

Thurrock: A place of opportunity, enterprise and excellence, where
individuals, communities and businesses flourish

Corporate Overview and Scrutiny Committee

The meeting will be held at **7.00 pm** on **3 February 2015** in **Committee Room 1** at
the Civic Offices, New Road, Grays, Essex, RM17 6SL

Membership:

Councillors Yash Gupta (MBE) (Chair), Shane Hebb (Vice-Chair), Charlie Key,
Val Morris-Cook and Robert Ray and one Labour vacancy

Substitutes:

Councillors Terry Brookes, Robert Gledhill, Barry Johnson and Graham Snell

Agenda

Open to Public and Press

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1 Apologies for Absence	
2 Minutes	5 - 8
To approve as a correct record the minutes of the Corporate Overview and Scrutiny Committee meeting held on 15 January 2015.	
3 Items of Urgent Business	
To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.	
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Queries regarding this Agenda or notification of apologies:

Please contact Matthew Boulter, Principal Democratic Services Officer by sending an email to direct.democracy@thurrock.gov.uk

Agenda published on: **26 January 2015**

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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

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

Helpful Reminders for Members

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

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

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



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

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

Disclosable Pecuniary Interests shall include your interests or those of:

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

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

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

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

Pecuniary

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

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

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

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

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

Non- pecuniary

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



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

Thurrock: A place of opportunity, enterprise and excellence, where individuals, communities and businesses flourish

To achieve our vision, we have identified five strategic priorities:

1. Create a great place for learning and opportunity

- Ensure that every place of learning is rated “Good” or better
- Raise levels of aspirations and attainment so that local residents can take advantage of job opportunities in the local area
- Support families to give children the best possible start in life

2. Encourage and promote job creation and economic prosperity

- Provide the infrastructure to promote and sustain growth and prosperity
- Support local businesses and develop the skilled workforce they will require
- Work with communities to regenerate Thurrock’s physical environment

3. Build pride, responsibility and respect to create safer communities

- Create safer welcoming communities who value diversity and respect cultural heritage
- Involve communities in shaping where they live and their quality of life
- Reduce crime, anti-social behaviour and safeguard the vulnerable

4. Improve health and well-being

- Ensure people stay healthy longer, adding years to life and life to years
- Reduce inequalities in health and well-being
- Empower communities to take responsibility for their own health and wellbeing

5. Protect and promote our clean and green environment

- Enhance access to Thurrock’s river frontage, cultural assets and leisure opportunities
- Promote Thurrock’s natural environment and biodiversity
- Ensure Thurrock’s streets and parks and open spaces are clean and well maintained

Minutes of the Meeting of the Corporate Overview and Scrutiny Committee held on 15 January 2015 at 7.00 pm

Present: Councillors Yash Gupta (MBE) (Chair), Shane Hebb (Vice-Chair) and Robert Ray

Apologies: Councillors Charlie Key

In attendance: Steve Cox, Assistant Chief Executive
Sarah Welton, Performance Officer
Sean Clark, Head of Corporate Finance
Roger Harris, Director of Adults, Health and Commissioning
Ian Rydings, Head of Asset Management
Carmel Littleton, Director of Children's Services
Natalie Warren, Community Development and Equalities Manager
Matthew Essex, Head of Regeneration
Matthew Boulter, Principal Democratic Services Officer

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

15. Minutes

The Minutes of Corporate Overview and Scrutiny Committee, held on 11 December 2014, were approved as a correct record.

16. Declaration of Interests

Councillor Gupta declared a non-pecuniary interest in relation to item 6 by virtue that he worked with seven voluntary sector organisations that would be affected by the budget proposals.

17. Mid-year Progress and Performance Report 2014-15

The Committee was informed that 84% of indicators were currently meeting their targets or close to them. This was very encouraging considering the current austerity measures. It was added that although many of the Children's Services indicators were red, they had actually set very high standards which, in turn, had improved performance and Thurrock had received a letter from the Minister of State to commend their work. Furthermore, the Council was outperforming Essex and Southend. For the future the service would continue to stretch targets to hopefully compete with some of the best performing services in the country.

Councillor Hebb felt that the Council could not use austerity measures and savings proposals as a constant excuse for any poor performance and noted that 52% of indicators were still in the red or at amber. Officers assured the Committee that this report only reflected mid-year progress and there were still some months to go for targets to be achieved.

The Committee agreed that a regular report on those indicators constantly in the red would be worth receiving and inviting relevant officers to attend to discuss them.

The Chair felt that performance had improved under challenging conditions and commended officers for their work.

RESOLVED that:

1. **The performance at this mid stage in the year be noted.**
2. **A monthly report of red indicators be sent to Members every month.**

18. Update on Progress against Recommendations into the impact of savings on the Voluntary Sector

A response from CVS regarding joint services was provided at the meeting for Members to read. The Committee asked a number of questions and through the debate it was confirmed or clarified that:

- Any options regarding the outsourcing of service to the voluntary sector would be considered in this current budget round if they were viable and had managed to be considered in time by the Joint Strategic Forum.
- Decisions on giving section 106 money to the voluntary sector went through the Growth Board, which was chaired by the Chief Executive. Therefore, there was no need for a separate executive decision to use these funds in this way.
- Thurrock Giving Initiative was a proposal associated with the introduction of a Fairness Commission whereby donations to community, voluntary and charity organisations could be consolidated and pooled to provide a better impact.
- The Joint Strategic Forum had Member representation, namely Councillors Speight and Roast as the relevant portfolio holders.

RESOLVED: That the above comments be noted by officers and the report is noted.

19. Thameside Complex - Options Appraisal and Savings Target Response

Members learnt that the future of the Thameside Centre was being considered through a two phased approach. Phase one would collect data on the use, cost and any other important information about the building and the

services provided from it. Phase two would then develop proposals for the future of those services based on the information from phase one. The first phase was due at cabinet in February and the second phase was due for completion by late summer.

The Committee felt a task and finish group with representation from all political parties would be useful to the council when developing stage 2. It was agreed that a terms of reference needed to be drafted and considered before a group was finally agreed.

RESOLVED that:

- 1. The Committee acknowledges the work already underway and the above comments be noted by officers.**
- 2. A draft terms of reference be brought back to the committee for further consideration.**

20. Asset Management

The Committee discussed a number of issues arising from the report and it was explained that minor but essential IT updates were still needed for the Culver Centre because there was still a service running out of the premises (the Pupil Referral Unit). This service could not be moved until they had new premises and in the interim their IT needed to be updated. In relation to the Graham James site it was explained that the North East London Foundation Trust (NEFLT) were in the process of buying the site and working to improve the health offer for residents in that area.

The term 'nil consideration' was discussed and Members learnt that the Council could give away land for no financial payment but for returned benefits in other ways. For example, the Council could give land to a company for free or at a discounted cost on the basis that they would be employing a large number of local residents. Some Members were concerned at this and felt that all land and buildings were financially valuable. Officers agreed and stated that they would never enter a 'nil consideration' agreement lightly.

Following a request from a Member officers confirmed they would ask the Asset Management working group to check the protocols around disposal again and make sure they agreed with them. It was highlighted that the protocol had already been through the group and had gained support from Cabinet. Any money created from disposals could only be used for other capital projects or to pay off debt. It could not be used to fund other services.

The Committee briefly discussed a proposal to give communities the responsibility for running and maintaining village halls and likewise, with Impulse Leisure, but officers stated this was at a very early stage and no decisions had been taken.

RESOLVED: That the report is noted.

21. Work Programme

A brief discussion was had on the budget setting process for this year.

RESOLVED: That the work programme is noted.

The meeting finished at 8.01 pm

Approved as a true and correct record

CHAIR

DATE

**Any queries regarding these Minutes, please contact
Democratic Services at Direct.Democracy@thurrock.gov.uk**

Proposed Thameside Complex Review

Terms of Reference

Introduction

In January 2015, the Corporate Overview and Scrutiny Committee received a report on the Thameside Complex. It was decided at this meeting that a cross party task and finish group could usefully support the detailed consideration of the options for the future of the services and the complex, building on an anticipated report of those options to Cabinet in February 2015.

Purpose and aims of the Task and finish group

- Building upon the work completed to date, understand the current challenges and benefits of the Thameside Complex and providing services from it.
- Consider the proposed future options for the services as outlined in the Cabinet report of February 2015, using witness sessions, consultation and other research to provide a balanced view of each.
- Provide a thorough and balanced report to Cabinet outlining the Group's consideration of each option.

Membership

Four councillors representing each political party in the Council, namely 1 Labour, 1 Conservative, 1 UK Independence Party and 1 Independent Member.

Activities

The Group will undertake the following tasks as a minimum. Other activities may be deemed appropriate as the review progresses:

- a) Receive the Stage One Options Appraisal report detailing the relevant statistics on the complex itself and the services contained therein, as well as information on future delivery options.
- b) Visit the Thameside Complex to view issues first hand.
- c) Undertake a witness session with relevant service heads to understand the proposed future delivery options for all affected services.
- d) Undertake some form of consultation with visitors to the complex, for example, focus groups, walkabouts and scheduled meetings with local clubs and societies.

- e) Undertake site visits and witness sessions to explore options for future delivery. For example, visiting an alternative site where a service may be delivered in the future.

Meeting Plan

March/April 2015	Group nominations for the Task and Finish Groups.
Late May/early June 2015	<ul style="list-style-type: none"> • Receive Stage One Options Appraisal report • Review the work completed to date with officers, service leads and portfolio holder as appropriate. • Decide on how each proposed option will be investigated. • Decide on forms of consultation and agree a set of questions.
June 2015	<ul style="list-style-type: none"> • Advertise any consultations in Thameside Complex and online. • Establish an online consultation • Site Visit to Thameside Complex • Undertake any site visits and witness sessions related to the future options of services.
July 2015	<ul style="list-style-type: none"> • Undertake any site visits and witness sessions related to the future options of services. • Collate and analyse consultation results.
Early August 2015	Write report and clear with task and finish group.
17 September 2015	Take report to Corporate Overview and Scrutiny
14 October 2015	Take report to Cabinet

3 February 2015	ITEM: 6
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

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 17 December 2014 reported a balanced budget for 2015/16 but a budget gap of £9.5m for the period 2016/17 – 2017/18. These forecasts were based on all proposals being accepted, a Council Tax increase and assumptions around government grant being correct.

This report provides an update on those factors, especially in terms of the draft government finance settlement, and revised budget forecasts.

1. Recommendation(s):

That Corporate Overview and Scrutiny Committee note and comment on the report, including the recommendations set out below agreed by Cabinet on 14 January 2015.

1.1 That the Cabinet note the impact of the Local Government Draft Finance Settlement and the subsequent budget forecasts;

1.2 That the Cabinet agree to the funding recommendations as follows:

1.2.1 As explained in the report, the government top slices New Homes Bonus (NHB) funding from the overall pot available for local government finance. The amount taken is always in excess of the amount

distributed and is distributed in a later announcement. Considering past allocations, it is recommended to budget for an additional grant of £0.200m;

- 1.2.2 **Further to paragraph 2.5, the remaining £0.800m of brought forward pressures be utilised;**
- 1.2.3 **As stated in previous reports, there remains a £0.500m contingency in 2015/16 for demographic pressures. The balance of £0.168m should be met from this sum; and**
- 1.2.4 **That officers be instructed to identify those savings required for the remainder of the Medium Term Financial Strategy (MTFS) and implement as many as possible in 2015/16 to increase resilience.**

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 The report to Cabinet in December 2014 recommended an approach that, subject to all proposals being accepted and assumptions around grant funding being correct, would deliver a balanced budget for 2015/16.
- 2.4 However, at that meeting, Cabinet did agree to remove the targeted saving in 2015/16 of £0.2m relating to the Thameside Theatre. The impact was to defer the saving into 2016/17.
- 2.5 This created an additional pressure in 2015/16. Cabinet will recall that to add resilience to this unprecedented savings challenge, pressures from 2017/18 were brought forward to 2015/16 artificially increasing the budget gap for that year. The report in December 2014 used a significant element of this to balance the budget for 2015/16 but left a balance of £1m. A further £0.2m of this will now be used and forecasts are revised as follows:

	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
As per December Cabinet Report	-	8.185	1.343	9.528
Deferment of Thameside proposal	0.200	(0.200)	-	-
Use of brought forward pressures	(0.200)	0.200	-	-
Revised Total	-	8.185	1.343	9.528

3 Draft Local Government Finance Settlement

- 3.1 The draft Local Government Finance Settlement (LGFS) was announced on 18 December 2014.
- 3.2 The government has, in recent years, used the term 'Spending Power' to headline this announcement. Spending Power brings together a number of figures relating to various grants as well as assumptions for both business rate and Council Tax income.
- 3.3 The headline, nationally, is that there is a 1.8% reduction in spending power. The headline for Thurrock Council was a 2.2% reduction. There are a number of problems with this approach though, that mask the real impact on the amount available to finance traditional local authority services:
- The amounts included for both Council Tax and business rates are notional and not truly reflective of Thurrock's position;
 - Specific grants and services included within the spending power analysis and Revenue Support Grant (RSG) specifically, change annually and, although changes are made to the comparative year do influence the percentage change;
 - Some of these amounts are ring fenced for specific and often new services to be delivered by local authorities. With these amounts protected, it means that the amount available for traditional services is less than the headline reduction; and
 - In this settlement, circa £9m of health related funding previously financed by the Thurrock Clinical Commissioning Group (CCG), has been included within the 2015/16 spending power thus increasing the headline amount available for local authority services despite most of this money going to fund NHS services locally, rather than being available to the council.
- 3.4 Due to the above issues, Thurrock's officers have reported on the actual reduction in grant available for non-ring fenced services. The following paragraphs and table set out that impact for 2015/16 and compare this to the MTFS assumptions that lead to the budget gap forecasts set out in paragraph 2.5.
- 3.5 Comparing like with like, Thurrock Council received £40.650m to finance traditional services and to provide support to schools. The MTFS assumed a reduction of £9.009m to a total of £31.641m.
- 3.6 Considering the grants with the exclusion of the Education Support Grant (ESG), the table below shows a reduction of £9.662m, £0.653m worse than budgeted. Although there is an increase in New Homes Bonus (NHB), the increase was not as high as expected and Cabinet should be aware that any increased funding for NHB nationally reduces the overall amounts to be distributed through the RSG.

- 3.7 The ESG has reduced by a further £0.515m and this reflects the amount of schools transferring to Academy status. This funding is to carry out the Council's statutory responsibilities in terms of schools' performance and improvement. Although some responsibility goes with an Academy transfer, a certain level of responsibility remains despite the funding being removed.
- 3.8 These responsibilities fall within the Children's service and the various support services, all of which are already making reductions to their service budgets to reflect this and other grant reductions. When considering this further reduction in funding (35%) it brings the overall reduction in funding to £10.177m, a reduction of 25% overall.
- 3.9 With a budgeted reduction of £9.009m within the MTFs, this has added a further pressure to 2015/16 of £1.168m.

	2014/15 Settlement £000s	2015/16 Settlement £000s	(Reduction) / increase £000s	MTFS Assumption £000s	MTFS Variance worse / (better) £000s
General Use Funding					
Revenue Support	35,846	25,635	(10,211)	25,809	174
New Homes Bonus	2,067	2,796	729	3,200	404
Other Central grants					
- HB Admin	1,036	968	(68)	1,036	68
- Council Tax burdens	105	37	(68)	0	(37)
- Community right to bid	9	0	(9)	9	9
- Community right to challenge	8	0	(8)	8	8
- Local Authority Reform and community voices	115	88	(27)	115	27
Total General use funding	39,186	29,524	(9,662)	30,177	653
Other Service Specific Grants					
Education Support Grant	1,464	949	(515)	1,464	515
"Above the line" funding	40,650	30,473	(10,177)	31,641	1,168

- 3.10 As previously stated, 2015/16 had been in a balanced position based on the original assumptions but the LGFS has now created a budget gap of £1.168m.
- 3.11 At this stage it is not practicable to budget for additional savings to be made. As such, the following approach is recommended to maintain the balanced budget position for 2015/16:
- 3.11.1 As stated above, the government top slices NHB funding from the overall pot available for local government finance. The amount taken is always in excess of the amount distributed and is distributed in a later announcement. Considering past allocations, it is recommended to budget for an additional grant of £0.200m;

- 3.11.2 Further to paragraph 2.5, the remaining £0.800m of brought forward pressures be utilised;
- 3.11.3 As stated in previous reports, there remains a £0.500m contingency in 2015/16 for demographic pressures. The balance of £0.168m should be met from this sum; and
- 3.11.4 That officers be instructed to identify those savings required for the remainder of the MTFs and implement as many as possible in 2015/16 to increase resilience.
- 3.12 The above has the following impact on the forecast set out in the table at paragraph 2.5:

	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
	-	8.185	1.343	9.528
Unbudgeted reduction in grant	1.168	-	-	1.168
Estimated redistribution of grant	(0.200)	-	-	(0.200)
Use of brought forward pressures	(0.800)	0.800	-	-
Use of demographic contingency	(0.168)	-	-	(0.168)
Revised Totals	-	8.985	1.343	10.328

4 Council Tax

- 4.1 At the time of the LGFS, the government also announces the referendum limit for Council Tax increases. This has been set at 2% for 2015/16. In other words, any increase above 2% would trigger a referendum in May 2015 that, if lost, would require the Council to set a lower budget and rebill all residents for the 2015/16 Council Tax.
- 4.2 The MTFs currently assumes a 1.99% increase although Cabinet should note that the government has, once again, offered a Council Tax freeze grant equivalent to 1%.
- 4.3 As the amount for Council Tax was originally set on a lower Council Tax base and the freeze grant is calculated on notional figures, if the Council was to accept the freeze grant the MTFs for 2015/16 would worsen by £0.195m. However, due to the increased base, maintaining a 1.99% increase would actually improve the position by £0.261m.

5 Issues, Options and Analysis of Options

- 5.1 The main issues remain around finalising the remaining savings proposals and the final approval of the Council Tax levels.
- 5.2 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 are fed into final decisions through the Cabinet.

- 5.3 There are still a handful of proposals still to be agreed and others not yet delivered – these remain a risk.

6 Reasons for Recommendation

- 6.1 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.
- 6.2 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.

7 Consultation (including Overview and Scrutiny, if applicable)

- 7.1 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.
- 7.2 Savings proposals have and will continue to be subject to consultation through Overview and Scrutiny Committees and more widely with the public.
- 7.3 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.
- 7.4 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.

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

- 8.1 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.
- 8.2 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.

9 Implications

9.1 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.

9.2 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.

9.3 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.

9.4 **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 has been completed by the Community Development and Equalities team to inform final decision making on the savings for 2015/16 and beyond.

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. In December 2014, Cabinet agreed changes to the savings proposals impacting the sector in order to mitigate this.

9.5 **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.

10 **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, September, November and December 2014
- The Local Government Finance Settlement

11 Appendices to the report

- There are no appendices to this report.

Report Authors:

Sean Clark, Head of Corporate Finance/S151 Officer, Chief Executive's Office

Karen Wheeler, Head of Strategy & Communications, Chief Executive's Delivery Unit

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3 February 2015	ITEM: 7
Corporate Overview and Scrutiny Committee	
Budget 2015/16 – Proposed Fees And Charges	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor John Kent, Leader of the Council	
Accountable Head of Service: Sean Clark, Head of Corporate Finance	
Accountable Director: Graham Farrant, Chief Executive	
This report is Public	

Executive Summary

As part of the budget process each year, the Council needs to review its fees and charges. The future development of the Medium Term Financial Strategy will also need to take account of changes in fees and charges in broad terms over the period of the strategy. Directors and Heads of Service have reviewed the fees and charges for 2015/16 within their remit.

1. Recommendation(s)

That the Committee;

1.1 Note the fees and charges in appendix 1

1.2 Comment on the fees and charge for consideration at Council in February 2015 relevant to Corporate services

2. Introduction and Background

2.1 As part of the budget process each year, the Council needs to review its fees and charges. The future development of the Medium Term Financial Strategy will also need to take account of changes in fees and charges in broad terms over the period of the strategy

2.2 Directors have reviewed the fees and charges for 2015/16 within their remit

2.3 The scope to increase fees and charges is determined by a number of factors, of which the most important are:

- Strategic desirability;

- Government direction;
- Elasticity of demand for services; and
- And impact on service users.

- 2.4 Directors and Portfolio Holders have been given a general guidance by the Section 151 Officer to consider increases in fees and charges by a minimum 3% in line with the assumptions set out in the Medium Term Financial Strategy (MTFS).

Where proposed increases are markedly different from the guidance, or indeed where it is proposed not to increase charges at all, explanations have been sought from the relevant service manager to ensure that the charge for 2015/16 can be justified through benchmarking with other organisations and/or the appropriate equality impact assessment stress tests.

- 2.5 If all discretionary charges were to be increased by 3% this would generate an additional £0.100m per annum in 2015/16 as compared to 2014/15, and this is the working assumption contained in the draft MTFS considered elsewhere on tonight's agenda.
- 2.6 This guideline also takes into account that some fees and charges are set by statute and other national or local policies.

3. Issues, Options and Analysis of Options

- 3.1 Appendix 1 to the report shows the detailed proposals for fees and charges for 2015/16. The Appendix shows information as follows:

- Charges that are set by statute or other policy are marked S, (those have not been amended as the figures for 2015/16 are not yet known);
- Charges that can be set at the Council's discretion are marked D;
- The current (2014/15) charge (where this is Nil and there is a charge for 2015/16 this represents a new charge);
- The proposed 2015/16 charge;
- Any concessions available to groups or individuals in the community; and
- The effective date of implementation of the new fees and charges.

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

- 4.1 Directors and Heads of Service will ensure any statutory consultations about increases in fees and charges and this has been built into the anticipated implementation date.

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

Key Points

Net income maximisation to the Council should be the aim of charging to recover the full cost of providing the service. Any deviations (e.g., discounts/concessions) should be justified. It is for Council to agree the overall charging policy and the criteria for concessions and any other discretionary reductions in fees.

Directors/Heads of Service must ensure that where charges are subsidised the full cost of the subsidy is made clear.

Differential charging should be considered for income maximisation purposes or as a policy instrument. Charges should be benchmarked where possible (for like-for-like services) however caution should be applied since policy and quality issues may differ between local authorities. Income generated from charging should adequately reflect the value of capital invested in generating the income. Directors/Heads of Service should consider ways of benefit take up to reduce subsidy.

5.1 Circumstances where it is acceptable to set charges below income maximisation levels are where:

The subsidy represents a conscious decision on the part of the Council reflected in the Director/Head of Service's service delivery policy, with identified budget provision. Examples include:

- Use of the service by individuals that benefits the whole community;
- A nominal charge is set to avoid frivolous demands for a service;
- Consideration has been given to ways of increasing service take-up to generate additional net income, through reducing rather than increasing charges;
- Charging full cost would have a detrimental effect on the Council as a whole;
- Setting a fee deliberately to recover more than the cost of the service; and
- Income thresholds for charging users are set.

The proposed levels of Fees & Charges for 2015/16 are consistent with the policy. In particular, consideration has been given to the wider equalities implications which may be involved affecting accessibility of all groups to Council services. They also reflect the possible adverse impact of full cost recovery or commercial charging policy could have on other Council services.

5.2 Charges may be set above income maximisation levels where:

- The level serves to discourage abuse of a service;
- Setting charges at a 'penal' level would satisfy other policy objectives e.g. to promote 'green' policies;
- Take up of an alternative service is being encouraged;
- Charges must be simple to understand and administer;

- Service users should understand the charges and methods of payment before becoming liable for payment; and
- Methods of payment should be flexible and convenient and take into account those on low incomes.

5.3 Reviewing Charges

The general presumption is that fees and charges should rise in line with forecast inflation and in any event must be reviewed against the Council's corporate policy every three years. In addition:

- The proposed level of charge must support the Council's wider aims and objectives;
- The impact of proposed charges must be identified (e.g. equalities, demand, and access to services);
- Reasons not to charge for full cost recovery must be identified and quantified;
- Methods of collection must be stated;
- Impact on other service areas should be identified in terms of increased/reduced demand;
- Anticipated costs of any new or amended charges must be identified;
- Estimated net income must be identified;
- Comparative information should be provided;
- Alternatives to charging should be considered e.g. cost cutting; and
- Where appropriate there should be consultation with existing and potential users.

6. IMPLICATIONS

6.1 Financial

Implications verified by: **Mike Jones**
Management Accountant

The increase in fees and charges set out in the report have been built in the overall 2015/16 budget that will be considered by Council on 25 February 2015.

6.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal Services

Fees and charges generally fall into 3 categories - Statutory, Regulatory and Discretionary. Statutory charges are set in statute and cannot be altered by

law since the charges have been determined by Central Government and all authorities will be applying the same charge.

Regulatory charges relate to services where if the Council provides the service, it is obliged to set a fee which the Council can determine itself in accordance with a regulatory framework. Charges have to be reasonable and must be applied across the borough.

Discretionary charges relate to services which the Council can provide if they choose to do so. This is a local policy decision. The Local Government Act 2003 gives the Council power to charge for discretionary services, with some limited exceptions. This may include charges for new and innovative services utilising the power to promote environmental, social and economic well-being under section 2 of the Local Government Act 2000. The income from charges, taking one financial year with another, must not exceed the costs of provision. A clear and justifiable framework of principles should be followed in terms of deciding when to charge and how much, and the process for reviewing charges.

A service may wish to consider whether they may utilise this power to provide a service that may benefit residents, businesses and other service users, meet the Council priorities and generate income.

Decisions on setting charges and fees are subject to the Council's decision-making structures. Most charging decisions are the responsibility of the Cabinet, where they are key decisions. Some fees are set by full Council.

6.3 **Diversity and Equality**

Implications verified by: **Natalie Warren**
Diversity and Equalities Manager

The Council has a statutory duty under the Race Relations Act 2000 (Amendment), the Disability Discrimination Act 2005 and Sex Discrimination Act 1975 (Amendment) to promote equality of opportunity in the provision of services and employment. Decisions on setting charges and fees are subject to the Council's decision-making structures. It should be noted that any increase in charges have been identified where the fees have not increased for 2 to 3 years and a recent benchmarking exercise revealed that the charges were below the national average. Concessions should be available to groups or individuals in the community, where the increase may result in them being excluded from particular activities

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

APPENDICES TO THIS REPORT:

- Appendix 1 – Schedule of Proposed Fees and Charges 2015/16.

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Fees and Charges Booklet

2015-2016

KEY

VAT indicator

Throughout this booklet the following VAT indicators are used

Z = zero

O = outside scope

E = exempt

S = standard

Statutory or Discretionary indicator

This Booklet is divided into 2 parts;

Part A is Statutory or reasonable charges

Part B is Discretionary charges

POA - Price on Application

Notes on presentation

It is assumed that the date of increase in all cases will be 1st April.

Fees and Charges Booklet

2015-2016

CONTENTS

Part A Statutory and Reasonable Cost Charges

Chief Executives

Legal Services

Page 1

LEGAL AND DEMOCRATIC SERVICES	STATUTORY OR DISCRETIONAR	BASIC CHARGE 2014/15	VAT GROUP	2015-16 PROPOSED BASIC CHARGE	2015-16 PROPOSED CHARGE INCLUDING VAT
		£		£	£
<u>Legal charge re drafting of document for:-</u>					
Section 106 (Standard)	S	867.00	O	910.35	910.35
Section 278	S	867.00	O	910.35	910.35
Reg of Assign	S	28.00	O	29.40	29.40
Grazing Licence	S	420.00	O	441.00	441.00
Street Licence	S	293.00	O	307.65	307.65
Section 50 Agreement	S	448.00	O	470.40	470.40

Fees and Charges Booklet

2015-2016

CONTENTS

Part B Discretionary Charges

Chief Executives

Legal Services

Business Services

Corporate Assets

Pages 1-5

Page 6

Page 37

LEGAL AND DEMOCRATIC SERVICES	STATUTORY OR DISCRETIONAR	BASIC CHARGE 2014/15	VAT GROUP	2015-16 PROPOSED BASIC CHARGE	2015-16 PROPOSED CHARGE INCLUDING VAT
		£		£	£
MISCELLANEOUS					
Licences to assign Leasehold Premises	D	478.50	O	502.45	502.45
Authorised Guarantee Agreement	D	444.50	O	466.75	466.75
Shop Leases	D	664.00	O	697.20	697.20
Sale of Land	D	If under £1,000 min charge £350, then incremental depending on value	E	If under £1,000 min charge £368, then incremental depending on value	If under £1,000 min charge £368, then incremental depending on value
Sale of Garden Land/Additional Land	D	650.00	E	682.50	682.50
Copy of Lease	D	83.30	S	87.50	105.05
Commercial Lease Assignment	D	600.00	E	630.00	630.00
Commercial Lease Grant	D	650.00	E	682.50	682.50
Commercial Licences	D	465.00-660.00	E	188.25-693	188.25-693
Deed of Covenants	D	417.50	E	438.40	438.40
Landlords Licence	D	506.50	O	531.85	531.85
Licence of Alteration	D	650.00	O	682.50	682.50
Notice of Assignment	D	75.50	O	79.30	79.30
Notice of Charge	D	75.50	O	79.30	79.30
Retrospective Consent	D	110.50	O	116.05	116.05
Right to Buy Engrossment	D	68.00	O	71.40	71.40

LEGAL AND DEMOCRATIC SERVICES	STATUTORY OR DISCRETIONAR	BASIC CHARGE 2014/15	VAT GROUP	2015-16 PROPOSED BASIC CHARGE	2015-16 PROPOSED CHARGE INCLUDING VAT
<u>MISCELLANEOUS</u>		£		£	£
<u>Legal charge re drafting of document for:-</u>					
Section 106 (Complex)	D	1591.00	O	1670.55	1670.55
Rent Reviews	D	201.00-265.00	O	211.05 - 278.25	211.05 - 278.25
Easements	D	787.00	O	826.35	826.35
Surrenders	D	514.00	O	539.70	539.70
Deed of Variation	D	514.00	O	539.70	539.70
Transfer of Open Spaces	D	713.00	O	748.65	748.65
Wayleave Agreement	D	294.00	O	308.70	308.70

LEGAL AND DEMOCRATIC SERVICES	STATUTORY OR DISCRETIONAR	BASIC CHARGE 2014/15	VAT GROUP	2015-16 PROPOSED BASIC CHARGE	2015-16 PROPOSED CHARGE INCLUDING VAT
		£		£	£
<u>COUNCIL HOUSE SALES</u>					
Transfer prints	D	40.50	O	42.55	42.55
Lease prints	D	65.00	O	68.25	68.25
Ownership Changes Leaseholds Houses & Flats	D	42.50	O	44.65	44.65
Transfer of Equity approval and seal	D	67.50	O	70.90	70.90
Stat charge discharge - discount 3 year period	D	65.50	O	68.80	68.80
Letter of Postponement concerning authorized works on properties with statutory discount charge	D	63.50	O	66.70	66.70
Leasehold Enquiries - Maintenance and rent details , insurance etc.	D	148.00	O	155.40	155.40
Copy of Landlord's Offer Notice Full	D	33.35	S	35.00	42.00
Copy of Landlord's Offer Notice Part	D	13.37	S	14.05	16.80
Fee for Application to buy garage	D	72.53	S	76.15	91.35
Copy of Service Charge Certificate	D	28.75	S	30.20	36.25
Copy of Insurance Policy	D	43.33	S	45.50	54.60
Document retrieval	D	0.00	S	9.00	10.80
Photocopying					
A4	D	0.00	S	0.83	1.00
A3	D	0.00	S	1.25	1.50
Post & Packing	E	0.00	E	3.00	3.00

LEGAL AND DEMOCRATIC SERVICES	STATUTORY OR DISCRETIONAR	BASIC CHARGE 2014/15	VAT GROUP	2015-16 PROPOSED BASIC CHARGE	2015-16 PROPOSED CHARGE INCLUDING VAT
		£		£	£
REGISTRATION					
Certificates issued by Superintendent Registrar					
Standard Certificate of Birth - 24 hour service	D	16.00	O	17.00	17.00
Standard Certificate of Death - 24 hour service	D	16.00	O	17.00	17.00
Standard Certificate of Marriage - 24 hour service	D	16.00	O	17.00	17.00
Short Certificate of Birth - 24 hour service	D	16.00	O	17.00	17.00
Certificates issued by Superintendent Registrar					
Standard Certificate of Birth - 2 hour service	D	25.00	O	26.00	26.00
Standard Certificate of Death - 2 hour service	D	25.00	O	26.00	26.00
Standard Certificate of Marriage - 2 hour service	D	25.00	O	26.00	26.00
Short Certificate of Birth - 2 hour service	D	25.00	O	26.00	26.00
Fees for Superintendent Registrar attendance at approved premises for Marriage/Civil Partnership					
Monday - Friday	D	375.00	O	390.00	390.00
Saturday	D	410.00	O	420.00	420.00
Sunday, Bank or Public Holiday	D	465.00	O	480.00	480.00
Fees for Superintendent Registrar attendance at Register Office for Naming Ceremonies/Renewal of Vows/Commitment Ceremony (Civil Ceremonies Ltd Partnership)					
Saturday	D	215.00	O	225.00	225.00
Fees for Superintendent Registrar attendance at Approved Premise for Naming Ceremonies/Renewal of Vows/Commitment Ceremony (Civil Ceremonies Ltd Partnership)					
Monday - Friday	D	255.00	O	265.00	265.00
Saturday	D	285.00	O	295.00	295.00
Sunday	D	315.00	O	325.00	325.00

LEGAL AND DEMOCRATIC SERVICES	STATUTORY OR DISCRETIONAR	BASIC CHARGE 2014/15	VAT GROUP	2015-16 PROPOSED BASIC CHARGE	2015-16 PROPOSED CHARGE INCLUDING VAT
		£		£	£
REGISTRATION					
Approved Premises Regulations					
- application for approval	D	1,860.00	O	1,915.00	1,915.00
- request for review	D	585.00	O	600.00	600.00
Hawthorne Suite - Thameside					
Monday - Friday	D	170.00	O	175.00	175.00
Saturday	D	200.00	O	210.00	210.00
Saturday PM	D	250.00	O	260.00	260.00
Private Citizenship Ceremony					
Monday - Saturday	D	135.00	O	140.00	140.00
Nationality Checking Services	D	50.00	O	60.00	60.00
Ceremonies held in Thameside Theatre Mon-Fri	D	220.00	O	230.00	230.00
Thameside Theatre Saturday	D	250.00	O	260.00	260.00
REGISTER OF ELECTIONS					
Register of Electors - Certificate of Residency, per elector, per year	D	13.00	E	13.00	13.00

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VAT Explanation

The regulations on Value Added Tax (VAT) were originally introduced in the UK on 1st April 1973 and have been amended from time to time. VAT is a tax on consumer expenditure and is collected on business transactions. The principal regulations made by HM Revenue & Customs are the VAT Regulations (SI 1995/2518)

General

VAT is a tax that's charged on most goods and services that VAT-registered businesses provide in the UK. VAT is charged when a VAT-registered business sells to either another business or to a non-business customer. When VAT-registered businesses buy goods or services they can generally reclaim the VAT they've paid. With effect from 1st January 2012 any business that has a turnover of £35,000 must be registered for VAT.

There are three rates of VAT, depending on the goods or services the business provides. The rates are:

- Standard - 20 per cent
- reduced - 5 per cent
- zero - 0 per cent

Standard Rate 20%

An organisation who is registered for VAT and makes VAT taxable supplies have to charge VAT on them. Normally VAT is charged at the standard rate, unless the goods or services that are being sold, and the circumstances in which they are sold, mean that a different rate can be charged.

Zero rate of VAT

There are some goods and services that are zero-rated. This means that they're taxable for VAT, but the VAT rate is zero per cent.

Goods and Services that are Zero Rated include;

Food (Group 1)
Water & Sewerage (Group 2)
Books (Group 3 & 4)
Transport (Group 8)
Clothing & Footwear (Group 16)

Exempt goods and services

There are some goods and services that are exempt from VAT and services are not taxable for VAT.

Goods and services that are exempt from VAT include:

- Insurance (Group 2)
- Betting, Gaming and Lotteries (Group 4)
- Finance (Group 5)
- Education (Group 6)
- Health & Welfare (Group 7)
- Burials & Cremations (Group 8)
- Sport & Physical Education (Group 10)
- Cultural Services Theatres & Museums (Group 13)

Outside the Scope

Some goods and services are not covered by the UK VAT System at all and are therefore classified as outside the scope of VAT. So no charges of VAT are made and one is unable to claim any VAT back.

Goods and services that are outside the scope of VAT include;

- Statutory Fees and Services

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3 February 2015	ITEM: 8
Corporate overview and Scrutiny Committee	
Budget 2015/16 – Capital Proposals	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor John Kent, Leader of the Council	
Accountable Head of Service: Sean Clark, Head of Corporate Finance	
Accountable Director: Graham Farrant, Chief Executive	
This report is Public	

Executive Summary

As part of the budget process each year, the Council needs to set its capital programme for the following financial year. The future development of the Medium Term Financial Strategy will also need to take account future capital spending plans over the period of the strategy. Directors and Heads of Service have reviewed the proposed schemes for 2015/16 within their remit.

Overview and Scrutiny are asked to review and comment on schedule of capital bids set out in Appendix 1.

1. Recommendation(s)

1.1 That the Committee notes and reviews the capital bids set out in Appendix 1 to this report.

2. Introduction and Background

2.1 As part of the budget, the Council needs to set its capital programme for the following financial year. The future development of the Medium Term Financial Strategy will also need to take account future capital spending plans over the period of the strategy.

2.2 Directors and Heads of Service have reviewed the proposed schemes for 2015/16 that are within their remit.

- 2.3 Historically, the general fund capital programme in Thurrock has largely been grant led as there have been limited resources available through capital receipts or other reserves.
- 2.4 Recent years has seen a commitment to including revenue provision to cover the interest and principal repayments for £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.
- 2.5 Housing, schools and transportation have tended to be funded mainly through grants, although the pressure on schools places has seen a need for prudential borrowing over the last two years.
- 2.6 A further level of 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.
- 2.7 The asset disposal programme is generating capital receipts which have been earmarked over the last two financial years to ‘repay’ prudential debt to generate revenue savings.
- 2.8 Capital bids have been received to be considered against the £3m prudential borrowing fund and, as expected, are in excess of the available resources. They are heavily weighted towards transformation, mainly ICT, and highways. These are summarised within Table 1 below.

Table 1 – Capital Bids

Service	2015/16 £000's	2016/17 £000's	2017/18 £000's
Transformation	3,169	3,440	0
ICT Business as Usual	3,301	3,000	3,000
Property	640	0	0
Environment	793	1,304	6,652
Total Bids	7,903	7,744	9,652

- 2.9 The committee is asked to challenge the need and level of the bids in appendix 1. This will then help inform the compilation of the draft capital programme to be considered by Cabinet and Council in February 2015.

3. Issues, Options and Analysis of Options

- 3.1 Appendix 1 to the report shows the proposed capital bids for the 2015/16 capital programme. The appendix contains the following information in relation to each scheme:

- Schemes anticipated lead officer
- Detailed scheme description
- Required capital funding

- Comments

3.2 A number of schemes are on an “Invest to Save” basis, therefore the expected costs associated with prudential borrowing are to be met from the sale of assets and/or a reduction in operational running costs as a result of undertaking capital works.

4. Reasons for Recommendation

4.1 The scrutiny of capital bids ahead of the formal budget setting in February is an integral part of the Council’s overall approach to financial planning.

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

5.1 Any schemes submitted for inclusion in the 2015/16 capital programme have been approved by the services relevant Department Management Team.

5.2 Cabinet on the 16 December 14 reviewed the submitted schemes and will make a final decision on the 2015/16 capital programme at its meeting on the 11 February 15.

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

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

7. IMPLICATIONS

7.1 Financial

Implications verified by: **Mark Terry**
Principal Finance Officer

The financial implications have been clearly set out throughout the body of the report.

7.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal Services

Local authorities are under an explicit duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. This budget report contributes to that requirement although specific legal advice may be required on each projects business case.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**
Diversity and Equalities Officer

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

APPENDICES TO THIS REPORT:

- Appendix 1 – Schedule of Proposed 2015/16 Capital Schemes.

Report Author Contact Details:

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Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Daren Spring	E1 - Environment Service Local Depot security improvements	100	-	-
<i>Detailed Description:</i>	<i>From April 2015 Environmental services will move to an area-based delivery model, working from four locations across the borough. Each area will require a small depot to enable staff, vehicles and equipment to be accessed locally. As vehicles, plant and equipment will be stored at these depots, there is a need to enhance both on-site security and accommodation facilities.</i>			
<i>Effect of not doing the scheme:</i>	<i>Continuing to operate from a single central depot will not be possible owing to the planned vacation of Curzon Drive and relocation to Oliver Close/St Clements Way in early 2015/16 because of size limitations.</i>			
Luke Love	E2 - Grays Beach Riverside Park – Sand Pit Play Facilities	21	-	-
<i>Detailed Description:</i>	<i>Many of the main play items including the iconic Galleon Pirate Ship and disabled access multi-play units are no longer safely useable or fit for purpose and require rethinking and upgrading. As routine repair isn't a realistic option, major enhancement or replacement is necessary to avoid the need to further decommission facilities at the site.</i>			
<i>Effect of not doing the scheme:</i>	<i>Accelerated decline of the facilities at Grays Beach, with the likelihood of the need to remove equipment from the site.</i>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Luke Love	E3 - Grays Beach Riverside Park – Splash Pool / Water Feature Facility	322	-	-
<i>Detailed Description:</i>	<p><i>Children learn from play and using play equipment in local parks & open spaces provides children with a healthy activity in which to partake, the fact that the water feature design in question provides disabled access, and provides family members of mixed ability children to play with their siblings is also a real benefit.</i></p> <p><i>Providing well maintained play equipment in one of the boroughs key, and most popular open spaces also has the obvious links to the promotion & protection of our green environment.</i></p> <p><i>The water feature was the most popular activities at Grays Beach. The park is particularly busy during the summer months, and particularly throughout the school summer holidays, including the weekends. The water feature provides children with an opportunity to play, interact and cool off in a safe local, family friendly facility. The proposals for the new facility make the water feature more inclusive, as it is intended that there will no longer be a physical pool with defined edges, but gently scalloped surfacing allowing a small amount of standing water to be retained, and re-circulated through the integral pump system via interactive water jets.</i></p> <p><i>Depending on the decision making thoughts of officers & members, it is also proposed that the new water feature would continue to be a pay to use facility. However there is of course the option to make it a free to use facility as due to the new facility not including a physical pool of standing water as per the existing / old facility, the facility would not require direct staffing for its general use.</i></p>			
<i>Effect of not doing the scheme:</i>	<i>Accelerated decline of the overall facility at Grays Beach, significantly reduced visitor numbers, reduced cafeteria income & public negativity.</i>			
Steve Starr	E4 - Path, road and related infrastructure improvements on Environment assets, including in parks, burial grounds and open spaces.	200	-	-
<i>Detailed Description:</i>	<i>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.</i>			
<i>Effect of not doing the scheme:</i>	<i>Parks, Open spaces & cemeteries less attractive to users.</i>			
Geoff Gladwin	E5 - Fleet replacement programme	150	1,304	6,652
<i>Detailed Description:</i>	<i>Rolling programme of replacing vehicles and plant which are at the end of their useful lives.</i>			
<i>Effect of not doing the scheme:</i>	<i>Possible reduction in services due to vehicle/plant breakdowns.</i>			
<i>Other Notes:</i>	<p><i>The 2015/16 bid has been amended to £0.150m due to £0.920m being already included and approved within the current capital programme.</i></p> <p><i>The fleet replacement programme is funded by the service and not from the £3m corporate allocation.</i></p>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Martin Willoughby & Nick Coldicott	T1 - Analysis and Upgrading of Operational Estate and its supporting ICT Infrastructure (including ground floor Civic Offices)	1,500	2,250	-
<i>Detailed Description:</i>	<p><i>The Council is enabling its people to work with unprecedented levels of flexibility. The Operational Estate (Civic Offices) Programme is reconfiguring the workspace to that of a hot desk environment with modular meeting rooms and no personal offices. The Digital Council (IT Connects) Programme is providing the infrastructure to connect people in ways that have not been possible before in this Council.</i></p> <p><i>The Council's external sites and the Civic Offices ground floor have not previously been within scope of these programmes. However as the Civic Offices and IT connects programmes are nearing completion phase and the Council considers the rationalisation of its external estate the time has come to make budget provision for the following capital works:</i></p> <p><i>Phase 1</i></p> <ul style="list-style-type: none"> • Undertake a more detailed review of all external sites including IT requirements • Profile each site as to its purpose, number of occupants and future use • As certain each sites' existing accommodation and technical infrastructure • As certain the cost of upgrading the accommodation to a similar functional standard as the new Civic Offices accommodation and the ICT infrastructure • Produce design options and make appropriate recommendations as to the viability upgrading each site and its purpose <p><i>Note: The ground floor of the Civic Offices is included in this survey, analysis and design work</i></p> <p><i>Phase 2</i></p> <p><i>Proposes to deploy the solutions agreed in respect of each site subject to a full business case being agreed at the relevant level of delegated authority.</i></p> <p><i>At a high level, the components of this project are:</i></p> <ul style="list-style-type: none"> • Assuming 4 external sites are retained accommodation £0.75m • Ground floor of Civic Offices – £3m <p><i>This project is an invest-to-save initiative and it is anticipated that its cost will be mitigated by the sale of redundant sites and a reduction in running costs.</i></p>			
<i>Effect of not doing the scheme:</i>	<p><i>Without this project those staff located in buildings other than the Civic Offices will not be able to access the same flexible working environment as those based in the Civic Offices, South Ockendon Centre and Chadwell Hub. The savings potential of a centralised flexible working organisation will not be maximised. Capital receipts will not be realised from rationalisation of external estate and running costs will continue to increase.</i></p>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Nick Coldicott	T2 - Service Analytics - Children's Safeguarding profiling model - further deployment of Xantura software.	208	-	-
<i>Detailed Description:</i>	<p><i>A pilot of the Children's Safeguarding Profiling Model (CSPM) is currently being developed using the Xantura data analytics product (following previous use within Troubled Families). The CSPM will analyse existing data 'owned' by Thurrock Council to identify children most at risk of neglect and abuse by the age of 5. By identifying children at risk, that are not currently 'known' to Children's Services, this will enable intervention measures to be taken to reduce the likelihood of maltreatment. The data and management information generated will also enable existing assessment processes within Children's Safeguarding to be streamlined. This initial pilot will be funded through resources allocated within the agreed Digital Programme Business Case.</i></p> <p><i>Beyond this pilot, the wider offering from Xantura includes further data analytics to enable early intervention / prevention in Frail / Elderly and Domestic Violence services, delivering improved client outcomes and reducing costs. This current range of services is likely to expand further as Xantura broaden the development of their offering.</i></p> <p><i>If the pilot is successful this bid places a marker for capital subject to a successful 'invest to save' business case being submitted for further deployment of Xantura functionality. Long term and sustainable financial savings will be realised by Services as costly late intervention is avoided.</i></p>			
<i>Effect of not doing the scheme:</i>	<p><i>The Council will not realise an opportunity to undertake early intervention actions to reduce future demand and costs. There will be limited ability to plan for future demand or reduce demand on expensive late and acute intervention.</i></p>			
<i>Other Notes:</i>	<p><i>On-going running costs of around £78k.</i></p>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Lorraine Surrey	T3 - Digital Documentation Phase 2 – Workflow and Line of Business Integration	224	441	-
<i>Detailed Description:</i>	<p><i>Following on from the broad and shallow implementation of an EDRMS solution, phase 2 of this project is the implementation of workflow and integration of key line of business systems and further automation. It enables the full benefits of the Objective system and digitisation of documents to be realised and will be integrated with the work to migrate transactions onto the web. Benefits are realised through the reduction of manual processes using workflow and automation and improved quality driven by the standardisation of information management and processes.</i></p> <p><i>This second phase includes the implementation of a digital mail room which will enable streamlining of digital document flow and reduction in manual processes. The cost of this is included in this bid.</i></p>			
<i>Effect of not doing the scheme:</i>	<p><i>The full benefits of the existing project will not be maximised and the full savings potential will not be delivered. A digital filing system alone will be the end product rather than an integrated, automated, streamlined digital document and workflow system.</i></p>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Jackie Hincliffe	T4 - Transformation programme management support (professional fees)	497	-	-
<i>Detailed Description:</i>	<p><i>Three emerging projects are likely to require expert and specialist programme management support during the year beginning 2015-16.</i></p> <p><i>1. Contact Centre Programme Support – 5 days per week for 48 weeks £650per day = £156,000*</i></p> <p><i>2. Business Intelligence Programme Support – 3 days per week for 48 weeks £650per day = £93,600*</i></p> <p><i>3. Entrepreneurial Council – 5 days per week for 48 weeks £650per day = £156,000*</i></p> <p><i>Future year's requirements will be addressed as part of the programmes' business cases however this bid provides for pre project work requirements. It does not contain funds for other project resources such as software.</i></p> <p><i>The bid also includes provision for ongoing overall Transformation Programme Support from the East of England LGA. Transformation Programme Support – 2 days per week for 48 weeks £950per day = £91,200</i></p>			
<i>Effect of not doing the scheme:</i>	<i>If Transformation is not progressed the Council will not achieve the budget reduction targets required nor will it achieve the quality improvements it aspires to.</i>			
Chris Stephenson	T5 - Civic Offices Meeting room conferencing facilities	90	-	-
<i>Detailed Description:</i>	<p><i>The Civic Office Repurposing Programme and IT Connects Programme is enabling the Council's people to work with unprecedented levels of flexibility. The Civic Offices Programme is reconfiguring the workspace to that of a hot desk environment with modular meeting rooms and no personal offices. The IT Connects Programme is providing the infrastructure to connect people in ways that have not been possible before in the Council.</i></p> <p><i>Most staff and members will have thin client flexible desktop computing allied to unified communications which integrates computing with telephony. This provides opportunities for people to:</i></p> <ul style="list-style-type: none"> <i>• Make telephone calls over the Council's internet network</i> <i>• Use instant messaging software</i> <i>• Collaborate on documents at the same time</i> <i>• Undertake audio (and some video) conferences</i> <p><i>As a result of service transformation some members of staff will be required to work remotely out in the field and will have a requirement to be in contact with the colleagues in the Civic Offices at a level beyond that of routine telephone calls and electronic communication.</i></p> <p><i>This project seeks to equip circa 25 new modular meeting rooms in the Civic Offices with infrastructure to support audio and visual conferencing across multiple platforms with a variety of stakeholders – staff, members and importantly external partners. By equipping the new meeting rooms which conferencing facilities staff will be able to work more efficiently and productively by:</i></p>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
	<ul style="list-style-type: none"> • Undertaking business meetings via hosted conference calls • Working collaboratively, from different sites and in real time, on the same documents / projects • Reducing travelling time • Reducing travel expenses 			
<i>Effect of not doing the scheme:</i>	<p><i>By not equipping meeting rooms to provide conference calling and collaboration facilities the Council will not be optimising the opportunity for efficiency that its procured Unified Communications solution offers. There would not be:</i></p> <ul style="list-style-type: none"> • <i>the expected decrease in travelling to remote sites</i> • <i>a reduction in business mileage</i> • <i>a capability to do business with partner organisations in meeting room environments</i> 			
Nick Coldicott	T6 - Thurrock On-Line Programme - Phase 2	250	500	-
<i>Detailed Description:</i>	<p><i>The 2014-15 Capital Bid round contained a bid for two years funding to progress moving more transactions online. Funding for year one (2014-15) has been released as a result of the Digital Council business case passed by Cabinet in September however the second tranche of funding provision was not established for future years. The purpose of this bid is to reiterate the need for this funding and place a 'marker' in the capital programme in anticipation of receiving authority to proceed with the programme beyond 14/15.</i></p> <p><i>The Agilisys Digital platform provides the Council with 2 additional online modules per annum through to 15/16 as per the current contract period. AD is developing a roadmap for the future development of such modules, driven by the Founders Club which consists of local authorities who are operating the AD platform. The Founders Club will influence which service functions should be prioritised on the roadmap. The previous bid highlighted how it is possible to fast-track the digital vision by acquiring more than the two additional AD online modules per annum. As expertise in implementation has developed it is clear that there is the capability to deliver more than two modules thereby enabling more services to move online.</i></p> <p><i>This bid requests budget provision is established for an additional ten modules, the support costs to implement them and resources to manage channel shift and business process redesign. The business case for moving transactions online has already been established and this forms a central element of the Council's digital agenda. The amount covered in the bid is a spot estimate and requires definition prior to authorisation using a work package methodology. Subject to cost analysis, further technology requirements, such as IVR/telephony; development of social media as a customer contact and communication channel; resources for the online enabler plan, including mediated customer support activity may become future components of this work.</i></p> <p><i>It is suggested that if this bid is successful that authority to draw down on funds for this work is delegated to the Council's Digital Board except where thresholds are outside the financial delegation rules when escalation to Transformation Board or Cabinet is required under the constitution.</i></p>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
<i>Effect of not doing the scheme:</i>	<ul style="list-style-type: none"> • <i>The Council would not fully attain its vision of digital by design.</i> • <i>The Council would not optimise the benefits available by designing business processes to fully support and align with new communication and transaction channels.</i> • <i>The Council would not keep up with social trends in media, marketing, communication and engagement and would become increasingly disengaged from the community.</i> • <i>There would be missed opportunity to plan and target effort and resources towards value creating activity.</i> • <i>Future opportunities for generate efficiencies would be lost.</i> 			
Chris Stephenson	T7 - External sites upgrade to Windows 7	101	-	-
<i>Detailed Description:</i>	<p><i>The September meeting of Digital Board agreed to upgrade all non-Civic Offices PCs to Windows 7. Of the 500 XP PCs previously deployed to external sites, only 177 need to be replaced (as a result of transformation) These 177 PCs have accessed the network in the last 8 weeks and 53 PCs are able to be repurposed as W7 machines (20 have already been reallocated). Learning from IT Connects would indicate that not all machines can be re-used so we suggest a 20% tolerance for determining numbers. Therefore total number required is 177. As the external sites strategy is not yet determined it is proposed to replace machines on a like for like basis with 'physical' computers (base units only costing £483 per unit). These PCs can then be repurposed as thin clients in the future.</i></p> <p><i>This is presently unfunded and presents a pressure for the Council. Whilst this bid should be considered in the context of a separate bid submitted to for external sites it is not overridden by that bid. However some of the equipment purchased as a result of this bid can be repurposed and absorbed into any future external sites project.</i></p>			
<i>Effect of not doing the scheme:</i>	<i>The External sites IT would be in breach of PSN. This would directly affect services ability to communicate with external partners and negatively impact on delivery of service.</i>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Nick Coldicott	T8 - E-Marketplace	100	85	-
<i>Detailed Description:</i>	<p><i>Building on the existing Quickheart Adult Social Care solution, the eMarketplace will enable customers to self-select the services they want, and buy them directly (if they are self-funding) or via the Council if appropriate. Described by idea.gov.uk as a 'one to many' or 'many to many' trading environment the, eMarketplace functionality will provide a consistent approach across Council services including Children's, Adults and Housing, their service users and suppliers.</i></p> <p><i>The eMarketplace could include for example, an electronic catalogue of home appliances addressing mobility issues for an older person. A family member or friend will be able to go to the web site and be guided with advice to the right types of approved solution. If they identify a bath chair as the solution they will be able to complete the purchase the bath chair on line. All of this activity will be completed without any Council employee intervention.</i></p> <p><i>After defining requirements, a range of potential eMarketplace solutions will be considered including the Quickheart solution which also includes functionality to record cumulative self-funded costs which count towards the £75k Better Care Act personal funding threshold.</i></p> <p><i>Benefits of an e-marketplace include:</i></p> <ul style="list-style-type: none"> <i>•Streamlined purchasing and payment, as buyers can use a single shopping basket for all suppliers rather than paper catalogues, web sites and telephone orders</i> <i>•Online ordering and receipting avoids the previous 'paper chase' for certification and authorisation of invoices</i> <i>•Contract compliance savings lead to a lower average cost for each shopping basket</i> <i>•Commodity price reductions achieved from improved sourcing and supplier contracts in more categories</i> <i>•Automated matching of orders, receipts and invoices – invoice processing can be virtually "hands-free"</i> <i>•Less time resolving errors. Coding validation takes place when raising a requisition, not when entering an invoice. Full visibility and tracking for every transaction</i> <i>•Sustainability benefits from minimised paper and postage costs and less storage.</i> 			
<i>Effect of not doing the scheme:</i>	<ul style="list-style-type: none"> <i>• Current business processes remain manual and undertaken by Council Officers resulting in ongoing revenue costs to deliver this service.</i> <i>• Commissioning cost information remains in service based silos with no overview or ability to achieve further efficiencies.</i> <i>• Going forward the Council will not be able to meet increasing resident demands and expectations, nor will it be able to plan for future demand.</i> <i>• Risk of Service Users commissioning services from non-approved providers who do not meet quality or cost standards.</i> 			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Chris Stephenson	B1 - New IT delivery model	3,000	3,000	3,000
<i>Detailed Description:</i>	<p><i>The Council's transformation is increasingly placing more and more reliance on and consumption of ICT – both infrastructure and data storage. Staff and members are being enabled to work flexibly on any device, at any time and in any location. Customers are progressively being migrated away from face to face and telephony access channels to doing their business with the Council on line.</i></p> <p><i>As the Council has progressed with its transformation it has become clear that the current ICT service does not match up to current public sector or industry best practice and its model of operation is not optimised to meet the Council's future anticipated ICT needs.</i></p> <p><i>The transformation team is working with Serco to bring forward proposals for a modern, flexible ICT model that enables the delivery of the Council's future ambitions.</i></p> <p><i>At the time of writing this capital bid the financial detail of those proposals has not been worked through in sufficient detail to be any more than spot estimates. However it is estimated that the Council will need to call on an additional £3m of capital per annum between 2015/19.</i></p>			
<i>Effect of not doing the scheme:</i>	<p><i>In order to sustain the existing IT service and support initiatives such as the Digital Programme there will be further investment required to purchase and host hardware. Serco have outlined that these costs will be higher than if the Council chooses to move to an alternate delivery model for IT.</i></p>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Chris Stephenson	B2 - Upgrading Windows 2003 servers in the data centre	200	-	-
<i>Detailed Description:</i>	<p><i>Contained within the data centre at the Civic Offices are over 50 physical and 200 virtual servers. A number of these servers run on windows 2003 which is going out of vendor support from Microsoft in July 2015.</i></p> <p><i>These servers will need to be replaced and configured to run the line of business applications that currently run on the on the existing servers. The impacted servers are as follows:</i></p> <p><i>ISA 2006, GFI MailSecurity, SMTP Smarthost Peoples Network Peoples Network Children's Services reporting Front end of LogLogic Log Management ICT Numara Footprints Helpdesk Thurrock T-Maps 3 Server ISA 2006, SMTP Smarthost SQL Server Total Land Charges (Live) Total Land Charges (Test) TEMS UNI-Form Mapping server for UNIFORM Webserver for UNIFORM YOIS</i></p> <p><i>The replacement of these servers will be managed by a cross council project but the project has yet to be initiated. As such the scale of effort, activity and cost is currently not known but a spot estimate has been made based on the costs of previously migrated servers.</i></p> <p><i>A cost of £10,000 per server has been estimated which equates to an estimated £200,000. In the event that the Council chooses to accept the future Serco ICT service proposal then this expenditure to invest in the onsite data centre could be avoided.</i></p>			
<i>Effect of not doing the scheme:</i>	<p><i>If the Council does not upgrade servers running on Windows 2003 it runs the risk of being non-compliant with its PSN certification potentially leaving it open to fine and denial of access to government systems etc</i></p>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Nick Coldicott	B3 - Information and Advice Portal	300	164	-
<i>Detailed Description:</i>	<p><i>"The Care Act 2014 requires the Council to establish an Information and Advice Portal for adult social care by April 2015 followed by an online assessment and decision tool to further streamline and improve access to adult social care. The plans for this activity are naturally well underway within Adult Services. The digital programme will support and enhance these regulated objectives delivering an Information and Advice Portal that impacts not just Adults but Housing and in time Children's services and over the course of the project the entire council. In addition we will deliver the online assessment and decisions tool and look for how this can be used to support housing services and beyond." (Digital Council Business Case, Cabinet September 2014)</i></p> <p><i>This bid makes provision for the wider roll out of the Portal to other areas of the Council.</i></p>			
<i>Effect of not doing the scheme:</i>	<ul style="list-style-type: none"> • <i>Current business processes remain manual and undertaken by Council Officers resulting in ongoing revenue costs to deliver this service.</i> • <i>Information remains in service based silos with no overview or ability to achieve further efficiencies.</i> • <i>Going forward the Council will not be able to meet increasing resident demands and expectations, nor will it be able to plan for future demand</i> 			
Kathryn Adedeji	P1 - CO 1 - Fire Smoke Head Replacement	38	-	-
<i>Detailed Description:</i>	<p><i>To comply with Fire Safety legislation and to ensure the safety of staff, occupants, visitors, elected members and general public - it is essential to replace the smoke heads in Civic Offices 1.</i></p> <p><i>Please note that CO2 are being replaced as part of the FY14/15 capital programme.</i></p> <p><i>The smoke heads are approaching the end of their service life and the manufacturers guarantee expires in 2015 for CO1.</i></p> <p><i>It is a legal requirement to replace all the detectors prior to the end of life and to avoid failure occurring.</i></p> <p><i>To eliminate the risk of partial or complete failure of the fire safety integrity of the civic offices a complete replacement is required.</i></p>			
<i>Effect of not doing the scheme:</i>	<i>Non compliance of Fire Safety legislation, potential enforcement order issued.</i>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Kathryn Adedeji	P2 - CO 1 - Staff, Public and member areas toilet facilities Refurbishment	173	-	-
<i>Detailed Description:</i>	<i>The toilet facilities in Civic Offices have not been refurbished since installation around 25 years ago, and should be considered for refurbishment due to their age and condition. The Civic Offices refurbishment programme objective is to increase the occupancy levels within the Civic Offices by introducing modern technology and flexible, shared work space. The Civic Offices 1 toilet facilities have not been included as part of the repurposing of the building as the refurbishment is currently focused around the CO2 building, with plans for CO1 still being developed and dependant on whether the Council continues to use the space or leases it to 3rd party organisations. The bronze standard is to, replace existing flooring, re-tile and decorate only.</i>			
<i>Effect of not doing the scheme:</i>	<i>There is potential for non compliance as the existing facility may not be sufficient for the increased occupancy of the building.</i> <i>The standard of the existing facilities is deteriorating.</i>			
<i>Other Notes:</i>	<i>Subject to decision on CO1 redeployment & movement of members areas.</i>			
Kathryn Adedeji	P3 - CO 1 - Emergency Lighting Upgrade	40	-	-
<i>Detailed Description:</i>	<i>The emergency lighting requires upgrading to ensure compliance with regulations.</i>			
<i>Effect of not doing the scheme:</i>	<i>Non compliance with regulations.</i>			
<i>Other Notes:</i>	<i>The capital bid will only progress subject to CO1 redeployment decision (civic offices refurbishment programme) and associated income generation offset from sub-let of council vacant sites.</i>			
Kathryn Adedeji	P4 - CO 1 - LED Lighting upgrade	127	-	-
<i>Detailed Description:</i>	<i>The lighting requires upgrading. This has not been included currently in the civic offices refurbishment programme, and depending on the final use for the vacated areas in CO1 the requirement will still exist to upgrade the lighting.</i> <i>There may be an opportunity to offset some of the cost via Salix funding. A Salix bid for this cannot be submitted until confirmation on capital funding being made available and costs are confirmed.</i>			
<i>Effect of not doing the scheme:</i>	<i>Non compliance. Increase in revenue energy costs.</i>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
<i>Other Notes:</i>	<i>The capital bid will only progress subject to CO1 redeployment decision (civic offices refurbishment programme) and associated income generation offset from sub-let of council vacant sites.</i>			
Kathryn Adedeji	P5 - CO 1 & 2 - Replace/Upgrade Access Control System	138	-	-
<i>Detailed Description:</i>	<p><i>The access control system was upgraded in late 1999 to comply with the Year 2000 legislation.</i></p> <p><i>The system is no longer supported by the manufacturer and maintenance cover is via one small specialist company (as recommended by the manufacturer) who currently have the ability to repair, maintain the system and obtain spare parts. Spare parts are becoming increasingly difficult to source.</i></p> <p><i>The specialist company consists of two people; this does not offer a resource guarantee and a quick turnaround for failures. The difficulty to source parts and reliance on a small company increases revenue costs and potentially reduces the reliability in ensuring repairs are carried out in a reasonable timescale.</i></p> <p><i>To ensure the continuation of the security of council assets (people and place) the access system needs to be replaced. Failure to do so may result in the premises being insecure.</i></p>			
<i>Effect of not doing the scheme:</i>	<i>The current system may fail beyond repair, compromising security and increasing the risk of vandalism and unauthorised entry to the site. This would compromise the personal safety of occupants and assets. This also will reduce the revenue costs to maintain the existing system.</i>			
Kathryn Adedeji	P6 - CO 1 & 2 - BMS – Upgrade of Johnson Controls and PC	41	-	-
<i>Detailed Description:</i>	<p><i>The Building Management System currently in use is beyond its normal end of life period. This means that facilities management are unable to properly monitor plant and other critical infrastructure systems within the Civic Offices.</i></p> <p><i>This means that issues and warnings are not always reacted to in an effective and prompt fashion and could result in critical infrastructure systems failing without the facilities management being aware until users report issues. This could also result in the building being unfit for habitation and consequently impact to service delivery.</i></p> <p><i>Upgrade is therefore recommended before catastrophic failure of the system occurs and the facility management group are unable to restore the system to normal operation.</i></p> <p><i>Parts are also difficult to source for the system which would delay repairs or require additional manual check processes to be implemented. The current BMS operates on a single standalone PC with no business continuity support, and no remote or thin-client support. The system currently runs on windows XP which is no longer supported by Microsoft.</i></p>			
<i>Effect of not doing the scheme:</i>	<i>The current system may fail beyond repair, compromising building plant monitoring capability. This would increase the risk of critical plant failures going unnoticed until users report issue or site becomes unfit for operational use. This would compromise the safety of occupants and assets. This also will reduce the revenue costs to maintain the existing system.</i>			

Schedule of Proposed 2015/16 Capital Schemes

Lead Manager	Scheme	2015/16 £'000	2016/17 £'000	2017/18 £'000
Kathryn Adedeji	P7 - Thameside - Replace Electrical Distribution boards – 30+ years old	27	-	-
<i>Detailed Description:</i>	<i>The current infrastructure is prone to failure and is a potential fire risk, the latest condition report completed in October 2014 shows most of the Electrical Distribution Board equipment is 30+ years old and in poor condition. Failure has reoccurred and the mechanical and electrical team have managed to maintain the system by adopting a “rob Peter to pay Paul” approach. This situation cannot continue and may be detrimental to the Council as failure could result in safety of assets and occupants/visitors or could damage reputation in that services and leisure facilities (theatre) may not be able to continue to operate.</i>			
<i>Effect of not doing the scheme:</i>	<i>Non compliance. Potential fire safety breach of legislation.</i>			
Kathryn Adedeji	P8 - Thameside - All ventilation Systems – All floors. Allowance for re-balancing air system and correcting identification on supply and extract unit	17	-	-
<i>Detailed Description:</i>	<i>Thameside location has a number of extractor fans which are over 30 years old, these need replacement to ensure a safe operational environment for users, visitors and members of public. This has been highlighted in the latest condition report completed in October 2014 which identifies the need for replacement of these systems which will also reduce operational costs and provide a healthier work environment for staff, users and public.</i>			
<i>Effect of not doing the scheme:</i>	<i>Some areas within the Thameside location may become unfit for habitation under certain climate conditions and impact delivery of services from these locations.</i>			
Kathryn Adedeji	P9 - Thameside - Extract Fans – 3 x units	39	-	-
<i>Detailed Description:</i>	<i>Due to the age and nature of the ventilation systems deployed either at the original construction or piecemeal subsequently, the current ventilation systems are not balanced. This results in the ventilation, heating and cooling systems working against one another resulting in poor environmental conditions for users, visitors and members of the public. In addition, ventilation systems are not correctly identified and a full audit is required to allow for improved management of the systems and infrastructure. This has been highlighted in the latest condition report completed in October 2014 which identifies the need for rebalancing of the systems to be addressed urgently to reduce operational costs and provide a healthier work environment for staff, users and public.</i>			
<i>Effect of not doing the scheme:</i>	<i>The Thameside location may become unfit for habitation under certain climate conditions and impact delivery of services from this location.</i>			

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3 February 2015	ITEM: 9
Corporate Overview and Scrutiny Committee	
Customer Services/Channel Shift	
Wards and communities affected: All	Key Decision: Not applicable
Report of: Richard Parkin (Head of Housing – Community and Needs)	
Accountable Head of Service: Richard Parkin (Head of Housing – Community and Needs)	
Accountable Director: Barbara Brownlee (Director of Housing and Commercial Services)	
This report is Public	

Executive Summary

The committee has requested a report regarding the Channel Shift agenda in the Council and also Customer Service. This report provides a summary of a number of streams with more detail within the appendices. The report covers the work of numerous boards and departments (Digital Board, Transformation Board, and Commercial Services) and brings together a summary of work progressing to move towards a Digital Council.

1. Recommendation(s)

1.1 That the committee notes the report.

2. Introduction and Background

- 2.1 This is a wide spanning report that will cover, in summary, three main topics:
- The Council’s Channel Shift agenda and “Digital by Design”.
 - The current performance of the Customer Service Centre
 - The Council’s new telephony system and the phased implementation

Channel Shift

- 2.2 The Council’s overall approach for Customer Service going forward is to move to a service delivery model of “digital by design”. This in practice means that where services can be delivered online (or through other digital methods such as mobile phone apps) and where it is practical for residents to be able to do

this, then the Council will in the first instance try to meet service requests through an online platform and self-service.

2.3 This method builds on the proposed national service standard of “digital by default” and adds in flexibility to offer other access channels in the first instance for vulnerable residents who may be put off or unable to access services online. This allows a method of service deliver that both improve service and reduces cost for the majority of transaction, however does not exclude customers from access to services.

2.4 The Thurrock Online Business Case highlights the estimated difference for Thurrock in the cost of individual access channels, below; the cost of moving phone calls, or face to face, onto online channels can lead to large cost savings.

Face to Face	Post	Tel- Back Office	Email	Contact Centre	Online
£8.62	£5.20	£3.00	£3.00	£2.15	£0.20

2.5 To prompt this change in behaviour and channel shift the Council launched a new website in October 2013 to offer easy access to information and increase the range of online transaction through the self-service portal “my account”

2.6 “My Account” is a personalised service portal for each individual user which gives access to the online services specific to the needs of the resident.

2.7 Some of the current services available online are:

- “Report it” – Environment Service Reporting such as dumped waste
- Housing Benefits – New Housing Benefit Claims and Change of Circumstances
- Council Tax – Create an account, report change of address, set up direct debits, apply for discounts, and manage council tax account.
- Pay Services – Pay Housing Rent and other money owed the Council
- School Admissions
- Housing Registrations
- A full list is available in Appendix 1

Some of these services were available prior to the launch of My Account and the new website, such as School Admissions and Housing Registrations.

2.8 The services which are due to be available over the next year are:

- Bulky Waste – Booking and paying for Bulky Waste collections.
- Licensing – Applying and paying for licenses such as taxi or premises licences.

- Registrars – Book appointment with registrars for marriage, death, birth etc
- 2.9 Further planned phases for online service will allow for information and advice given for Adult Social Care and also an initial assessment of needs. Work is also underway to identify additional services that can be made available online and to consider options for increasing channel migration.
- 2.10 Channel shift is being prompted by an Online Enabler Plan which looks at changing behaviours both internally to the Council and externally for residents to ensure they are using the most appropriate and cost effective channel for their needs. This plan includes restriction of certain access points, such as the reduction of advertised email addresses or telephone numbers, marketing campaigns and training for council employees. Currently the council has not taken the approach of “forcing” a channel shift as many local authorities have, however they have taken an approach of “influence” and “behaviour change” to prompt residents to use online services. As greater costs savings become needed the Council might need to make the decisions to close certain access channels and force a behaviour change leading to cost savings.
- 2.11 Channel shift and Thurrock Online have seen some early success with their new service offers, detailed below (Oct 2013 to date):
- 3300+ reports online for Environmental Services
 - 881 benefits registrations
 - 100% New benefit applications online
 - 11,680 people registered for “MyAccount”
 - 110% increase in Transaction (Sep-Nov)
 - 1660+ Council tax registrations
- 2.12 The key challenge now for the channel shift agenda is to build on these successes and be able to move more residents to online services; an example of this being in November 2014 Environmental Services still receiving 2,878 calls, many of which could have been completed online. Until online services reach a critical mass it is difficult to release headcount from phone face to face and telephone services which will lead to a saving for the Council.

Customer Services

- 2.13 Thurrock Council, through its strategic partnership with Serco, runs a contact centre service 365 days per year, 24 hours per day. This service is broken down between “In-Hours” (08.00 – 18.00 Monday to Friday) and “Out of Hours” (18.00 to 08.00 Monday to Friday and Friday 18.00 to Monday 08.00, covering the weekend)
- 2.14 The “In-Hours” service is run through a dedicated customer services centre in the Civic Building employing some 35 full time equivalents over full and part time contracts covering around 25 different services.

- 2.15 The “Out of Hours” service is run by Careline and handles emergency calls for services in the evenings or weekends and public holidays. These emergency calls tend to be for Housing Repairs or Adult Social Care. Calls that are non-emergencies are asked to call back to the “In-Hours service”
- 2.16 The main agreed service level for the Contact Centre is to answer 50% of calls within 20 seconds and to abandon no more than 12% of calls offered to the Contact Centre.
- 2.17 Originally the service level was higher than this (80% in 20 second and =<5% of calls abandoned) however in July 2010 the Council made a decision to release savings from the Contact Centre and reduced the service levels to the ones highlights in 2.16. This led to a saving of 3.4 FTE. It is recognised that the current service level would be below the industry standard.
- 2.18 The chart below shows the current performance for the Contact Centre:

		Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14
Service Level	50%	51.08%	46.44%	51.33%	56.17%	51.71%	51.02%	51.50%	56.10%
Abandoned Calls	12%	9.12%	16.45%	14.82%	10.74%	9.50%	8.26%	8.51%	5.71%

Although there were some initial difficulties earlier in 2014/15, the Contact Centre has consistently achieved its agreed targets for the rest of the year.

- 2.19 The Contact Centre received a variable number of calls due to seasonality and other factors; this can change the calls received day to day and month to month, however on average over the previous three years call volumes have been relatively stable as highlighted below:

	2011 - 2012	2012 - 2013	2013 - 2014
Calls Offered	489,071	449,687	470,716

- 2.20 For 2013 – 14 the highest call volumes were received by the below departments:

Team	Offered
Sw itchboard	97,006
Council Tax	75,226
Benefits	67,283
Rents	38,536
Environment Srv	37,230

The data for November 2014 show that this is still the general trend for calls received. The challenge moving forward will be to channel shift many of these calls onto online transactions and other automated services.

2.21 Serco also run face to face services on behalf of Thurrock Council across the Civic Centre and some external sites. The main service performance indicator is an average wait time of <= 10:00 minutes from when customers take a ticket on entering the Civic Centre until the time they are seen by a Customer Service Advisor. Performance on this is once again within the required targets (first two months reporting issues):

		Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14
Average Wait Time	<=10:00			09:58	09:42	09:42	09:28	09:38	07:39

2.22 One of the other key indicators tracked by Serco and the Council is with regards to customer satisfaction. For telephone calls this is tracked through an impartial “on-phone” questionnaire, then the operative transfer the customer to after the call. Face to face this satisfaction is gathered through an exit survey. The current performance is below:

		Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14
Telephone	>=85%	97.44%	96.32%	97.18%	97.40%	93.58%	97.59%	96.61%	97.69%
Face to Face	>-80%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

2.23 From April to September 2014 the Contact Centre received 34 Concerns and 7 Complaints. On an average of between 35,000 and 40,000 call per month this shows very little complaint with regards to the contact centre services. Only two of these complaints were upheld.

2.24 As can be seen by the above information, the Customer Service for the Council is within the targeted performance as set by the Council for the service that it can “afford”.

2.25 Over the next year the Council will be working with its partner Serco to redefine the outcomes it needs from its Customer Service channels, moving more to promoting online services and channel shift and being able to reduce traditional contact methods such as face to face and contact centre.

New Telephony

2.26 In December 2013 the Council stated a comprehensive upgrade of its internal telephony systems due to the system at the time being obsolete, at full capacity and not able to allow for the new hot desking approach in the Civic Centre and external sites.

2.27 The new systems allow any staff member to sit at any desk on any floor in the civic and log into the phone and computer at the desk allowing access to work and resources.

2.28 The telephone upgrade stated with the Housing Department in December 2014 but since then other services have been upgraded to the new system (Public Protection, Planning, Members Area, 4th Floor Hub and Children’s Services). The remaining services are due to be upgraded by March 2015.

- 2.29 Further phases of the telephony roll out will be to allow officers to send instant messages across the telephony system and see if people are free at their desks or in meetings. A final phase is planned to allow for live sharing of documents and files.
- 2.30 The first phase of the telephony roll out linked the telephone to the computer on each individual desk, meaning that as a user logs into the desktop, their phone is also automatically logged on. Housing, due to being an early adopter of the telephony upgrade, do not currently have this functionality and users need to remember to log their phones on manually.
- 2.31 Recent anecdotal feedback has claimed that members are having difficulty reaching the Housing department and this could be part of the explanation. Housing now have a comprehensive telephony plan being developed which should be in place by 26th January 2015 and will hopefully address some of the issues around contact.
- 2.32 Unfortunately the new telephony system does not have any specified reports which will show the number of calls offered and answered (as with the Contact Centre). This is a potential future improvement that will allow services to track both front office contact via the Contact Centre and back office contact directly into the services.

3. Issues, Options and Analysis of Options

- 3.1 The above commentary gives a background of the approach that the Council is taking with regards to channel shift and customer services.

4. Reasons for Recommendation

- 4.1 This report is for noting at the request of the committee.

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

- 5.1 NA

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

- 6.1 There is no impact corporately as a result of this report.

7. Implications

7.1 Financial

Implications verified by: **Jo Beard**
Finance Officer - Housing

The channel shift approach has the opportunity to release savings for the Council which will tie into the transformation agenda moving forward.

7.2 Legal

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

There are no legal implications for this report.

7.3 Diversity and Equality

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

Through channel shift the council will need to ensure that “Digital by Design” services do not exclude vulnerable customers from accessing Council Services. This will be achieved through completing a Community and Equality Impact Assessment.

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

None

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

- NA

9. Appendices to the report

- Appendix 1 – Services Online

Report Author:

Richard Parkin

Head of Housing – Community and Needs

Housing

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thurrock.gov.uk

information satellites

- Committee management
- Committee recordings (Google)
- Ask Thurrock
- Thurrock Grid for Learning
- Traded services to schools
- Local Safeguarding Children Board
- Career opportunities bulletins (Google)
- Business Net
- Contract tenders
- Food hygiene ratings
- DisabledGo (corporate)
- DisabledGo (education)

transaction satellites

- My Account
- Payments
- Consultations
- National planning portal
- Public Access (planning and licensing)
- Thurrock Choice Homes
- School admissions
- Essex libraries catalogue
- Theatre tickets
- Liftshare (car sharing)
- iSupplier (invoices)
- GOV.UK (blue badges, licensing)

mail satellites

- GovDelivery (email)
- TaylorFitch (emagazines)

social media satellites

- Facebook (x6)
- Twitter (x5)
- Flickr
- YouTube
- LinkedIn

No.	Site	Domain	Functions	Supplier	Lead	Hosting	Login
1.	Core website	www.thurrock.gov.uk	<ul style="list-style-type: none"> Information about all council services Central navigation to all council services Form submissions to service emails Bing maps Search engine News, notices and events 	hosted by WunderRoot (Drupal CMS)	Corporate Web Team Steve Rigden Tim Asplin	External	No
2.	My Account	myaccthup.psc.agilisys.co.uk/web	<ul style="list-style-type: none"> Single sign-on Environmental reporting – <i>integration with UNI-form</i> Check environment report progress Apply for housing benefit– <i>integration with Northgate Sx3</i> Apply for local council tax support – <i>integration with Northgate Sx3</i> 	Agilisys	Corporate Transformation Darren Rogers	External	Yes
3.	Email news	public.govdelivery.com	<ul style="list-style-type: none"> Sign up for email news Manage subscription preferences 	GovDelivery	Chief Executive's Delivery Unit Communications Karen Wheeler	External	Yes
4.	eMagazines	emag.thurrock.gov.uk	<ul style="list-style-type: none"> View Thurrock electronic magazines 	TaylorFitch	Chief Executive's Delivery Unit Communications Karen Wheeler	External	No
5.	Consultations	consult.thurrock.gov.uk	<ul style="list-style-type: none"> Consultations Questionnaire Petitions Forums Polls 	Objective	Chief Executive's Delivery Unit Community Development Roxanne Scanlon	External	Yes
6.	Business Net	www.thurrockbusiness.net	<ul style="list-style-type: none"> Information News Events 	Pixelwork	Chief Executive's Delivery Unit Regeneration Lisa Ricketts	External	No
7.	DisabledGo (corporate)	www.disabledgo.com	<ul style="list-style-type: none"> Accessibility of premises in Thurrock 	DisabledGo	Chief Executive's Delivery Unit Community Development Natalie Warren	External	No
8.	Committee management	democracy.thurrock.gov.uk	<ul style="list-style-type: none"> Councillors Committees Committee calendar Committee documents Document search 	Astech	Chief Executive's Office Democratic services Steve Jones	External	Yes
9.	Committee recordings	docs.google.com	<ul style="list-style-type: none"> MP3 files of committee recordings 	Google	Chief Executive's Office Democratic services Steve Jones	External	No
10.	Payments	pay.thurrock.gov.uk	<ul style="list-style-type: none"> Business rates payments Council tax payments Housing rent payments Parking penalty charge payments Sundry debtor payments <i>Integration with Oracle financials</i> 	Northgate (PARIS)	Serco Revenues & Benefits Alison Martin John Terry	Internal	No

No.	Site	Domain	Functions	Supplier	Lead	Hosting	Login
11.	iSupplier	manage.thurrock.gov.uk	<ul style="list-style-type: none"> • Raise invoices from purchase orders • Track payments and order progress • View account history • Export transaction details 	Oracle	Serco Creditors Ken Cole	Internal	Yes
12.	Contract tenders	thurrock.g2b.info	<ul style="list-style-type: none"> • View past tenders • View current tenders • View future tenders 	BIPS	Serco Procurement Debbie Walker	External	No
13.	UNI-form Public Access	regs.thurrock.gov.uk	<ul style="list-style-type: none"> • View planning applications and maps • Comment on planning applications • Email updates on application progress • View licensing applications • View issued licences • <i>Integration with UNI-form</i> 	Idox (UNI-form)	Planning & Transportation Business Improvement Martin Slater	Internal	Yes
14.	Planning documents	edocs.thurrock.gov.uk (access only via regs.thurrock.gov.uk)	<ul style="list-style-type: none"> • View planning application documents 	Anite	Planning & Transportation Planning Martin Slater	Internal	No
15.	Car sharing	thurrock.liftshare.com	<ul style="list-style-type: none"> • Register for car sharing • Search for potential shared journeys • Calculate potential savings 	Liftshare	Planning & Transportation Strategic Transportation Kristina Smith	External	Yes
16.	Thurrock Choice Homes	www.thurrockchoicehomes.org.uk	<ul style="list-style-type: none"> • Register for council housing • Bid for an available council property • Assessment of options for the homeless 	East London Lettings Company	Housing Housing Options Dawn Shepherd	External	Yes
17.	Enrol school admissions	admissions.thurrock.gov.uk	<ul style="list-style-type: none"> • Apply for a school place • View decision outcome • <i>Integration with Tribal Admissions</i> 	Tribal	Children's Services Admissions Glyn Balmer	Internal	Yes
18.	Ask Thurrock	www.askthurrock.org.uk	<ul style="list-style-type: none"> • Information and advice directory (council and external organisations) • Create shortlists of "services of interest" • View "what's on" listings 	Open Objects	Children's Services Family Information Service Jane Flint Louise Hunt	External	No
19.	Thurrock Grid for Learning	www.tgfl.org.uk	<ul style="list-style-type: none"> • Information • Secure information sharing • News • Training and events 	Netmedia	Children's Services School Improvement Heather Clark	External	Yes
20.	Traded services to schools	www.thurrocktradedservices.co.uk	<ul style="list-style-type: none"> • Information • News • Training and events 	SLA Online	Children's Services School Improvement Sarah Williams	External	Yes
21.	Local Safeguarding Children Board	www.thurrocklscb.org.uk	<ul style="list-style-type: none"> • Information • News • Training and events 	Unknown	Children's Services Safeguarding Children Alan Cotgrove	External	No
22.	Thurrock Careers Opportunities Bulletins	docs.google.com	<ul style="list-style-type: none"> • Local and national job vacancies • Recruitment agencies • Training opportunities 	Google	Children's Services Thurrock Careers Kate Kozlova-Boran	External	No
23.	DisabledGo (education)	www.disabledgo.com	<ul style="list-style-type: none"> • Accessibility of schools in Thurrock 	DisabledGo	Children's Services Education	External	No

No.	Site	Domain	Functions	Supplier	Lead	Hosting	Login
24.	Essex libraries catalogue	classiccatalogue.essex.gov.uk	<ul style="list-style-type: none"> Search the library catalogue Reserve catalogue items Renew loans 	ELAN	Adults, Health & Commissioning Essex County Council	External	Yes
25.	Theatre tickets	purchase.tickets.com	<ul style="list-style-type: none"> Buy theatre tickets 	tickets.com	Adults, Health & Commissioning Thameside Theatre Mark Allinson	External	No
26.	GOV.UK	www.gov.uk	<ul style="list-style-type: none"> View national government information Apply for Blue Badges Apply for various licences (not all types) <i>Applications delivered as emails</i> 	GOV.UK	Central government	External	No
27.	National planning portal	www.planningportal.gov.uk	<ul style="list-style-type: none"> National planning advice and guidance Submit a planning application Building regulations information 	Planning Portal	Central government	External	Yes
28.	Food hygiene ratings	ratings.food.gov.uk	<ul style="list-style-type: none"> Hygiene ratings for food premises 	Food Standards Agency	Central government	External	No

Social media

No.	Site	Domain	Audience	Lead	Hosting	Login
29.	Facebook	facebook.com/thurrockcouncil	Thurrock and beyond – primary corporate channel	Corporate	External	No
30.	Facebook	facebook.com/youngthurrock	Young people	Children's Services	External	No
31.	Facebook	facebook.com/thurrockfostering	Foster carers	Children's Services	External	No
32.	Facebook	facebook.com/thameside	Thameside Theatre users	Adults, Health & Commissioning	External	No
33.	Facebook	facebook.com/sunshine.centre.tilbury	Sunshine Centre users	Children's Services	External	No
34.	Facebook	facebook.com/thurrockbusiness	Businesses	Chief Executive's Delivery Unit	External	No
35.	Twitter	twitter.com/thurrockcouncil	Thurrock and beyond –primary corporate channel	Corporate	External	No
36.	Twitter	twitter.com/youngthurrock	Young people	Children's Services	External	No
37.	Twitter	twitter.com/thurrocklibrary	Thurrock library users	Children's Services	External	No
38.	Twitter	twitter.com/thethameside	Thameside Theatre users	Adults, Health & Commissioning	External	No
39.	Twitter	twitter.com/thurrock_biz	Businesses	Chief Executive's Delivery Unit	External	No
40.	Flickr	flickr.com/thurrockcouncil	Thurrock and beyond – primary corporate channel	Corporate	External	No
41.	YouTube	youtube.com/thurrockcouncil	Thurrock and beyond – primary corporate channel	Corporate	External	No
42.	LinkedIn	linkedin.com/groups?gid=4152684	Businesses	Chief Executive's Delivery Unit	External	Yes

3 February 2015	ITEM: 10
Corporate Overview and Scrutiny Committee	
Review of the employee performance framework	
Wards and communities affected: N/A	Key Decision: N/A
Report of: Graham Farrant, Chief Executive	
Accountable Head of Service: Jackie Hinchliffe, Head of Human Resources, Organisation Development and Transformation	
Accountable Director: Graham Farrant, Chief Executive	
This report is Public	

Executive Summary

The performance framework is an integral part of the council's Organisational Development Strategy. It is a formal process conducted to help the council manage the performance of its employees against agreed strategic priorities and operational objectives, which are prepared annually and reviewed and monitored monthly. The importance of managers holding monthly individual performance sessions with staff has been a high council priority.

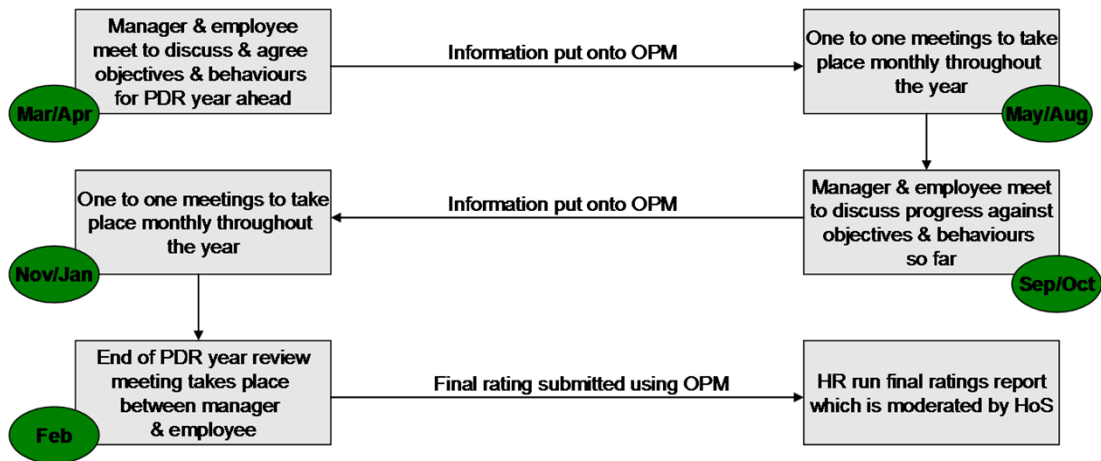
This report summarises how the performance review is structured. In so doing it will detail the mechanisms for setting objectives, outline the criteria and process for grading individuals and specify how performance is currently linked to pay. The report will also provide some metrics on how the overall system has performed over the last two years, and an overview of how key elements of Thurrock's terms and conditions of employment compare with those of other authorities.

1. Recommendation(s)

1.1 The Overview & Scrutiny committee are asked to note the report.

2. Policy and governance requirements

- 2.1 An important principle of managing performance requires managers to regularly communicate with staff on how they are performing. Employees should always be broadly aware of how well they are doing through a process of regular supervision, one-to-one meetings and the PDR process. One-to-one meetings offer an informal opportunity for staff and managers to raise work and personal development issues and to undertake a review of progress against their PDR objectives. It is a two-way dialogue, during which open, honest and constructive feedback should be given.
- 2.2 A performance assessment through the PDR process is based on individual objectives arising from service-wide delivery plans, and a framework of behaviours that the council expects employees to demonstrate. Service plans and the Behaviour Framework have been reviewed to align with the Council's changing demands and priorities.
- 2.3 The council is keen to ensure that managers fully understand their role and responsibility for managing this process. A set of Management Standards/expectations have been published that summarise the important principles underpinning the scheme as follows:
- ★ **Every direct report to have an annual PDR meeting by the end of February each year and a half-yearly progress meeting**
 - ★ **Submit PDR ratings within the deadlines specified each year so that incremental progression or suppression can be processed**
 - ★ **Carry out at least ten one-to-ones with staff per year, separate to the PDR meetings**
 - ★ **Any PDR overall score of 4 is automatically referred to the Capability Policy & Procedure for appropriate management & monitoring**
 - ★ **Attend PDR training and any refresher courses or new training arising from changes to policy, as necessary**



3. The process – setting the objectives

3.1 Setting objectives is arguably one of the most important parts of the PDR process. It links the individual’s contribution back to service plans, which in turn link back to the council’s objectives and priorities. Through this ‘golden thread’, the performance of individuals influences the performance of the council in a way that the individual staff can see for themselves and focuses resources on the achievements of our ambitions. In setting objectives managers need to ensure that they are ‘SMART’:

Specific: clear, well defined and able to be understood by anyone with a basic Knowledge of the area of work;

Measurable: The individual and manager should both know when the objective has been achieved; there must be an agreed way of determining whether it has been achieved or not – a measure of success.

Achievable: the resources required, skills and support must be present to make the target a realistic one, and therefore an achievable one. This includes the timescale set to complete it;

Relevant: it goes without saying that objectives should add value within the context they are set – this links back to the golden thread and making sure there is a visible connection with the service and council priorities;

Time-bound: all objectives should have a timescale to be completed by.

3.2 As an accredited Investor in People (IIP) organisation, the council is committed to meeting staff’s development needs, in reviewing performance and setting objectives managers must be cognisant of any development

needs required by their staff, thus ensuring they have the skills and knowledge both to deliver excellence in their roles and to meet their own personal aspirations for career progression. As training is inextricably linked to the PDR process, a suite of development is available through My Learning

- 3.3 As well as setting objectives managers are responsible for agreeing a shared set of behaviours that will form the basis of the annual review and will be evaluated throughout the review process.
- 3.4 This year we launched Oracle Performance management. Managers will now conduct the PDR process online.

4. Ratings

- 4.1 The Performance review process consists of four sections:

- (1) Objectives;
- (2) Behaviours;
- (3) Personal Development Plan (learning & development)
- (4) Additional Comments & Final Rating.

- 4.2 When completing the PDR for the purposes of the previous year's assessment, one rating (between 1 and 4, 1 being the highest) is given for the assessment of an individual's performance against their objectives. A rating of 'achieved' or 'not achieved' is given against each behaviour depending on the manager's assessment of the extent to which it has been demonstrated.

- 4.3 HR then issues a deadline (February) to have all completed PDRs (Council wide) returned to them. They will then process the annual pay increases for the start of April. Managers are responsible for ensuring that all four sections for the previous year's review have been completed in line with the required deadline, resulting in an overall assessment rating. There is a slight variation for the leadership group who also undertake 360° appraisal against the leadership framework behaviours

5. Moderation report.

- 5.1 The incremental pay progression return requires managers to report the ratings of their staff following completion of the appraisals and confirm eligibility for incremental progression. This process reinforces the link between performance and pay progression. Heads of Service conduct a moderation process to ensure appropriate and fair application. A council wide moderation is conducted to assess overall application of the scheme.

5.3 PAY Progression Outcomes – 2013/ 2014

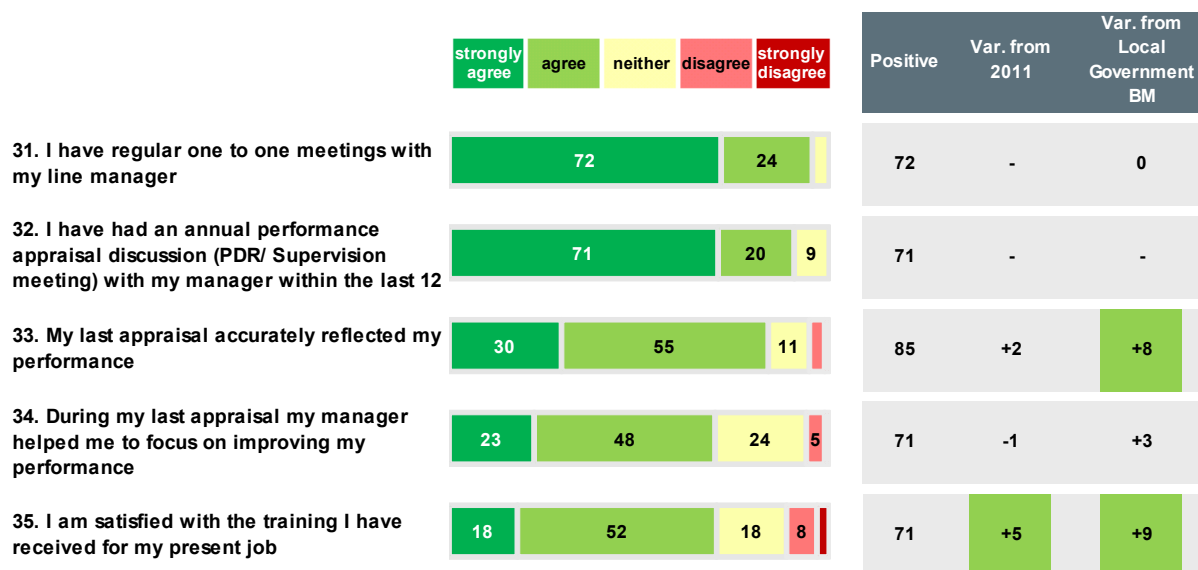
1. From 1643 employees, 725 of these were awarded an increment.
2. A further 678 employees (41%) received a rating of 2 or above, however, these employees are not due an increment due to being at the top of their pay band.
3. 33 employees (2%) were not performing at the required standard receiving a rating of 3 or 4.

5.4 Incremental Progression Key Outcomes 2012/13 for comparison

- 1) From 1561 staff, 840 were awarded an increment.
- 2) A further 521 staff (33%) received a rating of 2 or above, however these staff are not due an increment due to being at the top of their pay band.
- 3) 24 staff (1.5%) not performing at the required standard receiving a rating of 3

6. Quality of performance management

- 6.1 The staff survey is held every two years to provide a measure of staff engagement. Furthermore it provides staff with a communication channel allowing them to give feedback on their working lives within a confidential setting.
- 6.2 This year we had an excellent response rate of 72% enabling us to elicit the views of 7 out of 10 of our employees providing useful data on how the workforce is interacting with our key business processes.
- 6.3 Our PDR process remains one of our important workforce processes and is fundamental to our overarching performance.
- 6.4 The following charts indicate that 96 % of those who responded are having 121 meetings with their line managers; 91% agree that they have had a formal appraisal meeting which commences the annual cycle.
- 6.5 This represents excellent coverage of the process within the council. In addition 85% of respondents confirmed that their appraisal accurately reflected their performance putting the council 8% above the local government benchmark for the quality of appraisals.



7. Comparisons of key Terms and Conditions of Employment

7.1 Each year, Thurrock commissions an independent pay report which includes an assessment of pay trends and recommendations for appropriate pay levels.

7.2 In addition, comparative data for terms and conditions of employment in local authorities are provided by the National Joint Council for Local Government Services (NJC) and the East of England Local Government Association (EELGA).

Salaries

7.3 Current rates of senior managers' pay were determined following a pay report by Total Reward Ltd in January 2014. This included an assessment of market conditions including median pay rates across local authorities and affordability to the Council.

7.4 Employees other than senior managers receive pay rates set out in the Council's Single Status Agreement. These rates are linked to National Joint Council pay settlements and are also subject to an annual, independent review.

7.5 The next independent pay reviews will be undertaken in January 2015.

7.6 Further details, including the annual Pay Policy Statement, have been published on the Council's website, as follows:
<https://www.thurrock.gov.uk/what-we-spend/council-pay>.

Sick pay

- 7.7 Data published by the NJC (see Appendix 1) in November 2014 show that from a survey of 260 local authorities, 247 (ie 95%) used the NJC sick pay scheme. This is the scheme which Thurrock uses.

Standard working week

- 7.8 The EELGA's most recent survey (see Appendix 2), published in 2013, found that 32 out of 33 local authorities (ie 97%) in the East of England region, including Thurrock, operate a 37 hour working week.

Holiday entitlement

- 7.9 The EELGA also reported a range of holiday entitlements among their member authorities, all of which featured a 'starter' entitlement which increased to a higher level after five years' service. Examples published were:

20 – 25 days
23 – 28 days
24 to 26 (depending on grade) – 29 to 31
26 – 31

Thurrock's rates are 25 – 30 days.

Review of Terms and Conditions of Employment

- 7.10 As part of the medium-term Financial Strategy the Council has agreed a savings target of £1 million from pay, terms and conditions of employment for 2015/16, and is currently in negotiations with trade unions about how to achieve this figure.

8. Implications

8.1 Financial

Implications verified by: **Sean Clark**
Head of Corporate Finance

There are no direct financial implications for this report; however our Performance management is about increasing performance. Successful use of our performance management system will enable us to improve our programme delivery, increase our employee engagement and productivity, and make us better stewards of public funds.

8.2 Legal

Implications verified by: **Chris Pickering**

Principal Solicitor - Employment & Litigation

Any performance standards need to be objectively justifiable if employment action is taken in response to them. This applies as much to the non-awarding of performance related pay as to disciplinary action for those employees whose performance is not to an acceptable standard. To be defensible, standards should be known and published as well as being measurable. This report sets out such an objective scheme.

8.3 Implications verified by: **Teresa Evans**

Community Development and Equalities Team

Diversity and Equality

The performance framework forms an integral process in how we manage and engage our total workforce. In so doing the council gives a commitment to deliver a fair and consistent approach in the application of rules, policies and procedures of the system that we operate.

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

None

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

- NA

10. **Appendices to the report**

Appendix 1 NJC for Local Government Services Terms and Conditions survey 2014

Appendix 2 EELGA Analysis of regional terms and conditions benchmarking data

Report Author:

Jackie Hinchliffe

Head of Human Resources

NJC FOR LOCAL GOVERNMENT SERVICES TERMS AND CONDITIONS SURVEY 2014

Background

Last year the National Employers indicated that in the light of the Union Side's unwillingness to seriously consider change they would no longer be seeking to negotiate terms and conditions at national level. The LGA has previously carried out occasional surveys to identify the type of changes that have been made at local level to terms and conditions contained in Part 3 of the Green Book. Earlier this year a short survey was sent out on three Part 2/ Part 3 issues:

- *Sick Pay* – this issue is one that local authorities had indicated they would most like to see reformed nationally and as it was now clear that this cannot be achieved the National Employers were keen to see what was happening locally on this.
- *Car Allowances* – it is believed that a significant proportion of authorities have moved away from applying the full range of NJC provisions, with most of these moving to using HMRC rates. However information had not been formally gathered on this issue in the last few years.
- *Standard Working Week* – there has been some limited evidence that some authorities had sought to make changes to the standard working week and the survey was an opportunity to gather robust data on the issue.

Response to the Survey

The response to the survey was very good – 260 out of 376 English authorities (69%). Respondents included many authorities where pay is agreed at local level. However our understanding is that in most cases these authorities largely follow Green Book conditions.

A breakdown of responses by region and authority type - **Appendix A**.

- Key findings - **Appendix B**.

If you have any questions about the survey and its findings please contact jacky.teasell@local.gov.uk

Jacky Teasell
November 2014

APPENDIX A

BREAKDOWN OF RESPONSES BY REGION AND AUTHORITY TYPE

East of England						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	6	-	31	5	1	43

East Midlands						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	3	-	16	3	-	22

North East						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	1	4	-	4	-	9

North West						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	2	15	18	6	-	41

South East						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	4	-	26	10	-	40

South West						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	4	-	18	8	-	30

West Midlands						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	3	5	13	4	-	25

Yorkshire & Humberside						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	1	7	5	7	-	20

London Boroughs	Total Responses 30					
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TOTAL RESPONSE	260 responses					
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KEY FINDINGS

NJC SICK PAY SCHEME

1. Have you introduced any changes to the NJC Sick Scheme which will impact upon entitlement?

13 out of 260 authorities (5%) who responded said that they had introduced changes to the NJC Sick Scheme. The breakdown by region/authority type is as follows:

Region	Type of Authority	Number of Authorities
East of England	County	2
"	Shire District	2
East Midlands	County	1
"	Metropolitan	1
"	Unitary	1
London	Borough	1
South East	Shire District	1
South West	County	1
West Midlands	County	1
"	Shire District	1
"	Unitary	1

2(a). If you responded 'Yes' to Q.1 identify the changes made – reduction in maximum entitlement	5 months full pay, 5 months half-pay	4 months full pay, 4 months half-pay	3 months full pay, 3 months half-pay	Other
	1 response	1 response	3 responses	8 responses

Comments supplied in response to 'Other' being chosen for Question 2(a)

- *SSP only in first year of service. Local Government continuous service does not apply to sick pay for new employees.*
- *They have six different six pay schemes. New starters get no occupational sick pay for their probationary period which is usually six months. Some staff are on contracts which see them get no occupational sick pay for the first three or five days sickness but they can earn two additional days leave if they have no sickness in a twelve month period. They are looking to harmonise the schemes as part of equal pay/single status project.*
- *The first 5 days of any period of sickness absence is paid at an hourly rate equivalent to NJC SPC8. However, for the first period of sickness absence within a 6 month period, the first 3 days is paid at normal rate of pay.*
- *They have local policies/procedures that do not allow for any occupational sick pay during the probationary period.*
- *6 months full pay, 3 months half pay for Chief Officers only*
- *New employees regardless of the length of their Local Government service will not be entitled to receive contractual sick pay until they have 6 months (184 calendar days including weekends) continuous service with the County qualifying period. Subject to the qualifying period subsequent entitlement will be limited to 90% of normal pay for up to 6 months and 50% of normal pay for the second six months inclusive of SSP.*

- *Minimum entitlement is paid at 90% of pay. The period has not been changed.*
- *During 1st year of service – 1 months full pay/ 2nd year of service – 2 months full pay/ 3rd year of service – 4 months full pay/ during 4th and 5th year of service – 5 months full pay/ after 5 years' service – 6 months full pay*

2(b). If you responded 'Yes' to Q.1 identify the changes made – reduction in sick pay for short periods of absence	No payment for the first day	No payment for the first 2 days	No payment for the first three days	Other
	1 response	1 responses	1 responses	8 responses

Additional Comments supplied in response to Question 2(b)

- *Reduction only once absence trigger is reached. Changes to qualifying period.*
- *Days 1 at nil pay and then days 2 and 3 are paid at 80%. Additionally, approximately 80% of the workforce incur workback/payback when they reach a trigger i.e 10 days or more in 3 episodes or 5 episodes of absence of any length.*
- *No sick pay during the first 3 months of a probationary period for Chief Officers and Senior Managers.*
- *Maximum entitlement is paid at 90% of pay. The period has not been changed.*

3. How have these changes been implemented?	Collective agreement	Imposition on existing staff	Application to new employees/new contracts only	Other
	5 responses	2 responses	2 responses	3 responses

1 respondent did not answer this question

4.	Are the changes time limited?
12 out of the 13 authorities who had made changes to the sick pay scheme indicated that the changes were not time limited. One authority did not provide a response to this question.	

5.	If you have not introduced any significant changes to sick pay arrangements, have you announced to the trade unions and/or employees any intention to make changes to the sick pay scheme affecting entitlements in the next 12 months?	
6.	If you answered "Yes" to Q.5 – please summarise your options/proposals –	
Region	Type of Authority	Comments
East of England	Shire District	<i>They are in the process of changing their Attendance Management policy. The procedure has been tightened up and the trigger points have been made more demanding. UNISON have been advised that this will hopefully reduce the level of sickness absence. However, if sickness levels do not improve, a review will be undertaken and consideration will be given to changing entitlements.</i>
East of England	Shire District	<i>Trade Union and employees are being consulted about a proposal to change sick pay entitlement from standard NJC terms to one month full pay and 5 months half pay and not linked to service.</i>
East Midlands	County	<i>They went through a consultation that closed early in May. The proposal is to move to 3 months full pay and 3 months half pay.</i>
North East	Metropolitan	<i>They have given a general commitment not to pursue changes in areas that are matters for national negotiation (i.e Part 2) as this would risk undermining the national pay bargaining structure. However, the Trade Union's locally have not ruled out discussions on the calculation of sick pay so that premium rates and additional working hours might no longer be included in average pay for sickness allowances, on the basis that they don't reduce the period for which sickness allowances are paid. They have suggested that it would be helpful if the Green Book specified payment for basic pay/grade only.</i>
South East	Shire District	<i>They would like to consider stoppage of pay for the first day of absence (minimum); lower trigger points; reduce the number of stages; reduce member involvement at dismissal appeal stage.</i>
South East	Shire District	<i>Conditions to remain the same but will be locally agreed as part of the pay review – this is currently being consulted on as part of wider changes to terms and conditions.</i>
South West	Shire District	<i>Removal of sick pay entitlement during the first 6 months of service for new employers.</i>
Yorks/ Humber	Unitary	<i>Reforming sick pay has been informally discussed with the unions and raised with the workforce as part of plans to save £2m by 2017 on terms and conditions of employment. No formal proposals currently exist.</i>
Yorks/ Humber	Metropolitan	<i>Would seek to introduce proposals for a reduction to sick pay entitlements (90%)</i>

STANDARD WORKING WEEK	
7.	What changes have you made to the standard working week? <ul style="list-style-type: none"> • None • Reduced standard working week with commensurate reduction in pay (e.g 37 to 35 hours) for all employees • Reduced standard working week with commensurate reduction in pay for new employees only • Reduced standard working year (e.g introduced a number of unpaid leave days) • Increase in standard working week with no commensurate increase in pay • Other
8.	Date of implementation

24 authorities (8%) have made changes to the standard working week. The most common change was the introduction of several days of unpaid leave (10 responses). The number of days was generally three or four days; some respondents had made this compulsory while others had voluntary arrangements. Some additional detail on these changes is included in the examples below.

- *In 1993 all staff were put on 40 hour per week contracts. In 2002 we changed to having around half our staff (mainly office based staff) on 37 hour contracts. The rest (manual and leisure workers) stayed on 40 hours. We still have 2 staff on NJC Terms and Conditions, who are on 36 hour contracts. – 1993 was the date of implementation.*
- *Prior to 1st April we have a mixture of 37 hours/week for manual grades and 36 hrs/week for APTC. Post 2014 all will be on a standard 37 hour week – no increase in pay.*
- *Facilities exist to buy back additional leave on a voluntary basis, and employees have been encouraged to reduce the working week with commensurate drop in pay. These have had limited success. Still have a number of employees who were protected on 35 hrs 50 mins from previous local government restructuring. Intended to end protection in 2014 and move them to a 37 hour week. This will not be resisted by the TUs. A great deal of effort, with significant benefit, has been put into operational changes to achieve reductions in overtime and other additional hours working, and to reduce the amount of work undertaken at times that would otherwise attract premium rates. The daily bandwidth that only attract plain time rates have been widened, and the definition of which overtime should attract premium rates.*
- *Had considered reducing the working week to 36 hours but proposal rejected by Council*
- *We have introduced the ability for people to apply to reduce their working week on a voluntary basis through salary sacrifice arrangements*
- *Discussion ended. If £1m savings is not met they will enforce compulsory 5 days further down the line.*

- Consulting on changing the working week from 36.5 hours to 37 hours as part of wider changes
- The majority of external appointments (and many internal moves) are made on a 35 hour basis. However the standard working week remains 37 (1 April 2011).
- As part of the Single Status process the working week was increased from 36 hours 25 minutes to 37 hours. This brought us into line with the manual workforce who have always worked 37 hours. (1 January 2011)
- In Dec 2013 introduced closure of offices and forced annual leave between Christmas and New Year. (2010 – for working hours and 2013 for the annual leave Christmas closure.)
- Have introduced 2 days unpaid leave per annum on days to be determined by the council, normally within the Christmas period. (Implementation date 10 June 2013)
- Reduced standard working year (e.g introduced a number of unpaid leave days)” comment – 2 days unpaid leave for all staff. Where possible this will be taken between Boxing Day and New Year, alongside 1 days paid annual leave, to limit impact on productivity and to facilitate a Christmas close down for appropriate council buildings to save on running costs. The cost to staff is spread evenly throughout the year. If due to service delivery 2 days unpaid leave cannot be taken over the Christmas break, it should be taken at another time more convenient for the service. If the service will incur additional cover costs due to this, then an exception can be agreed and it need not be applied to those staff. This unpaid leave equates to a 0.8% pay cut for staff. (1 April 2012).
- Reduced standard working year through 1 day pay reduction (April 2014)

9.	Do the changes apply to all groups of staff excluding school teachers?
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Five councils indicated that there were some groups of staff that the policy did not apply to.

Examples given included school based staff and senior officers. In one case exemptions included a range of roles, largely social care, highways and property management. The list is subject to change depending on whether the service may incur additional costs to cover absence therefore negating the savings achieved from the application of the 2 days unpaid leave in that service.

10. How have these changes been implemented?	Collective agreement	Imposition on existing staff/dismissal and re-engagement	Application to new employees/new contracts only	Other
	12 responses	5 responses	3 responses	

11.	Are the changes time-limited?
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All of the respondents to Question 10 responded “No” to Question 11 with the exception of a Yorkshire & Humberside Met – who indicated that the changes had been implemented by collective agreement and are time-limited for 2014/15 only. One North West Unitary who had also indicated that the changes had been implemented by collective agreement did not indicate if the changes were time-limited.

CAR MILEAGE/ALLOWANCES

12.	What arrangements do you have for car mileage? <ul style="list-style-type: none">• HMRC rates for all claims• HMRC rates for casual users and NJC rates for essential users• HMRC rates for essential users and NJC rates for casual users• Full range of NJC engine sizes used• Only 1 or 2 lower NJC engine sizes used• Use of essential car user lump sum allowances• Any locally defined mileage rates, which are lower than the HMRC rate.
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Respondents were invited to choose one of the options above (plus the essential car user lump sum allowances if appropriate). Some respondents chose just one option and some chose more than two options. The summary of responses was as follows:

HMRC rates for all claims – 99 responses

HMRC rates for casual users and NJC rates for essential users – 13 responses

HMRC rates for essential users and NJC rates for casual users – 5 responses

Full range of NJC engine sizes used – 66 responses

Only 1 or 2 lower NJC engine sizes used – 46 responses

Use of NJC essential car user lump sum – 91 responses

Any local defined mileage rates which are lower than HMRC rates – 25 responses

As many respondents indicated that they had different arrangements for different groups of employees (often based on protected arrangements), it is difficult to specifically summarise all combinations. However, three key facts emerge:

- **38% of councils pay HMRC rates for all claims**
- **35% of councils still use the NJC essential user lump sum**
- **25% of councils still use all 3 NJC engine sizes used**

See below for a selection of comments provided in response to this question.

HMRC rates for all claims

- *Mileage rates were frozen for existing staff in 1998 when the HMRC rate was introduced for all new appointments. There are still a very small number of posts where it has been agreed that an essential user lump sum and associated rates will be paid. From 1 April 2012 to 31 March 2013 the HMRC rate was reduced to 35p per mile in order to assist with budget savings.*
- *Essential car users receive an additional allowance on top of HMRC rates - they are consulting on removing the additional allowance.*
- *Moving to HMRC rates for all users over a 2 year phase-in period.*
- *As a result of collective agreement (Sept 2011) we reduced mileage rates from the NJC higher rate of 65p a mile (and the lower NJC rates for smaller vehicles) to the 45p per mile rate, dropping to the 25p per mile lower HMRC rate for all mileage over 100 miles in any individual return journey.*

- *In transition between the old and the new – currently pay HMRC for all except those who still have a lease car who will continue to receive April 2008 NJC rates from 9.2p to 10.7p per mile until their current lease car contract ends at which point they will revert to HMRC rates.*
- *Revised scheme introduced in 2011 where HMRC rates apply except for existing employees claiming non-essential mileage where a protected rate of 36p applies. Alternative arrangements also exist for employees transferred from NHS.*
- *HMRC rates paid except to Public Health staff TUPE'd from NHS.*
- *Cars 'purchased' under the Council's salary sacrifice scheme are paid at HMRC regardless of casual/essential users*
- *HMRC rates for essential users and 55p per mile for casual users (local) – to be reviewed in 2015*
- *Only protected employees receive £846 essential user lump sum and 35p per mile. Existing casual users and all new starters receive HMRC rates.*
- *Currently use the NJC rates (including essential user lump sums) for all employees who were employed before January 2008. For employees who have joined since or existing staff who have changed their contracts of employment, the HMRC rates apply.*
- *HMRC rates apply to business mileage incurred after 1 April 2011 except in the case of designated essential car users who undertake more than 8500 miles per annum. In such cases the NJC for LGS essential car user scheme applies in full.*
- *Now use HMRC rates for all casual travel. For essential users we divide the lowest payment under NJC by 3000 and pay it as an additional pence per mile. So, essential users get 36.9p + 28p = 64.9p for the first 3000 miles of business travel. Thereafter they get the HMRC rate.*
- *In terms of travel, they no longer have casual or essential users, nor do they allow for engine size differences and currently pay 64p initially. They are starting consultation on reducing to HMRC rates of 45p.*

Use of NJC engine sizes

- *Lump sum and mileage rates in the upper two NJC bandings are only payable if the car emissions level are in DVLA Bands A – E*
- *We limit new starters before a certain date to lowest 2 NJC engine sizes but staff who were with the council prior to that date retain the right to the highest band. We are just reviewing options for potentially removing this entitlement and moving to HMRC rates although nothing is agreed.*
- *Pay lowest engine size rate. Also have a local rate. 14.51p for those on their Choices scheme. Essential user lump sums paid at lowest NJC rate.*
- *Staff employed before July 1993 can claim full range of NJC engine sizes. Lump sum not dependant on start date.*

Use of essential car user lump sum allowances

- *New essential users have to complete 3000 business miles and essential users are paid NJC rates on full engine sizes. Casual users are paid on NJC middle band of engine size.*
- *Agreed to retain link to NJC rates and the Essential and Casual user differentiation, but apply Class 1 lump sums and mileage rates only. Tightening criteria for Essential User designation to reduce numbers will generate further savings, and mileage reduction initiatives are in place; removal of Essential User lump sums altogether is on the table, but may not be cost effective in the long run.*
- *Essential car user allowance not taken up by employees as we have an alternative car cash locally agreed allowance for those posts which require business travel. None of the options above apply as we have locally defined essential car user mileage rates which are based on*

the HMRC rates with a locally uplifted adjustment. (NB - car mileage/allowances are currently under review following a formal consultation process.)

- *Staff who do more than 1500 miles per annum receive an essential lump sum payment. A local scheme has been put in place which provides a lump sum payment as follows if eligible - 0-120 grams CO2 £1239/121-225 grams CO2 £963/Over 226 grams CO2 £846. Mileage rates - 0-120 grams CO2 50p/121-225 grams CO2 45p/Over 226 grams CO2 40p*
- *Changes implemented in Jan 13 through collective agreement. Essential user lump sums are half the NJC rates*
- *We have introduced an annual assessment process for ECUs and use a points based system using a range of factors. Staff are only on ECU in the oncoming year if they meet our local criteria. We pay our standard lump sum for all irrespective of engine size and base this on the mid-size NJC rate.*
- *Negotiated a lower lump sum essential use allowance of £603 pa based on a % of the NJC rate.*
- *Essential car user allowance - the essential car user allowance scheme takes into consideration the environmental issue of air quality by having an incentivised progressive scheme rewarding employees where there is a specific requirement for them to use their car at work for having lower CO2 emissions rated car. The essential car user allowance will only apply to designated categories of employment where it is determined that there is an essential requirement to have a car. Employees within the above categories must travel a minimum of 2000 miles per year. (For CO2 ranges please refer to the completed survey form.) Mileage rate subject to annual review of fuel prices. The lump sum subject to annual review in line with NJC pay award on 1 Apr. The essential car user payments of 20p per mile plus lump sum are non-taxable due to not being any greater than the Inland Revenue non-taxable rate of 45p per mile as they are payments in respect of wear and tear. Casual car user allowance 45p per mile. Removed the essential car user allowance and replaced it with a protected car allowance for those staff that were under SCP25 and undertook 3000 + miles per year*
- *Removed the essential car user allowance and replaced it with a protected car allowance for those staff that were under SCP25 and undertook 3000 + miles per year*

Any locally defined mileage rates.

- *Pay 25p per mile for essential users plus £950 lump sum per year. All other users get paid 40p per mile.*
- *The business mileage rate for all designated car users is 30p per mile for the first 8,500 miles and 13.7p per mile thereafter.*
- *Casuals inside borough 40p; outside borough 30p. Essentials: inside and outside borough 30p. For both casuals and essentials after 8500 miles 13.7p for 451cc to 999cc; 14.4p 1000cc to 1199cc; 16.4p 1200cc to 1450cc*
- *40p per mile for all staff and members. No essential user allowance.*
- *40p per mile for all users*
- *Cycles, motorcycles, scooters and casual car users 25ppm/ Essential Users 35ppm. Essential user rate has been frozen until the casual Car User rate catches up.*
- *Following changes to T & Cs as part of single status negotiations the Council currently operates a range of car mileage allowances as follows: 1) Local essential user allowance (higher lump sum/lower mileage rate) discounted but subject to protection for existing users. 2) New employees - NJC mileage rates plus lump sum allowance based on 1000-1199cc banding or casual rate as appropriate. Use of 1200-1450cc banding used in exceptional circumstances for operational reasons linked to vehicle requirements - none currently in operation. 3) Lease car scheme discontinued - employees on protection arrangements*

receive a local mileage rate of currently £0.20pence per mile (subject to annual review wef 1 June).

- *Essential users 451-999 cc 1000cc and above Lump sum per annum £846 and £963. Per mile first 6500 36.9p (40.9p), after 6500 13.7p (14.4p) Casual users 451-999cc 1000cc and above Per mile first 6500 45p (45p) Per mile after 6500 13.7p (14.4p) Maximum mileage linked to HMRC level.*
- *Use AA rates 53.9p per mile for essentials. All others Oyster bus rates.*
- *First 8500 miles paid at 52.2p per mile, 14.4p thereafter*

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**CORPORATE OVERVIEW AND SCRUTINY COMMITTEE
WORK PROGRAMME 2014-15**

Report Name	Lead Officer	Meeting Date
Quarter 3 Corporate Performance Report	Sarah Welton	26 March 2015
Fairness Commission Update	Karen Wheeler	26 March 2015
Fair Debt	Sean Clark	26 March 2015
Pay Review	Jackie Hinchliffe	26 March 2015

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