

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 **25 October 2023**

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

Membership of the Council:

Susan Little (Mayor)

Qaisar Abbas (Deputy Mayor)

John Allen
Alex Anderson
Deborah Arnold
Paul Arnold
Gary Byrne
Adam Carter
John Cecil
Daniel Chukwu
Gary Collins
George Coxshall
Jack Duffin
Tony Fish
Robert Gledhill
Aaron Green
James Halden
Vikki Hartstean

Mark Hooper
Mark Hurrell
Andrew Jefferies
Barry Johnson
Tom Kelly
Cathy Kent
John Kent
Martin Kerin
Steve Liddiard
Ben Maney
Jacqui Maney
Cici Manwa
Fraser Massey
Valerie Morris-Cook
Sara Muldowney
Augustine Ononaji

Srikanth Panjala
Maureen Pearce
Terry Piccolo
Georgette Polley
Kairen Raper
Joycelyn Redsell
Elizabeth Rigby
Sue Sammons
Sue Shinnick
Graham Snell
Neil Speight
Luke Spillman
James Thandi
Lee Watson
Lynn Worrall



Dr Dave Smith
Chief Executive

Agenda published on: 17 October 2023

Agenda

Open to Public and Press

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3	Items of Urgent Business	
	<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>	
4	Declaration of Interests	
	<p>To receive any declaration of interests from Members.</p>	
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In accordance with Chapter 2, Part 2 (Rule 14) of the Council's Constitution.

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Name of Committee	Date
Corporate Parenting Committee	21 March 2023
Health and Wellbeing Overview and Scrutiny Committee	9 March 2023
Standards and Audit Committee	23 February 2023
Planning Committee	13 July 2023
General Services Committee	27 June 2023
General Services Committee	5 July 2023
Health and Wellbeing Overview and Scrutiny Committee	19 July 2023
Corporate Parenting Committee	18 July 2023
Standards and Audit Committee	19 July 2023
Cleaner Greener Safer Overview and Scrutiny Committee	13 June 2023
Children's Services Overview and Scrutiny Committee	15 June 2023
Planning Committee	17 August 2023
Housing Overview and Scrutiny Committee	20 June 2023

Corporate Overview and Scrutiny Committee	11 July 2023
General Services Committee	24 August 2023
Lower Thames Crossing Task Force	17 July 2023

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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

Future Dates of Council:

29 November 2023, 31 January 2024, 28 February 2024 (Budget), 20 March 2024

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Information for members of the public and councillors

Access to Information and Meetings

Advice Regarding Public Attendance at Meetings

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If you have any queries regarding this, please contact Democratic Services at Direct.Democracy@thurrock.gov.uk

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In the case of an emergency, you should evacuate the building using the nearest available exit and congregate at the assembly point at Kings Walk.

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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 4 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 4 minute time shall apply) [Rule 19.8(a)]

All Motions will follow Section A and then either Section B or C

- | | | | |
|-----------|----|--|----------------------------|
| A. | A1 | Motion is moved | [Rule 19.2] |
| | A2 | Mover speaks | [Rule 19.8(a) (5 minutes)] |
| | A3 | Seconded | [Rule 19.2] |
| | A4 | Secunder speaks or reserves right to speak | [Rule 19.3] (4 minutes) |

Then the procedure will move to either B or C below:

B.		C.	
IF there is an AMENDMENT (please see Rule 19.23)		If NOT amended i.e. original motion	
B1	The mover of the amendment shall speak (4 mins).	C1	Debate.
B2	The seconder of the amendment shall speak unless he or she has reserved their speech (4 mins).	C2	If the seconder of the motion has reserved their speeches, they shall then speak.
B3	THEN debate on the subject .	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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WW2 in Memoriam

Remembering Thurrock's Fallen : Civilian Deaths due to enemy action and Roll of Honour

Today we share names on the Roll of Honour. These are people whose home address was shown as Thurrock who lost their lives during the Second World War whilst serving with the armed forces or merchant navy.

In recognition of the adversity and bravery experienced by ordinary people in Thurrock civilian deaths are also noted here in relevant months. 101 non-combatants were killed in Thurrock between 1939 and 1945 who will also be remembered.

A special thanks to Museum volunteer Pam Purkiss for compiling the Roll of Honour information. Civilians added by Valina Bowman-Burns from Thurrock Museum.

The names have been listed in date order.

October 1943

ROWLANDS Thomas P

KING Peter J

POTTS Charles

CLARK Albert Alfred

WILLEY George

RUMBLE George

CHALLIS John F

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Mayoral Roll of Honour

The Roll of Honour has been introduced to recognise and celebrate charities, businesses, individuals, and community groups that have strived to make Thurrock a greater place to live, work, learn and play.

October 2023

Sue Gosling - Services to the Purfleet Heritage and Military Centre



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Minutes of the Meeting of the Extraordinary Council held on 14 September 2023 at 7.00 pm

Present: Councillors Susan Little (Mayor), Qaisar Abbas (Deputy Mayor), John Allen, Alex Anderson, Deborah Arnold, Paul Arnold, Gary Byrne, Adam Carter, John Cecil, Gary Collins, George Coxshall, Jack Duffin, Aaron Green, James Halden, Vikki Hartstean, Mark Hooper, Mark Hurrell, Andrew Jefferies, Barry Johnson, Tom Kelly, Cathy Kent, John Kent, Martin Kerin, Steve Liddiard, Ben Maney, Jacqui Maney, Cici Manwa, Fraser Massey, Valerie Morris-Cook, Sara Muldowney, Augustine Ononaji, Maureen Pearce, Terry Piccolo, Georgette Polley, Joycelyn Redsell, Elizabeth Rigby (*arrived 7.06pm*), Sue Sammons, Sue Shinnick, Graham Snell, Neil Speight, Luke Spillman, James Thandi, Lee Watson and Lynn Worrall

Apologies: Councillors Daniel Chukwu, Robert Gledhill, Srikanth Panjala and Kairen Raper

In attendance: Dr Dave Smith (Chief Executive)
Asmat Hussain, Director of Legal and Governance and Monitoring Officer
Matthew Boulter, Head of Democratic, Scrutiny and Member Services
Mark Bradbury, Interim Director of Place
Jayne Middleton-Albooye, Assistant Director Legal
Jenny Shade, Senior Democratic Services Officer

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

48. Declaration of Interests

No declarations of interest were made.

49. Questions from Members

The Mayor informed the chamber that five questions to the Leader had been received:

Asked By	Asked To	Subject
Councillor Massey	Leader	Planning training for Members
Councillor Byrne	Leader	Dismissal of the Assistant Director – Planning Transport and Public Protection
Councillor Speight	Leader	Planning department resources

Councillor J Kent	Leader	Remit of the Planning Development Agency Peer Review
Councillor Watson	Leader	Contentious planning meetings

The recording of the questions and responses can be found from the following link:

[Council - Thursday 14 September 2023, 7:00pm - Thurrock Council committee meeting webcasts \(public-i.tv\)](#)

50. Motion submitted by Councillor Speight

The Motion, as printed in the agenda was proposed by Councillor Speight and seconded by Councillor Allen. The motion read as follows:

This chamber calls on Thurrock Council to commission a fully independent inquiry into the management and achievements of Thurrock Council's planning department since 2015 – with its remit to produce a year-by-year performance analysis indicating the number of applications received, the number dealt with by delegation, the number progressed to committee and the number passed or rejected that have been contrary to officer recommendation. The report should produce a subjective judgement on the performance of the planning department over each of those years. In addition the remit will include a full and detailed investigation into how and why the council has not been able to formulate a new local plan over the same period of time.

Councillor Speight presented the motion by expressing his concern of the current state of planning in Thurrock. With simple applications taking up to two years or more to be completed, conflicts between councillors and officers and between councillors and councillors; Legal officers' advice and attendance at meetings being inadequate; impropriety in the application of many decisions; delays in processing paperwork in particular relating to Section 106 agreements; developers playing the system and smaller businesses, architects and builders failing whilst waiting for planning decisions to be made and that monies had been invested to develop a local plan since 2015. The motion called for an independent review and commended the motion to the chamber.

The following points were made:

- The seconder fully supported the motion.
- There was a general support in favour of the motion.
- It was recognised by members a review of the Planning Committee was required.
- There was concern of how the system was dysfunctional, in some way predetermined.
- It was recognised the Planning Committee required the appropriate support at meetings so that questions could be asked.

- It was recognised there had been delays with producing the local plan and this would be coming forward in November.
- There was an appetite to move this forward and progress.
- At Governance Recovery Board this week the Planning Advisory Service had agreed to carry out a review that would provide a comprehensive health check of core planning functions.
- The Planning Advisory Service would start their investigation in two weeks' time.
- The Planning Advisory Service would look to what would be required to formulate the local plan.
- The report would be shared and published.
- As part of the review, require a wider consideration of auxiliary issues not just a deep dive of the committee system.
- Concern on motions asking for investigations tended to focus on "what" rather than "why".
- Member referred to the Best Value Inspection, that it was clear as part of the financial collapse, members had been given reports that were incorrect and inadequate. The Pay Policy report was presented to the general services committee in June to approve a pay policy which was agreed but then overturned in August based on the advice provided being incorrect. An apology should have been issued to all 49 members explaining why the mistake had happened and to explain the steps being put in place to ensure this did not happen again. Members stated that to receive legal advice that was unsound after the Best Value Inspection was unacceptable.
- Member stated although in support of the motion, the Motion would require additional efforts once the outcomes were known to fully ensure it will be undertaken.
- Look at the number of planning applications determined through delegated decision powers and then subsequently overturned on appeal.
- Look and learn at why the council had failed to deliver a local plan in a reasonable time.
- It was recognised that any planning application could be deemed controversial.
- Planning Committee Member passionate in their role with a diligent approach and freedom of thought.
- Explore the Planning Committee and recognise what needed to be put in place to inspire members to want to sit on it.

The Mayor called a vote on the motion, with 39 votes in favour, 0 votes against and 0 votes abstained. The Mayor announced the motion carried.

The recording of this meeting can be found from the following link:

[Council - Thursday 14 September 2023, 7:00pm - Thurrock Council committee meeting webcasts \(public-i.tv\)](#)

The meeting finished at 8.06 pm

Approved as a true and correct record

CHAIR

DATE

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

Minutes of the Meeting of the Council held on 27 September 2023 at 7.00 pm

Present: Councillors Susan Little (Mayor), Qaisar Abbas (Deputy Mayor), John Allen, Alex Anderson, Deborah Arnold, Paul Arnold, Gary Byrne, Adam Carter, John Cecil, Daniel Chukwu, Gary Collins, George Coxshall, Tony Fish, Robert Gledhill, Aaron Green, James Halden (*arrived 7.20pm*), Vikki Hartstean, Mark Hooper, Mark Hurrell, Andrew Jefferies, Barry Johnson, Cathy Kent, John Kent, Martin Kerin, Steve Liddiard, Ben Maney, Jacqui Maney, Cici Manwa, Fraser Massey, Valerie Morris-Cook, Sara Muldowney, Srikanth Panjala, Maureen Pearce, Terry Piccolo, Georgette Polley, Kairen Raper, Joycelyn Redsell, Sue Sammons, Sue Shinnick, Graham Snell, Neil Speight, Luke Spillman, James Thandi and Lynn Worrall

Apologies: Councillors Jack Duffin, Tom Kelly, Augustine Ononaji and Elizabeth Rigby

In attendance: Dr Dave Smith, Chief Executive
Asmat Hussain, Director of Legal and Governance and Monitoring Officer
Gavin Jones, Commissioner, Essex County Council
Patrick McDermott, Chief of Staff to the Thurrock Commissioners
Matthew Boulter, Head of Democratic, Scrutiny and Member Services
Jayne Middleton-Albooye, Assistant Director Legal
Mark Bradbury, Interim Director of Place
Claire Demmel, Interim Director Public Realm
Jackie Hinchliffe, Director of HR, OD & Transformation
Alix MacFarlane, Communications Advisor - Intervention and Improvement
Steven Mair, Chief Financial Officer
Sheila Murphy, Corporate Director of Children's Services
Kerry Thomas, Chief Executive Business Manager
Ian Wake, Corporate Director of Adults, Housing and Health
Jenny Shade, Senior Democratic Services Officer

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

51. Minutes

Minutes of Council held on the 26 July 2023 were approved as a correct record.

52. Items of Urgent Business

There were no items of urgent business.

53. Declaration of Interests

Councillor Fish declared a non-pecuniary interest in regard to Item 13, Question 5, as he was a director at CVS.

54. Announcements on behalf of the Mayor or the Leader of the Council

The Leader of the Council made the following announcements:

- He had been proud to lay a wreath at the Grays Memorial to commemorate the Battle of Britain.
- Attended the Social Care Week event in Civic Offices where he had met some of Thurrock's fantastic foster carers and foster children.
- Encouraged members to book a slot at the Public Realm Directorate Away Day on the 6 October.
- Since April 2023, the council had cleared 1314 fly-tips, 1024 tonnes of litter removed from the streets of Thurrock, 11,500 tonnes of household waste that went to recycle, 2025 potholes filled and during August and September 2577 pot holes had been filled using the velocity jet patching.

55. Questions from Members of the Public

The Mayor informed the chamber that 10 questions had been received from members of public.

From	To	Subject
Mr Atkins	Councillor Carter	Recognise the United Nations Convention on the right of a child
Mr Nixon	Councillor B Maney	Commit to support smaller locally led applications
Mr Perrin	Leader	Pecking order of council provided services
Ms Ramdenee	Councillor B Maney	Withdraw of 374 and 11 bus services
Ms Hadley	Councillor B Maney	Saving the 274 bus services
Ms Cuzner	Councillor B Maney	Students getting to and from Palmers College.
Ms Gunn	Councillor B Maney	Save our Bus Service
Ms Franklin	Councillor B Maney	Save our Bus Service
Ms Hattle	Councillor B Maney	How the subsidy for 374, 11 and 265 buses be spent
Mr Hattle	Councillor B Maney	This question fell due to Mr Hattle unable to attend.

At 7.20pm, Councillor Halden arrived into the chamber.

56. Petitions from Members of the Public and Councillors

The Mayor informed the chamber that three notices of petition had been received this evening:

Ms Kirstie Hattle presented her petition in regard to reinstating the 374 Bus Service for East Tilbury. Councillor B Maney acknowledged the petition.

Councillor Byrne presented his petition in regard to an independent inquiry into the financial collapse of Thurrock Council. The Leader acknowledged the petition.

Councillor Collins presented his petition in regard to anti-social behaviour in Balstonia Park, Homesteads. The Leader acknowledged the petition.

57. Petitions Update Report

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

58. Appointments to Committees and Outside Bodies, Statutory and Other Panels

The Mayor asked whether there were any changes to be made to the appointments previously made by committees and outside bodies, statutory and other panels.

The Leader made the following change:

- Replaced Councillor Anderson with Councillor Gledhill on the Corporate Overview and Scrutiny Committee.

The Leader of the Labour group, Councillor J Kent, made the following changes:

- Replaced Councillor Liddiard with Councillor Worrall on the Standards & Audit Committee.
- Replaced Councillors Liddiard and Hooper with Councillors J Kent and Worrall on the Investment Advisory Panel.
- Replaced Councillor Shinnick with Councillor Morris-Cook on the Health & Well Being Board.

Independent Councillors Allen, Byrne, Massey, Sammons, and Speight stated they had no changes to make.

59. Revised Annual Pay Policy Statement 2023/24

The Localism Act 2011 required the Council to publish an annual Pay Policy Statement, which must be approved by Council by 31st March each year. The Council's Pay Policy Statement for 2023/24 was approved by Council on 1 March 2023, it applied a 4% pay increase for grades A – I. The report specified that senior manager pay would be reviewed and a further report submitted to Council.

The following points were raised:

- Member disappointed with the current position and had no pleasure or enthusiasm in stating there was no other alternative but to agree the recommendation.
- General Services Committee had originally unanimously agreed a pay freeze.
- Member stated his deep disappointment not to be a position to vote in favour of the paper this evening. The issue was not over the pay itself, it was as he considered more of a dubious process, where an investigation had been undertaken on the historic lack of challenge from members and poor and incorrect advice provided from certain officers. This should have been recognised as a constitutional red flag. Member detailed the path of the report and concluded Members had been given the incorrect advice on several occasions. Members noted the counsel advise had been exempt and could not be disclosed in this public meeting.
- Minutes from the 14 September 2023 extraordinary council would be updated to reflect the points of concern raised by Councillor Halden at that meeting.
- Member requested an apology to all members on the process taken, an outline of how it had happened and reassurance that this would not happen again. Where advise had been provided which was wrong had to be addressed.
- Member stated he could not vote in favour of the recommendation, based on previous advice, as this had been an entirely incorrect process, a process which had been challenged in the past. He was not confident that further errors were present and would abstain from the vote.
- Member questioned how many challenges from officers had been received and questioned what the repercussions could be.
- Member questioned whether senior officers deserved backdated pay.
- Member strongly disagreed with the recommendation, this was an absolute disgrace as it was this chamber and a collective body of senior management that had bankrupted the council.
- It was shocking that body could award itself or accept a 4% pay increase, was a lack of awareness.
- Member had resigned from cabinet as had lost faith in the advice being provided by officers.
- Member summed up by understanding some of the anger in the chamber this evening but stated it was not every officer that had bankrupted the council.

- Thurrock had to be that council that respected the rules of law and risks would not be taken to defend a policy that could not be defended.
- The advice previously provided was wrong and that was being addressed.
- Steps would be taken to ensure this would not happen again.

With 25 votes in favour, 5 votes against and 6 abstentions the recommendation was carried.

Members agreed the technology within the chamber had to be sorted before critical voting would be required.

The Mayor agreed to revert back to paper voting from October council.

RESOLVED

The Revised Annual Pay Policy Statement 2023/24 was approved in line with the Council's obligations under the Localism Act 2011.

60. Progress on Thurrock Council's Improvement and Recovery

This report provided Members with a progress update on the work to date to deliver the Council's Improvement and Recovery Plan. This was the first in what would be quarterly reports to allow Members the opportunity to receive updates, scrutinise and provide constructive challenge to the delivery of the plan and Council's recovery overall.

The following points were raised:

- Member welcomed the report and that the report would be presented more regularly and asked for more substance. Noted the speed at which the managing director had set up the senior leadership team, the biggest challenge being faced was finance, the council required a radical change.
- Member touched on governance, scrutiny, and culture, with the best value inspection report referring to a lack of openness and transparency it was evident that this still existed within the council.
- Members referred to the cabinet pink paper reports being discussed in private session with some members not knowing what those parcels of land were and proved the council was not moving on from a culture of secrecy and insularity.
- Member and Officer relationships were improving but there were still member and member relationships which were just not good enough.
- Member referred to "recovery" which had to be more profound, the council needed to be reinvented and to reimagine what the borough meant, this would need a specific plan for growth. Such as businesses coming to Thurrock, developers building new homes for the future, growth of people who want to come to Thurrock to train and learn new skills.
- Thurrock residents sought confidence in the council and it was vital to get the small things right otherwise residents would not believe the council was able to get the big things right.

- Member compared Thurrock to Essex County Council where they achieved larger scale accomplishments, as they got the lower tiers right first.
- The council had to move itself from constantly focusing on urgent decisions to move the council to focus on important decisions.
- Member stated that most members and residents wanted to see a recovery plan and to see somebody brought to account.
- Member welcomed the report and a commitment by the chief executive and commissioners to ensure update reports were brought quarterly until the end of the intervention.
- Member suggested a traffic light scheme so members and residents could see what progress was being made and could possibly gain the trust of residents.
- Members agreed there had to be no more secrecy.
- There were lots of challenges ahead for the council, with the budget requiring to be reduced by half over the next five years.
- Member raised concern on the slippage of the budget that was promised to be completed over the summer months to ensure engagement of all 49 members. The pace required to be quickened and an action plan on how that would be rolled out.
- There had been concern raised by the shadow portfolio holder on the failure of the strategic investment advisory panel to meet as promised.
- Member also questioned what the consequences were and what action was currently being taken against the companies or people to recover some of the monies that had been taken illegally from the council. The Leader reassured members that everything possible was being undertaken, it was frustrating that these things took a long time, but officers and commissioners were taking steps to recover as much money as possible. Some money would be coming from the investments and hoped to bring news to full council shortly.
- Member questioned whether as part of the government bailout a small team of specialists would be employed to sell off assets for example parcels of land owned by the council. The Leader confirmed the council did from time to time employ people to provide professional advice to ensure the right decisions were being made. In regard to asset disposal, advice was being sought from those professionals to ensure the best value for Thurrock taxpayers.
- Member referred to the parcels of land that could be identified as substantial plots for social housing and questioned the plans to tackle the social housing needs of Thurrock residents.
- Member referred to the strategy and questioned how the vulnerable would be protected. The Leader stated that residents would get the chance to make decisions about the kind of council they wanted and moving forward going out to communities to identify what council services they would like.
- Member asked whether the secrecy of the parcels of land be dropped and revealed this evening. The Leader stated that in the future any assets that came forward for sale would not be presented on pink paper with all ward members being notified before they were put up for sale.

- Member referred to the Leader’s reference to the “road to recovery” and questioned whether there was any measurable evidence of this. The Leader stated the council was working towards a budget, working towards divesting the investments, paying down the debt, restructuring of senior officers and member briefings. The Leader reminded members this could not be achieved overnight but there had been some real positive changes. With staff also seeing some physical changes on how the council was being run.
- Member requested more engagement from commissioners, asking them to attend briefings, discussion groups and to engage with all members.
- Member questioned whether the parcels of land could be lost to London boroughs to which the Leader replied they would only be lost if they actually purchased them from the council.
- Leader summed up by stating members would have the opportunity to contribute to the budget debate. Being more aware of how pink papers were used to ensure openness and transparency. The Leader assured members that himself and the Chief Executive had visited the community, listened to residents and members of staff. The local plan would address developing new homes some of which would be social housing.

RESOLVED

That Full Council:

- 1. Noted the progress made on the Council’s improvement and recovery.**
- 2. Agreed to receive quarterly reports on progress.**
- 3. Noted the work to develop an enhanced Improvement and Recovery Plan.**
- 4. Noted the comments from Commissioners found at appendix A.**

Members were informed that an email would be sent the following day that would outline the nine parcels of land. The consultation would also be extended a further five days to ensure all comments could be captured.

The meeting adjourned at 9.15pm.

The meeting reconvened at 9.25pm.

61. Update from Best Value Commissioners on the appointment of Section 151 Officer

This report provided members with the background and details of the decision taken by the Best Value Commissioners to appoint Steven Mair as Section 151 Officer in line with the powers transferred to them by the Secretary of State for Levelling up, Housing and Communities. As set out in the letter to the Leader of the Council advising of this decision, this report had been brought at the earliest opportunity for Members to note this decision. This appointment was also considered and recommended to Commissioners at the meeting of General Services Committee on 24 August 2023.

Councillor J Kent noted and agreed the recommendation.

RESOLVED

That Full Council noted the decision of the Best Value Commissioners to appoint Steven Mair as Section 151 Officer.

62. Questions from Members

The Mayor informed the chamber that eight questions to the Leader and ten questions to cabinet members and committee chairs had been received:

Asked by	Asked to	Subject
Councillor Redsell	Leader	Sport's Strategy
Councillor Panjala	Leader	Restore of basic services
Councillor Panjala	Leader	Protect the green areas across Thurrock
Councillor J Maney	Leader	Number of fines in respect of environment offences
Councillor J Maney	Leader	Findings of the waste review
Councillor Muldowney	Leader	Nuisance motorbikes
Councillor J Kent	Leader	Savings agreed by cabinet
Councillor J Kent	Leader	Presence of RAAC in council building estates
Councillor Halden	Councillor Johnson	Hostel services
Councillor Pearce	Councillor B Maney	Planning application
Councillor Raper	Councillor D Arnold	Support for on-line services
Councillor Byrne	Councillor Snell	SELEP fund
Councillor Byrne	Councillor Coxshall	Question fell due to Councillor Byrne leaving the meeting
Councillor Speight	Councillor B Maney	Relief road from the Stanhope Industrial Estate
Councillor Speight	Councillor Coxshall	Recognition of the work undertaken by adult social services
Councillor Muldowney	Councillor B Maney	Double yellow lines, Godman Road
Councillor Worrall	Councillor Johnson	Impact of intervention on the housing portfolio

At 9.33pm, Councillor Morris-Cook left the meeting.

At 9.52pm, the Mayor extended standing orders by 30 minutes.

At 9.57pm, Councillor Abbas left the meeting.

At 10.16pm, Councillor Byrne left the meeting.

At 10.30pm, the Mayor extended standing orders until the close of business.

63. Reports from Members representing the Council on Outside Bodies

No reports were presented.

64. Minutes of Committees

The minutes of committees as set out in the agenda were received.

65. Update on motions resolved at Council during the previous year

Members received an information report updating the progress in respect of motions received at Council.

66. Motion submitted by Councillor C Kent

The Motion, as printed in the agenda was proposed by Councillor C Kent and seconded by Councillor Worrall. The Motion read as follows:

This Council congratulates the Thameside Theatre, its staff, and volunteers in winning the Best Theatre / Arts Venue in Essex.

Councillor C Kent stated it was pleasing to bring such a positive motion to the chamber this evening which congratulated everyone involved in the running of the Thameside Theatre for all their hard work and commitment. This was a national award called the "Muddy Stiletto Award" achieved for the best theatre and arts venue in Essex. This had demonstrated that those working together as a community had made the Thameside Theatre a success. Councillor C Kent urged all members to support the motion and send their congratulations to the Thameside Theatre on this amazing achievement.

The following points were made:

- Portfolio Holder for Health, Adult Social Care, Community and Public Protection had visited the Thameside Theatre where he had met some of the staff, undertook a tour and had been impressed by the young producer programme and the amazing fund-raising events being undertaken.
- It was noted the confidence that young people get from performing on stage as part of the young producer programme.
- Member stated it was an honour to second the motion as Thameside Theatre had shown it was one of Thurrock's treasures and won the award due to the fantastic work undertaken by the staff, security guards, paid staff alongside volunteers. With some of Thurrock's young people finding fame and fortune where they had started on the stage at Thameside Theatre.

- It was proposed that every elected member purchased a pantomime theatre ticket for a child in Thurrock and questioned whether this could be organised through the Mayor's Office.

Councillor C Kent summed up by asking all members to support the motion this evening and to thank all the staff and volunteers at the Thameside Theatre and also that they may be recognised as part of the Mayoral Roll of Honour.

The Mayor called a vote on the motion, to which members voted unanimously in favour. The Mayor announced the motion carried.

67. Motion submitted by Councillor Redsell

Councillor Redsell withdrew her motion this evening and would resubmit for October Council.

The full recording of this meeting can be viewed from the following link:

[Council - Wednesday 27 September 2023, 7:00pm - Thurrock Council committee meeting webcasts \(public-i.tv\)](#)

The meeting finished at 10.59 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**

QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public.

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Petitions Update Report

Petition No.	Description	Presented (date)	Presented (at)	Submitted (by)	Status
578	Petition for a 20mph limited in South Ockendon, in West Road, Tamarisk Road and the roads of the Flowers Estate.	July 2023	Council	Resident	<p>Thurrock Council has adopted an evidence-based approach to all road safety traffic intervention schemes. The Policy which covers the Integrated Transport Budget (ITB) programme of works and road safety schemes is Policy TDP 3 - Area Intervention Programme (AIP) which is in place to allow the limited funding available to be targeted where it will achieve the maximum benefit. The priority areas under the Programme for the 23/24 financial year are Area 27 (Ockendon West) and Area 11 (Stanford-le-Hope West). Tamarisk Road and the Orchards estate lie within AIP Area 28 (Ockendon East) which is currently ranked 16th out of the 28 areas in Thurrock. Following receipt of this petition this area has been reviewed again and there is no evidence to suggest that there is an accident issue in this location and therefore this request cannot be covered under emergency works. This request will therefore be investigated along with other Highway and Road Safety concerns in due course, once Area 28 is the Priority Area. It should be noted that West Road was subject to an experimental Traffic Regulation Order between December 2020 and November 2021 when a 20mph limit was put in place. This was backed up with traffic calming along the length of the road. Traffic surveys taken before and during this period indicated that, whilst traffic calming did reduce the traffic speeds down slightly there was no compliance with the 20mph limit. The 20 limit was removed, but the traffic calming was retained. On that basis there would be no justification for considering reintroducing a 20 limit on West Road again in the future. All moving vehicle offences (including exceeding the speed limit of the road) are a matter for Police enforcement.</p>

Petitions Update Report

					<p>If it is believed that drivers are regularly exceeding the limit then it should be sent to the Police with a request for enforcement action. Tamarisk Road has previously been, and following this petition will again be reported to the Police Liaison Officer with a request for an increased presence and enforcement. However, these issues are best reported direct by the public to the Police as they have first-hand experience of what is happening on their own roads, the information residents can give on where and when the offenses take place will help the Police target their enforcement better.</p>
579	Reinstate 374 Bus service for East Tilbury	September	Council	Resident	Update will be provided at November Council meeting.
580	Anti-Social Behaviour in Balstonia Park, Homesteads	September	Council	Cllr Collins	Update will be provided at November Council meeting.
581	Independent Enquiry into the financial collapse of Thurrock Council	September	Council	Cllr Byrne	Update will be provided at November Council meeting.

25 October 2023	ITEM: 10
Council	
Employment Matter - Assistant Directors of Finance	
Wards and communities affected: All	Key Decision: No
Report of: Steven Mair – Interim Chief Finance Officer/s151	
Accountable Assistant Director: NA	
Accountable Director: NA	
This report is Public	

Executive Summary

On the 24 August 2023, a report was presented to General Services Committee (GSC) with a proposed revised structure for the Finance department that met the requirements to support the corporate operation of the council, provide the capacity and development to deliver improvement and change at pace and is consistent with the Council’s emerging operating model. GSC supported the proposed structure enabling formal consultation to commence.

Consultation took place between 25 August 2023 and 6 October 2023. This report sets out the outcome of consultation in respect of the changes to the senior management structure most notably the inclusion in the new structure of two Assistant Director posts to replace the one post that was originally in the structure. This report was approved at General Services Committee on 10 October 2023.

1. Recommendation(s)

1.1 Full Council are asked to note the decision made by General Services Committee on 10 October 2023 for the addition of an Assistant Director post within the revised structure of the Finance Department.

2. Introduction and Background

2.1 In July 2022 Thurrock Council began dialogue with the Department for Levelling Up Homes and Communities (DLUHC) regarding its precarious financial position. On 2 September the Secretary of State announced that there would be statutory intervention and Essex County Council were appointed as Commissioner with a remit to undertake a Best Value Inspection of Thurrock Council.

- 2.2 On the 19 December 2022 Thurrock Council issued a s114 notice stating that:
- it would not have the resources to balance its 2023/24 budget.
 - it's provisional deficit for 2023/24 was £452m against a budget of £153m.
 - it could not return to financial stability or a stable finance position without extraordinary financial support from government.

It was also reported that there were a series of significant financial issues that required improvement and as a result a number of statutory directions were issued.

- 2.3 The Best Value Inspection report was issued on 15 June 2023 and highlighted a number of key failures that led to the position in which the Council now finds itself. These are numerous and reach well beyond the financial challenges originally highlighted in the section 114 report and include:

- repeated failures from both the delivery of its investment strategy and the delivery of major infrastructure and regeneration projects which have resulted in the loss of substantial amounts of public money.
- an initial failure of officers and members to recognise these failures and attempts to conceal bad news and avoid public scrutiny.
- serious weaknesses in internal control and inadequate corporate governance which was enabled by a dereliction of political and managerial leadership.
- a lack of openness and transparency giving rise to a culture of insularity and complacency, and as a result an inability to learn from previous mistakes and therefore to meet its responsibilities for continuous improvement and best value.

- 2.4 The BVI report makes a number of key recommendations which impact on this project, most notably the financial directions require the Council to agree an improvement plan to achieve financial sustainability, secure savings, and reduce levels of debt and improve key aspects of its financial management.

- 2.5 Whilst this restructure focuses on the Finance Department's capacity and development the response will need to be much broader and focus upon the cultural and overall improvements and change taking place as a response to the BVI report.

- 2.6 Corporately the Council's response is currently being co-ordinated through its Improvement and Recovery Plan (IRP) which is supported by a comprehensive programme and project management structure. Regular reporting is undertaken to the Improvement and Recovery Board and the supporting boards most notably the Finance Recovery Board. The Financial

Sustainability theme will receive regular updates and progress monitoring on this project.

Finance Department Proposed Structure

- 2.7 The Chief Executive undertook a restructure of the senior management team at the same time this exercise was being undertaken. The Finance structure reflects the changes within the final version of the Chief Executive's senior management structure as approved by GSC on 24 August 2023.
- 2.8 The revised structure reflects the new operating model and organisational structure created by the Chief Executive through its split of finance into a corporate element and financial management with a focus on Departments which will naturally move into working with services at community and other levels. It is also designed to create additional capacity and development within the service to meet current and future financial challenges; to develop staff and grow our own for the future as part of the development of a financially sustainable Council and a vision of a top-class finance function.
- 2.9 The Council's Improvement and Recovery plan (IRP) includes a number of key themes and workstreams which are specific to the Finance function and this report will realign the current structure and operating model, to ensure that we have the right foundations for the medium and long-term future of the service, and to enable the authority to deliver on the scale and complexity of the change agenda.

Reason for the Service Change / Restructure

- 2.10 The financial situation in Thurrock Council is a matter that requires whole Council change. Ensuring there is significant change within financial services is also fundamental to addressing the challenges the Council faces, if it is to be able to deliver on the requirement from DLUHC to achieve financial sustainability. There is an urgent need to review and build on the skills, expertise, capacity and ambition of the Department. This is recognised in the IRP.
- 2.11 The reasons for the introduction of an additional Assistant Director within the service are twofold:
- firstly, to add much needed additional capacity to enable the departmental leadership team to provide a more strategic approach to delivering the responsibilities of the department. And in doing so to allow the space to enable the future development and strategic direction of the service to take place in a more pro-active manner. In relation to statutory areas such as financial strategy and planning, financial reporting, internal audit, risk management, insurance and also in the part of the Department supporting front line services
 - Secondly, to ensure there is an Assistant Director with clear focus and accountability for supporting the enabling council operating model with the financial management advice, decision-making guidance and

support for procurement and contract management activities that will be required to deliver future financial sustainability.

- 2.12 The move to an enabling council will be transformative and likely require further reviews of the staffing structure and ways of working in the coming years if the change is to bear fruit. The structure proposed is designed to stabilise the current position whilst recognising the potential impact of changes on the way the council operates in the future ensuring that there is a clear distinction between the strategic corporate support as opposed to the operational financial management activity.
- 2.13 The restructure plan has been worked on since May. The project involves review and development of a comprehensive departmental business plan, development of a new organisational structure chart, revised job descriptions, grades and job titles, assessment of additional costs, development of a revised departmental budget with comparative benchmarking to support the new structure. Formal consultation took place from late August, and input has been obtained from the current departmental management team and all staff to inform this process.
- 2.14 The work has provided a structure that will underpin the future sustainability of the finance service. Whilst the restructure takes place temporary resources have been put in place to assist and address the pace and quantum of action that is needed in the short term to ensure a balanced budget for 2024/25. These additional resources are not included within this project.
- 2.15 The restructure is one element of the review of the service that is taking place through to March 2024 if the service is to achieve its aims and ambitions. The wider review will encompass:
- assessment of capacity
 - development work with staff at all levels including leadership and technical skills
 - preparation of service business plan, actions plans and personal and team development areas such as:
 - review of the structure
 - review of the Job Descriptions
 - preparation of succession plans, training and development plans, communication plans, trainee and apprenticeship schemes, continuous improvement team, peer and other working, service standards – among other matters
- 2.16 Recently recruitment into positions within the team has been difficult and there are a number of agency staff within the service. A recruitment plan will be put in place following the restructure which will consider a wide range of options

including the potential for partnering opportunities in appropriate circumstances.

- 2.17 To underpin future sustainability it is envisaged that there will be a focus on succession planning including growing our own through apprenticeships and a number of graduate trainees will continue to be built into the structure. Skills analysis will be carried out with existing staff to identify strengths and any gaps which we will ensure are covered through appropriate training and development plans with the aim of developing existing staff and encouraging retention through continued personal development.
- 2.18 Digital development within the service will be encouraged as soon as there is sufficient appropriate resource to begin the necessary action to secure the Council's long-term future.

3. Proposed Structure

- 3.1 Appendix 1 shows the structure chart at the senior management level including the introduction of the two Assistant Director posts to replace the one post that was in the previous structure. There has been the addition of one post at Assistant Director 3 level.

4. Implications

4.1 Staffing Implications

- 4.1.1 The spans of control have been reviewed in line with suggested best practice and comply with the corporate expectations of no fewer than 4 and up to 7 direct line reports. All spans of control are reasonable in line with the corporate principles.
- 4.1.2 The proposal is to increase the number of Assistant Directors by 1 FTE creating two posts – Assistant Director Financial Management and Procurement, and Assistant Director Strategic and Corporate Finance, (Risk, Audit and Insurance). The current Assistant Director has been acting up as s151, but this ended on 1 September following the transfer of this responsibility to the Interim Chief Finance Officer. As a result of the restructure he will be assimilated into the Assistant Director Strategic and Corporate Finance, (Risk, Audit and Insurance) post. The second post will be part of the external recruitment process being undertaken by the Chief Executive during October and November. Current senior staff within the service will have the opportunity to apply for this role against external competition.
- 4.1.3 The proposal aims to re-balance the senior manager structure to improve both the balance of leadership responsibilities whilst rationalising the current structure and grades below Assistant Director level. The change allows increased capacity for strategic overview and planning to take place. The new structure takes into account the requirements of the new operating model being developed across the council and most importantly the significant extra

workload impacting senior finance staff due to the intervention process. It also recognises the generally lower numbers within the function compared to other councils and seeks to remedy this capacity issue.

5. Council wide Implications

5.1 The services contained within scope are fundamental to the Council achieving future financial sustainability.

5.2 The proposal and the consultation will also support the Council with additional capacity to explore the potential for new ways of working and ideas for change which are being considered in the work on the revised operating model. It will also facilitate the possibilities of deploying digital solutions and where appropriate the use of future partnership working to maximise economies of scale in areas where benefits can be obtained or where it is difficult to recruit.

5.3 Financial Implications

5.3.1 Table 1 below sets out the financial implications of the proposal. The current costs in the base budget are for one Assistant Director (AD5) is £102,500 (£136,709 with on costs), the cost of implementing the proposal will increase costs by one AD3 post which costs £95,000 plus on-costs (£123,500). The comparison does not include the additional costs that have been paid to the current Assistant Director to reflect the additional workload since the departure of the previous Chief Finance Officer and as a result of the intervention programme.

Table 1 – Financial Implications

Current Position	Grade	Salary £	Total Cost incl 30 % on cost £
Assistant Director	AD5	102,500	136,709
New Position			
Assistant Director Strategic and Corporate Finance, Risk, Audit and Insurance	AD4	102,500	136,709
Assistant Director Financial Management and Procurement	AD 3	95,000	123,500
TOTAL CHANGE	+1	95,000	123,500

6. Consultation / Change Process

- 6.1 The consultation process began on 25 August and was due to run until 27 September but was extended to 6 October as a number of people could not attend the original presentation date. A further presentation was held on 7 September to accommodate those who could not make this initial meeting. In addition, all staff including the current Assistant Director have had opportunity to comment on the consultation via a dedicated Finance Consultation inbox and have been engaged into one-to-one meetings in order to air their views and suggest alternatives.

7. Implementation Timescale

- 7.1 It is intended to implement the change immediately to enable the Chief Executive to begin the recruitment process at the earliest opportunity.

8. Statutory Comments

8.1 Financial

Implications verified by: **Steven Mair**
Interim Chief Finance Officer

- 8.1.1 The costs of employing an additional Assistant Director are shown in table 1.
8.1.2 The new structure will be fully allowed for in the budget for 2024/25.

8.2 Legal

Implications verified by: **Asmat Hussain**
**Interim Director of Legal and Governance/
Monitoring Officer**

- 8.2.1 This proposal recommends a new Assistant Director post for the Finance Department that is designed to lead the Council into the next phase of its new operating model, following periods of substantial change.
- 8.2.2 The restructure has been carried out in accordance with the Council's established employment procedures. The key policy containing the relevant detail on the restructure process, is the "Change Management policy". In line with this, meaningful consultation has been carried out and responses from staff along with recognised unions have been considered when establishing the final structure. Particular attention has been given to the impact on staff with disabilities and those who are pregnant, on maternity, adoption or shared parental leave.
- 8.2.3 Dismissal for any officers should be conducted in line chapter 10 of the

Constitution. In respect of any further recruitment, this should be supported by HR colleagues to mitigate the risk of any potential litigation. There are no dismissals at Assistant Director level as a result of this restructure.

8.2.4 It should be noted that staff on fixed term contracts with two years' service will have qualifying service for a claim of unfair dismissal and therefore termination of employment where required, should follow a fair process.

8.3 **Diversity and Equality**

Implications verified by: **Becky Lee**
Team Manager Community Development and Equalities

8.3.1 An equality impact assessment will be carried out as part of the process.

8.3.2 For all those at risk the Council's Change Management Policy will be applied with alternative roles explored where appropriate to minimise any redundancies.

8.3.3 There are no other direct diversity of equality implications arising from this report.

8.4 **Other implications** (where significant) – i.e., Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

8.4.1 None arising.

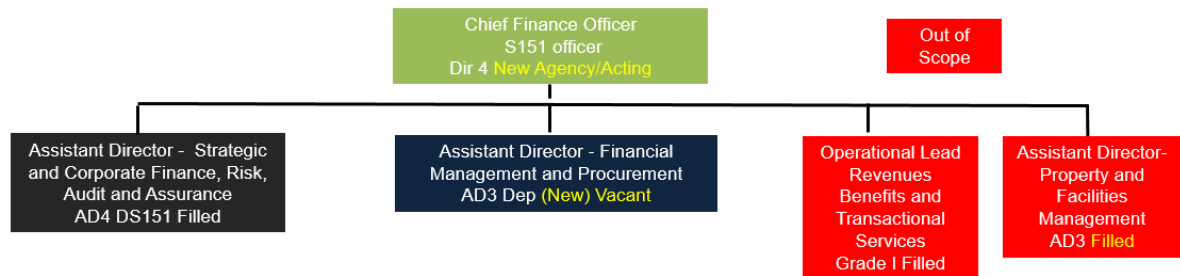
9. **Appendices to the report**

Appendix 1 – Proposed Structure

Report Author:

Steven Mair
Interim Chief Finance Officer

APPENDIX 1 PROPOSED STRUCTURE



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25 October 2023	ITEM: 11
Council	
Improvement and Recovery Plan	
Wards and communities affected: All	Key Decision: Key
Report of: Cllr Andrew Jefferies, Leader of the Council	
Accountable Assistant Director: N/A	
Accountable Director: Dr Dave Smith, Chief Executive and Managing Director Commissioner	
This report is Public	

Executive Summary

The report allows for Members to approve the enhanced Improvement and Recovery plan for the Council. Building on the plan submitted in December 2022 and in response to the new Directions from Government and the Best Value Inspection report published this year, this plan sets out the future direction of the Council, the key objectives to deliver improvement and recovery, and the measures by which we will be assessed – which have been heavily influenced by recent engagement sessions with Members.

This plan builds on the work already underway and recognised by the Minister in his letter on 5 October. By focussing on three priorities of improving leadership to accelerate change, improving governance and controls and improving financial sustainability, this plan sets out a path for the Council to meet its Best Value Duty.

The Council continues to face significant challenges as it recovers and responds to the Directions from the Secretary of State. As failings are addressed and improvements made, the Council will have to work at considerable pace to make the required changes to re-shape the organisation and become financially sustainable. Difficult decisions will come forward in the coming months, including agreeing a new vision for how services are delivered and setting a budget for 2024/25.

The Improvement and Recovery Plan is a living document and will need to evolve to reflect the status of the intervention as well as the expectations of Commissioners and Members, while always responding to the Directions from the Secretary of State. As agreed at Full Council in September 2023, Members will receive quarterly updates on the progress the Council is making in delivering the plan.

1. Recommendation

1.1 That Council approve the enhanced Improvement and Recovery Plan at appendix 1.

2. Introduction and Background

2.1 On 2 September 2022, the then Secretary of State for Levelling-up, Housing and Communities made directions under section 15(5) and (6) of the Local Government Act 1999 to implement an intervention package for Thurrock Council. This package was in two parts: the first is that the Council's functions over managing its financial resources, exercise of the statutory requirement to arrange for the proper administration of the Council's financial affairs, and all functions associated with the strategic financial management of the Authority would be overseen by Essex County Council (ECC), in the role of Commissioner.

2.2 From the outset of the intervention, Commissioners have worked constructively with Members and Officers to ensure proactive engagement, meaning that in practice decisions continue to be taken by the Council with Commissioners powers held in reserve and used where they deem necessary.

2.3 These directions also required the Council to produce an Improvement and Recovery Plan within three months to set out an action plan to achieve:

- Financial sustainability, including closing short and long-term budget gaps and a robust multi-year savings programme
- Sustainable and affordable capital, investment and treasury management strategies
- An update minimum revenue provision (MRP) policy which is in line with relevant rules and guidelines
- A strict debt reduction plan
- Compliance with all rules and guidelines for financial management
- A suitable scheme of delegation for financial decision-making

2.4 Combining the Directions and recommendations from peer reviews and other experts, a plan was constructed at pace focused around 5 themes:

- Financial Sustainability
- Governance and Scrutiny
- Strategic Direction
- Leadership and Culture
- Place Leadership and Growth

- 2.5 This plan was submitted to the Commissioners and the Department for Levelling-up, Housing and Communities (DLUHC) in December 2022

Update Reports and Expanded Directions

- 2.6 The Commissioners first report to the Secretary of State and an update from the Best Value Inspection team were published by DLUHC on 24 January 2023 alongside the Ministerial response to them, which outlined that the Secretary of State was ‘minded-to’ expand the Directions in order to:
- transfer further powers to Commissioners in areas such as governance, the way the Council delivers services and the senior structure of the Council.
 - require the Council to produce an enhanced Improvement and Recovery Plan to go further into particular areas.
 - appoint a Managing Director Commissioner in order to strengthen the intervention model, and to support the Authority’s capacity to deliver against its improvement plan.
- 2.7 The Secretary of State confirmed the expanded recommendations and appointment of Dr Dave Smith as Managing Director Commissioner on 16 March 2023 effectively replacing the original directions from 2 September 2022.
- 2.8 The updated Directions also set out the actions to be taken by the Council. The actions relating to the Improvement and Recovery Plan are:
1. *Prepare and agree an Improvement and Recovery Plan to the satisfaction of the Commissioners, within 6 months, with resource allocated accordingly. This should include and draw upon the existing Improvement Plan produced in December 2022, per the Directions issued to the Authority on 2 September 2022. The plan is to set out measures to be undertaken, together with milestones and delivery targets against which to measure performance, in order to deliver rapid and sustainable improvements in governance, leadership and culture in the Authority, in the Authority’s exercise of its overview and scrutiny functions and in its performance of services, thereby securing compliance with the Best Value Duty. The Improvement and Recovery Plan should include at a minimum:*
 - a. *An action plan to achieve financial sustainability and to close any short and long-term budget gaps identified by the Authority across the period of its medium-term financial strategy (MTFS), including a robust multi-year savings plan.*
 - b. *An action plan to ensure the Authority’s capital, investment and treasury management strategies are sustainable and affordable.*
 - c. *A strict debt reduction plan, and an updated minimum revenue provision (MRP) policy in line with all relevant rules and guidelines.*
 - d. *An action plan to ensure the Authority is complying with all relevant rules and guidelines relating to the financial management of the Authority.*
 - e. *A suitable scheme of delegations for financial decision-making.*
 - f. *An action plan to reconfigure the Authority’s services commensurate with the Authority’s available financial resources.*
 - g. *A plan to ensure that the Authority has personnel with sufficient skills, capabilities and capacity to deliver the Improvement and Recovery Plan, within a robust officer structure.*
 - h. *An action plan to strengthen the Authority’s governance function, to secure improvements in transparency and formal decision making. This should include*

measures to improve the Authority's scrutiny function, including the taking and recording of formal decisions.

- i. Arrangements to secure the proper resourcing and functioning of the system of internal controls, including risk management and internal audit.*

To report to the Commissioners on the delivery of the Improvement and Recovery Plan at 6 monthly intervals, or at such intervals as Commissioners may direct.

To take steps to ensure that the role of Accountable Body to the Thames Freeport is exercised to the satisfaction of the Commissioners. This should be reflected in the Authority's Improvement and Recovery Plan.

- 2.9 Following Member engagement sessions, the enhanced Improvement and Recovery plan is being recommended to Full Council for approval.

3. Enhanced Improvement and Recovery Plan

- 3.1 The enhanced Improvement and Recovery Plan can be found in full at appendix 1. In summary, the key aspects of the plan are:

- It reflects the requirements of the Directions as outlined above.
- There is more detail on how the Council is will measure and assure our improvement - influenced heavily by the feedback we have received during the Member engagement sessions (Section 7)
- The workstreams and objectives are grouped under three priorities:
 - Improving Leadership to Accelerate Change (Section 4)
 - Improving Governance and Controls (Section 5)
 - Improving Financial Sustainability (Section 6)

- 3.2 Where relevant the ongoing activity from the current Improvement and Recovery Plan has been mapped across and as outlined in the plan, where it is more appropriate to capture activity in a different plan it has been moved, for example Place Leadership and Growth will be captured within the Corporate Plan once developed.

Member engagement

- 3.3 The feedback from the Member engagement sessions has been key to shaping the document as a whole and there are two main ways in which comments from the have been incorporated depending on their nature:

- Either directly into the workstream outcomes (sections 4, 5 and 6), such as
 - Collaboration between officers and Members relating financial management and capability.
 - Improved confidence as a result of improved public engagement, scrutiny and openness
- Or into how those outcomes are measured (section 7), such as
 - Meaningful engagement in the development of the new direction and purpose for the Council.
 - Belief that there has been a meaningful and sustained change in the approach to openness and transparency.

Priorities

- 3.4 The enhanced Improvement and Recovery Plan reflects the transition of the Council's recovery from 'discovery' to 'transformation' phase. As such, the objectives the plan seek to achieve have been grouped into three priorities as summarised below:

Priority: Improving leadership to accelerate change	
Leading with purpose and direction	<ul style="list-style-type: none"> • A long-term purpose and direction for the council • Develop a medium-term Corporate Plan • A new approach to strategy-led business planning
Building our corporate capability	<ul style="list-style-type: none"> • New operating model • Redesign and restructure the Council. • Stand-up a PMO
Priority: Improving governance and controls	
Establishing the foundations for governance excellence	<ul style="list-style-type: none"> • Review and refresh all of our governing policies • Build a capable and effective scrutiny function, • Governance review for all external companies or partnership bodies (Thames Freeport)
Creating an exemplary control environment	<ul style="list-style-type: none"> • Risk managed operating environment. • Assurance and audit functions are re-set. • Proportionate processes that maximise transparency and accountability
Priority: Improving financial sustainability	
Divestment of the Council's investments	<ul style="list-style-type: none"> • Dispose of investments
Improving our stability through budgetary savings and maximisation of income	<ul style="list-style-type: none"> • Savings, income and discussions with DLUHC • Capital receipts. • Review of the capital programme
Improving our financial management capability and practice	<ul style="list-style-type: none"> • Demonstrate exemplary corporate financial leadership • Redesign and restructure the Council's financial service

Measuring Improvement, Assurance and Reporting

- 3.5 The information at section 7 outlines a new approach for the enhanced Improvement and Recovery plan and provides for qualitative and quantitative assessment of the Council's improvement. Heavily influenced by the Member engagement sessions, this provides measures to test whether the Council is

making progress and whether Members, Commissioners, residents and partners feel like improvements have been made.

- 3.6 This improvement will also be assured by opening the Council up to independent validation and testing of progress being made to demonstrate our effectiveness in improving and becoming the high performing Council the residents of Thurrock deserve.
- 3.7 This will form the basis for assessing and reporting going forward as the recent progress reporting to Members is built upon in line with the discussion at Full Council on 27 September 2023.

4. Reasons for Recommendation

- 4.1 The Directions from the Secretary of State require the Council to produce an enhanced Improvement and Recovery Plan within six months of the new Directions being issued. With the agreement of DLUHC and Commissioners and recognising slippage on the timeline set out in the directions, this was extended for a period of 1 month to allow the organisation to consider the Best Value Inspection report published in June and to avoid engagement taking place during August.
- 4.2 Council is asked to approve the Improvement and Recovery Plan found at appendix 1.

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

- 5.1 Specific engagement and consultation sessions have taken place with Members to discuss the emerging priorities, the outcomes framework and to understand what improvement would look and feel like to them as Members. This feedback has been reflected in the document and has shaped the overall approach.

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

- 6.1 There are no direct impacts as a result of this report.

7. Implications

7.1 Financial

Implications verified by: **Karen Ind**
Management Accountant

Revenue budget has been set aside for two years as part of the Medium-Term Financial Strategy to fund the additional resource required to support delivery of the Enhanced Improvement and Recovery Plan. This resource and capacity will enable the Council to move towards financial sustainability by the

delivery of long-term savings, maximising income, demonstrating value for money, divestment of the Council's investments and review of the capital programme. It will also allow the Council to improve the governance and controls and implement the culture change required by the organisation. Grant funding and external support, where available, will also be used to fund delivery.

7.2 Legal

Implications verified by: **Asmat Hussain**
Interim Director of Legal and Governance and Monitoring Officer

Implications verified on: **16 October 2023**

On 2 September 2022, the then Secretary of State for Levelling-up, Housing and Communities made directions under section 15(5) and (6) of the Local Government Act 1999 to implement an intervention package for Thurrock Council. Failure to comply with these Directions may lead to further intervention measures for the council.

The delivery of actions within this Plan, as well as any subsequently identified actions, will support the council to achieve sustainable improvement and lead towards the end of government intervention. Ultimately, the changes made through the Improvement and Recovery Plan will enable the council to effectively deliver its strategic priorities and ensure it is delivering value for money for Thurrock.

7.3 Diversity and Equality

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

Those delivering the Enhanced Improvement and Recovery Plan should take due regard of the Public Sector Equality Duty. The Council as a whole is bound by the requirements of the Equality Act 2010 as well as our own Equality, Diversity and Inclusion Policy and Strategic Plan. Improvements relating to the use of Equality Impact Assessments are included in the Enhanced Improvement Recovery Plan.

7.4 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

There are no direct significant implications from the recommendations in this report.

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

- Documents relating to the intervention in Thurrock Council, DLUHC - <https://www.gov.uk/government/collections/intervention-at-thurrock-council>
- Best Value Inspection Report, Full Council 28 June 2023 - <https://democracy.thurrock.gov.uk/ieListDocuments.aspx?CId=134&MID=6346#A117652>
- Progress on Thurrock Council's Improvement and Recovery, Full Council 27 September 2023 - <https://democracy.thurrock.gov.uk/ieListDocuments.aspx?CId=134&MID=6348#A117934>

9. Appendices to the report

- Appendix 1 – Enhanced Improvement and Recovery Plan, October 2023

Report Author:

Luke Tyson

Chief Intervention Officer

Thurrock Council

Enhanced Improvement and Recovery Plan

October 2023

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1. Context

Concerns regarding the financial affairs and governance of Thurrock Council led the Secretary of State, utilising powers in section 15(5) and (6) of the 1999 Local Government Act, to intervene and issue Directions to the Council in September 2022. On 16 March 2023 intervention was extended and collectively set out the requirement for the Council:

- To address systemic weaknesses in the Authority's governance function, to secure improvements in transparency and formal decision making.
- To deliver financial sustainability by closing any short- or long-term budget gaps and reducing the Authority's exceptionally high level of external borrowing.
- To ensure compliance with all relevant rules and guidelines relating to the financial management of the Authority.
- To implement an improved officer structure and performance management framework for the Authority which provides sufficient resources to deliver the Authority's functions in an effective way.
- To agree as necessary any changes needed to the Authority's operating model and redesign of Council services to achieve value for money and financial sustainability.
- To ensure that a strategic and systematic approach to risk management, with appropriate scrutiny and governance of the decision-making processes and procedures, is adopted and embedded across the Authority.
- To address the culture of poor financial management and governance of the Authority's commercial portfolio.

The Council is required to prepare and agree an enhanced Improvement and Recovery Plan to the satisfaction of the Commissioners, within 6 months of the new Directions, ensuring this enhanced plan draws upon the existing Improvement and Recovery Plan produced in December 2022. The new Improvement and Recovery Plan must include:

- an action plan to achieve financial sustainability and to close any short-term and long-term budget gaps identified by the Council across the period of its medium-term financial strategy, including a robust multi-year savings plan (Direction A)
- an action plan to ensure the Council's capital, investment and treasury management strategies are sustainable and affordable (Direction B)
- a strict debt reduction plan, and an updated minimum revenue provision policy in line with all relevant rules and guidelines (Direction C)
- an action plan to ensure the Council is complying with all relevant rules and guidelines relating to the financial management of the Council (Direction D)
- a suitable scheme of delegations for financial decision-making (Direction E)
- an action plan to reconfigure the Authority's services commensurate with the Authority's available financial resources (Direction F)
- a plan to ensure that the Authority has personnel with sufficient skills, capabilities and capacity to deliver the Improvement and Recovery Plan, within a robust officer structure (Direction G)

- an action plan to strengthen the Authority's governance function, to secure improvements in transparency and formal decision making. This should include measures to improve the Authority's scrutiny function, including the taking and recording of formal decisions (Direction H).
- arrangements to secure the proper resourcing and functioning of the system of internal controls, including risk management and internal audit (Direction I).
- arrangements to provide assurance, to the satisfaction of Commissioners, on the exercise of your role of Accountable Body to the Thames Freeport (Direction J).

The Best Value Inspection Report published in June 2023 highlighted significant deficits in the Council's openness to scrutiny, challenge and learning:

The Council's lack of openness and transparency has given rise to a culture of insularity and complacency. Internal challenge has been discouraged, and external criticism and challenge have been routinely dismissed. This has undermined the Council's ability to learn from others and from its own previous mistakes. It has placed the Council in a state of 'unconscious incompetence' and has undermined its ability to secure continuous improvement.

The Improvement and Recovery Plan submitted in December 2022 was structured around three distinct phases: Diagnose, Stabilise, and Transform and Embed. In the period since the original Directions were issued, considerable action has been taken and reported to Commissioners and Members relating to the first two of these phases. This includes:

- the mobilisation of governance Boards to enable the Commissioners to have oversight of progress in responsiveness to the Directions;
- the appointment of a Managing Director Commissioner for 2 years to stabilise the Council and drive change;
- an Improvement and Intervention Communications Strategy approved;
- a Change Team established on an interim basis with a Director lead;
- an extensive internal employee engagement programme implemented;
- a root and branch look at all opportunities for savings to be made to expedite actions towards financial stability; and
- the commissioning of external expertise to develop a new operating model for the Council, including transforming service delivery.

The Council is now very much focused on the latter phase of transform and embed, which is reflected in this revised Plan. Actions have pivoted from short term activity aimed at stabilising the Council to the changes required that will help to build the confidence of staff, Commissioners, government, partners and residents that the Council has learnt, listened and accelerated a programme of change and transformation, supported by a plan to continually improve its local leadership role to better serve its communities.

This Plan has also been developed within the context of a live Section 114 Notice, which was issued by the Council on 19 December

2022, confirming that the Council would not have the resources to deliver its expenditure and would seek exceptional financial support from Government. The Section 114 Notice required the Council to put in place additional internal controls to prevent non-essential spend. These have been operating since the Notice was issued and will remain in place as the Council moves towards a more financially sustainable position, supported by external reviews of how they are operating.

In refocusing the Plan, actions have both been mapped across to the specific Directions and to the draft Statutory Guidance for Local Authorities on Best Value Duty, where the requirement is that Local Authorities demonstrate a commitment to continually improve their leadership, governance, culture, use of resources, service delivery and partnerships and community engagement. Our ambition is to ensure the Plan provides assurance to Commissioners and Government that Thurrock Council has a deliverable plan to improve, be self-governing and fulfils its Best Value Duty in the shortest time possible. Commissioners will assess and monitor progress using the outcomes set out in this plan, which will inform their update reports and recommendations to Government to allow Ministers to make decisions about the intervention.

Through the Council's Corporate Plan there will be a continual and clear focus on improvement in leadership, culture, service delivery and the governance and financial management environment.

2. Establishing Thurrock's future direction

The loss of confidence in the Council, shared by government, partners, stakeholders, residents and local businesses, will have a long legacy that will inevitably extend beyond the actions of this and the previous Plan in addressing the immediate weaknesses of financial, governance and leadership control. The Council needs to re-establish its purpose, reconnect and re-commit to its residents and businesses.

The need to define and agree a new direction for Thurrock, and to re-establish the purpose and strategic direction of the Council and its officers, is the fundamental and essential building block for this Plan and the related Corporate Plan. This will require difficult decisions to be made. The Council's financial position necessitates that the ambitions of the Corporate Plan are realistic and modest; that they draw on a strong evidence base of needs and that all Councillors collaborate to make the choices that maximise the impact and reach of services within the limited resources available. Put simply, elected members must reconcile how they balance their desire to create the conditions where the life chances of Thurrock's diverse communities are enhanced by sustainable and inclusive economic growth, where residents are supported to reach their educational and skills potential and to live in a clean and welcoming environment with restricted means to deliver this. We are committed to doing this and ensuring that our future direction and purpose is clear and can be sustained despite the inevitable national and local political and economic fluctuations ahead.

Navigating this position will be challenging, for both the Members and the officers in the Council. The constraint on resources is a long-term reality and consequently the focus on driving greater levels of efficiency and effectiveness, on continual improvement, and on accountability for performance will be an ever-present reality. This requires an uptick in the capability available to the Council:

- Members need to be willing to rise to the challenge of residents for visible, accountable and capable leaders to demonstrate appropriate behaviours and steer the improvement and recovery programme. Given the right information and skills, they can reconnect the Council with residents and communities to better understand the diversity of needs across Thurrock and collaborate to make decisions on the future direction of services and to be accountable for their decisions.
- The executive leaders of the Council need to be willing to demonstrate their commitment to change. Year by year, month by month, week by week they must focus on their team's performance in mobilising service changes and delivering the cost savings they are required to make. They need to innovate to make the maximum impact from a diminishing resource base, collaborate in creating a more effective and efficient way of working and be accountable and responsible for their results.
- All employees need to be willing to embrace a radical programme of change and in return be supported to adapt to working in a more constrained environment, where tenacity and resilience will be needed. Personal accountability for performance will extend to every team and every officer in the Council.

Our plans, strategies and work to deliver these will actively demonstrate our commitment to local and national accountability; all our plans will clearly demonstrate our commitment to change our culture, to communicate and engage more effectively and to continually learn and improve.

3. Our Priorities

3.1 The revised structure

As directed in the Directions from the Secretary of State 16 March 2023, this enhanced Improvement and Recovery Plan moves on from the previous plan submitted in December 2022. This alignment is illustrated in table 1 below:

Previous IRP Themes	Enhanced IRP Priorities	Corporate Plan (in development)
Financial Sustainability	Improving financial sustainability	
Governance and Scrutiny	Improving governance and controls	
Strategic Direction	Improving leadership to accelerate change	
Leadership and Culture		
Place Leadership and Growth		Place Leadership and Growth

Table 1: Aligning previous plan, enhanced plan and the Corporate Plan

The change in the number of priorities, from 5 to 3, has been made in recognition of the progress made and the transition from the ‘diagnose and stabilise’ phase to the ‘transform and embed’ phase, outlined in the previous plan. The design of a future direction for Thurrock and a new operating model for the Council, inextricably links leadership, culture and strategic direction into a single priority. The operating model also sets out a new approach to service delivery, embracing the concept of an ‘enabling Council’ with a locality-based approach, which will form the basis of the Corporate Plan. The Corporate Plan, and other Council strategies and plans, will detail the service outcomes and impacts for Place Leadership and Growth alongside the other service delivery areas including Adults and Children’s Services and the enabling corporate functions.

The new priorities whilst distinct themes, with clear outcomes, are inextricably linked and interdependent. All are equally essential to realise the improvement required.



Sections 4-6 of this Plan set out the detail for each of the priorities. Each priority is divided into a number of workstreams that interlink and collectively demonstrate the improvement journey the Council is on. Against each workstream the plan sets out the desired objectives, outcomes, the tangible outputs being produced and our approach for independent assurance to ensure we are delivering the change we are seeking to make. Delivery of the priority in its entirety is necessary for the totality of improvement to be achieved. The workstream structure, however, is used as this aids performance management and tracking and supports a revised approach to reporting the impact and progress being made.

3.2 Thurrock's Improvement and Recovery Outcome Framework

In addition to demonstrating delivery of the requirements of the Directions, through our priorities and workstreams we have developed a framework of outcomes. These outcomes respond to engagement with Members in developing this Plan and the fundamental concerns raised in the Best Value Inspection Report namely of a Council that demonstrated:

- a lack of community focus and local democracy,
- weak political and executive leadership and a culture of poor relationships between Members and officers,
- a lack of purpose and processes and consequently a Council failing in its best value duty,
- a weak governance and control environment, particularly weak at managing risks,

- a financially unsustainable and unviable Council

The outcomes are defined to measure the improvement that we are making. Delivering our outcomes framework will accelerate a process of addressing the challenges outlined in the Best Value Inspection Report, and are an active demonstration that as a Council, we are committed to ensuring that learning and improving is fixed as part of our corporate DNA. We will develop the capabilities and skills of our Members and officers to an exemplary standard to ensure that collectively we are known for embodying a culture of learning and improving and that this permeates all that we do.

Improvement in the quality of decision making	Improvement in value for money	Improvement in corporate capability	Improvement in policy and practice through the use of external expertise
Improvement in collaboration between officers and between Members and officers	Improvement in responsiveness to poor performance	Improvement in risk management	Improvement in assurance and audit
Improvement in the transparency of performance information	Improvement in Member and officer confidence	Improvement in public and partner confidence in the Council	Improvement in responsiveness to the public

Table 2: Outcome Framework

An evaluation framework (section 7) has been produced based on considering engagement with Members on what improvement would look and feel like, along with best practice guidance and input from Commissioners. It will provide for quantitative and qualitative assessment of the Council’s improvement and recovery. This allows for the fact that while some aspects are measurable (such as having the correct policies in place and measuring key performance indicators) Members’ and Commissioners’ judgement on how well the Council has improved is a vital measure for continuous improvement and (in the case of Commissioners’ judgement) powers being handed back to the Council.

Achieving our outcomes will be continually tested by the Commissioners, who will receive regular and detailed reporting against the desired outcomes, and through public reports to Members through Overview and Scrutiny, Cabinet and Full Council. We will also ensure through independent testing and challenge that our progress and performance is assured. An outline plan for this is in sections 7 and 8.

4. Priority: Improving leadership to accelerate change

Lead: Leader of the Council and Assistant Chief Executive

4.1. What we are seeking to achieve

As a result of delivering this priority we will have a clear purpose and strategic direction for our Council. Through this priority we will implement the foundations for exemplary place and corporate leadership matched with a commitment to a corporate culture that actively strives to improve and is responsive to our partners and communities. We will be transparent, accountable and will model positive leadership behaviours externally with partners and within the Council.

This priority will be delivered through two interlinked workstreams:

1. Leading with purpose and direction
2. Building our corporate capability

An integral part of leading with purpose and building our capability is the desire for a commitment to continually improve, and an openness to learning. This work has started and will form a core behaviour running through our Corporate Plan.

As a result of these workstreams, we will demonstrate:

Leading with purpose and direction	We have a published Corporate Plan and a revised operating model for service delivery, that is developed in partnership by Members and officers. This workstream will refocus our efforts and actions on being exemplary and visible place leaders for the communities we serve.
Building our corporate capability	We have a new operating model that positions the Council as enabling the most effective and efficient delivery of public services within the resources available. We will redesign our organisation and have a corporate structure agreed and mobilised that has the right people in the right jobs to make a significant personal and corporate contribution to change.

4.2. Our Priority plan in detail

Workstream	Workstream Objective	Outcome	Output	Assuring our improvement
Leading with purpose and direction	A long-term purpose and direction for the Council is developed and agreed, that reaffirms the role of the Council as a place leader and establishes how through strong and accountable leadership the Council will serve and engage with its partners and communities, whilst recognising the constraints the Council is operating under.	<p>Improvement in collaboration between officers and between Members and officers demonstrated through collectively agreeing the purpose and direction of the Council.</p> <p>Improvement in public and partner confidence in the Council, as Members provide visible leadership through a clearly articulated, achievable and prioritised direction for the Council that puts place and local people at its centre.</p>	A statement produced supported by agreed corporate values, clearly sets out the purpose and direction for the Council.	<p>LGA Peer Review</p> <p>Independent staff survey</p> <p>Independent public survey</p> <p>Independent partner and stakeholder surveys</p> <p>Independent Members Survey</p>
	Develop a medium-term Corporate Plan that continues the change and improvement programme of the Council. Ensure the plan is evidence led and responsive to local needs, and that	<p>Improvement in collaboration between officers and between Members and Officers to develop and agree the service and place priorities that support the vision and delivery of the best value duty</p>	<p>Corporate Plan produced in draft by January 2024, including:</p> <ul style="list-style-type: none"> • Medium-term vision statement • Service delivery priorities • Resourcing arrangements 	<p>LGA Peer Review</p> <p>Independent Members Survey</p>

Workstream	Workstream Objective	Outcome	Output	Assuring our improvement
	<p>strategic priorities align with the Council's financial strategy and current and future delivery arrangements.</p> <p>Ensure the plan includes actions to embed cultural change and foster positive behaviours. Particularly ensuring the organisation's performance is measurable and transparent and that officers are accountable for delivery, within the parameters of their delegations.</p>	<p>and statutory responsibilities of the Council.</p> <p>Improvement in public and partner confidence in the Council from residents, businesses, and partners as a result of clarity of vision, purpose and performance.</p> <p>Improvement in policy and practice through the use of external expertise but utilising experience and knowledge from professional networks.</p> <p>Improvements in the transparency of performance information, coupled with a clear process of political and officer accountability.</p>	<ul style="list-style-type: none"> ● Culture, values and behaviours ● Measures of success ● Performance Management and Assurance Framework (PMAF) ● Officer accountabilities ● Political governance accountabilities 	
	<p>Develop and implement a new approach to strategy-led business planning that supports</p>	<p>Improvement in collaboration between officers and between Members and officers</p>	<p>Strategy-led Business Planning Process developed with a plan to implement 2025/26</p>	<p>Internal or Independent Audit</p>

Workstream	Workstream Objective	Outcome	Output	Assuring our improvement
	<p>the delivery of the priorities outlined in the Corporate Plan, accelerates adoption and effectiveness of the new operating model, and delivers the best possible service within available resources. (Direction F)</p>	<p>and in the responsiveness of the annual business planning process to Community needs and the deliverability of plans within the constraints the Council faces.</p> <p>Improvements in value for money and effectiveness as year on year the business planning process delivers improved outcomes for the resources available.</p>		
<p>Building our corporate capability</p>	<p>Develop, consult and approve a new operating model for the Council setting out a longer-term plan for internal management and service delivery arrangements. Ensuring the new operating model includes a strong locality-based focus, to enable services to be more effective and responsive to</p>	<p>Improvement in value for money through delivery of core services and functions at a lower cost and automating all rules-based activity, meeting the requirements for best value.</p> <p>Improvement in public and partner confidence in the Council through</p>	<p>New operating model agreed with Members and Commissioners.</p> <p>Detailed plan to operationalise and implement the operating model developed.</p> <p>Detailed plan to operationalise the new corporate Customer Centre.</p>	<p>Independent development of operating model options, and priorities, drawing on benchmarks from other high performing authorities</p> <p>LGA Peer Review.</p> <p>Independent public survey and / or Mystery Shopper</p>

Workstream	Workstream Objective	Outcome	Output	Assuring our improvement
	<p>communities.</p> <p>(Direction F)</p>	<p>consistency and reliability of the engagement experience with the Council.</p> <p>Improvements in responsiveness to the public through a corporate contact system and locality-based services which builds greater awareness of community issues and concerns in Thurrock.</p>		<p>Independent partner and stakeholder survey</p>
	<p>Redesign and restructure the Council to meet the principles and design of the new operating model, including implementing new ways of working and recruiting and developing the skills and capabilities required to be effective.</p> <p>(Direction G)</p>	<p>Improvement in value for money as the organisation redesign meets the requirement to make sustainable efficiency savings.</p> <p>Improvements in corporate capability leading to year on year increases in internal and external satisfaction with the Council.</p> <p>Improvements in responsiveness to the public through a</p>	<p>Revised corporate design and structure set out and agreed.</p> <p>Consultation and mobilisation plan agreed and implemented.</p> <p>Revised approach to personal development plans, including capability and training developed and a plan to implement agreed.</p> <p>The development, oversight and operation</p>	<p>LGA Peer Review</p> <p>Internal and / or Independent Audit</p> <p>Independent staff survey</p> <p>Independent public satisfaction survey</p>

Workstream	Workstream Objective	Outcome	Output	Assuring our improvement
		<p>consistent engagement approach and an increased locality focus.</p> <p>Improvement in policy and practice through the use of external expertise by incorporating involvement in professional networks into objective setting.</p>	<p>of an enhanced performance management for officers.</p>	
	<p>Stand-up a Programme and Project Management Office to work across the whole organisation to report on benefits and outcomes delivered and to develop information and insight that enable Commissioners, Members and the officers to actively engage in the scrutiny of performance, consider emerging risks and respond with agility.</p> <p>The scope of the Programme and Project Management Office is to</p>	<p>Improvement in the transparency of performance information for Members, commissioners and residents, supporting a culture of reflect, review and redress demonstrated in personal, team and corporate objectives, and leading to improved scrutiny of performance.</p> <p>Improvement in responsiveness to poor performance and risk through assessing and responding to</p>	<p>Revised suite of progress / performance reporting for Commissioners, Members and SLT.</p> <p>Revised suite of public and partner reports and communications.</p> <p>Practices, policies and capability to deliver these functions for the capital programme, with an emphasis on benefits realisation and post-completion reviews to shared lessons-learned.</p>	<p>LGA Peer Review</p> <p>Independent Partner and stakeholder survey</p> <p>Independent Public Survey</p> <p>Independent Members Survey</p>

Workstream	Workstream Objective	Outcome	Output	Assuring our improvement
	<p>cover this plan, the corporate plan and the wider change and capital programmes.</p>	<p>emerging trends and clear lines of accountability for corrective actions.</p> <p>Improvement in corporate capability through applying programme and project management principles across all relevant services.</p> <p>Improvement in the transparency of performance information by conducting reviews and sharing the lessons learned from projects, especially within the capital programme.</p>		

Table 3: Priority - Improving leadership to accelerate change

5. Priority: Improving governance and controls

Lead: Deputy Leader and Cabinet Member for Transformational Change, Communications and Governance and Executive Director Corporate Services

5.1. What we are seeking to achieve

As a result of delivering this priority we will establish the foundations for governance excellence and corporate accountability. Through this priority our Members and officers will collaborate to review, refresh and co-create our governing policies, ensuring that we are fully compliant with all external guidelines and good practice and that our policies are enacted through clearly articulated procedures. In all we do we will demonstrate exemplary governance, control and risk management, matched with a commitment to a corporate culture, shared by Members and officers, that places a high value on repositioning Thurrock as a well-run and governed Council. We will assure the Government, Commissioners, residents and partners of our commitment to transparency, accountability and risk aware decision making, to rebuild confidence in the leadership and decision-making of the Council.

This priority will be delivered through two interlinked workstreams:

1. Establishing the foundations for governance excellence
2. Creating an exemplary control environment

As a result of these workstreams, we will demonstrate:

Establishing the foundations for governance excellence	We have in place the policies and practice required to demonstrate strong governance. We will ensure that our policies are compliant and provide a solid foundation for the efficient and effective delivery of corporate and service priorities.
Creating an exemplary control environment	We have in place processes, protocols and a culture of accountability, that positions the Council as having a highly effective control environment. Members and Senior Leaders will collaborate to develop and implement an approach to the management of risk, including ensuring officers are empowered to deliver corporate objectives within a clearly articulated scheme of delegation. Through our control environment we will be accountable and transparent internally and externally for our actions.

5.2. Our Priority plan in detail

Workstream	Workstream Objective	Outcome	Output	Assuring our improvement
Establishing the foundations for governance excellence	<p>Review and refresh all of our governing policies, ensuring our policies build the foundations for an exemplary governed Council, demonstrating proper democratic accountability and transparency to our residents and businesses, supported by an openness to public scrutiny and audit of activities.</p> <p>(Direction E)</p>	<p>Improvement in public and partner confidence in the Council as a result of improved public engagement, scrutiny and openness to challenge.</p> <p>Improvement in policy and practice through the use of external expertise to build the connections that enable us to learn and improve.</p>	<p>Revised suite of policy documents and regulations, including:</p> <ul style="list-style-type: none"> • constitution • financial regulations • scheme of delegations • ethics framework <p>Policy documents reviewed and approved via the Committees of the Council.</p>	<p>LGA Peer Review</p> <p>External Audit and / or Independent auditing</p>
	<p>Build a capable and effective scrutiny function, to ensure greater levels of openness, accountability and challenge to support learning and improvements in the effective and efficient delivery of public services.</p>	<p>Improvement in the quality of decision making as a result of openness to scrutiny pre and post decision and independent scrutiny alongside Member-led scrutiny.</p> <p>Improvement in policy and practice through the use of external expertise to build the connections that enable us to learn and improve.</p>	<p>Statutory Scrutiny Officer and other officers in post.</p> <p>Scrutiny plan developed with and agreed by Members.</p>	<p>Scrutiny Improvement Review (Centre for Governance and Scrutiny)</p>

	<p>Undertake a governance review for all external companies or partnership bodies that the Council has an interest in, including the Accountable Body role for Thames Freeport, ensuring their governance framework is robust and their existence is regularly and independently reviewed.</p> <p>Individuals (Members and officers) representing the Council have the appropriate experience, skills and expertise to effectively perform their role.</p> <p>(Direction J)</p>	<p>Improvement in the quality of decision making through proper Member oversight of service delivery and / or investments.</p> <p>Improvement in risk management and awareness, through the scrutiny activity of capable officers.</p> <p>Improvement in assurance and audit through regular review of external bodies with transparency of information feeding Council governance oversight.</p>	<p>Review of and report on constitutional, decision making, risk and reporting arrangements.</p> <p>Transparency in representation on Boards with a training and development plan developed and implemented to address any capability issues and ensure clarity in understanding of the role and responsibilities.</p>	<p>External Audit and / or independent auditing</p> <p>Independent Member Survey</p>
<p>Creating an exemplary control environment</p>	<p>Create a Council-wide strong risk managed operating environment, where risk is robustly assessed, and openly discussed and high risks are actively managed through a collaborative approach with Members, officers and Auditors.</p>	<p>Improvement in risk management and the awareness of risk, evident in decision papers, decision making, options analysis and delivery plans.</p> <p>Improvement in the quality of decision making due to commissioning, if required, specialist financial, commercial and legal</p>	<p>Risk Management Framework developed, meeting the HMG Orange Book best practice, agreed and implemented, including:</p> <ul style="list-style-type: none"> ● Risk Policy ● Risk Strategy ● Risk Management Action Plans (RMAP) ● Risk monitoring and 	<p>External and Internal Audit Risk Review</p> <p>Independent Advisor Reports</p>

		expertise for complex programmes or divestments matched with a culture of openness and accountability for escalating risks and issues.	reporting	
	The Council's assurance and audit functions are re-set, ensuring a strong grounding in integrity and ethical principles matched with high levels of capability, expertise and professional rigour to ensure a fit for purpose function.	<p>Improvement in the quality of decision making as a result of openness to audit and governance challenges.</p> <p>Improvement in policy and practice through the use of external expertise including Chartered Institute of Public Finance and Accountancy (CIPFA) and Association of Democratic Services Officers (ADSO).</p> <p>Improvement in assurance and audit through implementation of rigour in internal processes.</p>	<p>Head of Assurance objectives demonstrate internal rigour and independence.</p> <p>Committee Effectiveness Survey on Internal Audit function.</p>	Independent and External Audit
	Proportionate processes that maximise transparency and accountability are developed, ensuring compliance with the Nolan Principles and relevant Codes of Conduct. Through leadership and training	Improvement in Member and officer confidence and understanding of governance requirements through development and mentoring, resulting in a more capable organisation with appropriate knowledge, experience and skills.	<p>Revised suite of governance procedures scoped and developed.</p> <p>Member Code of Conduct</p> <p>Member Development and Mentoring</p>	<p>Independent and External Audit</p> <p>Independent Member Survey</p> <p>Annual Governance Statement articulates actions to further improve.</p>

	<p>there is a commitment to a culture of good governance demonstrated throughout the organisation.</p> <p>(Direction H, I)</p>	<p>Improvement in public and partner confidence in the Council as a well-run and managed organisation, with a stronger focus on local democracy.</p> <p>Improvement in policy and practice through the use of external expertise to build the connections that enable us to improve governance practice.</p> <p>Improvement in assurance and audit through rigour in compliance testing.</p>	<p>Programme</p> <p>Officer Code of Conduct</p> <p>HR policies and practice</p>	<p>Independent staff survey.</p>
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Table 4: Priority - Improving governance and controls

6. Priority: Improving our financial sustainability

Lead: Cabinet Member for Finance, Human Resources and Payroll and Chief Finance Officer

6.1. What we are seeking to achieve

As a result of delivering this priority we will develop and implement a comprehensive financial programme that ensures the Council designs, implements and delivers major financial changes to secure as soon as possible financial sustainability. Through this priority we will demonstrate exemplary financial leadership and will operate to the highest standards of financial management and control, ensuring that the Council is able to function and secures the essential outcomes for its residents, businesses and communities.

This priority will be delivered through three interlinked workstreams:

1. Divestment of the Council's investments
2. Improving our stability through budgetary savings and maximisation of income
3. Improving our financial management capability and practice

As a result of these workstreams, we will demonstrate:

Divestment of the Council's investments	We have significantly reduced the debt of the Council and reduced the budget financing debt charges to secure a more stable financial position in the longer term to mitigate future risks.
Improving our stability through budgetary savings and maximisation of income	We have implemented a range of actions to demonstrate significant savings, reductions in the capital programme, generation of capital receipts - all of which will lead to the significant reduction in general fund borrowing – as well as maximisation of income to pay down a proportion of our debt and ensure that service and programme spending delivers the highest level of service and outcomes within the constrained resources available. Spending controls as a result of the Section 114 notice have also supported in delivering this objective.
Improving our financial management capability and practice	We have a fit for purpose finance function that demonstrates exemplary leadership and management, implements robust financial controls, and champions effective scrutiny and reporting to enable clear accountability, risk management and compliance with statutory requirements and accounting standards. That there is strong and appropriate financial capability for leaders, budget holders and members enabling them to fulfil their own fiduciary duties and engage meaningfully in scrutiny and challenge.

6.2. Our Priority Plan in detail

Workstream	Workstream Objective	Outcome	Output	Assuring our improvement
Divestment of the Council's investments	<p>Dispose of investments to the fullest extent possible to pay down debt.</p> <p>Ensure that the governance, project management, and risk identification and management and budgetary control is robustly undertaken.</p> <p>(Direction A, C)</p>	<p>Improvement in value for money as Council debt reduced by £1.015bn and the percentage of revenue budget that finances debt charges is reduced.</p> <p>Improvement in risk management and interest and investment risks negated.</p>	<p>Divestment options and plan in place and reported to Commissioners, Cabinet and DLUHC.</p> <p>Actions to divestment of up to 93% of Council debt is underway by 31/03/24.</p>	<p>Independent Advisor reports</p> <p>External Audit Reports</p>
Improving our stability through budgetary savings and maximisation of income	<p>Through implementing a radical savings programme, alongside a programme to maximise income over each of the next five years and beyond, the Council's budget moves towards achieving a balanced position. The savings process is kept under review to update figures, escalate any risk to achieving the savings and continue to explore further improvements to savings, income and revenue maximisation and benefits.</p>	<p>Improvement in value for money as savings of £18.2m are made from the revenue budget for next 2 years (2024/25 and 2025/26) and further savings of c.£13.65m are made for each of the following 3 years (2026/27, 2027/28 and 2028/29).</p> <p>Improvement in value for money as Council maximises income from fees and charges.</p>	<p>Two-year plan produced and agreed by Commissioners and Cabinet, leading to the production of a balanced deliverable budget for 2024/25.</p> <p>Report on any further plans to implement improvements whilst maintaining service standards.</p> <p>Business cases for income maximisation through fees and</p>	<p>Independent review of finances informing the agreed plan.</p> <p>Public and Commissioner scrutiny of 2024/25 budget</p> <p>External Audit of 2024/25 Accounts</p>

Workstream	Workstream Objective	Outcome	Output	Assuring our improvement
	To support a dialogue to commence between Thurrock's leadership and DLUHC on the longer-term financial sustainability of the Council. (Direction A, C)		charges developed and agreed.	
	Detailed plan to generate capital receipts , in order to pay down further debt is developed and implemented, ensuring that the purpose of assets is reviewed against strategic priorities with a programme of sales agreed. (Direction A, C)	Improvement in value for money as Council debt is reduced by £150m over five years subject to review (£42m sold by 31/03/24, c.£60m sold by 31/03/25) and the percentage of revenue budget that finances debt charges is reduced.	Review of assets and plan developed and agreed. Implementation of the sales programme commenced and monitored.	Independent Advisor Reports
	Develop a Capital Programme which leads to General Fund borrowing which is significantly smaller and aligned to the Corporate Plan. Reducing our reliance on borrowing will further reduce our overall debt and debt financing charges. (Direction B)	Improvement in value for money as Council debt is reduced and the percentage of revenue budget that finances debt charges is reduced.	Produce a General Fund capital programme that has no prudential borrowing for 2024/25. Produce a much-reduced Housing Revenue Account capital programme.	Public and Commissioner scrutiny of 2024/25 budget External Audit of 2024/25 Accounts

Workstream	Workstream Objective	Outcome	Output	Assuring our improvement
<p>Improving our financial management capability and practice</p>	<p>We will demonstrate exemplary corporate financial leadership that includes improving the quality and accuracy of information we hold and use including financial modelling, budgeting and accounting processes matched by implementing an effective internal control environment to safeguard the use of resources and manage risk.</p> <p>(Direction B, D)</p>	<p>Improvement in collaboration between officers and between Members and officers and satisfaction in the quality and rigour of analysis and reporting.</p> <p>Improvement in risk management through improved financial governance and oversight.</p> <p>Improvement in the quality of decision making through more comprehensive analysis of financial implications.</p> <p>Improvement in value for money through improved quality of information ensuring that the Minimum Revenue Provision is properly calculated and budgeted for, that our Dedicated Schools Grant is balanced by 31/02/24 and that we will secure a reduced Housing Revenue Account business plan by 01/03/24.</p>	<p>Financial modelling review</p> <p>Budget process review</p> <p>Financial plan that accurately reflects Minimum Revenue Provision.</p> <p>Treasury Management Policy developed and agreed.</p> <p>Minimum Revenue Provision calculated and budgeted for, and assumptions agreed.</p> <p>A plan for balancing Dedicated Schools Grant developed, agreed and implemented.</p> <p>A reduced Housing Revenue Account business plan is developed by 01/03/24.</p>	<p>LGA Peer Review</p> <p>Independent survey of Members, particularly Audit Committee Members</p> <p>External Auditor report</p> <p>Professional Local Authority Financial Network</p>

Workstream	Workstream Objective	Outcome	Output	Assuring our improvement
	<p>We will redesign and restructure the Council's financial service, to ensure the Council has the skills and capacity, commensurate with its financial complexity, to deal with all financial issues and demonstrate a culture of challenge and scrutiny proactively and robustly.</p> <p>We will work corporately and with our Service and Programme Delivery teams to ensure leaders, budget holders and Members has the appropriate capability and accountability to implement financial management improvements and improve accountability for financial effectiveness.</p> <p>(Direction D)</p>	<p>Improvements in corporate capability deploying rigorous business partnering approaches, to ensure delivery of the financial savings and income, as well as leaders, budget holders and Members being equipped to fulfil their responsibilities.</p> <p>Improvement in policy and practice through the use of external expertise to build the connections that enable us to learn and improve and enable our Peers and Professionals to challenge our practice.</p> <p>Improvement in assurance and audit as a result of improved capability and challenge.</p>	<p>Finance services resource plan developed and agreed.</p> <p>Plan for leadership and technical assessment of existing and new staff implemented.</p> <p>Financial services restructure implemented.</p>	<p>LGA Peer Review</p> <p>Professional Local Authority Financial Network</p>

Table 5: Priority - Improving financial stability

7. Measuring and assuring our improvement

Through this Improvement and Recovery Plan, the cultural weaknesses will be reversed and our Members, executive leaders and officers will demonstrate a commitment to learning and continually improving through challenge, scrutiny and accountability.

This evaluation framework will provide for quantitative and qualitative assessment of the Council's improvement and recovery. This allows for the fact that while some aspects are measurable (such as having the correct policies in place and measuring key performance indicators) Members and Commissioner judgement on how well the Council has improved is a vital measure for continuous improvement and (in the case of Commissioners' judgement) powers being handed back to the Council.

Improvement in the quality of decision making
<ul style="list-style-type: none">• Decisions presented align to direction, values and objectives.• Greater analysis of options and alternatives reviewed.• Options are supported by clear risk analysis.• Options are internally scrutinised to assess impact on resourcing.• Pre-and post-Scrutiny evaluating decision making process and consideration of options.
Improvement in value for money
<ul style="list-style-type: none">• Business plans are in place for savings opportunities and for the new operating model implementation.• The revised business planning process clearly matches impact and outcomes to resource availability.• Audit reports test improvements in value and costs.• Resource plans are developed and transparent against activity and cost.• Outputs and outcomes are consistently delivered for lower cost.
Improvement in corporate capability
<ul style="list-style-type: none">• The development, oversight and operation of an enhanced performance management for officers.• Job profiles include clarity about skills, behaviours and performance expectations alongside the technical elements required.• Recruitment and selection strategies test the capabilities needed, through use of alternatives to just interview, probation targets and standards are set and managers actively manage.• 360-degree appraisals are used where appropriate.• 100% of Personal Development Reviews are completed and clear improvement and development plans including self-reflective reviews are undertaken, managed and followed up on.

- Councillors are supported to participate in a capability assessment, using the Councillor Charter.
- Councillors have independent support to review / appraise the Chief Executive.

Improvement in policy and practice through the use of external expertise

- Support, networking and alignment with professional bodies as a means of shaping policy and practice is encouraged and benefits to individuals and the teams reviewed as part of the Personal Development Review process.
- Professional body engagement is part of the stakeholder engagement plan, with relationships prioritised by named lead officers.

Improvement in collaboration between officers and between Members and officers

- Corporate Plan sets out clear areas for formalised corporate collaboration.
- Improved communications between officers and Members.
- An approach is implemented for matrix/collaboration teams to operate ensuring clarity of purpose and role.
- A conflict resolution approach is developed and implemented for any reported areas where there are conflicting roles, or perspectives, acting as a detriment to effective collaboration.
- Meaningful engagement in the development of the new direction and purpose for the Council.
- Meaningful involvement at different levels in the development of the Corporate Plan.
- Centralised role to improve the flow of information between the officers and Councillors.
- Locality teams develop protocols for closer engagement with local Ward Councillors to update and engage them.
- Named roles assigned responsibilities for working with Audit, Scrutiny and Councillors on external boards.
- Clear development of Member / Officer protocol and review processes.

Improvement in responsiveness to poor performance

- Performance improvement and capability deficit processes for officers are developed, well understood, and monitored.
- Performance management and disciplinary policies and processes are redefined and managers and officers aware of compliance requirements and target dates for action planning improvement.
- Where team performance is poor, deep dives, pulse surveys and independent expertise are implemented to identify the root causes and plan for improvement.
- Through governance arrangements and improved reporting performance issues are escalated and a clear action plan agreed.

Improvement in risk management

- A revised risk policy, strategy, management action plan and reporting tool is developed and reviewed in detail with Audit Committee Members
- Risk Champions trained across the organisation.
- Audit sets out improvements and these feed into a governance action plan.

- Risk Management has a clear escalation route, and this is actively managed and tested in every team.
- Independent expertise is procured to support development and review and to give assurance to Councillors and Commissioners.

Improvement in assurance and audit

- Annual governance review is comprehensive, built on evidence from Members, Leadership, Commissioners and engaging appropriately with partners and stakeholders.
- Annual governance review is supported by a well-documented governance improvement plan for 24/25 and subsequent years.
- Governance Improvement Plan is actively monitored by senior leadership and the relevant Council Committees.
- Independent expertise and auditing are used to test strength in governance and systems to provide assurance of increasing rigour and capability in the internal operating environment.

Improvement in the transparency of performance information

- Performance indicators for publishing data to relevant Boards are established and reviewed.
- Data is reviewed for completeness and corrective action taken if performance data is incomplete.
- Where performance information highlights a risk or issue materialising, there is additional communication if required to brief on this.

Improvement in Member and officer confidence

- Mutual trust and confidence between Members and officers.
- Belief that there has been a meaningful and sustained change in the approach to openness and transparency.
- Member forums and meetings are conducted in a respectful way.
- Members are engaged to set the needs for their annual training and development and receive training and development to support their role.
- Member attendance and participation is monitored, and political groups engaged in review of quality of development and engagement.
- Members with specific roles on scrutiny and / or audit or other committees are given specific training and development to support them to succeed.
- A member / officer protocol is drawn up, so Members know who to approach with questions or queries.
- Use of independents in Committees, as advisors or mentors to improve capability if required.
- Review of Members against the Councillor Charter to identify other on-going needs.
- Members provided with proportionate information on issues relating to the general business of the Council, the Improvement and Recovery Plan and specifically to matters relating to their wards to improve their knowledge and capability to support the improvement required in public confidence.
- Members and officers demonstrate collaborate and respectful behaviours to develop trust and confidence within each group and between them.
- All officers are engaged in work to disseminate the future direction and focus of the Council.
- All officers are engaged in contributing to discussion on the change programme in their teams.

- All officers are supported to develop objectives that are clear in their contribution to the direction of their team and of the organisation.
- All officers receive clear and consistent communication from managers and the senior leaders.
- A regular programme of feedback and engagement is implemented to support the change programme.

Improvement in public and partner confidence in the Council

- Residents have access to more information, support and customer service as a result of implementing the new operating model, eg a new corporate contact centre, locality teams etc.
- A resident communication plan is developed and supported.
- Improvements in local democracy arrangements are made, engaging resident forums.
- Service changes are supported by meaningful equalities impact assessments to identify risks and issues to inform decision making.
- Councillors are supported to offer well run local surgeries, case work and respond to queries more effectively.
- Partners and stakeholders have access to more information, and customer service because of implementing the new operating model, and the specialisation of functions.
- Business planning options place a requirement to engage with relevant partners and stakeholders and to capture any insights and report on any risks.
- Strategic and locally significant partners are formally recognised as part of the stakeholder engagement plan and invited to be part of regular communications and engagement.

Improvement in responsiveness to the public

- Protocols and metrics for public responsiveness are agreed and implemented as part of the new Contact Centre.
- Metrics are tracked.
- Complaints are monitored corporately and at Standards and Audit Committee for trends or teams and corrective actions plans are developed and implemented.
- Correlation with compliments is monitored and reviewed.
- Locality teams (as part of new operating model) identify increased opportunities for Member and officer community engagement and monitor take up and track queries.

Table 6: Measuring our improvement

We will seek to assure the Government, through our Commissioners, our local partners and stakeholders, our residents and businesses, and our employees of the improvements we are making through openness to external review. We will seek independent validation and testing of the progress we are making to demonstrate our effectiveness in improving and becoming the high performing Council the residents of Thurrock deserve.

Our approach to independent assurance of progress towards delivering the improvements and outcomes we have set for ourselves is detailed in the table 7 below.

Assurance Approach	Priority and workstream	Focus for the assurance activity	Outcome to test
Commissioner Review	ALL	Assuring and testing: <ol style="list-style-type: none"> 1. confidence that the political leadership of Thurrock is capable, aware of their role, and committed to working collaboratively to discharge their responsibilities. 2. confidence that Member and officers are committed to maintaining a high degree of openness, transparency and accountability in discharging their financial and governance leadership. 3. confidence that the actions and commitments made in this Plan will sustain a longer-term programme of improvement that extends beyond the ending of government intervention. 	<ul style="list-style-type: none"> • All outcomes
Independent Member Survey	Improving leadership to accelerate change <ul style="list-style-type: none"> • Leading with purpose and direction • Building our corporate capability Improving governance and control <ul style="list-style-type: none"> • Establishing the foundations for governance excellence • Creating an exemplary control 	Assuring and testing: <ol style="list-style-type: none"> 1. whether Member and officer roles and accountabilities and requisite behaviours are clear and understood, specifically for any additional Member responsibilities on Scrutiny, Audit or arms-length bodies or partnerships e.g. Thames Freeport. 2. ownership and contribution to the development of the purpose, direction and priorities, set out in the Corporate Plan. 3. whether improvements in confidence, understanding and embeddedness of Council strategy, governance and finance is evident. 4. whether collaboration and working relationships 	<ul style="list-style-type: none"> • Improvement in collaboration between officers and between Members and officers. • Improvement in the quality of decision making. • Improvement in the transparency of information on performance. • Improvement in responsiveness to

Assurance Approach	Priority and workstream	Focus for the assurance activity	Outcome to test
	environment	<p>with officers across all areas of the Council are more productive and collaborative.</p> <ol style="list-style-type: none"> 5. whether information and option analysis required to make decisions supports member understanding of requirements, risk and implications. 6. whether financial information and reporting is sufficient to enable Members to understand the progress being made and any risks and challenges. 7. whether the organisation, through training and development, is supporting Members to maximise understanding and personal contribution. 8. whether resident confidence in the Council as reported to Members is improving. 	poor performance.
Independent Staff Survey	<p>Improving leadership to accelerate change</p> <ul style="list-style-type: none"> ● Leading with purpose and direction ● Building our corporate capability <p>Improving governance and control</p> <ul style="list-style-type: none"> ● Establishing the foundations for governance excellence ● Creating an exemplary control environment 	<p>Assuring and testing:</p> <ol style="list-style-type: none"> 1. whether Member and officer roles and accountabilities and requisite behaviours are clear and understood. 2. whether collaboration and working with Members and across the different areas of the Council are improving. 3. whether there is greater confidence in the direction and strategic purpose of the Council and clarity as to how this translates into team and personal purposes and objectives. 4. whether there is greater understanding of individual officers' purpose and value in delivering the required outcomes. 5. whether the organisation, through training and development, is supporting officers to maximise 	<ul style="list-style-type: none"> ● Improvement in Member and officer confidence ● Improvement in collaboration between officers and between Members and officers ● Improvement in responsiveness to poor performance

Assurance Approach	Priority and workstream	Focus for the assurance activity	Outcome to test
		<p>understanding and personal contribution.</p> <p>6. understanding of core governance processes, delegations and expectations of personal accountability.</p>	
Independent Public Survey	<p>Improving leadership to accelerate change</p> <ul style="list-style-type: none"> ● Leading with purpose and direction ● Building our corporate capability <p>Improving governance and control</p> <ul style="list-style-type: none"> ● Establishing the foundations for governance excellence <p>Improving our financial stability</p> <ul style="list-style-type: none"> ● Improving our stability through budgetary savings and maximisation of income 	<p>Assuring and testing:</p> <ol style="list-style-type: none"> 1. whether the Council has a clear purpose and direction, and its priorities are clearly communicated. 2. whether increased community engagement and openness to public scrutiny is evident through the locality focus developed as part of the new operating model. 3. whether the experience of engaging and contacting the Council for routine enquiries improves and is more responsive and consistent. 4. whether communication and transparency of relevant and important information about the Council is made increasingly available. 	<ul style="list-style-type: none"> ● Improvement in public and partner confidence in the Council. ● Improvement in responsiveness to the Public
Independent Partner and Stakeholder Survey	<p>Improving leadership to accelerate change</p> <ul style="list-style-type: none"> ● Leading with purpose and direction ● Building our corporate capability <p>Improving governance</p>	<p>Assuring and testing:</p> <ol style="list-style-type: none"> 1. whether commissioned service delivery partners are engaged and have increased understanding of the purpose, direction and priorities of the Council, through its Corporate Plan. 2. whether roles and relationships of Council officers and Service Providers are clearly 	<ul style="list-style-type: none"> ● Improvement in public and partner confidence in the Council. ● Improvement in value for money. ● Improvement in

Assurance Approach	Priority and workstream	Focus for the assurance activity	Outcome to test
	<p>and control</p> <ul style="list-style-type: none"> Establishing the foundations for governance excellence 	<p>understood.</p> <ol style="list-style-type: none"> whether service / business plans provide medium term clarity into procured and commissioned services and locality-based engagement on plans is comprehensive. whether information on performance, outcomes and delivery is open and transparent. whether commissioned partners are supported to improve. whether officer and member oversight and governance requirements are clear. 	<p>responsiveness to poor performance</p> <ul style="list-style-type: none"> Improvement in policy and practice through the use of external expertise
Centre for Governance and Scrutiny	<p>Improving governance and control</p> <ul style="list-style-type: none"> Establishing the foundations for governance excellence 	<p>Assuring and testing:</p> <ol style="list-style-type: none"> whether the Council has a capable scrutiny function, with the skills and knowledge required to deliver a high performing scrutiny function comparable to peer authorities. whether information and options analysis support greater Member scrutiny pre-decision and post decision making. whether Members are trained and developed and have the knowledge and skills to be capable and effective. whether evidence of effective scrutiny leads to demonstrable improvements in decision making. 	<ul style="list-style-type: none"> Improvement in the quality of decision making. Improvement in collaboration between officers and between Members and officers. Improvement in policy and practice through the use of external expertise
External and / or Internal Audit	<p>Improving leadership to accelerate change</p> <ul style="list-style-type: none"> Leading with purpose and direction Building our corporate capability <p>Improving governance</p>	<p>Assuring and testing:</p> <ol style="list-style-type: none"> whether the revised annual business planning approach is robust and balances requirements for a focus on strategy-led, with resource planning process and demonstrates robust internal governance. whether the redesign and restructure of the 	<ul style="list-style-type: none"> Improvement in value for money. Improvement in risk management. Improvement in assurance and audit. Improvement in the

Assurance Approach	Priority and workstream	Focus for the assurance activity	Outcome to test
	<p>and controls</p> <ul style="list-style-type: none"> ● Establishing the foundations for governance excellence ● Creating an exemplary control environment <p>Improving financial stability</p> <ul style="list-style-type: none"> ● Divesting of assets and investments ● Improving our stability through budgetary savings and maximisation of income ● Improving our financial management capability and practice 	<p>organisation is sufficient to deliver the new operating model and whether there are any significant risks to capability or capacity.</p> <ol style="list-style-type: none"> 3. whether the governance framework is aligned to best value duty and CIPFA requirements for good governance. 4. whether governance and financial processes as designed are robust and whether over time through testing, these are evident and embedded throughout teams in the Council and in any commissioned partners or arms-length bodies where the Council is the Accountable Body. 5. whether, through an independent review of all external, arm's length companies and partnerships, governance requirements and risks are understood and built into the risk management framework. 6. whether the risk management approach aligns to the HMG Orange Book and whether officers and Members understand requirements and responsibilities. 7. whether risk management is embedded in all teams and over time whether the culture of a risk alert Council is evident in decision making and analysis of information and options presented in all reports and financial and governance implications. 8. whether divestments are properly valued and accounted for and reported in accordance with financial and accounting requirements. 9. whether the External and Internal Auditor reports demonstrate increasing satisfaction with the 	<p>quality of decision making.</p> <ul style="list-style-type: none"> ● Improvement in collaboration between officers and between Members and officers.

Assurance Approach	Priority and workstream	Focus for the assurance activity	Outcome to test
		impact of Financial Management.	
LGA Peer Review	<p>Improving leadership to accelerate change.</p> <ul style="list-style-type: none"> Leading with purpose and direction Building our corporate capability <p>Improving our governance and control</p> <ul style="list-style-type: none"> Establishing the foundations for governance excellence <p>Improving our financial stability</p> <ul style="list-style-type: none"> Improving our financial management capability and practice 	<p>Assuring and testing:</p> <ol style="list-style-type: none"> the embeddedness of the vision, purpose and priorities, set out in the Corporate Plan, amongst democratic and executive leaders and throughout the Council. whether strategic planning is evidence-led and whether service and place priorities support the delivery of the Best Value duty and statutory responsibilities of the Council. whether the new operating model is driving improvements in corporate capability and effectiveness and efficiency. whether the external experience of engagement with the Council improved and more consistent. whether the improvement and change planning process is well-led politically and corporately and the desired outcomes are clearly understood. whether there is demonstrable evidence of cultural change and an openness to learning and improvement that tests progress against a peer high performing Council. whether the governance, control and reporting environment has the foundations to be a high performing Council. whether the financial leadership and financial management capability is sufficient and rigorous. 	<ul style="list-style-type: none"> Improvement in collaboration between officers and between Members and officers. Improvement in public and partner confidence in the Council. Improvements in the transparency of performance information. Improvements in responsiveness to poor performance. Improvements in Member and officer confidence. Improvement in the quality of decision making. Improvement in policy and practice through the use of external expertise

Table 7: Approach to assuring our improvement

8. Governing and reporting our improvement

Our Improvement and Recovery Plan is comprehensive and far reaching, every Member and officer will play a part in its delivery and ultimate success. The need for us to accurately track progress and highlight and escalate risks to progress is crucial if we are to deliver the change we require to address the concerns in the leadership and governance of the Council and the financial challenges we face.

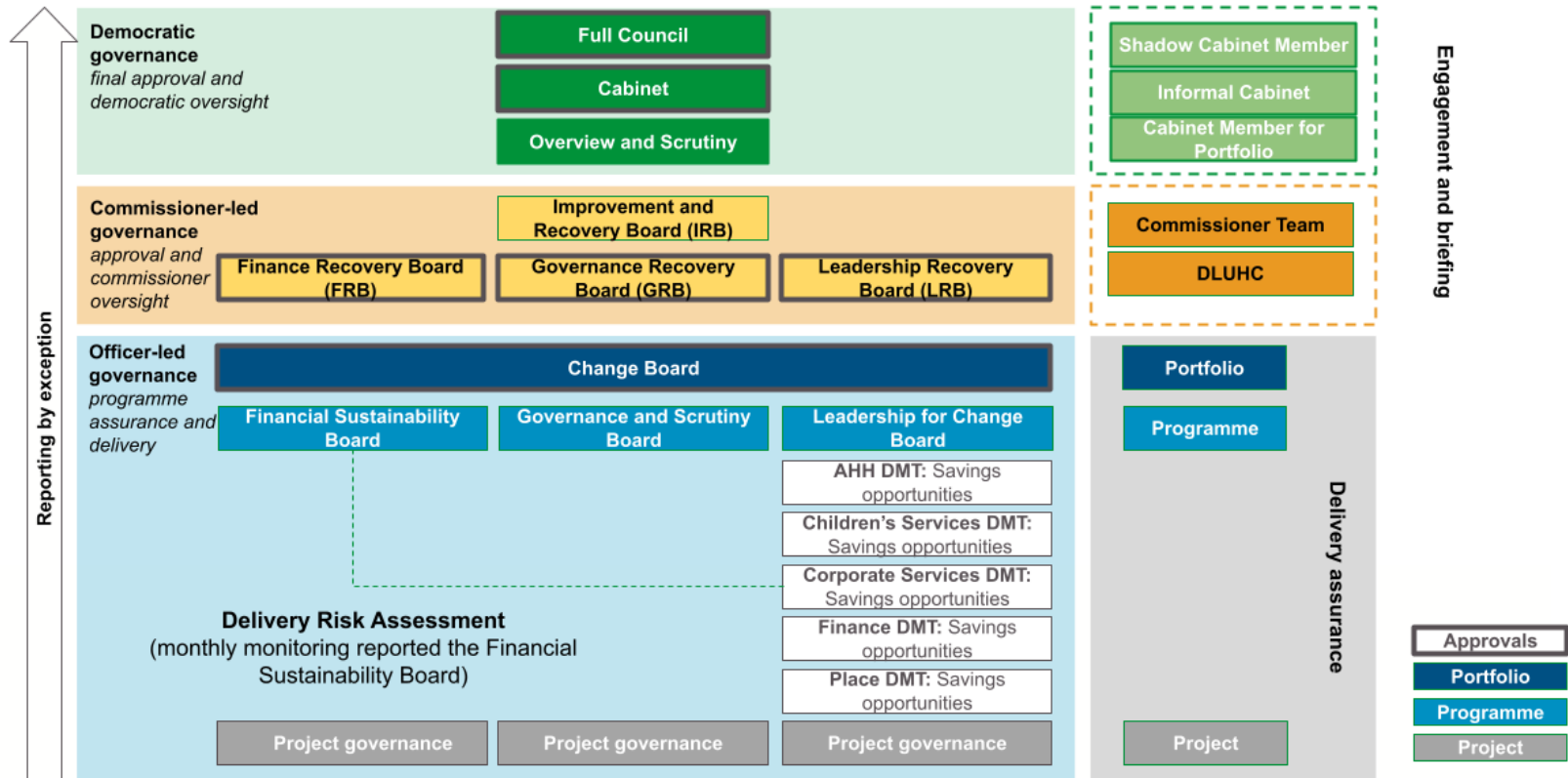
Internally how we are performing against challenging targets and change actions needs to be frequently and comprehensively understood, reported and communicated, particularly if a change action is at risk of not being implemented or delivered to time. This reporting needs to facilitate dynamic management conversations with teams and a repurposing of priorities. Responsiveness to change, adapting and re-prioritising will be fundamental qualities required. Members will be required to make decisions and adapt priorities but will need to build a relationship with officers that enables them to be clearly informed of risks and options so that they are able to make measured and thoughtful decisions.

Externally, as part of our commitment to be more transparent about our actions to meet the requirements of the Directions and exit the current intervention phase, we have committed to being more open. In parallel to the development of our revised Improvement and Recovery Plan and our Corporate Plan we are developing a detailed Communication Strategy which will be comprehensive in our approaches. Beyond the period of intervention as we strive to continue to improve and be a high performing, well-led and governed Council, we will continue to place a renewed emphasis on communication, partnerships and engagement so that we are active in demonstrating and living our committed to a new purpose and direction as an enabling Council, well connected with its residents, businesses, communities and partners.

8.1 Governance

To ensure oversight of the priorities in this plan a governance structure is proposed that illustrates the Member-led governance, the Commissioner-led governance and the officer-led governance of the wider programme of change. The roles and responsibilities of each element of this governance structure is documented in an emerging and detailed Change Programme Governance Handbook. The governance of the plan and assessment of whether the Council is rising to the challenge of meeting its best value responsibilities, is part of a broader and more comprehensive change programme.

The diagram below outlines the respective governance layers for the plan and the change programme at officer, Commissioner and Member levels and the flow of information/reporting between them.



The Improvement and Recovery Board is a commissioner-led governance body which oversees the delivery of the entire Improvement and Recovery Plan, with the Financial Recovery Board and Governance Recovery Board focussing on finance and governance aspects respectively. With respect to the Change Programme, it reviews the overall progress of the delivery of the Improvement and Recovery Plan across the three Priorities, based on reporting by exception highlighting any significant changes across the programme relating to scope, budget, timeframes, benefits, as well as key risks or issues. The Improvement and

Recovery Board will review all proposals and business cases that have been approved by the Financial Recovery Board, Governance Recovery Board, and Leadership Recovery Board before they are recommended to Cabinet.

8.2 Reporting

One of the challenges for Members and Commissioners is receiving a proportionate yet insightful levels of information regarding performance and risks to achieving the scale of change that was planned. Reporting will be led by the newly created Programme and Project Management Office in the Change Team and will use the existing 'Project Book' system to capture workstream / project level updates, which will feed the change programme reporting solution (PowerBI) to collate the Programme information. This will produce a visual review of progress and performance for review and discussion at the various governance forums.

Reporting of progress against the plan will be more dynamic, with most of the governance boards having access to live data as opposed to static reporting, this enables discussion and decision making to have the most accurate information to assess progress and to make decisions about changes or corrective actions.

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25 October 2023	ITEM: 12
Council	
Financial Strategy Update	
Wards and communities affected: All	Key Decision: None
Report of: Cllr Graham Snell, Portfolio Holder for Finance, HR and Payroll	
Accountable Assistant Director: Jonathan Wilson, AD - Finance	
Accountable Director: Steven Mair, Interim Chief Finance Officer	

1 EXECUTIVE SUMMARY

1.1 The report focuses on three areas:

- financial strategy
- divestment of the previous investments
- other financial management initiatives

1.2 The financial strategy aims to:

- sell £1.035bn of **investments** to the fullest extent possible and pay down debt and in doing so ensure the governance, project management, budgetary control etc of this programme of work is properly undertaken
- generate at least £150m of **capital receipts** and pay down debt. This is under review and will be updated in subsequent reports
- reduce reliance on borrowing to fund GF **capital programme** to avoid increasing debt and improve its capital strategy.
- save a further £1m in the 2023/4 **revenue budget** to comply with the Commissioners comment in the 2023/24 budget report.
- save **£18.2m from the revenue budget** for next 2 years and a further £13.65m 7.5%, for each of the following 3 years. This may change over time
- review and improve its **treasury management strategy and MRP policy** and currently assumed budget for MRP.
- review and revise the Council's **finance structure, culture and improvement plans** addressing capacity and skills assessment and development which will develop the service.
- review the Council's **risk management** processes and improve them.
- design and implement a range of improvements to deal with **compliance** with all necessary rules, regulations, delegations, governance of the commercial portfolio and
- a number of further **financial management improvements**

1.3 The divestments workstreams encompass 14 investments covering £1.035bn of original investments of which the 5 major ones are currently in progress and the Council aims to have divested or have underway the divestment of 93% of the Council's investment portfolio by 31 March 2024. The balance of 7% is currently being planned.

1.4 The work involved in this is very complex and is dealing with a number of issues:

- two of the divestments are effectively outside of the Council's control – Toucan and JLG/JCF as these are companies in administration with court appointed administrators
- the others are and will be actioned by the Council
- governance of the work is developing as is project management
- performance monitoring of investments is identified and will improve
- likewise budget management of the related fees and costs
- litigation options are being explored and appropriately actioned

1.5 The other financial management initiatives encompass:

- disposing of capital assets to generate capital receipts – currently estimated at £150m over 5 years. This is under review and will be updated in subsequent reports
- very significantly reducing the general fund financed capital programme focussing on essential and statutory requirements – underway
- strengthening of governance over the capital programme with strengthened reporting of the financial position, forecasting and risk
- £18.2m of revenue savings in 2024/25 and beyond along with improvements to the revenue budget process, timing, consultation, rigour etc
- changes to related budget preparation ie DSG, HRA, treasury management
- a review of MRP
- a restructure of the finance service including change and culture as well as technical, capacity and skills assessment and development
- planned improvements in risk management and compliance
- a range of further enhancements in revenues and benefits
- likewise in preparation of accounts beyond 2021/22
- a review of the Council's financial modelling, financial implications, business partnering, internal audit among others

2 RECOMMENDATIONS

2.1 It is recommended that Council

- i) notes the progress on the investment recovery and divestment strategy
- ii) notes the progress being made on the other financial actions
- iii) notes the urgent ED2 decisions made to date
- iv) notes the continued use of necessary advisors as required until completion of work associated with divestment of and recovery of value of investments including the conduct of litigation, subject to the review of the programme currently being undertaken by the Council's officers to be reported to Cabinet in November 2023 and the Leader, Finance PFH, Chief Executive and Commissioners being consulted before advisors are instructed on new work streams
- v) notes that the each council Director involved in delivering the strategy is in consultation with the Leader, Finance Portfolio Holder the Section 151 officer, the Monitoring Officer (where the Director does not fulfil one of those roles) and Commissioners is authorised within their professional area to:
 - (a) subject to recommendation 2.1 iv), to procure and appoint the advisors using the most expeditious and efficient procurement process which is lawfully available under the Public Contract Regulations 2015 and that the financial thresholds in the Council's Contract Procedure Rules are waived for this purpose; and
 - (b) to take all action necessary (within appropriate budgets) to ensure the implementation of the Council's recovery strategy if timescales do not allow for a report to Cabinet as long as a full update is provided at the next available Cabinet meeting.
- vi) notes the Director of Law and Governance is authorised to the commence legal proceedings for potential claims where there is a supportive advice from a King's Counsel together with any associated action after consultation with the Leader Chief Executive, Section 151 Officer and Commissioner subject to reports on progress being brought to Cabinet.
- vii) notes the Section 151 Officer in consultation with the Leader and Portfolio Holder, the Monitoring Officer and Commissioners is given delegated authority to take all action necessary to implement the divestment strategy where a divestment meets the criteria set out in the Direction subject to reports on progress being made to members.
- viii) notes that the main objective is to reduce the Council's exposure to financial risk by delivering a divestment strategy that optimises (sums and timing) receipts to repay the borrowings as long as doing so .secures best value using its criteria set out in this report

- ix) notes an indicative hurdle rate of 12% (i.e., 7% PWLB rate and 5% MRP) is set for investment yield / return, with anything yielding less being put forward for sale, subject to the detail of the individual investment, the Council's contractual obligations and the ability to deliver value for money
- x) notes and agrees the review of the programme as set out in paragraph 4.70 and requests regular reports back to Cabinet on progress on the financial strategy

COMMISSIONER COMMENTS

The report sets out the financial strategy, as overseen by the Financial Recovery Board put in place as a result of the directions. On 2 September 2022 the former Secretary of State announced that after due consideration he was using his powers under the Local Government Act 1999 to intervene at the council, given the great concerns about the scale of the financial and commercial risks potentially facing Thurrock Council. This included directions requiring a strict debt reduction plan and action to ensure that the investment and treasury strategies are sustainable and affordable.

As laid out in the report, Thurrock has made good progress made on the divestment strategy, supported by appropriately skilled advisors, with a clear action plan to divest of £1.035Bn of investments. There is also a clear plan for property asset disposal with a £150m disposal programme set out, noting that this figure is under review. These divestments will in turn will reduce the borrowing costs and support pay down of the debt – in accordance with the directions from the Secretary of State. The actual investment sales will proceed through 2023/4 and into future financial years. Commissioners will maintain a close overview on the delivery of the action plan through the Financial Recovery Board.

The broader financial strategy as set out from section 4 outlines the key components of the financial strategy. There are two important considerations that commissioners want to emphasise:

First, is that considerable savings are required. Looking ahead there are planned savings of £18.2m from the revenue budget for next 2 years (to 2024/25) and a further £13.65m 7.5% for the following 3 financial years. The most significant decisions lie ahead, whereby difficult choices around prioritisation and transformation will be required. Further reports will be coming to Cabinet later in 2023 to outline the choices as a precursor to the 2024/25 budget setting.

Secondly, as laid out in 3.10 and 4.139, the audit of accounts from 2020/21 remain outstanding; that is there are 3 years of open historic accounts. Until such a time as those accounts are finalised and opinions provided, there remains a risk around the full and accurate determination of the financial gap. The financial strategy is based on recovery of the financial position as understood and reported (most recently in the Quarter 1 report to the September Cabinet). There is an inherent risk that that position could change subject to finalisation and potentially any restatements arising

3 INTRODUCTION AND BACKGROUND

- 3.1 The purpose of this report is to provide Cabinet and Council with the first of a planned series of updates covering the financial work being undertaken in response to the very serious financial challenges the Council is facing. This includes responses to the recommendations from the Secretary of State and other improvement work generated by the Council.
- 3.2 The financial position of the Council is extremely challenging in terms of the scale of the financial impact, the time it will take the Council to recover from this and the range of issues to be dealt with. The position will undoubtedly regularly change and resolving all the known matters will take at least 5 years. A great deal of work has been undertaken and is planned to continue and develop further to improve the Council's financial position.
- 3.3 As part of this improvement journey the opportunity is being taken to develop a comprehensive update for Members, and other stakeholders as appropriate, on the Council's finances, processes etc. This report is intended to start the journey of providing holistic updates on the various financial issues the Council faces and how it is addressing these. It will be continually refined in the coming months as information is brought together, analysed, and assessed. This report is therefore a work in progress with some information currently being more developed than others. As this is the initial report this contains background information which will not be necessary in the future when the reports will focus more on updates on progress.
- 3.4 It should also be noted that the embedding of all of the work now being undertaken and developed will take some considerable time to fully implement. This combined with the related culture change and continuous improvement will continue to evolve.
- 3.5 This and future reports will enable the Council to demonstrate appropriate levels of transparency and information on progress towards financial recovery.
- 3.6 The report provides an update on the following specific issues:
- **financial strategy**
 - **divestments** including financial recoveries and potential litigation
 - **financial management actions/improvements**
 - capital receipts
 - capital programme
 - revenue budget
 - treasury management and MRP
 - finance structure
 - risk management
 - compliance
 - revenues and benefits
 - accounts
 - other financial improvements
 - the current forecast financial position of the Council in 2028/29.

- 3.7 Members will be aware of the Directions received from the Secretary of State which are set out in Appendix A and are elements of Part 1 of the Local Government Act 1999, combined with five specific actions. The Council is however also addressing other issues that will support the financial changes needed in the Council.
- 3.8 Members will also be aware of the current key financial challenges facing Thurrock which arose from:
- over-reliance on investment income to support revenue budgets - proportionality risk;
 - over investment in one solar/windfarm basket - investment concentration risk;
 - long-term investments funded by borrowing on temporary markets from other local authorities - interest risk;
 - very significantly inadequate budgeting for MRP - legality risk.
- 3.9 These issues crystallised adversely for the Council and resulted in the Secretary of State announcing intervention on the 2 September 2022 and the acting s151 officer issuing a s114 notice in December 2022 with the Council facing, as identified as of December 2022:
- a deficit in annual revenue investment income of £41.5m;
 - a collapse in asset values of investments;
 - inaccessibility to the short-term local authority borrowing market and rising interest rates resulting in the need to transfer £1.043bn to PWLB and interest rates rising from 0.5% to 5% at an increased annual cost of £28.3m in 2023/24;
 - a then estimated budget pressure of £116m to budget for MRP;
 - a potential long term capitalisation direction of £802m;
 - continual revenue budget deficits for the long-term duration of the MTFS.
- 3.10 The Council also received on 15 June 2023 the Best Value Inspection report which has been separately reported to Council and is not repeated here for that reason. Without pre-empting what the Council's external auditors may report in the future it is reasonable to assume they will make recommendations in respect of the accounts and possibly other matters. Regarding the former the current focus of work is finalising the 2020/21 accounts, while progressing preparation of the 2021/22 and 2022/23 accounts. Likely areas of comment arising from this will be identified and addressed by the Council from September 2023. Regarding these the ongoing work by the Council will assist with what the auditors may, or may not, also raise.

4 ISSUES, OPTIONS AND ANALYSIS

- 4.1 The issues are categorised within the report into the financial strategy, the main area of work which is the divestments and the improving financial management practices being undertaken.

Financial Strategy

- 4.2 The Council has a developing **financial strategy** designed to address the Secretary of State Directions and its underlying financial challenges. The fundamentals of this strategy are to:

Divestments

- sell £1.035bn of **investments** to the fullest extent possible and pay down debt and in doing so ensure the governance, project management, budgetary control etc of this programme of work is properly undertaken

Financial Management

- generate at least £150m of **capital receipts** and pay down debt. This is under review and will be updated in subsequent reports
- reduce reliance on borrowing to fund GF **capital programme** to avoid increasing debt and improve its capital strategy.
- save a further £1m in the 2023/4 **revenue budget** to comply with the Commissioners comment in the 2023/24 budget report.
- save **£18.2m from the revenue budget** for next 2 years and a further £13.65m 7.5% for the following 3 years. This may change over time
- review and improve its **treasury management strategy and MRP policy** and currently assumed budget for MRP.
- review and revise the Council's **finance structure, culture and improvement plans** addressing capacity and skills assessment and development which will develop the service.
- review the Council's **risk management** processes and improve them.
- design and implement a range of improvements to deal with **compliance** with all necessary rules, regulations, delegations, governance of the commercial portfolio and
- a number of further **financial management improvements**

Divestments

- 4.3 In recent years, the Council had built up a substantial investment portfolio, all funded by borrowing temporary loans from other local authorities. Not only is it necessary to divest from the investments to satisfy the Government Directions, but also because the costs of funding the portfolio have risen significantly in the past 18-24 months which combined with proper accounting for MRP means that most of the investments are no longer generating a positive yield for the Council. Furthermore, the medium-term interest rate forecasts indicate that rates are unlikely to reduce markedly in the medium-term. Consequently, it is logical to divest to reduce the financial risk associated with the portfolio. Notwithstanding this, the Council also needs to ensure that best value judgements are taken in respect of the disposal of each investment.
- 4.4 The Council's investment portfolio comprises 14 investments totalling £1.035 billion. To date the focus has been on disposing of the largest investments – Toucan and JLG, which collectively represent circa 75% of the Council's portfolio and therefore, the largest part of its exposure. These companies have been restructured and are currently in administration. Consequently, the divestment of these assets is following a predetermined process supported by the Council. In addition, the Council has commenced divesting from the CCLA Property Fund. The decision has been approved by ED2 but will take 6 months to crystallise following the call notice being issued to the fund – proceeds are expected end of January 2024. The £0.9m in the CCLA diversified fund has been received.
- 4.5 In addition, with Toucan and JLG, there are litigation routes available to the Council and the report includes updates below.
- 4.6 A further 7% of the investments are currently under active review with divestment analysis and options planning underway. Therefore, the Council aims to have divested or have underway the divestment for 93% of the Council's investment portfolio by 31 March 2024.
- 4.7 That will then leave a small proportion of smaller investments, totalling circa 7% or £67.6m where assessments will need to be undertaken and the Council's options as well as strategy planned out.
- 4.8 The recoveries shown below do not include any monies that could be claimed via litigation. Workstreams are ongoing and claims need to be fully assessed, along with the costs of litigation.
- 4.9 There are a number of **overarching issues** with the divestments programme:
- firstly, while highly implicit in Council reports and under Government Direction the Council should take a formal explicit decision on the overall aims/intention of the divestment programme.
 - secondly to seek to make progress on the divestments there have been 4 confidential urgent decisions made since September 2022. These currently remain confidential. The aim from this and subsequent Cabinet meetings is to make Cabinet aware of the progress on the

divestments and “regularise” i.e., seek Cabinet approval for the four divestment decisions to date, along with current advisor appointments. As far as possible future decisions will either be made formally under delegated powers, if agreed by Cabinet under this report, and then with retrospective updates to the next Cabinet meeting or at Cabinet if time allows. The confidential urgent decisions will be released publicly as soon as possible

- thirdly as reflected in the Best Value Inspectors Report (BVIR) the governance processes generally at Thurrock were not always well developed. It has taken time to put in place the full governance required for the major programme of divestments which has been developed to date with Commissioners, but as set out in this report that governance process is now developing further. Likewise, there is an emerging focus on project management which is similarly being developed
- fourthly any future investments and those still operating during the current sales process must have regular performance reporting which is to be developed in the Autumn and will include reporting to the Member Panel as well as Cabinet
- fifthly the recovery of funds is clearly fundamental to the Council’s financial recovery and where funds have been so far recovered, they are set out in paragraph 4.26, and Cabinet will be updated as and when matters are developed further
- sixthly, given the material quantum of the advisors fees, work is ongoing to provide additional assurance about the original procurements and to improve budget management and cost control
- finally, it is important that the Council begins to develop good and commercially sensitive visibility of upcoming divestment decisions to the end of the 2023/24 financial year, which should see a significant proportion of the financial investment portfolio realised and used to repay Council borrowing. Future work is being planned and will be reported in more detail to subsequent meetings

Decision to Divest

- 4.10 The Government Direction states that there should be a “strict debt reduction plan” and various reports of the Council refer to this matter and it is clear that in considering matters related to **divestment**, there is an implicit acknowledgement that the Council is pursuing a divestment strategy. However, the decisions taken by the Full Council, the Cabinet and the Corporate Overview and Scrutiny Committee were “passive” decisions. For example, in relation to the Treasury Management Strategy 2023/24 to “Note the divestment of investments and the sale of property assets are required to repay the Exceptional Financial Support from DLUHC and this is a key assumption supporting the strategy.
- 4.11 Regarding the way divestment decisions should be taken it is imperative that these decisions achieve best value and the Council likewise agree to this. Best value is assessed by comparing the gross return (i.e. distributions/interest and changes in market value) from the investment

against the cost of financing the investment (i.e. interest plus MRP where applicable).

- 4.12 The majority of the investment portfolio meets the statutory definition of capital expenditure and should have had MRP charged. The CCLA Property Fund and some of the solar farm investments do not meet the statutory definition of capital expenditure, but were nonetheless financed from borrowing, and therefore require the accounts to be restated:
- in the case of the CCLA Property Fund this is being redeemed in 2023/24 and the proceeds applied to reduce borrowing.
 - in the case of expenditure on the solar farms where the expenditure does not meet the statutory definition of capital expenditure, the investment will be reclassified but also because there is no asset to support the “investment”, this will have to be impaired as it is irrecoverable. This will result in an unbudgeted revenue expense which is currently being reviewed and assessed.
- 4.13 The MRP on both the capital investments and the Capitalisation Direction is at least 5%. Interest rate costs are now running at c. 7%. Consequently, the overall cost of holding the investments is at least 12%. In all cases investment returns are below 12% or expected to be so given current known information. Therefore, even where there were regular Local Government Treasury Management operations an authority would look to divest of those “loss making” investments providing that there is no significant financial downside to the divestments or repaying the borrowings.
- 4.14 The actual interest and MRP percentages may vary depending on the useful life of the asset and the actual interest rate at a point in time, however as a guide 12% is a reasonable indicator which will be refined for each specific instance.
- 4.15 Thus it is recommended that an indicative hurdle rate of 12% (i.e., 7% PWLB rate and 5% MRP) is set for investment yield / return, with anything yielding less being put forward for sale, subject to the detail of the individual investment, the Council’s contractual obligations and the ability to manage any associated risk.
- 4.16 In addition, the Council did not have the skills or capacity to manage these investments when it first entered into them, which is contrary to the Statutory Guidance on Local Government Investments and its status as a MiFID II professional investor. Furthermore, it is only currently able to manage the current portfolio with substantial external advisory support.
- 4.17 To recognise and address this it is recommended that the Council confirms the following objective.

The main objective is to optimise (sums and timing) of the receipts and recover as much of the investment amounts the Council have made, to repay the borrowings as long as doing so secures best value using and demonstrating its criteria set out in this report.

Decisions to Date

- 4.18 The **4 decisions** taken to date which are consistent with the action required under the Direction are summarised below with the original ED2 reports attached as Appendices E to H:
- entering into a restructuring transaction in relation to Pure World Energy was agreed with the Council taking ownership of the company. Cabinet agreed the appointment of independent Non-Executive Directors
 - support was given for Toucan Energy Holdings 1 (the1) Limited to place the company into administration with an administrator being appointed. Support was not given to signing a term sheet confirming its position in respect of the bond documents, and agreeing to the terms of restructuring provided by TEH1's lawyers.
 - a decision was taken to serve notice on Shard Capital and Shard Credit to terminate the Relationship Agreement and request the return of the monies on account as soon as possible
 - a decision was taken to divest of the £103m investment in the CCLA Property Fund and divest of the investment of £1m in the CCLA Diversified Income Fund
- 4.19 The intention should be to publish these papers as soon as circumstances allow is as public documents once commercial considerations are past or using the Council's "pink papers" process in the meantime. This starts to be addressed through this report

Governance

- 4.20 The emerging governance of the divestment programme is as follows:
- Officer Investment Meeting (OIM), Investment Advisory Panel (IAP), Financial Recovery Board (FRB) and Improvement and Recovery Board (IRB). These in turn feed into Cabinet, Council, Commissioners. Both the OIM and IAP replaces the previous Strategic Investment Advisory Group (SIAG)
 - The OIM (which first met in May 2023) is required to oversee the recovery work on the Council's Investment Strategy and to report as necessary
 - the IAP (which will first meet in September 2023) will monitor the financial position of the Council's investments (both financial and property) and borrowings and make recommendations to the Leader /Council. In addition, it should receive regular reports on the performance of the Council's investments, review the Council's Treasury Management and investment strategies, review new

investment decisions, receive regular reports and review the performance, effectiveness and efficiency of the Council's income generating and sold services, receive reports on and review the Councils disposal programme and make and review the performance of the Council's property assets, making recommendations. This work is being developed and will progress from September

- note, neither the OIM nor the IAP are decision making settings. Instead, OIM can make recommendations to IAP and then IAP can make recommendations to officers as well as the Leader and Cabinet. Meanwhile, certain actions can be progressed under delegated powers, but it will be important to communicate what actions have been progressed through these governance arrangements

4.21 Governance will continue to be developed as is seen through this report.

Performance Monitoring

4.22 There was very limited investment portfolio monitoring and reporting back to Members, despite the size of the Council's investment portfolio (just over £1billion) being equivalent to a London borough pension fund for which regular (i.e. quarterly) investment performance monitoring against benchmark performance measures is a requirement together with independent investment advice. In contrast there was no such detailed performance monitoring or independent investment advice sought or provided. This is now being addressed

4.23 CIPFA's Prudential Code 2021 edition introduced the requirement for performance against the prudential indicators to be reported to Members quarterly with effect from 1 April 2023. However, because of the size of the portfolio, this should have been happening in any case just as a matter of good practice. To comply with the Prudential Code 2021 edition, quarterly monitoring of both treasury (including the debt reduction strategy) and investment activities (including divestment) will commence with the quarterly position as at 30 June 2023

Progress in Divestments

Summary

4.24 The current work in progress on recovery of funds is show below, at an overall level the Council is progressing as shown.

In process of divestment	86% of portfolio (4 investments)
Under divestment review	7% of portfolio (2 investments)
Options/divestment analysis underway	3% of portfolio (2 investments)
Preliminary reviews underway	4% of portfolio (5 investments)
Restructured / recovered to date	one investment / circa £30 million.

4.25 It is important to note that the Council has some tail positions where there is no ability within the existing terms to divest till the maturity of the investment, which may be several years out. In the context of the Council's portfolio, they also represent a much smaller residual exposure once the above key

positions have all been worked through. Analysis and divestment options will be prepared for each of the remaining tail investments in order of materiality over September and October 2023

- 4.26 The potential long term estimated financial recoveries remain under review. In the shorter term the following funds have been or should be received by 30 September 2023:

Table 1

Investment	Expected funds £m	Explanation
Toucan	38.0	Cash distributions from TEH1 (estimated)
Pure World Energy (PWE)	11.0	Repayment of funds and distribution
Shard	10.0	Cash returned following end of relationship agreement
Just Loans Group (JLG) / Just Cash Flow (JCF)	5.8	Cash from ongoing distributions
CCLA	0.9	Cash from redemption of Diversified Income Fund
Total	65.7	

Toucan Energy Holdings 1 Ltd (TEH1)

- 4.27 Regarding the specific divestments the administration of the Toucan Energy Holdings 1 (TEH1) investment is the most significant divestment and background; process and estimated timescales are set out below.
- 4.28 TEH1’s director, Nicholas Pike, resolved to appoint administrators to the Company, having previously received a valuation of Toucan’s solar portfolio which demonstrated that TEH1’s liabilities exceeded its assets. Interpath Advisory were appointed administrators on 10 November 2022. An administrator is an officer of the UK High Court.
- 4.29 In an administration, the running of an insolvent company's affairs, business and property are managed by an administrator, who is a licensed insolvency practitioner. The powers and duties of administrators are set out in the Insolvency Act 1986.
- 4.30 The administrators’ main objective is to realise assets and distribute net realisations to creditors – in this case this is currently understood to be the Council and HMRC.
- 4.31 In TEH1’s case, the Joint Administrators have developed a strategy, on which they have consulted with Thurrock as TEH1’s main creditor and worked with the Council’s advisors, which involves creating a stable platform to seek to ensure the underlying subsidiaries and assets continue their day-to-day operations on a “business as usual” basis.
- 4.32 This has included:

- complying with the statutory and regulatory requirements of an administration, including establishing the claims of creditors, in particular Thurrock in its position as bondholder;
- preparing the Company's solar portfolio for sale and bringing the assets to market in a full suite Mergers and Acquisitions (M&A) process. Given the sale values envisaged and discussions with the top tier of UK and international renewables investors, this has included a full suite of technical due diligence, commercial diligence, legal diligence, financial and tax diligence, and obtaining indicative new debt funding at asset level. All this work is aimed at enabling buyers to bid full value with confidence concerning the underlying assets;
- undertaking a group reorganisation to create a clean, clear transaction perimeter to support value maximisation in the mergers and acquisitions process;
- investigating certain historic transactions to establish whether any claims can be brought by either TEH1, or associated Toucan companies. The Council and Interpath will, as this work develops, agree on the priority and relative merits and strength of each parties claims.

4.33 Interpath are assisted in this by:

- the financial advisor on the M&A process - KPMG LLP.
- the legal advisors are Herbert Smith Freehills LLP and Linklaters LLP.
- the other advisors to the M&A process are:
 - ✓ the Natural Power Consultants Ltd – technical due diligence on the solar assets.
 - ✓ Cornwall Insight Limited – commercial due diligence on the solar assets.
 - ✓ Interpath Limited – financial vendor assist, tax vendor assist and debt advisory.
 - ✓ Aon plc – insurance due diligence and Warranty & Indemnity broker support.

4.34 The current actual and planned timetable to completion, which is subject to change is:

- appointment of Interpath and advisors – November/December 2022
- preparation of sales process and materials – November 2022 to May 2023
- Toucan marketed 31 May 2023
- round one offers – July 2023
- phase 2 launch and phase 2 due diligence and bids – August 2023 to October 2023
- completion – estimated – by end of November 2023

4.35 The sales process currently remains on track per the timetable above.

4.36 Phase 1 non-binding offers were due in July and have been received.

- 4.37 The Council's advisors and the administrators are currently working with bidders to understand the details of the bids, gain an understanding of proof of funding from the leading bidders, as well as evaluating the structure of the bids from a financial and timing perspective.
- 4.38 The preferred bidders will be taken to phase 2, with a targeted transaction date of mid-November 2023. Careful risk management of the process and the second round of detailed due diligence will support delivery against the timetable above.
- 4.39 Alongside this, Interpath, in conjunction with the Council's advisors, have agreed the status of the Council's bonds to ensure net sales proceeds will flow to the Council with minimal complications.
- 4.40 The Council's advisors have also been consulting with the administrators to implement frameworks to receive distributions swiftly. The administrators have now confirmed that the Council can expect to receive circa £15m in the coming weeks, with a further £23m to follow shortly thereafter, less administration costs. The administrators have also acknowledged the significant help of the Council's previous work and advisors in speeding up the administration and sales of the assets.
- 4.41 Assuming a smooth sales process, the Council is expected to receive the vast majority of the net sales proceeds before the end of 2023.
- 4.42 Another source of recoveries is the litigation workstream. It is expected that any recovery from claims will take some time. The Council will also need to decide which claims it wishes to pursue in the first instance, given the common pool of assets being targeted. The Council will therefore undertake cost-benefit analysis to determine those claims with the strongest chances of success and ensure that these are pursued in the first instance. In the interim, steps have been taken to limit the dissipation of assets while the Council evaluates its claims.

CCLA Property Fund and Diversified Income Fund

- 4.43 The Council has exposure to two pooled funds run by **CCLA** (Churches, Charities and Local Authorities) Investment Management Limited, a well-known investment manager for local authorities. The majority of the exposure – an original investment of £103m – is to the CCLA Local Authorities' Property Fund (LAPF), which invests into a long-term, actively managed, and diversified portfolio of UK commercial property. There is also a small exposure of £1m (original investment) to the Diversified Income Fund, which looks to generate an income-focused return through a diversified actively managed portfolio of stocks, bonds, cash, and infrastructure assets in the main.
- 4.44 As of July 2023, the £103m is now valued at £96.3m, representing a loss of £6.7m. Disposal of this investment is a simple notification by the Council to the fund which has now been approved via an ED2 agreed but will take 6 months from end August in line with the Fund's redemption terms.
- 4.45 CCLA have confirmed that they have maintained significant cash in the fund, giving comfort that the redemption notice period should be met.

- 4.46 The Council has prepared the forms and submitted them on 28th July.
- 4.47 Regarding the Diversified Income Fund, redemption terms and process have been collated, with the redemption due to be submitted in August. The proceeds have been received.

Shard Credit Fund

- 4.48 **Shard** is a private credit fund, which makes loans to medium-sized companies. The Council invested in both the fund as well as co-invested alongside Shard to make loans to specific companies. £10m has been divested to date from the original exposure of £24.3m. Further analysis is underway on the remaining positions and will be complete by end of September 2023. This is a more complex position comprising loans to private companies, so the Council will need to examine the positions and potentially negotiate these individually to exit the arrangements in place.

Pure World Energy Ltd (PWE)

- 4.49 **PWE** is a company supplying heat pumps to council-owned leisure centres in the main which the Council invested £30m in. It has since been restructured after an options-based appraisal by Council. The majority of debt was converted to equity and £2m of senior debt retained currently. £10m has been recovered in cash and £1m of debt repaid to date. The Council's intention is to retain its exposure in the restructured company, as it develops its business further, subject to an ongoing and regular prudent assessment of risks. Under recommendation from the Council, to meet governance objectives, PWE are in the process of appointing two non-executive directors ("NEDs") to the board of PWE.

Just Loans Group (JLG) and Just Cash Flow (JCF)

- 4.50 The Council has several bond investments totalling £93.6m in **Just Loans Group (JLG) and Just Cash Flow (JCF)**, affiliated companies which make loans to UK SMEs. Most of the loans are small, with the average loan size being circa £60,000, but there are also a number of larger loans above £1m. JLG defaulted on one bond tranche in May 2021 and subsequent investigation revealed wider issues within the group and concerns for the Council's investments. Given the fundamental nature of the risks, significant work was undertaken by the Council and its advisors to stabilise the Group and prevent a disorderly collapse, which would have been more financially damaging for the Council. A restructuring and insolvency process was undertaken and the loans are currently being serviced and recovered by the administrator and an external servicer.
- 4.51 Assuming a smooth runoff process, the Council is expected to receive net recoveries of £31.5m over the next two years. Part of this has already begun to come through, with the Council having received £5.8m to date, with work underway to release up to a further £1.5m

4.52 Another source of recoveries is the litigation workstream. It is expected that any recovery from claims will take at least 1-2 years.

Wind Farms.

4.53 The Council has invested in two **wind farms** which are both illiquid private investments. If the Council wishes to exit these, it would need to sell the positions to a third party.

4.54 The Council's advisors have been analysing the assets as well as mapping out options for the Council and key dependencies.

4.55 Currently, both wind farms appear to be performing well. Following assessment, the Council will complete its best value assessment and then instruct appropriate parties to run a sales process.

4.56 Following this, a detailed options appraisal will be prepared, evaluating the offers received against the Council's reserve exit price and against holding the position longer-term.

Safe as Houses (SAH)

4.57 The Council has a loan to **Safe as Houses (SAH)**, a provider of care homes, assisted living accommodation and sheltered housing to local authorities. The Council's advisors have been in correspondence with SAH to gather information on the financial state of the business. A Non-Disclosure Agreement (NDA) has been agreed to gain further information.

4.58 The bond is due to be repaid at the end of 2023, so the aim is to ensure everything is in place and to also understand the redemption process.

4.59 For the remaining tail investments, preliminary analysis, and information gathering is underway. The goal is to undertake preliminary analysis in the next 2-3 months with full options analysis being completed by the end of the year. A process has been agreed for all positions, which will comprise the following:

- preliminary review: initial assessment, views on liquidity availability and options being explored. Interim updates will be provided, with positions worked through in an orderly fashion in order of materiality
- post initial assessment, officers will decide on priorities and areas of focus, and authorise work to be progressed on options. They will also identify any decisions and map out timelines, governance, and review requirements. Lastly, they will ascertain any impacts on divestment timelines and wider considerations, e.g., borrowings / MRP
- in advance of decisions, a detailed analysis will be prepared examining options; assessment of position value; contractual obligations / limitations; any early divestment options; and recommendations for next steps

- decision options will then be presented to members and the chosen options will then be implemented.

Procurement and Financial Costs/Budgets/Project Management and Financial Implications

- 4.60 The divestment strategy being pursued by the Council involves complex financial and legal issues and it has been vital that the Council is in receipt of high-quality and relevant financial and legal advice to support decision-making. The complexity of the investments and remediation work undertaken has been significant and is both a function of the size of the assets as well as deeper underlying issues that were uncovered, which required significant resources to remedy. For example, in the case of Toucan, legal uncertainties as well as the opacity of cashflows and the use of the Council's proceeds necessitated significant work on valuations, forensic investigations, tracing of assets, resolution of complex financial structures and deep dive due diligence. Similarly, in the case of JLG, the complexity of the loan book coupled with multiple creditors and poor management required significant analysis, restructuring of the company, resolution of identified security issues and implementation of controls.
- 4.61 In addition, the administration of Toucan and JLG/JCF means significant administrator and external advisor costs are being incurred in progressing these administrations to satisfactory completion.
- 4.62 The total advisor costs including the administrators' direct costs, administrators' advisor costs and the Council's own advisor costs as at July 2023 are estimated at £17.4m to date with forecast additional costs of £29.1m as set out in Table 2. These costs are under review and may change. Depending on the specifics of the investigations and legal actions undertaken by the Council and the administrators, these costs may be smaller or larger, though the Council will conduct cost-benefit analysis to understand all costs and limit extraneous costs.
- 4.63 As summarised in Table 2 below, the current estimated total costs of disposing of the Council's investment portfolio is currently estimated to be c. £46.5m. Regulation 23(h) of the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 permits the directly attributable costs of the disposal of General Fund assets to be met from capital receipts to a maximum of 4% of the capital receipt. The estimated maximum fees which could be offset against capital receipts would be circa £36m, which would mean that circa £10m would be chargeable to the General Fund. Funding of this will be finalised once the actual receipts in this financial year are known.
- 4.64 Since the commencement of the recovery programme work has been ongoing in various areas as advised by the Council's advisors:
- there have been cost savings to date vs original quotes and budgets, particularly on the Toucan administration, which is the largest part of the portfolio. Efforts to understand and manage costs are ongoing with all positions, as they move into recovery or divestment;

- the work noted in paragraphs 4.60 has resulted in an improvement in the recovery positions. For example, without the work undertaken on Toucan, the Council's losses at maturity of the position in a few years could have been much higher, while the recoveries on JLG might have been *de minimis*. In contrast, today the loss on Toucan has been reduced while recoveries on JLG are now £31.5m, both net of costs, representing a much better outcome for the Council, notwithstanding the absolute losses;
- the Council's advisors have undertaken cost measures on its largest exposure, Toucan, such as negotiating the administrators' fee rates down, negotiating down the base M&A advisor fee and capping it, and capping the debt advisory fees. These savings in total amount to £4.4m (excluding VAT) vs the original proposals for the Toucan administration and represent a direct cost avoidance to the Council;
- additionally, where possible, the Council has made available the work undertaken by its own advisors to the companies and administrators. This has prevented duplication of efforts, removed costs that might have otherwise been charged and critically, aided the efficiency of resolution and distribution;
- following the service of the Section 114 notice business cases were prepared to justify continuing expenditure.

4.65 Lastly, it is important to differentiate between the relative cost profiles of Toucan and JLG. The complexities of JLG are that there are multiple creditors with a multiplicity of vehicles that provided funding to the group, necessitating more complex negotiations and structuring; has severe gaps in security, systems and documentation that have needed to be rectified; makes SME loans and has a large portfolio of over 1500 loans with significant delinquency and default issues within the portfolio. The size of the portfolio and the need to have adequate monitoring as well as servicing in place means that the resources required to run the company, its embedded costs such as credit agencies, and to recover delinquent loans are significant.

4.66 Totals are shown in Table 2 below:

Table 2

		Cumulative spend £m	Forecast £m	Total £m
<u>Toucan disposal</u>				
Cost of Toucan Administration		13.4	11.3	24.7
Council advisors		1.2	1.7	2.9
Total	A	14.6	13.0	27.6
<u>JLG disposal</u>				
Cost of JLG Administration		0.0	11.8	11.8
Council advisors		2.3	3.4	5.7
Total	B	2.3	15.2	17.5
Remaining investments	C	0.5	0.9	1.4
Total forecast fees	C= A+B+C	17.4	29.1	46.5

- 4.67 The fees to date have recently increased by £5.7m, due to additional administration costs incurred on Toucan. In addition, the administrator of Toucan has indicated that following an analysis of the VAT position for the company, a greater overall economic benefit position has been calculated and notified to HMRC.
- 4.68 The forecast fees have increased (they were previously £24.2m - £27.7m). This is due to the Council now having received forecasts for the Toucan administration through to the end of 2024, compared with through to the end September 2023 only previously. In addition, the final costs are dependent on the legal options explored by the Council.
- 4.69 In order to ensure enhanced management of the programme council officers are undertaking a review of processes now in place which will cover:
- a recurring process to record and verify advisor fees. This is a developing piece of work and will be reported to Cabinet in future;
 - the scope of advisor work will be kept under close review going forward, as there is potential for duplication, and will likewise be reported to Cabinet in future;
 - budget monitoring is being enhanced utilising the recording noted above and regular checking, processing and reporting of these costs;
 - cost challenging is being reviewed and also further developed for the future;
 - project management of a programme of this size is absolutely essential and the Council, is beginning to develop this which includes ownership of the programme by the Council fully supported by advisors, forward planning, the use of action trackers to monitor and review progress, proactive determination and promotion of the Council's requirements, minuted progress meetings etc. Work on this has been developing and

is now being further developed to become fully functional with a comprehensive audit trail supported by underlying records;

- as noted in paragraphs 4.11 to 4.15 best value decisions are essential and they are being reviewed in light of the hurdle rate now established along with the review of MRP.

Potential Litigation

- 4.70 The Council is very mindful of the responsibilities of those outside of the Council for the situation the Council finds itself in and proactive work is being instigated in respect of individuals and organisations who may not have met the standards expected of them.
- 4.71 Fuller details are shown in Appendix B.
- 4.72 Where opportunities present themselves to make additional recoveries through litigation all necessary action will be taken subject to securing the necessary legal advice on the merits of a potential claim and the undertaking of a cost benefit analysis.

Financial Management

Capital Receipts

- 4.73 As part of the improvement and recovery plan there is a strategy to dispose of £150m of Real Estate Assets to provide capital receipts over a 5-year period to assist to reduce debt. This is under review and will be updated in subsequent reports
- 4.74 This strategy was set out initially in a Commissioners and Directors Board Report of 22/11/2022 and has subsequently been implemented. The proposed approach to disposals was also noted as part of the Treasury Management Strategy approved in March 2023.
- 4.75 This strategy involved setting up a dedicated interim team of surveyors and lawyers in February 2023 to focus exclusively on this, and to engage commercial agents, auctioneers, and property consultants as appropriate to market and sell the properties. The report estimated in addition to the interim resource, a range of 3% -5% of the proceeds should be assumed for legal, agents, and valuation fees, being external support through frameworks.
- 4.76 The Asset Disposals Team was set up in February and March 2023 and continues the ongoing work, of reviewing and appraising properties within the

team, and consulting the legal team, other service areas, and commercial agents. This includes both legal and property due diligence that is essential for effective disposals.

- 4.77 The initial target of £30m of capital receipts for 2023/24 has been increased to £42m following work by the Asset Disposals Team.
- 4.78 The separate Asset Disposals Paper elsewhere on this agenda sets out a tranche of properties for disposal for approval in Cabinet of 13th September, this totals c. £23 million of additional forecast receipts giving a current potential 2023/24 total of £53 million (see below), which allows a buffer for delayed real estate transactions whilst still meeting the £42m target.
- 4.79 This includes 15 properties with prior Cabinet disposal approvals that are currently in the hands of agents with estimated anticipated sale receipts of around £30 million in the current financial year. There are offers and negotiations in hand on around £9.5 million of these at present. Exchange of contracts is expected in September on these transactions with completions in October.
- 4.80 The team has commenced due diligence on the next tranche of properties for November Cabinet approval. The focus again is on properties that can be quickly sold on a straightforward basis for good capital receipts.
- 4.81 The Avison Young (AY) Market Review of 250 properties was received in two phases in June and July 2023. This provides independent advice on forecast sales receipts for the properties and underpins the targets for 2023/24 both in terms of the likely capital receipts to be generated and deliverability.
- 4.82 The AY Report will inform a more accurate overall figure of the possible magnitude over 2024/25 and for the subsequent three financial years. The Asset Disposals Team is now conducting essential work analysing this to provide an up-to-date detailed programme of capital receipts forecasts for the future financial years and we will report further on this in October 2023.
- 4.83 In order to continue to deliver the agreed programme effectively it will become necessary to appoint a single firm of commercial agents and a firm of auctioneers to handle all future disposals (in addition to the agents working on current disposals) so they can do work immediately on due diligence and preparation of marketing materials ahead of specific property disposal approvals.
- 4.84 This is essential, in order to allow the process of marketing, property negotiations through to completed sales to proceed at pace, to achieve forecasts for both the remainder of the current financial year and for the first two quarters of 24/25

Capital Programme

- 4.85 The capital programme which will be set out in the Capital Strategy forms a key part of the Council's budget setting process.

- 4.86 The aim for the **capital strategy** is to meet the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code which requires local authorities to produce a Capital Strategy to demonstrate how capital expenditure, capital financing and treasury management activity contribute to the provision of planned outcomes and take account of stewardship, value for money, prudence, sustainability and affordability.
- 4.87 This Capital Strategy 2023/24 – 2027/28 will form part of the framework for financial planning and is integral to the Medium-Term Financial Strategy (MTFS) and the Treasury Management Strategy. It will set out how capital investment will play its part in delivering the long term strategic objectives of the Council, how associated risk is managed and the implications for future financial sustainability.
- 4.88 All capital expenditure and capital investment decisions will be covered by this strategy, not only as an individual local authority, but also those entered into by the authority under group arrangements. It will be refreshed annually in line with the MTFS to ensure it remains fit for purpose and enables the Council to make the investments necessary to deliver its strategic aims and objectives.
- 4.89 The process will be the development of a capital strategy that is compiled using some key principles, including meeting statutory requirements, such as health and safety. Significantly the capital investments will be focussed on essential outcomes for citizens and absolutely minimal new expenditure.
- 4.90 Rigorous review is being undertaken and involves the relevant Directors, project leads and finance to focus on essential outcomes and borrowing for refinancing where essential.
- 4.91 The benefits will be a Capital Strategy that delivers a financially sustainable position over the medium and long-term that delivers essential outcomes and outputs for citizens.
- 4.92 The aim for the **capital programme** is to provide Members with an updated capital programme for 2024- 2029, detailing forecast resources for that period.
- 4.93 The capital programme is a key element of the budget papers and must comply with the requirements of the Capital and Treasury Management Strategies. Capital expenditure is defined in legislation and is expenditure that is incurred on buying, constructing or improving physical assets such as land, buildings, infrastructure and equipment.
- 4.94 This update of the capital programme will be prepared in the context of the overall resources available to the Council. This capital programme will therefore set in line with the level of resources as set out in the Medium-Term Financial Strategy.
- 4.95 In preparing the capital programme, ongoing reviews of the projects as well as phasing of expenditure on existing capital schemes are being undertaken together with an updated projection of capital resources. The focus of the capital programme has been on undertaking mandatory duties keeping the public safe.

- 4.96 Where appropriate, scheme estimates have been revised and projects removed.
- 4.97 Previous year's capital programmes have been ambitious involving several major projects in any one year and were heavily dependent on borrowing. There has been insufficient capacity and capability to deliver major capital schemes which have resulted in very significant overspends, for example as reported on the A13.
- 4.98 The cost of servicing prudential borrowing is a major pressure on the Council's revenue budget.
- 4.99 The capital programme is thus being reviewed to:
- reduce capital expenditure to focus on contractual commitments and health and safety requirements in line with the s.114 Notice – this will reduce the capital programme;
 - extend the capital programme from three years to a five year forward look in line with best practice.
- 4.100 As with the strategy, the process will be a rigorous review of the existing capital programme, collaborating with Directors and relevant project leads, reviewing all expenditure, funding, and borrowing and focussing on mandatory duties given the financial context within which we are operating.
- 4.101 It is essential that borrowing costs are significantly reduced supporting the council's overarching aim to live within its means.
- 4.102 The benefits will be a Capital Programme that supports the Capital Strategy to deliver a financially sustainable position over the medium and long term that secures essential outcomes and outputs for citizens.

Revenue Budget

- 4.103 The Council's 2023/24 revenue budget process was completed in a very shortened timescale and proposed savings of £8.3m.
- 4.104 Part of the work in this financial year has been to review the proposals to ensure that there is evidence to support the original proposals – this has now largely been completed.
- 4.105 For 2024/25 the budget process has been revised within regular timescales to improve the process and will now include:
- a target of £18.2m of savings in 2023/24
 - each proposal having an EQIA, business case and action plan to support it.
 - EQIAs that will be published.
 - an improved timeline that is planning:
 - Savings being worked up in full by 30/9/23;
 - Scrutiny meetings in October/November 2023;
 - Cabinet in December 2023 to agree the proposed savings;

- any slippage in the above being accommodated early in the New Year.

4.106 The above will be followed by the normal round of budget papers. This will allow earlier scrutiny of proposals that have been fully developed and assessed within a regular timeline.

4.107 Within the Council the Change Team is leading on bringing together all the £18.2m of savings working closely with Directorates while PWC have been engaged to do likewise bringing their wider experience to ensure savings can be generated.

4.108 In order to further develop the revenue budget process the following improvements in practise are also being undertaken:

Salary workings

4.109 Centralised staffing template has been developed and shared. Confirmation of the establishment and reconciliation to the general ledger was completed on the 31st of July 2023.

4.110 This allowed the overall calculation for pay award and increments to take place in early August which will support the growth requirement figure in the MTFS. The file will also allow for modelling of different pay policy options.

Service Reviews

4.111 These are targeted reviews of services areas which have historic/current budget pressures and growth requirements in the MTFS. They will provide standardised documents to sit behind the growth allocations in the MTFS, for example, inflation & demographic growth assumptions in Children's Social Care, changes to the Waste strategy, proposed staffing restructures in the central core. The documents will set out the key issues, actions that can be taken within the service to mitigate and any formal growth requirements. These are taking place alongside in-year budget monitoring and intended to be completed by 31st August with review and potential MTFS adjustments taking place early in September.

Income Review

4.112 A central template has been produced to show all income lines at a code combination level and allow for detailed analysis to take place. All income will be categorised and identify the source of the income, corresponding expenditure, availability of volume/performance data etc. This exercise will allow for re-alignment of targets to match activity, correct classification of income and will support the fees and charges process in assessing potential additional income opportunities. This exercise has not been conducted at this detailed level before, the final document will allow finance and the relevant service areas to gain a greater understanding of the revenue streams the

council currently has. Income is often looked at in isolation without consideration to associated costs which this exercise intends to rectify.

- 4.113 The income review is intended to be completed by 30th September but is likely to continue throughout October and will link closely in with the Fees and Charges work previously reported to Cabinet.

Review of Contracts

- 4.114 The current contract register is being assessed to determine the value of contracts due to end in the current financial year and 2024/25 to be able to model the potential inflation uplift requirements which will need to be reflected in the MTFs. Contract inflation as historically been absorbed within operational budgets but with increased inflation and tighter budgets this is unlikely to be achievable.
- 4.115 This will be completed at a high level by 31st August but will require further support from contract managers and service leads to understand specific plans in some key areas and which contracts have the potential to be consolidated etc.

Dedicated Schools Grant

- 4.116 Thurrock with a DSG deficit of £0.534m, is part of the Delivering Better Value in SEND programme that aims to support LAs to improve delivery of SEND services for children and young people while ensuring services are sustainable. The programme will provide dedicated support and funding to 55 local authorities.
- 4.117 Thurrock is part of Wave 3 and started engagement and data exchange with the team from Newton and CIPFA in June. Pupil level data and costs have been returned. Analysis and discussions have started to ensure accuracy and understanding of information.
- 4.118 A fundamental characteristic of the DBV diagnostic approach is the whole system engagement with partners and stakeholders. This includes the Schools Forum; Children and young people; Parent Carer Forums and wider parent carers; Education colleagues (Headteachers, Setting Leads, SENCO's, teachers, and governors) and Health and Social Care partners.
- 4.119 Workshops are to be held in September and October with partners and stakeholders. This will include seeking views on the current system and inclusive practice, what works well or less well at present, and which areas for improvement would make the greatest difference.
- 4.120 Officers from the Local Authority will attend two separate residential sessions to discuss current practice and outcomes with other Local Authorities. These are to be held in August and October.
- 4.121 The emerging insights from DBV in SEND Tranche 1 programme is to provide better support and outcomes for children and young people with SEND. The greatest opportunity exists in increasing the ability of local systems to support children in a mainstream setting.

- 4.122 The expected outcome from the programme will be a grant application to the Department for Education, backed up with data, which will allow investment to improve outcomes for young people through invest to save initiatives.

HRA

- 4.123 Whilst the HRA is ringfenced, a similar approach has been taken with a rigorous review being undertaken involves the relevant Directors, project leads and finance to focus on essential outcomes and meeting statutory requirements and minimising borrowing wherever possible.
- 4.124 It is essential that capital expenditure is focussed upon keeping our citizens safe by ensuring that all regulations are met including fire safety. There are a number of properties in the Borough that currently need improvements to meet these regulations. This will involve some capital projects being refocussed to include essential spend removing the aspirational discretionary spend currently within those projects.
- 4.125 The review includes analysis of contractual commitments currently in the programme that the Council will need to honour.
- 4.126 A 30 year business plan will be developed over the next 3 months that will ensure that the HRA remains financially sustainable, this review will deliver an improved financial position based upon delivering statutory duties as the baseline for the development of the business plan.
- 4.127 The updated HRA Capital Programme will be reported to Members alongside the General Fund Capital Programme and the Medium-Term Financial Strategy in accordance with the budget timetable.

Treasury Management

- 4.128 A detailed treasury management model has been established to ensure that the charges to revenue for capital and debt, which comply with all relevant regulations, are correctly reflected. This can be updated on a regular basis as circumstances change and can also be used to model various scenarios should this be necessary. As well as being updated for economic changes (revised interest rates etc.), any changes to specific elements (e.g., unfunded capital expenditure, timing, and value of asset disposals etc.) can be included and reflected in the capital costs and debt levels for the Council going forwards. This remains a significant cost area for the Council and therefore accurate inclusion of these in the wider budget process is vital.

MRP

- 4.129 Minimum Revenue Provision (MRP) is a legal requirement, specific to local authorities, which arises where General Fund capital expenditure has not been funded from either capital receipts, government grants, developer contributions or revenue budgets. This is sometimes referred to as “unfinanced” capital expenditure.
- 4.130 Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 requires that in these circumstances an annual

amount is charged against General Fund balances, effectively representing future repayments of assumed new borrowing. The overall objective of MRP is to ensure that local authorities charge to the revenue account “a prudent amount” which recognises the cost of acquiring such assets, over a period commensurate with the benefit provided by the asset which has been obtained.

- 4.131 A review of the Council’s current approach to setting and calculating MRP is underway. This will report and set out its findings and, if appropriate, make recommendations.

Finance Structure and Service Development

- 4.132 A fundamental part of a financially sustainable Council is a finance service of the highest quality. To assist with the development of the current team it is planned to undertake and develop:

- a review of the finance structure
- an assessment of capacity and skills needs and development
- productivity plans
- process efficiencies
- refocussing of resources
- succession planning
- communications
- training and development
- trainee accountants
- continuous improvement
- cultural changes

- 4.133 This is planned to conclude by December 2023 with any external appointments being in place by 31 March 2024 subject to a successful recruitment process.

Risk Management

- 4.134 The Risk and Opportunity Management Strategy, Policy & Framework (ROM S, P&F) has been strengthened and drafted to address the recommendations in the BVI report. The draft is being considered by SLT in August for consultation/feedback and then onward reported to Standards and Audit Committee. The feedback from this committee will then be reported to SLT and the ROM S, P&F further refined as appropriate and the final draft presented to December Cabinet for approval.

- 4.135 Work has been undertaken with consultants (Zurich Management Services) to develop a ROM workshop for SLT in August 2023. The workshop is to go through some key elements of ROM, consider/set risk appetite and undertake a facilitated session to identify the key strategic items that need to be considered for the refresh of the strategic/corporate risk and opportunity register. A further workshop is planned for early September to be undertaken with Senior Leads (Directors, ADs and Service Managers) to identify any additional items that need to be considered for inclusion in the register (e.g. strategic, corporate/cross cutting or project, partnership items). The outcome of these workshops will then be reported to Members.

Compliance

- 4.136 A review of the Council's financial regulations is underway and almost complete

Revenues and Benefits

- 4.137 Exploratory work is underway to examine areas that can be further developed/improved. At this exploration stage these include:

Billing

- Review of remaining discretionary discounts/exemptions – underway;
- Consider business case to introduce Direct Debit for Sundry debt – underway;
- Consider business case to introduce of E billing for Sundry Debt and Business Rates – underway for Sundry debt;
- Use of RPA and workflow to enter Sundry invoice requests to remove duplication of work and risk of error – underway;
- Introduce Direct Debit functionality for Sundry Invoices – underway;

Benefits

- Review of Local Council Tax scheme – underway;
- Expansion of cheaper contact channels for outgoing benefits correspondence – linked to progression of the corporate INS solution

Debt

- Further phases of Single View of Debtor (SVOD) - subject to business case and current xantura review; Introduction of generic recovery stages – linked to SVOD;
- Expansion of multi contact channels – underway but also linked to SVOD;

Accounts Payable

- Use of existing Oracle scanning functionality for Accounts Payable – underway;
- Review to identify duplicate payments – initiative commenced.

Accounts

- 4.138 As Members will be aware, the audit of the 2020/21 Statement of Accounts is still ongoing. The Accounts will require a substantial re-write to reflect the following issues:

- reduction in the value of infrastructure assets in line with CIPFA's Code Update; This is a sector wide issue.

- restatement of accounting for IT projects some of which have been classified as intangible assets and need to be restated to revenue. This is largely related to cloud-based services.
- restatement of assets previously classified as heritage assets, but which operational assets and revaluation of the remaining assets to cost;
- restatement of investment values arising from the impairment of a number of the Council's investments, principally the solar farms
- restatement of MRP charges arising from the MRP review referred to at para 4.142 above and reflecting the revised approach to MRP in respect of capital investments.
- restatement to reflect the provisional Capitalisation Direction notified to the Council by DLUHC.

4.139 To assist with the above and bring the Council up to speed with the closure of accounts for the years 2019/20 to 2022/23, the Council has made progress in the following areas:

- i. **Resources** – The Finance team has onboarded additional interim support with experience of dealing with similar issues at other local authorities, to provide additional capacity to support both the range and complexity of the work arising from the audit overrun and various issues identified;
- ii. **Working papers** – A standard suite folders will be introduced for all financial years. Finance staff will then use the standardised working paper templates linked back to the Code for all disclosures to ensure that the accounts comply with the CIPFA Code of Practice;
- iii. **Quality Assurance** - The working paper templates will also include a three-stage quality assurance process covering 1) preparation, 2) technical review and 3) sign off review. This is essential for ensuring a right first time approach to accounts preparation and to ensure a smooth audit;
- iv. **Accounts plan** – A comprehensive accounts plan linked to the auditors required by client schedule will be developed. This will be communicated to all key stakeholders and includes a responsible officer for each task and separate deadlines for preparation and review;
- v. **Whole team approach** – A key element of faster closedown is ensuring that all staff within the Finance Department are engaged on accounts closedown. This reduces the risk of bottlenecks arising from reliance on one or two officers to produce the accounts, and provides resilience in the Finance function;
- vi. **Review of accounts** – the Statement of Accounts will be reviewed to simplify and strip out unnecessary disclosures, and ensure that the remaining disclosures meet Code requirements.

Other Financial Management Improvements

4.140 Several financial management improvements have been referenced above, others are being developed and include but are not restricted to a review and improvements to:

- the Council's financial modelling
- the financial implications in reports
- business partnering
- internal audit
- MRP calculations

Forecast Financial Position of the Council

4.141 The current overall forecast position despite those positive financial implications from the various above actions is that the Council remains financially unsustainable in terms of:

- a level of debt at circa £680m
- the cost of financing this debt at 30% of the budget, considerably more than what could be considered reasonable for a sustainable council.
- a revenue budget that is not in balance by 2028/29 - out of balance by £16m - which means the continued need for exceptional financial support and thereafter potentially increasing deficit.

4.142 This position is under review and will undoubtedly change.

5. **RISKS**

5.1 The key risks are:

- **Crystallised losses on Toucan, JLG / JCF, and PWE investments:** These investments are currently being divested or have recently undergone restructuring to resolve identified issues and recover value. The current analysis shows that the Council's investment will be impaired here (outside of legal recoveries), but the extent of impairment could be worse if market conditions worsen, e.g., if interest rates rise.
- **Borrowings:** The Council's refinancing strategy continues to replace maturing inter-LA loans with PWLB loans. There is a risk as new loans are taken out; the cost of borrowing will grow. A number of the investments are now loss making once the higher cost of borrowing is factored in. In addition, any delays that occur in divestment and associated decision-making will lead to added borrowing costs being incurred, making it critical to manage divestments efficiently. The Council will also be left with some investment associated borrowings at the end of the period, due to the impairments incurred.
- **Illiquid Investments:** Most investments are illiquid by virtue, as they are in private markets. Thurrock has already implemented divestment plans on 75% of its portfolio, with a further 10% to be confirmed shortly. For the remainder, analysis is underway, but the investment terms indicate that for a significant portion, the Council will be locked into these investments until the maturity date (with the latest anticipated maturity date being c. 2032). Therefore, it will be important to negotiate and plan out divestment strategies carefully to access liquidity earlier and recover proceeds sooner where feasible.
- **Inflation and rates:** Inflation has risen significantly and remains elevated, accompanied also by rising interest rates. This has far reaching impacts on the performance of the investments and companies the Council have invested in, as well as on asset valuations, in particular for Toucan, where revenues are linked to inflation but where rising interest rates also increase the discount rate for future cashflows. The portfolio has some protection through index-linked investments, notably the solar and wind investments. The real estate exposure (CCLA) is also a partial mitigant, through the index-linkage is typically capped here and will not fully mitigate current inflation. Alongside, the Bank of England has raised rates aggressively in recent months, which has also raised borrowing costs for the Council.
- **UK Economic Downturn:** An economic downturn could impact investment counterparties and therefore, impact divestment timelines and recoveries. The Council has significant exposure to many aspects of the UK economy: property, small businesses, energy, etc. Therefore, a downturn and potential recession as growth slows would negatively impact their portfolio. We note there is a growing risk that the UK may enter a recession, which will increase the risk for several positions.
- **Accounts** - inherent risk of further liabilities/revenue costs arising as the audit, accounts preparation and restatement work is in progress.

5.2 In common with other elements of the divestments workstream, many of the risks highlighted above are outside of the Council's contract and there is no way to easily mitigate these risks. Having said that, there are some mitigants being explored:

- the Council is looking to proactively manage its divestments and realise value sooner (instead of taking the risk of further issues down the line or lower proceeds at maturity), as with Toucan and JLG.
- it has implemented cost and governance frameworks within the administrations to allow costs to be managed. This has resulted in significant savings to date. It has also used its own analysis to date to replace at lower cost work that the administrators would have otherwise undertaken and to aid the efficiency of asset disposals and distributions to the Council.
- lastly, scenario analysis is being undertaken on the portfolio to understand the impact of different events and the knock-on potential impact on impairment.

6. Reasons for Recommendations

6.1 The Council's financial position is well known and extremely challenging.

6.2 The various financial workstreams are addressing this situation and the recommendations will allow for this work to continue and for Members to be fully informed.

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

7.1 Consultation has taken place with the Commissioners.

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

8.1 The successful conclusion of this work will allow other corporate policies to be undertaken in a sustained manner.

9. Implications

9.1 **Financial** As set out throughout the report

9.2 **Legal** **Mark Bowen**
Interim Project Lead - Legal

The key legal implications are set out in the body of the report.

9.3 **Diversity and Equality** **Rebecca Lee**
Team Manager, Community Development Team

While there are no specific diversity and equality implications associated with this update report, council is committed to completing Community and Equality Impact Assessments (CEIA) for proposals involving savings.

- 9.4 **Other implications** (where significant) – i.e., Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children.

Detailed impacts will be reported through specific reports.

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

Various working papers

11. **Appendices to the report**

Appendix A - Recommendations from the Secretary of State

Recommendations from the Secretary of State

To deliver financial sustainability by closing any short- or long-term budget gaps and reducing the Authority's exceptionally high level of external borrowing.

To ensure compliance with all relevant rules and guidelines relating to the financial management of the Authority.

To ensure that a strategic and systematic approach to risk management, with appropriate scrutiny and governance of the decision-making processes and procedures, is adopted and embedded across the Authority.

To address the culture of poor financial management and governance of its commercial portfolio.

To prepare and agree an Improvement Plan to the satisfaction of the Commissioner (which may include or draw upon improvement or action plans prepared before the date of these Directions), within 3 months, with resource allocated accordingly, to include at a minimum:

- a. An action plan to achieve financial sustainability and to close any short and long-term budget gaps identified by the Authority across the period of its medium-term financial strategy (MTFS), including a robust multi-year savings plan.
- b. An action plan to ensure the Authority's capital, investment and treasury management strategies are sustainable and affordable.
- c. A strict debt reduction plan, and an updated minimum revenue provision (MRP) policy in line with all relevant rules and guidelines.
- d. An action plan to ensure the Authority is complying with all relevant rules and guidelines relating to the financial management of the Authority; and
- e. A suitable scheme of delegations for financial decision-making.

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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 were 5 questions to the Leader and 3 questions to Cabinet Members, Committee Chairs and Member appointed to represent the Council on a Joint Committee.

1. From Councillor Kerin to the Leader

Given the recent upholding of a Stage Two Complaint from Thurrock Nub News, does the Leader feel that the Thurrock Council Communication Strategy is fit for purpose?

2. From Councillor J Kent to the Leader

There has been some work carried out on creating a new operating model for the council. Can the Leader outline his thinking on this?

3. From Councillor J Kent to the Leader

Has the Leader carried out an assessment of how many redundancies will be needed to set a balanced budget for the next financial year?

4. From Councillor J Maney to the Leader

News broke recently that the former Labour-led administration in Southend may have been considering a ULEZ style charge for motorists using their roads. Whatever the case, would the Leader advise what legislative powers might allow a local council to impose such a tax in their area of jurisdiction and would he also confirm categorically that under his leadership Thurrock would never agree to such a policy here?

5. From Councillor J Maney to the Leader

As the Leader will be aware, on 27 September 2023, a rabbit was shamefully abandoned on council land near the civic offices and found to be in a dreadfully neglected state. Given that the wilful abandonment of a pet is a criminal offence, coupled with the fact that security staff believe they may know the identity of the culprit, would the Leader confirm whether the incident has been reported to the police?

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

1. From Councillor J Kent to Councillor B Maney

Can the Portfolio Holder set out the amount of money spent on the now abandoned Grays underpass scheme?

2. **From Councillor J Kent to Councillor Coxshall**

What is the per hour cost of Thurrock Council's in house home care service?

3. **From Councillor Redsell to Councillor Johnson**

Plans for the redevelopment of the Blackshots towers include an option for the construction on King George's playing field behind Laird Avenue and Broadview Avenue. Understandably, this proposal is not being well received by some of the local residents. Would the portfolio for housing instruct his officers to seek an alternative proposal.

This report lists all motions from the previous twelve months which still have updates forthcoming. All Motions which have been resolved or the actions from officers have been completed are removed.

Date	From	Motion	Status	Director
25 January 2023	Cllr Jefferies	This Council condemns plans by the London Labour Mayor to extend the Ultra-Low Emission Zone to all Greater London and notes with concern the impact this would have on many Thurrock residents if implemented. Members also note the campaign by our Member of Parliament Jackie Doyle-Price to oppose the said extension and calls on Thurrock residents to sign her on-line petition.	Following letters to the Mayor of London the Leader of the Council and senior officers have now met with officers of TfL. Clarification has been received regarding exemptions for disability adapted vehicles. It has been confirmed to TfL that the Council will not allow TfL to erect signs in the borough and TfL have accepted this.	Mark Bradbury
25 January 2023	Cllr Massey	Members may be aware that National Highways have recently submitted, and had approved, their Development Consent Order for the Lower Thames Crossing scheme, to move forward to the next stage in the Planning Inspectorate process. The LTC Task Force seeks assurances that the Council is committed to opposing the scheme as currently presented and promote this message through Council communications channels.	Negotiations regarding a new planning performance agreement with National Highways have concluded and the outcome reported to Cabinet. The Council continues to make representations and submit evidence to the Examination with runs from 20 June to 20 December.	Mark Bradbury
25 January 2023	Cllr J Kent	Thurrock Council resolves to use the Local Plan process to support the retention of Speedway in Thurrock and identify a new home for Grays	The Council will support proposals for the retention of Speedway in Thurrock and the development of a new home for Grays Athletic through the Local Plan process where it can be	Mark Bradbury

		Athletic, in the Grays area.	<p>demonstrated that the uses are viable and appropriate for the sites proposed.</p> <p>Update 21 September 2023 - A local plan submission has been received from Thurrock Hammers Speedway in respect of the Arena Essex and this is being considered as part of the plan process. No submissions have been received for any other site for speedway. Proposals for a home for Grays Athletic are the subject of a planning application that was approved at planning committee recently.</p>	
28 June 2023	Cllr J Kent	Council recognises the refuse service has failed the residents of Thurrock for too long and calls on Cabinet to ensure the regular collection of all three bins.	Recent changes introduced on 26 th June to the waste and recycling collections have managed to stabilise the service and deliver significant improvements. These changes, which were considered by the Cleaner, Greener and Safer Overview and Scrutiny Committee and agreed at Cabinet resolved to maintain weekly general waste collections and introduce biweekly recycling collections to enable biweekly green waste collections to be undertaken. It is intended that the current collection arrangements be in place until a fully costed Waste Implementation Plan has been completed. It is recognised that further changes to the collection service will be required to accommodate the statutory requirement to provide weekly food waste collections in 2024 and the service is currently undertaking a trial of the food waste collection methodology and modelling potential deployment	Claire Demmel

			with a view to bringing forward options for consideration towards the end of the year. Cabinet requested a full strategic review of the waste service be undertaken to provide for a sustainable service in the context of reducing budgets, increasing costs, demographic and other pressures, changes in legislation. The scope of the strategic review will be developed for members consideration, but will include the type, levels, and forms of delivery of service. This will be brought to the Overview and Scrutiny Committee for consideration not less than one month before Cabinet.	
28 June 2023	Cllr J Kent	Council welcomes the release of the Best Value Inspection report, endorses its recommendations, and resolves to request the independent boundary review be sped up to allow for an all-out election as soon as possible.	In his announcement on 5 October, the Parliamentary Under-Secretary of State for Local Government and Building Safety confirmed he would proceed with the proposal on which he sought representations and intends to make an order under Section 86 of the Local Government Act 2000 to move Thurrock Council to a scheme of Whole Council Elections from May 2025 onwards. The May 2024 elections of one third of members will go ahead as planned.	Dr Dave Smith
26 July 2023	Cllr Speight	The chamber welcomes the fact that much work has been done in recent years regarding a relief road to mediate impact of Stanhope Industrial Estate, from lobbying the freeport process and work between councillors and cabinet members	Proposals for a possible route for a relief road and enabling development will be part of the Local Plan proposals that we will bring before Council in the Autumn before going out to wider consultation. Officers will work with Freeport	Mark Bradbury

		<p>on the local plan. This chamber has previously welcomed creation of the Thames Freeport and the benefits it may bring. Freeport comes with a commitment to improve quality of life and opportunities for Thurrock residents and a budget to back up its intentions. A project that would help quality of life of residents in Stanforle-Hope would be the creation of a relief road to mediate impact of Stanhope Industrial Estate. A route was envisioned by Thurrock Thames Gateway DC. It was not taken forward in 2011's Thurrock Core Strategy created when council took back planning. Council has already put views to Ruth Kelly, and DP World representatives and others. It is a complex issue. This road is the only way to solve all the problems. Would members of this council join me in calling on the appropriate and requisite TBC to continue to support the possibility of the relief road linking up with the Manorway and produce a timely outline project plan.</p>	<p>colleagues to look at how they can support delivery of the proposals.</p> <p>Update 21 September 2023 - At the Council meeting on 26th July, it was confirmed that work was underway to identify how this relief road could be facilitated through the local plan. Cabinet members last week considered an initial proposals map for the local plan which includes an option to deliver this. These proposals will be shared with Shadow Cabinet on 9th October and with all members over the following two weeks before coming to Council in November. Once Council has approved the proposals for consultation, conversations with the landowner can commence around how this might be delivered and with Freeport partners about how they might support this.</p>	
26 July 2023	Cllr J Kent	<p>Council welcomes the Secretary of State for Levelling Up, Housing and Communities investigation into the financial collapse of Thurrock Council - along with similar collapses in Woking, Croydon, Slough and Northamptonshire. The inquiry should look at, amongst other things - the impact of austerity on council budgets, the impact of scrapping of independent oversight bodies such as the Audit Commission, the impact of government</p>	<p>The Council will continue to work closely with the Department for Levelling-up, Housing and Communities and those appointed by the Secretary of State as Commissioners to understand and address the failings of Thurrock Council to discharge its Best Value duty. The Council will also continue to play its part in sharing lessons and experiences with Government and other bodies (such as the Local Government Association) to support the wider</p>	Chief Executive Office

		encouragement of councils to pursue a commercialisation agenda, the role of councils' external auditors, the role of council Monitoring Officers, Section 151 Officers and Chief Executives, and the apparent absence of central government oversight of local government.	sector.	
Cllr Watson	26 July 2023	Thurrock Council notes the news that the Department for Transport and the 13 train operating companies it manages have announced plans to close almost all staffed ticket offices in England, totalling nearly 1000, following changes to the Government's guidance relating to ticket office opening hours and operation. Thurrock Council believes that ticket offices can provide an important service to some residents using the stations at Stanford le Hope, Ockendon, Purfleet, Chafford Hundred, Tilbury and East Tilbury and support passenger safety, security and accessibility. Page 1 Agenda Item 16 Having staff who can offer advice and assistance provides certainty and confidence for some customers. At many stations, access to facilities such as toilets and waiting rooms is reliant on the presence of staff. Thurrock Council should therefore seek assurances that the closure of ticket offices will not disproportionately affect vulnerable residents including the disabled, deaf or older people, as well as those with poor literacy and IT skills or on lower incomes. Members also note the falling	A special meeting of Planning Transport and Regeneration Overview & Scrutiny on 30 August offered members the opportunity to question and receive answers from a senior representative of C2C on the proposals. Following the meeting representations were submitted to the consultation on 1 September setting out the Councils concerns.	Mark Bradbury

		<p>numbers of passengers who purchase tickets from staffed ticket offices. We further note that the plans announced include moving staff out of ticket offices and onto platforms and public areas in order to provide enhanced 'customer help' roles. This chamber • Requests that the leader of the council write to the Secretary of State for Transport and c2c in order to seek assurances over the impact of possible closures of staffed rail ticket offices and in particular the offices at Ockendon, East Tilbury, Tilbury, Stanford Le Hope and Purfleet. • Requests that the Planning, Transport and Regeneration Overview and Scrutiny Committee consider this matter at the soonest opportunity and assess the potential impact of staffed ticket office closures in Thurrock, making such representations to the Department for Transport and c2c as it deems necessary.</p>		
Cllr C Kent	27 September 2023	This Council congratulates the Thameside Theatre, its staff, and volunteers in winning the Best Theatre / Arts Venue in Essex.	Update will be provided at the November Council Meeting.	

Motions Submitted to Council

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

Motion 1

Submitted by Councillor Redsell

Members resolve that a task and finish group or similar be established to look at options for tackling school parking across the borough. Further, that a report on such options should be produced at the conclusion of the group's review.

Monitoring Officer Comments:

Rule 15.2 of the Council Procedure and Rules states that a notice of motion must relate to a matter which affects the authority or the authority's area and must relate to a matter in respect of which the authority has a relevant function. The Council has functions relating to the management of parking across the borough.

The Council's functions relating to the management of parking are the responsibility of Cabinet. It is for Cabinet to decide what steps could be taken in relation to school parking across the borough.

Section 151 Officer Comments:

There are no financial comments at this time, but any report produced will need to consider financial implications as part of the process.

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 Halden

The chamber wishes to confer Freedom of the Borough on Reverend Canon Darren Barlow upon his retirement as rural dean.

Monitoring Officer Comments:

This motion meets the requirements of Rule 15.2, Chapter 2, Part 2 of the Constitution which states that "a notice of motion must relate to a matter which affects the authority or the authority's area and must relate to a matter in respect of which the authority has a relevant function."

Pursuant to s.249 (5) 'honorary freemen' or 'honorary freewomen' status can be granted to:

- persons "of distinction"
- persons who have "rendered eminent services to that place or area"

However, this must be done "by resolution of the Council at a meeting of the relevant authority which is specially convened for the purpose and where notice of the object of the meeting has been given; and by not less than two-thirds of the members of the relevant authority (or, in the case of charter trustees, of the trustees) who vote on it." (s.8a and b). This requires a separate meeting of the Council if the motion is passed.

Section 151 Officer Comments:

There are no financial implications arising from this motion.

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

Yes

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