

Thurrock - An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future

## Council

To the Members of Thurrock Council

The next meeting of the Council will be held at **7.00 pm** on **27 February 2019**

**Council Chamber, Civic Offices, New Road, Grays, Essex, RM17 6SL**

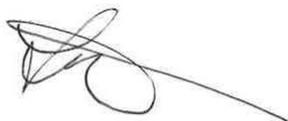
### Membership of the Council:

Barbara Rice (Mayor)  
Terry Piccolo (Deputy Mayor)

Qaisar Abbas  
Abbie Akinbohun  
John Allen  
Alex Anderson  
James Baker  
Clare Baldwin  
Russell Cherry  
Colin Churchman  
Gary Collins  
Mark Coxshall  
Jack Duffin  
Tony Fish  
Mike Fletcher  
Leslie Gamester  
Oliver Gerrish  
Robert Gledhill

Garry Hague  
James Halden  
Graham Hamilton  
Shane Hebb  
Victoria Holloway  
Deborah Huelin  
Andrew Jefferies  
Barry Johnson  
Tom Kelly  
Cathy Kent  
John Kent  
Martin Kerin  
Angela Lawrence  
Steve Liddiard  
Susan Little  
Sue MacPherson

Ben Maney  
Bukky Okunade  
Jane Potheary  
David Potter  
Joycelyn Redsell  
Gerard Rice  
Elizabeth Rigby  
Sue Sammons  
Sue Shinnick  
Peter Smith  
Luke Spillman  
Pauline Tolson  
Aaron Watkins  
Lynn Worrall



**Lyn Carpenter**  
**Chief Executive**

Agenda published on: 19 February 2019



## **Agenda**

Open to Public and Press

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<b>2</b>	<b>Minutes</b>	<b>7 - 36</b>
<b>3</b>	<b>Items of Urgent Business</b>	
	<p>To receive additional items that the Mayor is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.</p>	
<b>4</b>	<b>Declaration of Interests</b>	
	<p>To receive any declaration of interests from Members.</p>	
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<b>6</b>	<b>Questions from Members of the Public</b>	<b>37 - 38</b>
	<p>In accordance with Chapter 2, Part 2 (Rule 14) of the Council's Constitution.</p>	
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<b>8</b>	<b>Petitions Update Report</b>	<b>39 - 40</b>
<b>9</b>	<b>Appointments to Committees and Outside Bodies, Statutory and Other Panels</b>	
	<p>The Council are asked to agree any changes to the appointments made to committees and outside bodies, statutory and other panels, as requested by Group Leaders.</p>	
<b>10</b>	<b>Annual Pay Policy Statement 2019/20</b>	<b>41 - 58</b>
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In accordance with Chapter 2, Part 2 (Rule 14) of the Council's Constitution.

- 14 Reports from Members representing the Council on Outside Bodies**

- 15 Minutes of Committees**

Name of Committee	Date
Corporate Overview and Scrutiny Committee	20 November 2018
Housing Overview and Scrutiny Committee	11 December 2018
Cleaner Greener and Safer Overview and Scrutiny Committee	6 December 2018
Lower Thames Crossing Task Force	14 January 2019
Children's Services Overview and Scrutiny Committee	4 December 2018
Planning Committee	10 January 2019

- 16 Update on motions resolved at Council during the previous year 137 - 138**
- 17 Motion submitted by Councillor Holloway 139 - 140**
- 18 Motion submitted by Councillor Duffin 141 - 142**

**Queries regarding this Agenda or notification of apologies:**

Please contact Jenny Shade, Senior Democratic Services Officer by sending an email to [Direct.Democracy@thurrock.gov.uk](mailto:Direct.Democracy@thurrock.gov.uk)

## **Information for members of the public and councillors**

### **Access to Information and Meetings**

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### **Recording of meetings**

This meeting will be recorded with the audio recording being published on the Council's website. The meeting will also be filmed and live streamed. Members of the public not wishing to be filmed the Mayor will give them the opportunity to leave the chamber. At the start of the meeting the Chair will confirm if all or part of the meeting is to be recorded.

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Where members of the public use a laptop, tablet device, smart phone or similar devices to use social media, make recordings or take photographs these devices must be set to 'silent' mode to avoid interrupting proceedings of the council or committee.

The use of flash photography or additional lighting may be allowed provided it has been discussed prior to the meeting and agreement reached to ensure that it will not disrupt proceedings.

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- You should connect to TBC-CIVIC
- Enter the password **Thurrock** to connect to/join the Wi-Fi network.
- A Terms & Conditions page should appear and you have to accept these before you can begin using Wi-Fi. Some devices require you to access your browser to bring up the Terms & Conditions page, which you must accept.

The ICT department can offer support for council owned devices only.

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Members of the Council should ensure that their device is sufficiently charged, although a limited number of charging points will be available in Members Services.

To view any “exempt” information that may be included on the agenda for this meeting, Councillors should:

- Access the modern.gov app
- Enter your username and password

# 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.

## PROCEDURE FOR MOTIONS

No speech may exceed 3 minutes without the consent of the Mayor [Rule 19.8], except for the proposer of any motion who shall have 5 minutes to move that motion (except on a motion to amend where the 3 minute time shall apply) [Rule 19.8(a)]			
<b>All Motions will follow Section A and then either Section B or C</b>			
<b>A.</b>	A1 Motion is moved A2 Mover speaks A3 Seconded A4 Secunder speaks or reserves right to speak	[Rule 19.2] [Rule 19.8(a) (5 minutes)] [Rule 19.2] [Rule 19.3] (3 minutes)	
Then the procedure will move to either B or C below:			
<b>B.</b>		<b>C.</b>	
<b>IF there is an AMENDMENT (please see Rule 19.23)</b>		<b>If NOT amended i.e. original motion</b>	
B1	The mover of the amendment shall speak (3 mins).	C1	Debate.
B2	The seconder of the amendment shall speak unless he or she has reserved their speech (3 mins).	C2	If the seconder of the motion has reserved their speeches, they shall then speak.
B3	<b>THEN debate on <u>the subject</u>.</b>	C3	The mover of the substantive motion shall have the final right of reply.
B4	If the seconder of the substantive motion and the amendment reserved their speeches, they shall then speak.	C4	Vote on motion.
B5	The mover of the amendment shall have a right of reply.		
B6	The mover of the substantive motion shall have the final right of reply.		
B7	Vote on amendment.		
B8	A vote shall be taken on the substantive motion, as amended if appropriate, without further debate.		

## Our Vision and Priorities for Thurrock

An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future.

1. **People** – a borough where people of all ages are proud to work and play, live and stay
  - High quality, consistent and accessible public services which are right first time
  - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
  - Communities are empowered to make choices and be safer and stronger together
  
2. **Place** – a heritage-rich borough which is ambitious for its future
  - Roads, houses and public spaces that connect people and places
  - Clean environments that everyone has reason to take pride in
  - Fewer public buildings with better services
  
3. **Prosperity** – a borough which enables everyone to achieve their aspirations
  - Attractive opportunities for businesses and investors to enhance the local economy
  - Vocational and academic education, skills and job opportunities for all
  - Commercial, entrepreneurial and connected public services

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## Minutes of the Meeting of the Council held on 30 January 2019 at 7.00 pm

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**Present:** Councillors Terry Piccolo (Deputy Mayor), Qaisar Abbas, Tim Aker, Abbie Akinbohun, John Allen, Alex Anderson, James Baker, Clare Baldwin, Russell Cherry, Colin Churchman, Gary Collins, Mark Coxshall, Tony Fish, Mike Fletcher, Leslie Gamester, Oliver Gerrish, Robert Gledhill, Garry Hague, James Halden, Graham Hamilton, Shane Hebb, Victoria Holloway, Deborah Huelin, Andrew Jefferies, Barry Johnson, Tom Kelly, Cathy Kent, John Kent, Martin Kerin, Angela Lawrence, Steve Liddiard, Ben Maney, Bukky Okunade, Jane Pothecary, David Potter, Joycelyn Redsell, Elizabeth Rigby, Sue Shinnick, Peter Smith and Luke Spillman

**Apologies:** Councillors Barbara Rice (Mayor), Jack Duffin, Susan Little, Sue MacPherson, Gerard Rice, Sue Sammons, Pauline Tolson and Lynn Worrall

**In attendance:** Roger Hirst, Police Fire and Crime Commissioner  
Justin Benson-Ryal, Station Manager, Essex County Fire and Rescue Service  
Darren Horsman, Assistant Director for Communications and Engagement  
Chief Inspector Claire Talbot, Essex Police  
Lyn Carpenter, Chief Executive  
Sean Clark, Director of Finance & IT  
Steve Cox, Corporate Director Place  
Roger Harris, Corporate Director of Adults, Housing and Health  
Jackie Hinchliffe, Director of HR, OD & Transformation  
Rory Patterson, Corporate Director of Children's Services  
Julie Rogers, Director of Environment and Highways  
Ian Wake, Director of Public Health  
Karen Wheeler, Director of Strategy, Communications and Customer Service  
Matthew Boulter, Democratic Services Manager and Deputy Monitoring Officer  
Jenny Shade, 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.

The Deputy Mayor invited Reverend Canon Darren Barlow to lead those present in prayer.

## **88. Minutes**

The minutes of the Meeting of Council held on the 28 November 2018 were approved as a correct record.

The minutes of the Meeting of Extraordinary Council held on the 11 December 2018 were approved subject to the amendment made by Councillor Hebb that on Page 41 Paragraph 5 should start as follows:

*Councillor Hebb stated the approach that Highways England had taken ....*

## **89. Items of Urgent Business**

No items of urgent business were received.

## **90. Declaration of Interests**

No declaration of interests were received.

## **91. Announcements on behalf of the Mayor or the Leader of the Council**

The Deputy Mayor announced he had attended the Holocaust Memorial Service on Monday which had been a very moving event supported by a number of local schools with some of their young pupils contributing to the event by giving readings.

The Leader announced that work had started on the A13 Widening Scheme which was one of the largest Local Authority managed schemes in the country. The Council were doing everything to keep disruption to a minimum with two lanes remaining open in both directions during the day time as part of the next phase of works. There would be a temporary speed limit and reduced the width of the road to ensure safety of the workers and the travelling public. The Leader stated that once the scheme was complete it would mean a continuous three lane carriageway from the M25 to Stanford le Hope that would improve congestion and improve journey times.

The Leader stated that Officers from Thurrock Council joined Essex Police and the Environment Agency on operations on Friday to tackle the scourge of illegal waste carriers coming into the borough. The operation involved stopping more than 30 vehicles carrying waste which was approximately one every 12 minutes where a number of fines were issued for various offences such as littering to fly posting.

The Leader then moved onto HGVs where the Council had been consulting with Aveley residents on plans to help prevent lorries using those roads as a rat race. That lorries were ignoring the weight limits and driving down roads they should not be on to get to their destination. The Leader stated that although this was the responsibility of the Police to enforce, the Council wanted to take as much action as possible to prevent this and had worked on a solution for some time. A further

consultation would be carried out across the borough through next year to help reduce the problem.

The Leader referred to the two successful bids for funding from the Department for Digital Culture Media School. With the authorities on the South of Essex receiving £4.5m funding to help improve poor bank connectivity in the more rural region parts of the area, including Thurrock.

The Leader stated the Thames Estuary Production Corridor Partnership had also been awarded £4.3m from the Department for Digital Culture Media School, Cultural Development Fund to kick start a new £6.7m creative estuary programme to change, unlock the culture led growth across Thurrock and South Essex, North Kent, Staffordshire in the region as a creative hub.

And finally, the Leader gave a quick update on Clean It, Cut It, Fill It that since April this year:

- 1,625 fly-tips had been cleared.
- 2,952 fixed penalty notices had been issued on various offences from littering to some forms of anti-social behaviour.
- 1,030 acres of grass had been cut.
- 2,504 potholes had been filled.
- 2,443 tonnes of waste collected by our street cleaning ground maintenance team.

## **92. Questions from Members of the Public**

A copy of the transcript of questions and answers can be viewed under the relevant meeting date at <http://democracy.thurrock.go.uk/thurrock> and are attached at Appendix 1 at these minutes.

## **93. Petitions from Members of the Public and Councillors**

The Deputy Mayor informed Members that, in accordance with the Council's petition scheme, the requisite notice had been given by two members of the public who wished to present a petition at the meeting.

Mr Mayes presented a petition with regard to the air quality and pollution in Tilbury.

Mr Batchelor presented a petition with regard to the name change from Purfleet to Purfleet on Thames.

## **94. Petitions Update Report**

Members received a report on the status of those petitions handed in at Council Meetings and Council Offices.

## **95. Appointments to Committees and Outside Bodies, Statutory and Other Panels**

The Deputy Mayor enquired whether Group Leaders wished for any changes to be made to the appointments previous made by Committees and Outside Bodies, statutory and other panels.

The Leader of the Council, Councillor Gledhill, informed the chamber that he wished to make the following change:

For Councillor MacPherson to be removed from the Standing Advisory Council for Religious Education and replaced with Councillor Collins.

Councillor J Kent, Leader of the Labour Group, informed the chamber that he had no changes to make.

Councillor Spillman, Leader of the Thurrock Independence Group, informed the chamber that he had no changes to make.

## **96. Police Fire and Crime Commissioner (Presentation)**

The Deputy Mayor introduced the Police Fire and Crime Commissioner, Roger Hirst, Chief Inspector Claire Talbot, Justin Benson-Ryal, Station Manager, Essex County Fire and Rescue Service and Assistant Director for Communications and Engagement, Darren Horsman to the meeting and asked that they deliver their presentation which would then be followed by questions by Members.

Roger Hirst updated Members on the following:

- Crime had become more complex with new crimes such as internet, fraud and hate.
- Familiar crimes such as violence with injury were a major concern.
- Essex crime rate was up 5% this year and needed to be addressed.
- Monitoring of hate crime rates and the effectiveness of this.
- Recruit 150 Police Officers from April 2018. 54 already passed out and deployed and working with local Police teams.
- Work continued with London Metropolitan and London Borough Police.
- Monitoring cross border crimes.
- Government were making the case to match fund this year for £970m in total for Policing in the United Kingdom.
- £500m from Central Government into central Policing and £300m for local Police forces.
- The match would be through council tax and be raised by £2 per month.
- With 365 Police Officers being recruited this time next year.

Roger Hirst updated Members on the Local, Visible and Accessible Policing with extra Police Officers from the 2018/19 funding to increase six Police Constables for Community Policing Team, six Police Constables for Local Policing Team and three Police Officers for the Domestic Violence Unit. That Essex Police had been the fastest growing rate of Special Constabularies and second in the country.

Roger Hirst stated that for Gangs and Violence an additional funding of £664,000 from the National Early Intervention Fund had been sought.

Roger Hirst stated that the Essex County Fire and Rescue Service did not have the same pressures as the Police Service with a significant reduction in the number of fires in the last ten years. With 31% of incidents attended over the last five years were fires. The development of the Fire and Rescue Plan for 2019-24 was underway and encouraged involvement and feedback from Members.

Roger Hirst referred Members to the Fire and Rescue Plan Draft Priorities were:

- Prevention, protection and response
- Create a positive culture in the workplace
- Develop and broaden the roles and range of activities undertaken by the service
- Help the vulnerable stay safe
- Collaborate with our partners
- Improve safety on our roads
- Be Transparent, open and accessible
- Make best use of our resources

Members raised the following questions:

Councillor Smith: What strategies were in place for the 101 service. Roger Hirst stated that the waiting times were down from 29 to 13 minutes but agreed the service needed to slicker and the service was working on it.

Councillor Spillman: Essex had been quoted as having the lowest funding per head of population of any Police force in the country and questioned whether this was still the case; if so, what improvements had been made and where was Essex on the league table now. Roger Hirst stated improvements had been made and Essex was no longer at the bottom but in the bottom quarter. Roger Hirst stated that it would take time to get where Essex should be and that a new fairer formula was being introduced in 2021.

Councillor Cherry: Thanked Roger Hirst for the presentation and questioned how residents can get in touch with their Neighbourhood Police Officer and invited Mr Hirst to attend a Neighbourhood Watch meeting on the 6 February in Tyrrells Hall. Mr Hirst stated that it was good Members were promoting the Neighbourhood Watch initiative and would check his calendar for availability. Claire Talbot echoed Mr Hirst comment's and would ensure that a member of the team was in attendance.

Councillor Jefferies: Questioned the consistency of the S61 against unauthorised encampments. Roger Hirst stated efforts were being made to standardise the approach taken and stated that copies of the protocol had been sent to all Councils.

Councillor Redsell: What had been done to combat nuisance motor and quad bikes and what successes had there been. Claire Talbot stated the Police had a

great partnership with the Council with a good success rate of arrests, warnings for no insurance and possession of cannabis. Claire Talbot stated that if Councillor Redsell had an area where nuisance bikes took place to let her know.

Councillor Allen: Questioned whether keeping anti-social behaviour under control would stop some cases of anti-social behaviour escalating into more serious crime. Roger Hirst agreed that there had to be a change in focus and to stop the smaller crimes and to divert young people into other activities. Roger Hirst stated he was proud that anti-social behaviour was down but agreed there was still a long way to go but the system was working.

Councillor Hamilton: Questioned whether there was any way of estimating the true report figures on the basis that some crimes were not being reported. Roger Hirst stated the Crime Integrity was a factor that looked into this detail with Essex not fairing too badly. Roger Hirst stated it was hard to guess what the Police don't know with third party surveys being undertaken to monitor such cases.

Councillor Hamilton: Were there any plans to re-open the closed Police stations to restore resident's confidence. Roger Hirst stated what would give residents confidence would be to see Police in the community and would not be spending millions on buildings but spending millions on Police Officers.

Councillor Lawrence: Could the issues of anti-social behaviour be addressed on Derwent Parade and surrounding areas. Claire Talbot stated the Police were aware of issues and work had been undertaken and with the increase of high visibility of Police patrolling.

Councillor Anderson: Questioned whether the Corringham Fire Station would continue to have permanent Police presence. Roger Hirst stated that Police needed somewhere to rest, have secure lockers and a place to get paper work done. That good feedback had been received with more visibility patrols. It was the aim to roll out to 10 to 12 fire stations in the county but would not revert back to the old fashion Police facilities.

Councillor Okunade: Do Police deploy CCTV into recognised hot spots. Roger Hirst stated that a strategy was already in place and coordinated with the Council with the Police also working alongside the private sector on CCTV.

Councillor Fletcher: Questioned the rise in burglaries in his ward and raised the concern of residents and asked what reassurance could be given to residents of South Ockendon. Claire Talbot stated that more Police Officers were on the street patrolling and these should be more visible. Where there were any trends in an area a request would be made to the Police Central Teams. The Police had good results on stop and search.

Roger Hirst thanked Members for their time this evening and that a number of continued concerns had been heard and would be taken away. Roger Hirst encouraged Members to read the Fire and Rescue Plan and welcomed any feedback.

Roger Hirst agreed to come back to Council as and when Members requested.

The Deputy Mayor thanked, on behalf of the chamber, the Police, Fire and Crime Commissioner, Roger Hirst, Chief Inspector Claire Talbot, Justin Benson-Ryal, Station Manager, Essex County Fire and Rescue Service and Assistant Director for Communications and Engagement, Darren Horsman for their time this evening.

*At 8.10pm, the Police, Fire and Crime Commissioner, Roger Hirst, Chief Inspector Claire Talbot, Justin Benson-Ryal, Station Manager, Essex County Fire and Rescue Service and Assistant Director for Communications and Engagement, Darren Horsman left the Council Chamber.*

**97. Healthy Housing for the Third Age: Improving Older People's Health through Housing - Annual Public Health Report 2018**

Councillor Halden, Portfolio Holder for Education and Health, presented the Annual Public Health Report that considered the current and future needs of older people with respect to housing. The report reviewed the evidence that worked for older people's housing to describe the vision for Thurrock and that local and national data would be analysed to form a set of specific recommendations.

Councillor Halden stated that there was evidence that showed the links between good housing and health and that it was Thurrock's ambition to provide attractive housing and communities that would meet the needs of the borough's population as they age and to keep them healthy and independent as long as possible.

Councillor Halden thanked the Public Health team for the work undertaken in preparing the report.

Councillor Holloway as Chair of the Health and Wellbeing Overview and Scrutiny Committee thanked Ian Wake and his team for the fantastic evidence based report and stated that although the report showed joint working with Housing there should also be reference to joint working with the Planning teams. Councillor Halden thanked Councillor Holloway for her comment.

Councillor J Kent stated the report contained some good detail and evidence and that the following recommendations could have been in more depth. Recommendation 1(a). A need to be more aware that not all elderly residents had access to on-line facilities and information should be available in all formats. Recommendation 3(b). That a specific exercise should be tailored as part of a local resident engagement. Recommendation 3(d). That advice should be as independent as possible and there was a lack of housing advisors who were able to advice on housing options available to residents. Councillor Halden agreed with Councillor Kent's comments.

Councillor Spillman stated the report had been presented at Housing Overview and Scrutiny Committee and had no negative comments. Councillor Spillman stated that until the Administration told the Government that there was a housing

crisis and until the Government provided further monies the aspirations in the report would not be achievable. Councillor Halden stated that the Council supported private sectors to target and build the houses that Thurrock needed and the homes needed for elderly would be incorporated into the Local Plan.

Councillor Potheary welcomed the report that contained some levelled evidence base but had concerns that the number of proposals in the report rested on new properties being built and questioned whether the Council's proposal was a reality. Councillor Halden stated that in March 2018 monies were directly put into building new homes and not through the HRA which enabled more opportunities for the 1000 new homes to be built.

Councillor Jefferies asked Councillor Halden what provisions were being made for the provision of healthy housing for the elderly residents in Ockendon.

Councillor Rigby questioned whether the levels of bedding at the Community Hospital on the Long Lane site would be sustained or moved elsewhere once the Integrated Medical Centre had been built.

Councillor Allen stated that Tilbury was short of eight general practitioners and requested an update. Councillor Halden agreed to write to Councillor Allen.

## **RESOLVED**

**That Council noted the contents of the report and approved the recommendations within it.**

### **98. Local Council Tax Scheme 2019-20**

Councillor Hebb, Portfolio Holder for Finance, presented the report and stated that the current Local Council Tax Reduction Scheme had been implemented on the 1 April 2017 and agreed for the 2018/19 financial year with no changes. Councillor Hebb stated the proposal for 2019/20 would be to continue with the current scheme in light of no planned changes to the Housing Benefit legislation for the coming year.

Councillor Gerrish stated the Local Council Tax Reduction Scheme should be scrutinised by the Corporate Overview and Scrutiny Committee who would be able to review the elements of the scheme for the future. Councillor Hebb agreed with Councillor Gerrish's suggestion and requested the report went to the vote.

Members voted unanimously in favour of the recommendation.

## **RESOLVED**

**That the Council agreed to maintain the existing scheme for 2019/20.**

### **99. Report of the Cabinet Member for Public Protection and Anti-Social Behaviour**

Councillor Gledhill presented his first report as Portfolio Holder for Public Protection and Anti-Social Behaviour and highlighted the following services included within that portfolio:

- A key behaviour being Anti-Social Behaviour and how the Council supported the Police dealing with this.
- Secured funding for three years to enable five Police Officers and one Sergeant to be based in the Civic Offices.
- Worked closely with the Police, through the Community Safety Partnership, to help tackle certain crimes.
- CCTV evidence had been used in the past year in co-operating with Police in Operation Raptor.
- Operation to combat motor bike and quad bike activities.
- Environment Enforcement team had been built from the Clean It Cut It Fill It initiative and the Council would continue to take action on those that blighted the borough.
- 15 New Police Officers will be based in Civic Offices.
- Trading Standards team expanded their remit to include the operation of the Product Safety at Ports and Borders.
- Public Protection that alongside Trading Standards were Licensing and Food Safety.

Councillor Lawrence, as Deputy Chair on the Cleaner Greener and Safer Overview and Scrutiny Committee requested an update on the injunction on unauthorised encampments in the borough. Councillor Gledhill stated Thurrock Council had gathered evidence to apply to the High Court for an injunction in accordance with the Anti-Social Behaviour, Crime and Policing Act 2014, prohibiting the setting up of unauthorised encampments within the borough. This application had been submitted in December 2018 however an appeal from London Borough of Bromley v Persons had been submitted, which could have an impact on how injunction applications were considered going forward. Council Gledhill stated that legal advice at this time was to await the outcome of the appeal prior to submitting Thurrock's application.

Councillor J Kent questioned the increase in crime and how the latest figures confirmed that the situation was getting worse and asked could residents have some comfort that crime would be down in a year's time. Councillor Gledhill stated that he could not say this within a year but confirmed that £1m had been invested in extra Police Officers. With 15 extra Police Officers based in the Civic Offices and that this time last year the 24 Police Officers would not have been patrolling the streets. Councillor Gledhill stated that prevention was critical to reducing crime being committed and that residents took on the responsibility to start reporting any crime.

Councillor Spillman questioned whether the CCTV used for evidence gathering was live and was it the Police or Thurrock Officers that got involved with the monitoring and evidence gathering. Councillor Gledhill stated that CCTV was live and monitored from Tilbury where evidence would be shared to support crime incidents and assist emergency services and CCTV footage could be used to

supply information for further investigations. It was proposed that a review of CCTV be undertaken.

Councillor Potheary raised a concern on gang related violence in Thurrock where young people were part of gangs who had moved from London and questioned how the Youth Offending team were made aware of such individuals. Councillor Gledhill stated the issue went beyond Thurrock and that Members of the Essex Leaders had written to the Mayor of London and stated that every time an individual, either homeless or troubled families, had moved into another area that London Borough should make contact. Councillor Gledhill stated that the process did not work and relied on Agencies letting the Council know of such individuals.

Councillor Kerin welcomed the CCTV that had been installed in Seabrooke Rise and requested that the portfolio holder engaged with members from the Seabrooke Rise Association on where future CCTV should be installed. Councillor Gledhill stated that information from residents was vital so that the Council could engage with the Police.

#### **100. Report of the Cabinet Member for Regeneration**

Councillor Coxshall, Portfolio Holder for Regeneration, stated he was delighted to present his portfolio holder report which summarised the considerable work carried out over the last 12 months and highlighted the following:

- Government had committed to providing funding for and help deliver the £46m east-facing slips project at Lakeside, which was a crucial infrastructure priority for Thurrock.
- £47m on the east facing slip road this would make a major difference around the Lakeside basin.
- £80m on the A13 widening scheme which was a huge project and would include three lanes from the M25 right up to Stanford le Hope.
- £1b investments into the Thurrock which was a large sum of money for a small borough.
- Four Integrated Medical Centres would be built that linked to a wider reconfiguration of hospital services across South Essex.
- £80m for the refurbishment of Thurrock Hospital.
- Ten new schools in the next ten years resulting in more new school places.
- Thurrock Local Plan Issues and Options (Stage 2) Consultation Document where the public consultation will run for 12 weeks from 12 December 2018 to 8 March 2019.
- Progress had been made on the asset management and release programmes to dispose of assets no longer required.
- Managing major planning applications over the next few months which would potentially deliver approximately 5,000 homes and 5,000 jobs.

Councillor Kerin thanked the portfolio holder for the report and the update on the exciting projects but questioned the potential delays and uncertainty on crucial projects such as the Civic Square, Grays Underpass, Purfleet Regeneration,

Extension to the Civic Offices, Local Plan being behind schedule and questioned whether these projects should have been executed in a more efficient way.

Councillor Coxshall stated the delay of the Civic Square was due to Labour referring the closure of Orsett Hospital to the Secretary of State. That the £11m business plans for Grays town centre were critical and that the Council was on target to start these in 2019/20. The Purfleet Regeneration Limited had signed contracts and engaged with Swan Housing and was currently addressing an objection from the Mayor of London. That the Local Plan was now open for public consultation and the Council would listen to resident's comments.

Councillor J Kent commented on the lavish plans for the extension of the Civic Offices and questioned how the proposed £10m spend would benefit Thurrock residents. Councillor Coxshall stated that as part of the Grays Regeneration Framework all public buildings such as the library, Civic Offices, Crown House and the state cinema were all part of that plan and this would be the opportunity to connect the entrance to the Civic Offices in the right location so that residents can see where they have to go.

Councillor Spillman stated that two floors of the theatre were empty and the wasted space was not generating any revenue and asked for assure that this would be on the agenda and addressed. Councillor Coxshall agreed that maximum income from the Thurrock's assets was vital and the plans moving forward would be to move more staff into the Civic Offices but further consultation and engagement would be required.

Councillor Smith questioned that alongside the planned projects there should be an assurance that a 21st century transport link be addressed to take the pressure of the roads in Thurrock. Councillor Coxshall agreed that invested had been made to the roads in the borough and that a rail scheme needed to be addressed but this could not be done in isolation and would need to work with the South Essex and Thames Estuary Partnerships. Councillor Coxshall stated that Thurrock had a great independent bus service provider.

Councillor Coxshall reiterated that the Local Plan was at a critical point with all 49 Members having to make some big decisions that could affect Thurrock for the next 25 years.

## **101. Questions from Members**

The Deputy Mayor informed the Chamber that 1 question to the Leader had been received and 10 questions to Cabinet Members. Those not heard would either receive a written response or have the option to withdraw and resubmit.

A copy of the transcript of questions and answers can be found at Appendix A to these minutes.

*At 9.30pm the Deputy Mayor called the close of the meeting and that the one motion would be heard and advised Councillor Kelly that he had three minutes to speak before the motion would be put to the vote.*

**102. Reports from Members representing the Council on Outside Bodies**

This item fell due to time limit of meeting being met.

**103. Minutes of Committees**

This item fell due to time limit of meeting being met.

**104. Update on motions resolved at Council during the previous year**

This item fell due to time limit of meeting being met.

**105. Motion submitted by Councillor Kelly**

The Motion, as printed in the Agenda was proposed by Councillor Kelly and seconded by Councillor Churchman. The Motion read as follows:

*Full Council requests that Planning, Transport and Regeneration Overview and Scrutiny Committee, under its remit on regeneration, planning and growth look into how Section 106 money is scoped, allocated and spent. This would help ensure democratic oversight of benefits achieved and decision processes followed.*

Councillor Kelly introduced the Motion by stating that Planning, Transport and Regeneration Overview and Scrutiny Committee would be the representation as to where S106 monies were being spent and allocated. The Motion would also give each elected Member a stronger role as to how the S106 monies are spent.

The Deputy Mayor called a vote on the Motion.

Upon being put to the vote members agreed unanimously, whereupon the Deputy Mayor declared the Motion carried.

**The meeting finished at 9.33 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](mailto:Direct.Democracy@thurrock.gov.uk)**

## Appendix A to the Council Minutes – 30 January 2019

### **Item 6 – Questions from Members of the Public**

There were 4 questions from members of the public.

#### **1. From Mr Atkins to Councillor Halden**

Could the Portfolio Holder please tell me what the criteria is for those children with special needs when it comes to qualifying for home to school transport.

**Deputy Mayor:**

Councillor Halden, please respond to the questions

**Councillor Halden:**

Thank you Mr Deputy Mayor and Mr Atkins for your question.

First of all I would say that I really acknowledge that the parents especially parents with children with special needs it can be very stressful time making sure their children get to school is one of the reasons I am so proud that my department working with department of education, one just under 20 million pound to build a brand new tree tops special needs school a part of the wider 70 million were spending to build 3,500 school places in the borough within the next couple of years to look after these children.

In terms of the responsibility we have for the statutory bracket of 5-16, we would offer school transport to any child who's got a statement of educational needs that is related to their mobility issue so it's on an individual basis that child be assessed.

EHCP plan will be considered and to look at what package is correct for them. And what I would say is If you compare children with special needs with main stream pupils, we remove the distance criteria, so were the statutory guidelines direct us to the considered as 3 miles radius to the school for mainstream children. SEND issues we don't take that into consideration, so it's purely done on the basis of what is the mobility issue relating to that specific child.

**Deputy Mayor:**

Thank you Councillor Halden, Mr Atkins do you wish to pose a supplementary question?

**Mr Atkins:**

Yes I do. Thank you for your reply. As you know rewards and benefits don't always contact the SEN department when making their final decision who gets

school transport, so how do they arrive at the final decision considering they never see the children nor are they medically trained.

**Councillor Halden:**

Thank you Mr Deputy Mayor.

What I would say the package that is approved for individual children is signed off by the education team it's not signed off by the finance directorate or rewards and benefits team. So when the plan is actually written the team that actually assess the plan is a part of the education directorate so there is cross working between the educational psychiatrist team and the team that physically decide what is the correct package for that individual child.

We acknowledge that the system does not always work in the way that we want it to, it does not always work in the swiftest way we want it to. As I announced last year I'm soon to be starting I think actually on Monday a series of engagement events with parents, with head teachers and with carers so they can talk directly with myself and to my director about some concerns they have when engaging with our SEND team and some of the problems they experience when engaging with our SEND team.

We know we can do better, we know we can be swifter for parents it whether we can increase the capacity of our SEND team so we can turn around this plans quicker and assess the needs for transport much much faster, so we are on that journey to improve this system but I can assure you that when transport decisions are made those decisions are made by the education team.

**Deputy Mayor:**

Thank you Councillor Halden

**2. From Mr Perrin to Councillor Johnson:**

I believe the Council operates what it calls a "like-for-like" policy when it comes to moving from one Council house to another and also the carrying out of repairs/replacements in Council rented housing including outside repairs/replacements such as boundary fencing. Would you accept that the "like-for-like" policy is no longer an acceptable practice and needs replacing with a policy that puts emphasis on improvement and enhancement?

**Deputy Mayor:**

Councillor Johnson please respond to the question.

**Councillor Johnson:**

Thank you Deputy Mayor and thank you for your question Mr Perrin.

I am glad you asked me because there seems to be reoccurring theme here I responded to the exact same question to your Ward Councillor back in November. This is not policy it's more of terminology shall we say. The council undertakes 2500 repairs per month which costs the portfolio in line with the policy which the members have all agreed. The terminology like for like is only really every used or referred to when it comes to repairs more for ascetics than anything else, let's say if we was to replace a bathroom or a kitchen things like cupboards or tiles will always look to be replaced like for like more for ascetics than anything else. In answer to your question do I think the policy is outdated, I think it would be an unworkable policy but it isn't the policy.

**Deputy Mayor:**

Mr Perrin, do you wish to pose a supplementary question?

**Mr Perrin:**

Yes Mr Deputy Mayor.

Perhaps I should have made in clear in my original question. I was specifically referring to boundary fencing when suggesting that the like for like policy is no longer an acceptable practice. Councillor Fletcher and Hamilton and along with the council quality assurance officers after inspecting recent fencing repair work carried out by Mears agreed that the work was below standard and unacceptable and that Chesnut fencing was no longer fit for purpose an should be replaced with a more appropriate type of fencing.

I believe the Leader of the Council is of similar mind. In an email to Councillor Fletcher a council quality assurance officer made this statement:

*"The use of concrete post and gravel boards for fencing of Broxburn burn must provide stability and also increase long Gevity of event whilst taking in to consideration cost effectiveness to ensure value for money"*

Cllr Johnson, I rest my case, bearing in mind the quality assurance officer assessment will you recommend that the future Chesnut fencing would not be used as boundary fencing for council rented houses.

Thank you Mr Deputy Mayor.

**Deputy Mayor:**

Mr Perrin, please could you ask your question. Do you wish to reply?

**Councillor Johnson:**

I don't think there was a question in there, but other than will I say that we will use a specific type of fencing. I will go as far to say is we will use the best as we can do to do the best job. That's as far as I can go Mr Perrin.

**3. From Ms Haywood to Councillor Huelin:**

Can the Portfolio Holder please explain what reasons there could be to withhold the use of the area under Centurion House, given to the people of Tilbury to be used for sports and recreation, from being used by Tilbury Martial Academy?

**Deputy Mayor:**

Councillor Huelin, please respond.

**Councillor Huelin:**

Thank you Mr Deputy Mayor and thank you Ms Haywood for your question.

The area beneath Centurion house is thought to be protected by covenant whereby it's described as being for community use or as a gym to ensure the use of the space has local benefit. The developer only transferred the management of that space to the Council in December and the assets team need a little time to engage with the local community and ask them for their views and opinions about the future of this spacer and how they would want to see it used.

This space is not being withheld its only right and proper that Council seek guidance for the very community this space will serve it would be very wrong of the Council to give preferential treatment to any one community group over another. We believe in democracy and it's only fair that the local community and charity groups have the opportunity to compete equally with each other for the use of the space

**Deputy Mayor:**

Ms Haywood, do you wish to pose a supplementary question?

**Ms Haywood:**

No thank you.

**4. From Mr Arnold to Councillor Coxshall:**

Can the Portfolio Holder help me understand how a covenant placed on Sand Pits Car Park when it was disposed of, requiring the new owner to retain 100 free parking spaces for three-hour short-stays, is no longer in place?

**Councillor Coxshall:**

Thank you for your questions, the decision to expose the sand pit site was taken to cabinet in 2013 based upon the granted of planning permission in 2012. The imposed covenant and those registered to the land registry have since lapsed due to the expiry of the planning permission linked to it in 2012

which can no longer be implemented. The covenant can no longer be enforced.

**Deputy Mayor:**

Mr Arnold, do you wish to pose a supplementary question?

**Mr Arnold:**

Yes, is there any hope that we can tie the hands of the developer to keep the 100 spaces with 3 hours free parking and is there anything that can be done in future to prevent this happening?

**Councillor Coxshall:**

Thank you, I am very disappointed at that when I first took administration of this, it was very disappointing so I am asking that the Thurrock Legal team look at if there is any case law that exists that we can rely on to prevent the foremost covenants being used and to tie down the new developers there. But that doesn't help yourself and doesn't help at the moment obviously what has gone wrong here. In the future what will be done, under retain reuse release its completely changed the asset strategy of this council to make sure that hopefully nothing like that will happen again under this conservative administration.

**Item 15 – Questions from Members**

**QUESTION TIME**

**Questions from Members to the Leader, Cabinet Members, Chairs of Committees or Members appointed to represent the Council on a Joint Committee in accordance with Chapter 2, Part 2 (Rule 14) of the Council's Constitution.**

There was 1 question to the Leader and 10 questions to Cabinet Members, Committee Chairs and Member appointed to represent the Council on a Joint Committee.

1. Councillor Fletcher withdrew his question to Councillor Gledhill.

**QUESTIONS FROM MEMBERS TO CABINET MEMBERS, COMMITTEE CHAIRS AND MEMBERS APPOINTED TO REPRESENT THE COUNCIL ON A JOINT COMMITTEE**

1. Councillor Worrall withdrew her question to Councillor Johnson.
2. **From Councillor Shinnick to Councillor Halden**

Councillor Halden can you please inform the chamber what plans are being put in place after the Ofsted inspection at the Ockendon Academy.

**Deputy Mayor:**

Councillor Halden please respond.

**Councillor Halden:**

Thank you Mr Deputy Major. When the Ofsted report was published the full report is already referencing the existing improvements that the new head is already making but Ofsted have put in an improvement plan in place in response to the Ofsted inspection even though improvements were already in place under the new leadership of the school. The Directors visited the school, I visited the school and we are keeping a close eye on the improvement plans but what we need to do to improve is to look at both ends of the spectrum.

We have to support the primary schools in the area because no school sits in isolation so we need to support the primary schools to make sure that children that level year 6 are given the best possible chance to start year 7 that is why myself and Councillor Jefferies visited the Bens School just before Christmas as we look to invest large sums of money to expand those schools so that local Ockendon children get the opportunity to go to good schools and therefore get the best before they get to secondary school and in terms of secondary school we are making sure to continue to work with the teachers in the schools in the borough, William Edwards leads from a big teach in schools to act on peer or peer to support at the higher end.

**Deputy Mayor:**

Councillor Shinnick do you wish to pose a supplementary question?

**Councillor Shinnick:**

No thank you.

**3. From Councillor Shinnick to Councillor Johnson**

Councillor Johnson can you please inform the chamber what plans are there for the painting of garages on the Flowers Estate in Ockendon.

**Deputy Mayor:**

Councillor Johnson please respond.

**Councillor Johnson:**

Thank you Mr Deputy Mayor. Thank you for the question. Let me start but saying we are intending to undertake a full structural integrity survey to all council owned garages to establish which garages are not cost effective to repair and where our priority spends should be and that a report on Garage

Review will be presented to the Housing Overview and Scrutiny Committee on the 5 February. But specifically as the question relates to the Flowers Estate in Ockendon I am glad you brought it up because Councillor Jefferies and I had a walk around the estate with the chair of the Residents Association who pointed out several things he would like done. And in relation to the actual garages obviously we need to weather to improve; it is proposed to request the assistance of the Community Payback Team and the Probation Service, to begin a programme of painting garage doors in the stand-alone blocks, to improve the outlook for the residents.

Our Community Safety Partnership Manager has agreed that this could be a project for the community payback to be involved with. As I said this is being checked out now. Once that has happened we will then look to begin to demolish the blocks which are beyond repair and then utilise this space to provide additional parking or redevelopment. And in specifically as we are talking about the Flowers Estate Garages that something that emanated from that same walk about with Councillor Jefferies and I that he was asked to look at the installation of CCTV around the Quince Tree Park area which I can say is currently being considered by the Housing ASB Team.

**Deputy Mayor:**

Councillor Shinnick do you wish to pose a supplementary question?

**Councillor Shinnick:**

Yes I hope just like to hope that you can keep the local community up to date with what is happening.

**Deputy Mayor:**

Councillor Johnson

**Councillor Shinnick:**

Yes most definitely.

**4. From Councillor Abbas to Councillor Watkins**

Road conditions on Elm Terrace (West Thurrock) are really bad and require urgent attention. Do you have any plans to resurface this road?

**Deputy Mayor:**

Councillor Watkins please respond.

**Councillor Watkins:**

Thank you very much Deputy Mayor and thank you Councillor for your question.

I am sorry to disappoint you Councillor as I understand the frustrations of no doubt of yourself and of the residents which have experiencing with this road but the road in question is an un-adopted, thus private, this means unfortunately that the road is not maintained by the Council and the responsibility does fall on the freeholders and frontages of the road. As I say I understand that it is a good point for here especially for those residents however I would advise yourself and those residents, not sure if you have heard about this before, we do have something called the CEDF fund which funds every single year and applications will be starting again soon where residents can come together and work with the council to put in a grant and to take some money from that fund in order to repair those roads.

A great example if you want of where the community has come together in order to repair a private section of the road is the Frost Estate in Corringham they are a shining example of a community group that have come together to work on that road and have done an awful lot of work not just in 2016 and again in 2019, this year as well they have been doing some more work. Again as I say I understand the frustrations but if you would like some more information on the CEDF fund please let me know and we can get that shared out to you and how this works for residents as well.

**Deputy Mayor:**

Councillor Abbas do you wish to pose a supplementary question.

**Councillor Abbas:**

No thank you.

**5. From Councillor Potheary to Councillor Huelin:**

What role do you envisage for the arts in Thurrock?

**Deputy Mayor:**

Councillor Huelin please respond.

**Councillor Huelin:**

Thank you Deputy Mayor. Thank you Councillor Potheary for your question. A very broad question so I will try and answer it as best as I can. I see arts and culture as having a huge and very important role to play in Thurrock. By participating in the arts we are not just helping people enjoy themselves although the Thameside Theatre which I think is a great asset and last year's pantomime was brilliant, I really enjoyed it. The theatre has and will continue to host a great variety of fun and educational treats for schools and families to enjoy.

Art broadens our minds such as the World War One Experience that I was privileged to attend at the theatre. I mean who knew that suffragettes actually converted a Belgium hotel into a front line hospital completely manned by woman, doctors, and surgeons, everybody there working it. The Shakespeare workshops put on during the week for children and I can still see the smiles on my face as the children's interpretation of the witches in MacBeth. The new digitised ticketing system which has opened up great marketing opportunities for the theatre with deals and offers for the whole community.

We have seen the theatre go from being in deficit to breaking even. But as I have said by participating in arts is not just about having fun I wanted to see the arts continue to bring communities together learning about each other's cultures such as the Windrush celebrations and the Trailblazer programme in schools. The use of arts is well known for its health and wellbeing properties and I want to see more of this. It can have great healing properties to help people find a voice, it can be an outlet for anger as well as for love and it helps people to destress and can be used as a form of pain relief, and it stimulates minds, increases social contact, and helps isolation and loneliness. The possibilities are endless. I want to see them all explored. I want to see the arts continue their great work to help to build and develop new skills to open up employment opportunities and job creation.

The future of the arts in Thurrock, I think, is looking amazing. The culture industries are one of the fastest growing sectors in the South East and the arts and the culture can help create high quality places in the borough to support existing communities. The Council will continue to participate and support this wider agenda which includes the TEPC initiative which recently won over £4m from the Department for Culture, Media and Sport. We are a key partner in this Thames Estuary production corridor initiative. Both have seen growth in cultural industries across London, South Essex and North Kent. We have the Tilbury Community led local development strategy with the budget of £4.4 million supporting local people to access local jobs and to develop this. And finally we are one of the partners working towards submitting a bid to the Arts Council – Creative People and Places Programme, and if successful, this will draw in a significant amount of money to purport grass roots art facilities throughout the Borough.

**Deputy Mayor:**

Councillor Potheary, do you wish to propose a supplementary question?

**Councillor Potheary:**

Yes please, Mr Deputy Mayor. Thank you very much for that, I apologise, it was a very broad question. But thank you very much for outlining your vision and there's a lot we can agree on, there's a lot of common ground there. My supplementary question is that in Spring of 2017, the Portfolio Holder at the time, Councillor Macpherson, commissioned a lecture based consultancy company called 'Art Reach' to create a 10 year vision for the arts in Thurrock

at the cost of just under £15,000. Could you please kindly update us on progress towards this strategy?

**Deputy Mayor:**

Councillor Huelin, would you like to respond and can we keep it succinct?

**Councillor Huelin:**

Thank you Deputy Mayor, I'll try. Thank you for the question. The art strategy hasn't been shelved, the Councillor developed the draft strategy for arts and heritage but it needs to be refined and developed. I believe the arts, they're very organic and inspiration and creativity – well you can laugh, or you can let me finish, it's up to you. I actually do feel that art is organic and that it – anyway, it needs to be refined and developed and I believe the art to be organic and inspiration and creativity evolved and changes as they have grown and developed. And I don't want to see that creativity stifled by the wrong strategy. Now, I believe the very communities we live in are best placed to help develop art projects and it's those projects that meet the needs which is why Officers are working closely with community organisations. In this way, we can build and develop a shared vision of priorities for cultural activities in the Borough.

A good start has been made but areas of work have been identified including alignment with regional and national opportunities for funding. We will make sure that we can get as much money as we can possible into the Borough. And we are working around job opportunities and business. I'm sorry but it's a loaded question. Development and refining some of the ideas is depending on how and by whom the project will be

**Deputy Mayor:**

Right. Councillor, can we – you got 1 minute.

**Councillor Huelin:**

Yes, I've got one little bit. A regeneration plan develops an option for Thameside to come forward; I'm keen to see an organic strategy to improve the arts.

**Deputy Mayor:**

Right. Councillor. Do you have another supplementary?

**Councillor Potheary:**

Thank you Mr Deputy Mayor and thank you Councillor Huelin for your organic response.

**Deputy Mayor:**

Jane, can we keep it smaller please?

**Councillor Pothecary:**

According to our Reaches website, the final report on strategy was presented in March. Rightly, I am concerned as we don't seem to have heard anything about this report, this strategy that had been promised since March with all of the cost of £15,000. I hear what you're saying on perhaps what you want to do in this room but my question is, does it represent a good use of Thurrock Council's taxpayer's money if we're suddenly shelving a report that costs £15,000 that could have just been distributed to the arts group already operating in Thurrock?

**Deputy Mayor:**

Councillor.

**Councillor Huelin:**

I'll be very quick. I feel the money is being well invested, that is being used. We're trying to refine it; we're trying to do more with it. We're trying to make sure that we encompass everything. The next Portfolio Holder meeting that I will have will be next month, I'll make sure that it will be brought forward and I'll give you an update

**6. From Councillor J Kent to Councillor Halden**

Will the Portfolio Holder publish a list of sites considered for the proposed Orsett Heath Academy?

**Deputy Mayor:**

Councillor Halden.

**Councillor Halden:**

Thank you Mr Deputy Mayor. Obviously, the Orsett Heath Academy is being delivered by the EFSA. So the EFSA conduct their own sites so we're not aware of every single site that they consider because they're not a Council body. The Council obviously helps to give praise to the identified sites when we are asked. As we have seen in recent history, the Council does and insist on Council owned land where it's possible to try and protect as much money as possible for not being spent on the procurement of land so that money can be better spent on education provision and I'm sure as you can understand, there are a lot of huge amount of sites, available in Grays.

But it would be nice, just for the sake of variety, if we could hear a little bit of optimism from Labour Councillors to welcome tens of millions of pounds being

invested to create thousands of school places in the communities that they claim to represent.

**Deputy Mayor:**

Councillor Kent, do you wish to propose a supplementary question?

**Councillor Kent:**

First of all, I'll come to the optimism point. I'm very, very optimistic for the first Thursday of May but just for the sake of clarity, do I take the answer to the question to be no?

**Deputy Mayor:**

Councillor Halden.

**Councillor Halden:**

Well, I'm sure you're optimistic for the elections in May; I think you were also optimistic in 2017 and we know how that ended. And you've heard the answer to the question; it's slightly concerning for someone who was the Cabinet Member for Education at one stage, he who doesn't know how the EFSA operates. They are charged to deliver the Free School Programme, he should know, many free schools were delivered during the time he was Leader of the Council and as the body charged to deliver the Free School Programme, they do that land scouting. As I pointed out, we try to offer out land where possible to protect money so we can spend it on education provision.

I've not actually found, a single example of where Labour Councillors have actually welcomed schools being delivered, just in the same way that you allowed, the Manor School to go to wreck and ruin so the building had to be quarantined. You opposed this school, you opposed the other sites. It is a constant bandwagon with you

**Deputy Mayor:**

Councillor, Councillor! Councillor John Kent, do you wish to pose a second supplementary?

**Councillor J Kent:**

Thank you Mr Deputy Mayor, I have all that I require.

## **7. From Councillor Fletcher to Councillor Johnson**

Would the Councillor please explain the SLAs contracted with Mears and their subcontractors, specifically with reference to the acceptable timescales between reporting a problem and completing the repair?

**Deputy Mayor:**

Councillor Johnson.

**Councillor Johnson:**

Thank you Deputy Mayor, thank you Councillor Fletcher.

I will try and explain the Service Level Agreement as simply as I can.

Whether a repair is completed by Mears or their subcontractors, performance is measured within a suite of contractual key performance indicators. Attendance timeframes for repairs are based on the issue or nature of the repair and are categorised as:

Emergency repairs – where attendance would be within 24 hours;  
Urgent repairs – where attendance would be within 5 working days;  
Routine repairs – where attendance will be within 20 working days

In line with these priorities Mears are measured on 7 KPIs which following strong performance in 2017/18, saw the contractual targets being enhanced for 18/19. And during 18/19 to date, Mears have consistently achieved the enhanced contractual targets for all key performance indicators relating to repairs completed within target timeframes and repairs permanently completed first time.

**Deputy Mayor:**

Councillor Fletcher, do you wish to pose a supplementary question?

**Councillor Fletcher:**

Yes please, Mr Deputy Mayor. Thank you for that comprehensive answer. You've got to look somewhere, haven't you?

I'm pleased to hear they consistently achieve their KPI's. May I ask, Councillor, what action is taken where they don't?

**Deputy Mayor:**

Councillor Johnson.

**Councillor Johnson:**

Councillor Fletcher, I'm sorry to say this but all the KPI's are presented at the Corporate Overview and Scrutiny Committee of which you are a Member. You would find out in those cases, which ones aren't being fulfilled and which ones are and which, therefore you should review and perhaps you should say there and then to be able to report back to it on that to me. But as I say, your

question says 'explain SLA' which I've done. Obviously, if they don't, there will be penalties, that's what why KPIs are put in place for.

**Deputy Mayor:**

Councillor Fletcher, do you wish to pose a second supplementary question?

**Councillor Fletcher:**

Yes please, Mr Deputy Mayor.

Totally agree with you Councillor. In fact, in my first meeting of my group meeting with that meeting, that was exactly the question I asked – what exactly happened to those KPIs that are not met? And I'm still waiting for a comprehensive answer.

**Deputy Mayor:**

Councillor Johnson.

**Councillor Johnson:**

Then I suggest you go to the meetings, Councillor.

#### **8. From Councillor Allen to Councillor Watkins**

Can the Portfolio Holder please provide an update of the action that is being taken to tackle the fly-tipping in Tilbury?

**Deputy Mayor:**

Councillor Watkins.

**Councillor Watkins:**

Thank you Mr Deputy Mayor and thank you Councillor Allen for your question. I would also like to point out for your continued persistence with tackling litter and fly tipping issues within Tilbury, I will make a comment. I think judging by your recent activity, I presume you're quite confident in a *[words unclear]* so it goes across as always.

It only feels like last week which you and I had many a meeting in Tilbury going over your many concerns. At the time, obviously, many of those were dealt with quite promptly and will continue to. And I believe and I hope that your most recent meeting with the Environment Officers team and Enforcement team were equally as useful.

Councillor, you, I and everyone in this Chamber, know that fly-tipping is a blight and comes with not just the financial burden to taxpayers and to this Council itself; but to the 'vision', to the way people see Thurrock and the way

that people feel who live in Thurrock. It's despicable that people think it's right that they can come into our Borough or if they do live in this Borough that they can dump their rubbish or whatever it is on our streets and think it's fine. It's not fine and we're taking zero tolerance approach to that and that's continued in Tilbury as well.

Our Enforcement Team do patrol Tilbury, all across Tilbury and across the Borough. And where fly-tipping is evident, we do go to Court and take those people who are responsible to Court. The good thing as well, it's not just down to our Enforcement Team which has grown this year as well. And I don't want to keep a point's score, but when we came in 2016, the Enforcement Team was on its knees compared to where we are looking at it now. It's grown by so much.

We've also trained up our crews on the streets as well. As they're doing their rounds in cleaning, they can identify fly-tip and look for evidence as well and where necessary, they'll get the enforcement crews in as well to get further detail as we look at cleaning.

As well as alongside this, you would have seen in the most recent press release, in which Councillor Gledhill, the Leader, went out with the police team and have got some praise from Councillors within, judging by some of the emails, where we have those joint operations in place. We'll be going after those carriers who are coming into this Borough, checking their waste licenses, checking to see, obviously, where they are going, where their destination is after the rubbish. And alongside this as well, we did a lot of work with the tip, the household waste recycling centre, over the course of 2018, in order to stop the commercial enterprises from using it which we have seen.

Slight reduction in total amount of fly-tipping coming through into the Borough as well. It may only be slight but it means we are moving in the right direction and recently, we have announced, it went through Planning a couple of weeks ago, where we are going to be regenerating, expanding and pumping a lot of money into the household waste recycling centre to complete expansion which will allow and enable residents to have a lot more accessibility to the site with also future ambitions to take on commercial waste there as well. It gives another means for those carriers within Thurrock who are using these services in Thurrock. People should use that.

We'll obviously continue to target –

**Deputy Mayor:**

Can we move it on please?

**Councillor Watkins:**

Cool. I'll just quickly start.

We are continuing, obviously, to go against what is a hotspot in Tilbury where we do get that evidence coming in from residents. We mentioned Enforcement Officers that go out there and patrol the streets, it's not just fly-tipping, it is also for all littering concerns as well.

**Deputy Mayor:**

Councillor Allen, do you have a supplementary question?

**Councillor Allen:**

Yes please Deputy Mayor. Thank you for your answer, it was extensive.

With reference to CCTV, you touched again on the hotspots. I mean, in both wards of Tilbury, we've seen fly-tipping on, which I could safely say on an industrial scale. We've got tipper lorries going down the alleys and tipping whole loads into the alleyways. I'm sure you've seen some of my photos that I've sent in with my enquiries.

And use of CCTV, are we allowed to use temporary CCTV to obtain evidence of who's doing this? Because I suggest that we do this and catch who's responsible because all the time, we're letting someone do this –

**Deputy Mayor:**

I think your question has been answered.

**Councillor Allen:**

Ok, they'll do it more and more.

**Deputy Mayor:**

Councillor Watkins.

**Councillor Watkins:**

Thank you Mr Deputy Mayor and thank you Councillor for your question.

The answer is yes. We continue to work on those hotspots and we're also going to be launching a new comms plan soon where we are going to be engaging further review with residents. We're also going to be seeking information not just on those hotspots which we know of but also on any hotspots which people don't particularly want to report at this point in time and we're going to be engaging with those residents in time so the answer to that is yes. There will be a review of where we move forward with that.

**Deputy Mayor:**

Councillor Allen, do you have another supplementary question?

**Councillor Allen:**

Thank you Deputy Mayor. I'll be very, very – I'd just like Councillor Watkins to look into Fort Road in Tilbury because it's in a terrible mess at the moment. It needs clearing up and again, CCTV would be fantastic, thank you.

**Deputy Mayor:**

Councillor Watkins, can you make it brief please?

**Councillor Watkins:**

I'm aware of it and we're working on it.

**9. From Councillor Smith to Councillor Watkins**

I am delighted that the Aveley traffic consultation is now underway however residents of Romford Road are also blighted by rat runs and HGV incursion. Does Council have any plans to deal with these issues in Romford Road?

**Deputy Mayor:**

Councillor Watkins.

**Councillor Watkins:**

Thank you Deputy Mayor, I'm aware of the time so I will keep this very brief. I am also equally delighted with the fact that we have gone out to consultation on this; it's a long time coming and going but to be pushed in order to get that. And I encourage all residents across Aveley to have their say on this; it's not just one size fits all model and there are multiple options currently on the table for the consultation and we're listening to every single person who does write in. So the residents from Romford Road, what we will do we'll take their feedback onboard, and then as we move forward, once we're out of the consultation, we will develop those plans. We look at the Romford Road residents as an example and see how that can obviously be changed in order to work for that area. And also, the same way we're looking at work we're doing in Ockendon; we have spoken to Councillor Fletcher and others recently in regards to how that will also have a knock on effect in Ockendon.

**Deputy Mayor:**

Thank you Councillor Watkins. Councillor Smith, do you have a supplementary question?

**Councillor Smith:**

No, I'll make way for Councillor Spillman.

**Deputy Mayor:**

I'm afraid we've run out of time for question 10.

10. Councillor Spillman requested a written response to his question to Councillor Little.

## QUESTIONS FROM MEMBERS OF THE PUBLIC

There are 2 questions from members of the public.

### 1. **From Mr Jones to Councillor Watkins**

In September 2017 as ward Councillor for Stanford East and Corringham Town Centre I handed in a petition and spoke on behalf of residents regards the poor condition of the road surface in Gordon Road Corringham between Springhouse Road and the Sorrels. Could the Portfolio Holder for Environment and Highways please supply an update on this issue?

### 2. **From Mr Perrin to Councillor Hebb**

Throughout your time as the Cabinet Member for Finance you have stressed how essential it is to achieve a balanced budget. Are you still committed to that goal?

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## Petitions Update Report – 27 February 2019

Petition No.	Description	Presented (date)	Presented (by)	Status
518	To ask Uber to move their geo-fencing back to London Boroughs	28 November 2018	Mr Colley	The Licensing Team continue to monitor developments with Uber, its operations in Thurrock and nationally. We are pressing Uber to exclude Thurrock from the London Geofence which it operates and have held a recent meeting with the company to discuss redrawing this boundary. This has been followed up in writing to the Company. The Council has sought legal advice and is currently awaiting a response.
519	Air Quality and Pollution Review in Tilbury	30 January 2019	Mr Mayes	<p>Officers routinely review the areas of Air Quality which fall within the jurisdiction of the Council as set out in the “Update on Air Quality and Health” report to Cleaner, Greener and Safer Overview and Scrutiny Committee on 7 February 2019.</p> <p>In relation to the dust issues experienced in Tilbury, this is not within the responsibilities of the Council and Officers continue to apply the appropriate pressure on the Environment Agency and London Port Health Authority as the relevant enforcement agencies.</p>
520	Name change from Purfleet to Purfleet on Thames	30 January 2019	Mr Batchelor	The Council has begun the consultation process required ahead of a formal decision on the proposal to change the name of Purfleet to Purfleet on Thames.

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<b>27 February 2019</b>	<b>ITEM: 10</b>
<b>Council</b>	
<b>Annual Pay Policy Statement 2019/20</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> N/A
<b>Report of:</b> Councillor Gary Collins – Portfolio Holder for Central Services	
<b>Accountable Assistant Director:</b> Jan Cox – Strategic Lead HR & OD	
<b>Accountable Director:</b> Jackie Hinchliffe – Director of HR, OD & Transformation	
<b>This report is Public</b>	

## Executive Summary

The Localism Act 2011 requires the Council to publish an annual Pay Policy Statement for chief officers. This must be approved by Council by 31<sup>st</sup> March each year. Like many other local authorities, Thurrock’s statement includes a pay policy for all categories of employees which reflects existing employment terms and conditions.

The Council’s Single Status Agreement requires the Council to honour the National Joint Council for Local Government (NJC) pay settlement as a minimum for single status staff. In addition, the Council commissions an annual independent market assessment to ensure the Council’s reward structure remains competitive and reflects both market and employment trends.

Pay for Senior Managers is governed by the Pay Strategy and Pay Policy for Assistant Director and Director Posts agreed in 2009 and determined by the annual independent market assessment. This is an employment contractual requirement which the Council is required to adhere to. The assessment this year recommends a 2% increase in the pay clusters for senior management pay. This is reflective of the year on year increase in senior salaries in the sector.

Recommendations contained in this report reflect those from the independent market assessments conducted by Total Reward Projects Ltd in December 2018 and, for apprentices, the Government’s Budget Statement published in November 2018.

### 1. Recommendation(s)

- 1.1 **The Annual Pay Policy Statement 2019/20 is agreed in line with the Council’s obligations under the Localism Act 2011, the Single Status Agreement , the recommendations by the independent market**

**assessment and the output of the pay review project (as agreed by GSC on 8 October 2018).**

## **2. Introduction and Background**

- 2.1 This report seeks approval of the Council's annual Pay Policy Statement for 2019/20; in particular, the elements of this statement which vary from, or are in addition to, those contained in last year's pay policy.
- 2.2 The proposed statement attached at Appendix 1 was approved by Directors Board on 15<sup>th</sup> January 2019.

## **3. Issues, Options and Analysis of Options**

- 3.1 The Council's current pay structure for single status staff remains unchanged since implementation of the Single Status agreement in 2006. Under the agreement, Council agreed to move away from National Joint Council for Local Government (NJC) pay rates but to continue to honour any pay awards determined through nationally negotiated pay settlements as a minimum.
- 3.2 In April 2018 agreement was reached between National Employers and Trade Unions on changes to the NJC pay scales, to come into effect from April 2019. Along with the issues identified by the equal pay audit mean the council must review and change the pay structure. A proposal was approved by General Services Committee on 8 October 2018.
- 3.3 In line with the commitment in the Pay Policy Statement 2018/19 to conduct 'a pay review with the intention of modernising and simplifying current pay arrangements', a review has been undertaken in line with the following agreed principles, this is reflected in the new policy:
- Remove the overlaps between Bands
  - Limit the number of incremental points in each Band in line with the Equalities and Human Rights Commission guidance on having no more than 5 increments (6 points within each Band)
  - Re-establish pay differentials
  - Take account of the UK Living Wage (£8.75 from 1st April 2018)
  - Investigate the pay anomalies identified as part of the Equal Pay Audit
  - Take account of the recommendations with the Gender Pay Gap report, published annually as per the Gender Pay Gap Reporting legislation.
  - Ensure the pay model is underpinned by a robust Job Evaluation scheme
  - Commitment to no reduction in base pay
- 3.4 The pay policy statement includes pay scales with a new bottom rate of £9.06ph and a new structure which removes overlapping grades and will eventually limit incremental points to 6 per grade in line with best practice.

#### **4. Independent Pay Reviews**

- 4.1 The Council's Single Status Agreement and Pay Strategy and Pay Policy for Senior Managers incorporate an independent market assessment to determine appropriate pay increases. This approach ensures pay levels continue to be fair, transparent and represent good value.

#### **5. National Pay Award for Single Status Employees 2019/20**

- 5.1 Under Thurrock's 2006 Single Status Agreement the Council agreed to move away from National Joint Council for Local Government (NJC) pay rates but to continue to honour any pay awards determined through nationally negotiated pay settlements as a minimum.
- 5.2 Pay negotiations between the NJC and trade unions for 2018-2020 concluded in April 2018 with an agreement for a two year pay agreement of 2% per annum. This agreement will end in March 2020.
- 5.3 In addition to the 2% increase, agreement was reached in April 2018 to make dramatic changes to the NJC pay structure, introducing new spinal points and combining others to radically alter the structure. As the Council is not bound to honour the rates, we are not proposing to follow these changes, and instead to adopt the changes proposed through the Pay Review Project
- 5.4 The independent pay review commissioned by the council recommends that with effect from 1 April 2019, the council implements a 2% pay increase on its current pay scales for employees in pay bands below the senior structure, with the lowest scales increased to meet the requirements of the Living Wage Commission. The proposed transition to the new pay structure goes beyond these recommendations in order to meet the principles in 3.4, whilst ensuring all employees receive at least 2% more pay in 2019/20 than in 2018/19.
- 5.5 The Council allocates funding within the MTFS to cover pay increases.

#### **6. Pay Award for Senior Management 2019/20**

- 6.1 In accordance with the Pay Strategy and Pay Policy for Senior Managers the Council has undertaken an annual independent market assessment of senior management pay.

This recommends a 2% increase in the pay clusters for senior management pay.

This is reflective of the year on year increase in senior salaries in the sector and is only the third increase recommended since 2009.

- 6.2 The 2% increase in senior salaries represents a cost in the region of £57,000.

## 7. The National Minimum Wage and Living Wage

7.1 From 1<sup>st</sup> April 2019 there will be three minimum wage rates:

- i) The National Minimum Wage – the legal, minimum hourly rate first introduced in 1999. From 1<sup>st</sup> April 2017 this will only apply to workers aged under 26 (see paragraph 7.1, table 1 below).
- ii) The UK Living Wage – the rate set independently by the Living Wage Foundation since 2011 and calculated according to the basic cost of living in the UK – £9.00 per hour.
- iii) The National Living Wage – the legal, minimum wage for workers aged over 25 – £8.21 per hour.

7.2 The National Minimum Wage (i) above) will have no effect on pay as it is below the lowest pay point.

7.3 The National Living Wage (iii) above) will have no effect on pay if the Council continues to pay the UK Living Wage or higher.

7.4 The Council has paid the UK Living Wage as a discretionary payment to its lowest-paid employees (excluding apprentices) since April 2013. On 5<sup>th</sup> November 2018 the Living Wage Foundation recommended an increase from £8.75 to £9.00 per hour. This is below the Thurrock Living Wage (the lowest pay point on our scale) so will have no effect on pay this year.

## 8. Apprentices

8.1 At present, the starting pay for Council apprentices is the National Minimum/Living Wage appropriate to their age from the start of employment. This was agreed in the 2018/19 pay policy statement, as an increase from paying apprentices the lower apprentice rate for the first six months of their employment.

8.2 It is proposed to continue this approach to apprentices, increasing the rates in line with the rates as shown in Table 1 below.

Table 1: Apprenticeship rates for 2019/20

	Aged 25 and over	Aged 21-24	Aged 18 to 20	Aged under 18	Apprentice Rate
Rates from April 2019	£8.21	£7.70	£6.15	£4.35	£3.90

## **9. Senior Manager Pay and Responsibilities**

- 9.1 Following the introduction of the Government's code of practice for transparency in 2014<sup>1</sup>, the Council will continue to publish specific details of senior managers' pay and responsibilities.

## **10. Consultation with Local Trade Unions**

- 10.1 Negotiations with the Council's recognised trade unions began in May for each part of the pay review project. In October 2018, General Services Committee agreed to delegate authority to negotiate a new Single Status agreement with Trade Unions to the Director of HR, OD & Transformation in consultation with the Portfolio Holder for Central Services.
- 10.2 Full consultation with the trade unions following GSC has reached the position where they are currently "fully supportive of the changes and have no issues or objections to the content of the pay policy statement."

## **11. Implications**

### **11.1 Financial**

Implications verified by: **Sean Clark**  
**Director of Finance, IT & Legal**

The financial impact of the increase in pay rates for single status officers, the increase in senior manager pay and the increase in apprentice pay rates have been considered through this report and accounted for during the 2019/20 annual budgeting processes.

### **11.2 Legal**

Implications verified by: **Paul Field**  
**Barrister, Senior Employment Lawyer, Law & Governance**

In setting out the proposal in this paper, due consideration has been given to:

- Equality Act requirements and compliance
- The requirement under the Localism Act for transparency over the Council's approach to pay.
- Recent high profile equal pay cases successfully brought against councils. ((e.g. Birmingham City Council v Abdulla & others, Armstrong v Glasgow City Council amongst others)

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<sup>1</sup> 'Local Government Transparency Code 2014' published by DCLG: 1  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/360711/Local\\_Government\\_Transparency\\_Code\\_2014.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/360711/Local_Government_Transparency_Code_2014.pdf)

Sections 38 to 43 of the Localism Act 2011 require Councils to prepare a Pay Policy Statement for each financial year and the Secretary of State, pursuant to section 40, has issued both the original Pay Accountability Guidance in February 2012 and a supplementary guidance in February 2013. The content of this report and the recommendations comply with the Councils responsibilities in this regard.

### **11.3 Diversity and Equality**

Implications verified by: **Roxanne Scanlon**  
**Community Engagement and Project  
Monitoring Officer**

This pay statement implements the recommendations approved by General Services Committee and standard protocols set by law and policy and therefore there are no diversity and equality implications arising. The increase to pay above the UK Living Wage and apprentice pay rates will have a positive impact on employees at lower ends of the pay scale.

### **11.4 Other implications**

No other significant implications have been identified.

## **12. Appendices to the report**

Appendix 1 – Pay Policy Statement 2019/20.

### **Report Author:**

Jerome Dowding  
Pay & Reward Specialist  
HR, OD & Transformation

**THURROCK COUNCIL**

**PAY POLICY STATEMENT 2019/20**

## VERSION CONTROL SHEET

<i>Title:</i>	<b>Pay Policy Statement 2019/20</b>
<i>Purpose:</i>	<b>To advise on the Council's pay policy including requirements under Section 38 of the Localism Act 2011.</b>
<i>Owner:</i>	<b>Human Resources &amp; Organisational Development</b>
<i>Approved by</i>	<b>Council</b>
<i>Date:</i>	<b>28 February 2019</b>
<i>Version:</i>	<b>0.5</b>
<i>Review frequency:</i>	<b>Annually – in accordance with Section 38 of the Localism Act 2011</b>
<i>Next review date:</i>	<b>October 2019</b>

# **Thurrock Council Pay Policy Statement 2019/20**

- 1. Introduction**
- 2. Scope**
- 3. Determination of pay grades and salary levels**
- 4. Pay progression**
- 5. Cost of living pay increases**
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- 7. Apprentices**
- 8. Pay multiple**
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- 11. Contractors or consultants**
- 12. Appointment of senior officers**
- 13. Payment on termination, and re-engagement of officers**
- 14. Mandatory Gender Pay Reporting**
- 15. Transparency Code**
- 16. Publication of information**

**Appendix 1 Senior Manager Pay Scales 2019/20**

**Appendix 2 National Minimum and Living Wage Rates 2019/20**

**Appendix 3 Single Status Pay Scales 2019/2020**

## **1. Introduction**

- 1.1 This Statement complies with Section 38 of the Localism Act 2011, which requires local authorities to produce a pay policy statement for each financial year in order to improve transparency and accountability within Local Government.
- 1.2 It may be adapted and/or updated by agreement at a full Council meeting.
- 1.3 Thurrock Council has, in addition, been conducting a pay review with the intention of modernising and simplifying current pay arrangements. The outcomes of that project are contained in this pay policy.
- 1.4 Thurrock Council reserves the right to review, revise, amend or replace the content of this Statement from time to time to reflect service delivery needs and to comply with new legislation.

## **2. Scope**

- 2.1 This Statement is applicable to both Council and school-based employees covered by the Council's single status agreement, and to senior officers. Youth workers, those on Soulbury contracts of employment and employees covered by TUPE are also included but their pay is determined by separate processes. This Statement does not apply to teachers, who are employed under separate terms and conditions.
- 2.2 For the purposes of this Statement, Thurrock's senior officers are the chief executive, corporate directors, directors and assistant directors.

## **3. Determination of pay grades and salary levels**

### **Senior officers**

- 3.1 The chief executive's and other senior officers' remuneration was determined in 2009. It was based on the median pay point of a market salary and reflected remuneration levels for comparable jobs in unitary authorities and London boroughs.
- 3.2 The 11 senior pay bands are shown in Appendix 1. Assistant directors are paid on the AD bands, ranging from points 1 to 15; directors and corporate directors are placed on a DIR pay band points 16 to 30 while the chief executive is on the CEX pay band: points 31 to 33.
- 3.3 Since 2010 annual, independent pay reviews have been conducted to reassess the salary levels that these pay bands should attract. These assessments take account of:

- (a) **The type and size of Thurrock Council:** Thurrock is a medium sized, unitary council with a significant degree of complexity due to its location, its changing demographics, its regeneration agenda and its complex external relations.
- (b) **The geographical location of Thurrock Council:** Located on the eastern boundaries of London and within easy commuting distance of London, the Council is competing in the same labour market as many London boroughs as well as Essex County Council and other unitary local authorities.
- (c) **The market for senior posts in Local Government:** In recent years many posts have become more demanding as a result of changes in legislation and public demand. This has led to a position whereby significant differences now exist regarding the remuneration attached to certain posts.
- (d) **Affordability:** Producing an affordable pay structure for senior managers is a principal aim of this policy.
- (e) **Transparency and clarity:** Thurrock Council is committed to establishing a pay structure which is clear, rational and able to withstand challenge.

#### **Employees who are not senior officers**

- 3.4 Employees other than senior officers are subject to the pay levels set out in the Council's single status agreement which contains a single 'Thurrock Living Wage' grade for the lowest paid employees (excluding apprentices), plus 9 pay grades containing between 5 and 8 incremental pay points. Posts have been allocated to a pay band through a process of job evaluation, using the GLPC job evaluation scheme.
- 3.5 All new or revised single status posts must be evaluated. This is done by trained evaluators in-house, as is common in other local authorities, using the GLPC job evaluation scheme. The results of any such evaluation are subject to moderation by the Council's Pay & Reward Board, which comprises of officers and trade union representatives and open to a fair and transparent appeals process.
- 3.6 Changes to this structure are being phased in over the next four years, as agreed with General Services Committee in October 2018, which will lead to bands of 6 points, meaning staff can progress through in 5 years, in line with the Equalities and Human Rights Commission guidance on having no more than 5 increments (6 points within each Band)

## **4. Pay Progression**

### **Senior officers**

- 4.1 Senior officer pay bands contain three pay levels:
- i. A lower point – for a post-holder with sufficient competence or experience but with some development needs. This is expected to apply to some appointments at the time of recruitment.
  - ii. A median point – for a fully competent and appropriately experienced/qualified post-holder. This is expected to apply to most appointments.
  - iii. An upper point – for an exceptional post-holder. The difference between the median point and upper point will only be paid as an additional non-consolidated payment for ‘exceptional’ performance. Few post-holders will be rewarded at this level, which is based on the 75<sup>th</sup> percentile of the market data.
- 4.2 The award of an annual increase to points (ii) or (iii) above is subject to satisfactory job performance.
- 4.3 For recruitment purposes, posts will be advertised at the median pay point, with the possibility of an additional non-consolidated payment for an exceptional candidate. A newly appointed senior officer’s starting salary will be reviewed on 1<sup>st</sup> April after appointment, regardless of how long they have been in post.

### **Employees who are not senior officers**

- 4.4 New starters are paid in accordance with Section 12.6 of the council’s recruitment policy which states; ‘normally the pay point will be the minimum point of the band. Exceptions to this rule may be considered where the minimum point is below the candidate’s current salary.’
- 4.5 Employees will receive an increase of one incremental point each year, effective from 1<sup>st</sup> April, providing they (i) have performed their role entirely satisfactorily; (ii) have 6 months’ service before 1<sup>st</sup> April; (iii) are not already at the top point of their pay band. Performance objectives will be linked to service delivery plans and priorities.
- 4.6 Until 4<sup>th</sup> September 2014, the award of additional pay increments (known as accelerated increments) on the grounds of special merit or ability were also made on the recommendation of the employee’s line manager and providing they were not already at the top point of their pay band. Such increases were subject to approval by the Council’s Pay and Reward Board.
- 4.7 From 4<sup>th</sup> September 2014, following consultations with the trade unions, it was agreed that in the light of the Council’s financial situation, accelerated pay progression should be suspended until further notice.

- 4.8 Employees who are protected under TUPE arrangements will be paid according to their contract of employment.

## **5. Cost of living pay increases**

### **Senior officers**

- 5.1 The annual, independent market assessment conducted in December 2018 concluded there should be a 2% cost of living pay increase for senior officers in 2019/20.

### **Employees who are not senior officers**

- 5.2 Under its single status agreement, the council must at least match any pay award agreed by the National Joint Council for Local Government Employees (NJC). This applies to all employees other than senior officers.
- 5.3 In April 2018, the NJC agreed a two year pay deal with a flat rate increase of 2% both 2018/19 and 2019/20 and new spinal structure for 2019/20. The 2% agreement has been factored into the adoption of the new pay structure, with any individual not receiving at least this increase, either through structural changes or shifts in job evaluation to be paid a Transition Protection Allowance for the difference.

## **6. Lowest paid employees / UK living wage**

- 6.1 For the purposes of this Statement, employees on the lowest grade of the Council's pay structure are classed as the lowest paid employees. The only employees paid at a lower rate than the Thurrock Living Wage are apprentices (see paragraph 7).
- 6.2 With effect from 1<sup>st</sup> April 2019, the previous pay point structure, beginning at pay point 5, was replaced with a new structure. The Thurrock Living Wage pay point and grade are the Council's minimum pay point with hourly pay set to £9.06 from the 1<sup>st</sup> April 2019.
- 6.3 For 2019/20 the Council continues its commitment to pay the UK Living Wage (£9 per hour from November 2018) to its lowest paid employees; the arrangement has been in place since April 2013. For 2019/20, the pay scales will begin higher than the UK Living Wage.

## **7. Apprentices**

The starting pay for Council apprentices is the national minimum wage or national living wage according to their age at the point of recruitment. The lowest pay rate for apprentices will be £4.35 from 1<sup>st</sup>

April 2019. The full ranges of NWM/NLW rates for 2019/20 are set out at appendix 3.

## **8. Pay Multiple**

- 8.1 Calculations were made using 2019/20 pay scales which show the pay ratios between the chief executive's salary and the average salary of the workforce are as follows:

Chief Executive: mean salary of the workforce = 1:6

Chief Executive: median salary of the workforce = 1:7.5

- 8.2 These ratios were calculated from the median chief executive salary level of £178,500; the mean salary of all staff other than the chief executive of £29,155 and the median salary of all staff other than the chief executive of £23,788.

## **9. Acting up payments**

- 9.1 For acting up or additional duties arrangements, an individual will be paid at the lowest point of the band being acted into, or one pay point higher than their substantive pay point if pay bands overlap.
- 9.2 Management do however have the discretion to award an acting up or additional duties allowance up to a maximum of 5 additional points from the employee's substantive pay point. The rationale for payment is subject to approval by the Councils Pay and Reward Board and evidence should be clearly documented on the employee's personal file.
- 9.3 Secondments are subject to the same pay allowances as stated above, however managers can make secondment arrangements according to the needs of their service are these are not subject to approval by the Council's Pay and Reward Board. Further details can be found in the Secondment policy.

## **10. Other payments**

- 10.1 The Council pays business user car allowances to single status staff who meet specific criteria relating to the frequency and type of business journeys they are expected to undertake. There are three levels of business user allowance: £1,149, £600 and £300 per annum. Any employee using their own vehicle for work purposes is eligible to claim 40p per mile. Business User Allowance is due to be reviewed and any future changes will be consulted on and included within future pay policy statements.

- 10.2 A car allowance is consolidated into the senior officer pay rates given in Appendix 1. In addition, senior officers receive a mileage payment of 10p per mile.
- 10.3 The Council has an employee relocation package, available to all new employees, subject to eligibility criteria.
- 10.4 The Council does not operate a bonus scheme for any employees, nor does it offer any other informal benefits to its senior officers
- 10.5 On occasions, for posts below senior officer level, temporary market supplements may be paid where difficult market conditions lead to recruitment and retention problems. Such supplements must be agreed by the Council's Pay & Reward Board.

## **11. Contractors and consultants**

- 11.1 Should the Council engage the services of an individual at senior officer level under a contract for services (i.e. not on the Council's payroll), the level of remuneration paid to the contractor, consultant or agency employing them will not exceed the equivalent salary points outlined in Appendix 1.
- 11.2 In exceptional circumstances, and with the express approval of the chief executive, a contractor or consultant at senior officer level may be engaged at a pay rate outside of the equivalent salary point in Appendix 1

## **12. Appointment of senior officers**

- 12.1 Full Council will agree the recruitment of any new, permanent, Chief Officer role.
- 12.2 Full Council will agree the recruitment of contractors to new Chief Officer roles.

## **13. Payment on termination, and re-engagement of officers**

- 13.1 In the event of redundancy or the early retirement of any employee, the Council will pay its standard severance payments within the discretions of the Local Government Pension Regulations.
- 13.2 In exceptional circumstances and where it represents best value for the Council, additional payments may be made to comply with the terms of a settlement agreement. These will be subject to the delegated powers and processes outlined in the Council's Constitution.
- 13.3 The Council will not normally re-engage, either in a contract of employment or a contract for services, any officer who has previously

been paid a discretionary payment (via a settlement agreement or retirement package) on leaving the Council's employment. Only in exceptional circumstances, and with the agreement of the Chief Executive and the General Services Committee, will such an arrangement be sanctioned.

13.4 The Government is introducing, through the Small Business, Enterprise and Employment Act 2015, a £95k cap on "exit payments". Regulations will be inserted by the Enterprise Bill 2015-2016 and a date for implementation was expected in 2016. This will limit the amount a public sector worker could be paid for losing their job to £95k. The regulation has been delayed and is now expected to be laid before Parliament in 2020. The regulations will apply to all staff but predominately high earners and will cover:

- Redundancy payments
- Payments on voluntary exits
- Pension strain costs
- Severance or ex-gratia payments
- Payment for outstanding entitlement
- Compensation under the terms of a contract
- Pay in lieu of notice
- Any other payments made as a result of loss of employment

13.5 A different set of regulations, the Repayment of Public Sector Exit Payment Regulations should have come into force on the 1st April 2016, however implementation has been substantially delayed, however is still awaited. It sets out the liability to repay any exit payment if the exit payee returns to the same 'sub-sector' within 12 months of receiving the payment. If they return to the same sub-sector within 28 days the whole amount is due, thereafter tapering arrangements become operational. Full Council may exercise a waiver to exclude such a repayment. If a waiver is issued it must be published along with the reasons for doing so in the preceding twelve months at the beginning of a financial year or published in the annual accounts. Guidance is awaited on the exercise of a waiver. If reclaimed an exit repayment is made to the 'old' employer and the sum passed through to the Treasury.

#### **14. Mandatory Gender Pay Reporting**

As of April 2017, all organisations with more than 250 employees must produce data on the gender pay gaps of their employees. The deadline for the Council to report this date is 30 March each year.

## 15. Transparency code

In accordance with Government guidelines<sup>1</sup>, the council publishes details of senior managers' pay on its website.<sup>2</sup>

## 16. Publication of information

This Statement will be published on the Council's website. Any in-year changes to this Statement will be published in the same way following full Council approval.

### Appendix 1 - Senior Manager Pay Scales 2019/20

		50/50% Lower Base Pay		50/50% Median Base Pay		50/50% Higher Base Pay
	SCP	Annual Pay £	SCP	Annual Pay £	SCP	Annual Pay £
CEX	31	163,002	32	178,500	33	190,500
DIR5	28	126,501	29	138,501	30	147,501
DIR4	25	118,500	26	131,502	27	138,000
DIR3	22	110,502	23	122,502	24	125,502
DIR2	19	98,502	20	108,000	21	113,001
DIR1	16	91,500	17	102,501	18	105,000
AD5	13	88,500	14	98,001	15	102,000
AD4	10	87,000	11	95,001	12	97,500
AD3	7	81,501	8	91,002	9	94,002
AD2	4	76,500	5	84,501	6	88,500
AD1	1	72,000	2	76,500	3	84,501

### Appendix 2: National Minimum and Living Wage Rates 2019/20

	Age 25 and over	Age 21 to 24	Age 18 to 20	Age under 18	Apprentice Rate
Rates from April 2019	£8.21	£7.70	£6.15	£4.35	<b>£3.90 N/A</b>

<sup>1</sup> 'Local Government Transparency Code 2014' published by DCLG: [Transparency Code](#)

<sup>2</sup> <https://www.thurrock.gov.uk/what-we-publish/local-government-transparency-code>

### Appendix 3: Single Status Pay Chart 2019/2020

Grade	Pay Point	2019/20 rate per hour		2019/20 salary	
I	54		£ 39.12		£ 75,481
	53		£ 37.98		£ 73,281
	52		£ 36.87		£ 71,140
	51		£ 35.79		£ 69,056
	50		£ 34.74		£ 67,030
	49		£ 33.72		£ 65,062
H	48	£ 32.73		£ 63,152	
	47	£ 31.77		£ 61,299	
	46	£ 30.84		£ 59,505	
	45	£ 29.94		£ 57,769	
	44	£ 29.07		£ 56,090	
	43	£ 28.23		£ 54,469	
	42	£ 27.42		£ 52,906	
	41	£ 26.61	£ 26.61	£ 51,343	£ 51,343
G	40		£ 25.83		£ 49,838
	39		£ 25.08		£ 48,391
	38		£ 24.36		£ 47,002
	37		£ 23.64		£ 45,613
	36		£ 22.95		£ 44,281
	35		£ 22.29		£ 43,008
	34	£ 21.63	£ 21.63	£ 41,735	£ 41,735
F	33	£ 21.00		£ 40,519	
	32	£ 20.40		£ 39,361	
	31	£ 19.80		£ 38,204	
	30	£ 19.23		£ 37,104	
	29	£ 18.66		£ 36,004	
	28	£ 18.12		£ 34,962	
	27	£ 17.58	£ 17.58	£ 33,920	£ 33,920
E	26		£ 17.07		£ 32,936
	25		£ 16.56		£ 31,952
	24		£ 16.08		£ 31,026
	23		£ 15.60		£ 30,100
	22		£ 15.15		£ 29,232
	21	£ 14.70	£ 14.70	£ 28,363	£ 28,363
D	20	£ 14.28		£ 27,553	
	19	£ 13.86		£ 26,743	
	18	£ 13.47		£ 25,990	
	17	£ 13.08		£ 25,238	
	16	£ 12.69		£ 24,485	
	15	£ 12.33	£ 12.33	£ 23,790	£ 23,790
C	14		£ 11.97		£ 23,096
	13		£ 11.73		£ 22,633
	12		£ 11.49		£ 22,170
	11	£ 11.25	£ 11.25	£ 21,707	£ 21,707
B	10	£ 11.04		£ 21,301	
	9	£ 10.83		£ 20,896	
	8	£ 10.62		£ 20,491	
	7	£ 10.41		£ 20,086	
	6	£ 10.20		£ 19,681	
	5	£ 9.99	£ 9.99	£ 19,275	£ 19,275
A	4		£ 9.78		£ 18,870
	3		£ 9.60		£ 18,523
	2		£ 9.42		£ 18,176
	1		£ 9.24		£ 17,828
TLW	TLW	£ 9.06		£ 17,481	

<b>27 February 2019</b>	<b>ITEM: 11</b>
<b>Council</b>	
<b>Capital Strategy 2019/20</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Yes
<b>Report of:</b> Councillor Shane Hebb – Deputy Leader and Portfolio Holder for Finance	
<b>Accountable Assistant Director:</b> Jonathan Wilson, Assistant Director - Finance	
<b>Accountable Director:</b> Sean Clark, Director of Finance and IT	
<b>This report is public</b>	

## Executive Summary

The Capital Strategy has been developed to apply from 2019/20 in accordance with revised guidance contained in The Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services and the Prudential Code (The Code). This sets out the strategic framework underpinning capital expenditure and the associated financing at the Council. This also includes the Treasury Management Strategy which was previously considered in isolation up to 2018/19. It is also intrinsically linked to the council's ambitions of becoming a more commercially focused borough; one where sensible transactions are completed which create revenue returns which can then be allocated to spending on the services for Thurrock residents.

The Code requires local authorities to determine the Capital Strategy and the associated Prudential Indicators on an annual basis. The annual strategy also includes the Treasury Management Strategy that is a requirement of the Ministry for Housing, Communities and Local Government Investment Guidance.

In accordance with the above Codes, this report:

- a) sets out the Capital strategy for 2019/20;
- b) confirms the proposed Prudential Indicators; and
- c) sets out the Capital and Treasury Management projections for 2019/20.

## **1 Recommendation(s)**

**That the Council:**

- 1.1 Approves the Capital Strategy for 2019/20 including approval of the Annual Minimum Revenue Provision (MRP) statement for 2019/20; and**
- 1.2 Approve the adoption of the Prudential Indicators as set out in Appendix 1; and**
- 1.3 Note the revised 2018/19 and 2019/20 Treasury Management projections as set out in Annex 1 paragraph 2.32.**

## **2. Introduction and Background**

- 2.1 The Capital Strategy and the Annual MRP Statement are prepared under the terms of the CIPFA Prudential Code for Capital Finance in Local Authorities (the Code) and approval is sought for the adoption of the Prudential Indicators that have been developed in accordance with the Code.
- 2.2 The report also includes a forecast for Interest Receivable from Investments and the indicative Interest Payable on Borrowing.
- 2.3 The report covers a range of areas as set out below with the detailed document attached at Appendix 1.

### **Borrowing Activity 2017/18 and 2018/19**

## **3. Issues, Options and Analysis of Options**

- 3.1 The Capital strategy of the Council is attached as an appendix to this report and has been set with consideration of relevant legislation and appropriate guidance. This includes Annex 1 which incorporates the Treasury Management Strategy. The Prudential Indicators are governed by decisions made on the revenue and capital budgets.
- 3.2 The Capital Strategy sets out a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It includes the following:
  - Details of capital expenditure and financing;
  - The governance arrangements around the identification and approval of capital bids;
  - Details on the sources of funding and projections on capital receipts;

- The strategic approach of the Council to borrowing and the governance arrangements in place;
- The proposed prudential indicators for 2019/20;
- Details of the Council's strategic approach to investments and commercial activities;
- Details of other liabilities and revenue implications arising from this strategy; and
- A further annex containing the detailed treasury management strategy that supports the capital strategy. This includes the annual statement on the Minimum Revenue Provision.

3.3 There are two key areas in this report for Members to be particularly mindful of:

- a) The Council has held significant levels of temporary borrowing since 2010 and hence there is potential exposure to interest rate changes. Officers continue to monitor this to ensure the Council can react to any changes in the economy; and
- b) The approach taken to the Minimum Revenue Provision (as set out in Annex 1).

#### **4. Reasons for Recommendation**

4.1 There is a statutory requirement for the Capital Strategy and the Annual Minimum Revenue Provision Statement to be ratified by Full Council. This report and appendices have been written in line with best practice and the Council's spending plans.

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

5.1 As set out in section 4, the report is largely based on best practice and the Council's spending plans that have been scrutinised throughout recent months.

5.2 Corporate Overview and Scrutiny Committee considered the report at their meeting on 31 January 2019. Whilst there were no recommendations to Cabinet on the report, there was a question asking for assurance that there was sufficient funding identified for Thurrock Regeneration Ltd. Officers explained that the commitment agreed at Council in February 2018 was covered but, should more be required; officers could always bring a further report to Council at a later date.

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

6.1 Treasury Management plays a significant role in funding the delivery of services to the community. The debt restructuring carried out in August 2010 will have contributed savings in the region of £29.3m by the end of 2018/19.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Chris Buckley**  
**Treasury Management Officer**

The financial implications are included in the main body of the report and appendix. Investment income generated from the Investment Strategy contributes significantly to the council's financial position.

### **7.2 Legal**

Implications verified by: **Tim Hallam**  
**Deputy Head of Law & Governance**

The report is in accordance with the Local Government Act 2003, related secondary legislation and other requirements including the Prudential Code. Publication of the strategies is a statutory requirement and conforms to best practice as required by the CIPFA Code of Practice.

### **7.3 Diversity and Equality**

Implications verified by: **Natalie Warren**  
**Strategic Lead, Community Development and Equalities**

There are no direct diversity implications noted in this report.

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

- Not applicable
- 

## **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):**

- Revised CIPFA Prudential Code
- Revised draft ODPM's Guidance on Local Government Investments
- Revised CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes

- Treasury Management Policy Statement
- 2017/18 Annual Investment Strategy
- Arlingclose Sector Briefings

#### **10. Appendices to the report**

- Appendix 1 – Capital Strategy Report 2019/20
- Annex 1 – Treasury Management Strategy 2019/20

#### **Report Author:**

Chris Buckley

Senior Financial Accountant

Corporate Finance

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## Appendix 1 - Thurrock Council

### Capital Strategy Report 2019/20

#### Introduction

This capital strategy is a new report for 2019/20, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance Members' understanding of these sometimes technical areas.

#### Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy or build assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10k are not capitalised and are charged to revenue in year.

- Details of the Council's policy on capitalisation are included within the annual Statement of Accounts, which can be accessed through the Council's website.

In 2019/20, the Council is planning capital expenditure of £417.250m as summarised below:

*Table 1: Prudential Indicator: Estimates of Capital Expenditure in £m*

	<b>2017/18 actual</b>	<b>2018/19 forecast</b>	<b>2019/20 forecast</b>	<b>2020/21 forecast</b>	<b>2021/22 forecast</b>
General Fund services	39.630	80.189	119.003	38.959	24.524
Council housing (HRA)	13.125	19.667	33.950	10.000	10.000
Capital investments	339.503	308.997	275.637	305.000	250.000
<b>TOTAL</b>	<b>392.258</b>	<b>408.853</b>	<b>417.250</b>	<b>353.959</b>	<b>284.524</b>

The main General Fund capital projects include the widening of the A13 (£33m), Purfleet redevelopment (£12m) and school expansions (£4m). The Council also plans to incur £275.637m of capital expenditure on investments, which are detailed later in this report.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately, and includes the building of 117 new homes over the forecast period (£24m).

**Governance:** Service managers bid annually in September to include projects in the Council's capital programme. Bids are collated by corporate finance who calculate the financing cost (which can be nil if the project is fully externally financed). The bids are then collated and prioritised by either Property Board, Digital Board or Service Review. The proposed programme is then considered by Director's Board. This includes a final appraisal of all bids including final consideration of service priorities and financing costs. The final proposed capital programmes is then collated and reported with recommendations to the Corporate Overview and Scrutiny committee. The final capital programme is then presented to Cabinet and to Council in February each year as part of the overall budget setting process.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

*Table 2: Capital financing in £m*

	<b>2017/18 actual</b>	<b>2018/19 forecast</b>	<b>2019/20 forecast</b>	<b>2020/21 forecast</b>	<b>2021/22 forecast</b>
External sources	26.794	46.374	66.575	16.257	16.309
Own resources	13.690	14.362	22.310	10.000	10.000
Debt	351.774	348.117	328.365	327.702	258.215
<b>TOTAL</b>	<b>392.258</b>	<b>408.853</b>	<b>417.250</b>	<b>353.959</b>	<b>284.524</b>

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as the minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance and repayments of investments on maturity will repay the associated debt. Planned MRP and use of capital receipts are as follows:

*Table 3: Minimum Revenue Provision in £m*

	<b>2017/18 actual</b>	<b>2018/19 forecast</b>	<b>2019/20 forecast</b>	<b>2020/21 forecast</b>	<b>2021/22 forecast</b>
Own resources	0.000	2.811	6.353	7.958	8.695

- The Council's full minimum revenue provision statement is included in the treasury management statement appended as an annex to this document.

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £322.022m during 2019/20. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

*Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £m*

	<b>31.3.2018 actual</b>	<b>31.3.2019 forecast</b>	<b>31.3.2020 forecast</b>	<b>31.3.2021 forecast</b>	<b>31.3.2022 forecast</b>
General Fund services	172.420	203.099	249.464	264.208	263.730
Council housing (HRA)	181.843	187.473	187.473	187.473	187.473
Capital investments	339.503	648.500	924.137	1,229.137	1,479.135
<b>TOTAL CFR</b>	<b>693.766</b>	<b>1,039.072</b>	<b>1,361.074</b>	<b>1,680.818</b>	<b>1,930.338</b>

**Asset management:** To ensure that capital assets continue to be of long-term use, the Council is further developing an asset management strategy which will be completed in 2019/20.

**Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £10m of capital receipts (total includes both GF and HRA receipts) in the coming financial year as follows:

*Table 5: Capital receipts in £m*

	<b>2017/18 actual</b>	<b>2018/19 forecast</b>	<b>2019/20 forecast</b>	<b>2020/21 forecast</b>	<b>2021/22 forecast</b>
Asset sales	16.057	8.700	10.000	10.000	10.000
Loans repaid	0.036	5.037	0.039	0.041	0.043
<b>TOTAL</b>	<b>16.093</b>	<b>13.737</b>	<b>10.039</b>	<b>10.041</b>	<b>10.043</b>

## **Treasury Management**

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

Due to decisions taken in the past, the Council currently has £1.112bn borrowing at an average interest rate of 2.43% and £154.5m treasury investments at an average rate of 2.53%.

**Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement (see above).

*Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £m*

	<b>31.3.2019 forecast</b>	<b>31.3.2020 forecast</b>	<b>31.3.2021 forecast</b>	<b>31.3.2022 forecast</b>
Debt (incl. PFI & leases)	1,074.889	1,353.349	1,656.951	1,900.306
Capital Financing Requirement	1,039.072	1,361.074	1,680.818	1,930.338

Statutory guidance is that debt should remain below the capital financing requirement over the medium to long term but can be over for the short term recognising borrowing requirements ahead of need for future capital expenditure. As can be seen from table 6, the Council complies with this requirement.

**Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

*Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m*

	<b>2018/19 Forecast</b>	<b>2019/20 limit</b>	<b>2020/21 limit</b>	<b>2021/22 limit</b>
Authorised limit – borrowing	1,249.400	1,452.949	1,756.751	2,000.306
Authorised limit – PFI and leases	0.600	0.400	0.200	0.000
Authorised limit – total external debt	1,250.000	1,453.349	1,756.951	2,000.306
Operational boundary – borrowing	1,199.400	1,352.949	1,656.751	1,900.306
Operational boundary – PFI and leases	0.600	0.400	0.200	0.000
Operational boundary – total external debt	1,200.000	1,353.349	1,656.951	1,900.306

- Further details on borrowing are contained in the treasury management strategy as annex 1 on this report.

**Investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council’s policy on treasury investments is to prioritise security and liquidity over yield - that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

- Further details on treasury investments are contained in the treasury management strategy as annex 1 to this report.

**Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the treasury management strategy approved by Full Council.

**Maturity structure of borrowing:** This indicator is set to control the Authority’s exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

<b>Refinancing rate risk indicator</b>	<b>Upper limit</b>	<b>Lower limit</b>
Under 12 months	100%	0%
12 months and within 24 months	60%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	60%	0%
10 years and within 40 years	60%	0%
Over 40 years	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

### **Investments for Service Purposes**

The Council can make investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth, the Council's subsidiaries that provide services. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.

**Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

- Further details on service investments are contained in the treasury management strategy in annex 1 2 to this report.

### **Commercial Activities**

With central government financial support to local public services declining, the Council decided to investigate various options to increase income and has subsequently made investments in line with the principles set out in the Council's Investment Strategy.

To this end on 20 November 2018 a Long Term Investment Strategy was taken to the Corporate Overview and Scrutiny Committee outlining the Council's approach to Service/Non-Treasury/Commercial Investments rather than the standard treasury investments. The report outlined the key principles involved, governance arrangements and the considerations required to ensure all investments are thoroughly scrutinised before completion.

## **Liabilities**

In addition to debt detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £178.5m at 31 March 2018). It has also set aside £6.7m to cover risks of business rates appeals and insurance claims.

**Governance:** Decisions on incurring new discretionary liabilities are taken by service managers in consultation with corporate finance and, where appropriate, the Director of Finance. The risk of liabilities crystallising and requiring payment is monitored by corporate finance.

## **Revenue Budget Implications**

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

*Table 9: Prudential Indicator: Proportion of net financing income to net revenue stream*

	<b>2018/19 forecast</b>	<b>2019/20 budget</b>	<b>2020/21 budget</b>	<b>2021/22 budget</b>
Financing costs (£m)	5,485	16,713	18,891	20,000
Proportion of net revenue stream	4.78%	14.99%	16.91%	17.54%

**Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future. The Director of Finance & IT is satisfied that the proposed capital programme is prudent, affordable and sustainable as set out annually in the s25 statement accompanying the setting of the annual budget.

## **Knowledge and Skills**

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Finance & IT is a qualified accountant with 32 years' experience. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury), AAT & ACCA.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

## Treasury Management Strategy 2019/20

The Treasury Management Strategy is a critical component of the way Thurrock Council manages cash-flow. It is also intrinsically linked to the council's ambitions of becoming a more commercially focused borough; one where sensible transactions are completed which create revenue returns which can then be allocated to spending on the services for Thurrock residents.

Treasury risk management at the Council is conducted within the framework of CIPFA's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

In accordance with the above Codes, this report:

- a) sets out the Treasury Management strategy for 2019/20; and
- b) sets out the Treasury Management projections for 2019/20.

## 2 Introduction and Background

- 2.1 The Treasury Management Strategy and Annual MRP Statement are prepared under the terms of the CIPFA Prudential Code for Capital Finance in Local Authorities (the Code).
- 2.2 The report also includes a forecast for Interest Receivable from Investments and the indicative Interest Payable on Borrowing.

### Borrowing Activity 2018/19 and 2019/20

- 2.3 The underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR), together with the level of balances and reserves, are the core drivers of Treasury Management activity. The estimates, based on the current revenue budget and capital programmes are:

	<b>31/3/2020 Estimate £m</b>	<b>31/3/2021 Estimate £m</b>	<b>31/3/2022 Estimate £m</b>
General Fund Borrowing CFR	249.464	264.208	263.730
Housing Revenue Account Borrowing CFR (includes effects of Housing Finance Reform based on current available figures)	187.473	187.473	187.473
Capital Investments	924.137	1,229.137	1,479.135

<b>Total Borrowing CFR</b>	1,361.074	1,680.818	1,930.338
Less: External Borrowing	1,353.349	1,656.951	1,900.306
<b>Internal/(Over) Borrowing</b>	7.725	23.867	30.032
Less: Useable Reserves	(11.000)	(11.000)	(11.000)
<b>Borrowing Requirement</b>	(3.275)	12.867	19.032

- 2.4 The increases above demonstrate the size of the council's capital programme needs in both recent and future years. Repayments of prudential debt are made through the annual MRP provision and where surplus cash balances are accumulated. However, the amounts needed to finance the capital programme, even just essential operational requirements, are in excess of these repayments and so lead to an annual increase in net debt.
- 2.5 The Council's levels of borrowing and investments are calculated by reference to the balance sheet. The Council's key objectives when borrowing money are to secure low interest costs and achieve cost certainty over the period for which funds are required, all underpinned with sound Return on Investment principles. A further objective is to provide the flexibility to renegotiate loans should the Council's long term plans change.
- 2.6 In light of the ongoing reductions to Local Government funding, the Council's focus of the treasury management strategy remains on the balance between affordability and the longer term stability of the debt portfolio. Given the availability of low short term interest rates it remains cost effective to borrow over short term periods or utilise internal balances. The table above shows that it should not be necessary for the Council to borrow further funds above the current levels and this will be monitored on a regular basis by officers to assess the most appropriate form of borrowing. In the short term, these balances are generating investment returns to support service delivery.
- 2.7 This further enables the Council to reduce borrowing costs and hence the overall treasury management risk. While such a strategy may be beneficial over the next 2 to 3 years as official interest rates remain low, it is unlikely to be sustainable in the medium to long-term. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long term borrowing rates are forecast to rise. This will help inform whether the Council borrows additional sums at long term fixed rates in 2019/20.
- 2.8 In addition, the Council may use short term loans (normally up to one month) to enable management of the Council's cash flow and, where possible, generate a return on investment
- 2.9 In conjunction with advice from its treasury advisors, the Council will keep under review the following sources for long term and short term borrowing:
- Public Works Loan Board (PWLB) loans and its successor body;
  - UK Local Authorities;
  - Any institution approved for investments;

- Any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK;
  - Public and private sector pension funds;
  - Capital market bond investors;
  - UK Municipal Bonds Agency;
  - Special purpose companies created to enable joint local authority bond issues;
  - Local Authority bills; and
  - Structured finance, such as operating/finance leases, hire purchase, Private Finance Initiative or sale and leaseback.
- 2.10 With regards to debt rescheduling, the PWLB allows Councils to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some lenders may also be prepared to negotiate premature repayment terms. The Council has in 2018/19 reviewed the debt portfolio to identify opportunities expected to lead to an overall saving or reduction in risk. At this time, it is not financially prudent to take any options of early repayment, owing to early redemption fees.
- 2.11 Borrowing and rescheduling activity will be reported to the Cabinet on a regular basis during 2019/20.
- 2.12 In August 2010 the Council repaid its entire PWLB portfolio of loans (£84 million) to obtain significant interest savings. The re-financing was undertaken by utilising short term funds from the money markets, mainly other Local Authorities, at substantially lower rates than taking longer term fixed debt. To the end of 2017/18 the rescheduling had saved £25.9m of interest costs and is estimated to have saved £29.3m by the end of 2018/19. Currently financing from short term money market debt is expected to continue into 2019/20 and beyond. The inherent risk of this strategy is noted with potentially higher rates and increased debt costs in the future.
- 2.13 The Council retains the ability to fix interest rates. This can be achieved within a matter of days of the decision being made or profiled against the maturity schedule of the short term debt. Forecasts from the council's current advisors show the interest rate increasing from 0.75% to 1.25% by September 2019 with the official rate remaining at that level after that date for the foreseeable future. There is both a downside and upside risk to the forecast with the downside risk being larger, but, the overall forecast is for rates follow the course outlined. However, even if the base rate increases to 1.25% this will still be below the level of current long term rates that the Council could borrow at. In addition, as the Council borrows from other public bodies, rates are not fixed to the bank base rate and are generally lower. The normalised level of the bank base rate post this period is expected to be between 2.50% to 3.50%.
- 2.14 Based on this outlook, the council may borrow on a short term basis when deemed beneficial to the taxpayer while monitoring interest rates to ensure borrowing is fixed if required. Prudently, the Medium Term Financial Strategy (MTFS) does assume rate increases over the 5 year period.
- 2.15 The Council has £29 million of loans which are LOBO loans (Lenders Option Borrowers Option) where the lender has the option to propose an increase in

the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of these loans, excluding one with Barclays, could now be amended at the request of the lender only and, although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. In the event the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loan by borrowing from the PWLB or capital markets. Barclays have taken out the option to increase the rate of their loan thereby effectively turning the loan into a fixed rate deal. LOBO loans have become less attractive to Banks and there may be opportunities in the future to redeem these loans. Officers will continue to monitor any developments in this area.

- 2.16 On 1 April 2012, the Council notionally split each of its existing long-term loans into General Fund and Housing Revenue Account (HRA) pools. New long-term loans will be assigned in their entirety to one pool or the other. Interest payable and other costs and income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged or credited to the respective revenue account. The Council will credit interest to the HRA based on the average balances of its reserves and revenue account balance at the average 7 day LIBID rate for the year.
- 2.17 The Council continues to undertake a series of new housing related building schemes utilising borrowing. With the abolition of the Housing Debt Cap the Council will investigate whether further schemes can be undertaken.
- 2.18 Finally, there may be significant regeneration programmes to consider investment vehicles for. The need to borrow for investment will be on a case by case basis after considering investment returns, risk and the result of due diligence.

### **Investments**

- 2.19 The Council holds significant invested funds, representing loans received in advance of expenditure plus balances and reserves held. It is envisaged that investment balances held internally will be approximately £15 million at the financial year end. The Council may invest its surplus funds with any of the counterparties detailed in Appendix 1 to this Annex.
- 2.20 The Council holds a £75m investment in the CCLA Property Fund that is estimated to provide a gross return in 2018/19 of 4.25% with income in the region of £3.2m. The Council has also invested in a number of bonds of various durations since 2016/17 that provides finance to the private sector for, as an example, the purchase of solar farms, whilst providing significant net returns to the council to support front line services in a move towards financial sustainability.
- 2.21 Local Authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk and to reduce costs or increase income at the expense of greater risk. The general power of competence in Section 1 of the Localism Act 2011 removes much of the

uncertainty over Authorities use of standalone financial derivatives. The CIPFA code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

- 2.22 The Council will only use standalone derivatives (such as swaps, forward, futures and options) where they can be clearly demonstrated to reduce the Council's overall exposure to financial risks. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall Treasury Management strategy.
- 2.23 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit. The Local Authority will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use.
- 2.24 The Authority has opted up to professional client status with its providers of financial services, including, banks, brokers and fund managers, allowing it access to a greater range of services, but, without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities the Director of Finance & IT believes this to be the most appropriate status.
- 2.25 The Council complies with the provisions of s32 of the Local Government Finance Act 1992 to set a balanced budget.
- 2.26 The needs of the Council's Treasury Management staff for relevant training are assessed as part of the annual staff appraisal process and additionally where the responsibilities of individual members of staff change. Staff attend courses, seminars and conferences provided by the Council's advisors and CIPFA. Corporate Finance staff are encouraged to study for professional accountancy qualifications from appropriate bodies.
- 2.27 Under the new IFRS standard the accounting for certain investments depends on the business model for managing them The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

#### **Annual Minimum Revenue Provision Statement**

- 2.28 Local Authorities are required to prepare an Annual Statement of their policy on making MRP for each financial year. Appendix 2 to Annex 1 outlines the assessment of the Council's Annual MRP Statement for 2019/20, which is included in the Annual Strategy in paragraph 2.30.
- 2.29 Officers have reviewed the current strategy and recommend no changes to the 2019/20 strategy.

- 2.30 Consequently the following paragraphs on Borrowing Activity and Investments form part of the Council's Treasury Management Strategy with effect from 1 April 2019:
- 2.30.1 To obtain any long term borrowing requirement from the sources of finance set out in paragraph 2.9;
  - 2.30.2 To continue to fund the ex-PWLB debt via short term funds from the money markets unless circumstances dictate moving back into long term fixed rate debt. The borrowing sources mentioned in paragraph 2.9 will then be assessed as to their suitability for use;
  - 2.30.3 To repay market loans requiring renewal by realising equivalent amounts of investments. If it is not possible to realise investments then the borrowing sources in paragraph 2.9 will be assessed as to their suitability for use as replacements;
  - 2.30.4 To undertake short term temporary borrowing when necessary in order to manage cash flow to the Council's advantage;
  - 2.30.5 To reschedule market and PWLB loans, where practicable, to achieve interest rate reductions, balance the volatility profile or amend the debt profile, dependent on the level of premiums payable or discounts receivable;
  - 2.30.6 To ensure security and liquidity of the Council's investments and to then optimise investment returns commensurate to those ideals;
  - 2.30.7 To contain the type, size and duration of investments with individual institutions within the limits specified in Appendix 1 to this Annex.;
  - 2.30.8 To move further funds into the CCLA Property Fund or other externally managed funds if it is felt prudent to do so following appropriate due diligence; and in consultation with the Cabinet Member for Finance and Legal;
  - 2.30.9 To meet the requirements of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 the Council's policy for the calculation of MRP in 2019/20 shall be that the Council will set aside an amount each year which it deems to be prudent and appropriate, having regard to statutory requirements and relevant guidance issued by DCLG. The Council will also consider the use of capital receipts to pay down any MRP incurred; and
  - 2.30.10 To ensure all borrowing and investment activities are made with due reference to any relevant Prudential Indicators.

**Interest Projections 2018/19 Revised and 2019/20 Original**

- 2.31 The CIPFA document Treasury Management in the Public Services: Code of Practice places a requirement on the Council to publish estimates relating to the operation of the borrowing and investment function.

2.32 The 2018/19 budget and the projected position for 2018/19 as at December 2018 and also an initial projection for 2019/20 are shown in summary format in the table below:

	Budget 2018/19	Projected 2018/19	Projection 2019/20
	£'000's	£'000's	£'000's
Interest payable on External Debt			
Debt Interest	9,301	9,303	15,213
Total internal interest	<u>96</u>	<u>96</u>	<u>51</u>
Interest payable	<u>9,397</u>	<u>9,399</u>	<u>15,264</u>
Investment Income			
Interest on Investments	<u>(22,167)</u>	<u>(23,054)</u>	<u>(38,699)</u>
Net interest credited to the General Fund	<u>(12,770)</u>	<u>(13,655)</u>	<u>(23,435)</u>
MRP- Supported/Unsupported Borrowing	<u>7,285</u>	<u>7,285</u>	<u>6,773</u>

2.33 It is noted that the figures shown above for 2019/20 include assumptions made about the level of balances available for investment, any anticipated new long term borrowing and the level of interest rates achievable. They may be liable to a significant degree of change during the year arising from variations in interest rates, other market and economic developments, and Council's response to those events.

2.34 In accordance with the requirements of the revised CIPFA Treasury Management Code, the Council will report on treasury management activity and the outturn against the treasury related Prudential Indicators at least bi-annually.



## Approved Investment Counterparties:

Credit Rating	Banks/Building Societies Unsecured		Bank/Building Societies Secured		Government		Corporates		Registered Providers	
	Amount	Period	Amount	Period	Amount	Period	Amount	Period	Amount	Period
<b>UK Govt</b>	N/A	N/A	N/A	N/A	£unlimited	50 years	N/A	N/A	N/A	N/A
<b>AAA</b>	£10m	5 years	£20m	20 years	£20m	50 years	£10m	20 years	£10m	20 years
<b>AA+</b>	£10m	5 years	£20m	10 years	£20m	25 years	£10m	10 years	£10m	10 years
<b>AA</b>	£10m	4 years	£20m	5 years	£20m	15 years	£10m	5 years	£10m	10 years
<b>AA-</b>	£10m	3 years	£20m	4 years	£20m	10 years	£10m	4 years	£10m	10 years
<b>A+</b>	£10m	2 years	£20m	3 years	£10m	5 years	£10m	3 years	£10m	5 years
<b>A</b>	£10m	1 year	£20m	2 years	£10m	5 years	£10m	2 years	£10m	5 years
<b>A-</b>	£7.5m	13 months	£15m	13 months	£10m	5 years	£10m	13 months	£10m	5 years
<b>BBB+</b>	£5m	6 months	£10m	6 months	£5m	2 years	£5m	6 months	£5m	2 years
<b>BBB</b>	£5m	100 days	£10m	100 days	N/A	N/A	N/A	N/A	N/A	N/A
<b>BBB-</b>	£5m	100 days	£10m	100 days	N/A	N/A	N/A	N/A	N/A	N/A
<b>None</b>	£5m	6 months	N/A	N/A	£5m	25 years	N/A	N/A	N/A	N/A

Pooled Funds ,External Fund Managers and any other investment vehicle approved by the Section 151 Officer – Decisions are based on each individual case following appropriate due diligence work being undertaken.

The above limits are the maximum that the Council would expect to have in place at any time. However, in practice the actual duration limits in place are continually assessed and are often much shorter than the limits in the above table.

**Credit ratings:** Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

**Banks and Building Societies Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

**Banks and Building Societies Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements. These investments are secured on the bank's assets, which limits the potential loss in the unlikely event of insolvency and means that they are exempt from bail-in. Where there is no investment specific credit rating, but, the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multi development banks. These investments are not subject to bail-in and there is an insignificant risk of insolvency. Investments with the UK Central government may be made in unlimited amounts for up to 50 years.

**Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but, are exposed to the risk of the company going insolvent.

**Other Organisations –** The Council may also invest cash with other organisations, for example making loans to small businesses as part of a diversified pool in order to spread the risk widely. Because of the higher perceived risk of unrated businesses such investments may provide considerably higher rates of return. The Council will also undertake appropriate due diligence to assist in all investment decisions.

**Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Community Agency and as providers of public services they retain a high likelihood of receiving Government support if needed.

**Pooled Funds:** Shares in diversified investment vehicles consisting of any of the above investment types plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks coupled with the services of a professional fund manager in return for a fee. Money market funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts while pooled funds whose value changes

with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but, are more volatile in the short term. These allow authorities to diversify into asset classes other than cash without the need to own and manage the underlying investments. These funds have no defined maturity date but are available for withdrawal after a notice period. As a result their performance and continued suitability in meeting the authority's investment objectives will be monitored regularly and decisions made on entering such funds will be made on an individual basis.

Risk assessment and credit ratings: Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- No new investments will be made
- Any existing investment that can be recalled or sold at no cost will be, and
- Full consideration will be given to the recall or sale of all other investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade so that it may fall below the approved rating criteria then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Council understands that credit ratings are good but not perfect predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but, can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the authorities cash balances then the surplus will be deposited with the UK Government via the Debt Management Office or invested in treasury bills for example or with other local authorities. This will cause a reduction in the level of investment income earned, but, will protect the principal sum.

Specified Investments

Specified investments will be those that meet the criteria in the CLG Guidance, i.e. the investment:

- is sterling denominated;
- has a maximum maturity of one year;
- meets the “high credit quality” as determined by the Council or is made with the UK government or is made with a local authority in England, Wales, Scotland or Northern Ireland or a parish or community council; and
- The making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

The Council defines ‘high credit quality’ organisations and securities as those having a credit rating of BBB- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds ‘high credit quality’ is defined as those having a credit rating of A- or higher

Non-specified Investments

Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares

Non-Specified Investment Limits

	Cash Limit
Total Long Term Treasury Investments	£450m
Total Investments without credit ratings or rated below A- with appropriate due diligence having been performed	£70m
Total Investments in foreign countries rated below AA+	£30m
Maximum total non-specified investments	£550m

Investment Limits

The maximum that will be lent to any one organisation in the Approved Investment Counter Party list (except the UK Government) is £20m. For other investments approved by the Section 151 Officer the amount to be invested will be determined by the Section 151 Officer, taking into account the relevant merits of the transaction such as, for example, duration and risk following due diligence work undertaken. A group of banks under the same ownership, a group of funds under the same management, brokers nominee accounts, foreign countries and industry sectors will all have limits placed on them as in the table below:

	Cash Limit
Any single organisation, except the UK Central Government	£20m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£40m
Any group of pooled funds under the same management	£50m
Any external Fund Manager	£750m
Negotiable instruments held in a brokers nominee account	£20m
Foreign countries (total per country)	£30m
Registered Providers in total	£30m
Building Societies in total (excluding overnight investments)	£40m
Loans to small businesses	£20m
Money Market Funds	£40m
Investments approved by the Section 151 Officer	Reviewed for each case

### Liquidity Management

The Council maintains a cash flow spreadsheet that forecasts the Council's cash flows into the future. This is used to determine the maximum period for which funds may be prudently committed. The forecast is compiled on a pessimistic basis, with receipts under estimated and payments over estimated to minimise the risk of the Council having to borrow on unfavourable terms to meet its financial commitments.

## THE MINIMUM REVENUE PROVISION STATEMENT

### **Introduction:**

The rules for Minimum Revenue Provision (MRP) were set out in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. These rules have now been revised by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

Authorities are required to submit to a meeting of their Council an annual statement of their policy on making MRP.

### **Background:**

Each year the Council borrows money in order to finance some of its capital expenditure. The loans taken out for this purpose, unlike a mortgage which is repaid in part each month, are fully repayable at a future point in time. The repayment date is chosen to secure the best financial result for the Council.

The concept of Minimum Revenue Provision was introduced in 1989 to prescribe a minimum amount which must be charged to the revenue account each year in order to make provision to meet the cost of repaying that borrowing.

The detailed rules and formulae to be used in the more recent method of calculation were laid down in the Regulations mentioned in the introduction section.

This system has now been radically revised and requires an annual statement to full Council setting out the method the Council intends to adopt for the calculation of MRP.

### **Considerations:**

Under the old regulations Local Authorities were required to set aside each year, from their revenue account an amount that, in simple terms equalled approximately 4% of the amount of capital expenditure financed by borrowing. Local Authorities had no freedom to exercise any discretion over this requirement.

The amendment regulations introduce a simple duty for an authority each year to set aside an amount of MRP which it considers to be 'prudent'. The regulation does not define a 'prudent provision' but the MRP guidance makes recommendations to authorities on the interpretation of that term.

The MRP guidance document is a statutory document and authorities are obliged by section 21 of the Local Government Act 2003 to have regard to such guidance. The guidance aims to provide more flexibility and in particular for development schemes it is possible to have an MRP "holiday" for assets or infrastructure under construction.

In addition, it is accepted that where there is capital expenditure that will give rise to a capital receipts, either through the disposal of the asset or loan repayments, then

there is no need to set aside MRP on an annual basis but the capital receipt or loan repayments should be set aside on receipt for that purpose.

The operative date of the change was 31 March 2008, which means the new rules have applied since the financial year 2007/08.

### **The Annual MRP Statement**

As stated above, Local Authorities are required to prepare an annual statement of their policy on making MRP for submission to their full Council. This mirrors the existing requirements to report to the Council on the Prudential borrowing limits and Treasury Management strategy. The aim is to give elected Members the opportunity to scrutinise the proposed use of the additional freedoms conferred under the new arrangements. The statement must be made before the start of each financial year.

The statement should indicate how it is proposed to discharge the duty to make prudent MRP in the financial year in question for the borrowing that is to take place in that financial year. If it is ever proposed to vary the terms of the original statement during any year, a revised statement should be put to Council at that time.

The guidance includes specific examples of options for making a prudent provision. The aim of this is to ensure that the provision to repay the borrowing is made over a period that bears some relation to the useful life of the assets in question or where a capital receipt will be received to repay the debt in part or in full.

### **Proposals**

The Minimum Revenue Provision Policy Statement for 2019/20:

- In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 the Council's policy for the calculation of MRP in 2019/20 shall be that the Council will set aside an amount each year which it deems to be prudent and appropriate, having regard to statutory requirements and relevant guidance issued by DCLG; and
- The Council will also consider the use of capital receipts to pay down any MRP incurred.

The policy will be reviewed on an annual basis.

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<b>27 February 2019</b>	<b>ITEM: 12</b>
<b>Council</b>	
<b>General Fund Budget Proposals</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Yes
<b>Report of:</b> Councillor Rob Gledhill, Leader of the Council	
<b>Accountable Assistant Director:</b> Jonathan Wilson, Assistant Director - Finance	
<b>Accountable Director:</b> Sean Clark, Director of Finance and IT	
<b>This report is Public</b>	

## Executive Summary

This report sets out the draft budget proposals for a balanced budget for four of the five financial years from 2019/20 through to 2023/24. This is based on a number of service review and investment assumptions, including the Council's continued support of Thurrock Regeneration Ltd. This is also based on the proposal for a zero per cent increase in Council Tax and it is also noted the Council has already raised the maximum additional funding from the Adult Social Care (ASC) over the previous 2 years and hence there is no further ASC precept allowed in 2019/20.

Furthermore, this paper confirms that the General Fund balance (the Council's non-specified reserve) has been maintained at £11m.

This paper has been produced based on the principles established via the Council Spending Review (CSR) process, including the ongoing impact of the Investment approach adopted by the Council in October 2017.

The Council continues to work towards self-sufficiency by creating a budget which works for all Thurrock residents; by building financial resilience and independence into the Council's spending and borrowing ability.

The CSR approach maintains the move by the Council towards commercialism and greater efficiencies through four main streams: income generation; more or the same for less; reducing the Medium Term Financial Strategy (MTFS) growth through greater demand management; and a comprehensive service review programme over a three year time period of all council services.

The new Transformation Programme approach is managed through a number of Strategic Boards, all of which are overseen by the Service Review Board. The proposals for the 2019/20 budget have been considered by the Corporate Overview

and Scrutiny Committee over recent months where the main discussion was the impact of a zero percentage Council Tax increase and its impact on the Medium Term Financial Strategy forecasts and sustainability into the future.

The report presented to Cabinet on 16 January 2019 presented a proposed balanced budget for the financial years 2019/20 through to 2022/23. This report has subsequently been considered by Corporate Overview and Scrutiny at its meeting on 31 January 2019 and the committee's comments are included in section 14 of the report.

This report presents the final budget proposals agreed by Cabinet at their meeting on 12 February 2019 that, subject to other approvals, sets out a forecast balanced budget for the next four years.

This budget includes revenue investment in those frontline services where required, including creating funding to address the issue of claimants with no recourse to public funds, and provides additional funding to address homelessness in the borough. In addition, the capital programme includes proposals that build on this investment whilst the future and aspirational proposals includes strategic and place making schemes that continue to support the place making and commercial agendas.

**1. Recommendations:**

**That the Council:**

- 1.1 Considers and acknowledges the Section 151 Officer's (Director of Finance and IT's) S25 report on the robustness of the proposed budget, the adequacy of the Council's reserves and the Reserves Strategy as set out in Appendix 1, including the conditions upon which the following recommendations are made;**
- 1.2 Agree to a 0% council tax increase;**
- 1.3 Approve the new General Fund capital proposals, including the allocation for feasibility work on future and aspirational proposals, as set out in section 10 and Appendix 7;**
- 1.4 Delegate to Cabinet the ability to agree schemes (a) where it can be evidenced that there is a spend to save opportunity or (b) that use any unbudgeted contributions from third parties, including those by way of grants or developers' contributions, and these be deemed as part of the capital programme.**

## **Statutory Council Tax Resolution**

*(Members should note that these recommendations are a result of the previous recommendations above and can be agreed as written or as amended by any changes agreed to those above).*

- 1.5 Calculate that the council tax requirement for the Council's own purposes for 2019/20 is £66,062,077 as set out in the table at paragraph 5.8 of this report.**
- 1.6 That the following amounts be calculated for the year 2019/20 in accordance with Sections 31 to 36 of the Act:**
- (a) £428,070,964 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act.**
  - (b) £362,008,887 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.**
  - (c) £66,062,077 being the amount by which the aggregate at 1.8(a) above exceeds the aggregate at 1.8(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its council tax requirement for the year. (Item R in the formula in Section 31B of the Act).**
  - (d) £1,287.81 being the amount at 1.8(c) above (Item R), all divided by Item T (Council Tax Base of 51,298), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (including Parish precepts).**
  - (e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.**
  - (f) £1,287.81 being the amount at (d) above less the result given by dividing the amount at (e) above by Item T, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no Parish precept relates.**
- 1.7 To note that the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the tables below.**
- 1.8 That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts**

shown in the tables below as the amounts of council tax for 2019/20 for each part of its area and for each of the categories of dwellings.

**2019/20 COUNCIL TAX FOR THURROCK PURPOSES EXCLUDING ESSEX FIRE AUTHORITY AND ESSEX POLICE AUTHORITY**

Amounts for the Valuation Bands for 2019/20							
A £	B £	C £	D £	E £	F £	G £	H £
858.54	1,001.63	1,144.72	1,287.81	1,573.99	1,860.17	2,146.35	2,575.62

- 1.9 That it be noted that for the year 2019/20 Essex Police Authority has stated the following amounts in precept issued to the Council for each of the categories of dwellings as follows:

Amounts for the Valuation Bands for 2019/20							
A £	B £	C £	D £	E £	F £	G £	H £
128.64	150.08	171.52	192.96	235.84	278.72	321.60	385.92

- 1.10 That it be noted that for the year 2019/20 Essex Fire Authority has stated the following amounts in precept issued to the Council for each of the categories of dwellings as follows (waiting on formal confirmation):

Amounts for the Valuation Bands for 2019/20							
A £	B £	C £	D £	E £	F £	G £	H £
48.30	56.35	64.40	72.45	88.55	104.65	120.75	144.90

**2019/20 COUNCIL TAX (INCLUDING FIRE AND POLICE AUTHORITY PRECEPTS)**

Amounts for the Valuation Bands for 2019/20							
A £	B £	C £	D £	E £	F £	G £	H £
1,035.48	1,208.06	1,380.64	1,553.22	1,898.38	2,243.54	2,588.70	3,106.44

**2 Introduction and Background**

**The Process for Agreeing the Council's Budgets**

- 2.1 The Council must, by law, set its annual revenue budget and associated council tax level by 11 March of the preceding financial year. If, for whatever reason, the Council cannot agree a budget and Council Tax level at its meeting on 27 February 2019, Members should be aware that the Council will not have a legal budget and this will impact on service delivery and cashflow with immediate effect whilst damaging the council's reputation and can, as a

last resort, lead to intervention from the Secretary of State under powers given by section 15 of Local Government Act 1999.

- 2.2 The role of Council is to agree the level of Council Tax and inherently, the budget envelope for the Council. The precise allocation of that envelope and expenditure falls to the Cabinet.
- 2.3 It is also good practice to approve the capital programme at the same time because there is an interdependency between the budget streams.
- 2.4 This report presents the proposed 2019/20 General Fund revenue and capital budgets, as per the recommendations of Cabinet that have been formed through budget reports presented to the Corporate Overview and Scrutiny Committee and the Cabinet over recent months.
- 2.5 The Director of Finance and IT's statutory statement on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003 is included at appendix 1. This must be considered by the Council before approving the council tax level.

## **Revenue**

### **The 2018/19 Budget Position**

- 2.6 Members have received reports throughout the year that have set out the ongoing pressures in Children's Social Care, the Environment Service as well as specific pressures relating to no recourse to public funds and homelessness. The nature of these pressures are specific and support the cross cutting approach to targeted savings as these have largely been achieved. This is recognised within the s25 statement when considering the robustness of estimates for 2019/20. The reports have also set out the in-year mitigation that has been taken to deliver a balanced budget position for the financial year 2018/19.
- 2.7 Work continues on finalising these projections and officers remain confident that further mitigation and favourable variances will be identified to stay within the service budget at year-end. The impact of the ongoing pressures has been built into the base budget for 2019/20.

### **Financial Self Sustainability and Government Grants**

- 2.8 Government funding of its main grant is now the third ranked provider of funding for the Council's total General Fund budget (excluding schools) after Council Tax and Business Rates. As such it represents a reducing factor in determining the Council's revenue budget. The Local Government Finance Settlement for 2019/20 was confirmed by the Ministry for Housing, Communities and Local Government (MHCLG) on 29 January 2019 and confirms the reductions built into the MTFs.
- 2.9 The latest Finance Settlement maintains the key changes in the way that Local Government is now financed, which were introduced in April 2013, with

the main changes being from the launch of the Business Rates Retention (BRR) scheme as the principle form of local government funding. All forecasts continue with the principle of phasing out reliance on central government support and to replace this with income raised locally through Council Tax, Business Rates and income generation.

- 2.10 Regarding Adult Social Care (ASC), the ability for the council to raise an ASC precept is not available for 2019/20 as the Council raised this in full over the two previous years. It is noted the Local Government Finance Settlement made additional funding available for both Adults and Children's Social Care through additional grant funding of £1.100m for 2019/20 and a further agreed grant of £0.654m to meet winter pressures. This is in addition to a £0.825m increase in the Improved Better Care Fund.
- 2.11 Recognising the direction of travel towards financial sustainability, the MHCLG increased the amount that a council could increase the Council Tax by 2.99% in each of 2018/19 and 2019/20 financial years. Council Tax proposals for 2019/20 are set out below.
- 2.12 The Council also receives a number of grants for specific purposes. In line with the overall direction of reducing government support, the reductions in these grants have been factored into the MTFs. The most significant grants are for Education Support, Housing Benefits Administration and Public Health.
- 2.13 As part of the reforms contained within the Health and Social Care Act 2012, responsibility for commissioning certain public health functions moved from the NHS to Local Authorities. In 2013 a ring fenced Public Health Grant was provided to all top tier local authorities in order to commission mandated and discretionary Public Health services.
- 2.14 During 2015/16, the then Chancellor announced in-year reductions to the grant of 6.2% amounting to an in-year reduction of £655k. A further reduction of up to 3.9% was announced in the 2015 Autumn Statement and this increased the annual reduction to £924k in 2016/17. A further reduction of £286k was announced for 2017/18 and a further £291k reduction in 2019/20.
- 2.15 Whilst 100% business rate retention did not factor in the Queen's Speech in 2017, the MHCLG has since announced its intention to move to 75% retention by 2020/21. Currently the Council retains circa £36m from a total collection of £118m (30%) against a headline of 49% retention. Gains for Thurrock Council through a greater headline retention cannot be guaranteed and so are not assumed. What is known at this time is that other grants, such as Public Health Grant, will be met from greater retention but then at the loss of the specific grant.

### **3 Collection Fund Balances and Council Tax Base**

- 3.1 The Constitution was amended to delegate the factual calculation and agreement of Collection Fund balances and the Council Tax base to the Director of Finance and IT.

## Collection Fund

- 3.2 The Collection Fund is where the transactions for Council Tax and Business Rates billing, collection and distribution is accounted for. Councils are required to separately estimate the balance as at 31 March each year and for this to be allocated to the major precepting bodies to be accounted for in the budget setting for the following year.
- 3.3 These balances can be either surpluses or deficits and so will impact the budgets accordingly. The impact for Thurrock Council has been included within these budget proposals and precepting bodies have been notified.
- 3.4 Based on the latest forecasts of collections and write offs the Council Tax Collection Fund is estimated to be a surplus of £0.190m as at 31 March 2019. This is apportioned to the major preceptors as follows:

<b>Major Precepting Authority</b>	<b>£m</b>
Thurrock Council	0.160
Essex Police Authority	0.021
Essex Fire Authority	0.009
<b>Total Allocated</b>	<b>0.190</b>

- 3.5 Based on the latest forecasts of collections and write offs the Business Rates Collection Fund is estimated to have a surplus of £0.217m as at 31 March 2019. This is apportioned under regulations as follows:

<b>Major Precepting Authority</b>	<b>£m</b>
Thurrock Council	0.106
Central Government	0.109
Essex Fire Authority	0.002
<b>Total Allocated</b>	<b>0.217</b>

## Council Tax Base

- 3.6 The Council Tax Base is the calculation formed by considering the number of properties within the borough at the various bands of A to H, the discounts currently being afforded to a number of those properties and the likely reduction in liability through the Local Council tax Scheme (LCTS).
- 3.7 All properties are then averaged to create an equivalent of a number of Band D properties that is then used to calculate the Council Tax income within the budget. Whilst there are over 67,000 properties in the borough, these equate to a Council Tax Base of 51,298 Band D properties that, when multiplied by the proposed Council Tax level, calculate a total that will be raised through Council Tax.

## **4 Council Tax Proposals**

- 4.1 The Localism Act 2011 introduced the concept of a referendum where a proposed Council Tax increase exceeds its excessiveness principles either by

the billing authority (Thurrock Council) or one of its major preceptors. Simply, a referendum would be required if the Council resolved to increase council tax by a higher percentage than the government guidelines. This report does not propose increases that would call for a referendum.

- 4.2 As reported last year, Thurrock Council has one of the lowest Council Tax levels and Council Tax income of the 55 Unitary Councils in the country and the lowest Council Tax in Essex. This low base means that, financially, Thurrock Council has less income than comparable councils to deliver the same suite of services, irrespective of demographic need, and limits any increase through the Council Tax precept as any percentage increase is on a lower amount than other authorities. A low base also means reduced flexibility in terms of having surplus funds to spend on capital projects and other initiatives, without having to rely on prudential borrowing where the need is identified.
- 4.3 The Council has made significant progress through the CSR process, specifically around the commercial and investment approaches. However, the most significant and stable income stream that the Council has is through Council Tax and building this base is critical to sustaining the services offered by the Council and after accounting for factors such as inflation and wage increases in the social care sector.
- 4.4 There are two elements to the Council Tax that need to be considered:
- The general increase – this is capped at 3% and so the maximum increase that can be agreed is 2.99% for 2019/20. A 0% increase has been recommended by Cabinet and the MTFS assumptions have been updated to reflect the revised approach; and
  - The Adult Social Care (ASC) Precept – this precept was announced in December 2015 and amended in December 2016. The Council has no further ability to increase the ASC Precept in 2019/20 as the maximum increase of 3% was taken over the previous two years. This is in line with the assumptions in the MTFS throughout the last year.
- 4.5 There is a continuing need for sustained increases to the ASC budget to meet the increased costs of the national minimum wage and demand pressures as the population continues to live longer with more complex health and care needs. The Council continues to face considerable challenges with the domiciliary care market which remains a national trend. The new domiciliary care service is providing more stability locally but this remains a challenging area. The NHS locally is also under considerable pressure to discharge patients quicker and reduce Delayed Transfers of Care (DTOCs) – this equally puts further pressures on Adult Social Care.
- 4.6 The table below sets out the average impact on a household in each band when considering the various discounts and support already in place:

Band	Band Charge	Properties		Average Charge	Average 1% Increase p.a.
		No.	%		
A	£1,018.14	7,435	11.0	£669.04	£6.09
B	£1,187.83	13,480	19.9	£893.69	£8.94
C	£1,357.52	26,893	39.6	£1,138.93	£11.39
D	£1,527.21	12,295	18.1	£1,359.94	£13.60
E	£1,866.59	4,676	6.9	£1,719.18	£17.19
F	£2,205.97	2,210	3.3	£2,081.84	£20.82
G	£2,545.35	810	1.2	£2,400.15	£24.00
H	£3,054.42	48	0.1	£2,100.68	£21.01
<b>TOTALS</b>		<b>67,847</b>	<b>100.0</b>	<b>£1,158.63</b>	<b>£11.59</b>

- 4.7 For over 70% of residents, each additional 1% increase in Council Tax equates to an average of 19 pence per week or £9.87 per annum whilst raising £0.7m to be applied to a wide range of services, including Children’s and Adult Social Care that work with the most vulnerable members of the community.

## 5 Proposed General Fund Revenue Budget 2019/20

- 5.1 The Council Spending Review “Service Review Board” has undertaken a number of cross cutting reviews which challenge current delivery models, structures and assumptions with a view to improving outcomes and identifying efficiencies. The Board has a savings target of £0.920m in 2019/20 which is to be delivered following the implementation of the review outcomes stated below:

- Children’s Social Care - £0.797m – a review of key processes and work targeted on the earlier identification of cases;
- Transport - £0.060m – a detailed review of home to school transport; and
- Planning - £0.063m - An invest to save strategy to retain and grow resources to deliver high quality services and develop a sustainable trading platform.

- 5.2 Together these form an overall package that contribute towards a balanced budget and also allows the Council to invest in enhancing existing services as well as providing additional services where they are deemed to be a priority.

- 5.3 Regarding the savings within Children’s Services, it is noted that while the headline is a budget reduction, savings of £3m have been identified through transformation but a budget reduction of just circa £1m enacted. The balance remains within the service budget for any unexpected variations and as a result provides a real increase to funding levels within Children’s Services following implementation. Further detail is summarised at appendix 2.

- 5.4 The impact of this approach, together with the Investment Strategy, has supported the creation of identified surpluses over the next four years of £16.718m that can be used for one off investments in services and throughout

the borough but roll forward to support the budget in the medium to longer term. The approach has created a projected surplus in the region of £3.3m in 2018/19 and the key focus of this spend will be:

- £1.000m for Target Hardening;
- £0.500m to address Outcomes from the Mental Health and Debt Summits;
- £0.750m to address Anti-Social Behaviour including additional Police Officers;
- £0.500m for the Schools DSG High Needs Pressure; and
- £0.100m to fund costs arising from the proposed Lower Thames Crossing.

5.5 Draft budgets are included at appendix 3 but a summary of the overall budget envelope and financing is set out below:

	<b>£m</b>
<b>Net Expenditure</b>	<b>111.690</b>
<b><i>Financed by:</i></b>	
Revenue Support Grant	(6.697)
NNDR Precept	(35.547)
Other Grants	(3.118)
Collection Fund Balances	(0.266)
<b>To be funded through Council Tax</b>	<b>(66.062)</b>

## **6 Medium Term Financial Strategy (MTFS) 2019/20 – 2022/23**

- 6.1 The MTFS covering the period 2019/20 through to 2023/24 is attached at Appendix 4 which includes the assumption that there will be a 0% council tax increase in 2019/20 and 1.99% for subsequent years. This is in line with the current year recommendation and the flexibility provided to local government from the MHCLG.
- 6.2 Thurrock's Commercial and Investment approach has achieved budget surpluses for each of the next four years on the basis of known investments and the assumption that Council supports the proposed approach towards Thurrock Regeneration Ltd.
- 6.3 The five year MTFS attached at appendix 4 reflects the end of some current investments and assumptions over further investments to replace them. It reinforces the need to continue with increasing income from the commercial, investment and Council Tax streams. In summary, an extract from the MTFS shows:

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
MTFS Budget Pressures (Net)	8.163	2.468	2.612	2.386	3.617
Surplus Brought Forward	(2.488)	(5.803)	(5.513)	(3.327)	(2.165)
Investment Income (Net)	(11.478)	(2.178)	(0.336)	(1.224)	0.365
<b>Total</b>	<b>(5.803)</b>	<b>(5.513)</b>	<b>(3.237)</b>	<b>(2.165)</b>	<b>1.817</b>

- 6.4 As can be seen from the table, the budget surpluses in any one year are carried forward to the next to meet new pressures. As such, Members should only use any surplus for one-off expenditure and not commit to new ongoing budget activity which has a recurring financial impact on revenue.
- 6.5 Whilst the table above and the MTFS shows a positive position for four of the next five years, the move to a sustainable financial position for the longer term requires both increases in the Council Tax base and longer term investments to ensure that there are continual income streams.

## 7 Reserves

- 7.1 There is no set formula to determine the General Fund balance but it is for the Council's S151 Officer to consider the Council's past financial performance and risk to the budget over the future medium term and to then recommend a balance to the Council. It is, however, for the Council to set this balance considering that recommendation.
- 7.2 Based on the above, the Director of Finance and IT expects the optimum balance of £11m as at 31 March 2019 and this is reflected within the s25 statement at appendix 1.

## 8 Government Funding – Dedicated Schools Grant

- 8.1 On 17 December 2018, the Secretary of State for Education announced details of the Dedicated Schools Grant (DSG) allocations for 2019/20, as shown in the tables below:

<b>Funding Settlement - December 2018</b>			
	2019/20	2018/19	Increase
	£m	£m	£m
Early Years	11.570	11.568	0.002
Schools	119.434	115.973	3.461
High Needs	23.268	22.141	1.127
Central Services	2.073	2.038	0.035
<b>Total</b>	<b>156.345</b>	<b>151.720</b>	<b>4.625</b>

8.2 The key announcements are:

- Planned updates and funding allocations, announced in July, to the formula in 2019/20 will be implemented. This brings an additional £0.895m to the Schools Block and £0.624m to the High Needs Block in Thurrock;
- Additional funding of £3.146m in the Schools Block to reflect an additional 621 pupils now being educated in Thurrock schools when compared to October 2017 census; and
- The High Needs Block of the DSG has been increased by £125m in both 2018/19 and 2019/20 to provide support for children and young people with special educational needs and disabilities. This brings an additional £0.452m to Thurrock in both 2018/19 and 2019/20.

8.3 DSG is calculated for all mainstream schools in Thurrock, including Academies, using the Thurrock funding formula. The Education and Skills Funding Agency (ESFA) then recoups funding to be distributed to Academies and a net Grant is paid to the Council. This ensures that Academies and maintained schools are funded on the same basis. All figures in this report are gross.

8.4 The basis of the October count has caused some dilution of funding to schools as Thurrock is going through a significant period of pupil growth which means that pupils are being funded in schools before they are funded through the DSG. This effectively means there is a top slice to all schools' funding rates to cover the increased numbers.

8.5 At its meeting on 12 December 2018, Cabinet approved changes to the local funding formula. These have been implemented and individual funding allocations have been provided to schools and academies for 2019/20.

8.6 Other grant funding - The pupil premium will continue at the current rates in 2019/20. Further details will be made available in 2019 on the following grants that will continue into the next financial year: Universal Infant Free School Meals, Year 7 catch-up premium, School Improvement Monitoring and Brokering Grant and extended rights to home to school transport.

8.7 In 2018 a review of the DSG was undertaken. This provided clarity on expenditure that could be charged against each funding block and to ensure

the efficient and effective use of resources. In 2019/20 the High Needs Block, following receipt of additional funding and review of SEN payments, is able to set a realistic budget that provides for 2018/19 projected expenditure and allows for some growth that is being experienced through increased demand for Education, Health and Care (EHC) plans.

## **9 Capital Programme**

9.1 The Capital Programme plays an understated role in not just supporting and maintaining the borough's and the council's infrastructure but also includes strategic and place making schemes supporting both the place making and commercial agendas.

9.2 The following sources of funding are available to the General Fund:

- Capital Receipts – these are the receipts realised from the disposal of capital assets such as land and buildings. The Property Board, at the request of Cabinet, has commenced a strategic review of the asset base that will, in the future, be based on the simple ethos of Release – Reuse - Retain;
- Grants and Contributions - these could be ad hoc grants awarded from government or other funding agencies or contributions from developers and others;
- Prudential Borrowing – the Council is able to increase its borrowing to finance schemes as long as they are considered affordable and are deemed to meet the public good; and
- Revenue – the Council can charge capital costs directly to the General Fund but the pressure on resources means that this is not recommended.

9.3 On the basis that capital receipts are currently limited and, with a low level of reserves in place, any receipts may be set aside for debt repayment or a contingency towards revenue pressures (ability to use capital receipts for MRP purposes), the main areas of funding are grants and contributions – but these tend to be for specific purposes – and prudential borrowing – the main source for the attached proposals and current programme.

### **Current Programme**

9.4 Before considering the new proposals, it is worth reflecting on the allocations that have been agreed over recent years. These are summarised in Appendix 5 but, covering the period 2017/18 through to 2020/21, total over £240m with £212m still to be spent as at 1 January 2019.

9.5 Set out below are the major schemes that are included within the current programme over that period that are already committed and many underway:

The widening of the A13;	Purfleet Regeneration;
Grays' Town Centre and Underpass;	Stanford-le-Hope Interchange;
Improvements to parks and open spaces;	New educational facilities;
The HRA Transforming Homes programme;	HRA New Build Schemes;
Highways infrastructure;	Aveley Community Hub
Civic Office Development; and	Improvements to the Linford Civic Amenity Site.

9.6 In addition, feasibility work has been carried out in developing the future and aspirational bids during recent months and an update on these is included at Appendix 6.

## 10 Draft Capital Proposals

10.1 There have been a number of schemes that can be seen as projects in their own right. These have been included at appendix 7 and will, in the main, be known to the relevant Overview and Scrutiny Committee in one form or another.

10.2 Having reviewed all of the other capital requests, what could be described as operational capital, they fall within one of four categories and are summarised in the table below. A schedule of some of the bids is included at appendix 8 for information but is not exhaustive. The amounts have been calculated using the respective bid totals and would be under the responsibility of a relevant Transformation Board or Directors' Board for final allocation and monitoring:

<b>Responsible Board</b>	<b>Examples</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>
Service Review	These could include new systems that create efficiencies, upgrades to facilities to increase income potential and enhancements to open spaces to reduce ongoing maintenance.	2.2	0.5	0.5
Digital	The council has been progressing steadily towards digital delivery, both with residents and amongst officers. This budget will allow for further progression as well as ensuring all current systems are maintained to current versions and provide for end of life replacement.	4.0	1.1	0.5
Property	This budget will provide for all operational buildings including the Civic Offices, libraries, depot and Collins House. It will allow for essential capital maintenance and minor enhancements.	3.2	2.1	1.5
Transformation	This budget is to provide the ability to build business cases for major projects as per paragraph 2.6. The recommendation is for an annual “top up” to bring the budget back to £2m at the start of each financial year.	2.0	2.0	2.0

10.3 In addition, the capital programme also includes the HRA, Highways and Education. These are largely funded by government grants and will be considered by their respective Overview and Scrutiny Committees and the Cabinet under separate reports.

10.4 Highways are expected to receive in the region of £2.8m per annum from the Department of Transport whilst Education are expected to receive a further £5m in 2019/20 from the Department for Education with further allocations for free schools.

## **11 Other Capital Recommendations**

11.1 In previous years, the recommendations to Council have also included delegations to Cabinet to agree additions to the capital programme under the following criteria:

- If additional third party resources are secured, such as government grants and s106 agreements, for specific schemes; and
  - Where a scheme is identified that can be classed as 'spend to save' – where it will lead to cost reductions or income generation that will, as a minimum, cover the cost of borrowing.
- 11.2 The delegation requested is that any approval is deemed to be part of the capital programme and that the necessary prudential indicators set out in the Capital Strategy are amended accordingly.
- 11.3 This approach means that estimated amounts for schemes that may or may not take place are not included in the programme, removing the need for agreed provisions that may not be required.

## **12 Issues, Options and Analysis of Options**

- 12.1 The issues and options are set out in the body of this report in the context of the latest MTFS and informed by discussions with the Council Spending Review panel and Directors' Board.
- 12.2 The key option arising from this report is on the level of Council Tax that sets the overall budget envelope for the coming and subsequent years.

## **13 Reasons for Recommendation**

- 13.1 The Council has a statutory requirement to set a balanced budget annually. This report sets out the budget pressures in 2018/19 and recommends a balanced budget for 2019/20 to the Council.

## **14 Consultation (including Overview and Scrutiny, if applicable)**

- 14.1 This report has been developed in consultation with the Leader, Portfolio Holders and Directors Board. Group Leaders and Deputy Leaders have been involved throughout the budget planning process through the Council Spending Review Panel which has met on a number of occasions through the 2018/19 municipal year.
- 14.2 Corporate Overview and Scrutiny Committee considered this report at their meeting on 31 January 2019. Main areas of discussion included:
- The Council Tax Freeze, its impact on the MTFS and recognising that with an increase there would be a five year balanced MTFS;
  - Further to this, the committee commented that it would be useful to have sight of a ten year MTFS at Council on 27 February 2019 to recognise the longer term implication;
  - A challenge on being able to achieve the savings set out from the CSR process with specific focus on People Board Savings, Lease rental increases and the Service Review target. Officers explained that all of these are already

being achieved and have a heightened focus at Directors' Board to ensure delivery and that the main area of Service Review savings, in Children's Services, had already had significant upfront investment to achieve these savings and that the savings were, in fact, far higher than the target thus being growth for the service;

- The Committee also wanted assurances that the Council was not looking to reduce payments to Foster Carers. Officers explained that increasing the Foster Carer base was a key objective and so payments to look after the borough's children were not being reduced; and
- In terms of capital, the Committee discussed the schemes and approach and had no adverse comments on the proposals but did ask whether the proposals could be linked to the Council's priorities. The Committee has asked for a clearer view of the existing programme and links to priorities at a future meeting.

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

- 15.1 The implementation of previous savings proposals has already reduced service delivery levels and our ability to meet statutory requirements, impacting on the community and staff. This budget starts to rebuild key service budgets with real growth allocated to Children's and Adults' Social Care and the Environment.
- 15.2 Whilst the direct impact on frontline services is low from the new proposals, the efficiencies could have an effect if not properly managed, as could be expected.

## **16 Implications**

### **16.1 Financial**

Implications verified by: **Sean Clark**

**Director of Finance and IT**

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. 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.

Whilst this draft budget report sets a balanced budget, it does not include a Council Tax increase and so reduces the Council's ability to maximise Council Tax streams going forward in its aim to become financially self-sufficient. Each 1% is circa £0.7m that is then lost to the income stream for perpetuity at

a time where the government has made clear that councils will need to finance services through local revenues from both Council Tax and Business Rates.

The government in setting its grant support for the coming year has made the assumption that this funding would be realised and this will also influence the Comprehensive Spending Review in 2019 that will determine the amounts of Business Rates that the Council will be able to retain for the delivery of local services over the period 2020-2023.

Recent announcements from CIPFA have raised concerns over the amount of property and other investments that local authorities are carrying out and the advice is clear that there needs to be more tangible benefits to the local authority area and its residents as opposed to purely financial gain. The government, in its announcement of the draft finance settlement, acknowledged this position and left the possibility of a future discussion with the Treasury open. Thurrock Council's investments fall within the accepted parameters when considering the allocation of surpluses to enhance and/or provide new services.

Cabinet should note that even without investment targets included, the budget remains in balance thus demonstrating that the targets are not simply replacing a Council Tax increase.

## 16.2 **Legal**

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

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

## 16.3 **Diversity and Equality**

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

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

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

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

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

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

**18 Appendices to the report**

- Appendix 1 – Report of the Council's Section 151 Officer under Section 25 of the Local Government Act 2003: Robustness of Estimates and Adequacy of Reserves
- Appendix 2 – Summary of Council Spending Review Savings
- Appendix 3 – Allocation of Growth and Savings to Services
- Appendix 4 – Medium Term Financial Strategy
- Appendix 5 – Current Capital Programme Summary
- Appendix 6 – Update on Future and Aspirational Projects
- Appendix 7 - New Capital Projects
- Appendix 8 – Examples of those Minor Schemes that form part of the General Allocations

**Report Author:**

Sean Clark

Director of Finance and IT

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**SECTION 151 OFFICER'S STATEMENT ON THE ADEQUACY OF BALANCES  
AND THE ROBUSTNESS OF THE BUDGET – BUDGET YEAR 2019/20**

**Introduction**

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

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

This includes reporting and taking into account:

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

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

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

**Assurance**

Given all these factors, especially given the delivery of similar savings during 2017/18 – 2018/19 and the forecast surpluses, I consider the estimates for 2019/20 to be sufficiently robust for approval by the Council but there are challenges and is dependent on strong financial management from officers and Members. I advise the Council that both the General Fund and HRA Reserves currently meet the minimum level required, indeed at or progressing towards optimum levels, to provide financial coverage over the medium term.

Looking more medium to longer term though is more challenging given the recommendation to freeze Council Tax levels. Whilst the MTFS shows this as affordable for 2019/20, the result is a loss of £11m over the life of the MTFS and £2.1m per annum from the base for every year going forward. The recommendation has used finite period investments to cover the loss of a sustainable income stream.

It is also clear that this may be a consideration for MHCLG when concluding the Fair Funding Review and Comprehensive Spending Review in 2019 where an assumption will be a much higher notional level than the actual level of Council Tax that will result in a lesser settlement for the Council.

The MTFS currently assumes 1.99% increases per annum for the period 2020/21 through to 2023/24 that must be realised to build this element of the Council's foundation and compliment the other aspects of the Council Spending Review (CSR) process.

In response to questions from the Corporate Overview and Scrutiny Committee, I had to explain my role in this statement. Whilst being able to confirm that I believe the budget to be robust due to the Council's financial position, this should not be considered an endorsement of the Council Tax recommendation.

### **Statement of the Council's Section 151 Officer (Director of Finance and IT)**

1. I have reviewed the budget proposals for 2019/20 and consider them to be challenging but achievable. There are specific areas within the budget that carry a degree of risk and will require strong officer and Member management to achieve them:
  - a) The budget includes growth in all those service areas where pressures have been identified through 2018/19 but demand continues to increase;
  - b) Children's Services have a £0.8m transformation target to deliver although there has been significant investment to put the foundations in place and total savings identified are circa £3m – thus, if the savings are achieved, the real impact is £2m growth;
  - c) An increase in household waste collection rounds, due to property growth along with increased household waste disposal costs and lower recycling quality/rates are creating additional pressures. New contracts, plant and recycling campaigns will need to target greater impacts in these areas. Changes in the Central Government Waste Strategy will focus on quality recycles and once further information is available we can consider potential impacts for Thurrock;
  - d) Whilst the MTFS is now balanced for the next four years, there are efficiencies of £2.225m identified for 2019/20 and a further £2.9m for 2020/21 to 2022/23 that have to be delivered through the CSR process;
  - e) As the Council continues moving towards a more commercial approach, income targets will have increasing parity with the market. All targets have been agreed by the relevant services but obviously depend on take up from

third parties and so carry a degree of risk. Improved monitoring arrangements have been implemented and the approach has proven successful in 2018/19;

- f) There are targeted reductions in additional employee costs through areas such as agency, overtime and consultancy. Confidence is taken from the increased management and targeted approach in these areas, including delivering similar savings throughout 2017/18 to 2018/19, but a high level of monitoring will remain;
- g) The impact of welfare reform and specifically Universal Credit continues to evolve and may increase demands on services and provide a challenge to the collection of Council Tax and rents, specifically the latter where arrears are increasing;
- h) The domiciliary care market remains the biggest risk to financial and service stability. The national position with Allied Healthcare only had limited impact locally but showed how fragile that part of the adult social care market remains. The increased resources from the Council Tax precept and the Better Care Fund did give greater resilience to the adult social care financial position;
- i) Along with other local authorities our Public Health Grant continues to receive a 2.6% annual reduction. This has been managed through some carry forward from previous years and an ongoing re-procurement programme;
- j) Financing of schools is a national pressure and Thurrock schools are no exception. Increased demand for the High Needs element of the Dedicated Schools Grant has led to overspends in this area that are in the process of being mitigated. Whilst this does not impact on the General Fund, it does put additional pressure on the borough's schools and could impact indirectly on the Council;
- k) The HRA continues to face pressures brought about by the legislative periods of rent reductions and Right to Buy sales that together have significantly reduced the HRA resource base. Demands for increased repairs budgets have been put at risk through these reductions and not generating alternative income with a number of areas highlighted as unbudgeted within HRA budget reports;
- l) By following an Investment Strategy the Council becomes more open to interest rate fluctuations with higher rates reducing the net benefit of an investment. Officers manage these cash flows on a daily basis and will take action as necessary;
- m) The uncertainty around the exit from the EU to a borough with three ports, major shopping centre and the Dartford Crossing could result in additional disruption, cost and demands for increased services in, for instance, Environmental Health and Trading Standards. Work is underway with partners to identify and mitigate impact; and

- n) For the medium term, the uncertainty around Members' commitment to increasing Council Tax to strengthen the Council's financial base.
2. A key process risk in making the above statement is the availability and understanding of timely and relevant financial information to the services. This is three-fold:
- a) The reporting ability of the Council's financial system is being improved to further meet service needs. Significant progress has been made through the new reporting software in 2018/19 and the upgrade of Oracle commencing in 2019/20, though a new system go-live is a risk in itself;
  - b) A number of the service specific systems, notably Housing and Social Care, do not interface with the financial system in a way that allows the identification of future commitments. This is included within future Oracle upgrade considerations; and
  - c) The services' ability to interpret and forecast from a range of information and sources. The reporting upgrade and related training will go some way to mitigating this.
3. Demands on the senior leadership group to deliver core services, support the growth and infrastructure plans and ambitions throughout the borough, including the proposed Lower Thames Crossing, and implement the transformational change required means that capacity is a risk to delivery. The Council has one of the most significant capital programmes across the country that, along with significant benefit, come with both financial and reputational risk. Directorate Management Teams and Directors' Board will have to manage this risk and redirect resource where necessary.
4. My statement for both 2019/20 and the medium term is also conditional upon:
- Members supporting the need for the Council to become more commercial, including the need to increase the Council's income base, in both the General Fund and the Housing Revenue Account, through core business, a balanced investment approach and Council Tax increases to make for a sustainable base;
  - The agreement of a Medium Term Financial Strategy to support the financial sustainability of the Council over the next 3-5 years;
  - A recognition in the medium term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council has shown a commitment to increase reserves to a level which provides adequate cover for most identified risks during the planning period. It must be noted, however, that the recommended levels of reserves still leave the Council exposed to the very exceptional risks identified in this review and, if those risks materialise, to reserves being inadequate;

- Portfolio Holders, Directors and Assistant Directors managing within their cash limits for 2019/20 (and future years covered by the Medium Term Financial Strategy);
  - Taking every opportunity to meet the Reserves Strategy as a first call on windfall underspends or receipts;
  - Not considering further calls on reserves other than for those risks that have been identified, those that could not have been reasonably foreseen and that cannot be dealt with through management or policy actions. The exception to this is where the Reserves Strategy (reviewed annually) is met. Even in those circumstances, it is not prudent to finance ongoing spending from one-off reserves. Any excess reserves should be targeted towards one-off 'invest to save', supporting the transition that is required for future service delivery and contributions to fund the Council's capital programme;
  - Where there is a draw-down on reserves, which causes the approved Reserves Strategy to be off target, that this is paid back within a maximum of three years; and
  - That the Council has arrangements and resources in place to consider value for money in preparation for future years' budgets.
5. In relation to the adequacy of reserves, I recommend the following **Reserves Strategy** based on an approach to evidence the requisite level of reserves by internal financial risk assessment. The Reserves Strategy will need to be reviewed annually and adjusted in the light of the prevailing circumstances:
- An absolute minimum level of General Fund reserves of £9.0m that is maintained throughout the period between 2019/20 to 2022/23;
  - An optimal level of General Fund reserves of £11.0m over the period 2019/20 to 2022/23 to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances;
  - A maximum recommended level of reserves of £12.0m for the period 2019/20 to 2022/23 to provide additional resilience to implement the Medium Term Financial Strategy; and
  - In relation to the Housing Revenue Account (HRA) my recommendation is that reserves be set at a minimum £1.7m as previous years but with a target of £3m to be achieved within four years.
6. The estimated level of unallocated General Fund reserves at 31 March 2019, based on current projections is £11.0m, depending on final spending. Therefore:
- The absolute minimum level of General Fund reserves of £9.0m is currently being achieved;
  - The optimal level of General Fund reserves of £11.0m is currently being achieved; and

- The recommended maximum level of General Fund reserves of £12.0m is unlikely to be reached during 2019/20.
7. These recommendations are made on the basis of:
- The detailed discussions that have taken place at Directors' Board, including the regular review of the high risk proposals;
  - My own enquiries during the development of the budget;
  - The resilience required to deliver the Medium Term Financial Strategy;
  - One-off unallocated reserves not being used to fund new ongoing commitments;
  - Reserves in 2019/20 and the foreseeable future being used only where planned and if risks materialise and cannot be contained by management or policy actions; and
  - That where reserves are drawn down, the level of reserves is restored within a maximum of three years to that required by the Medium Term Financial Strategy.
8. There are also serious exceptional risks over and above those mentioned which, if they materialise, could eliminate the Council's reserves and leave its financial standing seriously in question. These include:
- Not having a clear plan on how to meet the financial challenges over the medium term, especially in the replacement of existing investments;
  - A failure to raise the Council Tax base to ensure sustainability;
  - Unforeseen impacts arising from the implementation of welfare reform, in particular the roll out of Universal Credit;
  - Unforeseen impacts arising from the governance and financial changes in the provision of public health services;
  - The impact of the localisation of business rates and the consequences of future changes in the total rateable value of businesses located in Thurrock;
  - Interest rate rises that would reduce the ongoing savings arising from the restructuring of debt and the financing of investments;
  - The failure of major regeneration schemes throughout the borough where the Council has an interest;
  - The failure of Thurrock Regeneration Ltd; and
  - The lack of contingency funds to meet demographic and economic pressures, especially at this time of significant change.

9. In relation to the Capital Programme 2019/20 (including commitments from previous years and new projects):

- The HRA Capital Programme will need to be contained within total programme costs;
- The General Fund Capital Budget is based on the best information available in terms of project costs. What is less certain, given the history of cost variations, is the phasing of expenditure; and
- Capacity to deliver the schemes in both time and budget.

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

- The delivery of the agreed Capital Strategy and Asset Management Plan is a critical priority to enable the matching of resources to needs and priorities;
- The increased support and focus on the work of Thurrock Regeneration Ltd brings both capacity challenges and a different risk profile from most other schemes; and
- Developing the future and aspirational schemes to a viable business case stage.

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### SUMMARY OF COUNCIL SPENDING REVIEW SAVINGS

Board	Proposal	2019/20
Procurement	Savings to be delivered through effective procurement and contract management	105
Commercial	Further income through the expansion and development of traded services	270
Commercial	Growth in fees and charges income reflecting 18/19 forecasts and review of fees and charges, mainly through volume increases as a direct result of service areas understanding and acting upon market and competitor information	100
ICT / Digital	Legacy Application Rationalisation and Unified Communications	130
People	Savings to be delivered through ongoing review of employee related costs including reducing use of high cost agency staff, effective attendance management and reviewing overtime arrangements	500
Property	Rental income stretch target - annual increase in rent roll through lease reviews and renewals	200
Service Review	Service Review savings: <ul style="list-style-type: none"> <li>- Children's Social Care - £0.797m (against identified savings of £3m);</li> <li>- Transport - £0.060m; and</li> <li>- Planning - £0.063m.</li> </ul>	920
<b>TOTAL</b>		<b>2,225</b>

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## ALLOCATION OF GROWTH AND SAVINGS TO SERVICES

Directorate	Service	2018/19 Net Current Budget (September 2018) £000	2018/19 Forecast & Carryforward Adjustment £000	MTFS Change in Resources 2019/20 £000	MTFS Growth, Inflation & Other Increases 2019/20 £000	Baseline Budget 2019/20 £000	Commercial Savings £000	Customer & Demand Management Savings £000	ICT/ Digital Savings £000	People Savings £000	Procurement Savings £000	Property Savings £000	Service Review Savings £000	Total Savings £000	Indicative Budget 2019/20 £000
Environment and Highways	Environment & Highways	1,313	(55)		165	1,423				(2)				(2)	1,421
	Highways, Fleet and Logistics	7,217	502		388	8,107	(24)			(22)				(46)	8,061
	Street Scene and Leisure	17,520	834		1,782	20,136	(165)			(91)				(256)	19,880
	Unallocated Surplus / (Deficit)	0	(1,281)			(1,281)									(1,281)
	<b>Environment and Highways Total</b>	<b>26,050</b>	<b>0</b>	<b>0</b>	<b>2,335</b>	<b>28,385</b>	<b>(189)</b>	<b>0</b>	<b>0</b>	<b>(115)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(304)</b>	<b>28,081</b>
Place	Assets	5,569	(241)		82	5,410	22			(5)		(200)		(183)	5,227
	Economic Development	546	(88)		60	518	(20)			(2)				(22)	496
	Lower Thames Crossing	449	(337)			112									112
	Planning, Transportation and Public Protection	3,202	538		285	4,025	(76)			(23)			(63)	(162)	3,863
	Unallocated Surplus / (Deficit)	0	(304)			(304)									(304)
	<b>Place Total</b>	<b>9,766</b>	<b>(432)</b>	<b>0</b>	<b>427</b>	<b>9,761</b>	<b>(74)</b>	<b>0</b>	<b>0</b>	<b>(30)</b>	<b>0</b>	<b>(200)</b>	<b>(63)</b>	<b>(367)</b>	<b>9,394</b>
Children's Services	Children and Family Services	28,902	609		859	30,370	(9)			(97)	(5)		(797)	(908)	29,462
	Central Administration Support and Other	1,382	(284)		91	1,189				(7)				(7)	1,182
	Learning & Universal Outcomes	5,103	(1,167)		427	4,363	(116)			(11)				(127)	4,236
	School Transport	750	410		5	1,165							(60)	(60)	1,105
	Unallocated Surplus / (Deficit)	0	15			15									15
<b>Children's Services Total</b>	<b>36,137</b>	<b>(417)</b>	<b>0</b>	<b>1,382</b>	<b>37,102</b>	<b>(125)</b>	<b>0</b>	<b>0</b>	<b>(115)</b>	<b>(5)</b>	<b>0</b>	<b>(857)</b>	<b>(1,102)</b>	<b>36,000</b>	
Adults; Housing and Health	External Placements	23,029	(208)			22,821				(2)	(100)			(102)	22,719
	Provider Services	10,027	25		797	10,849	(19)			(145)				(164)	10,685
	External Commissioning	2,495	(16)		62	2,541	(2)			(4)				(6)	2,535
	Public Health	75	(75)			0									0
	Better Care Fund	1,346	(1,346)			0									0
	Community Development & Libraries	1,733	4		60	1,797	(10)			(2)				(12)	1,785
	Unallocated Surplus / (Deficit)	0	270			270									270
<b>Adults; Housing and Health Total</b>	<b>38,705</b>	<b>(1,346)</b>	<b>0</b>	<b>919</b>	<b>38,278</b>	<b>(31)</b>	<b>0</b>	<b>0</b>	<b>(153)</b>	<b>(100)</b>	<b>0</b>	<b>0</b>	<b>(284)</b>	<b>37,994</b>	
Housing General Fund	Homelessness	522	(35)		213	700				(4)				(4)	696
	Private Sector Housing	321	0		12	333	(1)							(1)	332
	Travellers	(109)	(5)		79	(35)									(35)
	Unallocated Surplus / (Deficit)	0	40			40									40
	<b>Housing General Fund Total</b>	<b>734</b>	<b>0</b>	<b>0</b>	<b>304</b>	<b>1,038</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>(4)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5)</b>	<b>1,033</b>
Finance, IT and Legal	Corporate Finance	2,010	(85)		127	2,052	50			(8)				42	2,094
	Cashiers	65	0			65									65
	Chief Executive	352	(1)		7	358				(1)				(1)	357
	ICT	3,439	0		124	3,563			(50)	(7)				(57)	3,506
	Revenue and Benefits	1,927	(10)		135	2,052				(12)				(12)	2,040
	Legal Services	1,714	47		59	1,820	(75)			(19)				(94)	1,726
	Democratic Services	199	(11)		25	213									213
	Members Services	721	15		10	746									746
	Electoral Services	477	(44)		30	463				(1)				(1)	462
	Unallocated Surplus / (Deficit)	0	89			89									89
	<b>Finance and Information Technology Total</b>	<b>10,904</b>	<b>0</b>	<b>0</b>	<b>517</b>	<b>11,421</b>	<b>(25)</b>	<b>0</b>	<b>(50)</b>	<b>(48)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(123)</b>	<b>11,298</b>
	HR & OD	4,297	(150)		217	4,364	(54)			(7)				(61)	4,303
Unallocated Surplus / (Deficit)	0	13			13									13	
<b>HR; OD and Transformation Total</b>	<b>4,297</b>	<b>(137)</b>	<b>0</b>	<b>217</b>	<b>4,377</b>	<b>(54)</b>	<b>0</b>	<b>0</b>	<b>(7)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(61)</b>	<b>4,316</b>	
Strategy, Communications and Customer Services	Corporate Strategy & Communications	1,741	(146)		127	1,722	(20)			(16)				(36)	1,686
	Social Care Performance	982	0		39	1,021				(3)				(3)	1,018
	Unallocated Surplus / (Deficit)	0	146			146									146
	<b>Strategy, Communications and Customer Services Total</b>	<b>2,723</b>	<b>0</b>	<b>0</b>	<b>166</b>	<b>2,889</b>	<b>(20)</b>	<b>0</b>	<b>0</b>	<b>(19)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(39)</b>	<b>2,850</b>
Commercial Services	Commercial Services	683	(10)		42	715				(2)				(2)	713
	Unallocated Surplus / (Deficit)	0	10			10									10
	<b>Commercial Services Total</b>	<b>683</b>	<b>0</b>	<b>0</b>	<b>42</b>	<b>725</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2)</b>	<b>723</b>
Central Expenses	Corporate Finance	(15,041)	2,332	97	(7,449)	(20,061)	149			(7)				142	(19,919)
	2019/20 Savings to be Allocated	0	0			0			(80)					(80)	(80)
	Unallocated Surplus / (Deficit)	0	0			0									0
	<b>Central Expenses Total</b>	<b>(15,041)</b>	<b>2,332</b>	<b>97</b>	<b>(7,449)</b>	<b>(20,061)</b>	<b>149</b>	<b>0</b>	<b>(80)</b>	<b>(7)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>(19,999)</b>
Revenue Funding	Council Tax Income	(65,408)	0	(654)		(66,062)								0	(66,062)
	Grant Income	(3,418)	0	300		(3,118)								0	(3,118)
	NNDR Income	(35,434)	0	(378)		(35,812)								0	(35,812)
	Revenue Support Grant	(10,698)	0	4,000		(6,698)								0	(6,698)
	<b>Revenue Funding Total</b>	<b>(114,958)</b>	<b>0</b>	<b>3,268</b>	<b>0</b>	<b>(111,690)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(111,690)</b>
	<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>3,365</b>	<b>(1,140)</b>	<b>2,225</b>	<b>(370)</b>	<b>0</b>	<b>(130)</b>	<b>(500)</b>	<b>(105)</b>	<b>(200)</b>	<b>(920)</b>	<b>(2,225)</b>	<b>0</b>

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## MEDIUM TERM FINANCIAL STRATEGY

Narrative	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000
		<b>75% BRR</b>			
<b>1. Local Funding</b>					
Council Tax Base / Charge	(606)	(1,939)	(1,999)	(2,065)	(2,127)
Council Tax Social Care Precept	(48)	(48)	(49)	(49)	(50)
	<b>(654)</b>	<b>(1,988)</b>	<b>(2,047)</b>	<b>(2,114)</b>	<b>(2,177)</b>
Business Rates Precept	(378)	(658)	(500)	(500)	(250)
<b>2. Total Government Resources</b>					
Revenue Support Grant	4,000	658	6,039		
Transfer to funding formula under 75% retention	0	0	(6,039)		
New Homes Bonus	122	0	500	500	500
Other Grants	403	198	379	0	0
	<b>4,525</b>	<b>856</b>	<b>879</b>	<b>500</b>	<b>500</b>
<b>Net Reduction in resources/ (Addition to resources)</b>	<b>3,493</b>	<b>(1,790)</b>	<b>(1,668)</b>	<b>(2,114)</b>	<b>(1,927)</b>
<b>3. Inflation and other increases</b>					
Pay award at 2%, Increments and legislative changes	3,150	2,214	2,281	2,350	2,421
Contractural and non contractual	746	744	799	859	924
	<b>3,895</b>	<b>2,958</b>	<b>3,081</b>	<b>3,210</b>	<b>3,345</b>
<b>5. Treasury</b>					
Investment income	(14,297)	(3,818)	(3,214)	(3,756)	(1,700)
Interest Costs	2,819	538	2,570	2,500	2,065
MRP	0	1,102	308	32	0
<b>Treasury and Capital Financing</b>	<b>(11,478)</b>	<b>(2,178)</b>	<b>(336)</b>	<b>(1,224)</b>	<b>365</b>
<b>6. Demographic and Economic Pressures</b>	<b>3,000</b>	<b>2,200</b>	<b>2,200</b>	<b>2,200</b>	<b>2,200</b>
<b>7. Services Design Principals and Strategic Boards</b>	<b>(2,226)</b>	<b>(900)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>0</b>
<b>Position before carry forward</b>	<b>(3,316)</b>	<b>290</b>	<b>2,277</b>	<b>1,071</b>	<b>3,983</b>
<b>C/f Position</b>	<b>(2,488)</b>	<b>(5,803)</b>	<b>(5,513)</b>	<b>(3,237)</b>	<b>(2,165)</b>
<b>Working Total</b>	<b>(5,803)</b>	<b>(5,513)</b>	<b>(3,237)</b>	<b>(2,165)</b>	<b>1,817</b>

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## CURRENT CAPITAL PROGRAMME SUMMARY

Directorate ID	Total Budget 2018/19 £'000	Total Budget 2019/20 £'000	Total Budget 2020/21 £'000	Total Budget 2021/22 £'000
Education	12,209	15,545	5,852	-
Adults	23,924	27,157	5,460	35
Environment & Highways	13,835	5,718	711	-
Place	38,832	58,774	6,002	10,509
<b>General Allocations</b>				
Service Review	500	-	-	-
Digital	6,406	1,491	40	-
Property	2,550	8,126	446	-
Transformation	1,600	-	-	-
<b>Total</b>	<b>99,856</b>	<b>116,811</b>	<b>18,511</b>	<b>10,544</b>

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## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

Board	Capital Bid	Project Ambition
Property Board	Grays Town Centre Regeneration Development Plots	This represents a further phase of works to deliver the Grays Masterplan and builds on the current project to redevelop the Grays underpass. This enables potential development for town centre commercial and residential around the new pedestrian crossing and public squares to be created by the Grays South Regeneration Project.
Service Review Board	Tilbury Civic Square - Public realm and Highway Improvements	This project is to provide infrastructure to support the current capital project delivering the Tilbury Integrated Medical Centre (IMC). Plans for the Civic Square, including the IMC, will significantly increase the footfall and vehicular traffic to the Civic Square which is currently a one way system with a limited number of formal parking areas serving existing businesses and a number of bus stops. The intention is to improve the public realm and highway layout within the area to provide a safer and more user friendly Civic Square whilst increasing parking spaces to support the IMC and to benefit existing local business.
Property Board	Headstart Housing - property acquisition	<p>In March 2016, Children's Services and Housing developed a strategic partnership to pilot a Local Authority owned House of Multiple Occupation. The purpose of the pilot was to address some of the key barriers young people face in finding suitable accommodation, at an affordable rate, whilst receiving support to enable sustainable employment and independent living. At full occupancy, from day one, the first HMO generated income to Thurrock Council that was reinvested in another property to create a second HMO for the pilot.</p> <p>A recent Headstart Housing business case sought Director's Board approval to explore the opportunity of purchasing further properties on the open market funded from either Right to Buy receipts or the Transformation fund. Approval was granted on 5th September 2018.</p> <p>This funding bid is to enable three additional four bedroom properties to be sourced and acquired in appropriate locations with the aim of having 5 properties for Headstart</p>

## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

Board	Capital Bid	Project Ambition
		Housing in use by 2019/20.
Service Review Board	Thurrock Intelligent Road Management	This project will contribute further to the wider vision to deliver significant improvements to the road network in the borough. This will enable investment in the Thurrock Local Road Network utilising technological solutions to effectively manage and control the flow of traffic through the network, and thereby increasing the existing capacity of roads in the borough to help minimise and tackle traffic and congestion. This will require the installation of technology across the network which can view (CCTV), advise (Variable Messaging Signs - VMS), and manipulate traffic signals to provide greater efficiencies in the system. To support this aim, the project will also require investment in a control centre within the borough to manage the system.
Property Board	Grangewaters Conference Facilities	<p>Grangewaters is an innovative outdoor education centre which offers a range of sports, recreational and commercial workspace.</p> <p>The Council is seeking to diversify Grangewaters' commercial offer and expand its customer base through the provision of conferencing facilities and additional commercial workspace on site. This proposal would also include feasibility study to improve site access; a second access route to the Grangewaters as the current access route is not ideal.</p> <p>The proposed development aims to provide a platform for small and medium sized businesses in the education and leisure sector to develop and flourish; creating training and employment opportunities for the local residents and supporting economic growth in the area.</p> <p>A bid has been made to SELEP for Local Growth Fund 3B funding to support this project.</p>
Property Board	The Reception, High House Production Park	The Council is working in partnership with HHPP to develop The Reception, a 30,000sqft new build at the Production Park. The new build will add c.18,000sqft of creative workspace to this creative community and also provide much needed support

## UPDATE ON FUTURE AND ASPIRATIONAL PROJECTS

Board	Capital Bid	Project Ambition
		accommodation for the wider Park which has grown out of its initial support provision. The Reception will be the focal point of the Production Park where the campus community (artists, students, and arts organisation) and public can gather, a platform within the supportive environment of the Park for artists and small businesses to develop, flourish and create synergies.
Property Board	Recreation and Leisure	As new strategies develop for Recreation and Leisure they will identify opportunities for sports and recreation provision, recommending innovative projects which will support the Council's Health and Wellbeing agenda, encourage "active Thurrock" and enhance current provision.
Property Board	High House Works, High House Production Park	<p>The Council is working in partnership with HHPP to develop High House Works, a c.30,000 ft<sup>2</sup> purpose-built facility of creative makers' workspace with a broad range of unit sizes to support creative micro and SMEs on the Production Park as part of the Council's Enterprise Unit programme to provide a platform for small and medium sized businesses to develop and flourish.</p> <p>A bid has been made to SELEP for Local Growth Fund 3B funding to support this project.</p>
Digital Board	Intelligent, Connected & Accessible Data	Deliver ambition to host all line of business applications on a single connected cloud platform. Connects to data reviews and single view debate.
Digital Board	Data Middleware	This will enable line of business systems to be better connected to enable better sharing of data and more efficient business processes.

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## New Capital Projects

Board	Capital Bid	Initial Rating	Project Ambition	Theme	Funding Source	Total Capital Value	2019-20	2020-21	2021-22
Service Review Board	"East-facing slips" at Lakeside	1	To provide slip roads at the A13/A126 junction, this will allow traffic to travel eastbound from and to Lakeside. Largely funded by DFT with support from SELEP (subject to a bidding process) and £3.5m capital contribution from the Council.	Improvements / Enhancements	DfT	46,500,000	0	2,000,000	2,000,000
					SELEP	750,000	750,000	0	0
					Thurrock	3,500,000	0	0	0
Service Review Board	Stonehouse Lane	1	The project proposes reconstruction of northbound and southbound carriageways of Stonehouse Lane and the laying composite reinforced grids.	Improvements / Enhancements	Thurrock	1,900,000	950,000	950,000	0

NB. All these capital projects support the delivery of the corporate priorities, People, Place and Prosperity, and specifically "Roads, houses and public spaces that connect people and places".

## NEW CAPITAL PROJECTS

Board	Capital Bid	Initial Rating	Project Ambition	Theme	Funding Source	Total Capital Value	2019-20	2020-21	2021-22
Service Review Board	Stanford le Hope Transport Package	1	This project consists of: New multi-modal interchange with passenger drop off, taxi ranks, pedestrian walking route, cycle parking, bus waiting facilities and a new station building and pedestrian bridge. Has funding from NSIP and will support the growth of London Gateway Port.:	Addition to existing scheme	Thurrock	4,000,000	0	4,000,000	0
Service Review Board	Cycle Network	1	Extension to the current cycle highways scheme to enhance sustainable ways of transport within the Borough. Funding from SELEP subject to bidding process.	Improvements / Enhancements	SELEP	2,530,000	2,530,000	0	0
					S106	1,200,000	1,200,000	0	0
					Thurrock	800,000	800,000	0	0
Property Board	Thameside Theatre Modernisation	1	Consolidating and enhancing the cultural offer at the Thameside Theatre Complex – options will be considered by the Property Board to agree the final scheme.	Improvements / Enhancements	Thurrock	£5m - £30m over 3 years.			

NB. All these capital projects support the delivery of the corporate priorities, People, Place and Prosperity, and specifically “Roads, houses and public spaces that connect people and places”.

## **EXAMPLES OF MINOR SCHEMES TO BE MET FROM THE GENERAL ALLOCATIONS**

### Service Review

LED Street Lighting

Measures to Address Anti-Social Behaviour

Material handling equipment for Recycling Loading

Car Park Improvements

### Digital

Library Service Modernisation

Enhancements to the Customer Contact Centre

Virtual Infrastructure Refresh

Corporate Payments System

### Property

Coalhouse Fort Improvements

Capital Improvements to Traveller Sites

Maintenance and Improvement of Village Halls

Boiler Replacement – Thurrock Adult Community College

Shop Improvements

### Feasibility

Business cases to develop aspirational property schemes to the regeneration priorities of the Council

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## QUESTION TIME

**Questions from Members to the Leader, Cabinet Members, Chairs of Committees or Members appointed to represent the Council on a Joint Committee in accordance with Chapter 2, Part 2 (Rule 14) of the Council's Constitution.**

There was 5 questions to the Leader and 8 questions to Cabinet Members, Committee Chairs and Member appointed to represent the Council on a Joint Committee.

## QUESTIONS FROM MEMBERS TO THE LEADER

### 1. From Councillor Maney to Councillor Gledhill

Last year we saw some disturbing headlines that highlighted how street drinkers were dishonouring our war dead by drinking around Grays war memorial and generally behaving in an unacceptable manner. Can the Leader outline what action has/will be taken in order to help prevent this from happening again?

### 2. From Councillor Cherry to Councillor Gledhill

Already we have had travellers arriving at the Haven in Chadwell St Mary, there are many other such historically used sites in Chadwell and across the Borough. I know what we can do after they arrive but what is being physically done to prevent such land incursions this year 2019 and what preparations are being put in?

### 3. From Councillor Liddiard to Councillor Gledhill

What can be done to remove the travellers in Fort Road next to Anglian waste treatment site? They have been there for over one year despite several complaints into Council.

### 4. From Councillor Maney to Councillor Gledhill

Would the Leader explain by what means the Council monitors members' attendance so as to ensure compliance with Section 85 of the Local Government Act 1972 (vacation of office by failure to attend meetings)? Further, has the Council recently initiated any investigations or proceedings in accordance with this provision?

### 5. From Councillor J Kent to Councillor Gledhill

Will the Leader of the Council set out the benefits to the local community of the Conservative Administration's plans to spend £10 million on building new Council offices?

## **QUESTIONS FROM MEMBERS TO CABINET MEMBERS, COMMITTEE CHAIRS AND MEMBERS APPOINTED TO REPRESENT THE COUNCIL ON A JOINT COMMITTEE**

### **1. From Councillor Redsell to Councillor Halden**

Legal advice given on 13 June 2018 Cabinet report regarding the free school programme and land disposal stated that the local authority would be legally obliged to consult should it agree to dispose "open space" which includes land used for recreation. The land disposed of for the potential construction of Orsett Heath Academy in Blackshots fits this definition. Would the Portfolio Holder therefore detail what consultation the Council undertook prior to the disposal.

### **2. From Councillor Redsell to Councillor Halden**

The residents of Woodside welcome the potential expansion of Treetops School, but not the additional traffic this will cause on local roads around Woodside. Will education work with the Education and Skills Funding Agency (ESFA) so that a permanent means of access can be considered and therefore divert traffic away from residential roads?

### **3. From Councillor Cherry to Councillor Watkins**

Fly tipping is a concern in the Borough. What physical changes to known sites are being made, to be made or being considered to prevent or make it more difficult for this lucrative business to continue in Thurrock?

### **4. From Councillor Worrall to Councillor Johnson**

Is the Portfolio Holder for Housing confident that the temporary accommodation for the homeless in Thurrock are inspected and fit for purpose?

### **5. From Councillor J Kent to Councillor Johnson**

How many homeless mothers has Thurrock Council placed in a hotel, with their new born baby, in each of the last three years?

### **6. From Councillor Akinbohun to Councillor Halden**

I have encountered a particular distressing situation in my ward whereby a vulnerable child was excluded and there was no subsequent support to get him back on track. How prevalent is this in Thurrock and what is the Portfolio Holder doing to make sure this does not continue?

### **7. From Councillor Smith to Councillor Halden**

Can the Portfolio Holder please tell me what action he is taking following the recent report into the Aveley Medical Centre?

**8. From Councillor Allen to Councillor Watkins**

Can the Portfolio Holder please confirm the guidance he gave in his response to the question regarding the dust plaguing Tilbury from a member of the public on the 28 November 2018?

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## Update on Motions agreed by the Council – 27 February 2019

Date	From	Motion	Status	Accountable Director
31/10/2018	Cllr Gledhill	We call on the elected members of Thurrock Council to support any judicial review, or other legal action, that may be possible against Highways England proposals for the Lower Thames Crossing?	Evidence will continue to be gathered to support a potential future judicial review of Highways England's proposed Lower Thames Crossing. Should the opportunity arise to challenge the process on grounds eligible for judicial review it will be taken.	Steve Cox
31/10/2018	Cllr J Kent	Thurrock Council notes that since decriminalisation of parking in 2005 residents of Lodge Lane have been able to park on their crossovers - as they had been able to for decades before. The decision to enforce against residents parking in this way has caused significant anger and concern against those affected. Council calls on Cabinet to revisit this decision and find a way of allowing residents to park in the way they have for many, many years without any problem.	The Transport Development Team have commenced a review of the Traffic Regulation Order covering Lodge Lane and potential options will be considered. Options have been prepared and are currently being considered in consultation with the Portfolio Holder.	Steve Cox
28/11/2018	Cllr J Kent	Thurrock taxi trade is under huge pressure at the current time. Much of this pressure is being caused by the proliferation of Uber in the borough and there needs to be a level playing field for the long standing Thurrock Licensed Taxi Trade and Uber alike. To help achieve this Members call on the Authority to work with Uber London	The Licensing Team continue to monitor developments with Uber, its operations in Thurrock and nationally. We are pressing Uber to exclude Thurrock from the London Geofence which it operates and have held a recent meeting with the company to discuss redrawing this boundary. This has been followed up in writing to the Company. The Council has sought legal advice and is currently awaiting a response	Steve Cox

## Update on Motions agreed by the Council – 27 February 2019

		Limited and Transport for London to achieve a redrawing of the boundaries of Uber's geo fence which, currently, includes Thurrock as part of Greater London.		
30 January 2019	Cllr Kelly	Full Council requests that Planning, Transport & Regeneration Overview & Scrutiny Committee, under its remit on regeneration, planning and growth look into how Section 106 money is scoped, allocated and spent. This would help ensure democratic oversight of benefits achieved and decision processes followed.	A report will be taken to the Planning, Transport and Regeneration Overview & Scrutiny Committee meeting in March 2019 alongside the work that is being undertaken to shape and progress the Local Plan.	Steve Cox

## **Motions Submitted to Council**

**In accordance with Chapter 2, Part 2 (Rule 15) of the Council's Constitution**

### **Motion 1**

#### **Submitted by Councillor Holloway**

That this Council notes with concern the withdrawal of funding by the Thurrock Clinical Commissioning Group (CCG) to the South Essex Rape and Incest Crisis Centre (SERICC). SERICC provide an invaluable service that supports and assists the most vulnerable people in Thurrock at the worst times of their lives. This Council calls on the CCG to reverse what we believe to be a highly damaging decision and reinstate the support for this vital and necessary service.

#### **Monitoring Officer Comments:**

This motion relates to a matter which affects the Authority or the Authority's area and for which there is a relevant function.

#### **Section 151 Officer Comments:**

SERICC is supported by a range of funders including the Council. The Council will assess the impact of any changes to the funding streams in conjunction with SERICC and other partners.

#### **Is the above motion within the remit of Council to approve?**

Yes

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## **Motions Submitted to Council**

### **In accordance with Chapter 2, Part 2 (Rule 15) of the Council's Constitution**

#### **Motion 2**

##### **Submitted by Councillor Duffin**

Thurrock Council will write to the Chancellor of the Exchequer calling on the Government to reverse its policy of placing Authorities who do not increase Council Tax to the maximum level at a financial disadvantage by assuming such a notional increase have been made when calculating the amount of business rates they will be allowed to retain.

##### **Statement**

When Government determines the amount business rates an Authority will be able to keep they first determine how much the Council is already raising. Government does not use an Authority's actual council tax levels but rather a notional level that would assume a council tax increase has happened. Thurrock Council is already below the notional level assumed for next year and the government notional level for Thurrock will fall still further behind in this year.

##### **Monitoring Officer Comments:**

This motion relates to a matter which affects the Authority or the Authority's area and for which there is a relevant function.

##### **Section 151 Officer Comments:**

The allocation of funding from Central Government takes account of assumed levels of local council taxation raised. The funding calculated assumes the Council would raise council tax up to the level above which a local referendum would be required (currently 3%). Therefore, where a Council decides to set a lower level of council tax, this is not factored in to the Central Government funding settlement calculations. Consequently Council's core funding from grants and business rates will be lower as the calculation will have assumed a higher level of locally raised funding.

As part of the budget setting process the s151 officer highlights this impact to ensure that members can make an informed decision when setting the proposed level of council tax.

##### **Is the above motion within the remit of Council to approve?**

Yes

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