise, to reserves being inadequate.
 - Portfolio Holders, Directors and Heads of Service managing within their cash limits for 2013/14 (and future years covered by the Medium Term Financial Strategy and Plan).
 - Taking every opportunity to meet the Reserves Strategy as a first call on windfall under spends.
 - Not considering further calls on reserves other than for those risks that have been identified, those that could not have been reasonably foreseen and that cannot be dealt with through management or policy actions. The exception to this is where the Reserves Strategy (reviewed annually) is met. Even in those circumstances, it is not prudent to finance ongoing spending from one-off reserves. Any excess reserves should be targeted towards one-off 'invest to save' or contributions to fund the Council's capital programme.

THE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE'S S25 STATEMENT

- Where there is a draw-down on reserves, which causes the approved Reserves Strategy to be off target, that this is paid back within three years.
 - That the Council has arrangements and resources in place to consider value for money in preparation for future years' budgets.
4. In relation to the adequacy of reserves, I recommend the following Reserves Strategy based on an approach to evidence the requisite level of reserves by internal financial risk assessment. The Reserves Strategy will need to be reviewed annually and adjusted in the light of the prevailing circumstances.
- An absolute minimum level of General Fund reserves of £5m that is maintained throughout the period between 2013/14 to 2016/17
 - An optimal level of reserves of £8.0m over the period 2013/14 to 2016/17 to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances.
 - A maximum recommended level of reserves of £10.5 - £11.0m for the period 2013/14 to 2016/17 to provide additional resilience to implement the Medium Term Financial Plan.
 - A Reserves Strategy to achieve the recommended maximum level of reserves within the relevant period (2013/14 to 2016/17).
 - In relation to the Housing Revenue Account (HRA) my recommendation is that reserves be maintained at £1.7m.
5. The estimated level of unallocated General Fund reserves at 31 March 2013, based on current projections is £8.0m depending on final spending. Therefore:
- The absolute minimum level of reserves of £5.0m is currently being achieved.
 - The optimal level of reserves of £8.0m will be achieved by the end of the current year.
 - It is unlikely that the recommended maximum level of reserves of £10.0m will be breached during 2013/14 as any decision on the funding transferred from the Development Corporation will be set aside to meet regeneration activity and revenue budget issues in terms of transitional arrangements, transformation and severance.
6. These recommendations are made on the basis of:
- The risks identified in the Directors' reviews of their budgets.
 - My own enquiries during the development of the budget.

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STATEMENT

- The resilience required to deliver the Medium Term Financial Plan.
 - One-off unallocated reserves not being used to fund new ongoing commitments.
 - Reserves in 2013/14 and the foreseeable future being used only if risks materialise and cannot be contained by management or policy actions.
 - That where reserves are drawn down, the level of reserves is restored within three years to that required by the Medium Term Financial Strategy.
7. There are also serious exceptional risks which, if they crystallise, could eliminate the Council's reserves and leave its financial standing seriously in question. These include:
- Not delivering the planned savings and efficiencies from transformation and new ways of working.
 - Unforeseen impacts arising from the consequences of welfare reform, in particular the introduction from April 2013 of the Local Council Tax Support Scheme, the Essential Living Fund and the occupancy limitations for Housing Benefits.
 - Unforeseen impacts arising from the transfer of public health services from the PCT to the Council in April 2013.
 - The impact of the localisation of business rates for April 2013 and the consequences of future changes in the total rateable value of businesses located in Thurrock.
 - Interest rate rises that would reduce the ongoing savings arising from the restructuring of debt carried out in August 2010.
 - Any liabilities that arise from the assimilation of the Thames Gateway Development Corporation.
 - Any shortfall against the expected value of assets identified for disposal.
 - Adequacy of contingency funds to meet demographic and economic pressures.
8. In relation to the General Fund and HRA Capital Programme 2013/14 (including commitments from previous years and new starts):
- The HRA Capital Programme will need to be contained within total programme costs.

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- The General Fund Capital Budget is based on the best information available in terms of project costs. What is less certain, given the history of slippage, is the phasing of expenditure.
- The strategic schemes identified in the Capital Programme will be closely monitored in-year.

9. In relation to the medium/long term Capital Programme:

- The delivery of the agreed Capital Strategy and Asset Management Plan is a critical priority to enable the matching of resources to needs and priorities.

Assurance

Given all these factors, I, as the Council's Section 151 Officer, consider the estimates for 2013/14 to be sufficiently robust but challenging for approval by the Council. I advise the Council that the General Fund Reserves are currently at the optimum level required to ensure financial stability over the medium term and recommend that the Reserves Strategy be maintained in 2013/14 and the medium term.

THE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE'S S25 STATEMENT

Supporting Statement

Processes

Budget estimates are exactly that – estimates of spending and income made at a point in time and which will change as circumstances change. This statement about the robustness of estimates cannot give a 100% guarantee about the budget but gives Members reasonable assurance that the budget has been based on the best information available at the time.

In order to meet the requirement on the robustness of estimates a number of key processes have been put in place, including:

- The issuing of clear guidance to Services on preparing budgets
- The development of Council wide risk assessment
- The use of budget monitoring to identify risk
- The Council's S151 Officer providing advice throughout the process of budget preparation and budget monitoring
- The Corporate Directors' review of their budgets and budget sensitivities
- A review of budget proposals by Directors' Board in September, October, November 2012 and January 2013.
- A review of budget proposals by Executive Members in August, October, November, December 2012 and January 2013.
- Enquiries made directly by the Section 151 Officer.

Notwithstanding these arrangements, which are designed to test the budget throughout its various stages of development, considerable reliance is placed on the Directors and Heads of Service having proper arrangements in place to identify issues, project costs, assess service demands, consider value for money and efficiency, and implement changes in their service plans. This work is supported by appropriately qualified and experienced financial staff.

A summary of the key budget assumptions considered by Directorates in terms of assessing the robustness of their budgets were:-

- The treatment of inflation and interest rates
- The treatment of demand led pressures
- The treatment of efficiency savings/productivity gains

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- The financial risks inherent in any significant new funding partnerships, major outsourcing deals or major capital developments
- The availability of other funds to deal with major contingencies
- The Directorate's track record in budget and financial management
- The Directorate's capacity to manage in-year budget pressures.

The full key budget assumptions and comments by each Director are available from the Director of Finance and Corporate Governance and are listed as background papers.

Corporate and service processes will continue to be improved in future years. Improvement in these processes will assist in prevention or earlier identification of issues to be dealt with in the budget and Medium Term Financial Plan. Nevertheless in preparing such a complex budget, unforeseen issues will arise throughout the year and in future years.

Robustness of Estimates – General Fund Revenue Budget

The 2013/14 budget and service planning process continues the need to link financial resources to corporate priorities and risks. In addition to improving efficiency, there are clearly choices for the Council in this respect:-

- To increase financial resources to meet demand and reduce risk; or
- To reduce (where possible) service levels and standards, frequency of service delivery, and eligibility for services.

As part of developing the budget, Members of the administration have considered these options and they are reflected in the proposed budget.

Most notably the Council has had to address major cost increases and pressures as well as corporate priorities including:

- Rebuilding General Fund reserves
- Demographic changes for social care
- Increasing complexity and hence cost of care provision
- The cost of unsupported borrowing within the capital programme
- Shortfalls in income

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- Reductions in grant from government
- Increased energy costs.

These assumptions will require the forecasts for future years to be reviewed early in each financial year leading to more detailed budgets during the autumn of each financial year.

Medium Term Financial Planning

Over the medium term, the Council needs to deliver its Medium Term Financial Plan reflecting the continuing impact of the proposed budget and only minimal growth in relation to issues that are unavoidable. Within the tight financial climate over the medium term it is very likely that service improvement and reasonable Council Tax increases, without key service reductions, will only be achieved through improving efficiency and clear prioritisation. The Council's Medium Term Financial Strategy has been developed to reflect the recommendations from the Audit Commission to include scenario planning. It also reflects the findings of the Peer Review carried out in December 2011.

Adequacy of Reserves – General Fund Revenue Budget

Under the Local Government 2003 Act the Secretary of State has reserve powers to set a minimum level of reserves. The most likely use of this power is where an authority is running down its reserves against the advice of their S151 Officer.

Determining the appropriate level of reserves is not a precise science or a formula (e.g. a particular percentage of the Council's budget). It is the Council's safety net for risks, unforeseen events or other circumstances. The reserves must last the lifetime of the Council unless contributions are made from future years' revenue budgets. The minimum level of balances cannot be judged merely against the current risks facing the Council as these can and will change over time.

Determining the appropriate level of reserves is a professional judgement based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions, and the Council's track record in budget management.

The consequences of not keeping a minimum prudent level of reserves can be serious. In the event of a major problem or a series of events, the Council would run a serious risk of a deficit or of being forced to cut spending during the year in a damaging and arbitrary way.

The recommendation on the prudent level of reserves has been based on the robustness of estimate information and the Corporate Risk Register. In addition, the other strategic operational and financial risks taken into account when recommending the minimum level of unallocated General Fund reserves include:

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- There is always some degree of uncertainty over whether the full effects of any economy measures and/or service reductions will be achieved. Directors have been requested to be prudent in their assumptions and that those assumptions, particularly about demand led budgets, will hold true in changing circumstances.
- The Bellwin Scheme Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. The Council is able to claim assistance with the cost of dealing with an emergency over and above a threshold set by the Government.
- The risk of major litigation, both current and in the future.
- Risk in the inter-relation between the NHS and Social Service authorities.
- The risk of losing subsidy arising from outstanding Housing Benefit and Council Tax Benefit Subsidy Claims.
- Unplanned volume increases in major demand led budgets, particularly in children's services, learning disabilities, physical and sensory impairment, and housing benefits.
- The need to retain a general contingency to provide for some measure of unforeseen circumstances which may arise. This part of the reserves is not provided for directly but indirectly on the assumption that the financial risks identified will not all crystallise within the same financial year.
- The need to retain reserves for general day-to-day cash flow needs. This is minimal given the level of cash the Council holds at any given time.

The analysis would indicate an underlying prudent level of unallocated reserves of £8.0m to be achieved pragmatically over time under normal circumstances (and in addition to school balances).

In relation to the adequacy of reserves, I recommend the following Reserves Strategy based on an approach to evidence the requisite level of reserves by the use of internal risk assessment.

- An absolute minimum level of General Fund reserves of £5m that is maintained throughout the period between 2013/14 to 2016/17.
- A level of reserves of £8.0m over the period 2013/14 to 2016/17 as the optimal level of reserves to cover in-year risks, cash flow needs and unforeseen circumstances.
- A maximum recommended level of reserves of £10.0m for the period 2013/14 to 2016/17 to provide additional resilience to implement a Medium Term Financial Plan.

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- A Reserves Strategy to achieve the recommended maximum level of reserves within the relevant period (2013/14 to 2016/17).

The estimated level of unallocated General Fund reserves at 31 March 2013, based on current projections is £8.0m depending on final spending. Therefore:

- The absolute minimum level of reserves of £5m is currently being achieved.
- The level of reserves to meet day to day risk of £8.0m will be achieved
- The recommended maximum level of reserves of £10.0m will not be breached in 2013/14.

Despite this, the further exceptional risks identified may have a potential and serious call on reserves. The Council is advised to be cautious about these risks and commit to restoring any drawn down on reserves within a three year period.

In these circumstances, I will require the Council, Cabinet, Directors and Heads of Service:

- To remain within their service budget for 2013/14 and within agreed medium term financial plan targets for future years (2014/15 to 2016/17) with a strict adherence to recovering overspends within future years' financial plan targets.
- To make repayment to reserves over three years should these risks materialise.
- To direct any windfall revenue savings/under spends to reserves should the General Fund Revenue Strategy require it.

Estimated Earmarked General Fund Revenue Reserves

I have reviewed the Council's earmarked revenue reserves. The amounts held for general fund purposes are minimal and are expected to be defrayed in the lifetime of this medium Term Financial Strategy.

Schools' Balances

Schools' balances, while consolidated into the Council's overall accounts, are a matter for Governing Bodies. Nevertheless, under the Council's Scheme for Financing Schools the Council has a duty to scrutinise whether any school holds surplus balances. To that effect the Council's Scheme for Financing Schools will be amended in line with the requirements of the Secretary of State for Education with minor amendments agreed by the Schools' Forum.

I am satisfied that the arrangements in place are adequate.

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The Capital Budget

Projects included in the Capital Programme were prepared by Heads of Service and Managers in line with financial regulations and guidance. All projects were agreed by the relevant Corporate Director and Executive Member and are fully funded for their estimated cost.

Projects have been costed at outturn prices with many subject to tender after inclusion in the programme. This may lead to variance in the final costs.

Directorates are required to work within the given cash envelope so any under or over provision must be found within these limits.

Capital Programme Risks

The risk of the Council being unable to fund variations in the programme is minimal mainly due to phasing of projects. The Council is able to freeze parts of the programme throughout the year to ensure spend is within the agreed financial envelope, although this will have service implications.

A further key risk to the capital programme is the ability of the Council to fully deliver it within the agreed timescales. The slippage identified relating to 2012/13 is fully funded.

In relation to the General Fund and HRA Capital Programme 2013/14 (including commitments from previous years and new starts):

- The HRA Capital Programme will need to be contained within total programme cost by delaying or stopping specified schemes if necessary.
- The General Fund Capital Budget is based on the best information available in terms of project costs. What is less certain, given the history of slippage, is the phasing of expenditure.
- The strategic schemes identified in the Capital Programme will be closely monitored in-year.

OVERVIEW AND SCRUTINY MINUTES

MINUTES of the meeting of the Corporate Overview and Scrutiny Committee held on 22 January 2013 at 6.00pm

Present: Councillors Richard Speight (Chair), Barry Johnson (Vice Chair) Wendy Curtis, Martin Healy (arrived at 6.08pm), Terry Hipsey (left at 8.10pm) and Charlie Key

In attendance: Councillor L Worrall – Portfolio Holder for Transformation and Community
Councillor Phil Smith – Portfolio Holder for Central Service
S. Cox- Assistant Chief Executive
M. Hone – Director of Finance & Corporate Governance
S. Clark– Head of Finance
J. Hinchliffe – Head of HR OD & Customer Strategy
C. Littleton – Head of School Improvement
N. Warren – Community Development Manager
S. Welton – Corporate Performance Officer
K. Adedaji – Housing Manager
M. Boulter – Principal Democratic Services Officer

25. DECLARATION OF INTERESTS

a) Interests

No interests were declared.

b) Whipping

No interests were declared.

27. BUDGET 2013/14- 2014/15 SAVINGS AND CAPITAL PROPOSALS

Officers informed the Committee that the government grant settlement had been published and was £6 million less than the council expected. This meant that if all the savings proposals were agreed, there would remain a £1.5 million gap. The Council was using prudential borrowing and there were reserves of £8 million.

The Committee took each proposal in turn:

Equal Pay Claims

This budget was no longer required as the project had ended and residual costs had been paid for.

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The Committee agreed the proposal.

Fraud Team

The saving would be made by directly employing the fraud team, rather than using agencies. This did not affect the capacity or workload of the team and savings were through agency costs.

The Committee agreed the proposal.

Freedom of Information and GIS Teams

These functions had now been centralised into one team and two vacant posts could be removed. This did not reduce the level of service.

The Committee agreed the proposal.

Building Society Investments

The Council would widen its investments to building societies which would increase income through interest. Officers confirmed they would monitor this regularly and take advice from their treasury advisors. Investment would be gradual and would be started after Council approval in February 2013. There was a brief discussion on micro-lending and whether this could be a different way of investing. Officers stated that this could be done and there were currently some arrangements with the Credit Union on this matter.

The Committee agreed the proposal.

Directorate Wide Restructure

The restructuring of the Finance and Corporate Governance Directorate would lead to savings through redundancies, which could well be vacant posts. Impact of this would be on the support provided to the Council rather than to the public. The equality impact assessment would be developed alongside the consultation with staff. Officers agreed there was scope to look into shared services within this area, including audit, fraud and the exchequer.

Insurance

The Council had employed Barking and Dagenham Council's Insurance Manager who was confident she could reduce the Council's insurance premiums by at least £200,000. This was hoped to take effect in 2014/15. The key to reducing the payments was to reduce the frequency of claims rather than the amount of each claim. Members suggested that the Council could self-insure for a period to save money and improve insurance premiums at a later date.

The Committee agreed the proposal.

Staff Training Budget

The introduction of more e-learning was to reduce administrative costs. Members queried why not more savings could be made in future years and officers agreed to look into this. Members felt that for the money spent on training, the successes could be celebrated more.

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The Committee agreed the proposal.

Administrative Support

The use of the new Oracle system would result in the reduction of a fixed term post filled by agency staff.

The Committee agreed the proposal.

Clienting Budget

The Council was confident that it could reduce the number of specialists used by Serco, which were provided as part of the contract with them. The risk was that if those specialists were required at a later date, they would cost the Council more money to employ. However, officers stated that the council had a good relationship with Serco and this was not foreseen as a major risk.

The Committee agreed the proposal.

Crown House

The saving was made by terminating the rental and maintenance of the property. The saving was only of direct costs and £18,000 had to be spent on the usual overheads of HR and legal support to the teams using the building and also some payment for dilapidation expenses to the landlord.

The Committee agreed the proposal.

Deletion of PA post

This was linked to the Clienting budget item.

The Committee agreed the proposal.

Service Reduction: Diversity

The Council proposed to reduce the staffing in diversity and seek to share services with another authority. The post deleted was currently vacant. It was planned for the business side of diversity to create enough money to sustain the projects undertaken by the team throughout the year. The business unit currently made between £20,000 and £30,000 each year.

Councillor Hipsey and other Members felt this was a big challenge to run the team at reduced capacity and resource. However, it was confirmed that all statutory obligations of the team would be covered.

The Committee agreed the proposal.

Reduction in consultancy budget

This proposal was to reduce the Chief Executive's consultancy budget by half. Members observed that the impact on the service was noted as 'none' and queried whether or not the whole budget could be taken away. Officers agreed that the reasons for keeping half of the budget still, would be made at the Cabinet meeting.

The Committee agreed the proposal.

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Procurement Savings

This saving was proposed by Serco and underwritten by them. If they failed to deliver the saving they would have to pay for it themselves. Officers were confident the saving would be achieved and any savings made above and beyond the £750,000 figure would be shared between Serco and the Council.

Officers added that the saving could be made through Serco but also through the Strategic procurement service that the Council still managed. Officers were confident that savings could be made in both areas but would require extra capacity in procurement services to make the savings and undertake negotiations with suppliers.

Officers confirmed that the savings did not include savings on housing items such as baths and sinks as this was related to the Housing Revenue Account. However, if the savings were achieved, the culture of the council's procurement would filter down to and affect this area. Shared services and the use of bigger buying power was also raised and noted.

The Committee agreed the proposal.

Shared Services

There was scope to share back office functions further. There were plans to share Communications and Strategy teams but the detail would not be available until the Cabinet report.

The Committee agreed the proposal although Councillor Johnson was sceptical about the proposal without the sufficient detail on the proposals.

Voluntary Sector Development Fund

The Committee felt this proposal was detrimental to the work of voluntary groups but understood that the current money funded twelve voluntary organisations, which would have to compete with other organisations in the next round of applications for funding.

Councillor Healy felt that this should be a growth area as it seemed investment in these organisations saved the Council more money in other services. The portfolio holder stated that the voluntary groups understood that the fund had been protected for three years and they were accepting that they would have to work differently in the future.

The Chair felt that the committee could well utilise its work programme next year to see how these groups could be sustained and drive through savings that could be used for the voluntary sector.

The Committee felt that this was not a saving they could agree with but understood the reasoning of it and also felt that the engagement with the sector on this had been good.

Elections

The Committee agreed this was an area of potential savings but raised queries about additional cost, namely:

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- The cost of bye elections
- The cost of any national or European elections.
- Constitutional issues and challenges, including any public consultations.
- How to progress this issue through the Council.
- Whether a first wholesale election could coincide with a boundary review of West Thurrock and Purfleet.

The Committee agreed this was an area that needed further information and debate and agreed to receive further information on this at the next suitable committee meeting.

The Committee moved on to the capital bids, going through each proposal. The Committee recognised that a number of refurbishment costs could be negated by the space optimisation project that was currently being undertaken. Officers confirmed that there was no start or finish date to fully optimise the civic offices, although four years was the current estimate. The project was flexible. The following issues were picked out for discussion:

- Officers stated that the modernisation of the fire sprinkler system would contribute to the reduction of insurance premiums.
- The demolition of former operational sites encompassed about six or seven properties.
- The Telephony, Networks and Wifi project was scheduled for three years. It would be monitored regularly so that technology did not become redundant soon after installation. The project also involved training staff to use different technology. The Committee agreed that site visits to other flagship councils would be a good idea.
- Mobile working was about improving staff access to council paperwork and data when working off site with the public. It did not necessarily mean that officers would be forced to work away from the offices.
- The Bring Your Own Device savings were delayed for a year because the suitable infrastructure needed to be in place first.
- A debate was had on the improvements to the council chamber. Members felt this was an unnecessary cost but officers highlighted that technological improvements in the chamber meant that it could be used more widely by officers and the public. The Committee agreed that a business case on this improvement would need to go to Cabinet before it was progressed.
- With regards to self service kiosks, the portfolio holder stated that there would always be a facility for someone to have a face to face meeting with a council officer. The Council needed to provide more online services as this was the methods used by younger sections of the community but vulnerable residents were fully catered for also.

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The meeting was adjourned at 9.09 pm.

**Any queries regarding these Minutes, please contact
Matthew Boulter, telephone (01375) 652082,
or alternatively e-mail mboulter@thurrock.gov.uk**

OVERVIEW AND SCRUTINY MINUTES



**MINUTES of the meeting of the Corporate Overview and Scrutiny Committee
held on 31 January 2013 at 6.00pm**

Present: Councillors Richard Speight (Chair), Barry Johnson (Vice Chair)
Wendy Curtis, Martin Healy, Terry Hipsey and Tunde Ojetola
(substituting for Charlie Key)

In attendance: M. Hone – Director of Finance & Corporate Governance
S. Clark– Head of Finance
J. Hinchliffe – Head of HR OD & Customer Strategy
I. Rydings – Head of Asset Management
M. Boulter – Principal Democratic Services Officer

25. DECLARATION OF INTERESTS

c) Interests

Councillor Healy declared a non-pecuniary interest by virtue that he sat on the working party that is overseeing the Grays Beach project.

Councillor Ojetola declared a non-pecuniary interest by virtue that he sat on the Board of Trustees for Impulse Leisure.

Councillor Curtis declared a non-pecuniary interest by virtue that she was the Council representative for the Thameside and also that she sat on the shadow management team for the Ockendon Community Hub project.

d) Whipping

No interests were declared.

27. BUDGET 2013/14- 2014/15 SAVINGS AND CAPITAL PROPOSALS

Four Yearly Elections

Officers clarified that no savings could be made in the 2013/14 year but there could be an implementation of four yearly elections in 2014/15. There would be an additional cost of running a full election in that year but the subsequent two years would make a saving of £120,000.

Members expressed a desire for a public consultation to be widespread and comprehensive as it would need to inform and capture the views of elderly

OVERVIEW AND SCRUTINY MINUTES

people among others. Members acknowledged by elections would cost additional funds if they were held.

The Committee agreed the proposal on the basis that further work, either through a task and finish group or another appropriate committee would be undertaken.

Replacing Automatic Pay Increments

Officers confirmed that it was not feasible to make savings in the next two years. The Council had frozen the cost of living wage increase for the past three years and performance based increments within staff bands was a contractual obligation for the council.

Councillor Ojetola felt the Council could be prudent in the current financial climate and seek to freeze increments and reduce the cost of awards. Officers confirmed that this was not possible as increments were a contractual right, they explained that the performance management process for awarding staff increments was rigorous and had been reviewed last year.

Councillor Ojetola felt that the public would see the Council in a bad light as it was making redundancies and service reductions but paying its staff more money. Councillor Healy highlighted that there could be opposite views in that the public could see council staff as deserving of that pay increase for the work they did. It was clarified that just under 80% of staff lived in Thurrock.

The Committee did not agree with this proposal but expressed a desire to actively take part in future work on this area. Councillor Ojetola's opposing viewpoint was noted.

Implementing Community Hubs

The implementation of any saving relating to this required further detail on the number of hubs and the services they would provide. Councillor Johnson registered his disappointment that the Council would choose to invest money into shared services that had no fixed saving figure rather than community based initiatives such as this one.

The Committee agreed the proposal.

Community Services through Precepting Bodies

The saving proposal would be cost neutral to begin with as the Council could not be competitive at the start of this project but simply budget for the cost of services that other organisations or companies might provide.

Conservative Members confirmed that they did not have any specific savings figure in mind relating to this proposal but they were again disappointed that the Council was not eager to invest in such a programme as opposed to shared services, both projects of which had uncertain savings outcomes. Conservative Members felt the community and organisational infrastructure was available in Thurrock to sustain this project.

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Officers recognised that this was a different way of providing services for the future that the Council may well need to consider.

The Committee agreed the proposal and noted that it needed further investigative work.

RESOLVED: that

- i) The Committee notes and reviews the additional proposals for budget savings and capital bids set out in the report.**

The meeting was adjourned at 6.55 pm.

**Any queries regarding these Minutes, please contact
Matthew Boulter, telephone (01375) 652082,
or alternatively e-mail mboulter@thurrock.gov.uk**

OVERVIEW AND SCRUTINY MINUTES



MINUTES of the meeting of Health and Well-being Overview and Scrutiny Committee held on 28 January 2013 at 7.00 p.m.

Present: Councillors Wendy Curtis (Chair), Mark Coxshall (Vice Chair), Sue Gray, Martin Healy and Tony Fish (arrived at 7.45pm)

Apologies: Councillor Wendy Herd

In attendance: Councillor James Halden
Councillor Shane Hebb
Mike Jones – Finance Officer
Les Billingham – Head of Adult Services
Roger Harris – Head of Commissioning
Matthew Boulter – Democratic Services Officer

39. DECLARATIONS OF INTEREST

Councillor Curtis declared a non-pecuniary interest in relation to item 5 by virtue that her daughter works in adult social care.

Councillor Fish declared two non-pecuniary interests, both in relation to Item 6 by virtue that he was a blue badge holder and that he sat on the Board of Directors for the CVS.

41. BUDGET 2013/14 – 2014/15 SAVINGS AND CAPITAL PROPOSALS

Contracts Management and Provider Development: Agency Costs

This saving was achieved through deleting an agency budget reserved for peak activity during tendering processes. Officers confirmed that the budget for this would be under spent this year also.

The Committee agreed the proposal.

Contracts Management and Provider Development: IT Costs

The current system for logging this information would end this financial calendar year and the proposal was not to renew this but use other established IT systems to capture the same data. It was confirmed that historic data would be transferred over to the other systems at no extra cost.

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The Committee agreed the proposal.

Performance Quality and Information

This saving was achieved by merging the adult and children's services and reducing the service manager posts by one. Some under spend would be made this year on this budget but there were redundancy costs to be paid.

The Committee agreed the proposal.

Performance Quality and Information: Agency Budget

This was an agency staff budget saving in the Performance quality and information team. It would under spend slightly this year.

The Committee agreed the proposal.

Service Managers – Adult Social Care

This budget had previously been used to buy in external specialists to help on project management. This was now funded through the standard budget and was no longer required. It did not impact on any existing staff.

The Committee agreed the proposal.

Cafe Kynoch and Cafe Piggs Corner

The Kynoch cafe was making more profit than the council had expected so it was planned to extend the service to Piggs Corner using the profit from Cafe Kynoch. Cafe Piggs Corner would then turn over enough money next year to become self-sufficient. The subsidy currently used to support Cafe Kynoch was no longer needed and could be offered as a saving.

Officers clarified that the cafes were open to all and were run commercially.

The Committee agreed the proposal.

Provider Side Efficiency Review

Officers stated that this saving had already been made but was taking effect over a number of financial years. This proposal gave the committee more detail on the proposals already agreed.

The Committee agreed the proposal.

HIV/AIDS Grant

OVERVIEW AND SCRUTINY MINUTES

This proposal would maintain the coverage and quality of the service but would delete half a specialist role which would be subsumed within an existing general social worker role. There would be no redundancies from this proposal.

The Committee agreed the proposal.

Review of Charging Policy

This proposal was to only increase the cost of blue badges from £2 to £10 for a three year badge. The scheme had not been reviewed for a number of years. Councillor Halden spoke in favour of the proposal but requested that the Committee establish a working group in the next municipal year to further scrutinise the charging schemes of all the relevant services in preparation for further savings already scheduled by Cabinet for 2014/15. The Committee agreed to add this to the work programme so that it was registered for next year.

During the discussion it was stated by officers that the £10 fee would still be a subsidised charge as the cost of any administration, paperwork and any appeal processes would exceed the money made from the scheme. £10 was the statutory limit a council could charge.

The Committee agreed the proposal.

Demographic Growth- Reduce Requirement

The proposal was to save 10% of the growth bid formerly requested for adult social care services. This was made possible with the newly renovated Elizabeth Gardens which allowed greater capacity for elderly people to recover post hospital and therefore reduce the pressure on high dependency residential care placements.

The Committee agreed the proposal.

Domiciliary Care Tender

This saving would be achieved by reducing the rate paid to providers. Officers felt that the saving amount would increase as there could be more people in receipt of a service than previously estimated. However, the Council was currently in a court case with a domiciliary care provider who was not successful in a recent contract bid. This could incur costs that would affect the amount of money saved.

Members queried whether the case could be won and officers stated that their legal advice was that the Council had a very strong case but such cases were never clear cut. If the Council won, it would seek to reclaim all legal costs.

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Members felt that the saving was not guaranteed and requested further information outside of the meeting but agreed the proposal in principal.

Deleting a post in the Performance, Quality NS Information Team

There were currently two posts within the team that were not statutory. The proposal was to delete one of these posts. Members requested that the paperwork reflect that a member of staff would be made redundant in the first table.

The Committee agreed the proposal.

Placement Review Programme

The Council had established a team to review costly external placements to see if the price could be renegotiated or that the service users could be found better, more cost effective supportive living schemes within Thurrock. It was estimated that £500,000 could be saved through this in 2014/15. In addition the proposal called for an extensive review of front end processes from first contact through to commissioning of service, to ensure that any duplication was removed and that close monitoring of short term placements was embedded within the system to increase efficiency.

Officers assured the Committee that it was rare for families to move to be nearer the service user in their placement. Most placements were within the east of England.

The Committee agreed the proposal.

Contracts and Commissioning Vacancies

There were currently two vacancies within the contracts and commissioning team and the proposal was to delete one of these posts. Work would have to be re-assigned to existing staff members. It was also clarified that the teams fulfilled two distinct roles although they overlapped on certain procurement exercises.

The Committee agreed the proposal.

Deliver efficiencies from in-house provider services

This proposal was to invest funds now to save money at a later date. The proposal would see the Council review all its services to ascertain whether they should be provided in-house, or delivered by an external agency.

Following a question, officers stated that the initial investment would come from either a central fund or through the Council leaving positions vacant for longer or using some of the Re-enablement funding to fund relevant parts of the exercise.

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The Committee agreed the proposal.

Collins House Review

This was another invest to save proposal. Councillor Coxshall expressed concern that the money for investment was not guaranteed and that the future aims of these services, once invested in, were uncertain. Officers replied that the projects were supported within the Council and appropriate funding would be found. The Council had clear aims to transform the services and ways of working.

The Committee agreed the proposal.

Further Budget Review – Directorate Management Costs

The merging of adult and children's services produced savings across the two budgets.

The Committee agreed the proposal.

Reviewing the Meals on Wheels Service

The current meals on wheels service was due for renewal in 2014. Services were changing and this service was increasingly being provided through the personalisation budgets of individual users and domiciliary care. Therefore, savings could be made but would be brought to the committee in more detail in six to nine months.

Officers confirmed there were roughly 150 users of meals on wheels.

The Committee agreed the proposal.

Trading Standards

Councillor Hebb introduced the proposal stating that an investment in a trading standards officer who looked solely at issues relating to the health and well-being agenda (underage selling of tobacco) would save costs through primary care. Members noted that this work was already undertaken in the team but there was no dedicated resource.

The Committee agreed the proposal.

Zero Based Adult Social Care Packages

Officers stated that they already worked rigorously to reclaim any expenses from partners regarding the cost of care. Only statutory costs were covered. Members agreed that detailed information on this service be provided in the next performance report.

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The Committee agreed the proposal.

Increase Accessibility for Independent Social Care through Assistive Technology.

The finance officer confirmed that current funding was already committed. Officers agreed with the aim of the proposal and agreed to bring back a further report to committee on this.

The Committee agreed the proposal.

Community Driven Local Area Co-ordination

The proposal was to use community interest companies to discharge the local area co-ordination duties. Officers agreed this was another model but made the case for the local authority leading the process initially as there was evidence to suggest that councils were best placed to support individuals and families with complex needs and the high case loads at the start of such a transformation.

Members felt that both models needed to be compared in practice and that it was an issue that could be discussed in more detail at future meetings.

The Committee agreed the proposal for a one year pilot of both models subject to regular comparative evaluation throughout the period..

The Committee noted the capital spends.

RESOLVED That the comments and decisions written above be noted and forwarded to Cabinet.

The meeting finished at 9.26p.m.

**Any queries regarding these Minutes, please contact
Matthew Boulter, telephone (01375) 652082,
or alternatively e-mail mboulter@thurrock.gov.uk**

OVERVIEW AND SCRUTINY MINUTES



MINUTES of the meeting of Children's Services Overview and Scrutiny Committee held on 29 January 2013 at 7:00pm

Present: Councillors D Hale (Chair), M Coxshall (substitute for S Little), C Curtis, C Kent, J Halden, C

Apologies: Councillors C Baldwin and S Little
Mrs P Wilson

In attendance: Mr S Cray – Parent Governor Representative
Mr A McPherson – Parent Governor Representative
Revd D Barlow – Church of England Representative Councillor
O Gerrish – Portfolio Holder
J Olsson – Head of People Services
F Taylor – Head of Legal and Democratic Services
S Clark – Head of Finance
S Abrahall – Finance Officer
C Littleton – Head of Learning and Universal Outcomes
B Foster – Head of Care and Targeted Outcomes
R Harris – Head of Commissioning
A Cotgrove – LSCB and Partnership Manager
D Peplow – Independent Chair of LSCB
E Sheridan - Electoral & Democratic Services Officer

14 DECLARATIONS OF INTEREST

Cllr J Halden declared a non pecuniary interest in respect of the alternative proposals, he had been invited to the London premises of Career Academies UK.

The Chair took item 6 of the agenda before item 5.

17 BUDGET 2013/14 – 2014-15, SAVINGS AND CAPITAL PROPOSALS

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The Chair outlined the order in which the proposals would be taken. The Cabinets proposals were taken first, followed by the opposition proposals and then the Capital Programme.

The Head of Finance introduced the budget report and outlined the requirements of the council to find substantial savings.

Members asked the Head of Finance to clarify the obligations of the Committee in relation to the savings to be made.

Page 79

The Head of Learning and Universal Outcomes introduced the proposal (page 79 of the Agenda). The seven bullet points were labelled A – F for ease of reference.

Members discussed the proposal in depth and raised concerns with A, F and E. In particular, concerns were raised with A and F as they affected the ability to support vulnerable schools and E because this affected children already at bottom of pile and there is a risk they will become looked after children.

Members discussed the EHE (elective home education) and traveller children and officers clarified the budget line and areas of responsibility and that this is a checking post.

Whilst still concerned with E, reference was made to the proposal on page 98 and the impact on the support for traveller children. Members were informed that the DSG through the schools forum would be asked pick this up.

The Head of Learning and Universal Outcomes informed members that there was no assurance that the schools forum would undertake this work and recommended that this saving only be taken if it is not picked up by the schools forum.

Members robustly discussed EHE and traveller children and the Director of People Services outlined that DSG is an education budget and any teacher or education support worker has a broad welfare duty. This does not replace the statutory checking duty in the first bid. If the statutory checking capacity is reduced it will have a disproportionate impact on traveller children. The inclusion of traveller children was intended to reinforce to Members that there are serious EIA issues in the checking budget for this vulnerable group.

The Committee agreed to ask Cabinet to look again at A and F, and to request further clarity on E.

Officers clarified they would provide further information on the impact of £10k on EHE, especially in relation to the size of the whole budget and the provision of service.

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Proposal - Page 98 – Travellers Team EFA.e

The Head of Learning and Universal Outcomes introduced the proposal (page 98 of the Agenda) and confirmed that this should only be offered as a saving if the schools forum is willing to pick this up.

The Committee agreed this proposal subject to approval by the Schools Forum.

Page 83 - Social Work Service for Disabled Children

The Head of Care and Targeted Outcomes introduced the proposal to create a new structure and thereby achieve savings.

Members discussed that proposal at a previous Overview and Scrutiny to set up working group to review the provision and highlighted the issues with pre-empting the work of the group. It was proposed that as this was a proposal for 2014/15 it was vital at this point.

Members debated that the proposal detailed doing the same work but smarter and more economically.

The Director of People Services was sympathetic to Members debate about the working group but highlighted the strengths of budget work and the need to take a 2 year view. Members were encouraged to try and make the 2 year decisions as it would help the council overall and support the work of officers. Members were reminded that not all the variables were known as yet but officers were working with available resources and mindful that savings not accepted would need to be found elsewhere.

The Head of Finance supported the Director of People Services and outlined that proposals made for 2014/15 would makes the savings less harsh often because the savings requirements have lead in periods and will achieve a full year saving in 2014/15. Adjustments can still be made though if required.

Whilst some Members did not support setting up the working group, other Members were mindful that it was possible that the review could find larger savings than already offered.

Members were minded to agree that there will be savings from this budget and the figures may change in future. The best estimate is £200k which may change as a result of the review.

The committee agreed the proposal subject to the findings of the review. Officers on the working group were requested to feedback to the Committee about the savings, particularly the 2014/15 savings, before implementation.

OVERVIEW AND SCRUTINY MINUTES

Page 86 - Removal of professional fees used in start up of the provision of targeted early years and childcare for two years.

The Head of Learning and Universal Outcomes introduced the proposal and informed Members that the scheme is up and running and the start up costs are not required.

The Committee agreed the proposal.

Page 88 – maintaining a vacancy and reducing Early Years Welfare Requirements.

The Head of Learning and Universal Outcomes introduced the item which involved maintaining a vacancy and recruiting an apprentice. Members were informed that the welfare responsibility is statutory.

Members questioned the term 'Maintaining a vacancy' and officers confirmed that this post will be removed.

The Committee agreed the proposal.

Page 90, 92, 94, 105 and 107 - these proposals were taken together.

The Head of Learning and Universal Outcomes introduced these items detailing the reductions in the locality budgets saving proposed around reduction in project work - NEET schemes. This is not a cessation in NEET programmes but it would be a shaving off of the programmes offered and income generation.

Members questioned the reduction in NEET programmes and if there was an implicit cost attached which would add a financial burden. The Head of Learning and Universal Outcomes clarified the risks had been reviewed and mitigation had been put in place. Members were informed that there had been a reduction in NEET staff last year, a reorganisation of team working and greater success this year.

The Committee agreed the proposal.

Page 96 – Re-alignment of budget following a re-structure in LUO

The Head of Learning and Universal Outcomes introduced this item detailing this is a budget realignment and the service is looking to make reductions and following a zero base budgeting exercise, offer up £50k in 2013/14.

Members received assurance that the savings for 2012/13 had already been offered.

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The Committee agreed the proposal. It was also agreed that NEET provision will feature in our post 16 item on the work plan.

Page 101 – cease funding to support to support promoting other forms of travelling to schools.

The Head of Learning and Universal Outcomes introduced this item detailing that it had historically been a grant which was then included in the base budget to support school travel plans. The service is proposing a reduction to zero as the work is picked up elsewhere in the council. Members were assured that the work is being undertaken by other council departments and there was no impact on the service.

Members of the Committee questioned what proportion the saving was of the whole budget and clarified that the saving should read £8k not £6k.

The Committee agreed the proposal.

Page 103 – Re-alignment of budget following a restructure in LUO.

The Head of Learning and Universal Outcomes introduced this item. Officers confirmed that £50k had been offered as a saving in 2012/13 too.

The Committee agreed the proposal.

Page 109 – Removal of contracts and Performance Manager Post

The Head of Learning and Universal Outcomes introduced the proposal which detailed the removal of a Contracts and Performance Manager post. As this was a result of two functions merged into one there was a need to agree where the saving will be taken from or if it was a 50/50 split.

The Committee agreed the proposal.

Page 111 –

The Head of Learning and Universal Outcomes introduced the item detailing a further reduction in school improvement and skills area, 14-19 and post 16. This would be a discontinuation of a post, doing things in a different way and removal of a vacancy in early years quality improvement. It was a statutory function but members heard this would be carried out by other posts.

Members commented on the detail within the impact of proposal and the reference to 'time being'. Officers clarified the impact and assured members that the team can cope with the work but they would be at capacity and had wanted to flag this up. Officers and members commented on the resilience of the authority but also the vulnerable position.

OVERVIEW AND SCRUTINY MINUTES

In response to questions the Head of Learning and Universal Outcomes confirmed she would supply further information to Councillor Coxshall detailing the posts and their FTE.

The Committee agreed the proposal.

Page 114 – Efficiency Savings

The Head of Learning and Universal Outcomes outlined the proposal which involved reducing budgets and further efficiencies achieved through contracts with Lyreco and MFDs. The head of Finance assured Members this was not double counted from the transformation budget.

The Committee agreed the proposal.

Page 116 –

The Head of Learning and Universal Outcomes outlined the proposal informing members that the requirement for feasibility studies will be moved into capital funding and they are not looking to retain anything in budget.

Members were informed that the budget for this year had been used.

The Committee agreed the proposal.

Page 118- Restructure within the Operational and Resources area

The Head of Learning and Universal Outcomes outlined the proposal which is similar to a review on earlier budgets as a response to the increasing number of schools transferring to academy status.

Members were supportive of the proposal but questioned why it was capped at just £50k. Officers outlined the work undertaken to arrive at this figure and the head of Finance confirmed that similar work had been undertaken to effect savings with school finance staff.

The Committee agreed the proposal.

Page 120-

The Head of Learning and Universal Outcomes introduced this proposal which reflected changes in school funding reforms from this April and the removal of the requirement to carry central specialist SEN recruitment tasks, saving £20k from a part time post.

The Committee agreed the proposal.

Page 123 –

OVERVIEW AND SCRUTINY MINUTES

The Head of Learning and Universal Outcomes introduced this item which anticipated a reduction in the number of statutory functions for academies and the ability to generate income by selling services to academies.

The Committee agreed the proposal.

Page 125 – libraries

The Head of Learning and Universal Outcomes introduced the proposal and informed members that the proposal should detail £100k for 2014/15. Members were informed that in **addition to an** agreed earlier saving for 2013/14 these proposals look at the opening hours in libraries, using the mobile library and the efficiency of using the mobile library in areas where it is not used very much.

Members referenced they were uneasy when figures such as 20% were used which did not detail the extent of the impact. Officers clarified that very detailed information is available and can be circulated if desired to members of the committee. A consultation with library users will be undertaken prior to the saving being implemented.

The Committee agreed the proposal.

Page 127 – Savings to equipment to support individual pupil access to education not funded by PCT, NHFT or Local Health Board.

The Head of Learning and Universal Outcomes introduced this item detailing a £20k efficiency saving as a result of reviewing the budget this year and through working with Essex and achieving procurement savings. Members were assured additional requests for equipment would not be rejected. The risks are based on historical need but if actual needs are higher they would look to other budgets where possible to meet demand.

The Committee agreed the proposal.

Standing Orders were suspended at 9.10pm

Page 130 – Savings to the staffing statutory SEN Assessment

The Head of Learning and Universal Outcomes introduced the proposed reduction in monitoring SEN functions and informed Members they would look to see if schools would generate income to carry on the function.

The Committee agreed the proposal.

Page 133 – Regulatory Panels

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The Head of Care and Targeted Outcomes introduced the item detailing a change to regulatory requirements for the adoption and fostering panel. Meetings can be run with fewer people in attendance.

Members questioned the possibility of delays and why are they caused. Officers informed Members that there are currently no delays but the potential costs are mitigated by using the Adoption Consortium to ensure no such delays.

The Committee agreed the proposal.

Page 135 – Aiming High for Disabled Children

The Head of Care and Targeted Outcomes introduced the item which detailed the provider had gone into liquidation and can no longer be used. This provided the opportunity to reprovide the service and make a saving.

Members questioned replacing the service and were informed that new businesses would have to tender and the service would have to review if that service is required.

The Committee agreed the proposal.

Page 138 – Young People Accommodation

The Head of Care and Targeted Outcomes introduced the item which was an example of the council providing a budget that had not been fully used for homeless young people.

Members questioned the rationale for setting the original budget and asked if we can be confident there will not be a future peak in demand.

Officers were hesitant to guarantee future demand but outlined that the previous £200k had not been spent each year and savings had been offered. The Head of Finance clarified that the £100k for 2013/14 can also be taken.

The Committee agreed the proposal with the additional 2013/14 saving.

Page 141 – Emergency Duty Team

The Head of Care and Targeted Outcomes outlined the proposal where the social work service out of office hours is historically funded from Children's Services who deal with anyone who needs social work service. This proposal is a virement from Adult Social Care.

The Committee agreed the proposal.

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Page 143 – Munro Principal Social Worker

The Head of Care and Targeted Outcomes referred members to previous discussions on creation of this post which had not yet been appointed to. Members were informed it would be possible to make a joint appointment with colleagues from London Borough of Barking and Dagenham although it had not gone to Cabinet as a formal proposal for a shared post. Alternatively this could be recruited as 0.5 post

Members debated the need to look to work with Southend or Essex and questioned that as this was a previous growth item, where is the £80k and asked if it should be a saving in year. The Head of Finance confirmed that this vacant post saving has been taken.

The Committee agreed the proposal and Officers agreed to will rework the wording of the business case

Page 146 – Supervised Contact

The Head of Care and Targeted Outcomes outlined the proposal which would look to offer the service in a different way. Members debated what proportion the saving was as a percentage of the overall budget and the impact this would have. Officers confirmed they would like to review the contact provided in a systematic way and re plan the spending.

The Committee agreed the proposal but requested that as this was a 2014/15 budget, Officers should report back and revise the saving if necessary.

Page 149 – Allowances for Carers and Special Guardianship Allowances

The Head of Care and Targeted Outcomes outlined the proposal which detailed the process for financial payments and allowances which are discussed and agreed in court proceedings however the final decisions are taken within the local authority. There is no guarantee that the courts will agree and there is a risk that this can't be delivered. Research has shown that other colleagues and other Local Authorities may take the same approach. Legal services have been consulted.

Members questioned what contingency was in place if this proposal was not successful. Officers confirmed they would have to look at other budgets to manage cost pressures and potentially could ask for a growth bid if completely unsuccessful.

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The Head of Finance reminded Members that this is 2013/14 proposal that is being trialled now. Members will be able to understand the success during the course of the year and the potential savings.

Members discussed the phrase, 'means testing' and officers clarified the instances that this would be used. It was agreed that there is the need to be extremely supportive for guardianship and adoption and the authority does not want to give the wrong impression.

The Committee agreed the proposal

Page 152 – Multi Agency Group Panels

The Head of Care and Targeted Outcomes outlined the proposal which involved redesigning the service and some opportunities to make staff savings amongst the social work input at less senior points.

The Committee agreed the proposal but wanted further information about means testing.

Alternative Budget Proposals

The Chair invited Councillor J Halden, opposition member, to introduce the proposals. The Member thanked Officers for the assistance in completing the proposals.

Withdrawal of denominational transport subsidies and replacement of 11-18 school transport with travel passes, with addition of non commercially viable shuttle service.

The Member referred to proposed savings that had already been agreed. Roger Harris outlined the legal position with regard to transport provision.

Members discussed the issue of minimum distances and the proposal was not supported where it impacted on transport to denominational schools out of borough.

The opposition members highlighted that this can be programmed as savings subject to a review.

The Director of People Services highlighted that there is a need to be careful that this is not double counted but how the money is taken can be open for negotiation and if Committee is minded to put in options to the statutory minimum then that would a cabinet decision.

The Head of Finance explained to the Committee the parameters they were working within, a number of options and that this proposal could put this on work plan to inform the future budget.

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The Committee asked that the options paper should address all issues raised and be brought back to Overview and Scrutiny at the earliest opportunity to clarify where the savings can be made from.

The Committee agreed that this proposal is deferred for further information

Performance Related Cost Savings - Communications budget

The Opposition outlined the proposal which requested that the communications budget should be relocated within the Fostering Service in order to increase the proportion of locally recruited foster carers. This could be done more effectively and flexibly if brought back in house to the Children's Service, away from Central Communications budget.

Members and Officers debated the reasons for centralising the budget and Members asked if the centralisation of the budget gave value for money.

Officers confirmed that it is difficult to recruit foster carers and the Director of People Services confirmed that whilst the Service Directors would like to have control it is not always the most efficient use of resources. The Director confirmed she is 100% supportive of council decision to centralise the function and raised concern that the Committee were being asked to make a decision that is outside of their remit. Members were informed that the proposal is cost neutral to the council.

Members discussed that they were not convinced that a separate communications budget would increase local recruitment of foster carers.

Councillor Gerrish informed members that the skill set in media planning sits within the Communications Team and the spend of the budget is closely scrutinised. The budget is best held within communications.

The Director of People Services outlined that there is a Service Agreement with Communications as to what they deliver and if they don't deliver this needs to be raised internally. Whilst the Committee can have a view the Director would need to be persuaded that centralising has had an impact on recruitment and retention.

Members voted on this proposal. Three members were against the proposal, 3 co-opted members were against the proposal and two were for the proposal.

The proposal was not agreed.

Supporting targeted life chances, increase Youth Offending funding and pilot project for improving links between schools and employers.

The Opposition outlined that this is a growth proposal for the first two years and then it would be income generating.

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The Director of People Services welcomed the proposal of investment and detailed that the scheme is expected to trade with academies and asked Members to consider if they should test the water with Academies. Officers confirmed that Academies are likely to be interested in the service.

The chair proposed a 12 month trial and then review to see if it is self supporting within 12 months.

The proposal was agreed.

Establishing Academy Reserves

The Opposition outlined the proposal which involved £1m to be put into an Academies Improvement Reserve as a replacement for the current School Improvement budget.

Members debated that this should be available to all schools not just academies and were minded not to support the proposal if non academies were excluded. The Director of People Services outlined the very complex arrangements and requested that the committee be clear.

Members were not supportive of the double funding aspect for academies as this model provided two sources of funding for academies and only one for schools.

The Chair proposed that the Administration seek money from reserves for continued school improvement in Thurrock.

The proposal was agreed.

Move education department to an 'all academy model' with all possible dedicated schools grant money being directly devolved to the schools

The opposition member outlined the proposal and highlighted this is expediting what the Government is already doing.

The Committee voted on the proposal. The proposal was not agreed.

Consultation and investigate the cost of child social care

The opposition member outlined the proposal which requested growth of £5k to investigate and yield savings relating to our care packages, value for money, joint funding arrangements and other areas. Officers outlined that this would be focused on partnership working and welcomed the proposal.

OVERVIEW AND SCRUTINY MINUTES

The proposal was agreed.

Zero base budget restructure for the redistribution of discretionary education spend from savings in the structural size of the LEA.

The Opposition member outlined the proposal and the Head of Learning and Universal Outcome confirmed that a very comprehensive piece of work on zero based budgeting had previously been undertaken and she was confident that there was not large pots of money to be found. It was questionable if this proposal was an efficient use of money.

A vote was taken. Two members were for the proposal, all other against.

The Proposal was not agreed.

Councillor Halden thanked the Committee for the time taken to consider the proposals.

Capital Programme

The Head of Finance outlined the proposals in the Capital Programme. Members discussed the individual bids and the priorities.

The Chair left the room at 10.50pm and the Vice Chair took the Chair.

Members of the Committee reviewed highlighted works to the Connexions building and refurbishing Knightsmead Building as priorities for Cabinet to consider.

RESOLVED that

- a) Committee notes and reviews the additional proposals for budget savings set out in appendices 1 and 3 to the report**
- b) Committee notes and reviews the capital bids set out in appendix 2 to the report.**

18 WORK PROGRAMME

RESOLVED:

The Work programme was not discussed.

OVERVIEW AND SCRUTINY MINUTES

The meeting finished at 10.59.

Approved as a true and correct record

CHAIRMAN

DATE

**Any queries regarding these Minutes, please contact
Elaine Sheridan, telephone (01375) 652580
or alternatively e-mail esheridan@thurrock.gov.uk**

OVERVIEW AND SCRUTINY MINUTES

**MINUTES of the meeting of Housing Services Overview and Scrutiny
Committee held on 30 January 2013 at 7:00pm**

Present: Councillors Charles Curtis (Chair), Diana Hale, Steve Liddiard, Bukky Okunade and Andrew Roast

Apologies: Councillors Rob Gledhill and Gemma Riddles

In attendance: Councillor Val Morris-Cook – Cabinet Member for Housing

Ms B Brownlee – Director of Housing
Ms K Adedeji – Client Contract Manager (Interim)
Mr M Jones – Management Accountant
Ms E Sheridan – Electoral & Democratic Services Officer

The Chair informed those present that the meeting was audio recorded.

11 DECLARATIONS OF INTEREST

None

12 BUDGET 2013/14 – 2014/15 SAVINGS AND CAPITAL PROPOSALS

The Director of Housing introduced the report and in response to questions confirmed that the alternative budget proposal items had been emailed to [the Chair] Councillor Gledhill. The Committee discussed and agreed that the proposals would be reviewed at the meeting.

The saving proposals were reviewed individually and the Director outlined that while the Alternative Budget Proposals would not result in immediate savings, they had been fully discussed and are alternative suggestions that may bring future savings. However individually the alternative budget proposals don't deliver the savings the General Fund required this year on their own so should be looked at in conjunction with the original savings proposals rather than instead of these.

The Cabinet Member for Housing confirmed she had reviewed the alternative budget proposals and did not disagree with them as service improvements suggestions, indeed one of them, market testing tenants environmental services, was also a suggestion she had made herself. She also stressed the importance of discussing the proposals in advance of budget night. Other members were in agreement that the proposals be heard.

The items in Appendix 1 were discussed as follows:

OVERVIEW AND SCRUTINY MINUTES

Housing General Fund - Disabled facilities

The Director of Housing outlined the proposed saving of £62k.

The Committee had no further questions and agreed the proposal.

Housing General Fund - Homelessness

The Director of Housing outlined the proposed saving of £50k to be achieved by creating furnished lets instead of paying for accommodation.

Members questioned if this would afford emergency cold weather arrangements in empty buildings. The Director of Housing confirmed no budget increase had been requested for that and arrangements would have to be managed within budget. The Finance Officer confirmed that examples of high demand had been experienced previously but the budget not overspent. There was still room to work within budget.

In response to further questioning the Director of Housing confirmed that if funds were required in future they would need to look for imaginative ways of working with available funds or apply for reserve funds.

Members debated the benefit changes and welcomed the imaginative use of empty buildings as temporary accommodation.

The Committee had no further questions and agreed the proposal.

Housing General Fund - Strategy

The Director of Housing outlined the proposed saving of £30k achieved through the Strategy officer working solely on Housing Revenue functions.

The Committee had no further questions and agreed the proposal.

Housing General Fund - Homelessness

The Director of Housing outlined the proposed £21k saving achieved by reducing the overtime budget and using the call centre more efficiently.

The Committee had no further questions and agreed the proposal.

Capital Programme – Appendix 2

The Finance Officer outlined Appendix 2, Capital Programme and described the proposals for the Disabled Facilities Grant in the capital report for Cabinet in February 2013.

Alternative Budget Proposals

OVERVIEW AND SCRUTINY MINUTES

- a) **£100k to improve housing owned park at Corringham Park**
- b) **Increase the Environmental Services Budget by £200k**

The Director of Housing outlined that these (a and b) proposals are linked. The Director of Housing informed Members that the request to improve Corringham Park could not be agreed regardless of whether the increase to Environmental Services budget is agreed as the park is not owned by Housing and cannot be funded by HRA.

The Cabinet Member for Housing urged Members to vote against the growth proposal for Environmental Services and stated that a further proposal (market testing for Environmental Services) was already timetabled for June 2013 and that this should be done before agreeing any extra funds be paid to Environmental Services. The review would determine if the Service provided good value for tenants and the Committee was asked not to approve the £200k uplift in the budget for Environmental Services until the outcome of the market testing known.

The Committee had no further questions and rejected the proposal to increase the Environmental Services Budget by £200k.

The Director of Housing outlined that Corringham Park (A) cannot be approved.

- c) **Implement Low Energy, Energy Saving devices**

The Director of Housing and the Cabinet Member outlined their support for this item. Members were informed that this was not in the current savings proposals.

The Committee had no further questions and approved the proposal.

- d) **Review of staffing and costs of supplying the concierge service**
- e) **Review of the current delivery model for tenant participation**

The Director of Housing outlined that both proposals (d and e) could offer savings although the detail of how much was not known. The Cabinet Member for Housing outlined that it was right that such Service reviews are undertaken to ensure that everyone was reached through tenant participation and the concierge service provided value for money.

Members were keen to ensure that the review covered the whole of council stock in Thurrock and not only those areas with an existing concierge service. Members were supportive of the tenant participation review and commented that the voluntary sector should be involved. The Director of Housing confirmed that the outcome of the review would return to Housing Overview and Scrutiny for further comment.

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The Committee had no further questions and approved both proposals (d and e) with the request that the reviews cover the whole of Thurrock housing stock.

f) Market testing of environmental services for housing

The Committee had no further questions and approved the proposal.

RESOLVED that

- a) the Committee notes and reviews the additional proposals for budget savings set out in Appendices 1 and 3
- b) the Committee notes and reviews the capital bids set out in Appendix 2 to this report.

Approved as a true and correct record

CHAIRMAN

DATE

**Any queries regarding these Minutes, please contact
Elaine Sheridan, telephone (01375) 652580
or alternatively e-mail esheridan@thurrock.gov.uk**

OVERVIEW AND SCRUTINY MINUTES

MINUTES of the meeting of the Cleaner, Greener and Safer Overview and Scrutiny Committee held on 31 January 2013 at 7.00pm

Present: Councillors Steve Liddiard (Chair), Andrew Roast (substituting for Simon Wootton), Wendy Curtis, Mike Stone, Clare Baldwin and Pauline Tolson.

In attendance: Councillor Angie Gaywood – Portfolio Holder for Public Protection
Councillor Victoria Holloway – Portfolio Holder for Environment
L. Magill – Director of Environment
G. Denet- Head of Public Protection
M. Jones – Finance Officer
M. Boulter – Democratic Services Officer

18. DECLARATIONS OF INTEREST

Councillor Curtis declared a non-pecuniary interest in relation to item 7 by virtue that she sits on the committee for Thameside Theatre.

21. BUDGET 2013/14 – 2014/15 SAVINGS AND CAPITAL PROPOSALS

Match Funding PCSOs

The proposal was to cease match funding for fourteen PCSOs. There was currently no guarantee that the PCSOs, if funded, would operate in Thurrock. However, Essex Police had stressed that they were keen to keep local knowledge within the area.

It was confirmed that Essex Police would also cease their funding for PCSOs if the Council did and they had already planned cuts in PCSOs numbers across Essex. The Police had also increased their precept to fund their service although they had confirmed there would be no increase in police officer numbers.

The Committee noted the proposal.

Community Safety Development Officer Post

This reduction in one staff member meant that an area of work around community safety, including organising events such the walkabout days, would cease. Officers stated that work undertaken by the post holder could not be undertaken by other members of the Public Protection Department and therefore the removal of the post would not impact greatly on other members

OVERVIEW AND SCRUTINY MINUTES

of staff. Statutory Section 17 work would need to be fulfilled in another way across the Council.

The Committee noted the proposal.

Tree Maintenance

Tree maintenance would be reduced to cover only health and safety issues. There was an opportunity to sell the team's expertise to private companies and this would be developed over time. Members pointed out that this could also apply for grass cutters.

The Committee noted the proposal.

Cessation of Public Protection Overtime

Officers highlighted that the cessation of overtime for these teams would require significant contractual changes to allow them to cover out of hours work without accruing overtime payments. The saving could not be achieved for next year but it was an option that needed further work and investigation.

The Committee noted the proposal.

Community Partnership Contribution

The proposal was to save a small amount of money which was superseded by a direct grant to the partnership. Councillor Gaywood assured the Committee that she had worked with the Police Commission to ensure funding for the partnership was kept up for the next twelve months, although it was likely to change after that.

The Committee noted the proposal.

Various Budgets

The Council planned to increase its income from services such as tree maintenance, winter gritting and collection of trade waste and offer this as a saving. Officers stated that the collection of trade waste was growing but it was key for the service not to grow too quick and at present, the Council was focussing on offering its services to schools.

The Committee noted the proposal.

Grass cutting

The saving would reduce grass cutting by 10% with grass being cut on a thirty day cycle as opposed to a twenty day cycle. Some areas would cease to be cut and developed into biodiversity areas. Officers confirmed that the Council owned the heavy machinery required to cut longer grass.

OVERVIEW AND SCRUTINY MINUTES

Members generally did not support this proposal stating that Thurrock would begin to look untidy and Councillor Curtis raised issues of fire hazards if grass was left to grow too long. Councillor Tolson suggested that if the collection of trade waste was increased by a suitable amount, the money made could offset the reduction in this service. Officers replied that they were not confident there was an extra £80,000 to be made from trade waste at this current time.

Officers confirmed that the Council did not employ dedicated grass cutters and the saving would hopefully be made by not employing temporary staff at peak times.

Members recognised the excellent work apprentices were achieving in the directorate.

The Committee noted the proposal with some reservations.

Cleansing Growth

The Proposal was for the street cleansing service to defer its growth proposals by becoming more efficient with its current resources. The Committee noted that developments such as DP World were currently keeping areas of their transport networks clean as this was part of their planning conditions.

The Committee noted the proposal.

Anti-Social Behaviour (ASB) Team

The theme of the proposal was that the Council would cease to provide services for private housing ASB and focus its resources of social housing ASB. The Council had a statutory duty to tackle social housing ASB whereas in private ASB it did not. The ASB team would be moved into the Housing Directorate.

Officers clarified that other statutory areas of ASB such as fly tipping and dog fouling would still be covered by the Public Protection teams.

Members were uncertain whether the team would continue to be effective and hoped that the team continued to have an impact when they moved into the Housing directorate.

The Committee noted the proposal.

Review of Waste Collection

The Council would reconfigure its waste collection service to reduce the rounds by three. This would not affect collection frequency and every resident would still continue to have their bins collected every week. A reduction in each round would see a driver and two collectors being removed but it was

OVERVIEW AND SCRUTINY MINUTES

hoped that this could be achieved through vacancies and losing agency staff, rather than redundancies.

The Committee noted the proposal.

Outsourcing Leisure Facilities

This proposal covered Grays Beach, Thameside and Grangewaters. Members noted that Thameside might not be a viable commercial option and closure was a possibility if a private company was to become involved in the Thameside building. Members believed there was merit in looking at outsourcing proposals.

The Committee noted the proposal.

Waste Contracts

All waste contracts were due to be reissued in 2017 and therefore no savings could be made in the next two years. The process for renegotiating these contracts would start in 2014.

The Committee noted the proposal.

Additional Trading Standards Officer

Officers felt that the established trading standards team fulfilled the Council's current statutory duties and that if a further post was added, this person would be assigned discretionary work possibly in furtherance of HWB objectives. The real challenge for the service was obtaining volunteers to undertake test purchases.

Members recognised that the health and well-being agenda was related to education, support services and planning and that the use of resources could be deployed in other areas other than trading standards. Councillor Curtis thought this area of work was important.

The Committee noted the proposal.

Reconfiguration of PCSOs

This alternative proposal suggested that money for PCSOs could be re-invested in different models to save money but also maintain a service through civic enforcement officers. Councillor Gaywood thought the proposal was worthy of further work in better financial times but a saving would not be made if the money was re-invested and therefore it was not viable.

The Committee noted the proposal.

Members noted the proposed capital spends.

OVERVIEW AND SCRUTINY MINUTES

RESOLVED: that

- ii) The Committee notes and reviews the additional proposals for budget savings and capital bids set out in the report.**

The meeting finished at 8.50pm

**Any queries regarding these Minutes, please contact
Matthew Boulter, telephone (01375) 652082,
or alternatively e-mail mboulter@thurrock.gov.uk**

OVERVIEW AND SCRUTINY MINUTES

MINUTES of the meeting of Planning, Transport and Regeneration Overview and Scrutiny Committee held on 21 January 2013 at 7.00pm

Present: Councillors Garry Hague (Chair), Charles Curtis, Mike Stone (Substituting for Sue Gray), Tom Kelly and Richard Speight

Apologises Councillors Gerard Rice and Sue Gray

In attendance: David Bull – Director of Planning & Transportation
Andrew Millard - Head of Planning & Transportation
Steve Cox – Assistant Chief Executive
Matthew Essex – Head of Regeneration
Mike Jones – Management Accountant
David Freestone – Transportation Manager
Ian Rydings – Head of Asset Management
Kenna-Victoria Martin - Senior Democratic Officer
Councillor Gaywood – Portfolio Holder for Public Protection
Councillor Smith – Portfolio Holder for Regeneration, Highways & Transportation

3 Declaration of Interest

a) Interests

No interests were declared.

b) Whipping

No interests were declared.

4 Budget 2013/2014 – 2014/2015 Savings and Capital Proposals

The Finance Officer introduced the report, which explained further budget proposals for 2013/2014, in addition to the proposals already seen by the Committee at the November meeting.

The Committee took each proposal in turn:

Restructure of Directorate

Officers explained that they were going through a restructure of the Directorate and they were hoping to make the total saving over the two years. It was further explained that the arrangements had been made for staff to take voluntary redundancy, rather than the need for compulsory redundancies. The Committee agreed the proposal.

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LDF Operating Budget Reduction

It was explained to Members that more work would be taken in house and more training would be given to employees to enable them to carry out the work.

The Committee agreed the proposal

Bus Subsidy Reduction

Officers explained to the Committee that this proposal was to use the budget on what was essential at the same time as providing a service. Officers further explained that it didn't mean that services were going to stopped, however the frequency of a route could be looked into.

The Committee agreed that further details on the impacts of the budget reduction were required before this could be agreed by Members.

Community Transport Funding Reductions

Officers informed members that a small reduction in funding was needed this year however the service would still be provided.

The Committee agreed that further details on the impacts of the budget reduction were required before this could be agreed by Members.

Reduction in Regeneration Service

Officers explained that this was to remove the allocation for funding support to the National Skills Academy at High House. Officers further explained that they were not going to stop supporting the Academy, as this would be made with Officer time.

The Committee agreed the proposal

Reduction in Regeneration Service

Officers explained that this saving was to be achieved through the deletion of vacant posts and by transferring staffing costs from general funding to grant funding.

The Committee agreed the proposal

Introduce Low Energy Lighting

Officers explained that the saving looked at the possibility of low energy lights in the 18,000 street columns within the Borough.

The Committee agreed to note the proposal. Further work to be undertaken by Officers on feasibility and the business case.

Transfer Maintenance Responsibilities for A13 to Highways Agency

Officers explained that the saving was to transfer the maintenance responsibilities of the A13 to the Highways Agency.

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The Committee agreed to note the proposal. Officers to look for opportunities to advance this with the Highways Agency recognising the potential upgrading of the A13 as part of the borough's broader regeneration strategy.

Members discussed the Capital Bids with officers and agreed to all of the proposals. During Members discussions the following points were raised:

- There would be lack of student parking with regards to the South Essex College within the Grays area,
- The Council was looking into and consulting residents in South Ockendon with the possibility of Free Parking Permits on the Flowers Estate,
- That the Council was to carry out a detailed verge review, as Members understood that parking within the Borough was difficult and wanted to find a solution for all areas with Thurrock.
- That a School Safety Working Group had been set up to look into the CCTV Enforcement Vehicle,
- That Officers had secured Funding through the Tiger Fund.

RESOLVED:

That the Committee:

- i) Noted and reviewed the additional proposals for budget savings set out in Appendices 1 and 3 to the report; and**
- ii) Noted and reviewed the capital bids set out in Appendix 2 to the report.**

SERVICE BUDGETS

2013/14 Base	Income / Expenditure				
Service	Expenditure	Income	Central Support Recharges	Recharges	Grand Total
Business Services	44,800	(15,200)			29,600
Business Services - Holding Codes	577,317	(577,318)			(1)
Business Services - Support Services	2,670,703	(18,200)	(3,980,500)	1,518,707	190,710
Care and Targeted Outcomes	24,258,336	(1,278,939)		220,097	23,199,494
Change & Improvement - Support Services	123,746		(120,300)	0	3,446
Chief Executive's Department - Support Services	324,639	0	(414,900)	311	(89,950)
Children, Education & Families	150,000	0	13,922		163,922
Communications	25,000	(25,500)	(13,000)	0	(13,500)
Communications - Support Services	880,024	(84,800)	(407,900)	2,488	389,812
Community Engagement	598,978	(228,522)	65,801	45,500	481,757
Community Libraries & Cultural Services	2,299,081	(500,600)	648,402	323,833	2,770,716
Corporate Director	5,025,100	(763,900)	1,484,433	0	5,745,633
Corporate Director - Support Services	814,860	(45,000)	(814,300)	1,451	(42,989)
Corporate Diversity - Support Services	147,011	0	(154,200)		(7,189)
Corporate Finance	31,233,706	(35,827,800)	1,993,137	2,280,492	(320,466)
Corporate Finance - Support Services	2,595,361	(684,900)	(2,128,500)	241,454	23,415
Corporate Income & Expenditure		(5,694,000)			(5,694,000)
Corporate Stewardship	408,600	(15,000)		107,820	501,420
Environment	18,103,175	(1,171,900)	(1,497,815)	493,267	15,926,727
Environment - Departmental Support	314,610	0	(372,000)	140,891	83,501
Environment - Holding Codes	4,927,796	(28,700)	(3,979,950)	409,426	1,328,572
Housing General Fund	3,181,256	(626,292)	167,419	7,400	2,729,783
HR, Organisational Development & Customer Strategy	182,731	0		0	182,731
HR, Organisational Development & Customer Strategy - Support Services	804,255	(29,300)	(1,352,475)	584,579	7,059
Learning and Universal Outcomes	29,516,604	(17,446,750)	4,521,926	1,509,871	18,101,651
Legal Services	426,690	(176,900)	93,690	251,906	595,386
Legal Services - Holding Codes	642,088		(642,088)		0
Legal Services - Support Services	1,828,509	(199,600)	(1,917,820)	2,071,507	1,782,596
Planning & Transportation	11,419,672	(2,010,198)	993,318	1,565,457	11,968,249
Planning & Transportation - Departmental Support	218,632	0	(262,325)	0	(43,693)
Planning & Transportation - Holding Codes	0	0	(767,900)	1,428,133	660,233
Policy Unit	80,728	0			80,728
Policy, Performance & Partnerships - Support Services	199,586	0	(223,100)	30,169	6,655
Public Health	7,200,000	(7,400,000)			(200,000)
Public Protection	3,745,258	(1,462,897)	312,050	5,955	2,600,366
Regeneration	1,217,420	(29,800)			1,187,620
Strategic Commissioning & Resources	38,980,776	(10,060,187)	(3,090,704)	1,025,806	26,855,691
Transformation - Holding Codes	19,418,984	0	(27,473,231)	8,301,291	247,044
Transformation & Independence	13,118,138	(708,200)		3,229,957	15,639,895
Grand Total	227,704,170	(87,110,403)	(39,318,910)	25,797,768	127,072,625

GENERAL FUND GROWTH AND SAVINGS

	2013/14		2014/15	
	Savings	Growth	Savings	Growth
<u>Learning and Universal Outcomes</u>				
Home to School Transport	(200,000)		(30,000)	
Library	(100,000)			
Previous Restructure allows for a change in budgetary requirements	(60,000)			
Travellers Team	(56,000)			
Reduction in overall capacity in quality improvement	(55,000)			
Premises	(50,000)			
Reduction in Staffing	(50,000)		(100,000)	
Business & Resources	(50,000)			
Removal of post-16 partnership Co-ordinator	(45,000)			
Locality Budgets	(44,000)			
Cache, Training and Assessment Centre	(29,000)			
Merge IAS / ICS Training Post	(25,000)			
Locality Budgets	(20,000)			
Reduction in expenditure on resource provision	(20,000)			
Reduction in Staffing Complement	(20,000)			
Agency sourced support for employer engagement	(16,000)			
Learning & Skills	(15,000)			
Locality Budgets	(14,000)			
Targeted Childcare	(10,000)			
Curriculum Services	(9,000)			
General Duty On Sustainable Travel To Schools	(6,000)			
Reduction in Discretionary Transport			(300,000)	
School Improvements			(125,000)	
Premises Costs			(100,000)	
Libraries			(100,000)	
Removal of substantive intensive support team post			(65,000)	
Reduction of EY/Child Care Training posts			(60,000)	
Staffing Reduction			(60,000)	
Removal of Contracts and Performance Manager			(55,000)	
Reduction in NEET project work			(41,000)	
Reduction in NEET project work			(40,000)	

GENERAL FUND GROWTH AND SAVINGS

	2013/14		2014/15	
	Savings	Growth	Savings	Growth
Reduction of 1 FTE employer engagement post			(35,000)	
Remove 0.5 FTE IAG/Foundation Learning post			(25,000)	
Reduction of equipment budget			(20,000)	
Reduction in improvement and IST consultant time			(15,000)	
Reduction of senior tutor posts in Thurrock Music Services			(15,000)	
Reduction in consultancy support to Elective Home Education Travellers education			(10,000)	
Reduction in Above to provide flexibility in savings decisions			150,000	
	(894,000)	0	(1,046,000)	0
Care and Targeted Outcomes				
Adoption and SGO Allowances	(200,000)		(200,000)	
Young People Accommodation	(100,000)			
"Out and about" aiming high for disabled children	(50,000)			
MAGS/EOH	(40,000)			
Principal Social Workers	(40,000)			
Adoption and fostering Panels	(5,000)			
Social worker service for disabled children			(200,000)	
Supervised Contact			(200,000)	
Emergency Duty Team			(100,000)	
Through Care Service		43,000		
Senior Practitioner - Community Based Assessments		55,000		
Family Support		76,000		
Adoption and Guardian		249,000		
Fostering		257,000		
Increase Demand in Children Social Care Placements		3,000,000		
Increase Demand in Children Social Care Placements				113,000
Fostering				250,000
	(435,000)	3,680,000	(700,000)	363,000
Chief Executive Delivery Unit				
Town Planning Environment	(202,000)			
Reduction in project budget, shared services and associated restructuring			(149,775)	
Breakeven of Resource Centres	(39,000)			
Breakeven of Resource Centres	(23,000)			

GENERAL FUND GROWTH AND SAVINGS

	2013/14		2014/15	
	Savings	Growth	Savings	Growth
National Skills Total	(25,000)			
TTGDC - Regeneration		238,000		333,000
Corporate Performance Improvement Team	(9,000)			
Diversity	(20,000)			
	(318,000)	238,000	(149,775)	333,000
	2013/14		2014/15	
	Savings	Growth	Savings	Growth
Planning and Transportation				
Restructuring	(210,000)		(130,000)	
Planning	(150,000)		(150,000)	
Central Budgets P+T	(120,000)			
LDF	(85,000)		(100,000)	
SERT	(60,000)			
Development management	(25,000)			
Local Transport Plan	(20,000)		(20,000)	
Community Transport Reduction	(20,000)		(80,000)	
Traffic Management Plan		5,000		
TAMP Infrastructure Audit		70,000	(120,000)	
Return of Major Development Powers from DC		120,000		32,000
Bus Subsidy			(250,000)	
	(690,000)	195,000	(850,000)	32,000
Public Protection				
PCSO Provision	(227,000)			
Cut Community Protection Co-ordinator + 2.5 Community Protection Officers	(127,043)			
2012 Olympics	(100,000)			
Health & Safety	(80,000)			
To cease all overtime working for Public Protection Teams	(69,426)			
Community Safety	(34,000)			
Councils Contribution to community safety partnership	(7,000)			
	(644,469)	0	0	0

GENERAL FUND GROWTH AND SAVINGS

	2013/14		2014/15	
	Savings	Growth	Savings	Growth
Environment				
Rationalisation of waste	(300,000)			
External Income	(100,000)			
10% Reduction in Grass Cutting	(80,000)			
Impulse Leisure	(50,000)		(50,000)	
Defer Demographic and Additional demands growth	(35,000)		(10,000)	
Reduced Tree maintenance	(23,000)			
Street Cleaning Demographic		10,000		10,000
Additional Street Cleaning Demands to Reflect DP world and Lakeside		25,000		55,000
Waste Demographic/Non-household waste		58,000		59,000
Unachievable 2012/13 Saving in relation to Europa Contract		300,000		
	(588,000)	393,000	(60,000)	124,000
General Fund Housing				
GF Saving on Housing Strategy Officer post to reflect work undertaken	(29,718)			
Alternative Financing of Revenue Contribution	(250,000)			
Private Sector housing	(68,000)			
Efficiencies in Homelessness	(80,000)			
Reduction in Homelessness Running Costs	(20,684)			
CAB Funding - Exit strategy on Performance Grant		28,000		
Correct Apportionment of Capital Running Costs in DFG Provision			(62,000)	
Homelessness - alternative provision of accommodation			(50,009)	
	(448,402)	28,000	(112,009)	0
Corporate Savings				
Procurement Savings	(750,000)			
Shared Services	(500,000)		(1,000,000)	
Transformation Project (adjusted for Assets and ICT)	(1,050,000)		(800,000)	
	(2,300,000)	0	(1,800,000)	0
Corporate Finance				
Equal Pay Claims	(200,000)			
Building Society Investments	(120,000)			
Fraud Team	(50,000)			
Directorate wide restructure	(100,000)		(153,000)	

GENERAL FUND GROWTH AND SAVINGS

	2013/14		2014/15	
	Savings	Growth	Savings	Growth
Insurance			(200,000)	
	(470,000)	0	(353,000)	0
Chief Executive				
Chief Executive Consultancy budget	(52,000)			
	(52,000)	0	0	0
Transformation				
DMFD Usage Charges	(25,000)			
Delivered through efficiencies derived from Oracle learning manager/ Performance Manager	(15,000)		(30,000)	
Developing Together Total	(20,000)			
	(60,000)	0	(30,000)	0
Asset Management				
Additional Income For Assets	(250,000)			
Rent Review of Commercial Property	(100,000)			
Carbon Reduction Commitment		200,000		
	(350,000)	200,000	0	0
Business Support				
Reduction in E-Govt Contribution	(100,000)			
Clienting Budget	(61,000)			
Crown House – Accommodation budget saving	(48,033)			
Client Management - Strategic Services Partnership	(10,000)			
	(219,033)	0	0	0
Legal Services				
Borough Elections	(192,000)			
	(192,000)	0	0	0
Freedom Of Info & GIS/LLPG				
Freedom Of Info & GIS/LLPG	(54,000)			
	(54,000)	0	0	0

GENERAL FUND GROWTH AND SAVINGS

	2013/14		2014/15	
	Savings	Growth	Savings	Growth
Adult Social Care				
Reablement Grant Funding	(592,000)			
High cost LD Placement Review	(300,000)		(300,000)	
Domiciliary Care Purchasing	(200,000)			
Placement Review Programme	(200,000)		(500,000)	
Delete Section 256 LD Budget	(145,000)			
Further Budget Review	(100,000)			
Provider Side Efficiency Review	(100,000)		(100,000)	
Demographic Reduction	(100,000)			
In-house service provision review	(100,000)		(100,000)	
Carers Centre, Cromwell Hall	(100,000)			
Performance Quality & Information	(60,000)			
Cost Centre Service Managers	(59,000)			
Domiciliary Care Tender	(48,000)			
Contracts Management & Provider Development	(30,000)			
Deleted of Vacant Contract and Commissioning Post	(30,000)			
Staffing costs - Support Services	(30,000)			
Further Charging	(20,000)		(75,000)	
HIV / Aids Grant	(15,000)			
Contracts Management & Provider Development	(11,000)			
Cafe Kynoch and Cafe Piggs Corner	(10,000)			
Performance Quality & Information	(7,000)			
Thameside - Alternative Provision			(250,000)	
Collins House Review			(200,000)	
Ending the meals on wheels service			(100,000)	
Adult Social Care Demographic Growth		500,000		500,000
<i>Grant Adjustments – Growth for new Responsibility within Adult Social Care</i>				
Community Voices		115,000		
Social Fund Admin		78,000		
	(2,257,000)	693,000	(1,625,000)	500,000
Summary				

GENERAL FUND GROWTH AND SAVINGS

	2013/14		2014/15	
	Savings	Growth	Savings	Growth
Education and Children's Social Care	(1,329,000)	3,680,000	(1,746,000)	363,000
Regeneration, Highways and Transportation	(988,000)	433,000	(999,775)	365,000
Cleaner, Greener Safer	(1,232,469)	393,000	(60,000)	124,000
Housing	(448,402)	28,000	(112,009)	0
Central Services	(3,697,033)	200,000	(2,183,000)	0
Adult Social Care & Health	(2,257,000)	693,000	(1,625,000)	500,000
	(9,971,904)	5,427,000	(6,725,784)	1,352,000

MEDIUM TERM FINANCIAL STRATEGY

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Funding				
Council Tax / Council Tax Grant	1,987	1,369	1,520	1,560
Collection Fund Deficit	(376)	400	0	0
Spend Funded From Formula Grant	(7,033)	(6,486)	(5,550)	(4,600)
New Homes Bonus Top Slice	246	437	0	0
Additional New Homes Bonus	365	364	450	500
Business Rate Growth	300	285	300	300
Net (Reduction) / Additional Resources	(4,511)	(3,631)	(3,280)	(2,240)
Inflation and other increases				
Pay Increase / Increments / Adjustments	1,189	613	619	625
Salary Increments	0	768	777	787
Pension Deficit	0	500	0	0
Contract Inflation	860	776	802	829
Non Contract Inflation	342	387	438	496
Fees and Charges	(100)	(100)	(100)	(100)
	2,291	2,943	2,536	2,637
Capital Financing				
Prudential Borrowing	1,138	270	402	(168)
Treasury Management	(1,995)	(9)	750	750
ICT Capitalisation	(200)			
Leasing	(100)			
Pension Contribution	(900)			
	(2,057)	261	1,152	582
Savings				
Education and Children's Social Care	(1,329)	(1,746)	(125)	
Regeneration, Highways and Transportation	(1,008)	(1,000)		
Cleaner, Greener Safer	(1,232)	(60)	(50)	
Housing	(448)	(112)		
Central Services	(3,697)	(2,183)		
Adult Social Care & Health	(2,757)	(1,625)		
Public Health	(200)			
	(10,672)	(6,726)	(175)	0
Growth				
Education and Children's Social Care	3,680	363	250	
Regeneration, Highways and Transportation	433	365	316	
Cleaner, Greener Safer	393	124	233	
Housing	28	0		
Central Services	200	0		
Adult Social Care & Health	1,193	500	1,000	
	5,927	1,352	1,799	0
Total Budget Deficit / (Surplus)	0	1,461	8,592	5,460

SCHOOLS' BUDGETS

<u>2013/14 Schools Block Distribution</u>	£000's
DSG Schools Block	97,210
Transferred from High Needs (Note a)	1,411
Maintained for Central Spend	(1,546)
Distributed to Schools	96,549
Retained for School Growth (Note b)	<u>526</u>
	97,075

- a) Schools have been transferred funding from the High Needs block to fund the extra responsibility of funding
- b) Growth Funding will be allocated to Schools in year, where either the school is in the process of amalgamation or an additional class is required in September due to pupil demand. This funding is not allocated for general in year pupil movement. A growth policy has been approved by the DfE, and any remaining balance at the end of the year, must be returned to the Schools block.

<u>2013/14 Estimated High Needs Block Spend</u>	£000's
Special Schools	7,550
Resource provisions	2,930
Independent/ NM Special School	2,231
Pupil Referral Unit	830
Education other than at Schools	570
SEN Transport	1,210
Schools top up	2,400
Nursery SEN	200
Post 16 top up	390
Transferred to Schools block	<u>1,411</u>
Total	19,722

2013/14 Early Years Block Spend

All of the Early Years Block spend will fund the free 15 hour p/w placements For 2, 3 and 4 year olds delivered at either a School, Private, Voluntary or independent early years setting.

GENERAL FUND CAPITAL PROGRAMME

SCHEME	2013/14	2014/15	2015/16	2016/17	FUNDING SOURCE
Refurbishment of Grays Magistrates Court to provide affordable managed workspace.	232	160	0	0	Government Grant of £1.4m available plus capital receipts and/or third party funding.
Contribution towards the land acquisition/remediation costs associated with the delivery of the Purfleet Centre proposal	0	5,800	5,800	0	Capital receipts from disposals, and/or third party funding.
Programme of works to realise the Grays Public realm improvements programme.	1,000	1,000	0	0	Capital receipts and/or third party funding.
Seal flooring in the civic office basement car park	25	0	0	0	Prudential Borrowing
Civic Office CCTV equipment	50	0	0	0	Prudential Borrowing
Replace Fire Sprinkler System - basement car park Civic Offices.	115	0	0	0	Prudential Borrowing
Space Optimisation of the Civic Offices.	2,000	2,000	2,000	2,000	Prudential Borrowing
Community Hubs	400	1,000	1,000	1,000	Prudential Borrowing
Demolition of former operational buildings on surplus land.	547	0	0	0	Prudential Borrowing
Thameside Complex - Installation of door access system to restricted areas	35	0	0	0	Prudential Borrowing
Thameside - Upgrade Fire resistant wall finishes	10	0	0	0	Prudential Borrowing
Telephony, Networks and Wi-Fi	750	0	0	0	Prudential Borrowing
Wide Area Network.	100	0	0	0	Prudential Borrowing
Mobile Working	300	0	0	0	Prudential Borrowing
Bring Your Own Device Pilot.	0	50	0	0	Prudential Borrowing
Council Chamber & Committee Room Technology	100	0	0	0	Prudential Borrowing
Electronic Document Management System (EDRMS)	0	500	0	0	Prudential Borrowing
Customer Portals and Kiosks	300	0	0	0	Prudential Borrowing
Customer Records Management	600	0	0	0	Prudential Borrowing
Collins House Care Complex, DDA Works	88	0	0	0	Prudential Borrowing
Riverside Youth Centre	60	0	0	0	Prudential Borrowing
Refurbish and remodel the Knightsmead Building, South Ockendon	250	250	0	0	Prudential Borrowing

GENERAL FUND CAPITAL PROGRAMME

SCHEME	2013/14	2014/15	2015/16	2016/17	FUNDING SOURCE
Disabled Facility Grants programme	652	652	652	652	Government Grant and Capital Receipts
Purchase of land at 29 Oliver Close	1,500	0	0	0	Prudential Borrowing
Refurbish Belhus Leisure Centre	1,200	0	0	0	Prudential Borrowing
Vehicle Replacement Programme	1,419	1,976	275	0	Prudential Borrowing
	11,733	13,388	9,727	3,652	