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| 10 February 2016 | ITEM: 11 (Decision 01104346) |
| Cabinet | |
| 2016/17 General Fund Revenue and Capital Budget Report | |
| Wards and communities affected: All | Key Decision: Key |
| Report of: Councillor John Kent, Leader of the Council | |
| Accountable Head of Service: Sean Clark, Director of Finance and IT | |
| Accountable Director: Lyn Carpenter, Chief Executive | |
| This report is Public | |

Executive Summary

There have been a number of reports considered by Cabinet throughout the municipal year on the relevant financial positions for 2015/16, 2016/17 and the medium term.

This report provides an update on the latest position for 2015/16, summarises the main changes to the base budget to balance 2016/17 including Council Tax and service specific recommendations and updates the MTFS for the period 2017/18 through to 2019/20.

The report follows the direction that the government set out in the Comprehensive Spending Review in November 2015 – that of the need for councils to become financially self-sustainable and the importance of annual Council Tax increases to achieve that objective.

The report also sets out the proposals for the Capital Programme for 2016/17.

1. Recommendation(s):

- 1.1 That, following the decision of Corporate Overview and Scrutiny Committee, Cabinet recommend to Council a 2% Council Tax increase in respect of Adult Social Care;**
- 1.2 That, following the decision of Corporate Overview and Scrutiny Committee, Cabinet recommend to Council a 1.99% Council Tax increase in support of the general budget;**
- 1.3 That Cabinet note the inclusion of £190k in the 2016/17 base budget towards maintaining Bus Subsidies;**

- 1.4 That Cabinet note the inclusion of £50k in the 2016/17 base budget to provide support to the borough in managing the implications of, and responding to, the Lower Thames Crossing proposal;
- 1.5 That Cabinet agree to the savings proposals to Adult Social Care as set out in Appendix 3;
- 1.6 That Cabinet recommend to Council that delegation be granted to the Director of Finance and IT, in consultation with the Chief Executive and Leader of the Council, the authority to make the relevant submissions to government to secure the four year settlement and freedom to use capital receipts for transformation purposes if considered to be in the Council's best interest;
- 1.7 That Cabinet recommend to Council the proposed additions to the Capital Programme set out in Appendix 4; and
- 1.8 That Cabinet recommend to Council the delegations regarding additions to the Capital programme as set out in section 11;

2 Shaping the Council

- 2.1 At their meeting on 13 January 2016, the Cabinet received an update on the Comprehensive Spending Review (CSR) and grant announcements. At the time of writing this report, the Council is still waiting for final grant figures and has received no indication on the grant available for either the Better Care Fund or Public Health.
- 2.2 Key messages from the CSR were as follows:
 - a) Confirmation that the Revenue Support Grant (RSG) will be abolished over the life of this parliament through a continuation of year on year reductions, in addition to the £29m lost between 2010/11 and 2015/16;
 - b) That, as a result of the abolition of RSG, Council's will be reliant on raising necessary funding locally through Council Tax, Business Rates and other Income Generation;
 - c) That Business Rates collected in any one area will still be subject to tariffs and top ups – in other words, for Thurrock Council, the Council will still have to pay a significant proportion of the Business Rates it collects to central government for redistribution. (Thurrock Council currently retains approximately 30% of what it collects); and
 - d) That, as a result of more Business Rates being available to councils nationally, there will be added obligations for councils to meet. These new duties have not yet been announced and will be subject to consultation over the coming months but it is likely that any increased funding will be absorbed by these new requirements.

2.3 Simply, the cost of paying for the majority of the services that the Council is responsible for will have to be met from income raised directly: Council Tax; Business Rates, and; fees, charges and recharges. It is in this context that this report makes its recommendations on increases to Council Tax for just the second time since 2010 as a direct response to the government direction in the Autumn Statement.

3 2015/16

3.1 Previous reports have set out to Cabinet significant over spends in Children's Services (gross pressures of £4m).

3.2 The most recent analysis has identified that these pressures are increasing for three main reasons:

- a) Unaccompanied Asylum Seekers (UASC), including recognising assumed levels of reimbursement from government for the 2014/15 financial year;
- b) The cost of placements; and
- c) The cost of interim staff over and above establishment to meet acceptable social worker to child ratios.

3.3 Officers are currently finalising these projections whilst seeking other mitigation. A detailed report on the 2015/16 financial position will be presented to Cabinet in March 2016.

4 Council Tax Proposals

4.1 The Autumn Statement confirmed that there would no longer be a freeze grant offered to councils. As the Medium Term Financial Strategy (MTFS) had assumed a grant would be available, the Council's financial position for 2016/17 is increased by £600k.

4.2 Other national changes have also increased liabilities on the Council through the Minimum Wage (£1.5m on Adult Social Care contract) and the National Insurance and Apprentice Levy changes (£0.5m).

4.3 The government's spending power calculation for all councils with adult social care responsibility assumes increases of 2.00% per annum over the life of the settlement to offer a form of protection to adult social care budgets.

4.4 The government's spending power calculation included a further increase of 1.75% per annum in line with the average Consumer Price Index (CPI) over the next four years.

4.5 These published increases are a reversal of previous policy where a Council Tax freeze was recommended.

- 4.6 When considering Council Tax increases, Members should consider Thurrock Council's position nationally in terms of the funding available to it to provide the wide range of services, including the need to manage increases in demand for both Children's and Adults' Social Care.
- 4.7 Out of all 55 Unitary Authorities, Thurrock Council has the third lowest Council Tax Band D and:
- Is only able to raise the third lowest amount of Council Tax;
 - Receives the third lowest level of Revenue Support Grant (RSG);
 - Has the third lowest net budget; and
 - Has the fifth lowest net budget per head of population.
- 4.8 This clearly demonstrates that the Council has one of the lowest levels of expenditure for services in the country.
- 4.9 Due to the loss of assumed freeze grant and the Council's low budget base as set out in paragraph 4.7, **a 3.99% increase is recommended** that will raise some £2.2m in 2016/17 and make some headway towards the more difficult task of balancing 2017/18 and beyond. For Thurrock Council, a referendum will be triggered where Council Tax is increased by 4% or more above the authority's relevant basic amount of Council Tax for 2015/16.
- 4.10 A 3.99% increase in Council Tax equates to £44.82 for a Band D property in Thurrock. Some 70% of properties in Thurrock are Bands A-C where the increase ranges from £29.88 - £39.84 per year or £0.57 - £0.77 per week. The table below sets out the impact on the various bands for Thurrock households:

| Band | 2015/16 | Increase | 2016/17 | Weekly |
|------|----------|----------|----------|--------|
| A | 749.76 | 29.88 | 779.64 | 0.57 |
| B | 874.72 | 34.86 | 909.58 | 0.67 |
| C | 999.68 | 39.84 | 1,039.52 | 0.77 |
| D | 1,124.64 | 44.82 | 1,169.46 | 0.86 |
| E | 1,374.56 | 54.78 | 1,429.34 | 1.05 |
| F | 1,624.48 | 64.74 | 1,689.22 | 1.25 |
| G | 1,874.40 | 74.70 | 1,949.10 | 1.44 |
| H | 2,249.28 | 89.64 | 2,338.92 | 1.72 |

- 4.11 In a survey carried out amongst Municipal and Unitary Treasurers in early January 2016, there were two specific questions and these are set out below along with the responses:
- Is your Council minded to increase Council Tax by 2% for Adult Social Care?

| | |
|-----------|--------|
| Yes | 76.19% |
| No | 1.59% |
| Undecided | 22.22% |

- b) In addition, is your Council minded to increase the general Council Tax element?

| | |
|--------------|--------|
| No Increase | 6.82% |
| 0.00 – 0.99% | 4.55% |
| 1.00 – 1.49% | 0.00% |
| 1.50 – 2.00% | 70.45% |
| Undecided | 18.18% |

4.12 This survey demonstrates a strong approach nationally that reflects the recommendations being put forward for the 2016/17 budget.

4.13 Corporate Overview and Scrutiny Committee hold the responsibility for reviewing the general aspects of the budget. As such, Cabinet asked the committee to discuss the proposed Council Tax increases at their meeting on 2 February 2016:

- a) The committee recognised the direction of travel towards financial self-sustainability and acknowledged that raising the necessary finance was now the Council's responsibility with the phasing out of the Revenue Support Grant; and
- b) There was some discussion as to whether the increase should be limited to 3.75% but, on hearing that this only saved Bands A-C 3-5 pence a week but would cost the Council £137,500, the committee unanimously recommended a 3.99% increase.

5 Changes to the 2016/17 Budget

5.1 Recent years have seen a number of consultations across all services that have proposed a wide range of service reductions and increases to fees and charges.

5.2 Whilst there are no further budget reductions to front line services, the proposed budget includes delivery of previously agreed savings from the 2015/16 budget setting process of £3.391m and the risk to delivery and impact of these proposals cannot be under estimated. Included within these targets were options from Adults' Services that required public consultation.

The outcome and recommendations are set out in Appendix 3 and Cabinet are recommended to agree these.

- 5.3 The report considered by Cabinet on 13 January presented the basis for a balanced budget for 2016/17 and included a provision of £0.6m to support the Council in achieving financial self-sustainability. This budget would be used on projects covering, for example:
- a) Increased income through both existing charges and securing additional income streams;
 - b) Continuing the work on rationalising the Council's assets to reduce costs and maximise income potential;
 - c) Driving efficiencies through better ways of working;
 - d) Financing spend to save initiatives;
 - e) Investigating and implementing new Delivery Models; and
 - f) Financing organisational change where necessary.
- 5.4 This provision has since been reduced to £0.365m due to the following two additional budget requirements:
- a) A reversal of the planned reduction of £0.190m to the bus subsidies budget, as agreed by Council in February 2015; and
 - b) The setting up of a budget of £50k per annum to provide support to the borough in managing the implications of, and responding to, the Lower Thames Crossing proposal .
- 5.5 The table at Appendix 1 sets out the key changes that bridge the gap of £9.966m as reported to Council in February 2015.
- 5.6 It is clear from the table that, if the Council is to balance the budget for 2016/17 without having to make further reductions to services, the Council Tax increases as recommended at 1.1 and 1.2 of this report are essential.
- 5.7 If a 3.99% Council Tax increase is not supported, options will need to be available for Council to set a balanced budget. Options are likely to be:
- a) The removal of the re-instated budget for bus subsidies as this is a previously agreed saving and is not yet contractually committed;
 - b) A reduction to the growth provision for Children's and Adults' social care pressures;
 - c) The removal of the budget for the transformational change required to achieve financial self-sustainability; and

- d) Reductions in the Environment Service where levels of activity are more easily flexed albeit with a visible impact for residents across the borough.

Other Comprehensive Spending Review (CSR) Considerations

- 5.8 There are two specific areas that need further consideration from the CSR:
- a) Four Year Settlement – the provisional settlement issued by the government on 17 December 2015 included forecasts through to 2019/20. Local authorities are invited to ‘sign up’ to these figures through an efficiency plan to be lodged with the Department for Communities and Local Government (DCLG). However, the message was clear that these could be amended should the government believe that there is a need to and so they would only remain indicative; and
 - b) Capital Receipts – through setting out a transformation plan, Council’s would be able to use capital receipts to pay for revenue transformation programmes and activities.
- 5.9 In both cases, the government is yet to issue guidance and even clarity on what exactly these two proposals mean. As such, it is recommended to delegate the final decision and submissions to the Director of Finance and IT in consultation with the Chief Executive and Leader of the Council.

6 Medium Term Financial Strategy (MTFS)

- 6.1 The MTFS covering the period 2017/18 through to 2019/20 is attached at Appendix 4 which includes the assumption that there will be a 3.99% Council Tax for each of the following years. This is in line with the government’s spending power assumptions.
- 6.2 Even with the proposed Council Tax increases, the deficit of £18.5m is still very challenging. Any reduction to the proposed Council Tax increase in future years will increase the deficit and impact the following financial years.
- 6.3 The budget proposal for 2016/17 includes a provision of £365k to help meet the challenge of the future financial pressures. Broadly, activity will include but not be limited to:
- a) Income generation;
 - b) Asset rationalisation;
 - c) Spend to Save initiatives; and
 - d) Service and related employment reductions.

7 Section 25 Statement

- 7.1 When setting the Council Tax and budget, the Council has a statutory obligation to consider the Responsible Financial Officer's (S151's) Section 25 Statement. This statement sets out the robustness of the budget set but also whether the S151 Officer has confidence in the future financial position of the Council.
- 7.2 When making this judgement, the S151 Officer will consider the Council's position on Council Tax, the ability to make cost saving decisions and the robustness of plans for the future.
- 7.3 The decision of Corporate Overview and Scrutiny Committee to recommend both the 2% and 1.99% Council Tax increases will inform this judgement.

8 Proposed Additions to the Capital Programme

- 8.1 The majority of the Council's capital programme is funded from grants in terms of both schools and highways and from rents and grants for the Housing Revenue Account.
- 8.2 For the remainder of the General Fund or, indeed, to supplement the above, the following sources are available:
- a) Capital Receipts – these are the receipts realised from the disposal of capital assets such as land and buildings. Members will be aware that the Council reviews its asset base and there is a programme of disposals being progressed;
 - b) Grants and Contributions – these could be ad hoc grants awarded from government or other funding agencies or contributions from developers and others;
 - c) Prudential Borrowing – the Council is able to increase its borrowing to finance schemes as long as they are considered affordable. The MTFs assumes repayments on £3m of borrowing per annum; and
 - d) Revenue – this approach is not recommended as it has an immediate and costly impact on the General Fund.
- 8.3 Attached at Appendix 5 are the schemes that are being proposed for the Cabinet's consideration. They have been considered against the following criteria:
- a) Whether they are categorised under Health and Safety, Statutory, Invest to Save or desirable; and
 - b) Through a scoring process against the Council's priorities.
- 8.4 Officers do recognise that these are all schemes that are unavoidable in the short term and that a more ambitious capital programme needs to be

developed to support growth throughout the borough. In addition, the Council must be able to transform itself into a more modern authority that also reflects the changes that are inevitable to achieve financial self-sustainability.

- 8.5 These schemes could include a new theatre, town centre regeneration, support to businesses, further development at High House Production Park, etc. Schemes to also support revenue generating opportunities will also be developed.

9 Capital Programme Overview

- 9.1 Operational Buildings – these schemes have been proposed at a level to ensure that the buildings remain operational and fit for purpose for the short term. These proposals provide funding for various schemes but will only be spent where absolutely necessary. Funding is also requested for Collins House to carry out essential works as well as to fund a feasibility study into whether the building would be best served through a major refurbishment or replacement.
- 9.2 Environment – there are proposals for essential service items such as replacement household bins, vehicles and plant. There are also other schemes for maintaining/enhancing open spaces and for efficiency improvements. Although not included within these proposals, Members should be aware that officers are working on the re-tendering of the waste contracts. The current fleet is approaching the end of its life and consideration will be given during the tender process for replacement vehicles.
- 9.3 IT – now that the service has been brought back in-house, a comprehensive programme is being developed to improve stability, both for normal operational purposes but also for Business Continuity and Disaster Recovery purposes. Bids also include works to major applications, such as Oracle, that will improve efficiency throughout the workforce to compliment the staffing reductions.
- 9.4 Community Environmental Development Fund (CEDF) – Cabinet agreed to propose a new fund, the CEDF. This is for communities to bid against criteria being developed for capital enhancements to their areas. A fund of £250k is proposed.

10 Other Recommendations

- 10.1 There are three areas where the Council has previously given Cabinet delegation to approve additional schemes and this is being recommended again for 2016/17:
- a) Additional Funding – throughout the year, the Council quite often receives additional funding through, for instance, government grants and developers' contributions;

- b) Invest to Save – these schemes could only be approved where the reduction in ongoing expenditure or increased income exceeds the cost of repaying the prudential borrowing required for the scheme; and
 - c) Gloriana – Members will be aware that there are a number of governance gateways before approval for a scheme is considered by Cabinet. These gateways include discussion within a governance group consisting of the three group leaders, the Chief Executive and the Director of Finance and IT.
- 10.2 The delegation requested is that any approval is deemed to be part of the capital programme and that the necessary prudential indicators set out in the Treasury Management Strategy are amended accordingly.
- 10.3 This approach means that estimated amounts for schemes that may or may not take place are not included in the programme, removing the need for speculative provisions.

11 Key Points from Corporate Overview and Scrutiny Committee (Capital)

- 11.1 Corporate Overview and Scrutiny Committee considered the capital proposals at their meeting on 2 February 2016.
- a) The committee agreed the proposals but recognised that these were all of operational necessity and did not yet reflect the aspirations of the Council. The committee supported the need for a more aspirational programme for the future to be brought back in due course; and
 - b) The committee debated the three areas of delegation to Cabinet and, for 2016/17, have supported these. There was discussion about how these delegations could be capped to ensure that Council was still involved in the more financially significant projects but agreed this should be developed over the coming months as a consideration for future years.

12 Issues, Options and Analysis of Options

- 12.1 The issues and options are set out in the body of this report in the context of the latest MTFS and informed by discussions with the Leader of the Council, Group Leaders and Directors' Board.

13 Reasons for Recommendation

- 13.1 The Council has a statutory requirement to set a balanced budget annually. This report sets out the budget pressures in 2015/16 and 2016/17 along with actions to mitigate these pressures and create a budget to implement changes required to reshape the Council.

14 Consultation (including Overview and Scrutiny, if applicable)

- 14.1 This report has been developed in consultation with the Leader, Portfolio Holders and Directors Board. In addition, Corporate Overview and Scrutiny Committee considered the report on 2 February with their comments set out above. Group Leaders and Deputy Leaders have been involved throughout the budget planning process through the Budget Review Panel. The Director of Finance and IT will have attended each political group meeting by mid-February providing a briefing on the overall financial position.
- 14.2 Budget consultation sessions were held separately with the voluntary sector, Community Forum Chairs and the Business Board in January 2016. This provided an opportunity to set out the Council's overall budget position and consider together areas where further collaboration could be explored in future such as alternative service delivery models.

15 Impact on corporate policies, priorities, performance and community impact

- 15.1 The implementation of previous savings proposals has already reduced service delivery levels and our ability to meet statutory requirements, impacting on the community and staff. There is a risk that some agreed savings may result in increased demand for more costly interventions if needs escalate particularly in social care. The potential impact on the Council's ability to safeguard children and adults will be kept carefully under review and mitigating actions taken where required.
- 15.2 The scale of future budget reductions as set out in this report are such that work is underway to develop a transformational approach to tackling this challenge in future years.

16 Implications

16.1 Financial

Implications verified by: **Sean Clark**
Director of Finance and IT

The financial implications are set out in the body of this report.

Council officers have a legal responsibility to ensure that the Council can contain spend within its available resources. Regular budget monitoring reports will continue to come to Cabinet and be considered by the Directors Board and management teams in order to maintain effective controls on expenditure during this period of enhanced risk. Austerity measures in place are continually reinforced across the Council in order to reduce ancillary spend and to ensure that everyone is aware of the importance and value of every pound of the taxpayers money that is spent by the Council.

This report does not just set out the actions required to set the budget for 2016/17 but provides a financial framework to facilitate change going forward.

16.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal & Governance - Deputy Monitoring Officer

There are no direct legal implications arising from this report.

There are statutory requirements of the Council's Section 151 Officer in relation to setting a balanced budget. The Local Government Finance Act 1988 (Section 114) prescribes that the responsible financial officer "must make a report if he considers that a decision has been made or is about to be made involving expenditure which is unlawful or which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency to the authority". This includes an unbalanced budget.

16.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Community Development and Equalities Manager

There are no specific diversity and equalities implications as part of this report. A comprehensive Community and Equality Impact Assessment (CEIA) will be completed for any specific savings proposals developed to address future savings requirements and informed by consultation outcomes to feed into final decision making. The cumulative impact will also be closely monitored and reported to Members.

16.4 Other implications (where significant – i.e. Staff, Health, Sustainability, Crime and Disorder)

Any other significant implications will be identified in any individual savings proposal business case to inform the consultation process where applicable and final decision making.

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

- Budget working papers held in Corporate Finance
- Budget Review Panel papers held in Strategy and Communications

18 Appendices to the report

- Appendix 1 – Summary of MTFS Movements
- Appendix 2 – Previously Agreed Savings
- Appendix 3 – Adult Social Care Recommended Savings
- Appendix 4 – Medium Term Financial Strategy
- Appendix 5 – Proposed Additions to the Capital Programme

Report Authors:

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Karen Wheeler, Head of Strategy, Communications and Customer Services

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| | £m | |
|----------------------------------------------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| February 2015 | 9.966 | The MTF5 forecast as reported to Council |
| Social Care Precept | (1.099) | A 2% increase on the current Council Tax level |
| General Council Tax Increase | (1.093) | A 1.99% increase on the current Council Tax level |
| Council Tax Freeze Grant | 0.600 | Freeze grant no longer available |
| Grants | (1.746) | An improved position on estimated settlement |
| Prior Year Council Tax and Business Rates Reconciliation | (1.121) | Every year the Council has to estimate the surplus or deficit in terms of amounts collected against originally estimated. There are still significant pressures on Business Rate appeals that leaves the Business Rate position in deficit but the Council Tax position continues to have a positive impact |
| Increased Income Generation | (0.700) | As reported to the various Overview and Scrutiny Committees, an additional £0.5m has been built into the base budgets over increases that had already been targeted. This is an essential component of the Council's move towards financial self-sustainability |
| Pay Related | 1.048 | Recognises the inclusion of Serco as Thurrock workforce, the changes to NI and the Apprentice Levy |
| Inflation | (1.018) | Reductions in contract and utility inflation provisions recognising the low rates and cost reductions |
| Treasury | (4.054) | The Council has been proactive in achieving technical accounting efficiencies such as an annual reduction in the Minimum Revenue Provision and also making significant increases in investment income through |

| | £m | |
|--------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | CCLA and Gloriana |
| Environmental Services | 1.460 | Includes the decision not to implement the charge for green bins and the increased costs arising from the closure of the recycling facility. |
| Serco | (3.400) | The net saving resulting from the termination of the Serco contract |
| Growth | 1.500 | The MTFs assumes annual increases for demographic growth of £3m. However, with the increase in the minimum wage and unprecedented increases in demands for both Children's and Adults' Social Care, further provision is required |
| Staffing Cost Reductions | (1.200) | Savings have been identified through the senior management restructure, the savings from the Serco management that did not transfer to the Council and the opportunities to achieve efficiency savings from Thurrock Online |
| Bus Subsidies | 0.190 | <p>The issue of bus subsidies has been the subject of a motion at Council on 25 November 2015 and it was also raised as a concern in a budget consultation meeting with the Community Forums on 20 January 2016.</p> <p>Tenders have now been received back and have included the following:</p> <ul style="list-style-type: none"> – Service 11 to offer a 90 minute service including Horndon on the Hill; – Service 374 to offer a 90 minute service commercially with a de minimus payment from the Council; and – Service 14 to offer Fobbing a limited |

| | | |
|-----------------------|---------|---------------------------------------------------------------------------------------------|
| | £m | |
| | | service to Corringham and Basildon. |
| Lower Thames Crossing | 0.050 | Working budget as raised at Council on 27 January 2016 |
| Other | 0.252 | Other minor amendments in terms of technical items, Council Tax base assumptions, etc |
| Balance | (0.365) | Available to finance the various initiatives required towards financial self-sustainability |

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| Adult Social Care and Health | 2016/17 | 2017/18 |
|------------------------------------------------------|----------------|----------------|
| External Placements | 500.0 | 500.0 |
| <i>Public health – review of contracts</i> | 250.0 | 250.0 |
| Total Portfolio: Adult Social Care and Health | 750.0 | 750.0 |

| | | |
|------------------------------------------------------------|--------------|-------------|
| Chief Executive's Office | | |
| Legal traded service income | 50.0 | 50.0 |
| Total for Directorate | 50.0 | 50.0 |
| Commercial Services | | |
| <i>Reduced building maintenance and cleaning contracts</i> | 550.0 | - |
| Total for Directorate | 550.0 | - |
| Total Portfolio: Central Services | 600.0 | 50.0 |

| | | |
|-------------------------------------------------------------------------------------------------------------|--------------|----------|
| Childrens Services | | |
| reduced costs through MASH/Early Offer of Help ensuring that the start up costs are saved from 2015 onwards | 350.0 | - |
| EOH services reduced by 10% through earlier intervention | 166.0 | - |
| Total Portfolio: Childrens Social Care | 516.0 | - |

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Childrens Services | | |
| Commission school effectiveness in partnership with schools | 150.0 | |
| Reduce and realign youth provision across Thurrock and related service through internal reorganisation and developing the services as a mutual/ outsourced service | 230.0 | 232.0 |
| Total for Directorate | 380.0 | 232.0 |
| Chief Executive's Delivery Unit | | |
| CEDU Restructure - Corporate Strategy | 100.0 | - |
| Total for Directorate | 100.0 | - |
| Total Portfolio: Education and Finance | 480.0 | 232.0 |

| Highways and Transportation | | |
|------------------------------------------------------|--------------|--------------|
| Transportation restructure and highways efficiencies | 50.0 | 250.0 |
| Reduce public transport subsidies (bus) | 190.0 | |
| Invest in modern highway maintenance | | 260.0 |
| Total Portfolio: Highways and Transportation | 240.0 | 510.0 |

| Planning and Growth | | |
|-------------------------------------------------|--------------|--------------|
| Planning - increased income and/or efficiencies | 29.0 | 35.0 |
| Total for Directorate | 29.0 | 35.0 |
| Chief Executives Delivery Unit | | |
| CEDU Restructure - Regeneration | 100.0 | 300.0 |
| Total for Directorate | 100.0 | 300.0 |
| Total Portfolio: Regeneration | 129.0 | 335.0 |

| Environment | | |
|--------------------------------------------------------------|--------------|----------|
| Restructure and review of all grounds maintenance operations | 331.0 | |
| Reductions in waste disposal | 270.0 | |
| Total Portfolio: Environment | 601.0 | - |

| Chief Executives Delivery Unit | | |
|-----------------------------------------------------------|-------------|-------------|
| Reduction in Voluntary Sector Core Grants | 75.0 | 75.0 |
| Total Portfolio: Communities and Public Protection | 75.0 | 75.0 |

Executive Summary

Adult Social Care was required to deliver in-year reductions of £500k in 2015/16 and a minimum of £750k savings in 2016/17 as part of the Council's Medium Term Financial Strategy (MTFS).

A consultation exercise was undertaken between September and December last year on proposed service efficiencies to the following areas:

1. Day Care for older people including the service at the Carers' Centre;
2. Charges for Adult Social Care services;
3. Equipment and adaptations costing less than £50; and
4. The provision of Extra Care Housing.

The proposals received over 500 responses and a full Equality Impact Assessment has been undertaken in consultation with Thurrock Healthwatch and Thurrock Coalition. The following recommendations were supported at the Health and Well-Being Overview and Scrutiny Committee on 12th January 2016.

1. Day Care:

- 1a To change the day care offer from provision on six sites to three sites (Bell House, South Ockendon; the Carers' Centre Cromwell Road Grays; and Kynoch Court, Corringham) saving an estimated £200,000 in 2016/17.**

2. Charging for Day-Care and Transport:

- 2a To increase the charges for day care (except Short Breaks) over a period of three years until the charge (£30 per session) is half the full cost of the service, raising an estimated £56,696 in 2016/17.**
- 2b to increase the charge for transport, to cover the full cost of that service, raising an estimated £2,649.**

3. Careline:

- 3a To undertake a full review of the community alarm service to establish how effective it is, to explore new models of working including linkages to the out of hours service, and to rationalise the different costing and charging arrangements. For this reason a recommendation on the way forward is deferred until the review is complete in Summer 2016.**

4. Items of Equipment and Adaptations costing less than £50:

- 4a No longer providing items costing less than £50 free of charge, saving an estimated £60,000 per year, but establish an exceptional circumstances system that is currently in development.**

5. Extra Care Housing:

- 5a** No longer providing extra care housing at Kynoch Court would produce savings in 2016/17 estimated at £81,000; and
- 5b** increasing the number of units at Piggs Corner to 55 flats and also charging concierge costs to rent and service charges would produce savings in 2016/17 estimated at £143,000.

6. Elizabeth Gardens:

- 6a** From 1 April 2016 charging only new leaseholders at Elizabeth Gardens for the care and support service they receive. Due to the low level of sales annually, no income is budgeted from this area for 2016/17.

| Medium Term financial forecast | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Local Funding | | | |
| Council Tax | (1,607) | (1,650) | (1,697) |
| Council Tax Social Care Precept | (1,153) | (1,186) | (1,222) |
| Council Tax Collection Fund Surplus | 382 | 390 | 0 |
| Business Rate Growth | (475) | (1,500) | 0 |
| Business Rate - Collection Fund Deficit | (860) | (860) | 0 |
| | (3,714) | (4,806) | (2,919) |
| Total Government Resources | | | |
| Revenue Support Grant | 6,013 | 3,960 | 2,215 |
| Other Central Grants | 300 | 300 | 300 |
| | 6,313 | 4,260 | 2,515 |
| Net Additional (Reduction) in resources | 2,599 | (546) | (404) |
| Inflation and other increases | | | |
| Pay award at 1% - Exc HRA inc SERCO (wp 6) | 1,596 | 831 | 848 |
| Contract Inflation (wp 7) | 407 | 424 | 442 |
| Non Contract Inflation (utilities) (wp 8) | 563 | 619 | 681 |
| Balance sheet adjustment (waste) | (117) | 0 | 0 |
| Fees and Charges | (100) | (100) | (100) |
| B/f budget surplus | (365) | | |
| | 1,984 | 1,775 | 1,871 |
| Capital Financing | | | |
| Prudential Borrowing & Treasury Management | 1,329 | 869 | 0 |
| | 1,329 | 869 | 0 |
| Departmental Savings | | | |
| Finance and Education | (232) | 0 | 0 |
| Adult Social Care & Health | (750) | 0 | 0 |
| Regeneration | (335) | 0 | 0 |
| Highways and Transportation | (510) | 0 | 0 |
| Central Services | (632) | 0 | 0 |
| Communities & Public Protection | (75) | 0 | 0 |
| Total Net Service Reduction | (2,534) | 0 | 0 |
| Loss of Purfleet Asset income | 500 | 500 | |
| Demographic and Economic Pressures | 3,500 | 3,500 | 3,500 |
| | 4,000 | 4,000 | 3,500 |
| Total Savings to Identify | 7,378 | 6,098 | 4,967 |

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2016/2017 Capital Bids Summary

| Lead Manager | Scheme | 2016/17 | 2017/18 | 2018/19 | Category |
|--------------|------------------------------------------------------------------------------------------------------------|---------|---------|---------|-----------|
| Ian Rydings | Civic Offices 1 - Air Handling Unit replacement | 150 | - | - | Buildings |
| Ian Rydings | Civic Offices - Renew Main Public Entrance and Public Area Automatic Doors | 36 | - | - | Buildings |
| Ian Rydings | Universal Power Systems - ICT Server Room | 33 | - | - | Buildings |
| Ian Rydings | Thameside - Various Works | 180 | - | - | Buildings |
| Ian Rydings | Civic & Thameside - Electrical Wiring Inspections | 20 | - | - | Buildings |
| Ian Rydings | Civic Offices - Implementation of water controls and Sub-Meter systems for Utilities (Water & Electricity) | 61 | - | - | Buildings |

| <i>Comments</i> | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <p>Business continuity requirement due to age & condition of Air Handling Unit. In the event of major failure AHU repair may not be feasible and building would technically be uninhabitable by Council staff and any tenant(s).</p> | |
| <p>Health & Safety recommendation due to age and condition of current units resulting in reliability and performance issues. Consider as part of the ground floor refurbishment project.</p> | |
| <p>Business continuity requirement due to age of current systems batteries (at 7 yr life expectancy). In the event of a mains power failure current battery backup may fail resulting in loss of server room systems. Significant operational impact as this would result in loss of all ICT servers.</p> | |
| <p>Various works have been identified including electrical upgrades, ventilation enhancements, ad hoc window replacements and roofing works. This is a contingency and will only be drawn down where necessary as feasibility work continues on an alternative facility.</p> | |
| <p>Health & Safety requirement regulation require that inspections are performed every 5 years of electrical systems. This must be performed for the council to remain compliant with regulations during 2016/17.</p> | |
| <p>Energy Efficiency and more accurate sub metering of water & electrical costs and recharges to tenants. Draw down in line with plans to let areas within CO1 as part of increasing income generation.</p> | |

2016/2017 Capital Bids Summary

| Lead Manager | Scheme | 2016/17 | 2017/18 | 2018/19 | Category |
|--------------|----------------------------------------------------------------------------------|---------|---------|---------|-----------|
| Ian Rydings | Civic Offices Lift Replacement and Updates | 254 | 240 | - | Buildings |
| Ian Rydings | Civic Offices Underground Parking Area - Sprinkler System Flow Rate Enhancement | 62 | 184 | - | Buildings |
| Ian Rydings | Civic Offices 1 - Staff, Public and member areas toilet facilities Refurbishment | 173 | - | - | Buildings |
| Ian Rydings | Civic Offices 1 - LED Lighting upgrade | 127 | - | - | Buildings |
| Ian Rydings | Civic Offices - Security Bollards Loading Bay and Main Entrance Areas | 10 | - | - | Buildings |
| Jenny Meads | Libraries - Replacement of all staff and public pc's | 30 | 70 | - | Libraries |

Comments

Health & Safety current systems are at the end of normal life cycle, and are not fit for purpose due to increased demand from hot-desking introduction. This would modernise the lifts and repurpose internal goods lift to be used by staff also.

Health & Safety recommendation due to limited flow-rates meaning that not all sprinkler heads can trigger simultaneously to contain a large or multi-area fire.

Additional provision to be used in conjunction with the Civic Office ground floor project.

Consider the availability of Salix funding to support this project. Should only be progressed in line with commercial discussions on the letting of CO1.

Should only be progressed as part of the Civic Office ground floor programme.

The PC's in Thurrock's libraries have been in place for over 4 years and whilst they have recently been upgraded to Windows 7 if we want to offer our communities an exceptional digital service we need to start considering replacing our current PC's with newer updated technology.

2016/2017 Capital Bids Summary

| Lead Manager | Scheme | 2016/17 | 2017/18 | 2018/19 | Category |
|--------------|----------------------------------------------------------------------|---------|---------|---------|-----------|
| Jenny Meads | Libraries - Provision of Radio Frequency Identification (RFID) units | 140 | - | - | Libraries |
| Murray James | ICT - Upgrades to major line-of-business systems | 42 | 51 | 60 | ICT |
| Murray James | ICT - Contact Centre Telephony | 200 | - | - | ICT |

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Comments

Setting up RFID units in Aveley, Blackshots, East Tilbury, Stanford and Tilbury or Purfleet.

These units will allow visitors to borrow and return items, pay fines and charges themselves. Printing can also be added to these units so that prints can be selected and paid for without staff intervention.

Major line-of-business systems include BACS, SX3, Northgate, Oracle. Without regular version upgrades the Council could find itself running unsupported versions of key Line of Business Applications and the Council would not be PSN Compliant and could lose use of its key systems and its connection to the Public Services Network which would severely hamper the ability of the council to work with other PSN connected public sector organisations (e.g. DWP), and lose the ability to send sensitive information using GC mailboxes.

Replace the outdated legacy Contact Centre telephony solution with a fit-for-purpose, modern fully supportable solution that will support the Council's Channel Shift strategy.

2016/2017 Capital Bids Summary

| Lead Manager | Scheme | 2016/17 | 2017/18 | 2018/19 | Category |
|--------------|--------------------------------|---------|---------|---------|----------|
| Murray James | ICT - Strategic Infrastructure | 550 | 550 | - | ICT |
| Murray James | ICT - Smartphones Tech Refresh | - | 80 | - | ICT |

Comments

The majority of the existing ICT infrastructure does not allow for a "24/7" operation due to it being hosted in a single, on-premise data centre that has no capability for continual business operation out of hours for several reasons. The current infrastructure does not also provide a suitable level of Business Continuity or Disaster Recovery because it is hosted in a single location (Civic Office) and no off-site replication of data or systems is in place.

Replacements for the current smartphone estate of 800 devices.

The existing smartphones will be end-of-life and are unlikely to be able to receive updates to the operating system and apps. Specifically, the Enterprise mobile apps are unlikely to be patchable.

2016/2017 Capital Bids Summary

| Lead Manager | Scheme | 2016/17 | 2017/18 | 2018/19 | Category |
|----------------------------|----------------------------------|---------|---------|---------|----------|
| Tony Bulmer Page 29 | ICT - Oracle Improvement Project | 680 | - | - | ICT |

| Comments |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>This project is designed to address both technical / configuration issues with the system as well as the business processes necessary to optimise the value and integrity of the system. In addition it will address the skills and structures necessary to maintain the integrity of the system moving forward.</p> <p>This project has been designed around 2 phases, an initial phase to make the Oracle e-Business Suite a fit-for-purpose system, configured to maximise its value and usability, with business processes designed to optimise the potential of the system.</p> <p>A second phase, to be developed once a stable fit-for-purpose environment has been delivered, will focus on maximising the potential of the Business Intelligence capabilities of the Oracle system to support and drive future business capabilities and decisions.</p> |

2016/2017 Capital Bids Summary

| Lead Manager | Scheme | 2016/17 | 2017/18 | 2018/19 | Category |
|---------------------|-----------------------------------------------------------------------------------------------------|----------------|----------------|----------------|-----------------|
| Geoff Galdwin | Infrastructure improvements in parks, burial grounds and open spaces, including recycling bins etc. | 250 | 250 | 250 | Environment |
| Geoff Galdwin | Replacement of Council-owned vehicles and plant | 1,916 | 1,352 | 341 | Environment |

Comments

Enhanced paths, roads and other infrastructure aspects of our facilities will improve public access and help to mitigate the safety and visual impact of reduced maintenance within parks, burial grounds, etc, necessary to meet revenue savings targets.

An effective number of litter/dog waste bins sited in appropriate locations helps to reduce the volume of waste discarded in streets, parks and other public areas. This improves the visual amenity of the borough, encourages more use of parks facilities, and reduces the dependence on front line teams to manually sweep and litter pick.

An effective vehicle and plant fleet is essential in enabling front line services to be delivered efficiently and continuing to operate vehicles and plant beyond their optimum economic life increases both the downtime of front line teams due to breakdowns and the cost of repairs and maintenance.

2016/2017 Capital Bids Summary

| Lead Manager | Scheme | 2016/17 | 2017/18 | 2018/19 | Category |
|---------------|--------------------------------------------------------------------------------------|---------|---------|---------|-------------|
| Geoff Galdwin | Bartec Unit Upgrades | 50 | - | - | Environment |
| Daren Spring | Implementation of back office and mobile working solution for Street Services teams. | 70 | - | - | Environment |

Comments

The fleet of Refuse Collection Vehicles are fitted with in-cab devices that allow the drivers to report the completion of their rounds. The devices that are currently in the vehicles are reaching the end of their life (installed over 5 years ago) and may need to be replaced during the course of 2016-17.

Accurate reporting of missed bins is an essential part of customer service for the waste collection team. Use of the Bartech system enables that data to be reported to residents in real time – reducing contacts with the Council. Additionally, the Bartech system is an important tool, used by the Collection Supervisors in managing their teams.

Currently there is not a back office system that can be used for scheduling, monitoring and reporting on the work undertaken on street cleansing, grounds maintenance, arboriculture and related activities. A business case has been approved by Digital Board for the Department to investigate potential solutions. This work has identified some options that are being further reviewed.

By not having a robust back office system, the Department will continue to be in a position where work cannot be efficiently scheduled, allocated and reported on. Some of the inefficiencies inherent in the current paper based systems will be retained. The ability of the front line teams to maintain acceptable standards of street cleanliness and grounds maintenance across the borough will be impeded.

2016/2017 Capital Bids Summary

| Lead Manager | Scheme | 2016/17 | 2017/18 | 2018/19 | Category |
|--------------|----------------------------------------------------------------------|---------|---------|---------|-------------|
| Daren Spring | Replacement and additional wheeled bins for waste collection service | 120 | 120 | 120 | Environment |
| Roger Harris | Improvement works to Collins House | 100 | - | - | Social Care |
| David Bull | Improvements to Thurrock Signage throughout the borough | 100 | - | - | Highways |

Comments

Wheeled bins are required for each household to enable the Council's waste collection service to operate. Bins have a finite functional life due to wear and tear, damage etc, and new bins (dry recycling, food/garden waste, and residual waste) are required to meet the growth in domestic properties.

Collins House is directly run by the Council and provides 45 bedspaces for vulnerable older people. We have identified a number of essential upgrade items – washrooms, dining areas, toilets etc – that need essential maintenance and improvement. These are essential to ensure we meet CQC registration standards but also that we maintain occupancy. We need to maintain 95% occupancy to meet our income targets. Estimate cost £ 75k

In addition we want to undertake an initial feasibility study to either expand or relocate the existing building but on the same overall footprint. This will be in order to consider a larger number of beds, redesign to meet modern standards e.g. providing en-suite facilities, or possibly enable us to market the beds to external partners e.g. the NHS. Estimated cost £ 25k

Signage, especially into the Borough, is in need of replacement. This will include the replacement of the Welcome to Essex signs and open up opportunities for sponsorship.

2016/2017 Capital Bids Summary

| Lead Manager | Scheme | 2016/17 | 2017/18 | 2018/19 | Category |
|--------------|------------------------------------------|---------|---------|---------|----------|
| David Bull | Community Environmental Development Fund | 250 | 250 | 250 | Highways |

| Comments |
|-----------------------------------------------------------------------------------------------------------------------------|
| This scheme will support street-scene infrastructure and environmental improvements which have demonstrable local priority. |

| | | | |
|---------------------------|--------------|--------------|--------------|
| Total Capital Bids | 5,604 | 3,147 | 1,021 |
|---------------------------|--------------|--------------|--------------|

| | | | |
|-------------|--------------|--------------|--------------|
| Buildings | 1,106 | 424 | 0 |
| ICT | 1,472 | 681 | 60 |
| Libraries | 170 | 70 | 0 |
| Environment | 2,406 | 1,722 | 711 |
| Social Care | 100 | 0 | 0 |
| Highways | 350 | 250 | 250 |
| | 5,604 | 3,147 | 1,021 |

| Available Resources | | | |
|----------------------------|--------------|--------------|--------------|
| - New Prudential | 3,000 | 3,000 | 3,000 |
| - Existing Prudential | 3,195 | 147 | - |
| - Grant | 140 | - | - |
| | 6,335 | 3,147 | 3,000 |

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