

Appendix 1 Key General Fund variances

Variance category	Risk detail	Forecast Variance £'000																																												
Demographic growth	Adults External Placements	3,269																																												
<p>a) There has been a significant increase in demand for Homecare services</p> <p>b) The increased level of need for people being discharge from hospital requiring continuing social care support to live independently outside of residential care. This has also been exacerbated by the change in the hospital discharge criterion from 'medically fit' to 'medically optimised' meaning patients are discharged earlier and with a greater level of care acuity.</p> <p>c) Increased complexity and the associated requirement for additional care support to existing clients. This is particularly prevalent in the substantial increase in the number of homecare packages that the Local Authority is commissioning within the external care market</p> <p>d) Longer term ramifications following the covid pandemic including the pausing by the NHS of secondary prevention programmes to manage residents with long-term conditions that is now resulting in significantly increased presentation of very unwell patients presenting at A&E for emergency hospital and the subsequent demand on ASC through increased hospital backdoor pressures. Along with the "hidden" impacts of COVID amongst both working age adults and older people caused by the lockdown and removal of non-crisis intervention by health. This is particularly prevalent in Mental Health services.</p>																																														
Vacant post saving	Employees Costs	1,362																																												
<p>The position on vacant posts continues to be monitored against a corporate target of £3m. This target was held centrally and not allocated to specific directorates.</p> <p>Employee spend is estimated to be £1.638m less than budgeted before the allocation of the vacant post saving, as per the below table.</p> <p>This position needs to be considered within the context of the overall position. In some cases, reduced spend within the employee category will be offset by an under recovery of associated income or expenditure pressures elsewhere within the service area. The position will be monitored alongside the actions of the recruitment panel, the review of agency spend and wider restructures in the Council</p>																																														
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Demand	School Transport	616																																												
<p>Increase in demand for Education Health and Care Plans and the phased expansion of specialist provision within Thurrock by 96 places has placed additional pressure on the service.</p>																																														

The reduction proposal at the St Clere's school has now been deemed to be an unsafe route therefore affecting the viability of the savings target.

The service commissioned an external consultant (funded from central transformation funding) to undertake a review of SEND transport to ensure discretionary transport policy is being applied correctly and to identify potential changes to process and practice which may reduce the current overspend on SEND transport. This review is currently ongoing, and updates will be presented in due course

Cost Centre Description	2022/23 Budget £'000	Quarter 2 Forecast £'000	Forecast Variance £'000
Alternative Provision	147	86	(61)
Denominational Transport	8	8	(1)
Home To School Transport - Primary	677	362	(315)
Home To School Transport - Secondary	251	377	126
Home To School Transport - Special	288	1,014	726
Independent School Fees (Transport)	1,361	1,328	(34)
Out of Borough - LAC	15	44	29
Out of Borough - Other LA's	36	22	(14)
Out of Borough - Post 16	411	298	(112)
Post 16 SEND	113	261	148
Resource Base - Primary	2	126	124
	3,310	3,926	616

Demand	Waste Disposal	(604)
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The waste disposal figures are reviewed on an ongoing basis by finance and the service as the financial year progresses. This is Public Realm's largest volatile budget and has the potential to have a big impact on the outturn position at year end. There is a variable element to the disposal contracts, impacted by recycling rates/contamination of recycling and can fluctuate throughout the year.

Complexity of care	Children's external placements	1,741
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Significant cost pressures are generated by moves within care. Children with the most complex needs are experiencing a high level of placement instability driven by both providers giving notice on their placement and by intervention by the regulator. Thurrock is reliant on external providers for residential and complex care including SEN placements.

Placement Type	Budget Numbers 2022/23	Sep-22 Numbers
Cost		
Placed with Parent / Adoption	10	14
Internal Fostering	127	106
Supported Accommodation	26	33
External Fostering	103	101
External Residential	29	23
Unregulated	0	5
Remand	2	0
Total LAC	297	282

	Number of External Residential Placements (incl unregulated)			
	Budget	Jul-22	Aug-22	Sep-22
<£2,000	0	0	1	1
£2k-£3k	5	6	6	6
£3k-4k	6	6	4	3
£4k-£5k	8	4	2	3
£5k-£6k	4	5	5	4
£6k-£7k	2	1	1	2
£7k-£8k	1	1	1	1
£8k-£9k	2	0	0	0
£9k-£10k		3	3	3
£10k-£11k	1	1	2	4
£11k-£12k		0	0	0
£12k-£13k		0	0	0
£13k-£14k		0	0	1
Total	29	27	25	28

Unregulated placements are where the Local Authority are unable to secure a suitable placement with a provider to meet the needs of the young person. In these instances, the LA has to develop a package of support around the child and seek judicial approval until a regulated place can be provided. By nature, these placements are highly complex and costly. Thurrock currently have 5 such placements an increase of 1 at a cost implication of £2.305m. Ofsted registration is being progressed.

There are currently 10 high-cost placements with a total forecast of £4.574m

Complexity of care	Children's Legal proceedings	453
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The forecast is based on the current case level of 28 with 6 to issue, a total of 34 cases. Average case cost is £0.016m and a contingency for legal fees of £0.090m for ad-hoc other and new cases has been included. In addition, included for assessments is a contingency of £0.070m

In 2021/22 Children Services incurred legal costs of £0.965m in fees and assessments based on 58 cases at its highest point. With the introduction of the new Think Family Team, it is anticipated that the costs of assessments will be lower in 2022/23 but will still exceed the budget allocated.

Delay to savings	Capitalisation of staff	487
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Due to delays in approving significant regeneration schemes such as Towns Fund and Thames Freeports we have not been able to allocate costs to those schemes to the levels envisioned at the time of budget setting.

Delay to savings	Ground maintenance saving	130
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£0.150m target was set for income generation in relation to the Commercial Grounds Maintenance service, work continues expanding the service offer to external businesses with the support of the Business Development & Innovation Team.

Delay to savings	Waste Collection	636
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The decision to delay the fortnightly waste collection plan has led to an in-year pressure. There have also been several staffing and operational issues which have required additional resource to manage and ensure continued service delivery.

Delay to savings	Asset Rationalisation	128
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Revenue savings of £0.850m were assumed in the 22/23 base budget in relation to the disposal of operational buildings and the corresponding reduction in running costs and/or increased income through rent review on commercial properties. Outstanding decisions on key buildings has delayed the deliverability of this saving.

Inflation	Utilities	995
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The global energy crisis has impacted the cost of gas and electricity; market prices for gas and electricity are extremely volatile with prices peaking at new highs in September 2022 before falling back. The current estimates are reflective of information from our suppliers regarding price per k/w and our local usage levels.

Subjective Description	2022/23 Budget £'000	Quarter 2 Forecast £'000	Forecast Variance £'000
Electricity	1,691	2,304	613
Fuel and Oil	909	1,110	201
Gas	123	304	181
	2,723	3,718	995

The main area of Thurrock's fuel spend is incurred within the Public Realm waste collection service and the indicative impact of transitioning from red to white diesel per litre is shown below:

Date	Average cost red diesel (pence per litre)	Average cost white diesel (pence per litre)	Increase (pence per litre)	Increase (%)
Oct-22	100.99	181.74	80.75	80%

Inflation	Other income/expenditure	499
Inflation is currently more than 10% which is impacting the general supply of goods and services across the Authority.		
Income generation	Parking charges	327
Changes to working practices and continued agile working have impacted parking income levels, particularly within the Grays Central location.		
Income generation	Counter Fraud	(1,123)
The Counter Fraud and NATIS operating model is set to deliver a surplus position in the current financial year.		
Income generation	Planning fees	463
Income is below expected levels for the year and the loss is assumed to be linked to the wider economic uncertainty affecting the number of requests for improvements to property.		
Corporate Costs	Pension costs & Audit fees	(786)
	Estimated cost of intervention & Best Value Inspection 2022/23	1,500
General Fund pressures before mitigation		10,092

Full current 2022/23 budget allocation is shown below for completeness:

Directorate	2022/23 Budget £'000
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Adults; Housing and Health	50,966
Children's Services	40,844
Housing General Fund	1,581
Housing Revenue Account	0
HR; OD and Transformation	8,924
Public Realm	35,122
Resources & Place Delivery	13,967
Strategy; Engagement & Growth	3,450
Corporate Costs	1,819
Vacant post saving	(3,000)
Total Service Budgets	153,672
Treasury & Central Financing	(134,295)
Planned use of FR & Transf reserves	(3,300)
Application of c/f balances	(12,887)
Planned use of Capital Receipts	(3,190)
Grand Total	0

Appendix 2 Three-year MTFS

Narrative	2023/24	2024/25	2024/25
	£000's	£000's	£000's
Net Resources			
Council Tax LA Element 2.99% increase	(2,266)	(1,566)	(1,624)
Increase in the Council Tax Base @ 1.6% then 0.7%	(1,191)	(564)	(547)
Adult Social Care Precept 2% - not agreed beyond 2022/23 at this stage	(1,513)	(785)	(814)
Business Rates Position	(2,166)	(3,165)	(665)
Government Resources Position	(700)	(148)	(151)
Net Additional (Reduction) in resources	(7,836)	(6,227)	(3,802)
Inflation and other increases			
Pay award @ 4%	7,292	3,708	3,851
Fuel inflation	350	175	175
Waste Inflation	1,164	1,164	1,164
Energy Inflation	2,252	563	563
	11,058	5,610	5,753
Social Care Growth			
Adults	4,013	3,026	3,174
Children's	1,250	863	906
	5,263	3,889	4,080
2022/23 Budget Monitoring Pressures	8,090	0	0
Intervention Costs	2,000	0	0
	18,575	3,273	6,031
Other funding (not affecting baseline)			
Utilisation of Capital Receipts	3,300	0	0
Pension Deficit Adjustment	1,000	0	0
Use of reserves 2021/22	4,482	0	0
	8,782	0	0
Total Gross Budget Pressure	27,357	3,273	6,031
Savings Departmental			
Total Departmental Savings	(8,315)	2,578	(422)
Savings to be agreed by Members	(1,403)		
Savings for further consideration	(1,226)		
Core Budget Position (Surplus) / Deficit	16,413	5,851	5,609
Treasury			
Interest Costs	35,829	2,568	3,046

Investment Income	30,847	3,462	0
TRL	154	0	0
MRP on Capital	178	274	117
	67,008	6,303	3,163
Overall Budget Working Total	83,421	12,154	8,772
15. Prior years capitalisation			
MRP	22,619	9,219	1,224
Interest	3,385	5,111	1,002
	26,004	14,330	2,227
MRP on investments	74,956	(2,000)	(1,000)
Total Budget Variance	184,381	24,484	9,999

Appendix 3 MTFS assumptions

Summary	
Narrative	2023/24 £000's
	Current Approach
<u>Net Resources</u>	
CT increase	CT increase 2.99%
CT Base Increase	1.60% increase to CT Base
Adult Social Care Precept increase	ASC precept 2%
Business Rates Position	Additional income from growth £1.5m and £0.665m from increase in the multiplier
Government Resources Position	Core spending grants within LG finance settlement
<u>Inflation and other increases</u>	
Pay award	4% pay award and 1.8% adjustment for increments. Removed Health & Social Care NI Levy and employer NI at 13.8%
Fuel inflation	10% increase in prices compared to 22/23
Waste Inflation	10% inflation, increase for demographic growth (2.9% or 1.6% linked to CT base increase) and additional waste collection.
Energy Inflation	60% increase in prices compared to 22/23
<u>Social Care Growth</u>	
Social Care Growth - Adults	Uplift for care providers
	Application of estimated market sustainability funding
	Increasing demographic changes
	Transitional to adulthood for Children's social care service users
Social Care Growth - Children's	5% growth for Children social care placement prices and transport costs
2022/23 Budget Monitoring Pressures	22/23 budget pressures reported as per budget monitoring (see appendix 4)
<u>Other funding (not affecting baseline)</u>	
One off funding 22/23 - Capital Receipts	Removal of one-off funding in the base - use of capital receipts £3.3m
One off funding 22/23 - Reserves	Removal of one-off funding in the base - use of reserves £4.482m
<u>Savings</u>	
	Savings identified in 22/23 MTFS for 23/24

April 2022 Budget Review - Savings Agreed	2023/24 Identified operational savings £7.862m.
April 2022 Budget Review - To be considered by Members	2023/24 Savings subject to further review £1.843m excluding Business Rates Pooling of £2.5m
April 2022 Budget Review - Savings Agreed - digital and cross cutting	Savings identified in 22/23 MTFS for 23/24
<u>Treasury</u>	
Interest Costs	Loan refinancing at 4.75%
Investment Income	Loss of investment income – current known position
TRL	Net interest income based on loan for development costs for 2 schemes - Belmont Rd and Culver Centre
MRP	Provision applied to write down investment assets values over shortest period within relevant guidance.
Capitalisation Direction	Assumes full impact is spread over 20 years with interest costs on the borrowing arising (at 1% above PWLB base rate)

Appendix 4 Capital Programme

Summary of the 2022/23 General Fund Capital Programme	Approved Budget			Projected Outcome			CY Spend (Sep-22)	% Spend against CY Forecast
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Childrens Service	7,877	3,266	0	4,498	3,379	0	1,277	28.39
Adults; Housing and Health								
Community Development	1,245	500	0	845	900	0	0	0.00
Provider Services	215	0	0	215	0	0	0	0.00
Better Care	2,104	0	0	1,104	1,000	0	251	23.00
Housing General Fund	1,963	0	0	355	1,608	0	-4	-1.00
	5,527	500	0	2,519	3,508	0	247	9.81
Public Realm								
Highways Maintenance	21,269	3,668	170	21,257	3,680	170	3,644	17.14
Resident Services	1,498	825	0	1,498	825	0	187	12.00
Environment	5,137	62	62	4,862	337	62	2,586	53.00
Counter Fraud & Investigation	77	0	0	77	0	0	0	0.00
	27,981	4,555	232	27,694	4,842	232	6,417	23.17
Resources & Place Delivery								
Corporate Assets	4,453	0	0	3,703	750	0	462	12.48
Highways Major Projects	17,100	5,000	5,000	13,908	11,249	1,943	6,947	49.95
Regeneration Projects	18,697	287	444	9,997	8,987	444	1,187	11.87
	40,250	5,287	5,444	27,608	20,986	2,387	8,596	31.14
HR, OD and Transformation	7,735	160	160	6,988	840	93	1,805	25.83
Strategy; Engagement & Growth	279	0	0	279	0	0	107	38.35
Total Expenditure - General	89,649	13,768	5,836	69,586	33,555	2,712	18,449	26.51

Summary of the 2022/23 Housing Revenue Account Capital Programme	Approved Budget			Projected Outcome			CY Spend (Sep-22)	% Spend against CY Forecast
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Adults, Health and Housing								
Housing Development	3,130	22,476	132,925	3,130	22,476	132,925	69	
Transforming Homes	57,448	0	0	43,583	0	0	15,806	
Total Expenditure - HRA	60,578	22,476	132,925	46,713	22,476	132,925	15,875	33.98

Summary of the 2022/23 Housing Revenue Account Capital Programme, by scheme status	Project Status	Approved Budget			Projected Outcome			CY Spend (Sep-22)	% Spend against CY Forecast
		2022/23	2023/24	2024/25	2022/23	2023/24	2024/25		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
	Work commenced	54,364	720	0	40,499	720	0	11,638	
	Scheme completed	0	0	0	0	0	0	10	
	Completed retention o/s	178	0	0	178	0	0	-181	
	Feasibility Stage	1,872	21,756	132,925	1,872	21,756	132,925	244	
	Demand led	4,164	0	0	4,164	0	0	4,164	
Total Adults, Health and Housing - HRA		60,578	22,476	132,925	46,713	22,476	132,925	15,875	33.98

Appendix 5 Reserves

Reserve	Opening 2022/23	Use to Finance Base Budget	Used to Fund Specific Expenditure	Used to balance outturn position	Closing Balance
General Reserves					
BS300 - General Fund Balance	(11,000,000)	0	0	0	(11,000,000)
BS370 - Financial Resilience Reserve	(5,144,005)	3,144,005	0	2,000,000	0
BS369 - Transformation Reserve	(3,840,190)	155,995	0	3,684,196	0
BR013 - Treasury Equalisation Reserve	(1,906,804)	0	0	1,906,804	0
	(21,891,000)	3,300,000	0	7,591,000	(11,000,000)
Service Reserves	(9,881,098)	1,015,691	851,472	7,513,728	(500,206)
BS388 - Collection Fund	(14,707,821)	0	14,707,821	0	0
Ring Fenced or Third party funds	(10,898,862)	0	10,898,863	0	0
Major Projects / Member initiative					
BS372 - Local Plan Reserve	(1,113,387)	0	1,113,387	0	0
BS366 - Lower Thames Crossing (GF)	(466,138)	0	466,138	0	0
BS371 - Additional police Officers	(406,363)	0	406,363	0	0
	(1,985,888)	0	1,985,888	0	0
Needed to support savings generation					
BR002 - ASC - Libraries and Communities	(120,000)	0	120,000	0	0
BR011 - Resource and Place Delivery	(358,935)	0	190,434	0	(168,501)
BS378 - Environment Reserve	(264,921)	0	100,000	0	(164,921)
BS337 - Commuted Sums (GF)	(390,976)	0	0	0	(390,976)
	(1,134,832)	0	410,434	0	(724,398)
Total	(66,342,603)	4,315,691	34,697,579	15,104,728	(12,224,604)

Appendix 6 Dedicated Schools Budget

Dedicated Schools Grant

Appendix 6

1. Dedicated Schools Grant – Quarter 2 2022/23

1.1 The current projected outturn is a breakeven position as shown below:

DSG 2022/23	Funding Settlement	Academy Recoupment	Funding Block Transfer	Final DSG	Projected Outturn	Variance
	£m	£m	£m	£m	£m	£m
Schools	146.520	(140.961)	(0.700)	4.858	4.388	(0.470)
Central Services	1.688	0.000	0.000	1.688	1.646	(0.042)
High Needs	33.274	(6.500)	0.700	27.474	27.986	0.512
Early Years	12.880	0.000	0.000	12.880	12.880	0.000
Total	194.361	(147.461)	0.000	46.900	46.900	(0.000)

1.2 The outturn position reflects the following key areas:

- Schools Block – Pupil Growth, in line with projections, has an underspend of £0.470m.
- Central Services Block – Staffing underspends and maximisation of external funding.
- High Needs Block – An overspend of £0.512m. The overspend relates to post-16 funding and Out of Authority specialist placements.

1.3 The DSG has a carried forward deficit of £1.705m into 2022/23. No change to this is currently forecasted in 2022/23.

1.4 Thurrock with a DSG deficit of £1.705m, is part of the Delivering Better Value in SEND programme that aims to support LA's 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. It is expected that this will start in March 2023.

2. Dedicated Schools Grant 2023/24

1.5 In July, the Secretary of State for Education announced details of the provisional Dedicated Schools Grant (DSG) allocations for 2023/24.

The table below shows the provisional information received and includes the 2022/23 allocation for the Schools Block Growth fund and the Early Years Block. These amount along with the final DSG allocations, updated to reflect the Oct-22 School census, will be published in December 2022.

Dedicated Schools Grant	Funding	Provisional	Provisional
	Settlement	Settlement	Increase
	2022/23	2023/24	2023/24
	£m	£m	£m
Schools Block	146.520	154.321	7.801
Central School Services Block	1.688	1.617	(0.070)
High Needs Block	33.274	35.285	2.011
Early Years Block	12.880	12.880	0.000
Total	194.362	204.103	9.742

- 1.6 The key changes made by the ESFA to the National Funding Formula (NFF) in 2023/24 are:
- The schools supplementary grant 2022/23 has been rolled into 2023/24 funding formula baselines.
 - Increasing NFF factor values (on top of the amounts added for the schools supplementary grant) by:
 - 4.3% to FSM6 and income deprivation affecting children index (IDACI)
 - 2.4% to the basic entitlement, low prior attainment (LPA), FSM, English as an additional language (EAL), mobility, and sparsity factors, and the lump sum.
 - 0.5% to the floor and the minimum per pupil levels (MPPL). This will mean that, next year, every primary school will be allocated at least £4,405 per pupil, and every secondary school at least £5,715.
 - 0% on premises factors.
- 1.7 This means that the schools NFF is targeting a greater proportion of funding towards deprived pupils; 9.8% of the schools NFF will be allocated according to deprivation in 2023/24. In 2023/24, schools in the highest quartile of deprivation (measured by the percentage of pupils who have been eligible for free school meals over the past 6 years) will, on average, attract larger per-pupil funding increases than less deprived schools.
- 1.8 In 2023/24, each local authority will continue to set a local schools funding formula, in consultation with local schools. The ESFA have confirmed, 2023/24 will also be the first year of transition to the “direct” schools NFF. The NFF policy document published sets out the requirements on local authorities to move their formulae closer to the NFF:
- In 2023/24 LA’s will only be allowed to use NFF factors in their local formulae and must use all NFF factors.
 - LA’s will also be required to mover their local formula factors 10% closer to the NFF values, compared to where they were in 2022/23, unless local formula is classed as mirroring the NFF.
- Thurrock is within 2.5% of NFF values and deemed to be mirroring the NFF.
- 1.9 Thurrock’s funding formula will implement the following principles consistent with the decision made by Cabinet from 2020/21:

- National Funding Formula including Area Cost Adjustment values to be applied.
- Where this is unaffordable the Basic Entitlement value, to be included, will be reduced to contain within the funding available. The reduction to be applied will be weighted, consistent with the distribution of funding between Primary and Secondary.
- Growth fund to be retained to support sufficiency of school places.

These principles have been discussed with Schools on the 11 October and the Schools Forum on 17 November 2022.

2. Decision Required

- 2.1 Agree that Thurrock's 2023/24 Schools funding formula to be implemented as stated in 1.5 above. This being consistent with previous Cabinets decisions made since 2020/21.

Appendix 7 Flexible Use of Capital Receipts

Flexible Use of Capital Receipts Strategy

Executive Summary

In the 2022/23 Provisional Local Government Finance Settlement, Government announced:

“Extension of the flexibility to use capital receipts to fund transformation projects

We are announcing a 3-year extension from 2022-23 onwards of the existing flexibility for councils to use capital receipts to fund transformation projects that produce long-term savings or reduce the costs of service delivery”.

On 4 April 2022, the Department of Levelling Up, Housing, and Communities confirmed this extension and published Guidance and a Direction.

This strategy is intended to set out plans to apply the above flexibility in financial year 2022-23. This approach is considered in conjunction with the Medium-Term Financial Strategy and the draft Strategic Transformation Plan. A longer-term strategy will be developed following the outcome of the Best Value Inspection being led by Essex County Council.

The Council intends to use capital receipts to fund £3.190m of qualifying expenditure which supports planned transformation projects in 2022/23.

1. Background

The Direction issued by the Secretary of State under Sections 16(2)(b) of the Local Government Act specifies that Local Authorities can treat as capital expenditure, expenditure which:

“is incurred by the Authority that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners”.

“is properly incurred by the Authority for the financial years that begin on 1 April 2022 to 31 March 2023”

It is a condition of the Secretary of State’s direction that the flexible use of capital receipts in accordance with the direction only applies to capital receipts which have been received in the years to which the direction applies.

When applying the direction, Authorities are required to have regard to Guidance on Flexible Use of Capital Receipts issued by the Secretary of state under Section 15(1)(a) of the Act.

In using the flexibility, the Council will have due regard to the requirements of the Prudential Code and to the CIPFA Local Authority Accounting Code of Practice. The Council is also required to prepare a Flexible use of Capital Receipts Strategy before the start of the year to be approved by the Council.

The Council referred to a Use of Capital Receipts in its 2022/23 Budget Report, but has not, until now, prepared such a strategy.

In the future, a Flexible Use of Capital Receipts Strategy will be included within the budget report presented to Full Council in February each year.

2. Capital Receipts 2022/23

To date, the Council has £8.879m capital receipts in 2022/23 generated through a range of asset disposals and anticipates further substantial capital receipts in the remainder of the year.

3. Impact on Prudential Indicators

The guidance requires that the impact on the Council's Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. As it is Council policy not to rely on capital receipts until they are realised, these capital receipts have not been factored into the Council's Capital Financing Requirement (CFR) by way of either reducing debt or financing capital expenditure. Consequently, the use of these receipts under this flexibility will have no effect on the Council's Prudential Indicators.

4. Transformation projects funded by capital receipts plan 2022/23

The General Fund Budget Proposals report presented to Full Council on 23 Feb 2022 includes the below plan under paragraph 6.33:

"As required under the terms of the flexibility offered the funding will be applied to transformational activity that generates ongoing savings to the Council. There is a planned use of £3m and this investment will be specifically allocated to support savings programmes that will address the funding gap in 2023/24."

Added to this is a further £0.190m as per appendix 2 Medium Term Financial Strategy included in the same report.

The below table sets out the 2022/23 savings targets for each directorate:

Directorate	Specific Directorate savings	Additional Cross-cutting savings	Total 2022/23 Directorate Savings
	£'000	£'000	£'000
Adults, Housing and Health	(2,264)	(117)	(2,381)
Children's Services	(2,859)	(140)	(2,999)
Housing General Fund	(1,495)	(24)	(1,520)
HR, OD and Transformation	(275)	(341)	(616)
Public Realm	(1,707)	(126)	(1,832)
Resources & Place Delivery	(1,963)	(945)	(2,908)
Strategy, Engagement & Growth	(355)	(94)	(449)
Wider Corporate Savings	(1,500)		(1,500)
Total	(12,418)	(1,787)	(14,206)

The Council intends to use capital receipts to fund works across the following key areas to implement and embed transformational changes required to achieve the £14.2m savings targets:

Work Stream	2022/23 Estimated Cost £'000
Asset Review	189
Digital	284
Access to Services	51

Strategic Planning	140
Direct Service transformation	2,526
	3,190

Costs have been identified in the form of staff time, additional external expertise, ICT development, one-off redundancy costs and other expenditure deemed appropriate to works required to achieve the ongoing savings proposals.

Asset Review

- *The Three R's* - Optimise the scale and use of Thurrock's real-estate through a **Retain**, **Re-use** or **Release** strategy.

Digital

- *Digital Efficiency/Smarter Working* -To ensure that business functions are optimised digitally (using RPA where possible) and are efficient through challenging existing business processes and support activities relative to transactional activity.

Access to Services

- *Alternative Delivery Models* - To establish a mixed portfolio of provision, involving delivery models that operate across multiple services to deliver efficiencies, economies of scale whilst giving us the flexibility to innovate. This will include the Custer Services and Face to Face offer to residents.

Strategic Planning

- *Smarter Working* - To deliver our services more efficiently and in more innovative ways. This means considering the best place to work (the workspace), how we approach our work (the culture) and the equipment we use (the technology).
- *Culture Change Programme* - A programme of Organisational development that raises the awareness for the need to change and improve how we deliver our services to support our residents and businesses.

Direct Service Transformation

- A series of Service Improvement activities that are specifically local to a particular Directorate or business function:

	2022/23 Estimated cost £'000
Directorate	
Adults, Housing & Health	934
Children's Services	666
HROD	371
Public Realm	485
Resources & Place Delivery	70
	2,526

Key workstreams are set out below:

Adults, Housing & Health

- Better Care Together Thurrock: The Case for Further Change (Adult Integrated Care Strategy) - a collective plan for transforming, improving and integrating local services to improve the wellbeing of the borough's adults and older people.

Children's Services

- Review of Out of Hours Social Work service
- Review of Local Authority nursery provision
- Review of Social Care and Early Offer of Help
- Review of School Transport service

Human Resources, Organisational Development

- Centralisation of ICT services, roll out of MS365
- Staff reorganisation and streamlining of support services

Public Realm

- Waste strategy – route optimisation, vehicle capacity/efficiency, recalibration of waste collection service
- New income streams for commercial work to external customers
- CCTV/The Hub -

Resources & Place Delivery

- Business Development & Innovation team - SLA Online portal and services to schools and external clients
- Corporate finance – Beyond Forecasting Tool implementation and training for budget holders

5. Monitoring the Strategy

The Strategy will be monitored throughout the financial year as part of regular budget monitoring arrangements and be reported accordingly as part of the current quarterly budget monitoring reports to Directors.

The Strategy may be updated and replaced as proposals are developed and expenditure is incurred. The legitimacy of the use of the Strategy will be determined by the Council's s151 Officer in order to ensure that it meets the requirements set out by the Secretary of State.