

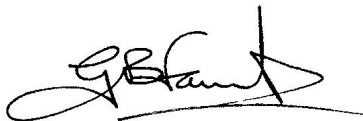
Dear Councillor,

Corporate Overview and Scrutiny Committee - 11 December 2014

I enclose for consideration at the Corporate Overview and Scrutiny Committee meeting on 11 December 2014, the following reports that were unavailable when the agenda was printed.

5 Shaping the Council and Budget Progress Update

Yours sincerely,



Graham Farrant, Chief Executive

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11 December 2014		ITEM:
Corporate Overview and Scrutiny Committee		
Shaping the Council and Budget Progress Update		
Wards and communities affected: All	Key Decision: Yes	
Report of: Councillor John Kent, Leader of the Council		
Accountable Head of Service: Sean Clark, Head of Corporate Finance and Section 151 Officer; Karen Wheeler, Head of Strategy & Communications		
Accountable Director: Graham Farrant, Chief Executive		
This report is Public		

Executive Summary

The report that follows will be considered by Cabinet on 17 December 2014 and is presented to the Corporate Overview and Scrutiny Committee to provide the latest budget position.

There have been a number of reports presented to Cabinet since July 2014 on the budget pressures and progress in meeting those pressures covering the financial years 2015/16 through to 2017/18.

The report considered by Cabinet on 5 November 2014 reported a budget gap of £3.785m over that period of which £0.557m related to 2015/16. The reports have also made clear that the figures were reliant on the following factors: all savings being agreed and delivered; the impact on government grant being as estimated; and, as the last report set out, subject to a review of the latest business rate position and the impact of unwinding some of the shared service relationship with the London Borough of Barking and Dagenham.

This report provides an update on those factors and revised budget forecasts.

- 1. Recommendation(s):**
 - 1.1 That the Corporate Overview and Scrutiny Committee comment on the contents of this report to support consideration by Cabinet on 17 December 2014.**
- 2 Introduction and Background**

- 2.1 Cabinet have considered detailed reports at each of its meetings in this municipal year that have followed on from the Council budget report in February 2014.
- 2.2 Each report has tracked changes from that budget report explaining changes to assumptions, identifying further pressures and offsetting the deficit by a number of savings proposals.
- 2.3 These proposals were set out into two categories:
 - 2.3.1 Those that are within the delegated authority of officers, such as implementing efficiencies and staffing restructures; and
 - 2.3.2 Those that have required various levels of consultation with Members and communities as required. Appendix 1 sets out those proposals that have completed this process and are recommended to Cabinet for approval. Appendix 2 sets out those proposals that are either still being developed or consulted upon.
- 2.4 The remainder of this report will provide updates on the Autumn Statement, Business Rates and Shared Service along with their respective impacts on the MTFs. Finally, the report sets out the various bids that have been submitted by officers for the limited capital resources.

3 Autumn Statement

- 3.1 The key headlines from the Autumn Statement, announced on 3 December 2014, with regard to Local Authorities is set out below. Further information will become available over the coming days and, along with details of the grant announcement due the week before Christmas, will form the basis of the next budget report to Cabinet in January 2015:
 - Public Sector expenditure to keep reducing at the same rate until 2018. Then to increase at the rate of inflation for 2018/19 and 2019/20. Cabinet should note that this is public sector as a whole and the allocation may change between various sectors;
 - The government aims to find an additional £10bn in efficiency savings, led by the Cabinet Office, with a particular emphasis on online services. It is too early to say whether this will directly impact on local authorities;
 - The affordable housing capital investment policy has been extended to 2019/20;
 - There will be a major review of business rates, including alternatives, by December 2016;
 - There will be more support to small businesses in 2015/16 through the business rate system that will reduce the income collectable by Councils. Councils will be reimbursed by government through additional grant;

- Welfare changes to working age benefits, Universal Credit work allowances, treatment of overpaid tax credits and migrants' unemployment benefits;
 - The completion of the public service pension reforms;
 - Capital investment in highway and flood defence infrastructure; and
 - An extra £2bn to be invested into frontline NHS service.
- 3.2 The clear message though is that austerity needs to continue throughout the next parliament and those service areas that are not protected, such as local authorities, will face further significant reductions in grants.

4 Business Rates

- 4.1 The impact of business rates on the Council's resources has been well documented and publicised in recent months. Members will recall that the Council has had to set aside £13m as at 31 March 2014 for appeals that have been submitted for which the Council will have to pay 49%.
- 4.2 This figure can be split still further down as being approximately £4m for billing that took place in 2013/14, the year that the Council's resources were directly linked to the business rates collectable, and £9m for the period where the government had the full responsibility.
- 4.3 What has become clear in recent months is that this position is deteriorating. In fact, the £13m provision is proving correct as at that period with regard to appeals being determined but we are now seeing the ongoing impact of those appeals at £4m per annum (49% of which is a loss to the Council annually) and new appeals being lodged. This has had a significant impact on the resources and previous forecasts and the figures are set out in section 6 of this report.

5 Shared Services

- 5.1 Cabinet will be aware that the arrangement of sharing a Chief Executive with the London Borough of Barking and Dagenham is drawing to a close and, with it, other arrangements such as the sharing of the Assistant Chief Executive will also cease.
- 5.2 This creates a financial pressure on the Council as Thurrock will lose the contribution that it receives from LBBDD towards those salaries. With this in mind, The Chief Executive is looking at the senior management restructure and recommending changes that will both manage the transition as well as keeping the cost within the current budget envelope. There is a report elsewhere on this agenda setting out the proposals.

6 Medium Term Financial Strategy (MTFS)

- 6.1 The following changes have taken place to the forecast included within the November Cabinet report and are summarised in the table below:

- 6.1.1 Cabinet deferred £0.096m in Environmental Health Savings but alternative savings have now been identified;
- 6.1.2 The budget for investment interest has been increased after completing the investment with CCLA reported in the Treasury report on this agenda;
- 6.1.3 There have been some changes to the proposals affecting the Voluntary Sector but, with other savings having been found, the impact is neutral. Further analysis is set out in section 7 to this report;
- 6.1.4 As previously set out in this report, the impact of appeals both backward and forward looking is far worse than previously forecast. In addition, business growth in Thurrock has not been coming forward as expected. Together this has led to further pressures in 2015/16 of £4.48m (in addition to the £2m included in the July 2014) report and further pressures going forward;
- 6.1.5 Projected resources from council tax this year that carries forward into next year have improved the 2015/16 position by £1.737m;
- 6.1.6 The overall impact of the above is a net additional pressure of £1.943m on the previously published budget gap of £0.557m for 2015/16 (ie £2.5m overall) that, at this stage, is too big a gap to bridge effectively. Cabinet will recall that, to build further resilience into the budget, £3.5m of pressures arising in 2017/18 were brought forward into 2015/16 thus artificially worsening the position for that year. The recommendation is reduce that 'artificial' pressure in 2015/16 by £2.5m to balance the budget whilst still maintaining a contingency of £1.0m.

	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
As per November Cabinet Report	0.557	3.375	(0.147)	3.785
Environmental Health	0.096			0.096
EH Service Management Savings	(0.096)			(0.096)
Treasury Budget – Investments	(0.800)			(0.800)
Voluntary Sector	-	-	-	-
Business Rates Related	4.480	1.500	1.500	7.480
Council Tax Related	(1.737)	0.810	(0.010)	(0.940)
Reduction of 'Contingency' to £1m	(2.500)	2.500		(2.500)
Revised Total	-	8.185	1.343	9.528

- 6.2 Subject to the grant announcements and the final approval of remaining budget proposals, the budget is effectively balanced for 2015/16 though Cabinet should note that this does assume a 1.99% council tax increase on 1 April 2015.
- 6.3 The table above shows that there are still significant challenges ahead to balance future years and these could worsen with the clear indication that there will be further significant cuts to the public sector over the medium term. Officers are already working on further options with the aim of delivery during

2015/16 to both ensure full year savings for subsequent years and to build additional resilience in 2015/16.

- 6.4 Directors' Board continue to monitor proposals where the value is high and delivery is at least, in part, subject to approvals from other bodies or linked to demand. Cabinet should note that officers are still in negotiation around the pay elements and Serco which, if not delivered, adds to the pressures above.

7 Voluntary Sector

7.1 At the Cabinet in August 2014, the Leader committed to holding a special meeting for O&S Chairs/Vice Chairs and the CVS to discuss all the savings proposals affecting the voluntary sector. This meeting took place on 27 October 2014 and a further meeting of the Joint Strategic Forum was held on 2 December 2014.

7.2 The impact for the Council budget of these discussions is as follows:

- A temporary fund will be provided to support the sector in the time of transition from central reserves. This will be funded through the Corporate Plan Reserve;
- An alternative budget proposal was submitted by the voluntary sector and considered by the Council. Five savings proposals have been changed as a result of this, with one further change as a result of an Overview and Scrutiny meeting, totalling £0.249m and are set out below;
- These changes mean that overall savings to the voluntary sector have reduced by £0.249m. Alternative savings have been identified and are set out below;

Original savings proposal	Original amount £000	2015/16 £000	2016/17 £000	2017/18 £000
Voluntary Sector Grants	150			(50)
BATIAS	60	(30)		
TCIL	60	(30)		
TRANSVOL	97	(50)		
Thurrock Women's Aid	46	(23)		
*Mentoring, Mediation and homelessness (Open Door and Family Mosaic)	130	(66)		
Alternative Proposals				
CEDU funds to come from additional savings in asset management costs in 2017/18				50
ASC re BATIAS - additional funds to come from care Act Funds		30		

Original savings proposal	Original amount £000	2015/16 £000	2016/17 £000	2017/18 £000
ASC re TCIL - additional funds to come from an underspend in redundancy costs from RVS contract		30		
P&T - The full saving will be made from P&T with an additional one off payment of £50,000 provided through an underspend in public health funds		50		
Children's - Women's Aid - additional funds to come from a service review which will be undertaken and subject to this alternative savings will be made from in house delivery to meet this saving.		23		
Children's & ASC - Mentoring, mediation and homelessness – additional savings will be made in Youth Offending Service and Early Offer of Help to meet these costs. We will also be working closely with housing to identify different ways of working.		66		
Totals		0		0

7.3 Additionally, negotiations around the proposal to cease funding to Citizen's Advice Bureau continue around how a restructured service could be supported at a lower cost to avoid the closure of the service. This is expected to be resolved in January 2015 and, as such, will come back to Cabinet for agreement in February.

8 Essential Living Fund

8.1 In April 2013, the Department for Work and Pensions (DWP) abolished the Crisis Loan and Community Care Grant elements of the Social Fund and transferred the funding previously used to support these to upper tier local authorities in England.

8.2 Local authorities were not placed under any statutory obligations with regard to the use of the funds but the DWP indicated that it expected councils to use these funds to meet local priorities and provide help to those in greatest need. The intention was for local authorities to deliver a 'flexible response to unavoidable need, through a mix of cash and goods and aligning with the wider range of local support local authorities already offer'.

- 8.3 The DWP had nationally allocated £178m towards the Welfare Assistance schemes with Thurrock being awarded £368,757 in both 2013/14 and 2014/15 along with circa £70,000 per annum to administer the scheme.
- 8.4 In 2013/14 the Council spent £155k and are on target to spend approximately the same amount for this current financial year. The under spend for 2013/14 has been carried forward into this financial year.
- 8.5 The Government made it clear that the initial funding was going to be for a two year period then Local Authorities would be expected to absorb this activity through spending from the Revenue Support Grant. Government has now been challenged by way of a judicial review and as a result of this challenge has confirmed it will look into this again and make a decision for 2015/16 in time for the local government settlement in December 2014.
- 8.6 Taking the projected under spend for this year with the actual under spend for last year the Council could, in principle, run a third year based on the same (ELF) scheme for at least another year at no additional revenue cost to the Council and this is a recommendation to this Cabinet.

9 Capital Bids and Resources

- 9.1 Historically, the general fund capital programme in Thurrock has largely been grant led as there is little other resource available through capital receipts or other reserves.
- 9.2 Recent years has seen a commitment to including revenue provision to cover £3m per annum of prudential borrowing for services to bid for and this has largely been allocated to transformation related projects with the balance allocated to public buildings and other services.
- 9.3 Housing, schools and transportation have tended to be limited to their ring fenced budgets through grants and rents although the pressure on schools places has seen prudential borrowing allocated over the last two years.
- 9.4 Prudential borrowing in excess of the £3m has also been allocated to projects where there has been a spend to save business case approved. Simply, the cost of the borrowing is met by corresponding budget reductions within the relevant service.
- 9.5 There is now an asset disposal programme that is generating capital receipts although these have been earmarked over the last two financial years to 'repay' prudential debt to generate revenue savings. Elsewhere on this agenda, the 2014/15 revenue update report shows that there has been a conscious decision not to achieve the target this year as, to do so, would not realise best value on the disposal of those sites. This shortfall should be achieved in 2015/16.
- 9.6 Capital bids have been received to be considered against the £3m available and, as expected, are in excess of the available resources. They are heavily

weighted towards transformation, mainly ICT, and highways where additional information is provided elsewhere on this agenda.

9.7 The table below summarises the bids with more detail provided in Appendix 3.

Summary	2015/16 £000	2016/17 £000	2017/18 £000
ICT	4,916.0	4,240.0	3,000.0
Corporate	3,282.6	2,250.0	-
Highways	4,000.0	-	-
Vehicles	1,070.0	1,304.0	6,652.0
Total	13,268.6	7,794.0	9,652.0

10 Issues, Options and Analysis of Options

10.1 The main issue remains around the uncertainty of local government funding and its impact on the MTFS.

10.2 There have been a number of proposals considered since July 2014 through the various Overview and Scrutiny Committees and interested parties, the responses of which being fed into final decisions through the Cabinet.

10.3 There are still a number of proposals still to be agreed and others not yet delivered – these remain a risk.

11 Reasons for Recommendation

11.1 The Council has a legal obligation to ensure that any budget set can be met from the combination of Council Tax, business rates, grants, other income and reserves. Maintaining a Medium Term Financial Strategy is the foundation of this requirement to ensure that Members and officers are aware of the Council's financial position to be able to manage it accordingly.

11.2 The reduction in funding to the Council is unprecedented at a time when demand on services is growing, requiring a fundamental change in the way the Council approaches addressing the budget gap and in considering the future shape of the Council going forward. This report recommends the final approval of a number of proposals that have been considered by the relevant Overview and Scrutiny Committee.

11.3 The essential Living Fund provides a much needed service to Thurrock's most vulnerable residents. Approval to continue this scheme into 2015/16 is required so that officers can ensure continuity of service.

12 Consultation (including Overview and Scrutiny, if applicable)

12.1 The Leader, Portfolio Holders and Directors Board have been consulted on developing the savings proposals. Group Leaders have been offered a

presentation on the budget and MTFS for their groups to understand the overall financial position.

- 12.2 Savings proposals have and will continue to be subject to consultation through Overview and Scrutiny Committees and more widely with the public.
- 12.3 The outcomes of the remaining consultations will feed into the final proposals put forward for decision making at the earliest opportunity as part of a rolling timetable followed by implementation.
- 12.4 Internal consultation with staff on specific proposals, particularly where there is a restructure, will be in line with HR policy and guidelines. Discussions have commenced with Trade Unions.

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

- 13.1 The issues and proposals set out in this report have wide ranging implications for the Council, the way it works and the services it provides. Some of these may actually improve the way the Council does business and the service provided to residents by making them more targeted and efficient, however the cumulative impact of such a significant reduction in budget and the implementation of savings proposals will reduce service delivery levels and our ability to meet statutory requirements and therefore impact on the community and staff. The potential impact of the savings proposals on the Council's ability to safeguard children and adults will be kept carefully under review and mitigating actions taken where required.
- 13.2 The Council has commenced a voluntary redundancy process with staff. The outcomes from the process and full impact of the savings proposals on staff will be known over the next few months feeding into the implementation of management actions and decision making for savings proposals.

14 Implications

14.1 Section 151 Comment

Implications verified by: **Sean Clark**

Head of Corporate Finance/S151 Officer

Members will be aware that I have a statutory obligation to complete a statement on the robustness of the estimates when you consider the budget at the February budget meetings. Cabinet have already considered a number of savings and I note significant risk in the delivery of some of these proposals, especially where they relate to demand led services and where savings are dependent on other organisations agreeing or delivering savings. The past four years have demonstrated strong financial management within the Council and this provides me with some comfort that these will be delivered. However, I need to strongly advise that the balance of savings is focussed primarily on where the delivery is within the control of the Council.

This will undoubtedly make decisions for Members more difficult as they are more likely to impact on services that affect residents to a greater degree or conflict with political ambition and narrative.

14.2 **Financial**

Implications verified by: **Sean Clark**
Head of Corporate Finance/S151 Officer

The financial implications are set out in the body of this report. Detailed financial implications will be provided in business cases for each of the proposals.

Council officers have a legal responsibility to ensure that the Council can contain spend within its available resources. This must also include a consideration of the risk in achieving that budget and so robust monitoring of accepted proposals will be essential throughout the coming years.

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.

14.3 **Legal**

Implications verified by: **Fiona Taylor**
Head of Legal and Democratic Services

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.

There are no specific legal implications as a result of this report, however, any implications of specific savings proposals will be set out in individual business cases to inform consultation and final decision making.

14.4 **Diversity and Equality**

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

Each savings proposal with changes to the service which requires public consultation will have a detailed business case setting out how the savings will be achieved including the level of service reduction and mitigating actions.

As part of developing the business case a comprehensive Community and Equality Impact Assessment (CEIA) will be completed and informed by any consultation outcomes. Directorates are required to complete a cumulative impact assessment. An assessment of the cumulative impact from all Directorates will be completed by the Community Development and Equalities team to inform final decision making on the savings for 2015/16 and beyond. A summary of the Equality Impact for each of the proposals requiring Cabinet decision at this meeting is included with the proposal at Appendix 1.

It is recognised that there is likely to be a cumulative impact on the voluntary and community sector due to proposals to both reduce core grants and specific grants currently provided by services across the Council, as well as reductions to commissioned services. A full assessment will be completed in consultation with the CVS to determine the implications for the sector and impact on the wider community. A special meeting of Overview and Scrutiny Committee chairs and vice-chairs took place with the voluntary sector on 27 October 2014.

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

Any other significant implications are being identified in each savings proposal business case to inform the consultation process and final decision making.

15 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 including previous MTFS
- Budget savings proposals working papers and business cases
- Cabinet reports - 2013/14 Draft Outturn and MTFS Update and Shaping the Council 2015/16 and Beyond, July, August and September 2014

16 Appendices to the report

- Appendix 1: Status of Savings Proposals Requiring Cabinet Decision in December 2014
- Appendix 2: Status of Savings Proposals Requiring Future Cabinet Decision
- Appendix 3: GF Capital Bids

Report Authors:

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APPENDIX 1

Shaping the Council

Status of savings proposals requiring Cabinet decision in December 2014

The detailed business cases for proposals were presented to the relevant Overview and Scrutiny Committee and are available on the council's Committee Management Information System (CMIS) <http://democracy.thurrock.gov.uk/thurrock/Committees.aspx> under the relevant Overview and Scrutiny Meetings held in July and September 2014.

CHIEF EXECUTIVE'S DELIVERY UNIT

Leisure - cessation of grant funding to Impulse Leisure	2014/15 £K	2015/16 £K	2016/17 £K	2017/18 £K
	-	350	-	-
<ul style="list-style-type: none"> • Agreed to proceed to consultation – July Cabinet • Considered by CGS O&S in July 				
<p>Summary of consultation:</p> <p>CGS O&S (July) - no formal objections were made to this proposal going forward.</p> <p>There is an ongoing dialogue with Impulse Leisure Centre. Impulse acknowledge the council's financial position and recognise that they will not receive any council revenue support from April.</p> <p>The impact of the saving will be the subject of further discussions on the long term arrangements with Impulse and this will come back to Cabinet for agreement next year.</p>				
<p>Summary of Equality Impact Assessment:</p> <p>Although there is the potential to mitigate the impact of this proposal through asset transfer, there remains a risk of negative impact on the following equality groups – young people, older people, gender, BME and disability. In addition this proposal could impact on families and the direct communities where leisure centres are based. Finally, the proposal is likely to have a negative impact on residents' ability to improve their health and wellbeing. Risks and mitigation will be fully considered through a Transformation Group to be established between Impulse Leisure and the council.</p>				

Reduction in Voluntary Sector Core Grants	2014/15 £K	2015/16 £K	2016/17 £K	2017/18 £K
	-	-	75	25
<ul style="list-style-type: none"> • Agreed to proceed to consultation – July Cabinet • Considered by Corporate O&S in July • A meeting of O&S Chairs/Vice Chairs and CVS representatives took place in late October • A further special meeting of the Joint Strategic Forum took place in early December • As a result of the O&S Chairs meeting the proposal in 2017/18 of £75K saving was agreed to be reduced to £25K 				
<p>Summary of consultation:</p>				

Corp O&S (July) were keen that the broader impact of the savings proposals on the voluntary sector should be considered and asked the Portfolio Holder to keep this at the forefront of his mind. Members were assured that going forward there would be an open dialogue with the voluntary sector to understand the cumulative impact of budget cuts, and that all ideas put forward would be considered.

At August Cabinet, the Leader committed to holding a special meeting for O&S Chairs/Vice Chairs and the CVS. This meeting took place on 27 October and a further meeting of the Joint Strategic Forum was held on 2 December. The main outcomes of these discussions are as follows:

- More work is going to take place on whether s106/Community Infrastructure Levy monies could be used to support the sector
- An options paper around recruiting professional bid writers to support increased funding into Thurrock will be prepared with a view to engaging different professionals as needed on an invest to save basis.
- A temporary fund will be provided to support the sector in the time of transition from central reserves
- An alternative budget proposal was submitted by the voluntary sector and considered by the council. Five savings proposals have been changed as a result of this, with one further change as a result of an O&S meeting. These changes mean that overall savings to the sector have reduced by £249k, and as a result the council will need to find this additional saving elsewhere.
- Officers and portfolio holders will consider opportunities for outsourcing council services to the voluntary sector.
- The voluntary sector agreed to provide plans on how they would work together to provide joined up services in the future.
- The current voluntary sector model in Thurrock will be reviewed as part of the refresh of the Community Engagement Strategy
- Where practical, savings proposals will be qualified in future so Members can understand the value of savings in terms of value for money.

Summary of Equality Impact Assessment:

This has been discussed widely in open meetings. The nature of the vast majority of the community and voluntary sector organisations is that any savings will have a detrimental impact on distinct groups of the community. Extensive individual and cumulative impact assessments have taken place during the course of these discussions and consultations, and the council has committed to continue to work with the sector to mitigate the impact wherever possible.

ADULTS, HEALTH & COMMISSIONING

Older People voluntary sector contracts - to stop funding those areas that are non-statutory	2014/15 £K	2015/16 £K	2016/17 £K	2017/18 £K
	-	100	-	-
<ul style="list-style-type: none"> • Agreed to proceed to consultation – July Cabinet • July HWB O&S considered and requested further information • September HWB O&S provided with additional information • A meeting of all the O&S Chairs, Vice Chairs and representatives of CVS took place on 27 October. • Following meetings with all of the groups affected the proposals have now been amended as follows : 				
Group affected	Previous reduction		Current proposed reduction	
Age UK Essex (home support scheme)	£ 25,000		£ 25,000	

Age Concern Thurrock	£ 2,584	0
T.A.A.	£ 17,790	£ 10,000
TOFFs	£ 5,000	£ 1,000
RVS (MonW)	£ 50,000	£ 64,000

(Reduced redundancy costs for the closure of the Meals on Wheels service allows us to release a greater saving in 2015/16)

Summary of consultation:

Health & Well-Being O&S (July) – One councillor felt that this saving needed to be returned to Cabinet for more discussion, stating that older people, as a section of the population, were increasing and that the majority of the support these organisations provided were vital to the communities they served. Another councillor agreed with this view but stated that savings had to be made and if the council did not make savings to these contracts, then the savings would have to be made to other services.

Health and Well-Being O&S (September) - Members were presented with more information regarding this proposal, along with the proposal below regarding other 3rd sector contract reductions. Members did not raise any formal objections to this going forward.

Amendments to the schedule of reductions have been made following feedback from HWB O&S members and individual organisations in the sector.

Summary of Equality Impact Assessment:

Some reductions to the original proposed savings have been amended to limit the impact on equality groups. However, a negative impact remains and in some cases certain equality groups will be disproportionately affected through the proposals, particularly older people and people with disabilities – but that is inevitable given the fact that the funding is exclusively for those groups in the first instance. The savings mean that the capacity of organisations delivering services will be reduced. This has been mitigated by amending the proposals for Thurrock Age Concern, TOFF and Thurrock Asian Association. As well as impacting on older people and people with disabilities, the proposals will impact on gender with more women accessing current services, BME, religion and faith.

The meeting of all the O&S Chairs, Vice Chairs and representatives of CVS on 27 October may include some additional outcomes which effect impact analysis.

Learning Disability, Mental Health and other 3rd sector contracts - to cut or reduce those areas that are non-statutory	2014/15 £K	2015/16 £K	2016/17 £K	2017/18 £K
	-	213	-	-

- Agreed to proceed to consultation – July Cabinet
- July HWB O&S considered and requested further information
- September HWB O&S provided with additional information
- A meeting of all the O&S Chairs, Vice Chairs and representatives of CVS took place on 27 October.

Following meetings with all the groups affected the following revised proposals are being put forward. No group will be cut 100% due to concerns over how this may affect that groups overall viability.

Groups affected	Previous reduction	Current proposal
TCIL	£ 60,000	£ 30,000
BATIAS	£ 60,000	£ 30,000 – (see note a.)
Healthwatch	£ 50,000	£ 25,000
Small Grants budget, schemes where funding is being picked up elsewhere (e.g.TLS handyperson), budget underspend.	£ 43,000	£ 98,000 – (see note b.)
<p>NOTES :</p> <p>a. We will fund this £30k through Care Act implementation funding, therefore still delivering a £60k reduction on the current voluntary sector grants/contract budget.</p> <p>b. Following further detailed budget scrutiny this saving can be increased and will be achieved through underspends on the current budget, deleting a small grants budget or where schemes have been agreed to be picked up elsewhere. No group will be cut as a reduction from this line)</p>		
<p>Summary of consultation:</p> <p>HWB O&S (July) - Officers agreed to provide a breakdown of all the proposed savings for voluntary sector grants so the organisations could see which projects would be affected. Officers would be reviewing the advocacy service contract as soon as it was up for renewal but added this was a statutory service so would be suitably funded in the future. The committee agreed that this item required an equality impact assessment, which included effects on the disabled community.</p> <p>One councillor requested that the council look at how to re-model the advocacy and advice services so that savings could be made but also provide a service to those communities that required help. He also felt that Age Concern UK was vitally important to helping older people with living and should be part of the impact assessment. This will be looked at when the contract comes to an end in approximately 18 months, but will not form part of the savings proposal for 2015/16.</p> <p>HWB O&S (September) – A representative of HealthWatch stated that the mitigation for BATIAS which proposed the engagement of the Community Safety Partnership (CSP) would also be in jeopardy because the CSP was also facing cuts. Likewise the use of volunteers would not wholly replace the skills and expertise of staff. One councillor stated that he felt HealthWatch was in need of greater support as it could prevent additional costs on the department through its work. He felt that other organisations listed did not have a direct effect on the health of residents and could legitimately be reduced. He queried whether organisations offering similar services could be merged or work in collaboration and officers responded that this was being considered at present.</p> <p>Another councillor was concerned that volunteers would not be able to provide a consistent and reliable service in comparison to a funded professional body of workers. Another councillor highlighted the need for the HealthWatch mitigation to be more robust before Cabinet made a final decision on its funding future.</p> <p>Amendments to the schedule of reductions have been made following feedback from HWB O&S members and individual organisations in the sector.</p>		

Summary of Equality Impact Assessment:

Some reductions to the original proposed savings have been made to help limit the overall impact to voluntary sector organisations. For example, the proposal to reduce small grants has been removed, and the proposed reduction to HealthWatch has been amended to £25k. Negative impacts remain for people with disabilities, but this is inevitable given the fact that the funding is exclusively for that group in the first instance. There is not considered to be a disproportionate impact on gender or other protected characteristics.

The Impact Assessments for each part of this savings proposal were presented to Health and Well Being O&S Committee in September and can be found on CMIS at <http://democracy.thurrock.gov.uk/thurrock/MeetingsCalendar/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2448/Committee/411/Default.aspx>

As a result of the alternative budget put forward by CVS at the meeting of all O&S Chairs and Vice-Chairs on 27 October 2014, two proposals for TCIL and Batias reduced from £60,000 to £30,000 helping to mitigate the impact on people with disabilities, older people and women.

Supported Living Review – to cut or reduce those areas that are non-statutory	2014/15	2015/16	2016/17	2017/18
	£K	£K	£K	£K
	70	680	-	-

- Agreed to proceed to consultation – July Cabinet
- July HWB O&S
- August Cabinet – agreed additional £250K in 2015/16
- September HWB O&S provided with additional information

Summary of final proposals :

Project / Provider	Saving	Proposal
• CWL	£ 10,000	Transferred to Housing
• Mediation Service - Family Mosaic	£ 70,000	Service ended by mutual agreement due to low take up.
• Charles Street / Brook House – Family Mosaic	£ 300,000	Service funded by Housing £150k (non HRA) at reduced costs
• Floating Support x4 – Family Mosaic	£ 150,000	4 existing schemes will be brought together & savings negotiated
• Single Homeless / Floating Support – Family Mosaic	£ 150,000	Reduced service will be offered via remaining homeless services

Summary of consultation:

- The matter has now been discussed at two meetings of the Health and Well-being Overview and Scrutiny Committee (HOSC)
- All groups affected have been met with individually and the implications of the reductions discussed with them.
- In some cases the groups themselves have come forward with alternative proposals e.g. the decision to bring together the three floating support schemes.
- There has been excellent joint work with Housing colleagues to identify those areas that can be managed and funded under their responsibility.

Summary of Equality Impact Assessment:

- A detailed equality impact assessment was presented to HOSC. The final package of proposals

will have some impact on younger adults, particularly those who may be at risk of homelessness. However, this will be carefully monitored by both housing and Adult Social care.

PLANNING & TRANSPORTATION

Cease grant funding to Transvol	2014/15 £K	2015/16 £K	2016/17 £K	2017/18 £K
	-	100	-	-
<ul style="list-style-type: none"> • Agreed to proceed to consultation – July Cabinet • Considered by PTR O&S in July • A Task and Finish working group met in late October to discuss further with Transvol representatives <p>Full report also on the agenda “Community Transport Review”</p>				

PUBLIC PROTECTION

Environmental Protection - reduction in duties	2014/15 £K	2015/16 £K	2016/17 £K	2017/18 £K
	-	96	-	-
<ul style="list-style-type: none"> • Agreed to proceed to consultation – July Cabinet • Considered by CGS O&S in July • Cabinet in November requested this to be relooked at due to the original saving requiring a ceasing of statutory duties. The service has reviewed and has found alternative efficiency savings to make this saving. These have been discussed with the portfolio holder and as all are management actions, they do not require Cabinet approval. 				

APPENDIX 2

Shaping the Council - Status of savings proposals for requiring future Cabinet decision

	2014/15 £K	2015/16 £K	2016/17 £K	2017/18 £K	Status
CHIEF EXECUTIVE'S DELIVERY UNIT					
Cease funding to Citizen's Advice Bureau (CAB) <ul style="list-style-type: none"> • Agreed to proceed to consultation – July Cabinet • Considered by Corporate O&S in July • A meeting of O&S Chairs/Vice Chairs and CVS representatives, including CAB took place in late October • Negotiations are continuing to explore how a restructured service can be supported at a lower cost to avoid the closure of the service. This is expected to be resolved in January 2015. 		150			To be agreed in February
COMMERCIAL SERVICES					
Complete reduction of maintenance costs related to Thameside and associated Serco staff reductions <ul style="list-style-type: none"> • Agreed to proceed to consultation – July Cabinet • £200K agreed to be brought forward to 2015/16 in August Cabinet • Options appraisal underway regarding options for Thameside complex 		200	200		To be agreed in February
CHILDRENS SERVICES					
Reduction in the costs of Community Library provision <ul style="list-style-type: none"> • Agreed to proceed to consultation – July Cabinet • July Children's O&S • August Cabinet – agreed to bring forward £200K • August Cabinet - agreed to additional £169K subject to consultation • Due to go back to Children's O&S in January 		569			To be agreed in February
Consultation on commissioning out council nurseries to reduce costs and re-provision of youth work <ul style="list-style-type: none"> • Agreed to proceed to consultation – August Cabinet • Due to go back to Children's O&S in February 		100			To be agreed in February

	2014/15 £K	2015/16 £K	2016/17 £K	2017/18 £K	Status
ADULTS, HEALTH & COMMISSIONING					
Public Health Review of Contracts			250	250	To be agreed in 2015/16
Extra-care – Piggs/Kynoch redesign service offer <ul style="list-style-type: none"> Agreed to proceed to consultation as appropriate – August Cabinet Due to go back to HWB O&S Currently looking at alternative ways to fund so that Cabinet do not need to make a decision regarding this saving 		200			To be confirmed following current review
PLANNING & TRANSPORTATION					
Reduce public transport subsidies (bus) <ul style="list-style-type: none"> Agreed to proceed to consultation – July Cabinet Considered by PTR O&S in July Proposal is for 2016-17 therefore decision will be taken in 2015/16 			190		To be agreed in 2015/16
Contribution to Tilbury Ferry <ul style="list-style-type: none"> Having initially been rejected by members, Cabinet members agreed in August, that this should proceed to consultation Negotiations have taken place with Port of Tilbury and future conversations are being scheduled with Kent County Council and the Port of London Authority to look at alternative ways to fund the ferry. 		87			Date for final agreement to be confirmed
Investment in Highways <ul style="list-style-type: none"> A separate report is being considered by Cabinet and Overview and Scrutiny 				260	Being considered within the December Cabinet
ENVIRONMENT					
Revisions to waste collection and disposal arrangements (including charging for garden waste) <ul style="list-style-type: none"> Agreed to proceed to consultation – July Cabinet Considered by CGS O&S in July 		973	520		To be agreed in February

	2014/15 £K	2015/16 £K	2016/17 £K	2017/18 £K	Status
<ul style="list-style-type: none"> August Cabinet – agreed to additional £285K in 2015/16 and £290K in 2016/17 					
Fortnightly collection of residual waste and recycling <ul style="list-style-type: none"> Agreed to proceed to consultation – August Cabinet This is due to go to CGS O&S 		260	260		To be agreed in February

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Scheme	2015/16	2016/17	2017/18	Category	Notes
Service Analytics - Children's Safeguarding profiling model - further deployment of Xantura software.	208.0	-	-	ICT	On-going running costs (£78k per year), but long term and sustainable financial savings will be realised by services as costly late intervention is avoided.
New IT delivery model	3,000.0	3,000.0	3,000.0	ICT	Separate paper going to DB on 25th November.
EDRMS Phase 2	220.0	441.0	-	ICT	
Transformation programme management support (professional fees)	497.0	-	-	ICT	Contact centre programme support (£156k), Business Intelligence programme support (£93.6k) and Entrepreneurial Council (£156k).
Civic Offices Meeting room conferencing facilities	90.0	-	-	ICT	
Analysis and Upgrading of Operational Estate and its supporting ICT Infrastructure (including ground floor Civic Offices)	2,000.0	2,250.0	-	Corporate	Invest to save project, sale of redundant sites and reduction in running costs
Thurrock On-Line Programme - Phase 2	200.0	550.0	-	ICT	
External sites upgrade to Windows 7	101.0	-	-	ICT	
Upgrading Windows 2003 servers in the data centre	200.0	-	-	ICT	
Information and Advice Portal	300.0	164.0	-	ICT	
E-Marketplace	100.0	85.0	-	ICT	
CO 1 - Fire Smoke Head Replacement	38.0	-	-	Corporate	Legal Requirement

Scheme	2015/16	2016/17	2017/18	Category	Notes
CO 1 - Staff, Public and member areas toilet facilities Refurbishment	172.5	-	-	Corporate	Subject to decision on CO1 redeployment & movement of members areas.
CO 1 - Emergency Lighting Upgrade	40.3	-	-	Corporate	Required to ensure compliance with regulations
CO 1 - LED Lighting upgrade	126.5	-	-	Corporate	Subject to decision on CO1 redeployment
CO 1 & 2 - Replace/Upgrade Access Control System	138.0	-	-	Corporate	
CO 1 & 2 - BMS – Upgrade of Johnson Controls and PC	41.4	-	-	Corporate	Existing system components are obsolete, consideration of upgrade before catastrophic failure. Microsoft ceases support of Windows XP and no redundancy in the system for BC purposes.
Thameside - Replace Electrical Distribution boards – 30+ years old	26.5	-	-	Corporate	Health and Safety concern due to risk of fire and business continuity of building
Thameside - All ventilation Systems – All floors. Allowance for re-balancing air system and correcting identification on supply and extract unit	17.3	-	-	Corporate	Subject to asset management site disposal
Thameside - Extract Fans – 3 x units	39.1	-	-	Corporate	Subject to asset management site disposal
Carriageway Surfacing	900.0	-	-	Highways	Further work required on profiling
Footway Surfacing	340.0	-	-	Highways	Further work required on profiling
Drainage Improvements	560.0	-	-	Highways	Further work required on profiling
Safety Fencing	200.0	-	-	Highways	Further work required on profiling

Scheme	2015/16	2016/17	2017/18	Category	Notes
White Lining	250.0	-	-	Highways	Further work required on profiling
Traffic Signals	750.0	-	-	Highways	Further work required on profiling
Bridge Strengthening	1,000.0	-	-	Highways	Further work required on profiling
Environment Service Local Depot security improvements	100.0	-	-	Corporate	
Grays Beach Riverside Park – Sand Pit Play Facilities	21.0	-	-	Corporate	Queried whether trust funding or S106 available instead
Grays Beach Riverside Park – Splash Pool / Water Feature Facility	322.0	-	-	Corporate	Other funding sources may be available
Path, road and related infrastructure improvements on Environment assets, including in parks, burial grounds and open spaces	200.0	-	-	Corporate	
Fleet replacement programme	1,070.0	1,304.0	6,652.0	Vehicles	Already £0.920m allocated in programme for 15/16
	13,268.6	7,794.0	9,652.0		

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