

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

Cabinet

The meeting will be held at **7.00 pm** on **11 November 2015**

Committee Rooms 2 & 3, Civic Offices, New Road, Grays, Essex, RM17 6SL.

Membership:

Councillors John Kent (Chair), Barbara Rice (Vice-Chair), Oliver Gerrish, Victoria Holloway, Bukky Okunade, Jane Potheary, Gerard Rice, Richard Speight and Lynn Worrall

Agenda

Open to Public and Press

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Queries regarding this Agenda or notification of apologies:

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

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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.

Vision: 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 aspiration and attainment so that residents can take advantage of local job opportunities
- Support families to give children the best possible start in life

2. Encourage and promote job creation and economic prosperity

- Promote Thurrock and encourage inward investment to enable and sustain growth
- Support business and develop the local skilled workforce they require
- Work with partners to secure improved infrastructure and built environment

3. Build pride, responsibility and respect

- Create welcoming, safe, and resilient communities which value fairness
- Work in partnership with communities to help them take responsibility for shaping their quality of life
- Empower residents through choice and independence to improve their health and well-being

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 and safeguard the most vulnerable people with timely intervention and care accessed closer to home
- Enhance quality of life through improved housing, employment and opportunity

5. Promote and protect our clean and green environment

- Enhance access to Thurrock's river frontage, cultural assets and leisure opportunities
- Promote Thurrock's natural environment and biodiversity
- Inspire high quality design and standards in our buildings and public space

Minutes of the Meeting of the Cabinet held on 14 October 2015 at 7.00 pm

The deadline for call-in is Friday 23 October 2015 at 5.00 pm

- Present:** Councillors John Kent (Chair), Barbara Rice (Vice-Chair), Oliver Gerrish, Victoria Holloway (from 7.05pm), Bukky Okunade, Jane Potheary, Richard Speight and Lynn Worrall
- Apologies:** Councillor Gerard Rice
- In attendance:** Councillor James Halden
Councillor Roy Jones
Councillor Brian Little
Councillor Graham Snell
Lyn Carpenter, Chief Executive
David Bull, Director of Planning and Transportation
Steve Cox, Assistant Chief Executive
Carmel Littleton, Director of Children's Services
Roger Harris, Director of Adults, Health and Commissioning
Kathryn Adedeji, Head of Housing - Investment and Development
Sean Clark, Head of Corporate Finance
Matthew Essex, Head of Regeneration
Richard Parkin, Head of Housing - Community & Needs
Daniel Toohey, Principal Solicitor - Contracts & Procurement
Stephanie Cox, Senior Democratic Services Officer
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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.

47. Minutes

The Minutes of Cabinet, held on 9 September 2015, were approved as a correct record.

48. Items of Urgent Business

There were no items of urgent business.

49. Declaration of Interests

Councillor Okunade declared a non-pecuniary interest in respect of Agenda Item 15, Thameside Complex Review, as she was a board member of TRUST which occupied offices within the Thameside Complex.

50. Statements by the Leader

The Leader welcomed Lyn Carpenter to her first meeting of Cabinet, as the new Chief Executive, and thanked David Bull for his work as interim Chief Executive.

The Leader welcomed the residents in the public gallery to the meeting and briefly highlighted those who were present in the Council Chamber, which included the Cabinet Members as decision makers, officers who advised on the decision making process, opposition members and the media.

The Leader further explained that there was usually no provision for the public to speak at meetings of Cabinet, however in this instance he had waived the rules and exercised his Chair's discretion in order to permit three residents to make statements in relation to Item 10, Housing Estate Regeneration Update. He asked all those present to be courteous and not to speak over others when speaking.

At 7.05 pm Councillor Holloway arrived at the meeting.

51. Update Report: Corporate Performance Summary (Up To End of July 2015)

Councillor Holloway, Cabinet Member for Central Services, introduced the report which summarised performance against the Corporate Scorecard 2015-16, a basket of key performance indicators (KPI's), as at Month 4 (end of July 2015). Members were informed that at the end of Month 4, 77% of these indicators were either meeting or within an acceptable tolerance of their target, and that this figure was lower than usual at this stage of the year.

Councillor B. Rice reported that the target for self-directed support was now 'Green' and meeting target, which was primarily a result of two factors, that included carers were now excluded in the data as carers were to be reported separately from service users and that the implementation of the Care Act 2014 had impacted upon performance in the first quarter.

Councillor Speight highlighted that contaminated recycling resulted in loads being rejected and disposed of as residual waste, which significantly increased disposal costs, and felt this was important cross-contamination was monitored.

52. Petitions submitted by Members of the Public

There were no petitions submitted.

53. Questions from Non-Executive Members

The Leader of the Council advised that one question had been submitted and that the question would be taken with the corresponding agenda item in the usual manner.

54. Matters Referred to the Cabinet for Consideration by an Overview and Scrutiny Committee

The Leader of the Council informed Members that one item had been referred by an Overview and Scrutiny Committee, which was included later on the agenda at Item 15, Thameside Complex Review.

55. Housing Estate Regeneration Update (Decision: 01104415)

Councillor Worrall, Cabinet Member for Housing, introduced the report which provided an update on the results of the recent consultation regarding high rises in Grays and the progress that was being made on the Council's other key housing estates.

Councillor Worrall thanked all residents who took part in the consultation and explained that the information gathered had been valuable. She further apologised to residents, as she felt that they had been caught in a political point scoring exercise and emphasised that Councillors should remain balanced and listen to the views of residents.

Councillor Worrall reported that she wished to make an amendment to recommendation 1.1 printed in the report in order to delete the words 'at this stage' so that the recommendation would read as follows:

"Cabinet not to award decant status to three Grays high rises – Butler, Davall and Greenwood House, but instead to note that continued consultation should take place with residents to include detailed design on alternative home provision to ensure residents are given a clear unambiguous set of choices."

Councillor Worrall explained that the amendment was important, as the Council was not planning to award decant status to residents of the Grays high rises but would continue to consult with residents as there were some who wanted to leave and others who wanted to stay.

Councillor Worrall explained that recommendation 1.3 was for Cabinet to note that the Council's new build development on Seabrooke Rise would be allocated in accordance to the Council's existing Lettings Policy and existing residents of the Seabrooke Rise high rise towers would not benefit from enhanced priority status at the current time, however added that she wanted to do what she could to assist those residents who wanted to leave by creating a local lettings plan.

In light of this the Cabinet Member informed all those present that officers would consult with residents regarding the local lettings plan and a report would be referred to the Housing Overview and Scrutiny Committee for consideration, subsequent to which it would be referred to Cabinet for approval.

Councillor Worrall further reported that the government's recent announcement to impose a 1% reduction on rents over the next four years had a significant impact on the Council's Housing Revenue Account (HRA) Business Plan and consequently officers were evaluating how this would affect the regeneration programme.

The Cabinet Member briefly summarised the investment on the Flowers Estate in South Ockendon and the Garrison Estate in Purfleet and emphasised that it was important to speak with local ward Councillors and engage with local residents on plans going forward.

Councillor J. Kent, Leader of the Council, invited the three residents to make their statements in the following order:

- Miss Harries, Lead Petitioner of Petition 467 'to save our homes being pulled down: Butler; Davall and Greenwood' explained that the number of people who signed the petition were not used in the overall percentage calculation, rather it was the number of flats on the petition. Miss Harries reported that the percentage of residents who wanted to stay was 64% in Butler, 72% in Davall and 54% in Greenwood which equated to a total average of 63.9% in favour of staying. She added that the flats were resident's homes, some tenants of which had lived there for up to 30-40 years, and that it was a living community as many residents socialised with each other and made good friendships with others throughout the flats, not just with those who lived on the same floor. The resident explained that to break up the community would devastate a large number of people and the impact on the elderly and disabled would be particularly catastrophic both socially and emotionally. Members were informed that residents of the high rise flats provided a great deal services and care for neighbours, such as cooking, pet care and social visits that prevented social isolation without any expectation of payback that was greater than any Council could expect to afford. Miss Harries further commented on the fact that there were so few Council homes on offer in Grays and questioned where the 174 families could be rehoused in addition to those on the housing waiting list and others who needed support and assistance such as those seeking asylum. She felt that the Council needed to increase its Council housing stock, not reduce it, and it did not make sense to pull down homes that had 40-50 years of life in them, and whilst recognising the blocks required updating this had been set out in the Council's five-year transforming homes programme. In summarising Miss Harries asked that if a final decision went in favour, whether the Council could provide long-term tenancy agreements for residents so that they could not be threatened with a similar proposal in the near or not too distant future.
- Miss Low, Lead Petitioner of Petition 470 in favour of demolishing Butler, Davall and Greenwood High Rise blocks in Grays, explained

that since the beginning of the process the hopes of residents wishing to move had been raised by the possibility of them being able to apply for new properties on The Echoes. She added that discussions had been ongoing for the best part of a year and felt that the Council was prolonging the process. Miss Low reported that she respected the desire of some residents who wanted to stay in the flats but felt that they were not suitable properties to raise young children in as the flats were cold, some windows did not close and during summer months parents were afraid to open other windows for fear of their children's safety. The resident felt that if the flats stayed residents should be given the choice to move and described that some residents had found the earlier petition misleading and believed they were signing the petition to register their participation in a debate. She advised that her petition only surveyed Butler, Davall and Greenwood Houses as it had been made clear if these three blocks were demolished residents of Lionel Oxley, Arthur Toft and George Crooks would be eligible to move out but would not receive payment. In summary Miss Low observed that many residents felt that this debate had gone on long enough and called upon the Council to make a decision as soon as possible and hoped that Councillors would make the right decision for the future regeneration of Grays.

- Mr Calder, representative of the Seabrooke Rise Steering Group, explained that the group understood that demolition was not the Thurrock default option when estates were not in need of a great deal of repair, as the group considered was the case with the high rise blocks in question. He recognised that the Council needed to be socially hearted but financially minded given the present dictates by Central Government and that estate properties were being brought up to the Decent Homes standard despite the high costs involved. Mr Calder explained that the flats were peoples' homes and many had been living there for a long time. It was reported that the Steering Groups focus had been brought back to what the community wanted but felt had been lacking, which was full proper participation within any consultations or process that concerned their homes and any regeneration that may affect their lives and neighbourhood. Mr Calder felt that many older long-term residents were against demolition and the upheaval of moving whilst many younger families with children wanted to move, but the consultation process so far had brought worry and anxiety to older people and had raised the hopes and expectations of those who wished to move. Members were informed that the Steering Group wanted to work towards a regeneration plan that included all of the Seabrooke Community with the aspirations of the young and the old being voiced by working in partnership, which supported the Council's mission statement. He thanked Cabinet for the opportunity to speak but observed that he could not convey the views of all residents and felt that they deserved a better hearing.

Councillor Worrall remarked that it was a sad situation that this matter had become politicised and felt that Elected Members had a responsibility to hear all views fairly and not take one side against the other. She hoped that the amended recommendation's would go some way to helping both sides of the debate and advised that the Local Lettings Plan would need to be explored by both Housing Overview and Scrutiny and Cabinet again so that it could consider the detail of how residents of the three high rise blocks could benefit from enhanced priority status on the new Echoes estate.

Councillor Worrall assured all residents that she was listening to their concerns but felt that it was unfair to say that there was a split with only the young wanting to move and only the elderly wanting to stay.

The Chamber were advised that the flats over the next 10 years would require over £10 million of investment in order to bring them up to the decent homes standard and that only £4 million was available through the Transforming Homes programme.

Councillor Kent asked the Cabinet Member for clarification regarding the fact that some people felt the opportunity to benefit from enhanced priority status for The Echoes estate had been taken away. In response the Cabinet Member explained that the re-examination of the Local Lettings Plan, which was suggested in the amended recommendation 1.3, would enable residents who wanted to move out of the flats to receive priority for The Echoes, Tops Club and Kings Walk sites.

Councillor Potheary observed that this process had been difficult for all involved and thanked the residents who wanted their voices heard. She felt that the reported Anti-Social Behaviour (ASB) should be addressed through consultation with the Housing team.

Councillor Gerrish remarked that the information which had been presented had divided the community and that opposition Councillors had exacerbated fears. He felt that corporately the Council had put residents in a difficult position and that lessons needed to be learnt from this in future on other estates, such as the Garrison Estate in Purfleet.

Councillor J. Kent recognised this had been a difficult decision to reach and that at his surgeries residents had explained that they felt trapped in the tower blocks, which was also a problem in Chadwell St Mary, Tilbury and Blackshots. He stated that he was heartened by the proposal to re-examine the Local Lettings Plan to enable Seabrooke Rise residents to receive enhanced priority status. In the interim he felt that the housing team needed to explore whether a concierge system was needed in order to address Anti-Social problems and if improvements could be made to cladding, windows and the heating exchange.

Councillor J. Kent further reported that the community was not divided, although there were divided opinions, and in response to the suggestion to create long-term tenancies, assured residents that through the amendment to

recommendation 1.1 and the removal of 'at this stage' the Council did not have any intention to revisit the decision not to award decant status anytime soon.

In summing up, Councillor Worrall assured all those present that the Local Lettings Plan would be consulted upon with tenants, the residents Steering Group and cross-party through the Housing Overview and Scrutiny Committee before referral back to Cabinet for a final decision.

Councillor Worrall summarised the recommendations that Cabinet would be approving, subsequent to which Councillor J. Kent proposed an amendment to recommendation 1.3 to confirm that the Council would explore a local lettings plan as a matter of urgency. The new recommendation read as follows:

“Cabinet to note that the Council’s new build development on Seabrooke Rise will be allocated in accordance to the Council’s existing Lettings Policy and existing residents of the Seabrooke Rise high rise towers will not benefit from enhanced priority status at the current time, therefore Council explores a local lettings plan as a matter of urgency.”

Members voted unanimously in favour of the recommendations, including the proposed amendments, whereupon the Chair declared these to be carried.

RESOLVED:

- 1. Cabinet not to award decant status to three Grays high rises – Butler, Davall and Greenwood House, but instead to note that continued consultation should take place with residents to include detailed design on alternative home provision to ensure residents are given a clear unambiguous set of choices.**
- 2. Cabinet to agree that officers consider feedback from this consultation as part of the development of the emerging master plan for Grays Town Centre.**
- 3. Cabinet to note that the Council’s new build development on Seabrooke Rise will be allocated in accordance to the Council’s existing Lettings Policy and existing residents of the Seabrooke Rise high rise towers will not benefit from enhanced priority status at the current time, therefore Council explores a local lettings plan as a matter of urgency.**
- 4. Cabinet to note that the Council is currently reviewing the proposed Housing Development Plan and Estate Regeneration Programme in the light of the Government’s imposed reductions in rent. The Council are assessing the implications and options available to ensure that the financial parameters of the HRA are met, whilst retaining an affordable and deliverable programme of housing investment and new build development.**

Reason for Decision - as stated in the report
This decision is subject to call-in

The Leader the Council asked the Cabinet Member to clarify the decision made, to which it was re-iterated that decant status would not be awarded to the three Grays high rises – Butler, Davall and Greenwood House – but instead a continued consultation would take place, and that although existing residents of the Seabrooke Rise high rise towers would not benefit from enhanced priority status at the current time, the Council would explore a local lettings plan as a matter of urgency.

At 7.42 pm there was a 3 minute break to allow members of the public gallery to leave the Council Chamber if they wished to do so.

56. Shaping the Council and Budget Update (Decision: 01104416)

Councillor J. Kent, the Leader of the Council, introduced the report which set out the pressures in 2015/16 and the Medium Term Financial Strategy (MTFS) with a need to meet an estimated budget gap of over £28 million for the four years between 2016/17 and 2019/20. Members were advised that the latest MTFS included the impact of the cessation of the Serco contract which would allow for greater flexibility in future and that it was hoped that staff could join the authority a month early.

In introducing the report the Leader highlighted to Members attention a graph which documented the decline of the revenue support grant received by Thurrock Council from Central Government from 2010/11 to the present day and an estimated projection to 2019/20. The graph documented a cut of £36 million.

The Leader further expressed concerns following the latest Chancellors speech at the Conservative Party Conference, where it was announced that local authorities could retain business rates locally, which he felt was misleading as in reality much of the business rates collected would still be retained and distributed among other Boroughs and Districts.

Councillor B. Rice explained that that cuts in the revenue support grant from Central Government had a considerable negative impact on her service area, where the total gross spend on older persons had reduced by one third per person from 2009. She further reported that the service faced significant challenges in light of the fact that the government had imposed a £600,000 in-year grant funding cut on Thurrock, which would need to be recouped across the next 6 months.

Councillor Holloway observed that it was helpful to have such information presented each month, especially when residents saw essential services in difficulty, such as waste collection and grass cutting.

Councillor J. Kent highlighted the impact of the government cuts on Essex Police, which would see 32 of the current 38 Police Community Support Officers (PCSOs) cut.

Councillor Gerrish observed that in future year's services that residents regard as essential will not be able to be delivered and difficult choices would need to be made.

Councillor Okunade reported that budget cuts in Children's Social Care were unavoidable but the Council were committed to delivering a safe service.

There was a brief debate on the negative impact the recent announcement by Central Government to impose a 1% reduction on rents over the next four years would have in Thurrock, which equated to £4.5 million per year.

RESOLVED:

- 1. That Cabinet note the current financial position and that a future Shaping the Council and Budget Update report will set out any financial impact of pressures within the Children's and Housing Services budget, as set out in the report; and**
- 2. That Cabinet note the latest update on the Serco transition.**

Reason for Decision - as stated in the report
This decision is subject to call-in

57. Homelessness Prevention Strategy 2010-15 (Decision: 01104417)

Councillor Worrall, Cabinet Member for Housing, introduced the report which set out the Council's statutory duty to have a Homelessness Strategy which detailed the local authority's plans for the prevention of homelessness and for securing that sufficient accommodation and support are, or will be, available for people who become homeless or who are at risk of becoming so.

Councillor J. Kent questioned what the imposed 1% reduction on rents over the next four years would have on the duty, to which the Cabinet Member explained the results of the housing needs survey highlighted that more one and two bedroom homes were needed in Thurrock and that private landlords were not always accepting of people on universal credit.

Councillor Speight welcomed the strategy, which he felt was thorough and well thought through, but was concerned at the evidence that private landlords did not accept people in receipt of universal credit payments.

Councillor B. Rice explained that this was currently being reviewed as part of the Health and Wellbeing Strategy.

Councillor Gerrish was concerned with the stark trend of the number of households who had approached the Council for homelessness advice and

assistance in Thurrock over the past three years, which was up from over 1,000 in 2012/13 to nearly 1,600 in 2013/14 and 2,700 in 2014/15.

RESOLVED:

1. **That Cabinet notes the review of homelessness in the borough - Appendix 1.**
2. **That Cabinet approves the Homelessness Prevention Strategy 2015 to 2020 - Appendix 2.**
3. **That Cabinet approves plans for an annual review of the Homelessness Prevention Strategy – to be presented at the September Housing Overview & Scrutiny committee meeting.**

Reason for Decision - as stated in the report
This decision is subject to call-in

58. Right to Move (Decision: 01104418)

Councillor Worrall, Cabinet Member for Housing, introduced the report which explained that on 20 April 2015 new statutory rules called the “Right to Move” came into force, which meant that Thurrock Council could not disqualify someone from joining their housing register on the grounds of no local connection where they meet certain criteria, which included:

- The person is already a social housing tenant (Council or Registered Provider tenant) in another borough in England, and;
- They have a need to move to Thurrock to avoid hardship, and;
- They need to move to Thurrock because they either already work in Thurrock, or;
- They need to take up an offer of work in Thurrock.

Members were informed that the Council could restrict the number of properties allocated under the new rules to an agreed annual quota, which was at least 1% of relets, and in June 2015 the Housing Overview and Scrutiny Committee recommended that Cabinet agree the annual quota be set at 1% of the preceding years housing allocations which would represent 6 properties per year.

Councillor B. Rice questioned whether the 1% quota would mean that some properties are left empty, to which it was confirmed this would not be the case and applications would be dealt with as they were received.

Councillor Worrall confirmed that to date no applications had been received under the Right to Move scheme.

RESOLVED:

1. **That the new “Right to Move” regulations be noted.**

2. **Cabinet approve the annual quota of properties to be allocated under the new provisions be set at 1% of all Council housing allocations for the preceding year (1st April to 31st March) with the provision that officers endeavour to seek mutual exchanges, where possible, to mitigate the impact on levels of Thurrock Council housing stock.**

Reason for Decision - as stated in the report
This decision is subject to call-in

59. Denominational Transport - Service Review (Decision: 01104419)

Councillor J. Kent, Cabinet Member for Finance and Education, introduced the report which proposed to go out to further consultation on the future of the service including possible de-commissioning.

RESOLVED:

Cabinet approve a review of denominational transport with the option of discontinuing the service after July 2016.

Reason for Decision - as stated in the report
This decision is subject to call-in

60. Devolution, Combined Authority and South East Local Enterprise Partnership Update (Decision: 01104421)

Councillor J. Kent, Leader of the Council, introduced the report which set out the progress being made in discussions involving the Council on devolution and combined authorities and the latest position with the South East Local Enterprise Partnership.

In introducing the report he questioned whether Thurrock's best interests were being served under the current arrangements or whether it would be more beneficial to form a partnership with South Essex authorities instead. Concerns were also raised in the fact that there was no vice-chair position for the federated area of South Essex.

Councillor B. Rice questioned the benefits to Thurrock under the current arrangements, to which it was explained the mechanism of the South East Local Enterprise Partnership divided up Business Rates and could negotiate a greater say on matters such as skills and training and job centre plus.

Members debated whether Thurrock would be best served by the current arrangement or if a new partnership should be formed with Southend Borough Council or both Southend and Basildon Council's.

During the debate Members felt that a separation with Essex County Council would best serve Thurrock's interests and that a partnership with Southend

and Basildon would be more appropriate given the natural similarities between the Boroughs, as Thurrock had little in common with some North Essex authorities.

In light of the debate Councillor J. Kent proposed an amendment to recommendation 1.1, which read as follows:

“That Cabinet confirms its commitment to pursuing a devolution deal with Government and to continue to work with partners across South Essex and Greater Essex, whilst continuing to explore whether Thurrock’s best interests can be served through a Greater South Essex Combined Authority.”

Members voted unanimously in favour of the recommendations, including the proposed amendment at 1.1, whereupon the Chair declared these to be carried.

RESOLVED:

That Cabinet:

- 1. Confirms its commitment to pursuing a devolution deal with Government and to continue to work with partners across South Essex and Greater Essex, whilst continuing to explore whether Thurrock’s best interests can be served through a Greater South Essex Combined Authority.**
- 2. Agrees that a devolution deal must be underpinned by a business case that demonstrates benefits for Thurrock, that could not otherwise be achieved, which have the support of local businesses and are underpinned by a governance framework that localises decision-making.**
- 3. Strongly supports the creation of a SELEP vice chair position for the federated area of South Essex.**
- 4. Notes that Thurrock Council has signed the SELEP Joint Committee Agreement.**

Reason for Decision - as stated in the report

This decision is subject to call-in

61. Thameside Complex Review (Decision: 01104420)

Councillor Snell, Chair of the Thameside Complex Review Panel, introduced the report which detailed the findings of the Thameside Complex Review Panel and the recommendations they wished Cabinet to endorse, following its consideration at Corporate Overview and Scrutiny Committee in September 2015.

In introducing the report, Councillor Snell highlighted the following key points:

- That the library was the most well-used facility in the Thameside Complex, accounting for 58% of visits mentioned in the survey, alongside 15% respondents for the Café, 13% for the museum and 10% for other services which included the registry office, baby activity groups and visiting voluntary organisations.
- That the panel had visited the Thameside Complex and noted that museum displays were dated and needed refreshing, and opinion was divided about the building.
- Many respondents valued the services provided within the Thameside Complex and were concerned that it would be demolished and replaced with housing, which was a fear that the panel had found to be unfounded.
- That the majority of respondents agreed that the Thameside Complex was in the right location, as it was easily accessible.
- That the registry office was not competitive with other more picturesque locations elsewhere, and that it had been suggested Coalhouse Fort would be a good wedding venue, which was frequently requested by residents.
- That Charcoal Blue had highlighted a number of issues with the current theatre provision, which include cramped seating, inadequate stage winds, limitations for stage backdrops, minimal prop storage and changing rooms on a different floor.

Councillor J. Kent questioned whether residents liked the location of the current Thameside Complex on the corner of Orsett Road or whether they simply wanted the facilities in Grays.

In response Councillor Snell felt that overall people wanted the provision offered to remain in Grays, which was not necessarily at the exact current site.

Councillor Speight felt that it was important provision remained in Grays due to its good transport links and that it was important to have a cultural vision to complement the backstage skills which were being developed in Purfleet.

Members commended the work of Councillor Snell and the Thameside Complex Review Panel, and recognised that this was a large piece of work that was of much local interest to residents.

A brief discussion took place on whether The State Cinema could viably be developed into a theatre, to which Councillor Snell explained that this had been ruled out as a viable option due to limitations with the building itself.

Councillor Potheary highlighted that there was a sense of mistrust about the Thameside Complex and that the process needed to be managed carefully going forward.

Members were in agreement that this was an important project that was vital the Council did not get wrong, and as a result a clear vision and cross-party support was essential in order to show unity.

Councillor J. Kent observed that the report had made clear the Thameside Complex building itself was not fit for purpose and that left the Council with limited options. Whilst further options were identified he felt that it was important the theatre continued to do what they could to increase revenue.

Councillor J. Kent further reported that the Corporate Overview and Scrutiny Committee had expressed the need for clarity regarding funding and costs of possible alternatives going forward, and as a result instructed officers to undertake a more detailed evaluation on the Thameside Complex which could be referred back to Members at a later date.

Councillor Snell felt that this was a good opportunity to create something Thurrock could be proud of.

RESOLVED:

- 1. Cabinet accept the conclusions set out on page 22 of the report (attached as Appendix 1) as a set of guiding principles when exploring future cultural provision at the Thameside Complex.**
- 2. A site that represents the Arts should remain in Grays.**
- 3. The Council should endeavour to improve and modernise the library, museum and registry service whether this be in the Complex or in another location.**
- 4. Any theatre needs to cater for the community but also a variety of professional acts and productions. It should represent the aspirations of a competitive regional theatre.**

Reason for Decision - as stated in the report
This decision is subject to call-in

62. Purfleet Centre - Award of Contract (Decision: 01104422)

Councillor J. Kent reminded Members that the report was part-exempt and asked Members not to stray into discussing the exempt information as the press and public would need to be excluded.

Councillor Speight, Cabinet Member for Regeneration, introduced the report which set out the detail of the regeneration of Purfleet, the largest regeneration programme the Council was directly responsible for delivering, which included 2,300 new homes and a state-of-the-art film, television and media studio complex around a new town centre featuring a primary school, health centre and local shops, leisure and community facilities.

The Leader invited Councillor B. Little to read the question that he had submitted and the following response was received:

- Councillor B. Little asked the Portfolio Holder how many new, permanent jobs would be created by this project and how much local sourcing was planned.

In response the Cabinet Members explained that job creation and local Supply Chains were two areas specifically considered in the Competitive Dialogue process which saw the Council selecting PCRL as its development partner.

Regarding the number of jobs created, the Cabinet Member explained that whilst a definitive answer could not be given at this point, it was anticipated that the film, television and media studios would provide the largest single number of jobs – estimated at around 1,000 permanent posts. It was expected that this number would be significantly increased as individual films and television programmes come forward. Outside of the film and television studios, several hundred new jobs would be created through the services and facilities also being constructed as part of the project including the new school, health centre, shops and cafes/restaurants in addition to more than 1,300 construction jobs created over the lifetime of the project.

The Cabinet Member further reported that on local sourcing/supply chains, PCRL had committed to working with the Council and maximising the opportunities for local firms and have their own experience of running ‘meet the buyer’ events to build supply chains.

As a supplemental question, Councillor B. Little asked the Portfolio Holder to clarify whether checks and balances would be in place to lock in local sourcing targets and jobs into contracts with appropriate review periods to ensure that the Council got what was agreed in the contract upon delivery.

The Cabinet Member explained that the Council constantly pushed for more than what was offered and through genuine partnership and co-working believed that targets would be locked in and substantively delivered throughout the lifetime of the project.

Councillor Gerrish welcomed the report and remarked that Thurrock should be proud to achieve a nationally significant cultural hub and its plans for a properly planned community to an area.

Councillor Holloway echoed the sentiments regarding the exciting project and commended the work of the late Councillor Andy Smith, who held the Portfolio previously and had laid the initial groundwork for the Purfleet Centre scheme.

Councillor B. Rice questioned whether the much needed school and health infrastructure would be prioritised first, to which the Cabinet Member assured those present that infrastructure was a key priority and was expected by residents. He emphasised that it was important to get this development right and was strongly committed to consultation and community participation.

Councillor J. Kent informed Members that a panel, which had included opposition members and PCRL representation, had already met to examine bidders for the new Primary School, and that the construction of educational facilities was a priority and too often was overlooked in the first phases of construction in the past.

Members commended the work of Matthew Essex, Head of Regeneration, for all this hard work in getting the project to this point.

RESOLVED:

- 1. That Cabinet notes the progress made since the selection of PCRL as the Council's development partner for the Purfleet Centre scheme;**
- 2. That Cabinet approves the commercial terms outlined in Appendix 2 as the basis for the contractual agreements between the Council, PCRL and L&Q and authorises the completion of those agreements; and**
- 3. That Cabinet delegate authority to the Assistant Chief Executive, in consultation with the Portfolio Holder for Regeneration, to conclude any remaining discussions necessary to complete those agreements on the Council's behalf provided that they are on substantially the same terms as those contained within this report.**

Reason for Decision - as stated in the report
This decision is subject to call-in

The meeting finished at 9.06 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**

11 November 2015	ITEM: 6.1
Cabinet	
Update Report: Corporate Performance Summary – Month 5 (Up To End of August 2015)	
Update report of: Councillor Victoria Holloway, Portfolio Holder for Central Services	
Accountable Head of Service: Karen Wheeler, Head of Strategy & Communications	
Accountable Director: Steve Cox, Assistant Chief Executive	
This report is public	

This briefing note provides Cabinet with a summary of performance against the Corporate Scorecard 2015-16, a basket of key performance indicators, as at Month 5 ie end of August 2015. These indicators are used to monitor the performance of key priorities set out in the Corporate Plan and enables Members, Directors and other leaders to form an opinion as to the delivery of these priorities.

At the end of each quarter a full report will be presented to Cabinet and to Corporate Overview and Scrutiny Committee. This briefing note is high level and there are no direct legal, financial or diversity implications arising. Within the corporate scorecard there are some specific financial and diversity related performance indicators, for which monitoring is undertaken each month. A full implications assessment is undertaken for the quarterly performance reports.

Performance Report Headlines

At the end of Month 5, 87% of these monthly indicators are either meeting or within an acceptable tolerance of their target.

RAG status	Monthly KPIs at end of August 2015	<i>Direction of Travel (DOT) compared to last year</i>	DOT at end of August 2015
GREEN - Met their target	39.13%	↑ IMPROVED	55.55%
AMBER - Within tolerance	47.83%	→ STATIC	7.41%
RED* - did not meet target	13.04%	↓ DECLINED	37.04%

**Please note that in the case of some indicators, the in-year use of RED status is an alert rather than necessarily an indication of poor performance.*

The performance of the indicators within the corporate scorecard need to be considered against the backdrop of the national austerity measures and reduced resources, and in particular, how these measures impact on the Council’s finances and demands for services.

However, the fact that 87% of the monthly KPIs are currently hitting or within tolerance of target is encouraging.

KPIs ‘IN FOCUS’

The Performance Board has identified the following issues to be **IN FOCUS** this month:

RAG	DOT from last year	Measure	Data	
GREEN	Better	% of rent collected	August Actual/YTD	94.78%
			August Target	93%
			Year End Target	99.5%

Thurrock’s Rent and Welfare Team performance has been successful in the last five months in ensuring rent collection is protected, meeting its targets, and continuously exceeding it.

In the last year, the Rent and Welfare team has adopted the approach of supporting tenants. Through regular monitoring of rent collections and rent arrears, the Financial Inclusion and Rent Officers are able to provide advice and assistance to tenants who are failing to pay their rents on time.

This type of support is also enhanced by the multi-agency work approach adopted by the team. To ensure support and help is provided to tenants, the service engages with other agencies such as: housing options, advocacy services, and Children Services.

This support is proving a crucial way in mitigating the risk of falling and escalation in tenant’s rent arrears, therefore preventing homelessness and evictions from taking place.

The service is expecting to continue to meets its targets in the coming months, and aims to achieve 99.5% rent collection by end of March 2016 (the service collected 99.44% in 2014/15), putting the service in the upper quartile when benchmarked with other authorities.

However, changes to the welfare system are likely to add further pressures on the Authority. These changes are likely to detrimentally affect the overall rent collection at the end of the year.

RAG	DOT from last year	Measure	Data	
RED	Worse	% of household waste which is reused, recycled or composted	August Actual/YTD	41.5%
			August Target	46.48%
			Year End Target	48%

The recycling performance this year continues to lag behind target with the current projected outturn being circa 39%.

Nationally, recycling levels have been falling in many areas of the country. In Thurrock, the levels of recycling are lower than in many areas due to the high proportion of flats (30% of all properties) with communal bins.

In addition a small but significant number of residents are using their blue bins to dispose of general waste rather than recyclable materials. This has led to an increase in the contamination level of our recycling and as a result many loads have been rejected from the recycling processing plant and have had to be disposed of as residual waste.

A communication and engagement project is underway within the department to tackle the levels of contamination with detailed information of the materials that can be recycled provided to every household. In recent months, the information on the council's website (thurrock.gov.uk/bins) has been improved and bin stickers are clear about what can go in each bin. The team are also soon to launch a pre-Christmas recycling campaign, followed by targeted campaigns in specific areas, including flats.

A new process is in place whereby the recycling bins are checked before being loaded into the waste trucks and tagged if they are contaminated. Residents with tagged bins are contacted directly and the recycling process and implications of contamination further explained. As a last resort we are now removing recycling bins from persistent offenders.

A further consequence of a contaminated recycling stream is that disposal costs increase from £55 per tonne to £95 per tonne. We collect and dispose of 13,000 tonnes of recyclable material per year and as contamination levels rise, so do the costs.

RAG	DOT from last year	Measure	Data	
RED	Worse	Permanent admission to residential / nursing homes per 100K population (18 yrs +)	August Actual/YTD	59 rate
			August Target	50 rate
			Year End Target	121.1 rate

There has been a change to the definition of this Adults Social Care Outcomes Framework (ASCOF) indicator for 2015-16 in that the service is now required to include ALL permanent admissions to residential or nursing care, whereas previously the requirement was to exclude “full costers”. A full coster is someone that the council assesses, arranges care for and pays the provider directly for their care. Then, due to the outcome of financial assessment, the council invoices the service user on a regular basis to recoup the full cost of the care.

As at the end of August 2015 there were a total of 74 new admissions (six 18-64 and sixty-eight 65+); 18 of these are full costers. Under the old reporting definition a total of 56 would have been included, which equates to 45 per 100,000 population. This falls under the year to date target of 50. The new reporting definition however requires the inclusion of all 74, which equates to 59 per 100,000.

The indicated decrease in performance for this indicator is therefore due to a reporting change rather than a drop in performance.

The service will be reviewing the year to date targets set in light of this change in definition.

Report Author:

Sarah Welton
Strategy & Performance Officer
Strategy Team

Monthly Key Performance Indicator summary

Monthly KPI	Unit	High /Low	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Latest Target	End of Year Target	DOT (since last year)	RAG	
16-19 yr old Not in Education, Employment or Training (NEET)	%	Low	7.2	6.2	5.6	5.3	5.3	5.3	5.2	5.5	5.8	5.7	5.5	6.1	6.2	6.1	5	Better	A	
% of 19-21 yr old care leavers in Education, Employment or Training	%	High	n/a			n/a			35			0	44.4	47.1	52.4	51.6	70	70	Better	A
Children subject to Child Protect Plan*	Rate	-	49	48	43.7	42.4	42	46	51	52	54	54	51	53	56	No target*	n/a	Worse	n/a	
Rate of Looked After Children*	Rate	-	77	78	76.6	78	75	74	71	72	71	73	74	75	76	No target*	n/a	Better	n/a	
% of Major planning applications processed in 13 weeks	%	High	75	80	83.3	85	85.7	86.4	87.5	84	66.7	60	71.4	75	77.8	75	75	Better	G	
% of Minor planning applications processed in 8 weeks	%	High	93.5	94.7	91.8	90.4	89.9	89	88.8	88.3	76.9	81.5	83.7	85.2	88.6	88	88	Worse	G	
No of apprenticeships within the council	No	High	20	24	27	27	35	43	47	52	2	4	9	11	25	22	65	Better	G	
No of households at risk of homelessness approaching the Council for assistance	No	Low	n/a			n/a			2670			203	473	716	989	1214	1000 (Baseline)	2400	Worse	n/a
% General Satisfaction of tenants with neighbourhoods/services provided by Housing	%	High	67	69	70	74	70	70	70	70	73	71	71	70	70	75	75	Better	A	
% of properties transformed against planned programme	%	High	100			100			100			100	100	100	100	100	100	100	In line	G
Permanent admissions to residential / nursing homes per 100K pop. 18yrs+	Rate	Low	37	56	71	85	88	100	126	132.6	11	24	37	49	59	50	121.1	Worse	R	
% adult social care users in receipt of Self Directed Support	%	High	70.9	72	71.9	72	72	72	72	72	64	64	64	75	76	75	75	Better	G	
No of households assisted to move to a smaller property (downsize)	No	High	21	24	33	41	49	56	62	68	11	17	22	27	28	20	55	Better	G	
% Household waste reused/ recycled/ composted (in month)	%	High	43	43.5	43	37	36	34	33	40.38	43	44	44.4	41	41.5	46.48	48	Worse	R	
Municipal waste sent to landfill (cumulative)	%	Low	17	20.8	20	20.2	19	20	19	19	24.2	27.25	30.6	27.3	25.2	19	19	Worse	R	
% of refuse bins emptied on correct day	%	High	n/a			n/a			98			98.8	97.8	97.6	99.4	98.2	98.5	99	Better	A
Tonnage of street waste (In month - not cumulative position)	Tonnes	Low	n/a			n/a			n/a			293.3	304.5	261.0	294.0	229.0	No target*	n/a	n/a	n/a
Number of reported incidents of fly tipping	No	Low	n/a	n/a	n/a	n/a	124	143	153	197	234	179	316	225	182	No target*	n/a	Worse	n/a	
Number of reported incidents of abandoned vehicles	No	Low	n/a	n/a	n/a	n/a	38	50	57	101	69.00	57.00	86.00	84.00	74.00	No target*	n/a	Worse	n/a	
Average sickness absence per employee	Days	Low	3.77	4.63	5.6	6.52	7.42	8.27	9.02	9.87	0.76	1.5	2.32	3.16	3.82	3.75	9	Worse	A	
% long term sickness	%	Low	50	50	51	51	50	48	48	46	49	46	43	47	48	41	34	Better	A	
% stress/stress related absence	%	Low	28.57	24.1	21.52	19	20.5	16.87	16.9	17.5	19.1	18.7	19.45	19.2	18.2	20	18	Better	G	
Overall variance on General Fund	%	0	0	0	0	0	0	0	0	0	/	/	0	0	TBC	0	0	TBC	A	
Overall variance on HRA	£k	0	0	0	0	-617	-413	-600	-600	-2485	/	/	0	0	0	0	0	In line	G	
% invoices paid within timescale	%	High	93.92	91.81	93.97	94.37	94.56	94.62	94.76	95.01	96.92	95.46	95.22	95.2	94.92	97	97	Better	A	
% Council Tax collected	%	High	45.32	53.98	62.8	71.28	79.77	88.23	93.31	98.71	10.67	19.4	28.21	36.95	45.48	45.54	98.9	Better	A	
% National Non-Domestic Rates (NNDR) collected	%	High	48.54	57.72	66.37	74.97	83.91	92.13	96.37	99.68	10.12	20.2	29.76	39.66	48.56	49.84	99.3	Better	A	
% Rent collected	%	High	92.84	94.9	95	95.5	97.1	97.1	97.1	99.4	78.8	85.45	91.48	92.54	94.78	93	99.5	Better	G	
% timeliness of all Complaints	%	High	98.69	98.88	98.8	98.21	98.19	98.23	98.38	98.3	94.8	96.8	96.5	96.5	97.2	98	98	Worse	A	

*Indicators stated as having "no target" are demand indicators not performance indicators.

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11 November 2015	ITEM: 10 01104423
Cabinet	
Shaping the Council and Budget Update	
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 and Section 151 Officer; Karen Wheeler, Head of Strategy & Communications	
Accountable Director: Lyn Carpenter, Chief Executive	
This report is Public	

Executive Summary

This budget report provides an update to Cabinet on the pressures being identified in 2015/16 and how these might impact on the 2016/17 budget projections. Cabinet should note that the final analysis of pressures and mitigating actions is still work in progress and a fuller report will be brought to the December Cabinet meeting.

The grant reductions included in the Medium Term Financial Strategy (MTFS) are based on previous government announcements regarding levels of departmental spend. The actual levels of reduction are likely to be announced in December 2015 after the Comprehensive Spending Review (CSR) on 25 November 2015. Actual figures are unlikely to be known by the December meeting but an update on key issues within the CSR will be reported at that time.

1. Recommendation(s):

- 1.1 That Cabinet note the 2015/16 net service budget pressure, with particular focus on those in Children’s and Environment Services, and that officers will bring back further mitigating action to the December Cabinet;**
- 1.2 That Cabinet note the current position on the Serco pension fund projected surplus;**
- 1.3 That Cabinet note the potential new pressures in adult and children’s social care and that work is underway to understand these pressures and identify mitigating action; and**

1.4 That Cabinet acknowledge the current position on the Serco contract termination and transfer of staff.

2 Introduction and background

- 2.1 This report sets out the pressures in 2015/16 and the Medium Term Financial Strategy (MTFS) with a need to meet an estimated budget gap of over £28.8m for the four years between 2016/17 and 2019/20. In addition, pressures have been identified in 2015/16 that require mitigation.
- 2.2 A robust approach to considering the future shape of the Council and budget planning process was agreed by Cabinet in July 2015 including the establishment of a cross-party Budget Review Panel.
- 2.3 Directors' Board will be finalising their recommendations at a meeting on 10 November and will then present to the Budget Review Panel in November in advance of a report to Cabinet in December.
- 2.4 When considering both 2015/16 and future years, Cabinet should be aware of the savings that are already being made by services and acknowledge that these budget reductions add to the difficulties in both achieving further savings and maintaining service provision.

	2015/16 Budget	Net savings 2010/11 – 2015/16 £000s	Additional savings 2015/16 £000s	2016/17 MTFS £000s
Adults, Health and Commissioning*	31,125	10,630	(525)	(750)
Children's Services	28,901	9,724	(1,567)	(896)
Environment	16,767	7,604	(739)	(601)
Planning and Transportation	7,114	3,993	(313)	(298)
CE Office and Delivery Unit	17,479	6,368	(803)	(250)
Commercial Services	2,317	4,649	(4)	(550)
Public Protection	1,574	1,721	(4)	0
Housing Services (GF)	576	94	(4)	0

(*) Includes £0.614m in-year Public Health Grant reduction

3 Medium Term Financial Strategy (MTFS)

2015/16

- 3.1 Previously, Cabinet received a report that set out net pressures of £1.269m, mainly from decisions on savings within Environment and the closure of the Sita recycling plant. The report also stated that there were pressures within Children's and Housing Services and these are further reported below as part of a fuller month 6 budget monitoring exercise. In addition, Adults' Social Care is experiencing pressures in the placements budget. All of these are likely to flow through to 2016/17 and so provision has been made within the MTFS.
- 3.2 The table below sets out the latest forecast for 2015/16 and reflect a net position of pressures and mitigating actions.

Service	Budget £000s	Forecast Outturn Variance £000s
Adults. Health & Commissioning	31,372	0
Children's Services	28,901	2,233
SERCO	17,144	0
Environment	16,767	529
Chief Executive's Office	15,069	(1,768)
Planning & Transportation	7,114	(639)
Chief Executive's Delivery Unit	2,410	(35)
Commercial Services	2,317	0
Public Protection	1,574	(4)
Housing General Fund	576	(4)
Public Health	(247)	0
Grand Total for Service Areas	122,996	312

- 3.3 The table shows that there are total service pressures of £0.312m but Cabinet should note that there is a possible additional liability of £3m that relates to the payment to Serco of a projected pension surplus in the Essex Pension Fund. This has previously been reported to Cabinet but there are two points to note:
- This is an estimated amount that is based on the Pension Fund having summary information during termination discussions. The final sum will not actually be known until March 2016 but a more accurate proxy figure should be available by the end of December; and
 - Discussions are ongoing with Essex Pension Fund as to whether this payment can be offset against future budgeted contributions. The

current indication is that this will not be possible and so is included as a pressure.

- 3.4 Adult social care is facing considerable demand pressures – we are living longer and with more complex, chronic health conditions. The NHS locally is facing significant financial deficits (estimated to be between £130m - £140m across Essex). Also the provider market is showing signs of severe business pressure (BUPA have announced their intention to close over 200 care homes and Four Seasons, one of the biggest UK care providers, is experiencing major financial problems).

For 2015/16, at month six, we are reporting a forecast pressure for adult social care of just over £500k. In addition we are facing a very difficult situation within domiciliary care as one of our providers has given notice that it can no longer continue with the existing contract – this may result in extra costs as we seek alternative providers. Officers within the Directorate are reviewing all budgets to manage this down and secure a break-even position.

For 2016/17 we are currently out to consultation on a number of savings proposals. This has generated a large number of responses and the results of this will come back to Cabinet in February 2016. In addition officers are assessing the implications of the introduction of a National Living Wage from April 2016. This is a 7.5% increase on the current national minimum wage and could potentially add a further £1m costs to local social care providers. Directors Board is assessing the implications of this.

- 3.5 In Children's Services, there has been considerable pressure on the 2015/16 budget with 79 unaccompanied asylum seeking children (UASC) now being looked after by Thurrock, compared with a usual average of around 30. There is a significant shortfall in grant reimbursement for these costs. In addition to this there are additional pressures while the service moves away from a reliance on agency staff, towards "growing our own" staff. While our cohort of nearly 20 newly qualified staff go through their first year, they have reduced caseloads and cannot take on statutory work, meaning there is additional reliance on agency staff for this period. An increase in numbers of families moving into the borough has also increased casework for social care and additional workers have been taken on to ensure safe and manageable caseloads. Discussion with the Home Office to increase funding for UASC placements and casework continues with the aim of increasing the funding paid from central government.

- 3.6 The Environmental Services' related pressures have been added into the MTFs for 2016/17 as, unless permanent alternative savings are achieved, they will be a base budget pressure going forward. Officers are working on options to reduce the high cost of recycling and these will be reported in due course.

- 3.7 Considering the above, officers are working towards needing to identify the funding for **£3.312m** and will bring back a further report to the December Cabinet meeting.

2016/17

- 3.8 Cabinet have previously received reports stating a deficit for 2016/17 of £3.424m. There are two changes to report to this figure at this time:
- The savings for 2016/17 still included a residual target of £0.260m for the full year effect of fortnightly refuse collection – this has now been removed; and
 - Through investments, officers are recognising additional income of £0.704m.
- 3.9 Although this reduces the total to £2.980m, officers are still finalising the growth that will be required and this is likely to increase this figure:
- a) The 2015/16 pressures in Children's Services were varied and are likely to impact on 2016/17; and
 - b) Pressures in Adults' Social Care are two-fold. Firstly, there is the impact of the minimum wage on the care provider contracts and, as set out earlier in this report, the service is seeing growth in placements, especially in the areas of dementia and autism.
- 3.10 The figure of £2.980m assumes growth of £3m in total to be allocated but when officers report back in December with confirmed figures, any increase on this figure will increase the deficit accordingly.

Comprehensive Spending Review and Future Years

- 3.11 In addition to the £2.98m for 2016/17, there remains a pressure of £25.8m for the three years 2017/18 to 2019/20.
- 3.12 The report in December will update these figures in light of the CSR announcement and any further growth trends from demand led services.

Serco

- 3.13 The termination of the Serco contract is a key facilitator to being able to reshape the Council. The service currently costs in excess of £18m and employs circa 450 permanent and temporary staff. Having control over the financial and staff resources will allow the Council greater flexibility in changing its approach to service delivery.
- 3.14 Officers and Serco continue to work to the termination date of 30 November 2015. Progress is continuing on the novation of third party contracts and Serco have now been able to confirm that Bilfinger Europa will novate to the Council.
- 3.15 The transfer of staff remains a key work stream and final TUPE issues are being worked through ahead of the termination date and staff transfer.

4 Issues, Options and Analysis of Options

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

5 Reasons for Recommendation

- 5.1 The Council has a statutory requirement to set a balanced budget annually. This report sets out the budget pressures in 2015/16, 2016/17 and beyond in the context of needing to achieve over £28.8m of budget reductions over four years.

6 Consultation (including Overview and Scrutiny, if applicable)

- 6.1 Corporate Overview and Scrutiny Committee considered the summary information from each of the Budget Review Panels and will continue to have a role in overseeing the process.
- 6.2 This report has been developed in consultation with the Leader, Portfolio Holders and Group Leaders and Directors Board.

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

- 7.1 The implementation of savings proposals has already reduced service delivery levels and our ability to meet statutory requirements, impacting on the community and staff. Delivering further savings in addition to those previously agreed is particularly challenging in light of the cumulative impact of such a significant reduction in budget and in the context of a growing population and service demand pressures within children's and adult social care and housing, and legislative changes. As such, a new approach aims to establish sustainable and innovative ways of delivering services in the future to mitigate this impact.
- 7.2 There is a risk that some agreed savings may result in increased demand for more costly interventions if needs escalate particularly in social care. This will need to be closely monitored. The potential impact on the Council's ability to safeguard children and adults will be kept carefully under review and mitigating actions taken where required.

8 Implications

8.1 Financial

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

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

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

8.2 Legal

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

There are no direct legal implications arising from this report.

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

8.3 Diversity and Equality

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

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

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

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

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):

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

10 Appendices to the report

- None

Report Authors:

Sean Clark, Head of Corporate Finance/S151 Officer, Chief Executive's Office
Karen Wheeler, Head of Strategy and Communications, CEDU

11 November 2015	ITEM: 11 01104424
Cabinet	
Community Environmental Development Fund	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Jane Potheary, Cabinet Member for Communities and Public Protection	
Accountable Head of Service: Ann Osola, Head of Transportation & Highways	
Accountable Director: David Bull, Director of Planning, Transportation & Interim Housing	
This report is Public	

Executive Summary

This report seeks Cabinet approval to proceed with the establishment of a bidding process for a Community Environmental Development Fund (CEDF) to support street-scene infrastructure and environmental improvements which have demonstrable local priority. The intention is to make capital funding available to community groups to deliver defined projects which provide significant added value to the local community according to the criteria set out in Appendix 1. Bids will be ratified and monitored by a cross-party panel of Members in line with agreed criteria. Full details of successful bids will be published on the Council’s website. The proposed value of the fund for 2016/17 would be £250K, subject to confirmation by Council in February. The scheme would allocate local funds for implementation from April 2016 based on the criteria set out in the draft Expression of Interest Form in Appendix 2.

1. Recommendations:

That Cabinet:

- 1.1 Gives approval in principle to the establishment of a Community Environmental Development Fund (CEDF), based on the criteria set out in Appendix 1, and the Expression of Interest Form at Appendix 2.**
- 1.2 Recommends that £250k for the fund for 2016/17 is provided from capital resources, which will be subject to Council approval in February 2016.**

1.3 Agrees that officers seek two nominations from each of the Council's political groups to a Shadow CEDF Panel to oversee the development of the process, procedure and future governance of the fund.

1.4 Agrees that the bidding process should start immediately with an invitation to established community groups to make expressions of interest.

2. Introduction and Background

2.1 The Community Environmental Development Fund (CEDF) will support local community groups or voluntary organisations within Thurrock. Its focus is on public involvement and support to identify community-led solutions that will improve street-scene appearance within the borough, increase community safety and the safety of our highways for the benefit of the local community and particularly children, young people, older people and vulnerable groups. (See Appendix 1)

2.2 Each year, Thurrock, like most Local Authorities, receives more requests for community infrastructure than it has funds to support. Within the Transportation & Highways Capital Programme, funding allocation is prioritised based on the Council's statutory obligations in relation to road safety, traffic management and maintenance of the highways asset. However, it is clear that streets have a 'place' function beyond the scope envisaged in highways legislation which makes a direct contribution to the appearance and quality of life in the communities they serve. This fund seeks to support local groups who are willing to devote their own time and effort to implement infrastructure and environmental projects which will bring tangible benefit to the wider community.

2.2 The 2020 Thurrock Council Vision is to become financially self-sustainable through place leadership, facilitating economic growth, protecting the most vulnerable and enabling communities and individuals.

2.3 In June 2015 Cabinet endorsed the Corporate Priorities Activities Plan 2015/16 which includes as a Corporate Priority and Objective "Work in partnership with communities to help them take responsibility for shaping their quality of life".

2.4 In July 2015, Cabinet endorsed the approach to shaping the Council based on discussions in Strategy Week, held in June 2015. The Council is working towards enabling communities and individuals by being contemporary, digital, empowering and entrepreneurial for the benefit of all Thurrock residents.

2.5 This project has been developed with the intention of making a real difference to the quality of life of people living in Thurrock. Applicants are encouraged to be both imaginative and innovative in designing bids for community infrastructure and environmental improvements which will impact positively on as many members of their respective communities as possible.

3. Issues, Options and Analysis of Options

3.1 Localisation is encouraged by the Government and the CEDF is seen as the opening of a new era which will facilitate the engagement and development of community groups in taking an active role in community and environmental improvements. The fund is a stepping stone for progressing community-led schemes which potentially could develop in future years.

3.2 The CEDF will be made available to;

- community groups with a constitution or set of rules which clearly define the group's aims, objectives and procedures
- registered charities working for local community benefit
- residents' associations
- neighbourhood committees
- social enterprises, or
- individuals who can work with a nominated constituted community group, who are able to take receipt of the grant with a bank or building society account in the name of the group which requires at least 2 signatures on each cheque or withdrawal.

3.3 This grant scheme aims to support projects which:

- meet a community need;
- can evidence local support of their scheme;
- improve street-scene infrastructure and the local environment;
- result in a tangible capital asset;
- represent value for money;
- achieve long-term benefits;
- make a positive difference to the community; and
- are sustainable and do not create additional ongoing financial commitments or implications for the Council and
- make local contributions

3.4 On the other hand, the fund will not support:

- fundraising events or campaign activities;
- projects claiming an administrative cost or recoverable VAT;
- projects or activities that have already taken place; or
- projects with incomplete application.

3.5 It is proposed that the value of the fund for the 2016/17 financial year is £250K for allocation from the Council's capital resources as part of the annual corporate process, subject to Council approval in February 2016.

3.6 The bidding process will be promoted on the Council's website and advertised in local press. It is proposed that the details of the eligibility and evaluation criteria be agreed by a cross-party group of Members nominated for this purpose (the Shadow CEDF Panel). These Members will also undertake the

prioritisation of and monitoring of bids, with details of successful bids being published on the Council website. The application process will be overlooked by Planning & Transportation Directorate and the Community Development and Equalities Team who will also collate monitoring data and support the CEDF Panel in evaluating bids.

3.8. The envisaged timeline is as follows:

- November 2015 – subject to Cabinet agreement, nominations sought from Thurrock’s three political groupings for a Member to be involved in agreeing the detailed operation of the scheme as members of the Shadow CEDF Panel.
- February 2016 – Council asked to approve funding for the formal establishment of CEDF. Shadow CEDF Panel formally established as CEDF Panel. Bidding process started with an invitation to established community groups to make expressions of interest by end of March.
- March – May – Bidders which satisfy the eligibility criteria are asked to develop full bids.
- June 2016 – Bids assessed by officers. Compliant bids prioritised by CEDF Panel and funding awarded. Details of successful bids published on the Council’s website
- July 2016 – March 2017 Projects delivered in line with bid proposals, monitored by Council officers. Progress updates provided to the CEDF Panel who will oversee the delivery of the CEDF programme.

4. Reasons for Recommendation

4.1 To commence the process of local community engagement with the aim to mobilise a mechanism for resident-led project delivery in the 2016/17 financial year.

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

5.1 Stakeholder consultations will be undertaken for each approved scheme. Stakeholder engagement will vary but will be appropriate to the scale, type and location of each scheme.

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

6.1 The schemes to be delivered by way of future proposals support the Thurrock Council Corporate Vision:

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

7. Implications

7.1 Financial

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

Capital allocation will be subject to a separate bid for capital funding, due to come to Cabinet in February 2016 and ratification by Full Council. There can be no guarantee that there will be sufficient resources available for allocation as the benefits of this fund will need to be measured against bids from other services. Operation of any community infrastructure fund will be subject to due diligence protocols to ensure transparency and the proper use of public funding.

7.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal and Governance

The appropriate Council democratic processes and procurement rules shall be adhered to during the approval process of each application.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
**Community development and Equality
Manager**

The creation of the Community Environment Development Fund will support community-led solutions to improve areas in Thurrock for the benefit of the local community and particular children, young people, older people and vulnerable groups. Applications will be assessed on the extent to which they support inclusive community engagement.

7.4 Other implications

None

8. Background papers used in preparing the report

None

9. Appendices to the report

- Appendix 1 – Eligibility Criteria
- Appendix 2 – Expression of Interest Form

Report Author:

Ann Osola

Head of Transportation & Highways

Community Environmental Development Fund

Appendix 1 – Eligibility Criteria

Eligible Organisations:

The CEDF will be made available to;

- community groups with a constitution or set of rules which clearly define the group's aims, objectives and procedures
- registered charities working for local community benefit
- residents' associations
- neighbourhood committees
- social enterprises, or
- individuals who can work with a nominated constituted community group, who are able to take receipt of the grant with a bank or building society account in the name of the group which requires at least 2 signatures on each cheque or withdrawal.

Eligible Projects:

Projects must support the 2020 Council Vision to become financially self-sustainable through place leadership; facilitating economic growth; protecting the most vulnerable; and enabling communities and individuals. There must be a clear link between the proposed project and at least one of the following:

- Create a great place for learning and opportunity
- Encourage and promote job creation and economic prosperity
- Build pride, responsibility and respect
- Improve health and well-being
- Promote and protect our clean and green environment

Eligible projects should:

- meet a community need;
- improve street-scene infrastructure the local environment;
- represent value for money;
- achieve long-term benefits;
- make a positive difference to the community; and
- be sustainable and not require additional ongoing financial commitments or input from the Council and
- make local contributions

The fund will not support:

- projects which cannot evidence local support of their scheme;
- projects which do not result in a tangible capital asset;
- fundraising events or campaign activities;
- projects claiming an administrative cost or recoverable VAT;
- projects or activities that have already taken place; or
- projects with incomplete application.

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Appendix 2

Thurrock Council Community Environmental Development Fund 2015/16 Expression of Interest Form

Thank you for your interest in the Community Environmental Development Fund.

To help us decide on your eligibility please complete the details below but before you do so, **please read the guidance notes.**

Pre-Application Checklist

1.	About your organisation	Yes
	Are you a registered charity?	<input type="checkbox"/>
	Are you a formally constituted club or association?	<input type="checkbox"/>
	Are you a private enterprise operating for or providing social benefits (such as a community shop)?	<input type="checkbox"/>
If you answered 'yes' to any of the above, please continue.		

2.	About your project	Yes	No
	Can you provide evidence that the project is needed by the local community?	<input type="checkbox"/>	<input type="checkbox"/>
	Can you provide a clear and detailed project budget?	<input type="checkbox"/>	<input type="checkbox"/>
	Will you be in a position to spend any grant by 31 March 2017 ?	<input type="checkbox"/>	<input type="checkbox"/>
If you answered 'yes' to <u>all</u> of the above, please continue.			
If you answered 'no' to any of the above, please contact us before continuing.			

3.	Will your project deliver against at least one of the following outcomes?	Yes	No
	Create a great place for learning and opportunity	<input type="checkbox"/>	<input type="checkbox"/>
	Encourage and promote job creation and economic prosperity	<input type="checkbox"/>	<input type="checkbox"/>
	Build pride, responsibility and respect	<input type="checkbox"/>	<input type="checkbox"/>
	Improve health and well-being	<input type="checkbox"/>	<input type="checkbox"/>
	Promote and protect our clean and green environment	<input type="checkbox"/>	<input type="checkbox"/>
If you answered 'yes' to at least one of the above, please continue.			

4.	Are you looking for funding for	Yes	No
	General running costs (such as heating, rent, etc)?	<input type="checkbox"/>	<input type="checkbox"/>
	Salary Costs?	<input type="checkbox"/>	<input type="checkbox"/>
	Something that will only benefit an individual?	<input type="checkbox"/>	<input type="checkbox"/>
	An annual or previously run event (such as fete or festival)?	<input type="checkbox"/>	<input type="checkbox"/>
	A fundraising event or campaign activity?	<input type="checkbox"/>	<input type="checkbox"/>
	A project that has already started or for which an order has been placed?	<input type="checkbox"/>	<input type="checkbox"/>
If you answered 'yes' to <u>any</u> of the above, your project may not be eligible for a grant under this scheme. Please contact us before continuing with this form.			

If you are happy that your project is eligible please continue to complete the rest of the Expression of Interest, if you have any doubts, please contact us.

Community Environmental Development Fund

Expression of Interest Form

	Reference (do not complete)	CEDF
1	Name of your organisation/business	
2	Contact Details <i>This person must be able to answer detailed questions about the application</i>	Name: Email: Telephone:
3	Project title	
4	Project location, including postcode	
5	Anticipated start date of project	
6	Brief description of project	
7	How does it meet one or more of the outcomes in section 3 of the pre-application checklist? <i>Please refer to the Qualifying Criteria in the Guidance Notes</i>	

8	What will the benefit be to the local community?	
9	If you do not get this grant, how will the project be taken forward?	
10	Specifically, what will any grant be spent on?	
11	Anticipated cost of project	£
12	Amount already available	£
13	Amount you are seeking from Community Environmental Development Fund	£

Please return this form via email to: CEDF@thurrock.gov.uk or post to Thurrock Council, Community Environmental Development, Civic Offices, New Road, Grays, Essex, RM17 6SL

Your Personal Information

Thurrock Council is committed to protecting your privacy and will treat your personal data in accordance with the provisions of Data Protection Act 1998. Information submitted by you will be used to enable the council to provide services or information you have requested. Your information will not be used for other purposes or supplied third parties except in accordance with the law. Under the Data Protection Act 1998, you can make a formal request for the following information:

- CLARIFICATION THAT YOUR PERSONAL DATA ARE BEING PROCESSED BY THE COUNCIL
- A DESCRIPTION AND COPIES OF THE PERSONAL DATA BEING HELD
- THE REASONS WHY THE DATA ARE BEING PROCESSED
- DETAILS OF TO WHOM THEY ARE BEING OR MAY BE DISCLOSED

11 November 2015	ITEM: 12 01104425
Cabinet	
Implications of Summer budget announcement on HRA Business Plan	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Lyn Worrall, Portfolio Holder for Housing	
Accountable Head of Service: Kathryn Adedeji, Head of Housing Investment and Development and Corporate Commercial Services	
Accountable Director: David Bull, Director of Planning and Transportation	
This report is Public	

Executive Summary

On 8th July 2015, the Chancellor of the Exchequer made budget announcements to introduce key policy changes that will have financial implications on the Council's Housing Revenue Account (HRA) Business Plan and require a fundamental review and appraisal of the Council's approved and continuing housing investment programmes to ensure that the Council is able to deliver and maintain a balanced HRA. The current estimated cumulative impact of these proposals has the potential to make the Council current business plan unviable. However at this stage, this paper focuses on the implications of the most mature of these proposals which alone has an estimated impact of taking £14.6m out of the business plan from 2016/17 to 2019/20, and £218m over the 30 year life of the business plan.

This paper recommends some overarching principles for approval, which are designed to ensure appropriate mitigations are in place to make sure the Council objectives for high quality affordable housing can continue to be met.

The overall mitigations will be part of a balanced approach that include further efficiencies savings achieved through service realignment and more efficient procurement to improve the value of third party spend. However it is important to note that the scale of the estimated impact on the HRA BP will involve the requirement to make decisions that change both the investment programme for existing homes and the Council affordable home building programme.

Recommendations

The Cabinet:

- 1.1 **Approve an application to the Secretary of State to issue an exemption to allow much needed current affordable Housing to be delivered.**
- 1.2 **Approve the principle to let all new HRA dwellings at “affordable rents” i.e. up to 80% of market rents. However the specific rate will be subject to further analysis, discussion and scrutiny by Housing Overview and Scrutiny Committee in November 2015 ahead of final recommendation to cabinet in December 2015.**
- 1.3 **Approve the principle of a review to the Transforming Homes programme and where the asset supports it delivery of the programme will be extended beyond 17/18.**
- 1.4 **Note housing department will seek to achieve revenue cost savings and efficiencies equating to £500k per annum or £2m over the four-year period. This will be achieved through a combination of cost savings and increased funding and grant opportunities for existing development.**

2. Introduction and Background

- 2.1 On 8th July 2015, the Chancellor of the Exchequer made budget announcements to introduce key policy changes that will have financial implications on the Council’s Housing Revenue Account (HRA) Business Plan and require a fundamental review and appraisal of the Council’s approved and continuing housing investment programmes to ensure that the Council is able to deliver and maintain a balanced HRA.
- 2.2 The key policy changes announced on the 8th July 2015 that impact on our HRA business plan were as follows:
 - a) 1% reduction in social rents for four years from the 1st April 2016;
 - b) “Pay to stay” proposals from 2017/18 to impose mandatory rents for “high income” social tenants; and
 - c) Payment to the Secretary of State to reflect the value of the Council’s interest in any vacant “high value” properties or the disposal of such properties.
- 2.3 The full detail of the above announcements are not yet know and therefore the modelling of financial impacts has been undertaken with a number of underlying assumptions that are summarised within this paper.
- 2.4 The impact assessment by Government did not extend to local authorities and concentrated on the impact to housing associations, many of which generation and have large surpluses, and able to absorb the 1% reduction in rents.

Thurrock as part of the Association of Retained Council Housing (Arch) will continue to make representations to Government with specific implications.

- 2.5 It is worth noting that these changes are announced following major reforms in welfare that has had major implications on the levels of housing benefit payments and the impending introduction of Universal Credit that will place greater risk on the Council to recover rent payments directly from tenants. Although not directly affected by the Government's austerity measures to date, housing has nonetheless achieved significant savings and efficiencies over recent years and continues to do so in our aim to continually improve the value for money of all areas of service provision.
- 2.6 Further welfare and benefit restrictions are also anticipated that will place further financial constraints on the HRA and housing management services more generally, to manage the potential risks and to ensure tenants are able to continue to satisfy the requirements of their tenancy.

Previous Savings and Efficiencies

- 2.7 As identified above, the housing department has achieved cost savings and service efficiencies that equate to £12.883m from 2010/11 to 2015/16.
- 2.8 The savings were delivered through a combination of management and operational savings including improved procurement and outsourcing of more efficient and effective third party contracts and revisions in key housing policies such as the Repairs Policy, that reduced the scope of delivery and more in line with neighbouring authorities. A summary of the key savings and efficiencies achieved by housing and within the HRA are as follows:
- 50% reduction in contract prices for capital programme;
 - £750k revenue for Water rates increased from £300k in 2012;
 - £1m savings on costs of delivering housing revenue programmes such as cyclical maintenance and servicing contracts;
 - 500k from Management Restructures and new charges implemented to move towards a cost neutral service; and
 - Increase of rent collection over the previous 3 years.
- 2.9 The Council has an ambitious programme for affordable homes these are to raise the quality of Council owned homes within the borough to a high standard that supports the long-term viability of the asset and to build new affordable homes for current and future generations. As a result of these significant savings, and key strategic decisions in increasing the borrowing cap and apply for funding support on applicable schemes. The Council Housing investment and development as a key strategic priority to meet anticipated growth in population and a significant requirement for quality affordable housing within the borough, could be met within the business plan.

Housing Development and Investment Programmes

- 2.10 The Council has embarked on a number of programmes that has prioritised the investment in and delivery of improved and new quality housing provision across the borough. The HRA financed this activity through a combination of additional borrowing under the capital finance regulations, available grant funding from DCLG, HCA and other Government programmes and utilisation of surpluses generated through efficiencies and savings. In addition, the department also secured Housing Zone Status that enables us, together with our partners, to access low cost funding to assist in the delivery of our housing investment and development programme.
- 2.11 Our recently concluded Housing Needs Assessment shows an increasing affordability gap between the incomes of local people and the acquisition costs of a property within the borough. The ability of local residents to acquire a home of their own demonstrates a continued need for good quality affordable rented homes. The assessment determined that demand out-stripped supply for affordable housing across all property types and sizes (as illustrated below) and there is a growing demand for older people and specialist supported housing within the borough to address the issues associated with an aging population and those that require specialist support that are not adequately addressed currently.

Figure 1: Affordable Housing Demand Vs. Supply by Property Type

Property Type	Demand Vs. Supply
One bedroom	9:1
Two bedrooms	11:1
Three bedrooms	3:1
Four + bedrooms	24:1
Total	8:1

- 2.12 With our investment programmes well underway, the Council does not have significant surpluses in which to absorb the impact of more major changes in central Government policy, unlike many registered providers within our sector. These changes, therefore, requires changes to our existing housing investment and development programmes in order to deliver a balanced HRA.
- 2.13 The current Major repairs allowance, which is the minimum revenue contribution to the capital programme, is in the business plan at £7.3m. In 2013, Cabinet agreed to increase this funding allocation to £13.6m over five years to improve all Council owned homes to the new standard. The Transforming Homes programme that commenced in 2013/14 set aside £68 million of much needed investment to deliver improvements in our existing HRA council housing stock to quality standards beyond the Government's own Decent Homes Standard.

- 2.14 The investment has delivered internal and external improvements in homes such as new kitchens, bathrooms, window replacement and much needed damp, mould and thermal efficiency works. Wherever possible, these programmes have been supported by external sources of available funding e.g. £600k to support the works required to improve the thermal efficiency of homes and help in addressing fuel poverty within the borough.
- 2.15 The Transforming Homes programme is in its third year and 50% of all new Council homes have been completed. The recommendation is now to extend the Transforming Homes programme to five and a half years for internal improvements and eight years for external improvements. This will reduce annual expenditure in the immediate period when the impact of the rent reductions are felt and expenditure on other mature programmes of housing investment are at their peak. These changes result in a net decrease of £13.3m
- 2.16 The Council also embarked on a £37.5m Housing Development Programme supported through additional borrowing and DCLG and HCA grant funding to deliver new, high quality housing provision in the borough. The programme is also supported by contributions from revenue and right to buy receipts. It is now recommended that all these homes should be let affordable rents i.e. up to 80% of market rents. This will increase our anticipated levels of rental income from these new homes by up to £1,316,869 per annum. The table below illustrates the additional annual income generated at the different levels of rent.

Figure 2: Additional Annual Income Generated Through “Affordable Rents”

Rent Level	Annual Rental Income £pa	Difference £pa
Social rent	£1,519,883	
Affordable – 60% of market	£2,127,564	£607,681
Affordable – 70% of market	£2,482,158	£962,275
Affordable – 80% of market	£2,836,752	£1,316,869

- 2.17 Alongside these programmes, the department is currently evaluating the feasibility of delivering housing regeneration on our key estates including Seabrooke Rise estate in Grays, Flowers estate in Ockendon, the Garrison estate in Purfleet and the Broadway estate in Tilbury. There is significant market interest in this potential opportunity and it is anticipated that the HRA would procure this opportunity to market and secure a regeneration partner or partners to leverage the necessary funding and deliver the required housing and related infrastructure development with no, or an affordable, net impact on the HRA.
- 2.18 All the above programmes were deliverable under the HRA’s 30-year business plan and are well underway and to date have delivered some exceptional results and increased resident satisfaction. Unlike other registered providers

within our sector, the Council does not have significant surpluses in which to absorb the impact of more major changes in central Government policy. These recent announcements, therefore, requires changes to our existing housing investment and development programmes in order to deliver a balanced HRA.

3. Issues, Options and Analysis of Options

- 3.1 Some aspects of the recent Government announcements require further detail and clarification to properly assess the likely financial implication on the HRA that will need to be addressed to deliver a balanced HRA. This report focuses mainly on the implications of the most mature of the summer proposals namely the 1% rent reduction from 1st April 2016 to 31 March 2020. In conjunction with colleagues in finance the detail of each of the principles will be impacted to clarify the position and cost reductions that can be achieved against each housing investment programme to achieve a balanced HRA as required by the Local Government and Housing Act 1989.

Reductions in social rents

- 3.2 Social housing rents are currently set according to the Government's rent policy guidance. The current rent guidance was published in May 2014 (with effect from April 2015) and expected annual rent increases to CPI +1% for the next 10 years. This was the assumption applied within the HRA 30-year business plan. The 8th July 2015 budget announcement effectively suspends the current social rent policy guidance and instead of on-going rent increases of CPI +1%, agreed by government as recently as Nov 14. The Council is now required to reduce rents by 1% from current levels (with a base date of 8th July 2015) i.e. the rent for a dwelling in 2016/17 should be 1% less than the rent as at 8th July 2015 and the rent in subsequent years should be 1% less than the previous year. The treatment of service charges appear to be unaffected.
- 3.3 The policy previous to this is that the Council used RPI plus a percentage agreed with tenants for their rent increases. The year previous to the change to CPI+1%, the Council, in agreement with tenants, increased their rents by RPI + 4%. This was to bring properties in line with target rents and tenants understood that this large increase would be a one off and that the money would be used to invest in much needed improvements of the housing stock. Tenants were happy with this approach.
- 3.4 Although the policy changes are still emerging, the impact assessment based on best information currently available has enabled initial financial modelling to be undertaken to assess the impact of this change. We have modelled the 1% reduction from April 2016 for four years and then assumed rents increase in line with CPI +1% from April 2020 in line with previous guidance. After 2024 we have assumed rents increase in line with CPI only.
- 3.5 The 1% rent reduction results in a £14.6m shortfall over the 4 years from 2016/17 to 2019/20 and a £218m shortfall over the 30 year period. This is illustrated in the figure below.

Figure 3: Cumulative Shortfall by Year £m

	Pre Budget £m	Post Budget £m	Loss of income £m	Cumulative Loss of Income £m
2015/16	47.539	47.539	0	0
2016/17	47.793	46.891	0.902	0.902
2017/18	48.999	46.297	2.701	3.603
2018/19	50.234	45.714	4.52	8.123
2019/20	52.489	46.009	6.48	14.603
2020/21	52.794	46.277	6.517	21.12

- 3.6 There is no scope for the HRA to undertake additional borrowing under the capital finance regulations, as these have already been maximised to facilitate our existing housing development and investment programmes. In addition, previous projected balance were full accounted for to support the delivering of much needed additional affordable home and to increase the quality of existing homes. Hence, a now project difference in balances will require real change to the Council current programmes which were put in place to address local need.
- 3.7 As a point to note, there is an opportunity for the Secretary of State to issue a direction to exempt a local authority from the requirement to reduce rents by 1% to:
- Require that rents remain the same each years; or
 - Require that rents reduce by an amount which is less that 1% each year.
- 3.8 In our current HRA business plan, we have assumed that all new HRA homes will be let at social rents. There is an opportunity to increase our rental income by up to £1,316,869 per annum if we were to let all new properties on the basis of “affordable rents” which allows social landlords to charge rents at up to 80% of market rents. We have also run the analysis of additional annual rental income generated at 60% and 70% of market rents. This is illustrated in Figure 2 above. Detailed levels and options will be presented to Housing Overview and Scrutiny for further consideration and referred back to Cabinet in December 2015. Charging “affordable rents” for all new HRA homes will enable the HRA to offset some of the impact of the 1% reduction in rents recently announce by Government and imposed from 1 April 2016.
- 3.9 In total, the HRA will be delivering 303 new homes through the affordable housing programme and the locations and number of new homes are detailed in figure 4 below.

Figure 4: HRA New Homes

Rent Level	No. New Homes
Seabrooke Rise, Grays	53
Bracelet Close, Corringham	12
Derry Avenue, South Ockendon	25
Calcutta Road, Tilbury	37
Claudian Way, Chadwell	54
Custom Build, South Ockendon	17
Tops Club, Grays	30
VOSA, Tank Hill, Purfleet	75
Total	303

3.10 The difference in average weekly rents to residents residing in existing HRA homes and new HRA homes in these areas are illustrated in Figure 5 below. We have illustrated the comparison in social rent levels and affordable rents levels (between 60, 70 & 80% of market rents) for a 2-bed property and in the areas where new homes are scheduled to be delivered. It should be noted the figures set out in these tables are average rents for a 2bed property and not the specific rents that would be applicable. These will be done based on valuation of the property once they are completed. The tables however show an estimated differential for residents of changing and the corresponding impact this would have on mitigating the impact of social rent proposals in the Welfare Reform and Work Bill 2015.

Figure 5: Average Weekly Rent Levels for 2 Bed Property

Rent Level	Social Rent £ per week	Affordable Rent (80%) £ per week	Difference in Monthly Rent	Number of Properties	Difference in Rental Income
Grays	£87.34	£173.72	£345.52	83	£344,138
Corringham & Stanford Le Hope	£87.34	£237.60	£601.04	12	£86,550
South Ockendon	£87.34	£168.37	£324.12	42	£163,356
Tilbury	£87.34	£157.48	£280.56	37	£124,569
Chadwell St Mary	£87.34	£147.14	£239.20	54	£155,002
Purfleet	£87.34	£172.80	£341.84	75	£307,656

Figure 5.1 Affordable Rent 70% Vs Social Rent

Rent Level	Social Rent £ per week	Affordable Rent (70%) £ per week	Difference in Monthly Rent	Number of Properties	Difference in Rental Income
Grays	£87.34	£152.01	£258.66	83	£257,625
Corringham & Stanford Le Hope	£87.34	£207.90	£482.24	12	£69,443
South Ockendon	£87.34	£147.32	£239.94	42	£120,927
Tilbury	£87.34	£137.80	£201.82	37	£89,608
Chadwell St Mary	£87.34	£128.75	£165.63	54	£107,328
Purfleet	£87.34	£151.20	£255.44	75	£229,896

Figure 5.2 Affordable Rent 60% Vs Social Rent

Rent Level	Social Rent £ per week	Affordable Rent (60%) £ per week	Difference in Monthly Rent	Number of Properties	Difference in Rental Income
Grays	£87.34	£130.29	£171.80	83	£171,113
Corringham & Stanford Le Hope	£87.34	£178.20	£363.44	12	£52,335
South Ockendon	£87.34	£126.28	£155.75	42	£78,498
Tilbury	£87.34	£118.11	£123.08	37	£54,648
Chadwell St Mary	£87.34	£110.36	£92.06	54	£59,655
Purfleet	£87.34	£129.60	£169.04	75	£152,136

3.11 In all areas within the borough, the move to “affordable rents” will significantly increase the average weekly rent payable by residents. The recommendation that is due to be subject to scrutiny at November Overview & Scrutiny will explore the specific impacts on both resident and the business plan based on our current new developments before making final recommendations to Cabinet for approval in December 2015.

Pay to stay – mandatory rents for “high income” social tenants

3.8 This policy announcement affects “high income” tenants where the Council will be required to charge market or near market rents to tenants where the household income exceeds the specified threshold. “High income” is still to be defined for the purposes of the regulations and be clear on how a person’s income is to be calculated. It is likely the regulations will define what is meant by “high income” in different ways for different areas, specify what can be treated as income and make provision about how a person’s income can be verified. The Council will need to pay the additional rental income generated through “high income” social tenants to the Government.

3.9 The government has recently launched a consultation on this proposal; however this notes that additional income generated from this policy by local authorities is expected to be returned to the Government. By contrast housing associations will be able to retain the income for reinvesting in new housing. The consultation does provide for feedback on a graduated scheme of increasing amounts payable at different income levels and does also provide for off feedback on possible off setting of additional costs that will be incurred as a result of this.

3.10 Implementation of this policy will increase the administrative burden on the housing management service and more detailed information and records will

need to be kept on all our tenants. However perhaps the biggest impact not accounted for in the consultation, it is anticipated that Right to Buy (RtB) as this is very likely to be more attractive for households required to pay market rents, particularly with the increase in the discounts available. This will in turn further erode the social rented stock and annual rental to the HRA; without the current ability as a local authority to use additional income to support the delivery more affordable housing.

- 3.11 For the purposes of our modelling we have used an average 3 bed dwelling as the reference property for assessing the impact of the “pay to stay” proposals on the basis that most high income households are likely to be families with more than one earner. The estimated proportion of tenants in “high income” households is 10% of the opening business plan stock number. Market rents for a 3-bed dwelling are estimated at £1,300 per calendar month and we have assumed that “pay to stay” tenants are identified from 1 April 2017 onwards and that 75% of them continue to rent whilst 25% exercise their right to buy.
- 3.12 The difference between the net market rent and the projected net social rent for “pay to stay” properties has been treated as a separate payment to the Government in the business plan cashflows, meaning there is no net benefit to the Council from the additional income. An allowance has been made for bad debts (5%) and voids (2%) within these assumptions. The effect of the void and bad debt assumptions creates an annual loss to the HRA business plan that accumulates over the 30-year period. In addition, the additional RtB receipts are retained for new build purposes and is not utilised by the Council’s existing programmes. The long-term effect of the additional sales would further worsen the HRA business plan as future rental income is lost and has the potential as part of a cumulative impact of this and other changes to make the HRA business plan unviable.

High value void payment or disposal

- 3.14 The Government proposes to extend RtB to housing association tenants and to compensate housing associations by requiring local authorities to make a payment to the Secretary of State to reflect their interest in high value local authority housing that becomes vacant. Further details are awaited on the scheme, including details on the formula that will be applied to calculate such payments. The Housing and Planning Bill has indicated that the payment must represent an estimate of:
- a) The market value of the authority’s interest in any high value housing that is likely to become vacant during the year; less
 - b) Any costs or other deductions of a kind described in the determination.
- 3.15 Further details on what constitutes “high value” are awaited, although it is anticipated that “high value” will be defined differently in different areas. This policy will only affect housing within the Housing Revenue Account (HRA) and will also affect housing that has been transferred to a private registered provider. The bill confirms that the determination of such a payment will need

to be made before the financial year to which it relates and may relate to more than one financial year. The determination will also make provision about how and when a payment is made including provision for payments by instalment. There is also allowance within the bill for this policy to come into force part way through the year.

- 3.16 The bill retains a duty on local authorities that keep a Housing Revenue Account (HRA) to consider selling its interest in any high value housing that has become vacant.
- 3.17 Interestingly, the bill also allows for the Secretary of State and a local authority to enter into an agreement to reduce the amount the authority is required to pay if the payment is reduced for the provision of housing, or for things that facilitate the provision for housing. Given our high levels of housing investment and development, the Council would be confident of presenting a strong case to reduce any payment that is determined. Nonetheless, implementation of this policy will have implications on the HRA business plan.
- 3.18 We have modelled the likely financial implications of disposing of our “high value” voids. Our initial financial modelling assumes that 5% of properties become vacant per annum (current re-let rates of 5% are experienced) and that the amount of compensation received by the authority is consistent with the current levels achieved through RtB sales i.e. that the compensation is based on the debt attributable to the additional sales. We have assumed average weekly rents of £87.34, average weekly service charges of £4.46 per week, an average market value of £111,517 per property and average attributable debt of £25,752 per property based on RtB sales in 2014/15. The financial implications of the “high value” disposals over the next four years, in terms of lost HRA income, are summarised in the table below.

Loss from first four years identified under current assumptions

Current relet of stock = 5%

Assumed rent loss : 2016/17 (year 1)	58,681
Year 2	113,940
Year 3	165,980
Year 4	215,932

- 3.19 Further details on the payment formula and the definition of “high value” properties are required to accurately assess the financial impact of this change in policy on the HRA business plan. Given that this particular policy and its intended incorporation is still fairly unclear, we have not proposed any recommendations at this stage to address any potential shortfall in HRA balances at this stage. This will be addressed at a future date when the policy and its implementation are clearer.

4. Reasons for Recommendations

- 4.1 Quality housing provision and choice in areas that people live are central to us achieving our vision for Thurrock. It is important that we maintain, wherever possible, the existing Housing Investment and Development programmes that are specifically driving the quality of the HRA housing asset base and delivering new, high quality affordable homes across the borough.
- 4.2 The Transforming Homes and Housing Development programmes are mature, well into their delivery and delivered significant improvements in quality, the number of new affordable homes and improved resident satisfaction.
- 4.3 The Local Government Act 1989 places a duty on the Council to prevent a debit balance on its HRA and, therefore, a revised HRA business plan that delivers a balanced account is of critical importance and the core strategic objective of the Council. Therefore some revisions to existing programmes of investment and expenditure are unavoidable as the Council and the HRA does not generate the level of surpluses required to absorb the impact of the Government's proposed changes.
- 4.4 The impact assessment undertaken by government has not be done with sufficient nuance for the differing implications of the changes to be fully understood. The assessment is limited to housing associations with large surpluses. However our business plan has maximised and extended currently borrowing capacity and has a mature affordable house building programme designed to address local need. In Thurrock there is a significant affordable housing need that will not be met by the private sector despite 5,000 approvals for new homes. The assessed existing local need in the borough is noted stands at over 500 a year. It is recommended that Cabinet approve an application to the Secretary of State for an exemption, based on the impact as currently assessed, to the Council affordable housing programme, supported by clear need for such housing which at this stage is not projected to be met by the private development alone.

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

- 5.1 Specific impact assessment and implications on different tenants is scheduled to be including in a report to Housing Overview and Scrutiny in November 15. This will allow scrutiny of the implications of the principles being agreed prior to a further paper to cabinet in December.

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

- 6.1 The Government's proposals and our ability to deliver the current housing investment and development plans will impact on our ability to deliver improvements to our HRA homes and deliver new homes within the original timescales outlined. This will undoubtedly impact on residents' perceptions

and satisfaction with our delivery. It may also slow the delivery of related and broader regeneration activities planned by the Council.

7. Implications

7.1 Financial

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

7.1.1 The medium to long term financial implications of the announcements have been considered insofar as possible at the current time with further details and clarification of the implementation of the proposals still required. The affordability and deliverability of the current programmes have been considered and reviewed to ensure that the recommendations deliver a balanced HRA.

7.1.2 Work is ongoing to ensure HRA business plan is affordable and deliverable with the additional financial constraints imposed by the most recent Government announcements and further recommendations will be forthcoming at the appropriate time to ensure a balanced HRA is deliverable as a result of the “Pay to Stay” and “Disposal of High Value Voids”.

7.1.3 We are content at this current time that progress has been made in addressing the financial gap posed by the 1% rent reduction and that this work is ongoing and subject to further recommendations to ensure a balanced HRA is delivered.

7.1.4 The HRA business plan has been significantly financially disadvantaged following the proposed legislative changes. In order to ensure the long term sustainability; consideration needs to be made regarding the level of income that the HRA generated. This is shown within the report in figure 5 which illustrates the difference between affordable and social rents. A move towards setting the rent within the new build properties at affordable rent level ie 80% of market value, would generate an additional £1.181m per annum.

7.2 Legal

Implications verified by: **Martin Hall**
Housing Solicitor/Team Leader

7.2.1 There are no specific legal implications of the recommendations contained within this update report.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**
Community Development Officer

7.2.1 The Council's reduced ability to deliver previously agreed and widely publicised Transforming Homes programme, planned housing development and other housing investment spend will have a negative impact on the availability of high quality affordable housing in Thurrock, including for vulnerable groups. With reduced spend, contractors' commitments to social value and holistic objectives around health and wellbeing, improving education and job creation and improving economic prosperity may also deteriorate.

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

8. **Background papers used in preparing the report**

None.

9. **Appendices to the report**

- None

Kathryn Adedeji
Head of Housing Investment and Development
Housing

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11 November 2015	ITEM: 13 01104426
Cabinet	
Homeless Supported Accommodation and Crisis Intervention	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Lyn Worrall, Cabinet Member for Housing	
Accountable Head of Service: Dermot Moloney, Strategic Lead, Housing	
Accountable Director: David Bull, Director of Planning, Transportation & Housing	
This report is Public	

Executive Summary

The Housing department is seeking authority to procure a single housing management and support contract to prevent homelessness for Council tenants and to support homeless households and young people in supported accommodation.

Currently there are five separate contracts in place:

1. To manage the housing functions and support homeless people in homeless temporary accommodation in Grays (“Charles Street” and “Clarence Road”)
2. To provide extra support for 16 & 17 year old homeless young people in Charles Street (5 Spaces);
3. To provide 4 move-on rooms in Clarence Road, with extra support, for Thurrock care leavers, prior to moving on into independent living;
4. To provide floating support services to Thurrock Council Tenants who are at risk of eviction due to high level arrears and other issues;
5. To provide floating support services to non-Council tenants who are at risk of eviction due to high level arrears, anti-social behaviour, substance misuse etc.

All contracts include the provision of support to people with complex and high levels of need and all are due to expire on 31st March 2016.

Although the five functions have historically been delivered as separate services, it is anticipated that they can be delivered as one service out of Charles Street. This will provide efficiencies in terms of joint monitoring of a single contract, savings through joint management, administration and location and flexibility of support provisions to enable better use of support hours across all areas.

The combined cost of the new single contract over a period of four years is £1,859,048 and therefore Cabinet approval is sought to enable the procurement of a single contract via the tender process under EU rules.

The provider will be expected to lease the two buildings (Charles Street and Clarence Road) from the Council under fully repairing and insuring leases at a combined cost of £80,000 per annum. They will be able to charge rent and service charges to residents which will attract housing benefit subsidy.

1. Recommendation(s)

1.1 That Cabinet approves the Commissioning Report at Appendix 1 to enable the procurement of the service

1.2 That Cabinet agrees to delegate authority to the Director for Planning, Transportation and Housing, in conjunction with the Portfolio Holder, to authorise the award of the contract following completion of the tendering process

2. Introduction and Background

The council is seeking to procure a single contract in place of five separate contracts, currently procured with the same provider. All five contracts offer support to people in crisis, with varying needs of support.

2.1. Thurrock Homeless Accommodation

The Council is required to meet its statutory duty to provide temporary accommodation to homeless individuals and households where a priority need is identified. At any time there are around 70 households in need of temporary accommodation within the borough, although this can fluctuate up and down.

In order to help meet this need the Council has use of two buildings in Grays, which provide a total of 47 rooms of varying size. There is one contract for the management of both buildings.

Charles Street	29 units – including 5 units for homeless 16 & 17 year olds
Clarence Road	18 units – including 4 units of move on accommodation for care leavers aged 18 to 25 years (this provides a transitional period of supported accommodation whilst the young people move into independent living)
Total	47 units

The current management and support service is managed out of Charles Street and provides the housing management function and support for both buildings. The current contract is due to end on 31st March 2016.

Both buildings provide accommodation to enable the council to meet its statutory duties to accommodate people who are homeless and in priority need pending an investigation into their circumstances and to support young people who are homeless or leaving care.

They may also accommodate people for whom the Council holds a statutory duty to rehouse but for whom permanent accommodation has not yet been provided.

Residents at this accommodation often have chaotic lives and need intensive housing management and support to enable them to maintain their responsibilities.

2.2 Homeless 16 & 17 year olds

Young people under 18 and those who are leaving the care system are most often in need of extra support during the transitional period into adulthood.

Currently, 5 of the rooms in Charles Street are used specifically for 16 and 17 year old homeless young people and this will continue under the new contract.

The Council has a statutory duty to accommodate these young people and due to their age and vulnerability, extra support is required to enable them to manage their accommodation and move into adulthood with appropriate training, education and employment.

2.3 Move on for care leavers

Currently 4 of the rooms in Clarence Road are used as move on accommodation for young people in care who are moving into independent living. It is envisaged that this arrangement will continue but that the number of rooms available for leaving care residents will be increased to 9.

This will enable the Council to provide more “move on” accommodation within the borough rather than having to rely on accommodation outside the area.

Keeping care leavers within Thurrock improves their chances of good outcomes:

- by keeping them closer to their family and support networks;
- by giving them access to the local schools and colleges;
- by providing a natural progression from supported housing into independent living within the same borough;

The provision of move on rooms in Clarence Road also provides a financial benefit since the accommodation is much cheaper than other supported alternatives.

Savings of between £404 and £2,773 per young person per week can be achieved when compared with the cost of foster, supported or residential care - as outlined in chart below

Accommodation type	Cost per week	Cost per year	Saving per year per person when compared with Charles Street / Clarence Road	Potential annual savings for 9 people
Clarence Road accommodation (rent and support cost)	£427	£22,204		
Foster care	£800	£41,600	£19,396	£174,564
Supported accommodation	£830	£43,160	£20,956	£188,604
Residential care	£3200	£166,400	£144,196	£1,297,764

This could potentially save between £174k and £1.29m per year for the 9 young care leavers accommodated.

2.4. Crisis Intervention

The current floating support service for money and debt advice to Council tenants was implemented in July 2013 in response to a need for specific support services for Thurrock Council tenants at risk of homelessness, often due to high levels of support needs including issues such as rent arrears, debt, anti-social behaviour, drug and alcohol issues, mental health and other vulnerabilities.

The scheme accepts referrals from Thurrock Council rent department. The aim of the service is to prevent homelessness occurring by dealing with the most urgent issues that are contributing to the threat of eviction. The service supports the new introductory tenancy processes of closely monitoring new tenancies in the first year, when tenancy failures are at their most likely.

The service is expected to provide a minimum of 4,000 support hours per year (average 77 hours per week) and to support around 450 tenants per year.

The service will provide intense support to assist customer to reduce their debts and increase their income where possible. However in the longer term, it is expected that ongoing support will be provided to families to ensure that they are supported to:

- Address longer-term issues;
- Provide training in debt management;
- Provide employment help via training and other support;
- Provide social interaction via groups and social activities
- Continue to sustain independent living in the local community.

These will be met by referring on to other more generic floating support service to free up spaces for the new referrals with immediate risk of eviction.

There is an expectation that the provider will engage with and work with statutory and voluntary agencies in order to provide a holistic approach and to work to government strategies such as Troubled Families and Early offer of help.

There is currently a parallel service provided to non-Council tenants under a separate contract with similar aims and outcomes. This service has proved effective in reducing the numbers of households presenting as homeless.

Referrals can be made through other agencies, Council staff or by residents themselves.

2.5 Joint contract

Historically the five functions have been delivered as separate services, but currently delivered by the same provider; it is anticipated that the floating support service for Council and non-Council tenants can be delivered out of the Charles Street accommodation as part of the support package for homeless applicants and young people.

The benefits of placing all 5 contracts into one include:

- The provision of a single service out of Charles Street produces economies of scale i.e. fixed costs such as admin, management and facilities are spread out over more support hours enabling an increase in output;
- Support can be varied across the client base as and when required – for example when the need for support within the accommodation is higher, officers providing crisis intervention may be able to assist and vice versa allowing the support to be better targeted and responsive to need;
- A single contract and provider reduces officer time and duplication of contract monitoring;
- The provision of statistics for one single contract monitoring reduces duplication of monitoring and administration work by support workers, leaving more time to support clients;

The Council is seeking to appoint an experienced provider with an excellent track record of similar service delivery. The provider will need to demonstrate value for money whilst delivering a service that is innovative, of high quality and will continue to achieve positive outcomes for service users.

The service contributes towards both the national and local agenda on the prevention of homelessness and the provision of high standards of temporary accommodation.

3. Issues, Options and Analysis of Options

3.1 Thurrock Supported Accommodation

3.1.1. Family and adult accommodation

The Council has a statutory duty to provide temporary accommodation to certain homeless people. Without the current accommodation the Council would increase its use of bed and breakfast (B & B) accommodation to meet this duty; this represents an increased financial cost to the General Fund which is not subsidised through Housing Benefit.

B & B is universally recognised as inadequate accommodation and is strongly discouraged from being used, having been heavily criticised by the Courts and the Local Government Ombudsman. It provides no cooking or laundry facilities and there is no control over how the accommodation is managed or who is living there.

The Council has signed up to not using B & B for 16 & 17 year olds, or for households with children except in an emergency for a very short period of time.

Thurrock supported accommodation provides superior accommodation to B & B but due to the nature and vulnerability of customers living there, an intensive housing management and support service is required, since many of the customers are vulnerable and have failed to maintain tenancies, jobs or training, and relationships with family members/friends who have evicted them.

Thurrock supported accommodation is in Grays; close to public transport links and support agencies such as Grays Hall and other health care professionals which enable clients to remain linked in with support agencies and networks.

It provides cooking and laundry facilities along with communal areas for training and support programmes. The current providers offer residents programmes such as IT skills, child care, cooking and budgeting skills.

3.1.2. Homeless 16 and 17 year olds – 5 rooms

The Council has a duty to accommodate homeless 16 and 17 year olds, who become looked after children. By providing specific supported accommodation within Charles Street, costly foster, supported or residential care is avoided.

Specific support targeted at this age group is provided and young people are encouraged into training education or employment

3.1.3 Young People leaving care – 9 rooms

Looked after children, reaching 18, may be ready to move into independent living. However some may require a further period of transitional support and the move on accommodation at Clarence Road enables young people to move out of care into supported living for a period of time until they are ready for fully independent living.

3.2 Crisis Intervention

The service aims to work with households in crisis to initially prevent homelessness from occurring and also to provide ongoing support to enable them to reduce debts, increase income and address the issues that have led to their current situation, thereby preventing the risk of homelessness from re-occurring.

Examples of the type of work carried out by the service:

- Assisting tenants in applying for discretionary housing payments;
- Assisting tenants in applying for unclaimed benefits which the tenant is entitled to;
- Contacting debtors to arrange manageable payment plans;
- Referring tenants to supporting agencies such as drug and alcohol support services.

Preventing tenants from being evicted and helping them to sustain their tenancies provides both economic and social benefits

In 2014-15 the following savings in court costs alone were achieved through the support work with Council tenants:

Type of action avoided	Cost of legal proceedings	Number of preventions	Total saving
Notice of seeking possession	£376	29	£10,904
Court hearing	£376	52	£19,552

Eviction	£110	10	£1,100
Total savings			£31,556

This takes no account of other housing costs, such as the cost of a homeless application, temporary accommodation and the extra void property as well as the emotional and potential social costs.

A recent paper¹ by the homeless charity Crisis estimated the extra costs of a single homeless person to services such as the NHS and criminal justice system for one year, can range from £4,000 to £18,000 per person. This could be multiplied many times if the homeless household had children and/or other vulnerable people where social care may be involved.

Therefore the support contract provides essential homeless prevention work and potentially huge savings in the long term.

4. Reasons for Recommendation

The Council has a statutory duty to provide temporary accommodation to certain groups of homeless people;

The Council has committed to not placing homeless 16 & 17 year olds or families with children into bed & breakfast accommodation;

The Council has an ongoing duty to assist young care leavers under 25 years old;

The Council has emphasised the need for homeless prevention, which provides financial savings and better outcomes for residents.

5. Consultation

Not applicable

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

Provision of a high standard of supported temporary accommodation and a support service to prevent homelessness, address the corporate priorities of building pride, responsibility and respect within the home and improving health and wellbeing by preventing homelessness which can have an adverse and detrimental impact, especially on children and young people.

¹ At what cost? An estimation of the financial cost of single homelessness in the UK by Nicholas Place, Centre for Housing Policy, University of York, July 2015

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**

Financial Accountant, Corporate Finance

- Because temporary accommodation typically provides support for people with very complex needs living in one building, it would not be a sensible proposition to run the building without support.

If the supported accommodation were not provided, bed & breakfast would be the alternative.

Bed & breakfast in Thurrock costs on average:

- £350 to £420 per week for a single person
- £455 to £490 per week for a family

Only around £116 per week is recoupable from housing benefit subsidy which means the general fund has to meet the shortfall. For 47 units of accommodation this could add up to more than £572,000 per year with no support provision.

In comparison –accommodation in Charles street and Clarence Road costs around £295 per week for rent which attracts full Housing Benefit subsidy which means the only cost to general fund is the £170,000 extra support contract.

- An increased emphasis on homeless prevention will help reduce costs and subsequently reduce homelessness in the long term.

The paper indicates at 3.2 that typical costs of homelessness for a single person range between £4,000 and £18,000 per person per year. This does not account for homeless families and the extra pressures on children's services etc.

In 2014-15 at least 91 tenants had proceedings against them stopped due to the crisis intervention work; the benefits of a single contract will increase the amount of support work that would be expected of a provider due to economies of scale which in turn could increase the number of homeless preventions.

- Comparison of annual costs

	Old contract	New contract	Difference
Charles Street and Clarence Road management & support	£146,000	£150,000	+£4,000
Support for 16 & 17 year olds	£20,512	£20,512	0
Leaving Care move on	£89,000	£200,250	+£111,250
Crisis Intervention – Council tenants	£72,000	£72,000	0
Crisis Intervention – non-Council tenants	£22,064	£22,000	-£64
Total	£349,576	£464,762	+£115,186

The budget for the new contract has been set higher than that of the previous year.

Part of this reflects a slight increase on the Charles Street and Clarence Road management and support and reflects some soft market testing carried out with providers where estimates for service provision ranged between £150,000 and £264,000 per year. The current provider has already indicated that at least £150,000 per year would be required to replicate the current service.

The leaving care element of the contract has been increased by 125% and reflects the increase from 4 to 9 rooms to be used for young people leaving care. The total amount for this element is the greatest part of the contract at £200,250 per year.

However this potentially offers maximum savings of up to £1.29m per year as shown in 2.3 above.

7.2 Legal

Implications verified by: **Martin Hall / Ann Osbourne**
Housing Solicitor / Contract and Procurement Solicitor

The Housing Act 1996 Part VII requires a Local Authority to provide interim and temporary accommodation to certain groups of homeless people. The Act

also places a duty on Local Authorities to provide assisted persons with support and advisory services.

The Homeless (Suitability of Accommodation) (England) Order 2003 (“the 2003 Order”) provides that B&B accommodation will not be suitable for an applicant with family commitments where the applicant is owed a duty by a Local Authority under Part VII. An applicant with “Family Commitments” is defined as someone who is pregnant, a person who is expected to reside with a pregnant women or someone with whom dependent children reside, or may be expected to reside.

The 2003 Order provides that B&B accommodation may only be used to accommodate an application with family commitments as a last resort where no other accommodation is available, and if it is used it may only be used for a maximum of 6 weeks.

Furthermore, the Homelessness Code of Guidance emphasises the inappropriateness of using B&B for young people and children and local authorities must report to the DCLG any household placed in B & B for more than 6 weeks

Whilst the supported accommodation referred to in this report is likely to be defined as B&B for the purposes of the 2003 Order, the fact that they are owned or managed by the local authority mean that the provisions of the 2003 Order will not apply.

The threshold for Public Supplies and Services contracts is currently set at £172,514. The proposed contract is above the OJEU threshold for services and therefore subject to the requirement to competitively tender the contract.

The Council is obliged as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” (the Best Value Duty). Part of complying with the Council’s Best Value duty is ensuring that the Council obtains value for money by conducting a procurement exercise.

The contract should comply with the Public Contract Regulations 2015 and the Council’s Contract Procedure Rules.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**
Community Development Officer

Homelessness has a poor impact on all communities but is especially detrimental to the young and vulnerable, such as the disabled and elderly, who need stability and continuity, especially around education, medical support, family ties and friendship groups

Preventing homelessness and enabling families to remain in their homes will help to provide that stability

Where homelessness cannot be prevented supported accommodation provides more stability whereas bed and breakfast accommodation has been shown to be detrimental to the young and vulnerable in particular

- 7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)
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):
9. **Appendices to the report**
 - Appendix 1 – Commissioning report

Report Author:

Dawn Shepherd

Housing Strategy Manager

Housing, Business Development

FORM B**COMMISSIONING REPORT**

To be attached to Approval to Proceed to Tender (Form A) for service contracts above £75,000 and works contracts above £499,999 or Cabinet Report (if over £750,000)

PS/2015/065

Homeless Supported Accommodation and Crisis Intervention

1 INTRODUCTION AND BACKGROUND TO THE PROPOSED COMMISSIONING EXERCISE/TENDER

The Housing Directorate are required to meet their statutory duty to provide temporary accommodation to homeless individuals and households where a priority need is identified. At any time there are on average around 70 households in need of temporary accommodation within the borough although this can fluctuate up and down.

In order to help meet this need the Council uses two buildings in Grays

1. Charles Street - accommodates 29 people/households including provision for 5 young people under 18 years)
2. Clarence Road - accommodates 18 single people including provision for 4 move on spaces for young people leaving care aged 18 to 25 years

The accommodation is close to public transport and other facilities including support agencies such as Grays Hall, and other health care professionals.

Accommodation includes cooking and laundry facilities, along with communal areas. The current providers offer support programmes such as IT skills, cooking and money/debt management.

Without this accommodation the Council would increase its use of bed and breakfast (B & B) accommodation; this represents an increased financial cost to the General Fund which is not subsidised through Housing Benefit.

B & B is universally recognised as inadequate accommodation and is strongly discouraged from being used, having been heavily criticised by the Courts and the Local Government Ombudsman.

The Council has signed up to not using B & B for 16 & 17 year olds, or for households with children except in an emergency for a very short period of time.

Charles Street and Clarence Road accommodation clearly provide superior accommodation to B & B but due to the nature and vulnerability of customers living there, an intensive housing management and support service is required, since many of the customers are vulnerable and have failed to maintain tenancies, jobs/ training or relationships with family members/friends/landlords who have evicted them.

The proposed commissioning is for support services within the two buildings, including specific additional support for 16 & 17 year olds and young people leaving care. Alongside this will be provision of a floating support service for Council tenants to prevent homelessness

2 **BUSINESS CASE**

Prior to April 2015, support for vulnerable clients at Charles Street was funded by Adult Social Care at a cost of around £300k per year. The contract also included support for a 10 room smaller building at Brooke House. Both contracts were held by Family Mosaic - a Registered Provider of social housing, care and support services.

When the existing funding from Adult Social Care was withdrawn as part of the Council's funding reductions in April 2015, the Housing Directorate took responsibility for the support contract for Charles Street along with support for a new 18 room accommodation in Clarence Road, but Brooke House was closed.

Under an interim one year contract, Family Mosaic have continued to run the two buildings at a reduced cost. This represented a saving to the Council plus an increase in the number of units available.

The interim contract requires Family Mosaic to provide the housing management function and support to residents. They are also required to lease the two buildings from the Council, insure, maintain and furnish them.

The interim contract was for a period of one year; subsequently the Housing Directorate must now procure future services from April 2016.

Alongside the support contract are two extra contracts to support young vulnerable people:

- 5 spaces for 16 & 17 year old homeless people in Charles Street
- 4 move on flats for care leavers in Clarence Road

Extra support is required because of the age and vulnerability of these young people who are living away from usual family support networks. The contracts are funded through Children's Services and the service is also currently provided by Family Mosaic with contracts which both end on 31st March 2016.

It is envisaged that there will be an increase in the number of flats used for move on - up to 9 to be made available to Children's services.

Using this type of accommodation instead of fully supported, foster or residential accommodation for this group offers potential savings up to £1.29m per year

As part of the Council's commitment to preventing homelessness, the Council also provides two floating support services - one for Council tenants and one for non-Council tenants at risk of homelessness due to high levels of support needs including issues such as rent arrears, debt, anti-social behaviour, drug and alcohol issues, mental health and other vulnerabilities. The services aim to work with households in crisis to initially prevent homelessness from occurring and also to provide ongoing support to enable them to reduce debts, increase income and address the issues that have led to their current situation, thereby preventing the risk of homelessness from re-occurring.

Historically the floating support services and the accommodation services have been delivered under separate contracts, but it is anticipated that these can be delivered under a single contract out of Charles Street. This will provide a seamless service and will enable support workers to work more generically across all areas, offering a more viable proposition to potential providers.

A three year contract would be offered along with the option to extend for a further 12 months.

A formal competitive tendering process will be used including notice published in the Official Journal of the European Union (OJEU) since the total contract will be in excess of the EU threshold. Cabinet approval will be sought.

Provision of all support services will enable residents to address issues which could lead or have led to their homelessness. This could improve their chances of employment, education or training and encourage better money/debt management which could subsequently improve their social and economic well being.

INSERT DETAILS OF CONSIDERATION TO ECONOMIC, SOCIAL OR ENVIRONMENTAL WELLBEING DURING PRE-PROCUREMENT STAGE.

PLEASE SET OUT BRIEFLY HOW ANY SERVICES PROCURED MIGHT IMPROVE THE ECONOMIC, SOCIAL AND ENVIRONMENTAL WELLBEING OF THE AREA OVER WHICH THEY HAVE RESPONSIBILITY AND HOW THE COUNCIL WILL CONDUCT THE PROCESS OF PROCUREMENT APPROPRIATELY TO SECURE THE BENEFITS IDENTIFIED.

Insert details of the estimated previous spend on this Service. Information relating to estimated future financial spend on this Service will be contained in the exempt part of this report to ensure parties to the tender process provide an unbiased estimate of their fees therefore ensuring the council achieves Best Value.

Note – Officers should contact Finance for details of an appropriate Business Case format.

Financial Summary:

2.1 Details of previous spend

Contract for services for one year from April 1st 2015:

Accommodation management & support	£146,000
Crisis Intervention	£72,000
Support for 16 & 17 year olds	£20,512
Care leavers move on	£89,000
Homeless early intervention	£22,064
Total	£349,576

2.2 Details of Estimated Contract Cost

See Exempt Schedule 1

3 DRAFT SPECIFICATION

• Thurrock homeless accommodation

The hostels provide a total of 47 rooms for temporary accommodation (29 in Charles Street and 18 in Clarence Road). Single households and families are accommodated in a variety of different sized rooms.

Referrals are made through the Council's homeless department to meet the statutory duty to provide temporary accommodation where a person is homeless, eligible for assistance and believed to be in priority need. Typically this means families with children or pregnant household members, or single people with vulnerability, for example: mental health, learning disability, old age.

The provider will be expected to sign a fully repairing and insuring lease for the rental of the two buildings and to cover all building & utility expenses for the full contract period. The total lease cost will be £80,000 per year.

The provider will be expected to provide all housing management functions for the accommodation including rent collection, arrears management, evictions and health & safety requirements

The provider will be expected to charge residents for the accommodation in order to meet the lease and service charge costs - rents will attract Housing Benefit subsidy.

This contract includes the provision of additional support services which are not covered by the Housing Benefit subsidy.

The move on rooms for care leavers will be offered directly via the Children's services who will pay the rent on the properties since the young people may not be entitled to Housing benefit.

- Crisis Intervention

The scheme accepts referrals from Thurrock Council rent department, other agencies and self referrals. The aim of the service is to prevent homelessness occurring by dealing with the most urgent issues that are contributing to the threat of eviction.

The service will provide intense support to assist customer to reduce their debts and increase their income where possible. However in the longer term, it is expected that ongoing support will be provided to families to ensure that they are supported to:

- Address longer-term issues;
- Provide training in debt management;
- Provide employment help via training and other support;
- Provide social interaction via groups and social activities
- Continue to sustain independent living in the local community.

These will be met by referring on to other service to free up spaces for the new referrals with immediate risk of eviction.

There is an expectation that the provider will engage with and work with statutory and voluntary agencies in order to provide a holistic approach and to work to government strategies such as the Early Offer of Help Strategy.

The provider should also support customers to access grants and bursaries which assist customers who are facing real financial difficulty.

The focus of the scheme will be the prevention of homelessness and the on going provision of housing-related support to promote independent living skills.

- The Council is therefore seeking to appoint an organisation that:

a) Can evidence experience in successfully delivering similar housing management and support services

b) Can evidence innovation in service user engagement and service delivery

c) Can evidence how it will be able to deliver support to achieve the outcome and meet the Service Standards as detailed in the Service Specification

4 DRAFT TIMELINE

KEY EVENT	DATE
Publication of Contract Notice	16/11/15
Issue PQQs <i>[Omit if not applicable]</i>	N/A
Evaluation of PQQs <i>[Omit if not applicable]</i>	N/A
Issue of Invitation to Tender	16/11/15
Pre-Submission Clarification Meetings <i>[Omit if not applicable]</i>	N/A
Closing date for Tender submissions	14/12/15
Post-Submission Clarification Meetings <i>[Omit if not applicable]</i>	N/A
Interviews <i>[Omit if not applicable]</i>	04/01/16
Notification of result of evaluation	25/01/16
Standstill period	26/01/16 to 08/02/16
Expected date of award of Contract	09/02/16
Contract Commencement	01/04/16

The proposed timetable above is in draft form only; it is subject to change and is provided by way of guidance only. The Council's Responsible Officer will be updating and developing this working with Procurement Services.

The timetable is driven by the need to procure a new service provider for when the current interim contract ends on 31st March 2016.

5 PROJECT MANAGEMENT ARRANGEMENTS

5.1 Users/Stakeholders involvement and Communication Plans

Service users change on a daily basis i.e. people moving in or out of the accommodation, people requiring assistance with homeless prevention will change according to needs. However, current service users at the time of procurement will be advised of the procurement timetable.

5.2 Risk and Opportunity Assessment and Register

See Exempt Schedule 3

5.3 Contingency Plans

See Exempt Schedule 3

5.4 Project Management Record Keeping Procedures (which must comply with the Council's documentation retention policy)

Records of all tender documentation and project related emails will be kept and maintained by the Procurement team

6 CONTRACT MANAGEMENT ARRANGEMENTS

6.1 Users/Stakeholders involvement and Communications Plans

Due to the nature of the contract there will be ongoing communication with service users throughout its life, and they will have the opportunity to feedback to officers/managers any concerns and/or dissatisfaction with the service. In addition, the housing directorate carry out a survey of all newly housed Council tenants and questions about the temporary accommodation (where appropriate) are included.

6.2 Risk and Opportunity Assessment/Register

See Exempt Schedule 4

6.3 Contingency Plans (including Civil Contingency Plans)

See Exempt Schedule 4

6.4 Proposed Arrangements for Post Contract evaluation

The contract will be jointly managed and evaluated by the Housing Strategy team and Childrens Commissioning services with input from operational officers from the Housing and Childrens directorates

6.5 Proposed Contract Management (including Monitoring arrangements)

The contractor will be measured against identified KPIs. Monitoring of the KPIs and regular visits to the accommodation will also inform the contract management. Where the contractor does not meet these levels, an improvement plan will be agreed with a realistic timetable.

6.6 Contract Management Record Keeping Procedures

The full set of KPIs will be agreed with the contractor at the start of the contract and acceptable service standards identified.

7 Procurement Implications

Procurement

Implications verified by:	k mason
Telephone	01375 652243
email	kmason@thurrock.gov.uk

This contract exceeds the EU threshold for services, so it is recommended that a full OJEU tender process is conducted. As per the Public Contract Regulations 2015, the services being procured fall within the Light Touch Regime so there is some flexibility in the Council's approach to the procurement process. In this case, the Open procedure will be followed and award will be based on

MEAT (Most Economically Advantageous Tender), taking both Quality and Price into consideration.

SCHEDULE 1

8 Financial Summary

Estimated Total Cost:		£1,859,048			
Recommended Tenderer :					
<u>Breakdown of Estimated Contract Cost</u>	14/15 £000's	15/16 £000's	16/17 £000's	Later £000's	Total £000's
Contract			464.762	1,394.286	1,859.048
Fees					
Other (Specify)					
Total Cost			464.762	1,394.286	1,859.048
Is the proposed Tender budgeted In the current Approved Capital and Revenue programme? <input type="checkbox"/> Yes <input type="checkbox"/> No					
<u>Funding Identified</u>	14/15 £000's	15/16 £000's	16/17 £000's	Later £000's	Total £000's
1. Revenue Budget					
HR4152104			72	216	288
HG2502104			150	450	600
CA064			200.250	600.75	801
CA066			20.512	61,536	82.048
HG352 2600			22	66	88
2. Capital Budget					
Supported Borrowing					
Unsupported Borrowing (see note below)					
Grant (Specify)					
Capital Receipts					
Other (Specify)					
Total			464.762	1,394.286	1,859.048
<p><i>Note: If supported borrowing is to be used, please show under other financial implications how revenue savings can be made to fund the financing costs.</i></p> <p><u>Other Financial Implications:</u></p> <p>Soft market testing has indicated that this level of funding is required to enable service provision at the level expected</p>					

SCHEDULE 2

9 DRAFT EVALUATION CRITERIA

Quality 60% Price 40%

The Quality evaluation criteria is likely to include the following sub-criteria

Skills, Knowledge and Experience

Evidence of innovation in service user engagement and delivery

Start-up of Service

Meeting Outcomes

Please note that the above evaluation criteria is in draft form only; it is subject to change and is provided by way of guidance only. The Council's Responsible Officer will be amending and developing the evaluation criteria in conjunction with Procurement Services as the tendering exercise progresses.

SCHEDULE 3

10 RISK AND OPPORTUNITY ASSESSMENT AND REGISTER
Relating to the proposed tendering exercise

Risk	Likelihood	Impact	Level of Risk. High or Lower	Potential Negative Impact	Management and Mitigation of Risk
	A. Very High B.High C.Significant D.Low E.Very Low F.Almost Impossible	I. Critical II. Significant III. Marginal IV. Negligible	High – AI,BI,AII,BI,BII, CII Lower = Other		
There will be no providers who tender for the contract	E. very low	Significant	CII	No contract in place on 1 st April 2016 when the current interim contract ends	Should there be insufficient interest a reassessment of funding and contract requirements would need to be undertaken to determine the best way forward

Contingency Plans

If no service provider was procured then initially the current provider would be asked to continue for an interim period.

If the current provider would not continue then the housing management of the buildings would need to be undertaken by the Councils temporary accommodation team i.e. managing current staff providing the service, until a new provider could be found.

Similarly provision of support could be purchased on a temporary basis from another support provider for a temporary period.

SCHEDULE 4

11 RISK AND OPPORTUNITY ASSESSMENT AND REGISTER
Relating to the ongoing provision of works/services under the contract

Risk	Likelihood A. Very High B.High C.Significant D.Low E.Very Low F.Almost Impossible	Impact I. Critical II..Significant III.Marginal IV.Negligible	Level of Risk. High or Lower High – AI, BI, AII, BI, BII, CII Lower = Other	Potential Negative Impact	Management and Mitigation of Risk
Failure of provider to continue to provide service	E. very low	Significant	CII	Breakdown of service would have a negative impact on residents support needs and could result in a breakdown of the residency e.g. non payment of rent, anti-social behaviour	Consistant and regular monitoring of contract and dicussions with provider


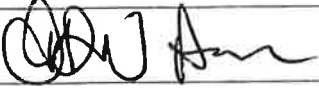
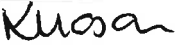
Contingency Plans

If the service provider were unable to continue with the service then the housing management of the buildings would need to be undertaken by the Councils temporary accommodation team i.e. managing current staff providing the service, until a new provider could be found.

Similarly provison of support could be purchased on a temporary basis from another support provider for a temporary period.

SCHEDULE 5

12 CONFIRMATION FROM LEGAL, FINANCE AND PROCUREMENT


Commissioning Report (Responsible Officer should sign section 13 below, and then pass to Legal, Procurement and Finance services to sign off below that they have been consulted and agree with the Commissioning Report insofar as it relates to their respective areas)	
Confirmed by Legal insofar as it relates to Legal implications	
<u>Officers Name</u> Ann Osbourne	Date
<u>Signature</u> 	23/10/15.
Confirmed by Finance insofar as it relates to Finance implications	
<u>Officers Name</u> JONATHAN WILSON	Date
<u>Signature</u> 	21/10/15
Confirmed by Procurement Services insofar as it relates to Procurement implications	
<u>Officers Name</u> Kiri Mason	Date 21/10/15 .
<u>Signature</u> 	

SCHEDULE 6

13 CONFIRMATION BY THE RESPONSIBLE OFFICER THAT RULE 5 OF THE CONTRACT PROCEDURE RULES HAS BEEN/WILL BE MET

The Responsible Officer Dawn Shepherd confirms that Homeless Supported Accommodation & Crisis intervention has been carried out in accordance with Rule 5 of the Councils Contract Procedure Rules (Chapter 9, Part 2 of the Constitution) and in particular the following duties have been/will (as appropriate) be met by the Responsible Officer

<p>The Responsible Officer has or will ensure duties have been met (Re 5.3 of the Contract Procedure Rules)</p>	<p><i>Responsible officer must tick this box and sign below to confirm compliance</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>If no, please explain here</i></p>
<p>IN PARTICULAR:</p>		
<p>Compliance will occur with all regulatory or statutory provisions and the Councils decision making requirements</p>		<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>If no, please explain here</i></p>
<p>Inclusion on Council's Contract Register</p>	<p><i>Responsible Officer must inform Procurement Services of the contract so that Procurement Services can update the Register</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Value for Money will be achieved</p>	<p><i>Give details eg most economically advantageous tender awarded?</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>The provider meeting the specification with the best economic advantage will be awarded</i></p>
<p>Advice has or will be sought from Director of Finance & Corporate Governance as to appropriate security (bond/guarantee) required</p>	<p><i>Please provide details of any bond/guarantee required</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>If no, please explain here</i></p>
<p>Document Retention Policy has/will be complied with</p>	<p><i>Council's Document Retention Policy (ie for tender and contract documents) is available on in-</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	<i>form</i>	
Financial evaluation will be made of the proposed tenderers including the winning tenderer/proposed contractor	<i>Required for all tenders over £75,000</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Advice has been and will be sought and followed from Procurement, Finance and Legal Services	<i>If no, this request will require reconsideration</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The Responsible Officer confirms that this project will be carried out in accordance with Rule 5 of the Councils Contract Procedure Rules (Chapter 9, Part 2 of the Constitution) and in particular the above duties have been/will (as appropriate) be met by the Responsible Officer	<i>Responsible Officer (Responsible Officer should sign here and then pass to Legal, Finance and Procurement to sign it off in section 6 above)</i>	Name Dawn Shepherd Signature  Date 21/10/15

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11 November 2015	ITEM: 14 01104427
Cabinet	
Potential disposal of Billet Field, Stanford le Hope	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor Gerard Rice, Portfolio Holder for Environment	
Accountable Head of Service: Ian Rydings, Head of Asset Management	
Accountable Director: Steve Cox, Assistant Chief Executive	
This report is Public	

Executive Summary

In July 2015 Cabinet requested an update on the progress of East Thurrock United FC's ("ETUFC's") plans to purchase Billet Field in order to develop new facilities for the club's relocation. This report provides that update, recommending an amended way forward in the light of the club's progress so far.

1. Recommendations

That Cabinet:

- 1.1 Notes the continuing progress of ETUFC's relocation plans.**
- 1.2 Confirms the in principle agreement to dispose of Billet Field to the club at market value as a relocation site, provided that substantive planning applications for both the housing and sporting facilities are submitted by the end of March 2016.**
- 1.3 Defers detailed discussion on the sale price and other terms until the club relevant planning applications are submitted.**
- 1.4 Agrees to formally consider the detailed price and sale conditions recommended by officers at the conclusion of negotiations.**

2. Introduction and Background

- 2.1 Cabinet first considered this matter at its meeting in January 2014, and at that time agreed to the principle of disposal of the Billet Field to East Thurrock United FC, at market value, restricted for sports field use. This decision was

made to enable the relocation of the club to the Billet in the circumstances of their privately owned ground at Rookery Hill, Corringham being redeveloped for housing. This in principle agreement required that the sale would take into account the development value enabled by the Council's land, the costs of the club's relocation and any social value generated by the new facilities. It also required that the matter be reported further to Cabinet for final approval, once negotiations were completed.

- 2.2 Acknowledging the progress made by the club at the time, Cabinet agreed to the sale for the sum of £340,000 at a following meeting held on the 9th April 2014. This firmer agreement was still subject to planning consents for both the residential development of the club's existing ground, and for the club's proposed development of new facilities at the relocation site.
- 2.3 The decision was also subject to the future agreement of detailed conditions for the ongoing stewardship of Billet Field, together with formalisation of ETUFC's proposal that they maintain, on the Council's behalf, further sports fields for community use on adjacent land known locally as the Mobil Field. The net annual cost of maintaining this neighbouring land is in excess of £11,000 and the net annual cost of the Council's stewardship of the Billet Field around £16,500; taking into account the cost of maintenance, less income received. The previous Cabinet decision therefore reflected the value of this potential revenue saving as being notionally equivalent to a capital receipt of around £300,000, in addition to the purchase price.
- 2.4 In reaching this decision Cabinet also considered the public benefit of the newly developed sporting facilities. Overall the plans presented by ETUFC were considered to represent a positive development for the community, the Council and the Club.
- 2.5 All prior consideration of this matter by the Council has been in its role as the landowner of the Billet Field. The Council's role as planning authority will not come into play until planning applications are made, and none of the discussions between the club and the Council so far should be taken as any implication that planning consents, either for a housing development at their current site, or for sporting facilities at the Billet, will be given in future.

3. Issues, Options and Analysis of Options

- 3.1 Cabinet's current decision was predicated on the club's plans being well advanced, with the expectation of substantive planning applications for the developments to follow shortly. However, in the light of a delay of more than one year in making such applications, Cabinet was informed of the apparent halt in progress as part of a general asset management update in July 2015. At that time Cabinet requested that officers liaise with the football club during the summer, making a further report to enable Cabinet to review the position.
- 3.2 Following this liaison and a meeting with ETUFC's secretary, it can be reported that the club, in partnership with the private owner of their current

ground, are confident that they are close to concluding negotiations on a “subject to planning consent” sale of Rookery Hill ground to an established developer with a track record of house-building in the Thurrock area. Consequently they feel that the relevant planning applications will soon be submitted.

- 3.3 The club retains its ambition to establish a multi-sport community focused facility at the Billet and has been engaged in discussions with other borough wide sporting organisations with a view to progressing this vision. In this general spirit, ETUFC have already provided support and funding to enable remedial work to take place on the bowls green on the site, owned by the Council but presently leased to the Pegasus Bowls Club.
- 3.4 The club have hosted a public meeting to communicate to the community their ambitions, and to hear local views. They say it is their intention to continue to keep the local community fully informed of their plans and that they will, at an appropriate time, host another public meeting, while also keeping ward councillors informed of progress. The club have stated that in the light of matters raised at the initial public meeting they will reflect local concern in the design of the new clubhouse building and are actively looking at the inclusion of community facilities within that building.
- 3.5 ETUFC also say they are committed to liaising with other local landowners, and the Council’s highways team to minimise the impact of match day traffic, and to implement management measures to reduce the risk of fly-tipping in the local area.
- 3.6 In the light of the recent communications with ETUFC, officers acknowledge that the plans are substantive and progressing, and as was previously agreed by Cabinet, are a potentially positive development for the community, the Council and the Club. However, as is often the case with complex and inter-dependent projects of this nature, the timescale of the possible developments remains uncertain.
- 3.7 Therefore Cabinet will be requested to confirm the in principle agreement for disposal of the field provided that substantive planning applications for the respective housing and sports facilities are submitted by the end of March 2016. However Cabinet is also requested to nullify the existing agreement on a sale price; instead deferring negotiation of these detailed matters until such time as relevant planning applications are made.

4. Reasons for Recommendation

- 4.1 This decision is recommended in pursuit of the Council maintaining proactive management of its property portfolio following the high level principles of the asset management strategy, that property be;
 - managed strategically to support corporate aims and objectives.
 - held and managed in support of service delivery.

- used to provide Value for Money and deliver efficiencies and savings for the future.
- procured and managed in a way that minimises the impact on the environment.
- used to support the regeneration of the Borough.
- used to support the activities and development of Thurrock's communities and the Council's partners.

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

- 5.1 Formal notice under the Local Government Act 1972 was required prior to disposal of this open space being considered and the relevant notice was placed in the local press and on the Council's website in November 2013.

The outcome of this public consultation concerning the potential disposal of the open space was as follows;

- five submissions of objection, one including a petition signed by 184 people. The objections centred on fears of loss of access to the current playing fields, noise, litter, light pollution, alcohol associated nuisance, parking and traffic issues along residential roads and the potential for unsightly buildings,
- one response supporting the proposal, citing the Club's history involving the Billet site and the benefit to the local community; including improved specialist facilities, the club's delivery of recreation and coaching to youngsters, women's and disability sides and their support of charities including St Luke's Hospice.

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

- 6.1 Management of the Council's land and property portfolio clearly has a far reaching impact on corporate policies, priorities, performance and the community. The Council's overall policy intentions and corporate priorities will be kept uppermost in consideration as the strategy is implemented. The high level policy objectives of the strategy are aimed to ensure alignment with Council and community aspirations.

7. Implications

7.1 Financial

Implications verified by: **Mark Terry**
Senior Financial Accountant

Any eventual income from the sale of this asset would on completion represent a capital receipt. It can only be only be used for capital investment

and not to fund revenue activities (although it may be used to repay capital borrowing with consequent revenue savings).

7.2 Legal

Implications verified by: **Evonne Obasuyi**
Senior Lawyer

The Council's actions in disposing of land are subject to statutory provisions, in particular powers under section 123 of the Local Government Act 1972 to dispose of land using whatever method it chooses as long as it meets its overriding duty to obtain the best consideration that can be reasonably obtained for the land. Where the land is considered to be open space, the Council is also required to give notice of its intention to dispose and consider any objections. The report indicates these requirements have been met

As the Asset Management Delivery Plan is implemented and property disposals are managed, further specific legal advice will be given to ensure that the Council is meeting its obligations and is acting lawfully and complies with the Council's Constitution..

7.3 Diversity and Equality

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

The disposal of properties in operational use and valued by the community has potential to have significant impact on members of the community and of staff. Consequently it is vital that these proposals are considered in the light of equality impact assessments to ensure that not only are adverse impacts avoided, but that the needs of those from minority groups are addressed. .

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

No other relevant implications.

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):

8.1 Previous Cabinet papers referred to in this report;

- 8th January 2014;
<http://democracy.thurrock.gov.uk/Data/Cabinet/201401081900/Agenda/5218%20-%2020239.pdf>

- 9th April 2014;
<http://democracy.thurrock.gov.uk/Data/Cabinet/201404091900/Agenda/9407%20-%2020860.pdf>
- 8th July 2015;
<http://democracy.thurrock.gov.uk/documents/g2558/Public%20reports%20pack%2008th-Jul-2015%2019.00%20Cabinet.pdf?T=10>

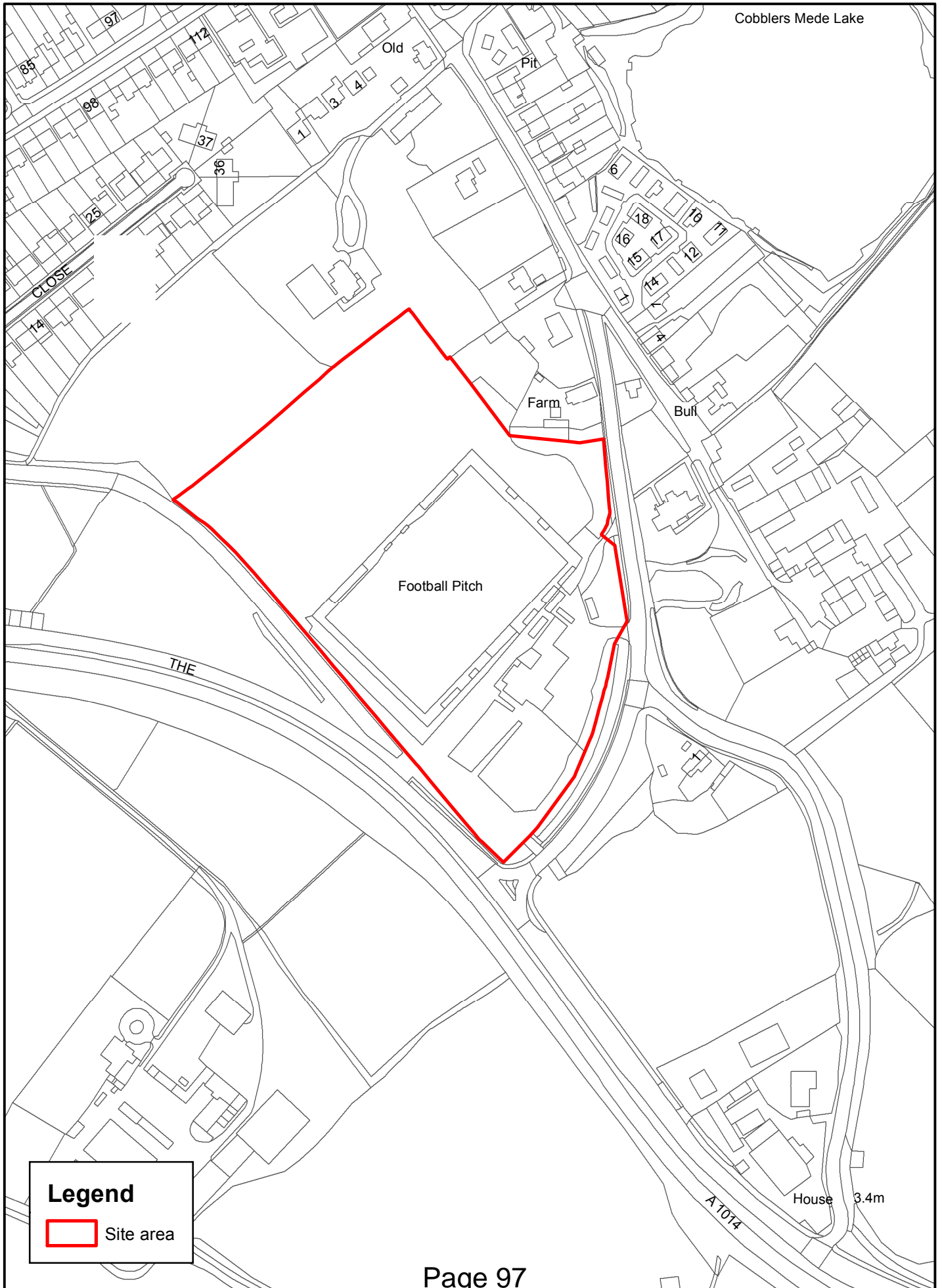
9. Appendices to the report

- Appendix 1: Map showing the location of ETUFC's current ground at Rookery Hill, Corringham.
- Appendix 2: Map showing the location of the proposed facilities at Billet Lane, Stanford le Hope.

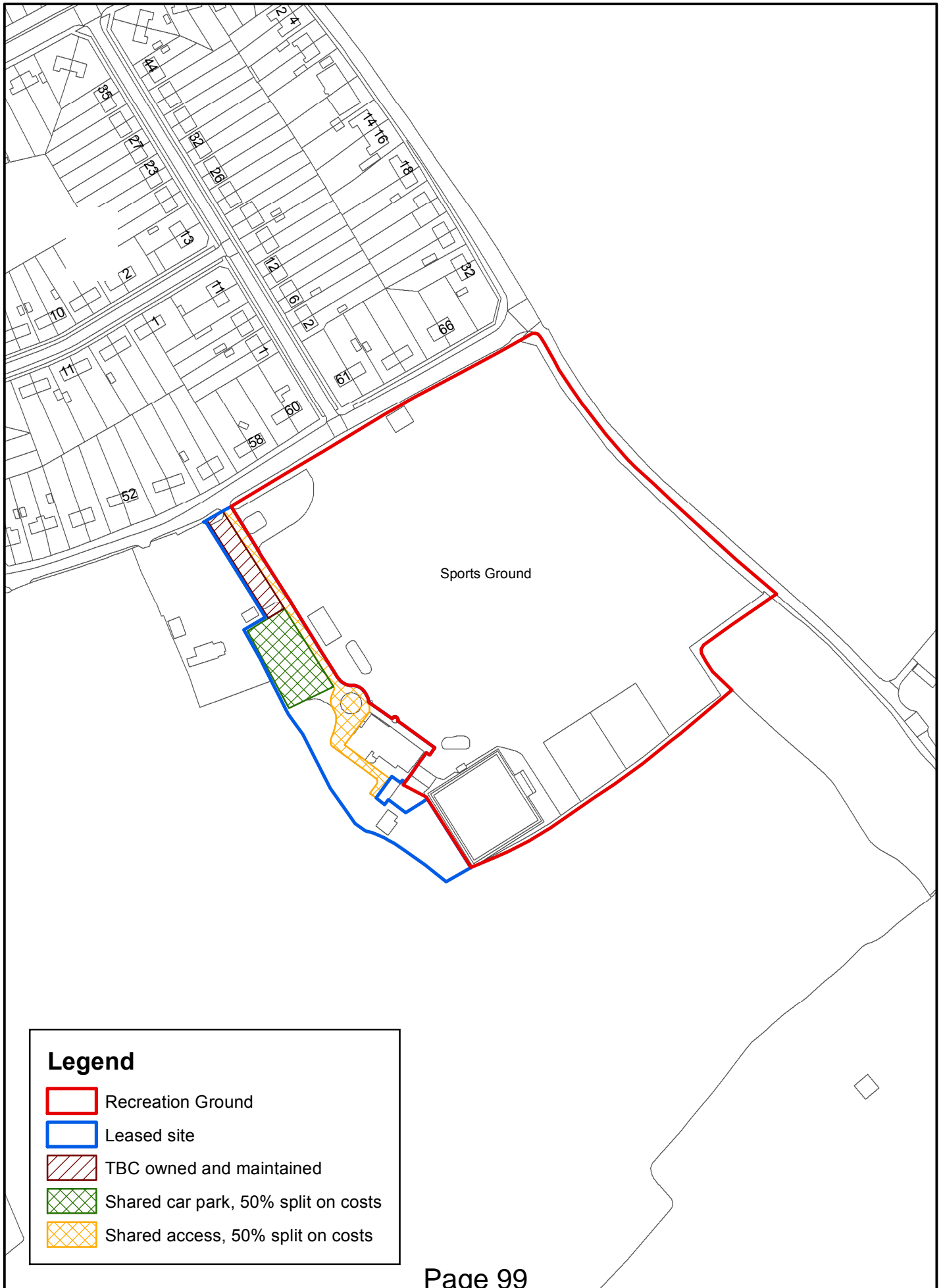
Report Author:

Ian Rydings

Head of Asset Management



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