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SOUTHEND-ON-SEA BOROUGH COUNCIL

Policy and Resources Scrutiny Committee

Date: Thursday, 13th October, 2016 @ 18.30

Place: Committee Room 1 - Civic Suite

Contact: Fiona Abbott 01702 215104

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**AGENDA**

\*\*\*\* **Part I**

- 1 **Apologies for Absence**
- 2 **Declarations of Interest**
- 3 **Questions from Members of the Public**
- 4 **Minutes of the Meeting held on Thursday 14th July 2016**
- 5 **Monthly Performance Report**

Members are reminded to bring with them the most recent MPR for period end August 2016 which will be circulated on 5<sup>th</sup> October 2016.

Comments / questions should be made at the appropriate Scrutiny Committee relevant to the subject matter.

\*\*\*\* **ITEMS CALLED-IN/REFERRED DIRECT FROM CABINET, Tuesday 20th September, 2016**

- 6 **Notice of Motion - Estate Agent Fees and Practices**

**Minute 260 (Cabinet Book 1, item 4 refers)**

Called-in by Councillors H McDonald, I Gilbert, M Assenheim and R Woodley

- 7 **Better Queensway**

**Minute 261 (Cabinet Book 1, item 5 refers)**

Called-in by Councillors H McDonald, I Gilbert, M Assenheim and R Woodley

- 8 **Quarter One Treasury Management Report 2016/17**

**Minute 262 (Cabinet Book 1, Item 6 refers)**

Called-in by Councillors M Assenheim and R Woodley

- 9 **Information Governance - Senior Information Risk Owner (SIRO) Annual Report - 2015/16**

**Minute 264 (Cabinet Book 1, item 8 refers)**

Called-in by Councillors H McDonald and I Gilbert

**10 Annual Report - Comments, Compliments and Complaints - 2015/16**

**Minute 265 (Cabinet Book 1, item 9 refers)**

Referred direct by Cabinet to all 3 Scrutiny Committees

Called-in by: Councillors H McDonald and I Gilbert

**11 Amendments to Senior Management & Departmental Arrangements**

**Minute 281 (Cabinet Book 2, Item 25 refers)**

Called-in by Councillors M Assenheim and R Woodley

**\*\*\*\* PRE-CABINET SCRUTINY ITEMS - NONE**

**\*\*\*\* ITEMS CALLED-IN FROM THE FORWARD PLAN - NONE**

**\*\*\*\* OTHER SCRUTINY MATTERS**

**12 Summary Reports to Scrutiny Committee**

- (i) Essex Fire Authority – information attached
- (ii) Southend University Hospital - NHS Foundation Trust – information attached
- (iii) Essex Police and Crime Panel – information attached
- (iv) Kent & Essex Inshore Fisheries & Conservation Authority

**13 In depth scrutiny report - 'Control of personal debt and the advantages of employment'**

Report of Corporate Director for Corporate Services

**14 In depth scrutiny project - 'To investigate the case for additional enforcement resources for Southend'**

Place / Policy & Resources Scrutiny Committee in depth study 2016/17 - Proposed Project Plan

**Members:**

Cllr B Ayling (Chair), Cllr D Kenyon (Vice-Chair), Cllr B Arscott, Cllr D Burzotta, Cllr M Butler, Cllr L Davies, Cllr N Folkard, Cllr D Garston, Cllr I Gilbert, Cllr R Hadley, Cllr D McGlone, Cllr C Mulrone, Cllr D Norman MBE, Cllr G Phillips, Cllr M Stafford, Cllr C Walker and Cllr J Ware-Lane

# SOUTHEND-ON-SEA BOROUGH COUNCIL

## Meeting of Policy and Resources Scrutiny Committee

Date: Thursday, 14th July, 2016  
Place: Committee Room 1 - Civic Suite

# 4

**Present:** Councillor B Ayling (Chair)  
Councillors D Kenyon (Vice-Chair), B Arscott, D Burzotta, M Butler,  
\*A Bright, L Davies, N Folkard, D Garston, I Gilbert, R Hadley,  
C Mulrone, D Norman MBE, M Stafford, C Walker and J Ware-Lane

\*Substitute in accordance with Council Procedure Rule 31.

**In Attendance:** Councillors Flewitt and Moring (Executive Councillors)  
Councillor Assenheim  
R Tinlin, S Holland, J K Williams, I Ambrose, C Fozzard, D Patel, N  
Corrigan, S Houlden and R Harris

**Start/End Time:** 6.30 - 7.15 pm

### 137 Apologies for Absence

Apologies for absence were received from Councillor Phillips (Substitute: Councillor Bright).

### 138 Declarations of Interest

The following interests were declared at the meeting:

(a) Councillors Flewitt and Moring (Executive Councillors) – interests in all the referred items; attended pursuant to the dispensation agreed at Council on 19th July 2012, under S.33 of the Localism Act 2011;

(b) Councillor Flewitt – Minute 146 (Debt Management) – Non-pecuniary interest – friends and family are tenants of South Essex Homes; and Minute 153 (Suggested in-depth Scrutiny Projects – 2016/17) – Is a Magistrate in another area;

(d) Councillor Ayling – Minute 153 (Suggested In-depth Scrutiny Projects – 2016/17) – Non-pecuniary interest – family member is a Police Special Constable;

(e) Councillor Mulrone – Minutes 151 and 155 (Council Procedure Rule 46 regarding Elm Road Development) – Non-pecuniary interest – Member of Leigh Town Council who were consultees.

### 139 Questions from Members of the Public

The relevant Executive Councillors responded to written questions received from Mr Webb.

**140 Minutes of the Meeting held on Thursday, 14th April, 2016**

Resolved:-

That the Minutes of the Meeting held on Thursday, 14<sup>th</sup> April 2016 be received, confirmed as a correct record and signed.

**141 Notice of Motion - Trade Union Bill**

The Committee considered Minute 47 of Cabinet held on 28th June 2016, which had been referred direct by Cabinet, concerning a notice of Motion requesting the Council support the campaign against the Trade Union Bill.

Resolved:-

That the following decisions of Cabinet be noted:-

“1. That it be noted that the Trade Union Bill has been passed and is a legal requirement on all employers.

2. That it also be noted that the Council will continue to work in partnership with trade union colleagues to facilitate productive working relationships.”

Note:- This is an Executive Function.

Executive Councillor:- Lamb

**142 Corporate Plan and Annual Report - 2016**

The Committee considered Minute 49 of Cabinet held on 28th June 2016, which had been referred direct by Cabinet to all three Scrutiny Committees, together a report of the Chief Executive presenting the Council’s draft Corporate Plan and Annual Report for 2016.

Resolved:-

That the following recommendation of Cabinet be noted:

“That the draft Corporate Plan and Annual Report 2016 be approved.”

||

Note:- This is a Council Function

Executive Councillor:- Lamb

**143 2015/16 Year End Performance Report**

The Committee considered Minute 50 of Cabinet held on 28<sup>th</sup> June 2016, which had been referred direct by Cabinet to all three Scrutiny Committees, together with a report of the Chief Executive detailing the end of year position of the Council’s corporate performance.

Resolved:-

That the following decision of Cabinet be noted:

“That the 2015/16 end of year position and accompanying analysis, be noted.”

Note:- This is an Executive Function  
Executive Councillor:- Lamb

#### **144 Information Management Strategy**

The Committee considered Minute 51 of Cabinet held on 28<sup>th</sup> June 2016, which had been referred direct by Cabinet to all three Scrutiny Committees, together with a report the Corporate Director for Corporate Services presenting the Council’s revised Information Management Strategy

Resolved:-

That the following decision of Cabinet be noted:

“That the Council’s Information Management Strategy, as set out at Appendix 1 to the submitted report, be approved.”

Note:- This is an Executive Function  
Executive Councillor:- Lamb

#### **145 Annual Treasury Management Report**

The Committee considered Minute 52 of Cabinet held on 28<sup>th</sup> June 2016, which had been referred direct by Cabinet, together with a report of the Corporate Director for Corporate Services detailing treasury activity for the period from April 2015 to March 2016 and reviewed performance against the Prudential Indicators for 2015/16.

Resolved:-

That the following recommendations of Cabinet be noted:-

“1. That the Annual Treasury Management Report for 2015/16 and the outturn Prudential Indicators for the period from April 2015 to March 2016, be approved.

2. That it be noted that the financing of capital expenditure of £37.850m has been funded in accordance with the schedule set out in Table 1 of section 4 of the submitted report, with a reduced financing requirement of £1.287m.

3. That it be noted that Capital Financing and Treasury Management were carried out in accordance with statutory requirements, good practice and in compliance with the CIPFA (The Chartered Institute of Public Finance and Accountancy) Prudential Code during 2015/16.

4. That, in respect of the return on investment and borrowing, the following be noted:

(a) The loan and investment portfolios were actively managed to minimise cost and maximise interest earned, whilst maintaining a low level of risk.

(b) That £1.22m of interest was earned during the whole of 2015/16 at an average rate of 1.27%. This is 0.91% over the benchmark of the 7 day LIBID (London Interbank Bid Rate) and 0.77% over bank base rate.

(c) That an average of £60.6m of investments were managed in-house. These earned £0.40m of interest during the year at an average rate of 0.65%. This is 0.29% over the average 7 day LIBID and 0.15% over the bank base rate.

(d) That an average of £24.1m of investments were managed by our external fund manager. These earned £0.18m of interest during the year at an average rate of 0.76%. This is 0.40% over the average 7 day LIBID and 0.26% over bank base rate.

(e) That an average of £10.7m was managed by two property fund managers. This earned £0.64m during the year from a combination of an increase in the value of the units and income distribution, giving a combined return of 5.95%.

(f) That the level of borrowing from the Public Works Loan Board (PWLB) (excluding debt relating to services transferred from Essex County Council on 1<sup>st</sup> April 1998) decreased from £237.8m to £227.8m (Housing Revenue Account (HRA): £78.0m, General Fund (GF): £149.8m) by the end of 2015/16.

(g) That the level of financing for 'invest to save' schemes increased from £0.14m to £3.21m by the end of 2015/16."

Note:- This is a Council Function  
Executive Councillor:- Moring

#### **146 Debt Management - position to 31 March 2016**

The Committee considered Minute 53 of Cabinet held on 28th June 2016, which had been referred direct by Cabinet, together with a report of the Corporate Director for Corporate Services informing Members of the current outstanding debt to the Council as at 31<sup>st</sup> March 2016 and debts that had been or are recommended for write-off in the current financial year.

It was noted that in Appendix A of the report (summary of outstanding debt) under the column titled 'libraries' (Debt Position in respect of 2015/16), the figure of '280' should be deleted and replaced by '28'.

There was a general consensus to explain to the media/public the Council's position concerning its debt management policy.

Resolved:-

That the following decisions of Cabinet be noted:-

"1. That the current outstanding debt position as at 31<sup>st</sup> March 2016 and the position of debts written off to 31<sup>st</sup> March 2016 as set out in Appendices A and B to the submitted report, be noted.

2. That the write-off as set out in Appendix B to the submitted report, be approved.”

Note:- This is an Executive Function  
Executive Councillor:- Moring

#### **147 Provisional Capital Outturn 2015/16**

The Committee considered Minute 54 of Cabinet held on 28th June 2016, which had been referred direct by Cabinet, together with a report of the Corporate Director for Corporate Services outlining the capital programme outturn for 2015/16 and sought approval for the relevant budget carry forwards, accelerated delivery requests and in-year amendments to the current approved programme.

Resolved:-

That the following recommendations of Cabinet be noted:-

“1. That it be noted that the expenditure on the capital programme for 2015/16 totalled £37.850m against a budget of £39.137m, a delivery of 96.7%.

2. That the relevant budget carry forwards and accelerated delivery requests totalling a net £1.411m as set out in Appendices 1 and 2 to the submitted report, be approved.

3. That the virements, reprofiles and amendments and new external funding for schemes, as detailed in Appendices 3, 4 and 5 to the submitted report, be noted.

4. That the relevant changes to the budget identified since the approved capital programme was set at Council on 25<sup>th</sup> February 2016, as detailed in Appendix 6 to the submitted report, be approved.

5. That it be noted that the above changes will result in an amended Capital Programme of £191.656m for the period 2016/17 to 2019/20, as detailed in Appendix 7 to the submitted report.”

Note:- This is a Council Function  
Executive Councillor:- Lamb

#### **148 Provisional Revenue Outturn 2015/16**

The Committee considered Minute 55 of Cabinet held on 28th June 2016, which had been referred direct by Cabinet, together with a report of the Corporate Director for Corporate Services on the provisional revenue outturn for 2015/16.

Resolved:-

That the following decisions of Cabinet be noted:-

“1. That the provisional revenue outturn for the General Fund and HRA for 2015/16 be noted.

2. That the appropriation of revenue funds to and from earmarked reserves, as set out in paragraph 4.6 and paragraph 5.4 to the submitted report, be approved.”

Note:- This is a Council Function  
Executive Councillor:- Lamb

#### **149 Annual Report - Regulation of Investigatory Powers Act 2015/16**

The Committee considered Minute 56 of Cabinet held on 28th June 2016, which had been referred direct by Cabinet, together with a report of the Corporate Director for Corporate Services on the Council’s use of the surveillance powers available to it under the Regulation of Investigatory Powers Act 2000 (“RIPA”) in respect of the period 1<sup>st</sup> April 2015 to the 31<sup>st</sup> March 2016 and set out the Council’s “Policy and Procedures for undertaking Directed Covert Surveillance and the use of Covert Human Intelligence Sources”.

Resolved:-

That the following decisions of Cabinet be noted:-

“1. That it be noted that the Council has not used the surveillance powers available to it under RIPA between 1<sup>st</sup> April 2015 and the 31<sup>st</sup> March 2016 and neither has it used any covert human intelligence sources during this period.

2. That the Council’s “Policy and Procedures for undertaking Directed Covert Surveillance and the use of Covert Human Intelligence Sources” set out at Appendix 1 to the submitted report with the amendments highlighted, be endorsed.”

Note:- This is an Executive Function  
Executive Councillor:- Moring

#### **150 Senior Management Arrangements**

The Committee considered Minute 66 of Cabinet held on 28th June 2016, which had been referred direct by Cabinet, together with a report of the Chief Executive proposing amendments to the senior management structures and departmental arrangements to reflect continuing reductions in staff numbers, budget pressures and the need to consolidate the public health service in the wider Council structure.

Resolved:

That the following recommendations of Cabinet be noted:

“1. That the proposed amendments to the senior management numbers and structures be approved and that, subject to no substantive adverse response to consultations, the implementation of the proposals be delegated to the Chief Executive in consultation with the Leader of the Council.



2. That the Chief Executive be delegated the authority to make the necessary adjustments to responsibilities and duties as a result of these changes and that appropriate amendments be made to the Constitution to reflect the new senior management structure once implemented.

3. That it be noted that the Chief Executive will bring forward a second report in the Autumn to address the outcome of the review of the public health function and to address other structural issues to facilitate recruitment and retention and succession planning and that the Chief Executive, in consultation with the Leader of the Council, be authorised to take other decisions to facilitate the recommendations in the report.”

Note:- This is a Council Function  
Executive Councillor:- Lamb

**151 Council Procedure Rule 46**

The Committee considered Minute 67 of Cabinet which had been referred to Scrutiny concerning actions taken under Council Procedure Rule 46.

With regard to the Elm Road Development Brief item it was clarified that the report at this point should read as follows:

*As a result of various changes in circumstance in the area of the Elm Road Development Brief and in consideration of feedback from the latest public consultation, the brief **is** not to be adopted or progressed and will **not** carry any weight as an planning document.*

Resolved:-

That the following decision of Cabinet be noted:-

“That the submitted report be noted.”

Note:- This is an Executive Function.  
Executive Councillor: As appropriate to the item

**152 Minutes of the Meeting of Chairmen's Scrutiny Forum held on Tuesday, 28th June, 2016**

Resolved:

That the Minutes of the meeting of Chairmen's Scrutiny Forum held on Tuesday, 28th June, 2016 be received and noted and the recommendations therein endorsed.

Note: This is a Scrutiny Function.

**153 Suggested in depth Scrutiny projects - 2016 / 17**

The Committee considered a report by the Corporate Director for Corporate Services concerning the possible in depth scrutiny projects to be undertaken by

the Scrutiny Committee in 2016/17. The report also attached some information about the work carried out by the Scrutiny Committees in the 2015/16 Municipal Year.

The Committee welcomed the suggestion that a joint in-depth study be undertaken in conjunction with the Place Scrutiny Committee to investigate the case for additional enforcement resources for Southend. This proposal had been welcomed at the Place Scrutiny Cttee meeting held earlier in the week (Minute 110 refers).

The Committee supported the proposal for a joint Working Party comprising 8 Members, to be appointed at the next meeting of the Council. It was also agreed that officers can proceed with background work in advance of the scope of the topic being fully developed.

Resolved:

1. That the in-depth scrutiny project for 2016/17 be 'To investigate the case for additional enforcement resources for Southend.

2. That the in-depth study be a joint project with the Place Scrutiny Committee.

3. That the Council be requested to appoint a joint Working Party comprising 8 Members (proportionality to apply) which will manage the in depth project. ||

4. That officers proceed with background work in advance of the scope of the topic being fully developed.

5. That the information attached at Appendix 3 to the Report, the summary of work of the 3 Scrutiny Committees during 2015/2016, be noted.

Note:- This is a Scrutiny Function save for Resolution 3 above which is a Council function.

#### **154 Exclusion of the Public**

Resolved:-

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the item of business set out below, on the grounds that it would involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

#### **155 Council Procedure Rule 46**

The Committee considered Minute 71 of Cabinet which had been referred to Scrutiny concerning actions taken under Council Procedure Rule 46.

Resolved:-

That the following decision of Cabinet be noted:-

“That the submitted report be noted.”

Note:- This is an Executive Function.  
Executive Councillor: Moring

**Chairman:** \_\_\_\_\_

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**Notice of Motion**  
**Estate Agent Fees and practices**

6

We call upon this Council to investigate estate agent fees and practices.

The critical demand for temporary *accommodation coupled with high rent levels, agents fees and other charges*, has created a problem in the town.

It is therefore requested that the Council starts an investigation into this issue, working with SEAL and residents associations to get a clear and honest picture of what is happening & promote a better private rental culture to protect tenants and landlords interests.

Proposed – Cllr Davies  
Seconded – Cllr Callaghan

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# Southend-on-Sea Borough Council

Joint Report of Corporate Director for People and  
Corporate Director for Corporate Services

to  
**Cabinet**

on  
**20 September 2016**

Agenda  
Item No.

**7**

Report prepared by: David Ubaka  
Project Manager – Better Queensway

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**Options for Better Queensway Project – the Regeneration of Housing Land and  
Property adjoining the Town Centre (including the four Town Centre Tower Blocks)**

**Relevant Scrutiny Committee: Policy and Resources Scrutiny Committee  
Executive Councillors: Councillor John Lamb and Councillor Ann Holland**

***A Part 1 Public Agenda Item***

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## **1 Purpose of Report**

To provide an update on work undertaken on the Better Queensway Project ('the Project') since the decision of Cabinet on 22<sup>nd</sup> September 2015 and make recommendations to progress to Phase 3 of the Project.

## **2 Recommendation**

- 2.1 To note the work on the Better Queensway Project ('the Project') to date;
- 2.2 To progress to Phase 3 of the Project based on the latest option development attached at **Appendix 1** and to agree;
- 2.3 To continue to investigate the use of the Council's Compulsory Purchase Powers and to undertake preparatory work for the making of a Compulsory Purchase Order (CPO), which will be subject to a formal resolution of the Cabinet in future.
- 2.4 That the Project should involve the demolition of the tower blocks and other flats (where the Council owns the freehold) within the Project area.
- 2.5 To serve Initial Demolition Notices under Section 138(a) and Schedule 5(A) of the Housing Act 1985 (as amended) on all secure tenants of house and flats within the Project area.
- 2.6 That based on **Appendix 1**, an outline planning application for the Project be prepared and submitted.

- 2.7 That further work is undertaken on the preferred Joint Venture approach (through competitive dialogue) with a report being submitted to Cabinet to determine this matter and the selection of a development partner.
- 2.8 That delegated authority be given to the Section 151 officer in consultation with the Deputy Leader to agree the terms of any proposed Leaseholder swaps. (para 6.12 & 6.13 refers).
- 2.9 To note further reports will also need to give approval to additional matters such as; land appropriation, CPO resolution and a decant policy for re-housing of tenants and Leaseholders .

### 3 Background

- 3.1 The report to Cabinet on 22nd September 2015 outlined the general background of the site, the key challenges relating to the towers, highways and land ownership. It also explained the various phases proposed for the regeneration Project:

Phase 1	Identify the scope of the Project
Phase 2	Test the viability, assess market interest, and identify procurement and financing routes
Phase 3	Procure a Delivery Partner and secure financing
Phase 4	Delivery of Project.

- 3.2 Cabinet resolved that Phase 2 of the Project be progressed, including the following (minute 255 refers):

- Inclusion of Network Rail land at Victoria Station within the outline masterplan
- Undertake further works to determine the future of the Tower Blocks
- The proposed preferred offer to leaseholders
- Progress investigation work to 'cover' the Underpass and the remodelling of the roadways including the possible widening of Chichester Road
- Progress with further investigation work on the 3 financial options, including procurement routes
- Identify social infrastructure requirements as part of the whole development
- Continue to work with the Smart Cities Project
- Undertake an Economic Impact Assessment which will inform the design brief

- 3.3 Phase 2 established financial viability and further investigation including opportunities and challenges to feed into a future delivery model.

- 3.4 Within the 2016/17 approved budget, provision was made for the following; £500,000 for acquisition of commercial properties and £500,000 for acquisition of residential properties. A further £500,000 was allocated for on-going project costs.



## 4 Progress

- 4.1 After Cabinet in September 2015 a rationalisation process started to flesh out some of the detail behind the high-level design and principles of the Project, in order to arrive at a robust baseline position. This exercise led to the identification of a short list of preferred delivery option(s) (of which the previous administration gave detailed consideration to the Joint Venture Option), a high level procurement process and a frozen master design.
- 4.2 Following on from the rationalisation process a Soft Market Testing event was undertaken to verify the findings with various private sector developer and investment organisations to ensure the Project would be marketable and viable to the private sector. The event was well attended with a good mix of high profile investors and developers. Feedback received was extremely positive with all parties in agreement that the scheme is viable. The market queried the proposed Private Rented Sector (PRS) levels, and commented that parking was high given the town centre location and a regeneration project of this nature. This market feedback has been reflected but not for the market's view on parking in the latest option development of which are shown in **Appendix 1**.
- 4.3 The new Administration has carefully considered proposals to take the Better Queensway Project forward and have made some suggested amendments to the scheme which include; increased parking from 0.8 to 1:1; amended density and heights within the scheme to reflect the existing heights in the town centre and these have been incorporated into the latest option development at **Appendix 1**.
- 4.4 In June an EU-compliant procurement exercise was carried out to appoint four strategic adviser roles; Lead; Design and Urban Planning; Strategic Property and Financial. These roles are to assist us with the additional expert resource needed to procure a Delivery Partner and achieve an outline planning permission.

## 5 Principle of CPO Action

- 5.1 Much of the Queensway site is owned by the Council. However it is a mixture of assets held by the HRA and the General Fund, and held for a variety of reasons such as housing, parking, highways, open space etc.
- 5.2 The proposed Project will deliver a mixed development of residential units, car parking, retail, community, public realm and highway improvements.
- 5.3 As previously reported the Council does not own all of the land within the proposed Project area. The properties facing onto Southchurch Road, the corner of Chichester Road and Essex Street to the rear, are a mixture of commercial, retail and residential units in private ownership, with approximately 72 separate property interests. It is difficult to specify exactly how many interests exist because not all of the interests have been registered, however the exact number will be determined after land referencing has been undertaken. In addition, there are some 53 leasehold interests that exist from right to buy sales within the tower blocks.

- 5.4 The Council will need to acquire all of these interests, and obtain vacant possession of the secure tenanted properties. The preference will be to acquire all of the privately owned interests by agreement wherever possible. However with so many interests to acquire there is every possibility that not all owners will be willing to engage in discussions with the Council, or may elongate the process for their benefit. Compulsory purchase is a tool used by many Local Authorities undertaking regeneration schemes to complete the land assembly in order to help deliver social, environmental and economic change within a reasonable timescale and budget.
- 5.5 The preparation of a CPO is crucial to its success and Cabinet is therefore being asked to confirm its willingness to investigate the use of compulsory purchase powers. If a CPO needs to be made, the Council must be able to demonstrate that it has taken reasonable steps to acquire all of the land and rights included in the CPO by agreement.
- 5.6 The Council has wide powers of compulsory purchase provided:
- The Council is authorised by statute to purchase land for a particular purpose and the CPO is necessary to achieve that purpose;
  - There is a compelling case in the public interest;
  - The Council has the finances to undertake the regeneration within a reasonable timeframe;
  - There is a reasonable prospect of the scheme going ahead within a reasonable timeframe i.e. there is a delivery mechanism in place and planning permission has either been granted or there are no planning obstacles; and
  - CPO is a measure of last resort, and negotiations for acquisition by agreement have been unsuccessful

The Council would need to be satisfied that it has met these requirements before proceeding to pass a resolution to use CPO powers.

- 5.7 CPO guidance sets out the statutory process and requirements that acquiring authorities must adhere to.
- 5.8 Officers must now start preparing a detailed case to support the use of these powers. As part of the continued preparatory work, formal land referencing will be undertaken to establish a definitive list of property and occupancy interests affected by the regeneration.
- 5.9 First and foremost residents and affected property owners must be fully engaged and consulted in regards the regeneration and the Council must demonstrate that all attempts to acquire property interests by negotiation have been made and have failed.
- 5.10 It should be noted that negotiations with individuals to acquire property interests should only begin once funding for the regeneration is agreed. All negotiations will be undertaken sympathetically and in accordance with compulsory purchase guidance and the compensation code.

- 5.11 In addition to the statutory provisions for the CPO there are statutory obligations under the Housing Act 1985 that the Council must follow in respect of its secure tenants. The Council will be required to obtain the approval of the Secretary of State for the redevelopment when seeking to re-house secure tenants to ensure that vacant possession is possible where tenants will not leave properties that are due to be demolished. The consent of the Secretary of State will enable the Council to serve Ground 10A notices under the Housing Act 1985 to gain vacant possession of homes. In order to mitigate any risk, it is proposed that all secure tenancies are included within the proposed CPO's for the Project.
- 5.12 The key to completing the land assembly will therefore depend upon the Council successfully being able to use its compulsory purchase powers should the need occur and satisfying the Secretary of State that there are grounds for possession in respect of the secure tenants.
- 5.13 The compulsory purchase process is a complex, lengthy, costly and specialist area. The Council has already taken expert CPO advice in respect of compensation costs and strategy, and will continue this work with the newly appointed property adviser who has the necessary CPO expertise and experience to advise the Council on all aspects of the CPO process. This work will include reviewing the existing CPO cost estimates, in light of market changes and additional information obtained through the land referencing exercise.
- 5.14 At this stage, Cabinet is being asked only to make a decision to continue preparatory work. Any future formal resolution to make a CPO will be subject to the Council being satisfied it has met the pre-conditions referred to under paragraph 5.6 and any additional legal conditions and a further report(s) will be prepared for Cabinet to deal with these in more detail. A prerequisite to any resolution will be a robust and viable business plan and funding strategy for delivery of the regeneration.

## **6. Initial Demolition Notices suspending the Right to Buy**

- 6.1 As part of the rationalisation process the Project Team looked at the four tower blocks currently providing public housing within the Project area from a design, value and place making point of view as well as the like for like cost of refurbishment. Retention of the towers caused a negative impact on potential values of new properties, made the place quality less and the overall masterplan design difficult. In addition the cost to refurbish the towers to a new build standard is approx. £30M per tower. For these reasons it is recommended that the project should involve the demolition of the four tower blocks.
- 6.2 A continuing risk to the viability of the Project is the possibility that secure tenants within the Project area, will continue to apply to purchase their properties under right to buy or just purely purchase for a speculative reason.

- 6.3 This will lead to increased acquisition and compensation costs and will also add to the number of parties that the Council will need to negotiate with.
- 6.4 This risk can be mitigated by the issue of Initial Demolition Notices, which effectively suspend any existing right to buy applications that have yet to complete (currently 2). It does not prevent new applications being made, but the Council is not required to complete them.
- 6.5 The Initial Demolition Notice outlines the Council's intentions, but is not specific to a date, allowing the Council to work up its scheme. Final Demolition Notices are issued when the Council has actually set a date for the demolition to take place.
- 6.6 Initial Demolition Notices remain in force for a period of 7 years and can be immediately followed by issuing Final Demolition Notices which are valid for 2 years. This provides a total period of up to 9 years to undertake the re-housing and demolition in phases within the valid notice period.
- 6.7 Final demolition notices are served once the Council has acquired all private interests in the tower blocks or once the CPO is approved. This ends the right to buy completely. Compensation is payable to applicants based on expenses incurred, where the application was made before the Initial Demolition Notice.
- 6.8 Consequently, the Project should involve the demolition of the tower blocks and other flats within the Project area and that preparations are made to serve Initial Demolition Notices on all secure tenants affected by the Project.
- 6.9 Careful consideration will be given to the timing of the notices, to ensure that they will remain valid for the entire phased decant and demolition period, once these details have been formulated.
- 6.10 If for any reason the demolition does not take place the notices can be retracted, however no further notice can be served for a period of 5 years without the consent of the Secretary of State.
- 6.11 Following stopping the right to buy, commencement of the leaseholder swap options, agreed by Cabinet on 22nd September 2015, will begin.
- 6.12 There are 53 leaseholders within the Project area which include some resident leaseholders and non-resident leaseholders who rent out their properties through an assured short hold tenancy to a private tenant. Negotiations will take place with each Leaseholder to either repurchase their property, or for them to do a leaseholder swap of another similar Council property in the Borough. Although this will reduce the availability of Council properties the repurchased/swapped properties will be used on a temporary basis as temporary accommodation for homeless households before the commencement of the Project.

- 6.13 Alternatively the resident leaseholder will either purchase a new property in the new scheme in due course and pay the difference between the value of their current property and the value of the new home, or will have a shared ownership lease at a percentage of the market value compared with their new home. For example if the value of their current home is £100,000 and a new similar property is valued at £200,000 then they will have a 50% stake in their home and the Council will retain the other 50%. There will be no rent to pay by the leaseholder on the Council's share.
- 6.14 It is recommended that delegated authority be given to the Section 151 Officer in consultation with the Deputy Leader to agree the terms of any proposed swap.

## **7. The Submission of an Outline Planning Application for the Project**

- 7.1 An Outline Planning Application should be submitted to allow the parameters of the development to be established, whilst enabling a degree of flexibility to be retained in relation to the layout, scale, appearance, landscaping of and access to the development. Advisors can be instructed to prepare an application on behalf of the Council.
- 7.2 The Southend Central Area Action Plan (SCAAP) is an emerging Development Plan Document that will be a material consideration in the determination of any forthcoming planning application and will be integral to the masterplan. The SCAAP designates Queensway as an Opportunity Site (OS4) and includes Policy PA4 (Queensway Policy Area Development Principles).  
[http://www.southend.gov.uk/info/200420/development\\_plan\\_documents/391/southend\\_central\\_area\\_action\\_plan\\_scaap](http://www.southend.gov.uk/info/200420/development_plan_documents/391/southend_central_area_action_plan_scaap)
- 7.3 Following continued discussions with Network Rail there are two considerations that need to be made in order for them to remain within the outline application red line;
1. Agreement needs to be reached between Quorum (owners of the Victoria Shopping Centre) and Network Rail in regards to the direct link between the station and the Victoria Shopping centre as set out in the Cabinet paper September 2015.
  2. In principle it has been agreed with Network Rail that the site can be a mixed use development. This is subject to them to providing the defined class uses and area quantum's (square meter age of intended residential and commercial space) for planning to approve.
- 7.4 Development Plan Policy DM15 sets out that an appropriate parking provision for residential properties within the Southend Central Area is 1 space per dwelling, with it noted that a lower or higher provision should be justified. The policy also states that *"Residential vehicle parking standards may be applied flexibly where it can be demonstrated that the development is proposed in a sustainable location with frequent and extensive links to public transport and/ or where the rigid application of these standards would have a clear detrimental impact on local character and context."* The central location of the Queensway site and the proximity to sustainable transport connections and the services and employment opportunities available within the Southend Central Area means that a lower rate of parking provision can legitimately be proposed at this site as there is likely to

be a reduced need for residents to travel by car. Cycle parking should be provided at a minimum rate of one space per dwelling, unless a garage or alternative secure area is provided.

7.5 Parking standards for other uses of land are expressed as maximum standards and cycle parking is expressed as a minimum standard for each use.

## 8. Progressing the most appropriate procurement and financing route

8.1 At the conclusion of the rationalisation work in March 2016, the Project had narrowed the number of suitable approaches to two, which were:

- **Option 1** — Joint Venture, Sale & Rent: A Joint Venture approach in which both sale and rental units are developed. The Council will therefore take on some risk but utilises the specialist skills of a Delivery Partner to mitigate these risks. The Council will potentially be rewarded with both capital receipts and a long-term revenue stream. The Council will deliver and operate all affordable units outside the partnership.
- **Option 2** — Investment Approach: An approach in which the Council puts in place a lease mechanism with an external funder to develop all "for rent", private and affordable housing. The Council bears little development risk but takes on full risk for "letting" the properties. Further the Council self-develops all "for sale" units outside of this mechanism taking all risk and reward for the development and sale of these units.

8.2 Subsequent discussion led to the development of a third alternative approach, the Hybrid Approach as it is important that the Council retains significant amounts of control over the quality and timetable of the delivery of the Project.

- **Option 3** — Hybrid Model. This model, as currently set out, would not involve the Council borrowing on its own balance sheet, instead an investment partner would fund all units in the Project, affordable, private sale, private rent and road infrastructure. The Council would pay an on-going lease over the life of the Project that would cover the costs of this borrowing and return to the funder. There would be agreed points throughout the arrangement where lump sum repayments would be made, to the funder, from the proceeds of private sale units, thus reducing the Council's lease liability relevant to these units. These sales can be undertaken by the Council at its discretion provided enough income is still generated from the remaining units to cover the lease payments (plus an agreed margin). As with the Investor Approach, this approach results in less development risk to the Council, however the Council would be exposed to sales risk as lump sum repayments would be due to the funder whether sales have been achieved or not. These lump sums could be funded from other internal resources or debt if these sales have not been achieved. However, at this point no council budget provision exists for these payments and if the Hybrid model is chosen the costs, timing and funding of payments would need resolution.

- 8.3 Due to the size of the Project, and the type of services being procured, the Council may need to go through an OJEU process. This is dependent on the option chosen and whether the ultimate procurement involves a "works contract".
- 8.4 There are 2 potential options that would be suitable either through or outside of the OJEU process; The Negotiated Procedure or Competitive Dialogue. At this stage, Competitive Dialogue is recommended as it will allow:
- Flexibility for the Council to conduct negotiations in stages by de-selection and to alter the stages during the process if it so desires
  - Open dialogue in order to 'identify and define the means best suited to satisfying their needs' without a prescriptive delivery structure determined at the outset
  - Final tenders may be 'clarified, specified and optimised' before a final agreement document is sealed.
- 8.5 It is possible, depending upon the exact nature of the services being procured, and whether they constitute a "works contract" that neither the Investment Approach nor the Hybrid Approach would require a full OJEU process, whereas a traditional Joint Venture would. As a consequence, and subject to Procurement approval, there is the potential that the process employed for either of the investment based options will be shorter and less complex than full OJEU, although if OJEU is not used a fully competitive process would still be required.

## 9. Financial Analysis

- 9.1 At this stage it is difficult to accurately quantify the total cost of the regeneration of this area but the capital costs are likely to be significant. Financial analysis to date shows that the potential gross capital cost of the Project could be in the region of £300M plus. Therefore, a key aspect of any proposal would be to maximise the amount of external investment which could be attracted into the Project and in particular attracting private finance investment. There will be an expectation that the Project will fund the replacement of existing HRA properties by building new affordable homes.
- 9.2 The financial analysis work undertaken since the September 2015 Cabinet report has revolved around a specific funnelling review of the final three finance options at that point in time (Joint Venture, Investment Approach and Self-development) and testing the viability of the Project with the remaining two options.
- 9.3 The funnelling review eliminated the option of self-development, leaving the Joint Venture model and Investment model options for further evaluation. As part of the funnelling review a further option of a Hybrid model was identified and evaluated.
- 9.4 The key elements of the Joint Venture and Investment models at this stage require the Council to fund a portion of the Project by borrowing to varying degrees. The structure of these models are not set in stone but represent an example of how the scheme could be financed by utilising both Council and Private finance. Depending upon the input from the Council, this brings both risk and commensurate potential rewards.

- 9.5 Under the Joint Venture model approach the Council funds the affordable housing for the Project and the Special Purpose Vehicle established under the model, funds the private units for sale and private rented stock elements.
- 9.6 Under the Investment model approach the Council funds the private for sale element and all the rented stock (both private and affordable) is funded through the established Investment Vehicle.
- 9.7 Both of the above models can be flexed to amend the level of Council borrowing, but any reduction in borrowing compared to the current assumption brings a lower potential financial reward for the Project.
- 9.8 The Hybrid model, as currently set out, would not involve the Council borrowing on its own balance sheet, instead an investment partner would fund all units in the Project, affordable, private sale, private rent and road infrastructure.
- 9.9 The three different approaches have been modelled based on the latest option development as shown on **Appendix 1**. The table below sets out a comparison of the three approaches based on an estimated gross scheme cost of £300 million plus.

		Joint Venture	Hybrid Approach	Investment Approach
1	Procurement - Requires OJEU	Probably yes	Potentially not	Potentially not
2	Peak Borrowing Requirement (£m)	c£74m	£0m	c£35m
3	Year liability ceases (loan/lease)	2047	2061	2061
4	Cumulative revenue account shortfall	£0m	£4.1m	£0.8m
5	NPV Net Capital Position in 2061 (£m)	c£25m	£0m	c£61m
5a	Equivalent NPV Revenue Position (£m)	c£30m	£0m	c£74m
6	NPV Net Revenue Position in 2061 (£m)	c£103m	c£113m	c£69m
5a+6	Total Equivalent Net Revenue Position in 2061 (£m)	<b>c£133m</b>	<b>c£113m</b>	<b>c£143m</b>
7	Asset Value in 2062 (£m)	c£124m	c£204m	c£204m
8	Annual Rent in 2062 (£m)	c£5.7m	c£8.2m	c£8.2m

- 9.10 To provide meaningful comparison of the returns to the Council Net Present Values are used. Further, in both the Joint Venture and Investment Approach some of the returns are of a capital nature (line 5). For comparison purposes an equivalent revenue position (line 5a) has been calculated based on appropriate current PWLB interest rates (1.9%) and a standard allowance for debt repayment



(2%). Line 5a+6 illustrates the comparable returns to the Council of the three approaches. Line 4 shows the cumulative shortfall in the revenue account over the early years of the scheme that would need to be funded by the Council.

9.11 The Investment Approach which takes full development and sales risk for the "for sale" units together with rental risk for the "for rent units" potentially provides the highest return. This approach also requires some Council debt. The Joint Venture approach is when all risk is shared with a development partner and requires the most Council debt, but provides the next best return. The Hybrid model, for which the Council is not required to borrow, provides the least return on investment. In this approach the Council takes little development risk but all sales and rental risk. The high level advantages and disadvantages of each of the approaches are highlighted below:

### **Joint Venture Approach**

#### 9.12 Advantages

- Financial, development, sales and rental risk is shared by partnering with an external party. They will bring private equity alongside development expertise from the private sector, and funding will be secured against the land, therefore reducing the cost to the public sector and incentivising the partner to deliver.
- The Freehold of the land is held by the Council
- The Council will share in any uplift in value arising from the development.
- Once the Joint Venture has been established, and if procured correctly, it can be used to develop further assets at a significant saving in procurement costs etc.
- A successful and well procured Joint Venture partnership will give the Council access to strategic and commercial development skills and potentially see the transfer of skills and expertise to council staff.
- There is an on-going role for the Council as a shareholder in the vehicle, member of the Board and service provider, as such it has an on-going voice in strategic planning and the development process enabling it to further its place shaping role.

#### 9.13 Disadvantages

- The land is leased in to the vehicle and borrowing secured against it, thus it is put at risk.
- The Council will share development proceeds with a partner rather than realising all of them itself.
- Establishing a Joint venture structure can be time consuming and costly.

- By transferring the asset into a joint venture and only receiving returns over time the Council is deferring its capital receipt.
- Whilst the Joint Venture will be established to meet the Council's need, its governance must be independent of the Council. As such future decisions made by the Joint Venture must be for the benefit of the Joint Venture.

## Investment Approach

### 9.14 Advantages

- Development risk is taken by the funder, thus, the Council is guaranteed delivery of the units for an agreed price.
- The Council will share in any uplift in value arising from the development.
- There is an on-going role for the Council as a 100% owner of the vehicle and will be responsible for all sales and rental activity.
- The Council maintains use of all assets throughout the life of the arrangement and at the conclusion of the lease all non-sale assets transfer back to the Council.

### 9.15 Disadvantages

- The Council takes all sales and rental risks itself, and it would need to develop or purchase the expertise to manage these risks.
- The cost of funding is higher than if the Council funded these activities itself or than a Joint Venture as the funding is index linked over the life of the debt.
- Unlike in a Joint Venture approach the construction / development organisation is not as easily incentivised to deliver quality as they are not tied in to a long term arrangement.
- The Council would be signing up to an on-going lease liability for a significant period, of say 50 to 60 years. This would most likely be significantly longer than the liability incurred (i.e. debt) through a Joint Venture approach.
- The funding terms must be set at the commencement of the arrangement, as such, changing unit mix is more difficult during the life of the scheme, and any impact of change are the responsibility of and borne by the Council.

## Hybrid Approach

9.16 This approach largely mirrors the investment approach above, and therefore, all of the advantages and disadvantages above hold true. The main difference is that the external funder would fund the private sale assets, rather than the Council. The additional advantages and disadvantages are as follows:

### 9.17 Advantages

- The Council would not need to borrow on its own balance sheet to fund the private sale elements, these would be funded by the investor.
- It is easier than in the investment approach to holistically address the private elements as they are all part of one funding and delivery arrangement.

### 9.18 Disadvantages

- The investor funds the private sale assets at a higher funding cost than the Council.

## Conclusion of Financial Models

9.19 Currently of the models evaluated the Joint Venture approach would meet the Council's aspirations for the delivery of the Better Queensway site and is currently the preferred approach. However, further financial analysis, due diligence and exploration of potential partners would inform the final decision on the approved version of the model to be used to take forward and fund the Project.

## Other Financial information

9.20 External Funding - In May 2016, the Council submitted a revised, final Local Growth Fund 3 application for £22.75million, to the South East Local Enterprise Partnership board for consideration. The outcome of this submission is expected in Autumn 2016.

9.21 This key strategic Project will require further pump priming funds from the Council to undertake the necessary on-going feasibility and options appraisal study, procurement activity, purchase of properties (residential and commercial) alongside the continued examination and analysis of the potential funding streams and models of delivery.

9.22 The initial pump priming costs incurred for the Project up to 30 June 2016 are circa £425,000, which has been fully financed. Additional costs for areas identified above up to the early part of 2017/18 is estimated to be circa £660,000, of which there is equivalent funding available. In addition, there is funding approved as part of the Council 2016/17 budget of £500,000 for leasehold buy backs and £1 M (£500,000 in both 2016/17 and 2017/18) for commercial buy backs.

## **10. Corporate Implications**

### **10.1 Contribution to Council's Aims and Priorities**

The regeneration of the Queensway site fully supports the Council's aim to create a Better Southend, enabling well planned quality housing in a vibrant, safe, prosperous community.

### **10.2 Financial Implications**

These are fully set out in section 9.

### **10.3 Legal Implications**

The legal aspects associated with the Project, particularly the CPO, the Development Agreement and the arrangements with tenants, will be further investigated as the Project progresses.

The Council has various powers to compulsory purchase land, for example, the power under section 226(1) of the Town and Country Planning Act 1990 (as amended) and the power under section 17 of the Housing Act 1985 etc.

Before determining whether or not to make a formal resolution to make a CPO the Council will consider which compulsory purchase power is the most appropriate to be utilised in this case and will provide a justification for the use of such power in any future reports that seek a formal resolution to make a CPO (if applicable).

In order to establish the need for a CPO the Council must have first taken all reasonable steps to acquire the land by negotiation.

The Council has the power to seek possession of secure tenancies under various grounds set out in Schedule 2 of the Housing Act 1985. Ground 10A of Schedule 2 allows the Council to obtain possession in an area the subject of a redevelopment scheme. In order to obtain possession the Council must undertake statutory consultation with affected tenants and have the approval of the Secretary of State. Possession under Ground 10A will also only be granted where suitable accommodation must be available to affected tenants.

The Council has the right under Schedule 5A of the Housing Act 1985 (as amended) to serve Initial Demolition Notices on secure tenants. These notices must be in a prescribed form and have effect of suspending a tenant's Right to Buy under the Act. The Initial Demolition Notice allows the Council a reasonable period to carry out demolition of the property that is subject to the notice but that period must not exceed seven years from the date of the notice.

As part of the preparation for future redevelopment, it will be necessary, in due course, to consider whether or not those assets should be appropriated from their existing purpose to planning and other purposes so as to facilitate site assembly. Approval of the Secretary of State would also be required to appropriate housing land for purposes other than housing.

## 10.4 People Implications

In order to progress a project of this magnitude a team led by Senior Council officers will be necessary with external support. This will ensure that there is sufficient project management capacity available. Communications, consultations and transition planning with existing residents, businesses and the public will require significant staffing resources.

The Project will support the Council's strategic programme of training to provide the full range of skills required to build, sell, maintain and manage this new regeneration area

## 10.5 Property Implications

There are a number of buildings included within the scope of the Project, the majority of which are in the Council's ownership and the impact on any proposals will need to consider the implications on the Council's assets and the revenue returns currently generated

## 10.6 Consultation

A robust and meaningful communications and consultation plan has been established alongside the overarching project plans. Three well supported residents meetings have been held to date, along with 'A Day in the Life' session to guide the principle of better living. A Community Officer is being part-funded to work with residents and a regular newsletter is being distributed. A trader session was organised and well promoted but poorly attended. This event was followed up by a letter to traders potentially impacted. A resident design session, which will be an engaging and interactive event will be organised shortly.

A Tenant Survey form has been sent out to all tenants on the Queensway estate to give an indication as to how many tenants may want to move out of the Estate in the near future.

The Project is creating a new role to act as the main point of contact for tenants and leaseholders who will be affected by the Project. This role will assist and give guidance to residents of the Estate as the project develops, and keep abreast of the changes and actions associated with the project as it develops.

Full public consultation exercises will be undertaken as the proposals develop as well as focused meetings with the business community. Project timetable attached at **Appendix 2**.

## 10.7 Risk Assessment

There are a wide range of risks that will need to be addressed as the Project progresses and these have been captured and mitigated for the 'start-up' stage of the Project. The Risk Register forms part of the Project Management Documentation for continued monitoring. The full financial implications of the final scheme will be fully addressed as part of future Cabinet reports.

## 10.8 Value for Money

One of the important considerations of the overall Project will be to achieve value for money for the significant investment that will be required to transform and improve this important area in the Town Centre.

## 10.9 Community Safety Implications

As the tower blocks and the surrounding area have been subject to some anti-social behaviour in the past it will be an important objective for the project to reduce such instances through the regeneration proposals. It will be essential to work closely with the Police to achieve secured by design principles. In addition work has been completed to install security doors to the tower blocks and Victoria neighbourhood patrols continue.

Investigation work has been carried out with the local community and third sector partners to investigate what type of community facilities may be needed on the Better Queensway Estate.

## 10.10 Environmental Impact

There is an aspiration that, within the limits of financial viability, any new properties developed or refurbished would achieve higher standards of energy efficiency than the existing buildings in the area, which will achieve lower fuel bills for the residents and a reduction in CO2 emissions.

The Environmental work stream has been set up to address Climate Change, Energy and Sustainable urban Drainage (SuDS) and will make recommendations relating to managing flood, heat, drought and energy supply issues that exist currently and to address how they are expected to be exacerbated by Climate Change locally in Southend over the next 50-75 years.

## 11. Background Papers

Cabinet Report September 2015

## 12. Appendices

**Appendix 1** Latest Option Development

**Appendix 2** Project Timetable



Range Site

29

Victoria Shopping Centre

Coleman Street

Queensway

Sutton Road

Southchurch Road

Queensway

**Building Height Key**

- 2 storey
- 3 storey
- 5 storey
- 6 storey
- 7 storey
- 8 storey
- 12 storey

Concept Plan for illustration only.  
 Development of up to:  
 433 Sale units (33%)  
 427 PRS (33%)  
 440 Affordable (34%)  
 1,299 units Total  
 (of which 45 are townhouses)



**IBI Intelligence Buildings Infrastructure**  
 www.ibigroup.com

Project: **Debar Queensway**

Drawing Title: **Appendix 1 - Massing Diagram (Option 7)**

Job Number: 50817	Drawing Original Date: Sept. 2016	MS 100 Scale Code: -
Drawn: NTS	Prepared: Preliminary	
Drawing Number: 50817/001		

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**Better Queensway Project Timeline**

Meeting/ Work packages	Date	Information dissemination
<b>Resident Briefing</b>	Monday 12 <sup>th</sup> September 2016	Meeting to be held at Store House
<b>Press Release</b>	13 <sup>th</sup> September 2016	
<b>Members site visit to London</b>	13 <sup>th</sup> September 2016	East City Point and St Pauls
<b>Cabinet</b>	20 <sup>th</sup> September 2016	
<b>All Members Briefing</b>	W/C 26 <sup>th</sup> September or W/C 3 <sup>rd</sup> October - TBA	
<b>Scrutiny</b>	13 <sup>th</sup> October 2016	
<b>Council</b>	20 <sup>th</sup> October 2016	
<b>Commence Procurement</b>	After 20 <sup>th</sup> October 2016	
<b>Internal Staff Briefing</b>	After 20 <sup>th</sup> October 2016	Better Queensway project update to all internal staff involved in project
<b>Members Traffic Modelling</b>	After 20 <sup>th</sup> October 2016	
<b>Traders Briefing</b>	After 20 <sup>th</sup> October 2016	
<b>Resident Design Workshop</b>	After 20 <sup>th</sup> October 2016	
<b>Site Visit</b>	Early November 2016	
<b>Outline Planning Application</b>	December 2016	
<b>Cabinet – Gateway Review</b>	20 <sup>th</sup> January 2017	Progress on preferred financial approach and selection of a Delivery Partner.
<b>Cabinet</b>	14 <sup>th</sup> March 2017	Recommendation of Delivery Partner

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# Southend-on-Sea Borough Council

Report of Corporate Director for Corporate Services  
to  
**Cabinet**  
on  
**20 September 2016**

Report prepared by: Joe Chesterton  
Head of Finance and Resources

Agenda  
Item No.

**8**

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**Quarter One Treasury Management Report – 2016/17**  
**Policy and Resources Scrutiny Committee**  
**Executive Councillor: Councillor Moring**  
***A Part 1 Public Agenda Item***

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**1. Purpose of Report**

- 1.1 The Quarter One Treasury Management Report covers the treasury management activity for the period from April 2016 to June 2016 and compliance with the treasury management strategy for that period.

**2. Recommendations**

That the following is approved:

- 2.1 The Quarter One Treasury Management Report for 2016/17.

That the following is noted:

- 2.2 Treasury management activities were carried out in accordance with the CIPFA (The Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management in the Public Sector during the period from April to June 2016.
- 2.3 The loan and investment portfolios were actively managed to minimise cost and maximise interest earned, whilst maintaining a low level of risk.
- 2.4 An average of £52.7m of investments were managed in-house. These earned £0.087m of interest during this three month period at an average rate of 0.66%. This is 0.30% over the average 7-day LIBID and 0.16% over the bank base rate.
- 2.5 An average of £22.6m of investments were managed by an external fund manager. These earned £0.060m of interest during this three month period at an average rate of 1.07%. This is 0.71% over the average 7-day LIBID and 0.57% over bank base rate.

- 2.6 An average of £13.6m was managed by two property fund managers. These earned £0.255m during this three month period from a combination of an increase in the value of the units and income distribution, giving a combined return of 7.87%.**
- 2.7 The level of borrowing from the Public Works Loan Board (PWLB) (excluding debt relating to services transferred from Essex County Council on 1<sup>st</sup> April 1998) remained at the same level of £227.8m (HRA: £77.0m, GF: £150.8m) during the period from April to June 2016.**
- 2.8 During the quarter the level of financing for ‘invest to save’ schemes increased from £3.21m to £4.61m.**

### **3. Background**

- 3.1 This Council has adopted the ‘CIPFA Code of Practice for Treasury Management in the Public Sector’ and operates its treasury management service in compliance with this code. The code recommends that local authorities submit reports regularly as part of its Governance arrangements.**
- 3.2 Current guidance is that authorities should report formally at least twice a year and preferably quarterly. The Treasury Management Policy Statement for 2016/17 set out that reports would be submitted to Cabinet quarterly on the activities of the treasury management operation. This is the first quarterly report for the financial year 2016/17.**
- 3.3 Appendix 1 shows the treasury management position at the end of quarter one of 2016/17.**
- 3.4 Appendix 2 shows the treasury management performance specifically for quarter one of 2016/17.**

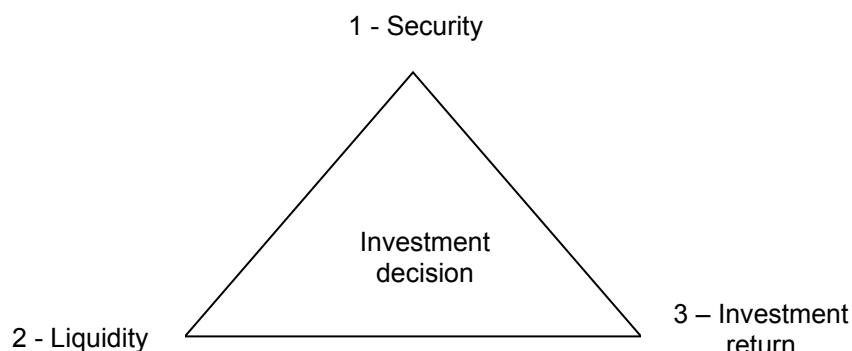
### **4. National Context**

- 4.1 In the months preceding the EU referendum GDP growth improved in April, reduced in May and remained flat in June. On 23 June the UK voted to leave the European Union and the stock market and the value of sterling fell sharply. In the period since the vote the stock market has recovered. Sterling has recently rallied a little as a result of the better than expected construction data in August. Mostly the impact of the vote to leave (‘Brexit’) will not be seen in hard data until September but the Bank of England has revised its 2017 GDP forecast down significantly from 2.3% to 0.8%. Although a contraction in GDP is forecast there are mixed views on whether this will lead to a recession or just a slowdown.**

- 4.2 Headline CPI increased to 0.5% in June as the weaker Sterling started to increase the price of imports which will in time feed through to consumer prices. Inflation is forecast to reach its 2% target by the middle of 2017, almost a year earlier than the pre-Brexit projections had suggested as a consequence of the decline in the value of Sterling. Over time the weakening of Sterling should help exporters although the uncertainty surrounding the UK trading partnerships may offer an on-going challenge.
- 4.3 Employment data remained strong ahead of the referendum, with the rate of unemployment at an 11 year low at 4.9%. A deterioration in the labour market is predicted as a growing number of firms suggested that Brexit would impact on recruitment in the year ahead.
- 4.4 In August the Bank of England reduced the bank base rate to a new historic low of 0.25% and expanded their Quantitative Easing (QE) programme to £435bn, an increase of £60bn. The Bank has signalled that it has no intention of following other central banks' moves in setting negative interest rates, suggesting that future cuts will halt at around 0.1%, placing the emphasis on QE and Government fiscal policy.
- 4.5 The economic situation together with the financial market conditions prevailing throughout the quarter continued to provide challenges for treasury management activities. There have not been substantial changes in the credit ratings of financial institutions, with a trend to many being put on negative outlook. So we continue to have a restricted list of counterparties (i.e. people we can invest with) that still meet our prudent investment criteria.
- 4.6 However, with a restricted list of counterparties and the increased focus on counterparty risk following the Icelandic Banks collapse, monies were mainly placed for short periods of time or in instant access accounts, which increased the liquidity of these funds.
- 4.7 Low interest rates prevailed throughout the quarter from April to June 2016 and this led to low investment income earnings from most investments. The lower bank base rate will lead to even lower prospects for investment income going forward.

## **5. Investments**

- 5.1 A prime objective of our investment activities is the security of the principal sums invested. To ensure this security before an in-house deposit is made an organisation is tested against a matrix of credit criteria and then other relevant information is considered. During the period from April to June 2016 investment deposits were limited to those who met the criteria in the Annual Investment Strategy when the deposit was placed.
- 5.2 Other investment objectives are to maintain liquidity (i.e. adequate cash resources to allow the council to operate) and to optimise the investment income generated by surplus cash in a way that is consistent with a prudent level of risk. Investment decisions are made with reference to these objectives, with security and liquidity being placed ahead of the investment return. This is shown in the diagram on the next page:



#### Security:

- 5.3 To maintain the security of sums invested, we seek to lower counterparty risk by investing in financial institutions with good credit ratings, across a range of sectors and countries. The risk of loss of principal of all monies is minimised through the Annual Investment Strategy.
- 5.4 Pie chart 1 of Appendix 1 shows that at the end of quarter one; 56% of our in-house investments were placed with financial institutions with a long term credit rating of AAA and 44% with a long term rating of A-.
- 5.5 As shown in pie chart 2 of Appendix 1 these monies were with various counterparties, 44% being placed directly with banks and 56% placed with a range of counterparties via money market funds.
- 5.6 Pie chart 3 of Appendix 1 shows the range of countries where the parent company of the financial institution with which we have monies invested is registered. For money market funds there are various counterparties spread across many countries.

#### Liquidity:

- 5.7 Our in-house monies were available on an instant access basis at the end of quarter one, except for £10m which has been placed in a 100 day notice account. On 30 June 2016 the terms of this account were changed by the bank to be a 95 day notice account. The maturity profile of our investments is shown in pie chart 4 of Appendix 1.

#### Investment return:

- 5.8 During the quarter the Council continued to use the fund manager Aberdeen Asset Management Plc to manage monies on our behalf. An average of £22.6m was invested in these funds during the quarter earning an average rate of 1.07%.

- 5.9 The Council had an average of £52.7m of investments managed in-house over the period from April to June 2016, and these earned an average interest rate of 0.66%. Of the in-house managed funds:
- an average of £10m was held in notice accounts that earned an average interest rate of 0.69%;
  - an average of £3.5m was held in fixed term deposits that earned an average interest rate of 0.88%;
  - use was also made of call accounts during the quarter, because they provide instant access to funds while paying base rate or better. An average of £8.2m was held in these accounts and earned an average return of 0.65% over the quarter;
  - an average of £31.0m was held in money market funds earning an average of 0.63% over the quarter. These work in the same way as a deposit account but the money in the overall fund is invested in a number of counterparties, therefore spreading the counterparty risk.
- 5.10 In accordance with the Treasury Management Strategy the performance during the quarter is compared to the average 7-day LIBID. Overall for both in-house and externally managed investments, performance on all types of investment was higher than the average 7 day LIBID (London Interbank Bid Rate). The bank base rate remained at 0.50% throughout the period from April to June 2016, and the 7 day LIBID rate fluctuated between 0.356% and 0.369%. Performance is shown in Graph 1 of Appendix 2.

## **6. Property Funds**

- 6.1 Throughout the quarter long term funds were invested in two property funds: Rockspring Property Investment Management Limited and Lothbury Investment Management Limited.
- 6.2 The monies are invested in units in the fund, the fund is then invested as a whole by the fund managers into properties. An income distribution is generated from the rental income streams from the properties in the fund. Income distributions are reinvested back into the fund. There are high entrance and exit fees and the price of the units can rise and fall, depending on the value of the properties in the fund, so these funds are invested over the long term with the aim of realising higher yields than other investments.
- 6.3 The interest equalisation reserve will be used to capture some of the income in the years when the property values are rising, and will then be available to offset any losses should property values fall. Members should be aware that this means that the investment returns in some quarters will look very good and in other quarters there may be losses reported, but these will not impact the revenue account as the interest equalisation reserve would be used to meet any temporary losses.

- 6.4 An average of £7.8m was managed by Rockspring Property Investment Management Limited. During the three month period, the value of the fund increased by £0.017m due to the increase in the unit value. There was also an income distribution relating to that period of £0.103m and this distribution will be confirmed and distributed in quarter two.
- 6.5 The Rockspring fund earned £0.120m during this three month period from a combination of the increase in the value of the units and the income distribution, giving a combined return of 6.16%. The fund started the quarter at £7.815m and increased in value with the fund at the end of the quarter at £7.935m.
- 6.6 An average of £5.8m was managed by Lothbury Property Investment Management Limited. During the three month period, the value of the fund increased by £0.083m due to the increase in the unit value. There was also an income distribution relating to that period of £0.052m and this distribution will be confirmed and distributed in quarter two. The value of the fund also increased by £2.502m due to the value of new units purchased after fees.
- 6.7 The Lothbury fund earned £0.135m during this three month period from a combination of the increase in the value of the units and the income distribution, giving a combined return of 9.39%. The fund started the quarter at £4.896m and increased in value with the fund at the end of the quarter at £7.533m.

## **7. Medium term cash management**

- 7.1 Long term funds are invested in property funds as set out in the paragraphs above. The Section 151 Officer, in consultation with the Council's treasury management advisers, has been investigating the options for investing medium term funds. During quarter two a selection exercise has been undertaken to select fund managers and their appropriate Short Dated Bond Funds for investment.
- 7.2 The monies will be invested in units in the fund, the fund is then invested as a whole by the fund managers into corporate bonds in the one to five year range. An income distribution will be generated from the coupon on the bond and the price of units can rise and fall, depending on the value of the corporate bonds in the fund. So these investments would be over the medium term with the aim of realising higher yields than short term investments.
- 7.3 The interest equalisation reserve will be used to capture some of the income in the years when the corporate bond values are rising, and will then be available to offset any losses should bond values fall. Members should be aware that this means that the investment returns in some quarters will look very good and in other quarters there may be losses reported, but these will not impact the revenue account as the interest equalisation reserve would be used to meet any temporary losses.



- 7.4 The funds selected for investment are the Royal London Investment Grade Short Dated Credit Fund and the AXA Sterling Credit Short Duration Bond Fund. £7.5m will be invested into each fund once the necessary accounts have been opened.
- 7.5 In addition to these funds, Payden & Rygel's Sterling Reserve Fund was selected for investment of slightly shorter medium term funds. This fund has a AAAf credit rating from Standard & Poor's and has a focus on very high credit quality investments, including floating rate notes and fixed rate bonds. The current weighted average life of investments in the fund is 1.79 years. £5m will be invested into this fund once the necessary account has been opened.
- 7.6 The monies currently managed on our behalf by the fund manager Aberdeen Asset Management Plc will be recalled to enable the investments set out above to be made.

## **8. Borrowing**

### **PWLB and short term borrowing**

- 8.1 The Capital Financing Requirement (CFR) is the Council's theoretical need to borrow but the Section 151 Officer can manage the Council's actual borrowing position by either:
- 1 - borrowing to the CFR;
  - 2 – choosing to use temporary cash flow funds instead of borrowing (internal borrowing) or;
  - 3 - borrowing for future increases in the CFR (borrowing in advance of need).
- 8.2 The Council began 2016/17 in the second of the above scenarios, with actual borrowing below CFR.
- 8.3 This, together with the Council's cash flow, the prevailing Public Works Loans Board (PWLB) interest rates and the future requirements of the capital programme, were taken into account when deciding the amount and timing of any loans. No new PWLB loans were taken out and no loans matured during the quarter. No debt restructuring was carried out during the quarter.
- 8.4 The level of PWLB borrowing (excluding debt relating to services transferred from Essex County Council on 1st April 1998) remained at £227.8m during quarter one. The average rate of borrowing at the end of the quarter was 4.62%. A profile of the repayment dates is shown in Graph 2 of Appendix 2. All PWLB debt held is repayable on maturity.

8.5 The table below summarises the PWLB activities during the quarter:

Quarter	Borrowing at beginning of quarter (£m)	New Borrowing (£m)	Re-financing (£m)	Borrowing repaid (£m)	Borrowing at end of quarter (£m)
April to June 2016	227.8	0	0	(0)	227.8
<i>Of which:</i>					
General Fund	150.8	0	0	(0)	150.8
HRA	77.0	0	0	(0)	77.0

8.6 The level of PWLB borrowing at £227.8m is in line with the financing requirements of the capital programme and the revenue costs of this borrowing are fully accounted for in the revenue budget. The current level of borrowing is also in line with the Council's prudential indicators and is Prudent, Affordable and Sustainable.

These figures exclude debt held by Essex County Council of £13.1m relating to assets transferred on 1st April 1998, which this Council is responsible for servicing. The debt is recognised as a deferred liability on our balance sheet.

8.7 Interest rates from the PWLB fluctuated throughout the quarter in response to economic events: 10 year PWLB rates between 1.90% and 2.56%; 25 year PWLB rates between 2.63% and 3.29% and 50 year PWLB rates between 2.33% and 3.08%. These rates are after the PWLB 'certainty rate' discount of 0.20%.

8.8 No short term borrowing was taken out for cash flow purposes during the quarter but four short term loans for cash flow purposes were repaid during the quarter. See Table 3 of Appendix 2.

### **Funding for Invest to Save Schemes**

8.9 During 2014/15 a capital project was completed on draught proofing and insulation in the Civic Centre which will generate on-going energy savings. This is an invest-to-save project and the predicted revenue streams cover the financing costs of the project.

8.10 To finance this project the Council took out an interest free loan of £0.14m with Salix Finance Ltd which is an independent, not for profit company, funded by the Department for Energy and Climate Change that delivers interest-free capital to the public sector to improve their energy efficiency and reduce their carbon emissions. The loan is for a period of four years with equal instalments to be repaid every six months. There are no revenue budget implications of this funding as there are no interest payments to be made and the revenue savings generated are expected to exceed the amount needed for the repayments. £0.018m of this loan was repaid during 2015/16 with a further £0.018m repaid during the period from April to June 2016.

8.11 At the meeting of Cabinet on 23rd June 2015 the LED Street Lighting and Illuminated Street Furniture Replacement Project was approved which was to be partly funded by 25 year reducing balance 'invest to save' finance from the Green Investment Bank (GIB). The balance outstanding at the end of quarter one was £4.50m. There were no repayments during the period from April to June 2016.

8.12 Funding of these invest to save schemes is shown in table 3 of Appendix 2.

## **9. Compliance with Treasury Management Strategy**

9.1 The Council's investment policy is governed by the CIPFA Code of Practice for Treasury Management in the Public Sector (revised in November 2009), which has been implemented in the Annual Investment Strategy approved by the Council on 25<sup>th</sup> February 2016. The investment activity during the quarter conformed to the approved strategy and the cash flow was successfully managed to maintain liquidity. See Table 4 of Appendix 2.

## **10 Other Options**

10.1 There are many options available for the operation of the Treasury Management function, with varying degrees of risk associated with them. The Treasury Management Policy aims to effectively control risk to within a prudent level, whilst providing optimum performance consistent with that level of risk.

## **11. Reasons for Recommendations**

11.1 The CIPFA Code of Practice on Treasury Management recommends that Local Authorities should submit reports regularly. The Treasury Management Policy Statement for 2016/17 set out that reports would be submitted to Cabinet quarterly on the activities of the treasury management operation.

## **12. Corporate Implications**

### **12.1 Contribution to Council's Vision & Critical Priorities**

Treasury Management practices in accordance with statutory requirements, together with compliance with the prudential indicators acknowledge how effective treasury management provides support towards the achievement of the Council's Vision and Critical Priorities.

### **12.2 Financial Implications**

The financial implications of Treasury Management are dealt with throughout this report.

### 12.3 Legal Implications

The Council has adopted the 'CIPFA Code of Practice for Treasury Management in the Public Sector' and operates its treasury management service in compliance with this Code.

### 12.4 People Implications

None

### 12.5 Property Implications

None

### 12.6 Consultation

The key Treasury Management decisions are taken in consultation with our Treasury Management advisers.

### 12.7 Equalities Impact Assessment

None

### 12.8 Risk Assessment

The Treasury Management Policy acknowledges that the successful identification, monitoring and management of risk are fundamental to the effectiveness of its activities.

### 12.9 Value for Money

Treasury Management activities include the pursuit of optimum performance consistent with effective control of the risks associated with those activities.

### 12.10 Community Safety Implications

None

### 12.11 Environmental Impact

None

## 13. Background Papers

None

## 14. Appendices

Appendix 1 – Treasury Management Position as at the end of Quarter One - 2016/17

Appendix 2 – Treasury Management Performance for Quarter One - 2016/17

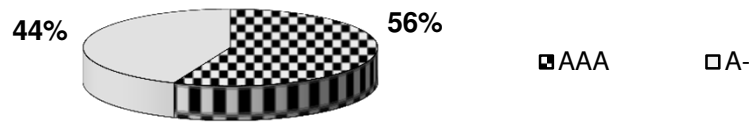
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**TREASURY MANAGEMENT PERFORMANCE AS AT 30th JUNE 2016**

**INVESTMENTS - SECURITY AND LIQUIDITY**

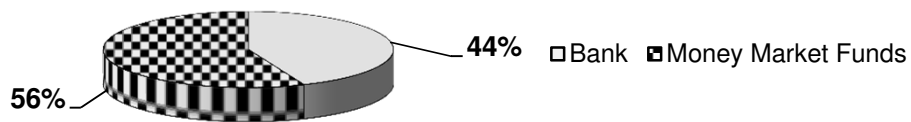
**Pie chart 1**

**Spread of investments by long term credit rating**



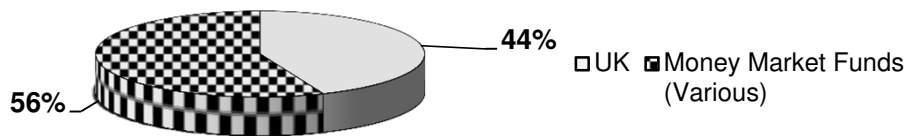
**Pie chart 2**

**Financial Sector invested in**



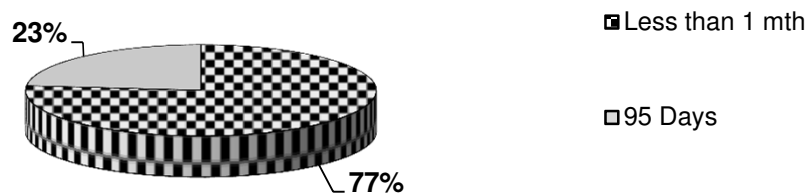
**Pie chart 3**

**Countries where parent company is registered**



**Pie chart 4**

**Maturity profile of investments**



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INVESTMENTS - RETURN  
Graph 1

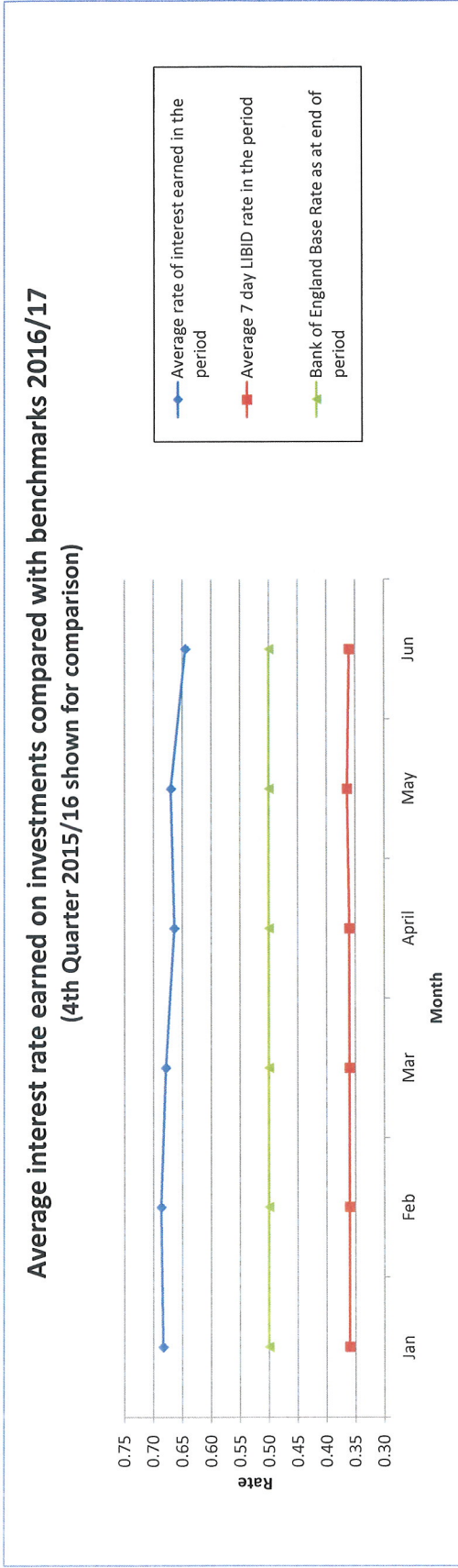


Table 1

FIXED INVESTMENTS		From	To
In place during this Quarter	Goldman Sachs International Bank	02/09/2015	02/06/2016
Taken Out This Quarter	None		
Repaid this Quarter	Goldman Sachs International Bank	02/09/2015	02/06/2016
Amount (£)	£ 5,000,000		
Rate	0.88%		
Amount (£)	£ 5,000,000		

Property Funds

Table 2

Financial Institution	Quarter	Period of investment	Amount of fund at beginning of Qtr 1 £	Number of units at start of Qtr 1 Units	Number of units distributed	Purchased Units during Qtr £	Number of units at end Qtr 1 Units	Gross Increase / Decrease in fund value £	Income Distribution Qtr 1 £	Amount of fund at end Qtr 1 £	Combined interest Rate %
Rockspring Hanover Real Estate Investment Mgt Ltd	1	5 Years +	7,815,463.07	565	6	0	571	16,929.09	103,096.79	7,935,488.95	6.16%
Financial Institution	Quarter	Period of investment	Value of fund at the beginning of the period £	Number of units at start of Qtr 1 Units	Purchased Units during Qtr 1 £	Purchase of new units during Qtr 1 Units	Number of units at end Qtr 1	Gross Increase / Decrease in fund value £	Income Distribution Qtr 1 £	Value of fund at end of period £	Weighted Average Rate %
Lothbury Investment Management - Property Fund	1	5 Years +	4,896,158.85	2681,6214	2,501,655.88	1,330.0000	4,011,6214	83,088.84	51,892.37	7,532,795.94	9.39%

**BORROWING**

Table 3

SHORT TERM BORROWING		Rate	Amount (£)	From	To
In place during this Quarter					
Repaid This Quarter					
Surrey County Council	0.48%	£ 5,000,000.00	15/03/2016	15/04/2016	
Derbyshire County Council	0.55%	£ 5,000,000.00	17/12/2015	18/04/2016	
Derbyshire County Council	0.55%	£ 3,000,000.00	15/03/2016	15/06/2016	
East Renfrewshire Council	0.50%	£ 2,000,000.00	15/03/2016	15/06/2016	

**Invest to Save Funding**

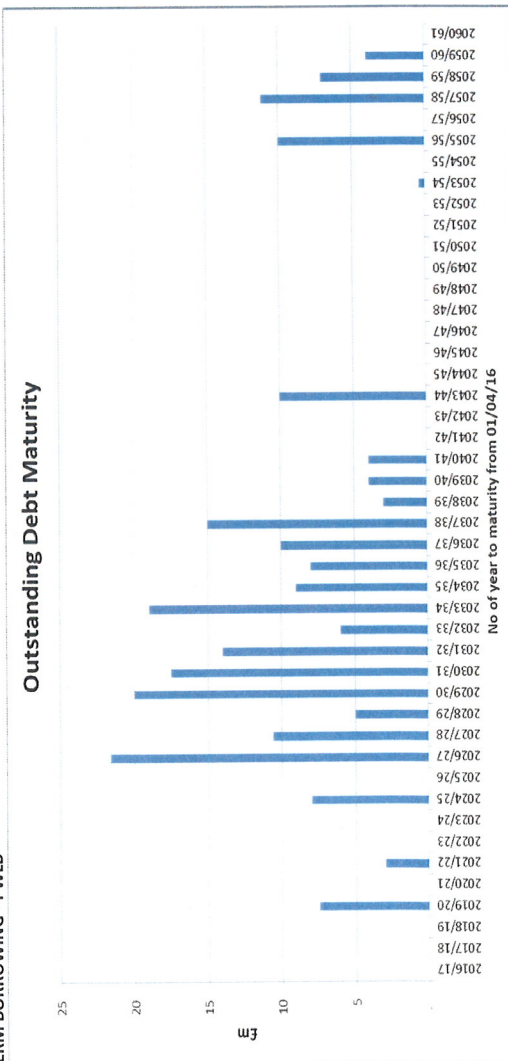
Financial Institution	Date	Period of loan	Repayment date	Amount borrowed £	Rate of interest %	Interest for month 3 15/16 £
Salix Finance Ltd Energy Efficiency Programme	26/03/2015	4 Years	01/04/2019	141,059	0.00	0.00
				Total		0.00

Green Investment Bank:

- 25 year reducing balance finance
- balance of £4.50m outstanding at the end of quarter one
- there were no repayments during this quarter

Graph 2

**LONG TERM BORROWING - PWLB**



There was no new borrowing this quarter

Repaid this quarter

0

Range of 10 year PWLB new loan rates this quarter: 1.9 (Lowest) to 2.56 (Highest)

Range of 25 year PWLB new loan rates this quarter: 2.63 (Lowest) to 3.29 (Highest)

Range of 50 year PWLB new loan rates this quarter: 2.33 (Lowest) to 3.08 (Highest)

**COMPLIANCE WITH TREASURY MANAGEMENT STRATEGY**

**Table 4**

All transactions properly authorised	✓
All transactions in accordance with approved policy	✓
Recommended changes :	
All transactions with approved counterparties	✓
Cash Flow successfully managed to maintain liquidity	✓
Any recommended changes to procedures	✓

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# Southend-on-Sea Borough Council

## Report of the Corporate Director for Corporate Services

to

**Cabinet**

on

**20<sup>th</sup> September 2016**

Report prepared by: Sally Holland, Corporate Director of  
Corporate Services and Indi Viknaraja – Data Governance  
Advisor  
Policy, Engagement & Communication (PEC)

Agenda  
Item No.

9

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### **Information Governance Senior Information Risk Owner (SIRO) Annual Report 2015/16 Policy & Resources Scrutiny Committee Executive Councillor: Councillor Moring**

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#### **1. Purpose of Report**

The Senior Information Risk Owner “(SIRO)” is required to produce an annual report to Cabinet on:

- a. assurances of progress and developments in Information Governance in 2015/16; and
- b. the strategic direction for Information Governance work for 2016/17.

#### **2. Recommendation**

To note the SIRO’s Report on Information Governance in 2015/16 and the proposed work for 2016/17.

#### **3. Background**

- 3.1 The SIRO takes overall responsibility of the Council’s information management framework; acts as the champion for information risk within the Council and ensures an Annual SIRO Report on Information Governance is presented to Members. The SIRO for the Council is Sally Holland, the Corporate Director for Corporate Services although from 1<sup>st</sup> October 2016, it will be John Williams, Head of Legal and Democratic Services.
- 3.2 This Annual Report provides Members with an overview of the Information Governance work carried out in 2015/16 and demonstrates that personal data is held securely; information is disseminated effectively and enables the handling of information within the necessary legal framework, and particularly the Data Protection Act 1998. This report also outlines proposed action in 2016/17.

## 4. Report on 2015/16 Activities

### 4.1 Key Actions in 2015/16

- The requirements of Version 13 of the Information Governance Toolkit were successfully completed with the Council achieving 86%. This self-assessment tool enables the Council to process Public Health and Adult Social Care personal records. Out of 28 requirements, the Council achieved level 3, the highest possible level, in 17 requirements and a level 2 in the remaining 11.
- A Privacy Impact Assessment (PIA) template has been commissioned through the Business Processes/Project Management Guidance. A PIA is a structured assessment of potential impact on data subjects' privacy of a new 'system'. It forms part of the overall risk assessment of a project. The template was launched in Nov 2015 by the SIRO and to date, 19 assessments have been completed.
- A procurement flow chart to include Data Protection and PIA requirements has been produced to ensure that all contract managers take data governance into account when letting contracts.
- As a signatory to the Whole Essex Information Sharing Framework (WEISF) the Council is able to share appropriate personal data with public, third sector and contracted private organisations across Essex in a lawful, safe and informed way. All sharing agreements are hosted in a portal managed by Essex County Council.
- Obtaining pioneer status in creating new models for integrating NHS and social care services has helped to focus on tackling issues of information sharing between partner organisations. It enables single, comprehensive datasets for the purpose of risk stratification and commissioning, all aligned to single packages of care to encapsulate patient/client needs.
- The Department of People has established integrated data and commissioning teams. This facilitates the combination of different systems relating to children and adults and offers a more holistic analysis of matched data in the Council. To support this function, and adequately address the requirements under the Data Protection Act, due consideration has been given to the purpose for which personal data is collected, fair processing notices and consent, to ensure that all processing is fair and lawful.
- Regular training in data protection and information management sessions have resulted in improved staff awareness of information governance requirements and associated organisational processes.
- Key actions from the Information Commissioner's Office (ICO's) consensual audit undertaken in 2012/13 are continually reviewed. These include the following:
  - The Overarching Information Management Strategy has been updated to reflect changes to governance arrangements in the Council.
  - In line with the Offsite Storage Policy, data transfer sheets are kept by service areas and the Customer Service Team.

### 4.2 Leadership and Governance

The SIRO has to ensure that identified information threats and vulnerabilities are followed up for risk mitigation, and that perceived or actual information incidents are managed in accordance with Council's Risk Management

Framework. The SIRO also provides the Annual SIRO Report in regard to information management and risk.

The SIRO's role is supported by:

- The Chief Privacy Officers (Data Controllers) - the Head of Legal and Democratic Services and Head of Customer Services
- The Caldicott Guardian - the Head of Children's Services
- The Information Asset Owners (Group Managers)
- The Data Governance Advisor

#### **4.3 Training and awareness**

Data Protection training continues to feature as a part of the corporate, team and induction training programmes. In 2015/2016, twenty seven training sessions were carried out. This includes 4 training sessions at schools, and the remaining provided within the Council's regular training programme, Induction, and the tailor made sessions after a breach/potential breach.

Staff continue to complete the mandatory Data Protection e-learning tool (90% of staff have completed this training). Successful completion of this is also a prerequisite for staff to work remotely.

#### **4.4 Freedom of Information**

A total of 1101 requests were received in 2015/2016, compared to 1108 in 2014/15. The FOI function sits within the Policy, Engagement and Communication Team. The Council replied to 85.89% requests within 20 working days. The majority of these requests, at 48.54%, were received from the public, 35.04% from other organisations and 10.49% from the media.

The Council's Publication Scheme has been updated to provide regularly requested information in a more accessible and up to date way. This also helps to reduce the number of FOI requests that are processed.

#### **4.5 Data Protection**

There have been 117 Subject Access Requests (SARs) processed in 2015/2016, compared to 151 processed in 2014/2015. These are requests from customers for copies of their personal data held by the Council. The Council replied to 68.12% of these requests within the 40 calendar days. The fact that 31% of SARs took longer than 40 days is a reflection of the significant time involved in responding to many of these requests particularly where these have been historic child care requests.

In 2015/16 a total of 1149 section 29 requests were received. These are requests, mostly received from the Police, for third party information. These requests were received through Legal and Democratic Services, Revenues and Benefits, Counter Fraud and Investigation and the PEC teams.

Work to transfer all section 29 requests onto Covalent (the Council's Performance Monitoring system) is underway. The single gateway approach

encourages consistency in recording; increases efficiency in monitoring the requests through automatic triggers; enables the maintenance of audit trails and facilitates the production of timely and accurate reports.

The Council's Communications Strategy and regular training continues to raise awareness of the importance of Data Protection amongst staff. This has led to an increase in the reporting of data incidents, which ultimately helps with the continual improvement.

A total of 28 incidents were reported for 2015/16. Investigations were undertaken and recommendations made to the SIRO on the significant cases. To mitigate further incidents, evaluations were carried out to ensure recommendations were implemented.

As a part of the process, one data incident where envelopes were mis addressed was "self-reported" to the ICO in 2015 with an explanation of mitigation. The ICO took no further action.

#### **4.6 Records Management**

With increasing public access to our records, it is important that necessary documents are retained and that disposal of records happens as part of a managed process and is adequately documented. Therefore Directorates must have in place clearly defined arrangements for the assessment and selection of records for disposal, and for documenting this work. All record keeping procedures must support the Council's Document Retention and Disposal Policy. This Policy is currently being updated.

The Council has an Information Asset Register. This is a mechanism for understanding and managing the Council's information assets and the risks to them. It is a register which informs where the Council's electronically held and hard copies of data are held. Work is underway to update the register and to make it available on the Council's intranet site.

Data Protection training sessions now include aspects of Records Management and the Information Asset Register. These help to further increase awareness on the secure disposal and archiving of records.

#### **4.7 Information Security**

The Council has a comprehensive Information Security Framework to support the current and evolving information security requirements.

The Council's IT Corporate Information Security Policy, Acceptable Use Policy and Using Email and Digital Communications are currently being refreshed by the Essex Online Learning Partnership.

An ICT Security Audit has been carried out to ensure that the Council has appropriate technical and organisational measures to prevent unauthorised and unlawful processing of personal data. The report from the Audit is expected by end of September 2016.



## **5 Strategic Direction - Future Programme of Work - 2015/16**

### **Data Protection**

- 5.1 While the EU's General Data Protection Regulation (GDPR) was finalised, and is scheduled to come into force on 25<sup>th</sup> May 2018, the uncertainty of the outcome of UK negotiations on the terms of its exit from the EU brings into question whether or for how long the Regulation will directly apply in the UK.

A statement from the Information Commissioner's Office (ICO) confirmed that the Data Protection Act "remains the law of the land" at the moment. It said that UK Data Protection reforms are "necessary" and that the Data Protection framework in the UK would need to accord to the standards outlined in the GDPR if the UK wishes to "trade with the [EU] single market on equal terms" in the event that the Regulation does not "directly apply to the UK".

"If the UK is not part of the EU, then upcoming EU reforms to Data Protection law would not directly apply to the UK. But if the UK wants to trade with the single market on equal terms we would have to prove 'adequacy' - in other words UK Data Protection standards would have to be equivalent to the EU's General Data Protection Regulation framework starting in 2018."

Developments on this will be monitored. Any outcome will pose significant challenges to the Council, and will be addressed accordingly.

### **5.2 General**

Further to team restructures and continued organisational changes, 2015/16 proved to be a very challenging year for the Council. In 2015/16 the Policy, Engagement and Communication team will continue to work across all areas of the Council to meet the requirements of governance legislation. In particular, it will work to meet the requirements of the Local Government on data handling and sharing, the use of big and open data and cyber security.

## **6 Corporate Implications**

- 6.1 Contribution to the Council's Vision and Corporate Priorities.

Excellent – Deliver targeted services that meet the identified needs of our community.

- 6.2 Financial Implications

Any financial implications arising from this work will be considered through the normal financial management processes. Proactively managing information can result in reduced costs to the Council by reducing exposure to potential loss (such as fines for security breaches).

- 6.3 Legal Implications

Legal requirements must be complied with to ensure an individual's rights are respected. Inadvertent disclosure of data could leave the Council open to legal claims and fines. The collection, use and disclosure of personal information are governed by a number of different areas of law. The main pieces of legislation governing an individual's rights are:

Human Rights Act 1998  
Data Protection Act 1998  
Environmental Information Regulations 2004  
Freedom of Information Act 2000  
Computer Misuse Act 1990  
The Access to Health records  
Civil Contingencies Act 2004  
Crime and Disorder Act 1998  
Children Act 2004  
Health and Social Care Act 2012

#### **6.4 People Implications**

Any people implications will be considered through the Council's normal business management processes.

#### **6.5 Property Implications**

None

#### **6.6 Consultation**

Internal

#### **6.7 Equalities and Diversity Implications**

The Council collects a range of information to help it meet the needs of its customers and staff, including, where relevant, information on the „protected characteristics“ as defined in the Equality Act 2010 (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, sexual orientation). In line with the Act the Council, each year, publishes a profile of its customers (along with how they rate services) and its workforce, and who share protected characteristics. All information is collected and maintained in line with the Data Protection Act, for example, to ensure it is anonymous.

#### **6.8 Risk Assessment**

Non compliance with the law would adversely affect the Council's reputation in the community and reduce public trust and could lead to "incidents" with regulatory penalties and disruption to business continuity.

#### **6.9 Value for Money**

No issues

**6.10 Community Safety Implications**

None

**6.11 Environmental Impact**

None

**7 Background Papers**

None

**8 Appendices**

None

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# Southend-on-Sea Borough Council

Report of Corporate Director for Corporate Services  
to  
Cabinet

On  
20th September 2016

Agenda  
Item No.

10

Report prepared by: Tim MacGregor – Team Leader, Policy  
and Information Management/  
Charlotte McCulloch – Customer Service & Complaints  
Manager

**Annual Report – Comments, Compliments and Complaints – 2015/16**

**All Scrutiny Committees**

**Executive Councillors: Councillor Lamb, Councillor Salter, Councillor Courtney**

**A Part 1 Public Agenda Item.**

## 1. Purpose of Report

1.1 This report is to:

- Fulfil the Council's statutory duty to produce an annual report on compliments and complaints received about its Children and Adult social care functions.
- Provide performance information about comments, compliments and complaints received across the Council for 2015-16
- Contribute towards the Council's values to be open, honest and transparent.

## 2. Recommendation

2.1. To note the Council's performance in respect of compliments, comments and complaints for 2015-16 and to refer each separate report to the respective Scrutiny Committee.

## 3. Background

3.1. Legislation requires that statutory processes are in place to deal with complaints relating to children and adults social care, to advertise that process and produce annual reports.

3.2. As the statutory process requires the Children and Adults' Social Care reports to be shared with the Care Quality Commission and the Department of Health this necessitates three separate reports for the Council, including a separate report on the Council's corporate comments, complaints and compliments process.

3.3. Details of performance are contained in the respective reports under

**Appendix A** – Compliments, Concerns and Complaints – Adult Social Care Services.

**Appendix B** – Compliments and Complaints – Children’s Social Care Services.

**Appendix C** - Corporate Comments, Complaints and Compliments.

- 3.4. The table below sets out a comparison of the total number of complaints received for the previous three years by Department. As can be seen, the figures reflect a steady upward trend in the number of complaints being received by the Council (8.5% up on 2014/15).

Department	2012/2013	2013/2014	2014/2015	2015/16
Corporate Services	74	44	43	66
Department for People (including statutory)	218	227	246	304
Department for Place	233	375	376	351
Public Health	0	0	0	1
<b>Grand Total</b>	<b>525</b>	<b>646</b>	<b>665</b>	<b>722</b>

This trend reflects the nationwide picture as outlined in the Local Government Ombudsman’s (LGO) ‘Annual Review of Local Government Complaints’ (2015/16) which highlights a 6% rise in complaints and enquiries received by them. Reasons cited for this upward trend include the impact of declining resources on council services and growing willingness of the public to make complaints.

- 3.5. Comments and compliments are also received, with numbers shown below.

Department	2012/2013	2013/2014	2014/2015	2015/16
Corporate Services	1653	1694	1326	1673
Department for People (including statutory)	477	521	474	416
Place	219	288	222	337
<b>Grand Total</b>	<b>2349</b>	<b>2503</b>	<b>2022</b>	<b>2426</b>

#### 4. Lessons Learnt and Service Improvements

- 4.1 Whilst responding to feedback in a timely manner it is important for Council services to reflect on lessons learnt and improving outcomes. This is recognised by the Local Government Ombudsman’s principles of good complaints handling of being customer focused, putting things right and seeking continuous improvement.

Examples of service improvements undertaken throughout the year as a result of customer feedback include:

- A revised policy on dealing with abandoned vehicles, to make the process easier for those reporting incidents was agreed;
- Information on the rights of appeal for benefit claimants was revised on standard letters and the website;
- School transport appeals - reasoning is set out more in more detail both in appeal reports and letters to appellants;
- Procedures were improved to ensure that care providers have a clearly defined retention and disposal policy - a copy of which is sent to the contracts team for review;
- The hospital discharge pack provided by the Hospital Social Work Team was improved;
- In response to a complaint about lack of transparency, the South Essex Homes Decant and Management Move Procedure was updated and made a publicly available on the SEH website.

Further examples are contained in App A (Appendix 8), Appendix B (paragraph 12) and Appendix C (para 4.7).

## **5. Future developments**

- 5.1 In May 2015 the government announced its intention to introduce a Public Services Ombudsman Bill to set up a Public Services Ombudsman in England which will absorb the functions of the Parliamentary and Health Service Ombudsman, the Local Government Ombudsman and potentially the Housing Ombudsman. This is intended to provide better value for money, reflect increasing cross sector working and provide a more joined up service with simpler access for the public.
- 5.2 To date no draft bill has been published, and such a bill was not included in the May 2016 Queens Speech, however, the LGO, Parliamentary and Health Service Ombudsman are now investigating health and social care services cases through a single team based in the LGO's office.

## **6. Corporate Implications**

### **6.1 Contribution to Council's Vision & Corporate Priorities**

Customer feedback and complaints management is directly relevant to the Council's corporate priorities to deliver strong, relevant and targeted services that meet the needs of our community. This remains important in the coming years as budget constraints continue to impact on service delivery.

### **6.2 Financial Implications**

The commissioning of independent people to deal with children's stage two statutory complaints incurs additional cost. The decrease in stage 2 complaints this year has reduced the costs of investigations. The use of mediation and

early intervention within all the processes is used in an effort to restrict the number of complaints escalating, limiting the amount of officer time spent on complaints as well as improving the outcome for the complainant.

A limited number of compensation payments to customers to acknowledge the time and trouble that they have expended have been made this year.

### 6.3 Legal Implications

To ensure compliance with the statutory complaints processes.

### 6.4 People and Property Implications

People and property implications are considered through the Council's normal business management processes.

### 6.5 Consultation

The Advocacy Services and Representations Procedure (Children) (Amendment) Regulations 2004 confer a duty on local authorities to provide information about advocacy services and offer help to obtain an advocate to a child or young person wishing to make a complaint. The Authority has a contract with the National Youth Advocacy Service. All children and young people wishing to make a complaint in 2013-14 were offered the services of an advocate.

### 6.6 Equalities and Diversity Implications

All three processes are receiving feedback from customers from Southend communities including minority groups. Similarly, alternative approaches to facilitate complaint resolution are offered including advocacy and meetings.

Corporate equalities considerations continue to be part of the process.

### 6.7 Risk Assessment

Processes are reviewed periodically and reduce any risk which could adversely affect the Council's reputation in the community and reduce public trust/satisfaction. Whilst an anticipated increase in complaints did materialise after 2013, notably in respect of services delivered corporately, the number recorded is still significantly less than the 1100 reported for 2009 at the beginning of the revised process.

### 6.8 Value for Money

Early resolution of complaints, together with learning lessons from the process, contribute to service improvements and getting things right first time.

### 6.9 Community Safety and Environmental Impact Implications

The process is implemented to ensure both community safety and effects on the environment are fully considered.



**7. Background Papers**

None

**8. Appendices**

**Appendix A - Compliments Concerns & Complaints received throughout 2015-16 for Adult Social Care Services**

**Appendix B - Compliments and complaints – Children’s Social Care.**

**Appendix C - Corporate comments, complaints and compliments – 2015-16.**



# Southend-on-Sea Borough Council

**Report of Corporate Director for People  
to  
Cabinet  
on  
20<sup>th</sup> September 2016**

Report prepared by: Charlotte McCulloch

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**Compliments Concerns & Complaints received throughout 2015-16  
for Adult Social Care Services  
People Scrutiny Committee  
– Executive Councillor: Lesley Salter  
*A Part 1 Public Agenda Item***

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## **1. Purpose of Report**

- 1.1 To discharge the local authority's statutory duty to produce an annual report on compliments concerns and complaints received about its adults' social care function throughout the year.
- 1.2 To provide statistical and performance information about compliments concerns and complaints received throughout 2015/2015.

## **2. Recommendation**

- 2.1 That the Department's performance during 2015/2016, and comparison to the previous three years be noted.
- 2.2 That the report be referred to the People Scrutiny Committee for detailed examination.

## **3. Background**

- 3.1 This is the seventh Annual Report following the changes to the legislation governing the statutory complaints process for adult social care services. The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 came into force on 1 April 2009 and created a single process for health and social care services. With the increase in integrated services, the single process makes it easier for patients and service users to make complaints and allows them to make their complaint to any of the organisations involved in their care. One of the organisations will take the lead and co-ordinate a single response.
- 3.2 Strong working relationships have been established with complaints colleagues within the Health organisations in the area. This, together with a joint protocol

agreed by the Essex Complaints Network, has made it easier for people making complaints that span Health and social care services. In 2015/2016 there were 3 joint complaints.

- 3.3 The new process is based on the principles of the Department of Health's *Making Experiences Count* and on the Ombudsman's principles of good complaints handling:
- Getting it right
  - Being customer focused
  - Being open and accountable
  - Acting fairly and proportionately
  - Putting things right
  - Seeking continuous improvement.
- 3.4 There is a single local resolution stage that allows a more flexible, customer focused approach to suit each individual complainant. At the outset, a plan of action is agreed with the complainant to address their complaint. Amendments to the plan can be agreed at any stage of the process.
- 3.5 The regulations do not specify timescales for resolution and a date for response is agreed and included in each plan. Response times are measured against the agreed dates in the plans.
- 3.6 When the local authority believes that it has exhausted all efforts to achieve a local resolution, and the customer remains dissatisfied, the next step is referral to the Local Government Ombudsman.

#### 4 Compliments; concerns and comments received in 2015/2016

- 4.1 Compliments are a very important feedback and motivational tool and members of staff are encouraged to report all compliments they receive to the Customer Services Manager for recording. All compliments are reported to the Group Manager of the Service to pass on their thanks to the staff member and the team. This practice has been well received by staff. Data gathered from compliments are used to inform commissioning decisions of the authority.
- 4.2 Adult and Community Services received 341 compliments about its social care services in 2015/2016.

*Table to show the number of compliments received in 2015/2016 and a comparison with previous three years*

Apr 12 – Mar 13	Apr 13- Mar 14	Apr 14 – Mar 15	Apr 15 – Mar 16
Number	Number	Number	Number
429	470	407	341

There has been a decline in the number of compliments received, however we are unable to ascertain why this is the case. Examples of the types of compliments received can be found in Appendix 1

- 4.3 The current regulations require the local authority to record concerns and comments as well as complaints. Some people wish to provide feedback to help improve services but they do not wish to make a complaint, and this process facilitates that.
- 4.4 Adult and Community Services received 8 concerns about its social care services in 2015/2016. Of these, 7 were regarding commissioned homecare services and 1 was about internal services provided directly by Southend Council.
- 4.5 All concerns and comments are considered to identify areas for improvement and responses are made where appropriate or requested.

### 5 Complaints received in 2015/2016

- 5.1 Adult and Community Services received 176 complaints about its social care services in 2015/2016. 75 of which were about internal services provided directly by Southend Council, and 101 were about services supplied through externally commissioned providers (domiciliary care & residential care)

*Table to show the total number of complaints received during 2015/2016 and comparison with previous three years*

Apr 12 – Mar 13	Apr 13 – Mar 14	Apr 14 – Mar 15	Apr 15 – Mar 16
Number	Number	Number	Number
111	136	166	176

This represents an overall increase of 6% in the number of complaints received during the previous year, and a 58.5% increase in the last 4 years.

Whilst there has been an increase year on year 176 complaints is still only 4.9% of the number of service users receiving support throughout the year.

The main increase in complaints has been seen within Internal Services with an increase from 56 in 2014/15 to 75 in 2015/16, an increase of 34%. The increase has been seen over a number of different service areas, rather than in one significant area.

A reduction has been seen in complaints about overall commissioned services where the number of complaints has decreased from 109 last year to 101 this year, an overall decrease of 13%. Complaints about commissioned homecare service having the greatest reduction from 101 in 2014/15 to 93 in 2015/16 an 8% decrease. Our Contracts Team and Complaints Manager continue to work with the home care providers to address issues and effect improvements around complaints handling.

- 5.2 Appendix 2 shows complaints by internal and commissioned services. Appendix 3 shows the number of complaints received about internal services by team.

Appendix 4 shows the number of complaints by service user group. The majority of complaints (150) were received about services to older people. This is the largest service user group and the 150 complaints represent 6.2% of the number of older people who receive services from the department.

- 5.3 Of the 176 complaints, 101(57%) refer to services commissioned from external providers. 93 of these were about home care services, and this figure accounts for 52% of the total complaints,
- 5.4 Southend Borough Council commissions South Essex Partnership Foundation Trust (SEPT) to provide its mental health and substance misuse services and SEPT received 10 complaints from Southend clients. 6 were not upheld & 4 were partially upheld. These were dealt with by SEPT and are not included in the figures in the table in section 5.1 above.
- 5.5 Under the current regulations, any complaints received verbally and resolved to the complainant's satisfaction within 24 hours do not have to be recorded as complaints. During 2015/2016, 5 such complaints were received.

### 6. Complaints subject to independent investigation

- 6.1 An independent investigation is an option for reaching a local resolution but it is not an automatic progression. Action taken to address a complaint will be discussed with the complainant at the outset and the primary aim is to find a resolution but action must be proportionate.
- 6.2 There were no independent investigations in 2015/2016. An independent investigation can be costly and if staff can resolve complaints satisfactorily without them, this represents a saving.

*Table to show the number of complaints subject to independent investigation, and as a percentage of the total number complaints during 2015/2016, and comparison with the previous three years.*

Apr 12 – Mar 13	Apr 13 – Mar 14	Apr 14 – Mar 15	Apr 15 – Mar 16
Number	Number	Number	Number
0 (<1%)	0 (0%)	0 (0%)	0 (0%)

- 6.2 Other ways used to resolve complaints include:
- Written response/explanation
  - Acknowledgment if there has been a failure
  - Apology
  - Change to service
  - Mediation/conciliation
  - Meeting
  - Internal review
  - Redress

### 7 Complaints referred to the Local Government Ombudsman

## Appendix A

- 7.1 There were 4 social care complaints considered by the Local Government Ombudsman in 2015/2016.
- 7.2 One complaint was referred to the LGO, they found minor fault and we agreed to apologise to the complainant.
- 7.3 One complaint was referred to the LGO, following an investigation no fault found
- 7.4 One complaint was referred to the LGO and following an investigation, did not find fault with SBC regarding the safeguarding investigation however did find fault with the care provider as they had not properly kept their records. We agreed to pay £250 in respect of the uncertainty caused by the unavailability of these records.
- 7.5 One complaint was referred to the LGO, following an investigation we were found at fault for not completing a carers assessment. We were asked to rectify this and paid the complainant for retrospective carers budget.

### 8 Response times

- 8.1 Adherence to response times is measured by compliance with the agreed dates set out in the individual complaints plans.
- 8.2 113 complaints were responded to within the timescales agreed. This represents 64.2% of responses made and is reduction on last year's 66%. We recognise the importance of trying to achieve a speedy resolution to complaints and generally aim to resolve complaints within 10 working days. However depending on the complexity of the complaint raised, agreement is made with complainants on an acceptable timescale for a response.
- 8.3 Of the 63 not responded to within the agreed timescale, 38 were attributed to our contracted care providers. Our Contracts Team and Complaints Manager continue to work with the home care providers to address this issue and effect improvements around complaints handling. A target has been introduced and their performance will be discussed with each provider at their quarterly contract review meetings.
- 8.4 Compliance with response times is shown at [Appendix 2](#)

### 9 Types of issues raised

- 9.1 The bar chart at [Appendix 5](#) shows all the issues split between internal and commissioned services.
- 9.2 Overall, the top 5 issues were:
- I. Communication / Consultation
  - II. Conduct / Behaviour of staff
  - III. Late Calls

- IV. Missed Calls
- V. Quality of Service provided

### **10 Outcome status of complaints (upheld; partially upheld; not upheld)**

- 10.1 The 176 complaints, refers to 237 issues which were reported and responded to, 106 were upheld; 32 were partially upheld; 88 were not upheld, 10 we were unable to reach a finding and 1 is still ongoing due to legal implications.
- 10.2 Overall the number of complaints upheld or partially upheld has slightly decreased from 59% in 2014/15 to 58% in 2015/16.
- 10.3 Tables at Appendix 7 show outcomes of the main issues in internal, homecare and residential complaints. There has been a decrease in complaints upheld or partially upheld regarding missed and late home care calls from 56 in 2014/15 to 40 in 2015/16, whilst there remains the challenge by many providers to recruit and retain good quality care staff, the decrease in complaints regarding this issue demonstrates the ongoing commitment by providers to continually monitor and address these issues.

### **11. Monitoring & Reporting**

- 11.1 Statistical data regarding complaints about our commissioned home care providers are provided quarterly to inform the Contract Monitoring Meetings.
- 11.2 Complaints are monitored by the Complaints Manager for any trends/emerging themes and alerts the relevant service accordingly.
- 11.3 Complaints information is fed into the monthly Safeguarding meetings regarding providers to ensure a full picture is gathered regarding the providers service delivery and indentify any concerns or trends that may be emerging.

### **12 Learning from Complaints**

- 12.1 The Council continues to use complaints as a learning tool to improve services and to plan for the future. Local authorities are being asked to show what has changed as a result of complaints and other feedback that it receives.
- 12.2 Improvements have been categorised under the following headings:
  - Improved process
  - Increased awareness of improved outcomes for Adults
  - Increased staff awareness/training
  - Improved conduct of staff
  - Improved performance of provider

Examples of improvements made as a result of complaints are shown in [Appendix 8](#).

- 12.3 Complaints about communication are a reoccurring theme for internal services and whilst they are not particularly high in proportion to the number of service



users being dealt with on a daily basis, this is the most common issue. The Complaints Manager continues to work with the Service Managers & Team Managers on identifying ways to improve client satisfaction with all channels of communication.

### **13. Corporate Implications**

#### **13.1 Resource Implications (Finance, People, Property).**

If resolutions are not found at an early stage and there are undue delays, compensation may have to be paid to acknowledge the time and trouble that the complainant has expended.

In some cases, the initial input in terms of staff time to find a resolution through a meeting/conciliation may be quite intensive but where the complainant has an ongoing relationship with the service, it can save resources in the long term.

#### **13.2 Contribution to Council's Vision & Critical Priorities**

A robust and responsive complaint handling process adds to the public's confidence and satisfaction with the way they are dealt with by the local authority when they have concerns to raise.

Effective complaints handling and a well advertised procedure contributes to the corporate priorities:

- Work with and listen to our communities and partners to achieve better outcomes for all
- Look after and safeguard our children and vulnerable adults

#### **13.3 Equalities and Diversity Implications**

The gender of all complainants was noted and 117 were female and 59 were male. 47 complaints (26%) were made by the person receiving the service and the remaining 73% were made by another person, usually a relative, on behalf of the service user. Leaflets on how to make a complaint or compliment are left with the service user when they are assessed. It is recognised that some relatives do not live locally and there is information on the Council's website about how to give feedback and the facility to send it electronically.

#### **13.4 Value for Money**

Some complaints may have elements where improvements may be made to ensure value for money.

#### **13.5 Community Safety Implications**

Some complaints may have elements where improvements may be made to ensure community safety.

## 14. Background Papers

Complaints papers are kept by the Customer Services & Complaints Manager. Data about individual compliments concerns comments and complaints are held electronically.

## 15. Appendices

Appendix 1	Examples of complimentary comments received regarding Internal teams
Appendix 2	Number of complaints by internal and commissioned services (residential & homecare) Compliance with response times
Appendix 3	Internal service complaints by team
Appendix 4	Commissioned and internal service complaints by service user group
Appendix 5	Issues raised in complaints
Appendix 6	Issues outcomes split between internal and commissioned services
Appendix 7	Outcome status of the top issues split between internal; homecare and residential care complaints
Appendix 8	Examples of learning/service improvements

## Appendix 1

### Compliments received 2015 -16

Some examples from the 341 compliments received about Southend Council's Internal Services :-

*I sincerely thank you for all the help and support you have provide Kathleen and I over the last year. I am relieved that Kathleen has a new home which will support her needs and that she will receive kindness and understanding. I am also grateful that you have introduced Helen into her life which will provide continuity and a voice for Kathleen. It hasn't been an easy situation for anyone involved however your determination and tenacity to complete this case beyond your remit is to your credit; thank you. This ends your involvement with Kathleen, I know, however your work will have a lasting benefit for her health and well being.*

~

*At all times you have the well-being of the individual at heart. You always listen & understand what I am trying to tell you about my father. I wish I'd met you sooner, as your help & advice have been invaluable.*

~

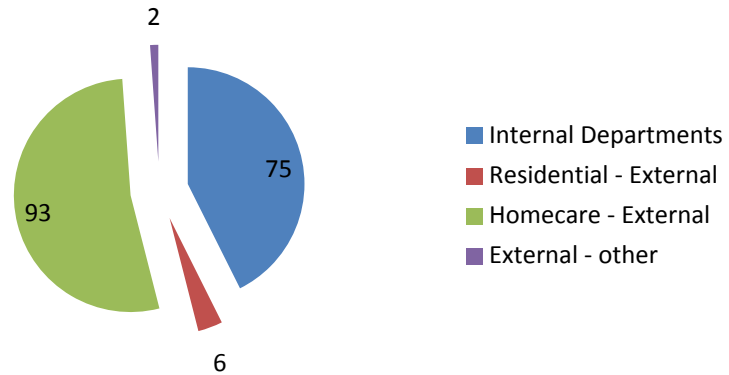
*The thought of the interview depressed me. I didn't want to accept the fact that I now needed help. Glynn's visit changed all that. She was cheerful, kind & kept complementing me on how much independence I was maintaining. She lifted my spirits enormously. 3 days later the equipment arrived. The man who delivered them was equally helpful, cheerful & encouraging. They have both improved my mobility & my attitude to life.*

~

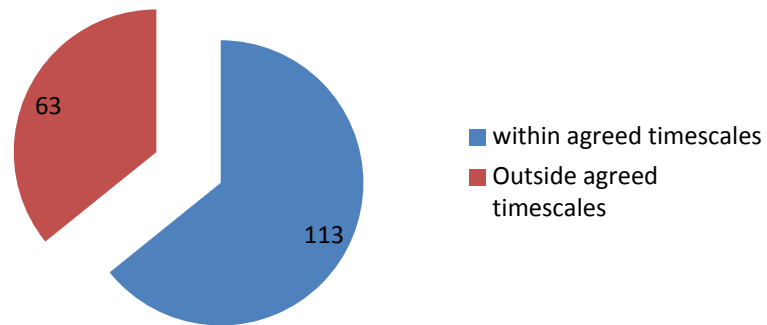
*We would like to thank you all so very much for your dedicated care & love you gave to our Mum, Rosie, while she was in your care. Priory House is second to none, one big happy family, who we were part of. Thank you once again.*

## Appendix 2

**Distribution of 2015/16 Complaints**  
Total = 176

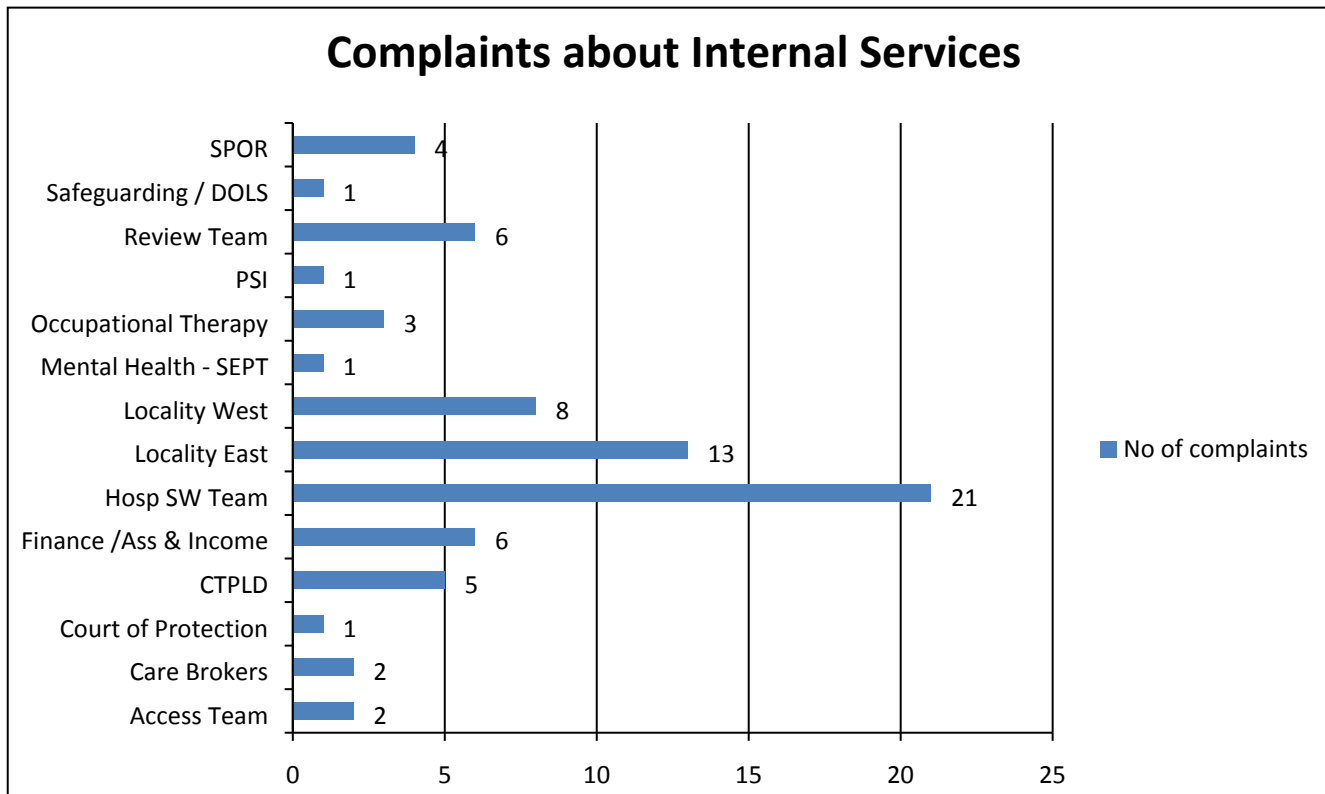


**Response Times**



Appendix 3

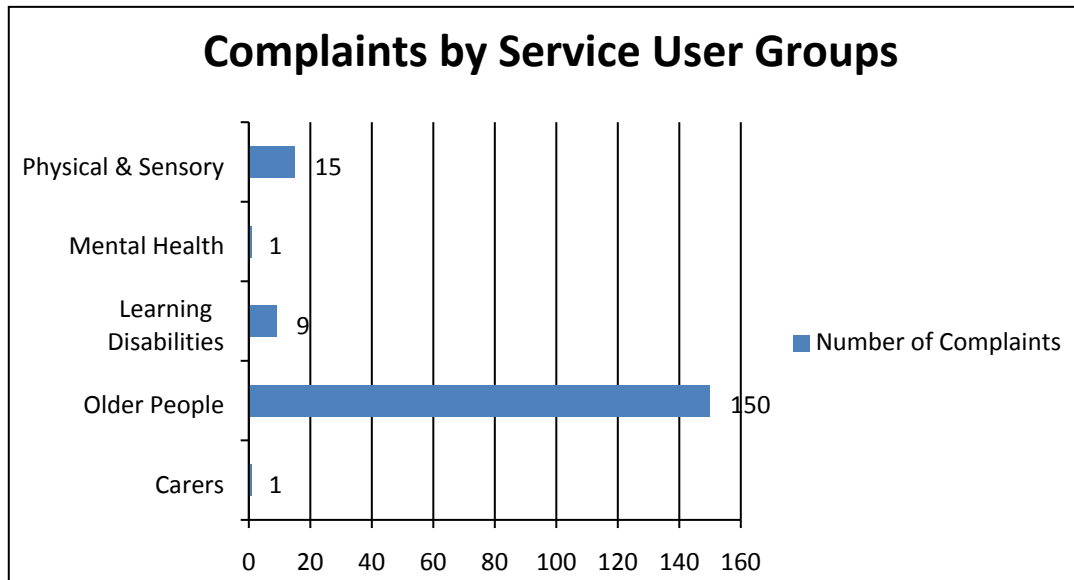
75



*Note : complaints about the Hospital Social Work Team were in the main about information provided about charges for services following discharge from hospital*

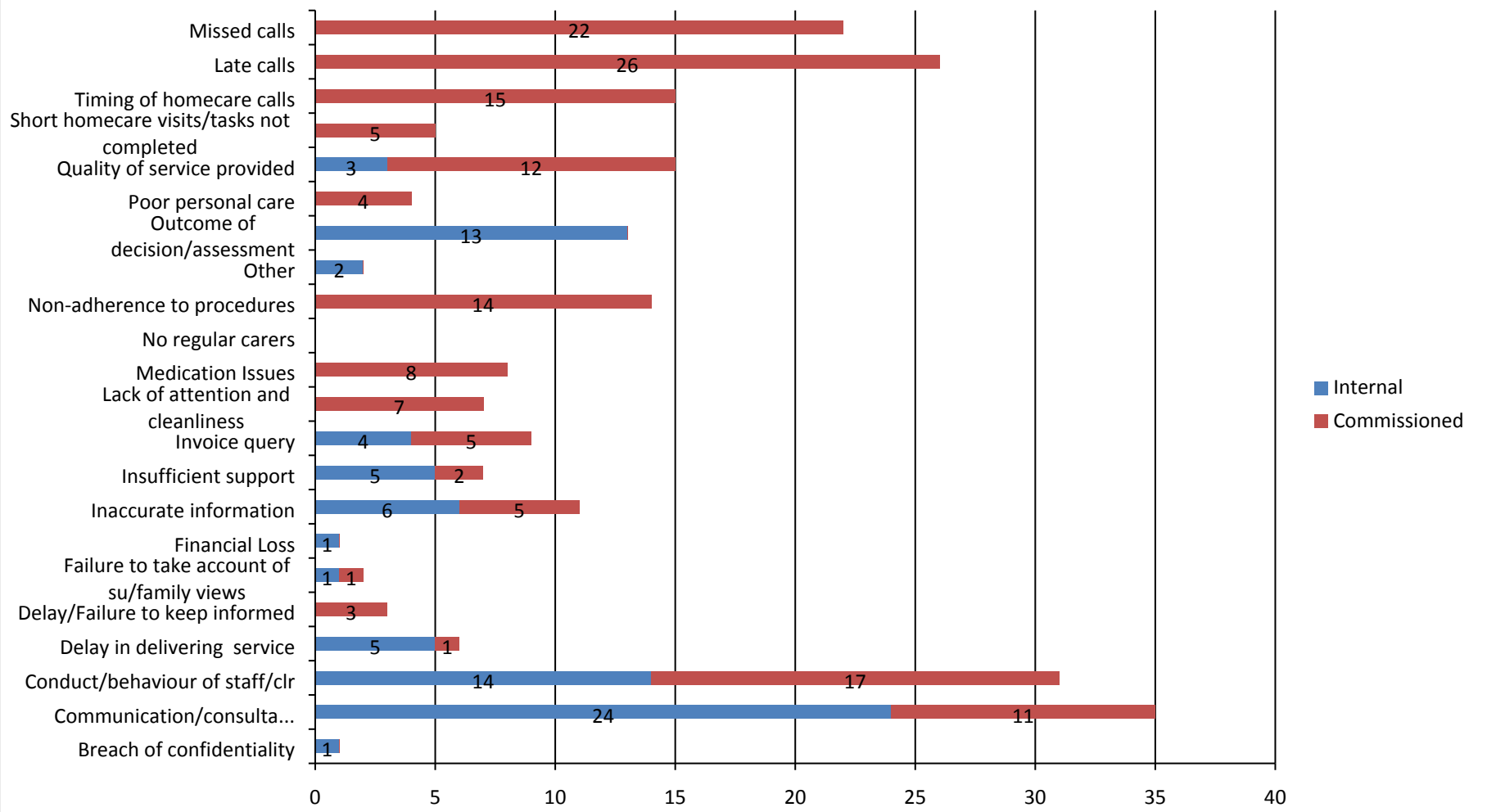
Appendix 4

76



Appendix 5

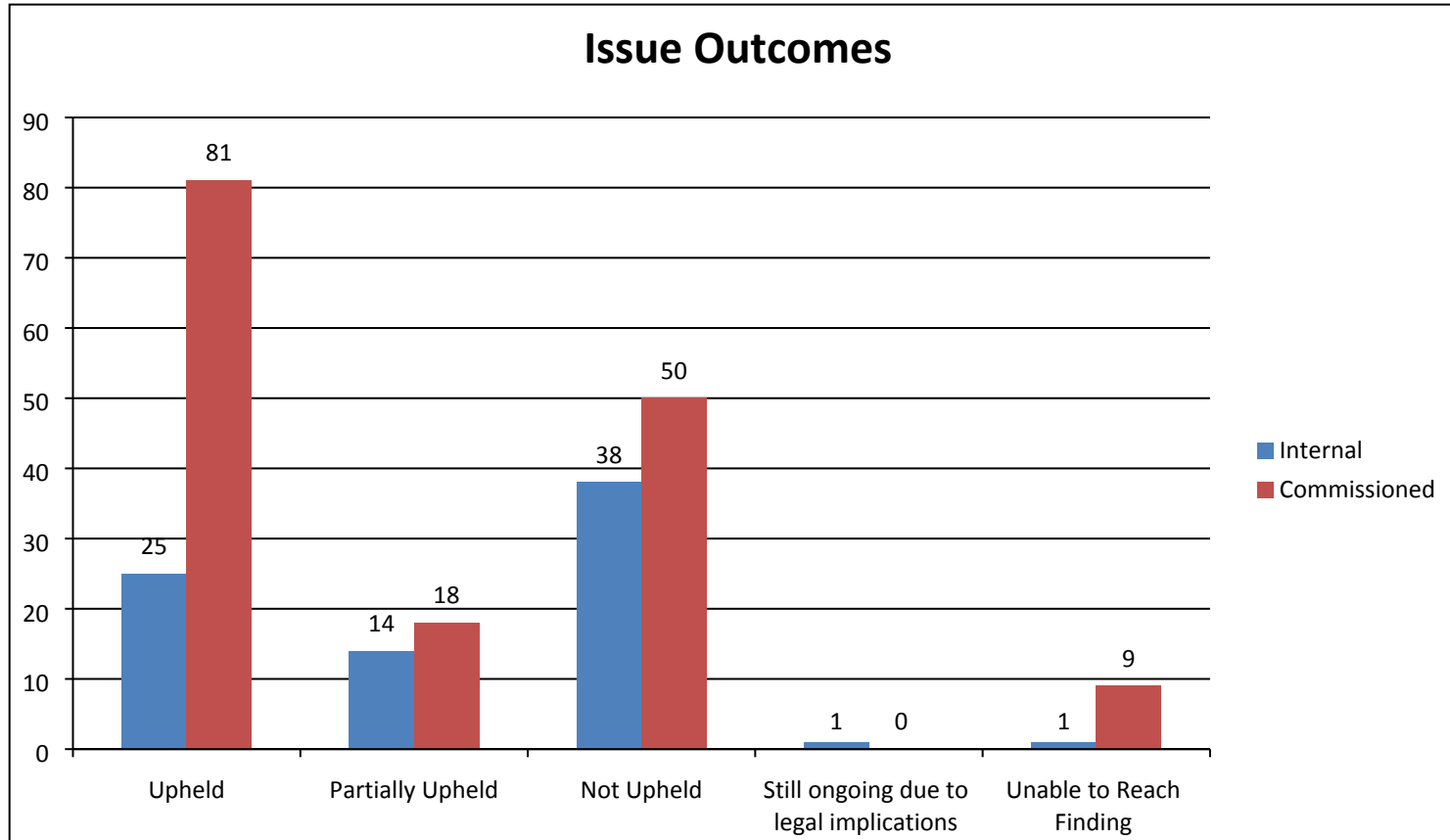
### Issues raised in Complaints



77

## Appendix 6

### Issue Outcomes



78



## Appendix 7

<b>SBC Internally provided Services</b>	Upheld	Partially Upheld	Not Upheld	Unable to reach finding
Communication/consultation	11	4	9	0
Conduct/behaviour of staff	5	2	5	1
Outcome of decision/assessment	2	2	9	
Inaccurate Information	3	1	2	

<b>Commissioned Services (Homecare &amp; Residential)</b>	Upheld	Partially Upheld	Not Upheld	Unable to reach finding
Late calls	21	4	1	
Missed calls	14	1	7	
Conduct Behaviour of Staff	5	2	6	4
Timing of homecare calls	7	5	3	

79

## Appendix 8

Issue	Improvements
Complaints regarding full cost invoices being sent to Service Users who receive a service via a 'spot' provider. These are providers who are not contracted to SBC and do not use the electronic monitoring system CM2000.	Requested that the 'spot' providers provide accurate timesheets for the care provided and the Business Support Team now collate the individual times to allow for more accurate invoicing to the Service User.
Confusion regarding information provided whilst in hospital regarding discharge and care options	Improved the discharge pack provided by the Hospital Social Work Team, this provides targeted advice and info regarding discharge planning and options as well as charging information
Complaints still being received where adults and/or families claim that they were told that care would be free following discharge from hospital and not made aware that there would be a charge for the ongoing care	<ul style="list-style-type: none"> <li>• Hospital Social work teams have been asked to document their discussion around finance in the body of the assessment as well as an observation on our care record system</li> <li>• Hospital Social Work Team Manager as spoken to the NHS staff to ensure they do not provide mis-leading information to patients.</li> </ul>
Complaints regarding missed / late calls	<ul style="list-style-type: none"> <li>• The contracts team have strengthened their contract monitoring to visit care providers in between the quarterly contract monitoring meeting. To ensure compliance with the electronic monitoring system, and highlight and address any issues earlier. Any trends in issues raised as part of complaints are fed back to the contracts team.</li> <li>• More focus within the contract monitoring meetings on late / missed visits and complaint response timescales</li> </ul>

08

# Southend-on-Sea Borough Council

## Report of Corporate Director for People

to

## Cabinet

on

20th September 2016

Report prepared by: Charlotte McCulloch – Customer Service  
& Complaints Manager

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**Compliments and Complaints relating to Children's Social Care Services  
People Scrutiny Committee - Executive Cllr James Courtenay  
A Part 1 Public Agenda Item**

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### **1 Purpose of Report**

- 1.1 To fulfil the local authority's statutory duty to produce an annual report on compliments and complaints received about its children's social care function throughout the year.
- 1.2 To provide statistical and performance information about compliments and complaints received from April 2015 to March 2016 at all three stages of the statutory process.

### **2 Recommendation**

- 2.1 **That the Department's performance during 2015/2016 be noted.**

### **3 Summary**

- **8.3% increase in the number of compliments in 2015/16 compared to the previous year**
  - **39% increase in the number of Stage 1 complaints**
  - **87% of Stage 1 complaints responded to within 20 working days**
- 3.1 The number of statutory complaints has increased this year in comparison to 2014/15.
  - 3.2 The number of stage 1 complaints responded to within 20 working days was 87% compared to 93% in 2014/15 and 100% in 2013/14.
  - 3.3 6 complaints escalated to stage 2 in 2015/16, an increase from 4 in 2014/15.
  - 3.4 7 complainants approached the Local Government Ombudsman in 2015/16.

3.5 65 compliments were received in 2015/16, a percentage increase of 8.3% compared with last year.

**4 Background**

4.1 The statutory process has three stages. Stage 1 affords an opportunity to try to find a local resolution usually at team manager level. At stage 2, the Department commissions an independent investigation of the complaint and the response is made by the Head of Service. At the third stage, the complaint is referred to an Independent Review Panel of three independent panel members with one member acting as Chair. At each stage, a more senior officer responds on behalf of the Department, with the Corporate Director responding at the final stage.

4.2 Some complainants welcome an independent investigation of their concerns; for others, the process can seem unwieldy. The regulations encourage consideration of alternative dispute resolutions where appropriate and with the Complainant’s agreement. The Complaints Manager encourages and supports Team Managers to resolve complaints at the earliest stage.

4.3 If complainants remain dissatisfied at the end of the three stages, they may refer their complaint to the Local Government Ombudsman.

**5 Compliments received in 2015/2016**

5.1 The Department recorded 65 compliments about Children’s Social Care in 2015/16 compared with 60 in 2014/15. This is a percentage increase of 8.3% compared to last year.

The table below shows the number of compliments received in 2015/16 in comparison with previous years.

Apr 10 – Mar 11	Apr 11 – Mar 12	Apr 12 – Mar 13	Apr 13 – Mar 14	Apr 14 – Mar 15	Apr 15 – Mar 16
12	25	41	44	60	65

**6 Number of complaints received in 2015/2016**

**6.1 Stage 1**

6.1.1 The Department received 85 statutory complaints directly at stage 1 in 2015/16 compared with 61 in 2014/15. This represents an increase of 39%. Complaints are always welcomed and viewed as a way to improve practice and Managers are informed of any emerging trends in complaints.

6.1.2 93% of complaints were resolved at Stage 1 which is consistent with the figure from the previous year which was 93.3% in 2014/15

6.1.3 The table below shows the number of Stage 1 complaints received in 2015/16 in comparison with previous years.

Apr 10 – Mar 11	Apr 11 – Mar 12	Apr 12 – Mar 13	Apr 13 – Mar 14	Apr 14 – Mar 15	Apr 15- Mar 16
55	58	60	38	61	85

**6.2 Stage 2**

6.2.1 A total of 6 complaints reached Stage 2 of the complaints process in 2015/16, an increase from 2014/15 when 4 complaints were escalated to Stage 2.

**6.3 Stage 3**

6.3.1 2 complainants requested to pursue their complaint to Stage 3 this is an increase from 0 in 2014/15.

**7 Complaints by category**

7.1 Complaints were categorised by the main issues raised. Appendix 1 shows the causes of the complaints.

The 3 categories with the highest percentage of complaints were:

- Quality of service 29.4%
- Staff conduct / Employee Behaviour 23.5%
- Communication 21.2%

These 3 categories represent 75% of all complaints received. Appendix 2 shows the outcomes of these categories.

After thorough investigation of all complaints at stage 1, 69% of complaints were not upheld which has reduced in comparison to 79% in 2014/15 and 76.3% in 2013/14.

7.2 Complaints about Social workers/staff have reduced to 23.5% compared to 26.2% in 2014/15. However complaints regarding communication has increased from 13.1% in 2014/15 to 21.2% in 2015/16. Social workers have been reminded of their responsibilities about returning calls, responding to correspondence promptly and that regular communication is key to positive working relationships with service users.

It is apparent that many Complainants still believe that it is the Social Worker alone who makes decisions regarding child protection procedures and agreed actions. Work needs to continue to ensure that Service Users and their families understand the role of the Social Worker. There is a need for Social Workers to be more conscious of ensuring that explanations about difficult decisions are given in the context of wider policies when discussing and meeting with Service Users.

7.3 Complaints about the Quality of Service has increased from 24.6% in 2014/15 to 29.4% in 2015/16. The Complaints Manager has worked

closely with social work teams to highlight good practice and provide early identification of emerging trends.

7.4 The table below shows the percentage of complaints in each category in 2015-2016 in comparison with the previous year.

<b>Category</b>	<b>2013-14 % of total</b>	<b>2014-15 % of total</b>	<b>2015-16% of total</b>
1. Staff conduct / employee behaviour	7.9	26.2	23.5
2. Providing a service	5.3	6.6	4.7
3. Quality of service	34.2	24.6	29.4
4. Communication	31.6	13.1	21.2
5. Incorrect information given	10.5	0	0
6. Council decision making	5.3	11.5	8.2
7. Policy or procedure	5.3	14.8	8.2
8. Other	0	3.3	3.5
9. Service not provided	0	0	1.2
	100%	100%	100%

## **8 Response times and the Department’s performance**

### **8.1 Stage 1**

8.1.1 Stage 1 statutory response times: 10 working days, with a further 10 days for more complex complaints or additional time if an advocate is required.

8.1.2 The complexity of complaints has continued to increase, which has affected the ability to respond within the 10 working days. In 2015/16 51% of Stage 1 complaints were responded to within 10 working days compared to 73.7% in 2014/15 71% in 2013/14, 80% in 2012/13.

8.1.3 The percentage of stage 1 complaints responded to within the statutory timescale of 0–20 working days in 2015/16 was 88% compared with 93.4% in 2014/15 100% in 2013/14.

8.1.4 The table below shows response times for stage 1 complaints received in 2015/16 compared with 2014/2015 and 2013/2014

<b>Response Performance</b>	<b>2013/14 % of total</b>	<b>2014-15 % of total</b>	<b>2015-16 % of total</b>
Within 10 working days	71	73.7	51
10 – 20 days	29	19.7	37
Over 20 days	0	6.6	12
Withdrawn	0	0	0

Appendix 3 shows the response performance.

**8.2 Stage 2**

**8.2.1 Stage 2 statutory response times:**

A stage 2 complaint should be investigated and responded to within 25 working days, with a maximum extension to 65 working days.

6 complaints were pursued to Stage 2 in 2015/16. One of these complaints was not pursued by the complainant following the initial meeting with the Investigating Officer and Independent Person.

This year we were unable to complete any of the Stage 2 investigations within 65 working days. Due to the complexity of some of the cases and the availability of service users and investigating officers (who are now SBC staff) these timescales do represent a challenge.

Stage 2 complaints are subject to independent investigations involving interviews with the complainant and relevant members of staff, and the submission of a report to be responded to by the Head of Service.

Complaints at this stage are likely to involve an independent investigating officer, an independent person and an advocate.

The Stage 2 process starts as soon as a complainant decides to pursue their complaint to stage 2.

**8.2.2 The table below shows response times for Stage 2 complaints received in 2014/15 compared with 2013/2014 and 2012/2013**

Response Performance	2013/14 % of total	2014/15 % of total	2015/16 % of total
Within 25 days	0	0	0
Between 25 and 65 days	100	0	0
After 65 days or outstanding	0	100	100

**8.3 Stage 3**

**8.3.1 Stage 3 statutory response times:**

The recommendations from a Stage 3 Review Panel should be responded to within 15 working days of the date of the meeting.

**8.3.2 2 complaints were escalated to stage 3 during 2015/16 this is in comparison to none in 2014/15.**

**8.3.3 One Stage 3 complaint was responded to within the timescale of 15 days.**

**9 Outcome status of complaints**

**9.1 Stage 1**

The outcomes of these complaints are logged as either upheld or not upheld. In 2015/16, of the 85 complaints received, 26 were upheld (31%) and 57 were not upheld (67%) & 2 that are still ongoing.

**Stage 2 & 3**

There are often several points in a complaint at Stage 2 & 3 and these are addressed separately in a single response. The complaint may be upheld; not upheld; partially upheld, or inconclusive/no finding.

**Stage 2** – Of the 85 complaints received 6 were moved to Stage 2, 1 was not progressed and of the 5 remaining this involved 44 separate issues. The following shows the outcomes of these issues

Upheld	Partially Upheld	Not Upheld	No Finding
13	6	19	6

**Stage 3** – Of the 6 complaints that moved to Stage 2, 2 of these requested their complaint be escalated to Stage 3, this related to 10 separate issues.

Upheld	Partially Upheld	Not Upheld
1	3	6

**10 Local Government Ombudsman**

10.1 7 complainants approached the Local Government Ombudsman in 2015/16. However 5 of these complaints were either premature or out of jurisdiction of the LGO and referred back to the authority. The remaining 2 complaints were investigated by the LGO 1 was not upheld and 1 required no further action.

**11 Developments in the complaints process**

11.1 Senior Managers receive regular reports from the Complaints Manager which serve to highlight trends. There is also a facility available for managers to print Covalent reports at any time therefore ensuring that information is immediately available.

11.2 The Complaints Manager has delivered training to Children’s Social Care Staff to explain the complaints process and the role that the teams play in resolving complaints at the earliest possible stage.

11.3 The Complaints Manager offers ongoing support and advice to Team Managers on how to appropriately respond to complaints.

**12 Areas for improvement / Learning from Complaints**



- 12.1 Service Managers are being asked to ensure that families are aware of changes in their children's social worker. This will be achieved by implementing a new process whereby when a case is reallocated, a standard letter goes to the family giving the name of the new social worker, their phone number, name and phone number of admin[s] for the team and a duty number and the name of the team manager. The letter is sent to both parents
- 12.2 Team Managers have been reminded that when concerns are raised it essential that every effort is made to contact both parents to inform them of the concerns and offer an opportunity for them to be involved in the procedures.
- 12.3 All Social Workers and Team Managers have been reminded that all complaints should be brought to the Complaints Manager's attention as soon as possible to ensure that appropriate responses are provided within the statutory timescales.
- 12.4 Complaints about Communication issues continue to be an issue, it has been agreed for the Complaints Manager to attend the Service / Team Managers training day and to regularly attending the monthly management team meeting to help Service Managers identify areas for improvement in this area.

### **13 Corporate Implications**

- 13.1 Contribution to Council's Vision & Corporate Priorities.  
Complaints management is relevant to the Council's corporate priority of continuing to improve the outcomes for vulnerable children.

#### 13.2 Financial Implications

The commissioning of independent people to investigate Stage 2 complaints incurs additional cost. The Department seeks to provide efficient resolution to complaints at the earliest stage possible, as well as securing value for money from Investigating Officers. Costs are met from the existing base budget.

#### 13.3 Legal Implications –

The complaints process complies with statutory requirements.

#### 13.4 People Implications

None.

#### 13.5 Property Implications

None.

#### 13.6 Consultation

The Advocacy Services and Representations procedure (Children) (Amendment) Regulations 2004 confer a duty on local authorities to provide information about advocacy services and offer help to obtain an advocate to a child or young person wishing to make a complaint. The Authority has a contract with the National Youth Advocacy Service.

In 2015/16 3 complaints (3.5%) were made by children/young people. This is a decrease from 9 (14.8%) in 2014/15. All children and young people wishing to make a complaint in 2015/16 were offered the services of an advocate.

### 13.7 Equalities and Diversity Implications

Customer groups making complaints included parents, carers, advocates, family members and young person's themselves.

The majority of complaints are made by females and the high percentage reflects the nature of the service that the primary parent dealing with children's care issues is generally the mother. However the number of males making complaints has risen to 28% this year from 19.7% in 2014/15.

The gender of complainants is shown in Appendix 3.

### 13.8 Value for Money

The complaint process continues to be implemented by 1fte post. We have reduced the use of external Investigating Officers for Stage 2 complaints and now use SBC Managers to undertake this role.

Improving systems in relation to managing compliments and complaints is a factor in a trend toward improving value for money and improving operational practice from lessons learned.

### 13.9 Community Safety Implications – none

### 13.10 Environmental Impact – none

## 14 Background papers – none

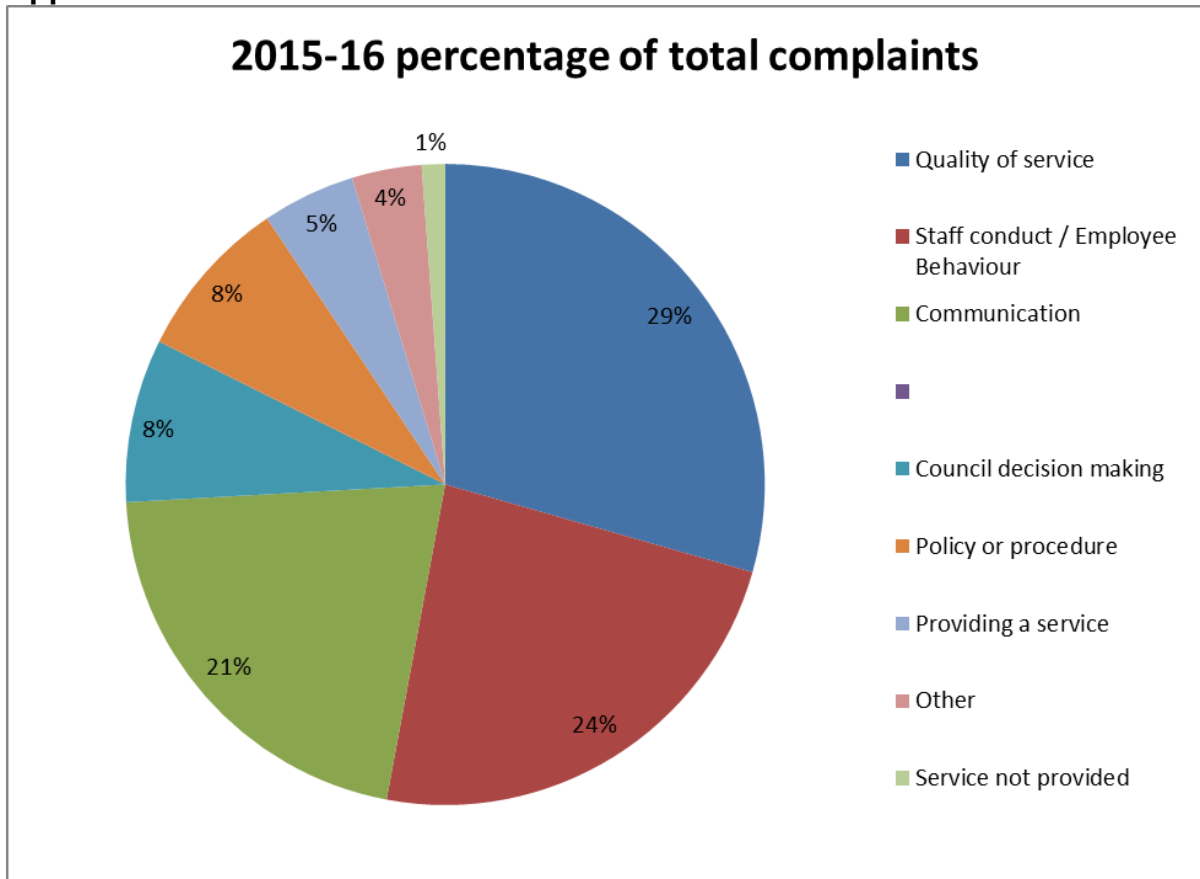
## 15 Appendices

15.1 Appendix 1: Percentage of complaints by cause

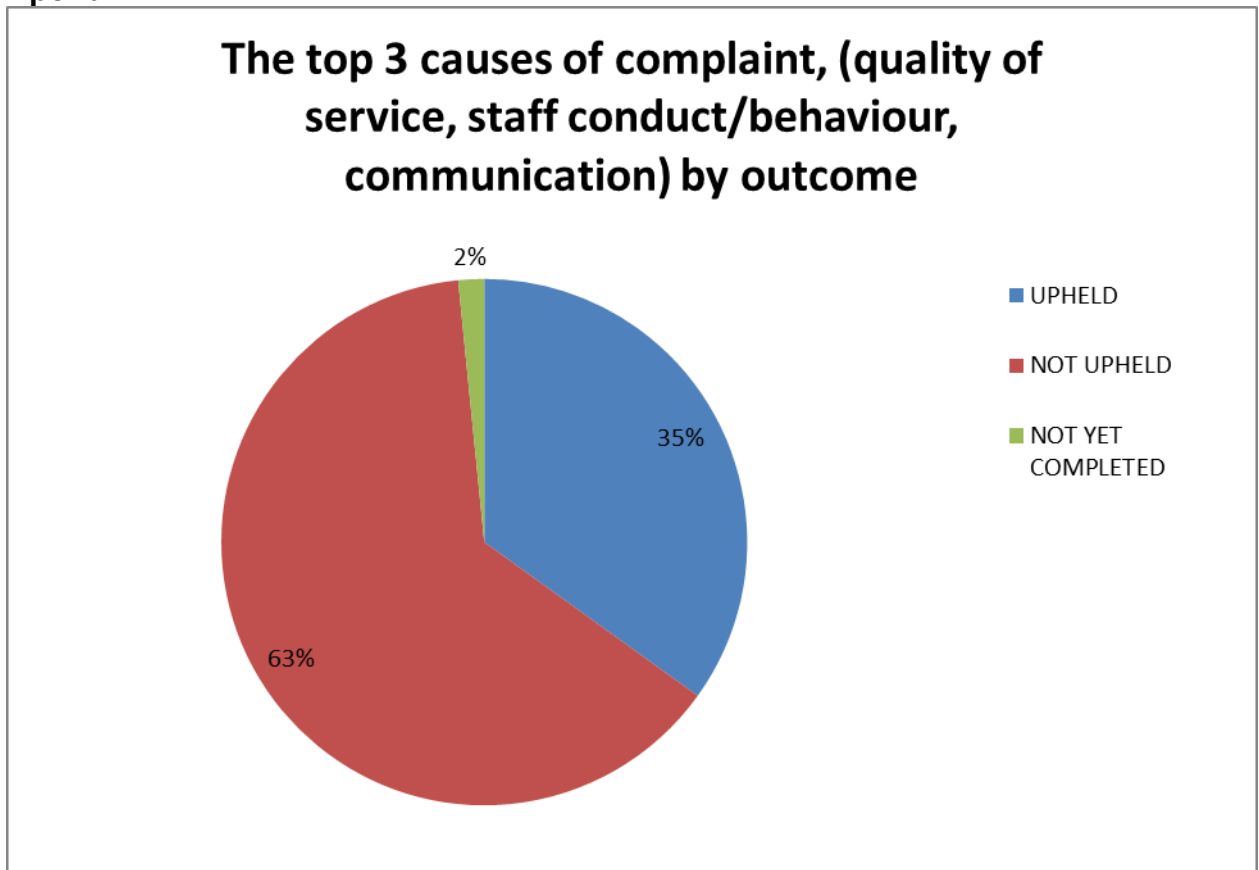
Appendix 2: Percentage outcome of the main causes of complaint

15.3 Appendix 3: Percentages of complaints responded to by timescale

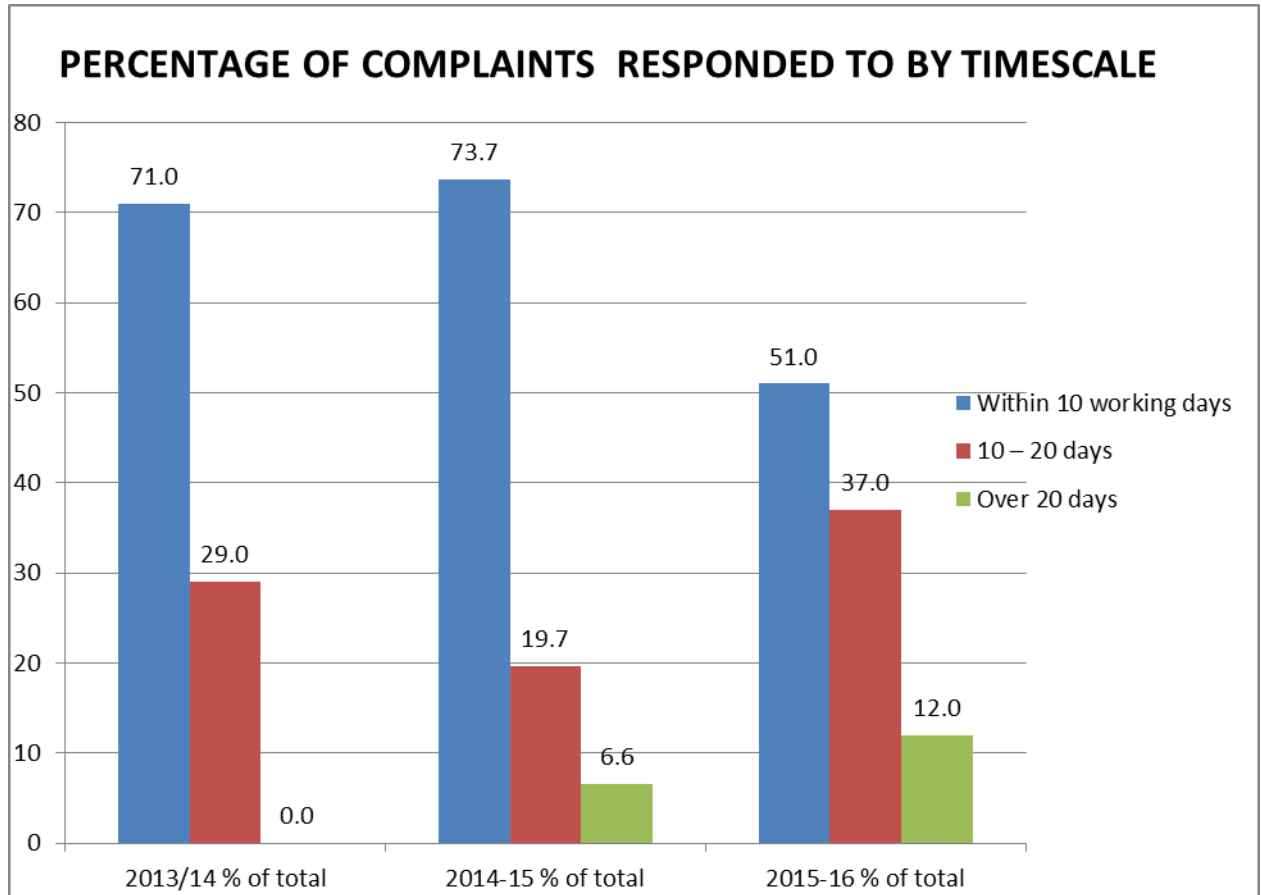
Appendix 1



Appendix 2



Appendix 3



# Southend-on-Sea Borough Council

Report of Corporate Director for Corporate Services

to  
**Cabinet**  
on  
**20 September 2016**

Report prepared by: Tim MacGregor, Team Manager, Policy  
& Information Management

<b>Agenda Item No.</b>
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## **Corporate Comments, Complaints and Compliments - 2015-16**

**Place, People, Policy & Resources; Scrutiny Committee – Executive Councillor:  
Councillor Lamb**

### **A part 1 Public Agenda Item**

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#### **1. Purpose of Report**

- 1.1 To report on the performance relating to corporate comments, complaints and compliments process and to provide comparisons with previously reported results. Complaints and compliments in respect of adult and children's social care functions are subject to their own statutory processes and are not monitored by the corporate procedure. Their results are reported separately.

#### **2. Recommendations**

- 2.1 To note the performance of the corporate complaints process between April 2015 and March 2016.**

Refer the report directly to all Scrutiny Committees.

#### **3. Background**

- 3.1. The three stage complaints procedure outlined in **Appendix 1** has been in place since 2009 and is well established throughout the organisation
- 3.2 The Council's corporate comments, complaints and compliments process deals with all general feedback about the Council. As well as the children and adult social care statutory complaints there are certain other functions which are outside of the corporate procedure which have their own processes. Examples include appeals against parking tickets and concerns about schools.
- 3.3 The benefits in operating a feedback process include:
- To learn lessons from the types of feedback made

- To help improve service delivery
- To improve the consistency and timeliness of responses
- To reflect sector wide and Local Government Ombudsman (LGO) best practice.

3.4 This report, therefore, provides an update on how the process is working and an analysis of customer feedback data.

#### 4. PERFORMANCE TO DATE

##### 4.1 Performance

Details of performance data for 2015/16 is set out in [Appendices 2 to 5](#).

402 Stage 1 complaints were received during 2015/16, reflecting a decrease of 5.7% compared to the 425 complaints reported for 2014-2015 and 420 complaints in 2013-14.

The monitoring system that is in place highlights trends and issues that are subject to complaints. Areas that have been of note, at all stages, for 2015/16 include:

- Quality of service – 32%
- Providing a service – 32%
- Staff conduct/employee behaviour – 14%

##### 4.2 Complaints by Directorate with Response Times

Department	Stage 1 & 2 Total Complaints Apr 2013-Mar 2014	Responded to in 10 working days	Stage 1 & 2 Total Complaints Apr 2014-Mar 2015	Responded to in 10 working days	Stage 1 & 2 Total Complaints Apr 2015-Mar 2016	Responded to in 10 working days
Corporate Services	40	80%	38	92%	62	81%
Department for People	48	79%	44	80%	41	68%
Department for Place	372	80%	379	92%	344	83%
Public Health					1	100%
<b>Grand Total</b>	<b>460</b>	<b>80%</b>	<b>461</b>	<b>87%</b>	<b>448</b>	<b>80%</b>

The number of stage 3 complaints received was 15, compared to 24 in 2014/15. Response times for Stage 3 complaints continue to be a challenge, taking an average of 44.5 days compared to 57 days in 2014/15. Complaints that escalate to Stage 3 are by their nature more complex and sometimes involve situations where it is not possible for the Council to meet complainants' wishes. However,

the response times are longer than desired and work will continue to reduce response times. It should also be noted that the process of early advice and assistance at Stage 2 by the corporate complaints member of staff resulted in less complaints progressing to the final stage of the process than would otherwise be the case.

### 4.3 Nature of Complaints

**Appendix 2** sets out the nature of all complaints under the following headings:

- Communication
- Decision making
- Discrimination
- Policy or procedure
- Providing a service
- Service not provided by council
- Staff conduct/staff behaviour
- Quality of service

The main areas of concern for 2015-16 were: providing a service (151); quality of service (154) and staff conduct/behaviour (67).

### 4.4 How the Complaints Were Received

The four year trend chart in **Appendix 3** shows that 65% of complainants contacted the Council by e-mail or the website, an increase from 61% for 2014/15 (and 50% in 2012/13) reflecting the work undertaken to encourage customers to use the website as their channel of choice. Complaints submitted by letter, phone and face to face are also on a downward trend.

### 4.5 Progression of complaints and satisfaction

- 89% of stage 1 complainants were satisfied with their response which is in line with 2014/15 reported figure of 90%.
- Of the 45 complaints that were addressed at stage 2 (there were 36 in 2014/15) 23 related to either quality of service or providing a service.
- The use of mediation between stages 2 and 3 will continue to be used, where appropriate, in an effort to further reduce the number of complaints reaching stage 3. Whilst the aim continues to be to resolve complaints at the earliest point it is worth noting that of the 15 stage 3 complaints investigated 2 were upheld.
- 4 complainants that completed the corporate process (in 2015-16) escalated their concerns to the Local Government Ombudsman. Of these 2 were closed after initial enquiries; 1 was not upheld as the claimed injustice was speculative and 1 was determined 'no fault' with the Council's action.

### 4.6 Complaint Resolution

The emphasis on learning from customer feedback continues to inform reviews to provide improved targeted services. This is evidenced by how complaints have been resolved:-

- Specific action has been taken in 44% of cases - by doing something that had not been done, carrying out work or putting something right.
- 30% of customers that complained received an apology when the Council had not got things right and no further action was needed, other than to apologise, or explain why the Council had taken a particular course of action.
- 24% of complaints required no action. This was where our actions were reviewed but deemed to be correct and no apology was required.
- 5 cases required a process review.

The chart in **Appendix 4** reflects the breakdown of complaints by resolution.

### 4.7 Learning Points

The continuous review of customer feedback, and resulting changes to service provision, will continue. A pro-active approach on learning points will also continue so that:-

- Previously identified trends will be monitored to ensure that the resulting service changes are reducing the number of related complaints.
- Continuous review of responses to ensure that identified service improvements that have been promised are implemented.

Examples of service improvements as a result of complaints and customer feedback include:

- A revised policy on dealing with abandoned vehicles, to make the process easier for those reporting incidents was agreed.
- Information on the rights of appeal for benefit claimants was revised on standard letters and the website.
- In response to a complaint about lack of transparency, the South Essex Homes Decant and Management Move Procedure was updated and made a public document.
- School transport appeals - reasoning is set out more in more detail both in appeal reports and letters to appellants;
- Reminders were issued to staff to replace food caddies appropriately, helped by a new category created on the Lagan customer service system to record where food caddies have not been replaced properly;
- Refuse vehicles are being fitted with 'on-board' systems to enable the direct reporting of service failures/requests, to refuse vehicles, enabling a swifter response.

### 4.8 Comments and Compliments

Govmetric, the customer satisfaction measurement tool used by the Council, specifically captures the provision of service by the Customer Service Centre and Council website and these figures are reflected in the Corporate Services analysis. It is anticipated that as the drive towards encouraging customer use of web based channels continues and results in less personal interaction between the Council and residents, so will the opportunities to receive compliments.



## Appendix C

Of the 1,673 comments and compliments recorded for Corporate Services in 814 were compliments, which compares to 505 recorded last year.

Comments received are responded to by the service and those making comments advised if their suggestion is to be taken up or not. Compliments are acknowledged and shared with the appropriate Head of Service to inform the service or member of staff. This may then inform the staff's performance review discussion.

The table below shows the 3 year comparison on total number of comments and compliments received by each Directorate.

Department	Total 2013/14	Total 2014/15	Total 2015/16
Corporate Services	1694	1326	1673
Department for People (excluding statutory complaints)	7	7	2
Department for Place	288	222	337
<b>Grand Total</b>	<b>1989</b>	<b>1555</b>	<b>2012</b>

### 5. LOCAL GOVERNMENT OMBUDSMAN (LGO)

56 complaints and enquiries about the Council were made to, and decided upon by the Ombudsman. This compared to 53 for 2014/15. Of the 56 complaints, 25 were categorised as 'referred back to the Council for local resolution\*', 12 were closed after initial enquiries, four were not referred on to the Council, and for one, advice was provided by the LGO to the complainant.

Of the remaining 14, seven were not upheld and seven were upheld. Of the 7 upheld, three were in adult services, one was in Benefits & Tax, one was in 'Corporate & other services' one in 'environmental services & public protection & regulation' and one was in planning.

[\*Prior to 2013/14 this category was known as 'premature complaints' and did not form part of the Ombudsman's statistics].

The LGO's annual review letter, including the breakdown of the results is attached at **Appendix 5**.

Alongside the statistical information the Ombudsman also publishes a yearly report on local government complaint handling. The report includes a summary of complaint statistics for every local authority in England which provides an opportunity for the Council to compare its performance against other Council's.

The table below shows comparisons with a small number of other similar authorities.

Local authority	Complaints/ enquiries made 14/15	Complaints upheld 14/15	Complaints/ enquiries made 15/16	Complaints upheld 15/16
Southend on Sea	58	5	54	7
Blackpool	50	9	47	7
Medway	137	19	97	19
Plymouth	90	10	102	19
Thurrock	82	5	82	9
Isle of Wight	70	6	60	14
Central Bedfordshire	58	6	65	10

## 6 MONITORING AND REPORTING

Regular reporting continues to inform Departmental Management Teams to coincide with their monthly report on performance.

## 7. CONCLUSIONS

The process continues to deliver improved performance and a more robust system of monitoring and real service improvements.

## 8 Corporate Implications

### 8.1 Contribution to Council's Vision & Corporate Priorities

Customer feedback and complaints management is directly relevant to the Council's corporate priorities.

### 9 Financial Implications

Service improvements and mediation continue to result in meaningful outcomes for customers and so ensure getting things right first time.

### 10 Legal Implications

This process is overseen by the Local Government Ombudsman

### 11 People Implications - See 14

12 Property Implications - None

13 Consultation - None

14 Equalities and Diversity Implications

The complaints process is open to all and has multiple methods of access for customers. Equality and diversity implications are a routine part of the process in recording customers details and are considered as part of any response. Mediation ensures people that may be vulnerable are able to access this service and receive the appropriate support.

15 Risk Assessment

16 Value for Money

The continued drive to resolving complaints as early as possible in the process reduce officer time spent dealing with concerns as well as providing the opportunity to improve service delivery.

17 Community Safety Implications - None

18 Environmental Impact - None

19 Background Papers – None

### 20 **Appendices**

Appendix 1 The Council's Comments, Complaints & Compliments Procedure

Appendix 2 Nature of Complaints

Appendix 3 How Stage 1 Complaints Were Received

Appendix 4 Complaint Resolution

Appendix 5 Local Government Ombudsman Annual Review Letter 2016

## **Appendix 1 – Southend-on-Sea Borough Council 3 Stage Process**

### **Complaints**

#### **Stage 1**

An initial complaint responded to by the respective service Group Manager.

#### **Stage 2**

A complaint that has been responded to but where the complainant is still unhappy and a response is required from the appropriate Director or Head of Service.

#### **Stage 3**

If the complainant is still unhappy after the Stage 2 process, they have a right of appeal to the Council's Chief Executive and Leader of the Council. In the first instance mediation is offered, if unsuccessful an investigation is undertaken and a report presented to the Chief Executive for consideration.

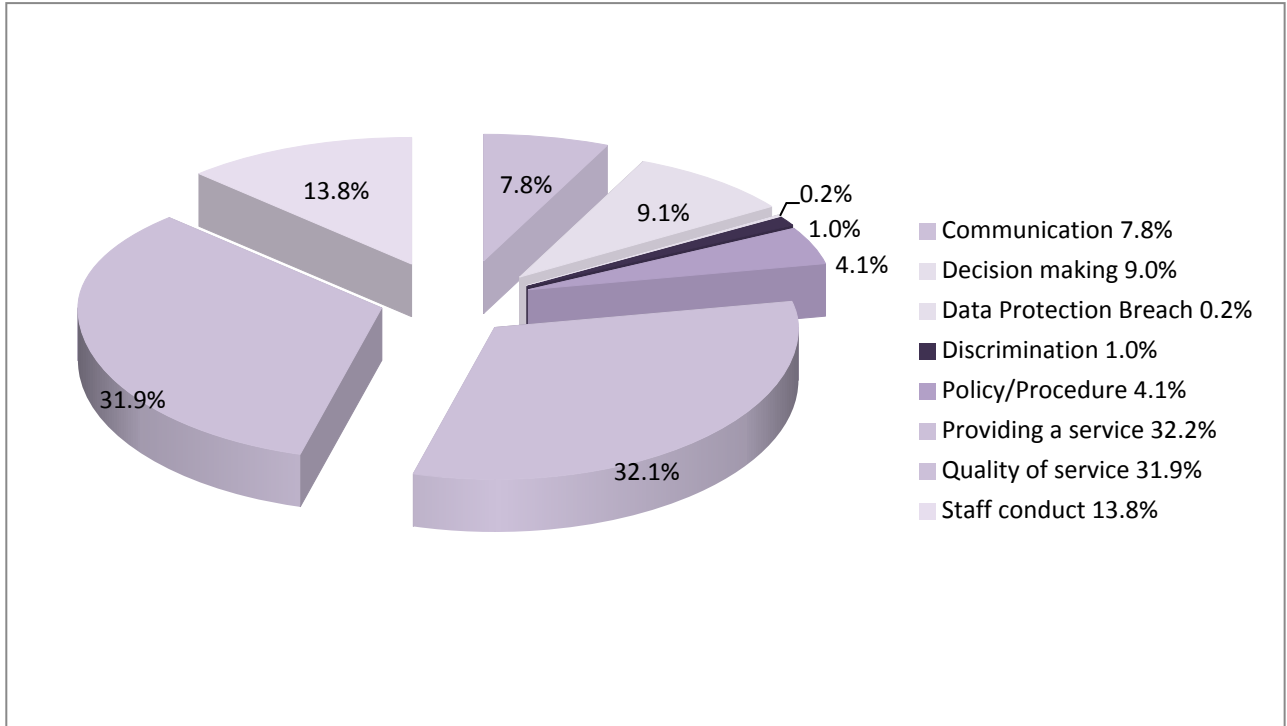
### **Comments and Compliments**

Any comment or compliment should be responded to within 10 working days. If a suggestion is not to be progressed then an explanation should be provided. Compliments must be gratefully acknowledged. Comments & Compliments should be logged into Covalent, the Council's system for recording feedback, by the Departmental Complaints Officer and reported as part of routine reporting to DMT.

Any compliments relating to staff should be shared with the appropriate Head of Service to share with his or her team member

Appendix 2 – Nature of Complaints – April 2015 to 2016

Total: 486

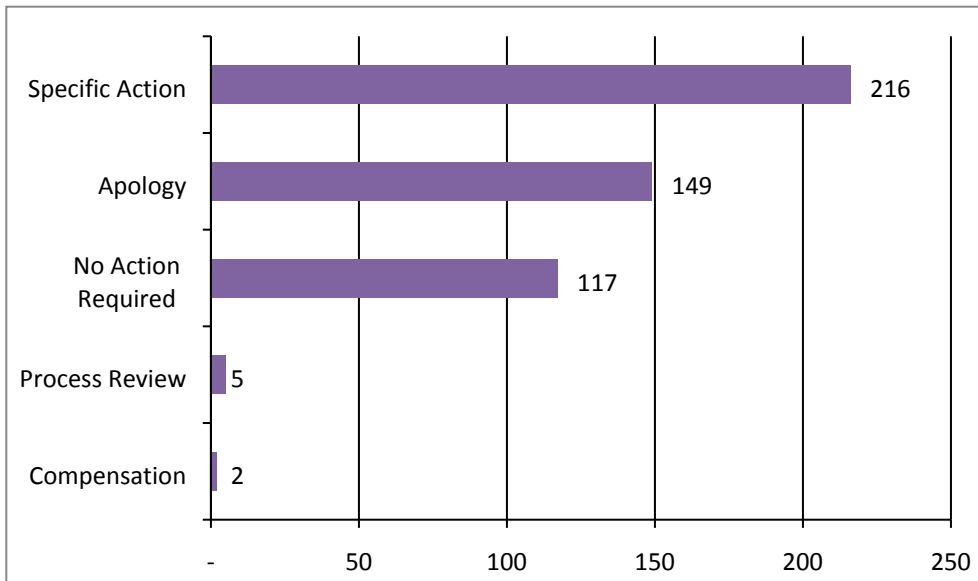


**Appendix 3 – 3 year Comparison of How Stage 1 complaints were received**

	2012/2013	2013/2014	2014/2015	2015/2016
Email	33%	29%	23%	34%
Internet	17%	18%	39%	31%
Telephone	26%	37%	30.5%	25%
Other	0%	1%	0.5%	0.5%
Letter / post	18%	10%	6%	9%
In person	6%	5%	1%	0.5%

**Appendix 4 Complaint Resolution April 2015 to 2016**

**Total 489**



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21 July 2016

*By email*

Rob Tinlin  
Chief Executive  
Southend-on-Sea Borough Council

Dear Rob Tinlin,

### **Annual Review Letter 2016**

I write to you with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2016.

The enclosed tables present the number of complaints and enquiries received and the decisions we made about your authority during the period. I hope that this information will prove helpful in assessing your authority's performance in handling complaints.

Last year we provided information on the number of complaints upheld and not upheld for the first time. In response to council feedback, this year we are providing additional information to focus the statistics more on the outcome from complaints rather than just the amounts received.

We provide a breakdown of the upheld investigations to show how they were remedied. This includes the number of cases where our recommendations remedied the fault and the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. In these latter cases we provide reassurance that your authority had satisfactorily attempted to resolve the complaint before the person came to us. In addition, we provide a compliance rate for implementing our recommendations to remedy a fault.

I want to emphasise that these statistics comprise the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, but who may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website, alongside an annual review of local government complaints. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

### **Effective accountability for devolved authorities**

Local government is going through perhaps some of the biggest changes since the LGO was set up more than 40 years ago. The creation of combined authorities and an increase in the number of elected mayors will hugely affect the way local services are held to account. We have already started working with the early combined authorities to help develop principles for effective and accessible complaints systems.

We have also reviewed how we structure our casework teams to provide insight across the emerging combined authority structures. Responding to council feedback, this included reconfirming the Assistant Ombudsman responsible for relationship management with each authority, which we recently communicated to Link Officers through distribution of our manual for working with the LGO.

## **Supporting local scrutiny**

Our corporate strategy is based upon the twin pillars of remedying injustice and improving local public services. The numbers in our annual report demonstrate that we continue to improve the quality of our service in achieving swift redress.

To measure our progress against the objective to improve local services, in March we issued a survey to all councils. I was encouraged to find that 98% of respondents believed that our investigations have had an impact on improving local public services. I am confident that the continued publication of our decisions (alongside an improved facility to browse for them on our website), focus reports on key themes and the data in these annual review letters is helping the sector to learn from its mistakes and support better services for citizens.

The survey also demonstrated a significant proportion of councils are sharing the information we provide with elected members and scrutiny committees. I welcome this approach, and want to take this opportunity to encourage others to do so.

## **Complaint handling training**

We recently refreshed our Effective Complaint Handling courses for local authorities and introduced a new course for independent care providers. We trained over 700 people last year and feedback shows a 96% increase in the number of participants who felt confident in dealing with complaints following the course. To find out more, visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

## **Ombudsman reform**

You will no doubt be aware that the government has announced the intention to produce draft legislation for the creation of a single ombudsman for public services in England. This is something we support, as it will provide the public with a clearer route to redress in an increasingly complex environment of public service delivery.

We will continue to support government in the realisation of the public service ombudsman, and are advising on the importance of maintaining our 40 years plus experience of working with local government and our understanding its unique accountability structures.

This will also be the last time I write with your annual review. My seven-year term of office as Local Government Ombudsman comes to an end in January 2017. The LGO has gone through extensive change since I took up post in 2010, becoming a much leaner and more focused organisation, and I am confident that it is well prepared for the challenges ahead.

Yours sincerely



Dr Jane Martin  
Local Government Ombudsman  
Chair, Commission for Local Administration in England

**Local Authority Report:** Southend-on-Sea Borough Council  
**For the Period Ending:** 31/03/2016

For further information on how to interpret our statistics, please visit our website:  
<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

## Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
11	11	1	10	5	6	6	3	1	54

## 101 Decisions made

				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate	Total
4	1	25	12	7	7	50%	56

### Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.

The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

The compliance rate is the proportion of remedied complaints where our recommendations are believed to have been implemented.

### Complaints Remedied

by LGO	Satisfactorily by Authority before LGO Involvement	Compliance Rate
4	0	100%

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# Southend-on-Sea Borough Council

to  
**Cabinet**  
on  
**20 September 2016**

Agenda  
Item No.

**11**

Report prepared by Robert Tinlin, Chief Executive

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## **Amendments to Senior Management & Departmental Arrangements**

**Relevant Scrutiny Committee: Policy & Resources**  
**Executive Councillor: Councillor Lamb**  
**Part 1 (Public Agenda Item)**

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### **1. Purpose of Report**

This report seeks approval for amendments to the senior management structures and departmental arrangements, following from the report in June 2016, to consolidate and align public health functions within the wider Council structure and to position the Council's senior management arrangements to address future budget and society challenges, Council priorities, and the need to plan for recruitment, retention and succession planning.

### **2. Recommendations**

It is recommended that

- 2.1 The revisions to the senior management structure set out in this paper be agreed.**
- 2.2 The Public Health function is incorporated within the Department for People as described in this paper.**
- 2.3 Employment titles are amended as described in this paper and that an additional management level be introduced in order to provide additional leadership capacity and to support staff retention and succession planning.**
- 2.4 The detailed allocation of functions and implementation of other arrangements is delegated to the Chief Executive, in consultation with the Leader of the Council, subject to no substantive adverse response to consultations.**
- 2.5 Appropriate amendments be made to the Constitution to reflect the new senior management structure once implemented.**

**2.6 The Chief Executive will develop proposals in respect of senior officer remuneration (including the new management level) and considered by the Council's PRP Panel later in the year.**

### **3. Background**

3.1 At its meeting in June 2016 the Cabinet considered and approved a proposal to reduce the senior leadership complement by one post and supported a proposal for the chief executive to bring forward a review and redesign of the structure and positioning of the public health service together with proposals for amendments to the senior leadership arrangements to support recruitment, retention and succession planning.

#### **3.2 Proposed revisions to the senior leadership arrangements**

The purposes behind these proposals are, essentially, twofold:

- to ensure that the scarce resources available to the Council, especially in terms of senior leadership, are focussed on how best we can support the future well being of the borough, and
- best plan and manage the structures and human resources available to the Council in terms of recruitment, retention and succession planning.

As outlined in the report in June, the senior leadership team is lean, particularly when compared to other unitary councils, and it is important that the Council makes most focussed use of it, supports it and, as the 2015 Peer Review recommended, ensures sound succession planning. In this way this paper also relates closely to the consultation work underway on "Our Town : Our Future" and links to changing environments in terms of relationships with health, education, demography and the wider economy.

The Corporate Peer Review, carried out by the LGA in October 2015, was very complimentary about the leadership of the organisation but highlighted some areas for consideration for the future. One was on succession planning to ensure that the identified strengths are not diminished. Other areas for consideration were to develop and focus on a transformational agenda, to better integrate the skill set from public health to support a transformational agenda, and to ensure that we have the skill set within our people for the future. The Peer Review into our public health service also identified the need to review the location and function of the service.

The focus and purpose of this paper is, therefore, to look to the future and attempt to put into place a sustainable officer leadership framework to help the Council address the future wellbeing of Southend and its continued role in the wider sub region.

The arrangements proposed in this paper attempt to avoid unnecessary change and disruption to the organisation whilst delivering greater focus on the economy, health, education, skills & training, the overarching opportunities which should come from our digital future and thus providing opportunities for the support to our services for children and adults. These are the elements of transformation which, together, should help drive a better Southend. Internally,

these proposals are also intended to reinforce the benefits of alignment of functions and of greater integration, such as with public health, intelligence, and digital work; that transformational work will be co-ordinated within a realigned role within the Department of the Chief Executive, with our people at its heart.

The proposed revisions are built around three service departments People, Place and Chief Executive.

The Department of the Chief Executive will take a more streamlined and strategic form. It will comprise three divisions. In addition to those for Finance & Resources and Legal & Democratic Services the current People and Policy division will assume a wider role incorporating the customer contact centre functions and responsibility for organisational transformation and be renamed as Transformation.

The Department for People will retain its divisions for Learning, Adults & Housing and Children. The current division responsible jointly with the CCG for joint commissioning will consolidate responsibility for commissioning of services for public health alongside other commissioning activity as Strategy & Commissioning. Further work will be done on how most effectively to assimilate the public health analyst and social services and education data and intelligence activity to achieve enhanced effectiveness and efficiency. Management arrangements will also be developed to co-ordinate these intelligence activities with other similar functions across the Council. It is proposed that the public health activities are resited to become part of the Department for People to best achieve the greater integration identified in the Peer Review report.

The Department for Place will retain its current divisions for Planning & Transport and for Environmental Protection. In order to better place the Council in terms of its management and promotion of major regeneration activity, economy and business development, fostering greater synergies between culture, leisure and tourism, and maximising and integrating the potential benefits from digital investment and opportunities it is proposed that the other two of the four existing divisions be redesigned to optimise the Council's ability to achieve significant benefits for the borough. It is, therefore, proposed that the existing economy, regeneration & tourism division absorb the culture and leisure functions but relinquish business development to become Culture, Tourism & Delivery and that a new division focussed on the management and delivery of major regeneration works together with business development be formed and entitle Regeneration & Business Development. It is further proposed that the existing ICT support and development for the organisation, currently in Corporate Services, be relocated to the Department for Place to form a new division focused specifically on digital futures for the borough along with organisational ICT support and development. These changes will provide the Council with a powerful platform to drive the local economy and enhance the well being of the wider community. The Customer Contact Centre will be transferred to the retitled Transformation

division whilst the remaining, important, activities of the current customer services division will be aligned to other service areas to achieve optimum effectiveness.

These revisions of the leadership structure are also built on, and designed to support, other activity such as the proposals for an education board, devolution, sub regional activity (e.g. the LEP, South Essex Growth Partnership and the Hesselthine Thames Estuary Commission), health integration, investment and commissioning for digital infrastructure.

These proposals are illustrated on the accompanying structure chart.

### **3.3 Public Health**

The Health & Social Care Act 2012 returned a leading public health role to local government and, in April 2013, unitary and county councils took responsibility for a raft of public health activity as well as seeing public health staff transfer to councils from the NHS. Along with a number of responsibilities this transfer gave local government an important opportunity to take a strategic lead for the health and well being of local communities, including the areas of health protection and improvement. The Director of Public Health (DPH) is a statutory role and should be the principal advisor on health matters. Over and above the mandated activity councils are empowered to define and take whatever actions they deem appropriate to improve and maintain the health of their communities. As with all other of our functions the operational structures and arrangements to deliver this public health responsibility lie with the individual authority.

In 2013, when the public health team was transferred, it was left as a single standalone unit reporting to the chief executive. The Peer Review team, in October 2015, recognised that this approach provided a straightforward transition. The Peer Review team went on to say that the time is right to consider how ... to maximise the benefits from the public health function ... to enable a greater impact on health improvement and health protection. It commented that the standalone nature of the service does not help public health to feel part of the council, either for public health teams or for other services.

If it is to be most effective the public health functions need to be as integrated as possible with other activities of the council and would, therefore, benefit from being a more integrated part of one of the larger departments. Given the limited resource base available to the public health team, the reducing Government grant for public health and the synergy with other activities it is also timely to consider how key elements of the public health functions can best align with other similar functions.

This paper proposes that the public health function be integrated within the Department for People to ensure that wider integration, particularly aligning with children's and adult services, housing, other health activity and commissioning, get greater efficiency and synergy with other like activity and leadership support.



The Peer Review team recommended a greater clarity of role, function and resources. To this end, and to optimise scarce resources and skills, the commissioning activity to obtain services will be transferred to the integrated commissioning team, set up to commission service delivery for both health and social care functions. The definition of need and solution, the client side, will remain with the core public health team.

A strength of public health, across the country, is its evidence based approach to its responsibilities. The available resource is, however, small and the council also has similar data analysis and intelligence resource in other parts of the organisation. In order to optimise the available resource, to build resilience into the public health data analysis function and to better ensure evidence based planning and action it is proposed to work to align and co-ordinate the data, analysis and intelligence activity across public health, people and corporate support under the stewardship of the Director for People, DPH and Head of People & Policy (using existing job titles).

In 2016 the school nursing service was transferred to the council. At present the service is operating within the public health team. The workload of this service has changed significantly over the years and is heavily skewed to individual case work at present. The team has an important input into child safeguarding as well as being influential in health screening and the ongoing health and welfare of our children and the transfer with public health and the currently commissioned health visitors service to the Department for People will allow opportunities for greater integration and impact to be explored.

The Peer Review team recommended that the council addresses the areas of clarity of role and purpose, vision and leadership, priorities, focus and outcomes, and influence. To these ends it is proposed that the core functions and focus of the Director of Public Health and the core public health team focus on the three domains of system leadership plus public health protection and improvement. The current senior leadership complement comprises a Director of Public Health and a Head of Health Development. There is residual overlap and duplication from the inherited NHS approach and this paper seeks to provide some differentiation and focus to best utilise scarce specialist resource and to deliver on the Peer Review advice.

### System leadership & Health Protection

Within the Department for People the DPH will be the lead on public health and be responsible for the delivery of the public health functions. The DPH will have responsibility to provide the vision, leadership and clarity (for the council and its partners) on how best to address and promote the health of our residents and community, in essence to be its champion. The DPH will, at least in part, deliver this by better aligning the public health priorities with the Council's corporate plan and priorities and in making sure that these are communicated and embraced by the wider community and partners. The DPH will also deliver this through an annual business plan which will be able to identify the needs and priorities for the borough, define the proposed programme of work (along with clear milestones and outcomes), and influence the priorities of the Health & Well Being Board and critical partner organisations. The DPH will, therefore, be responsible for public health system leadership, policy and strategy

development, partnership and relationship development, statutory advice and support to the CCG/NHS. As part of this role the DPH will also have responsibility for health protection (ensuring that plans are in place by the council or others to manage risks, be they communicable diseases environmental hazards or major incidents) and working as part of the council's emergency planning team.

### Health Improvement & Promotion

A major part of the council's responsibility lies in promoting the improvement in the health of the local population. Part of this responsibility lies in the commissioning of mandatory activity, e.g. health checks sexual health services etc. The responsibility for this and the other improvement and promotion work will be given greater prominence and emphasis in these proposals with a defined lead by a member of the senior leadership team, in this case the current post of Head of Health Development. This will give this activity the importance and drive needed to make a real difference to the quality of life in the borough and, particularly, to begin to make a determined inroad into the health inequalities of the town, to reduce demand on acute and emergency services, and to encourage the local population to take more personal responsibility for their health through their lifestyles. This division of the council, whilst an important part of the overall public health function and taking the lead from the DPH, will be responsible for developing and implementing programmes and campaigns to promote healthy lifestyles, to promote interventions to address health inequality and healthier lifestyles (e.g. on smoking, healthy eating, physical activity, obesity and long term conditions), to promote healthy environments and to develop better information and education on health. This post will work increasingly closely with the integrated commissioning teams and support the DPH in the wider public health activity as needed.

Under the leadership of the DPH greater emphasis will be given to encouraging the corporate responsibility for a healthy community within all parts of the council and its functions and with partner organisations, particularly to achieve the most impact and to avoid perverse decisions, actions and policies working against the overall goal of a safe and healthy community.

### **3.4 Leadership capacity in middle management**

In reviewing the available leadership capacity in the Council it is important to recognise that, whilst the Council's senior leadership team is lean it has proven its resilience and ability to deliver services against shrinking resources. It is also supported by a strong set of group managers who, individually and collectively, are both a current strength and a future leadership resource to be nurtured and supported. The opportunity is available to modify the current strata and responsibilities in this tier of management and leadership to provide an intermediate level of leadership at this level which can both provide support for senior leadership whilst also giving a number of our senior managers the additional exposure, responsibility and experience to stimulate them, retain them and ensure that we plan for succession by making the leap to senior management more attainable and straightforward.

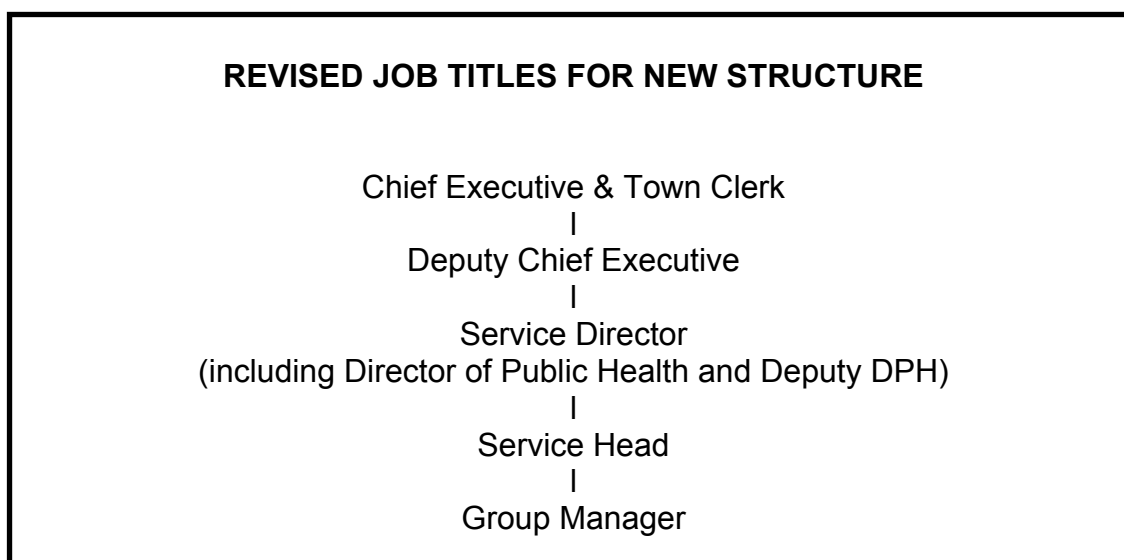
It is proposed to create an intermediate level of leadership between the existing group manager and head of service roles which will allow directors to delegate to and utilise a wider range of leaders for strategic matters whilst also giving a number of "middle managers" greater breadth of responsibility.

### 3.5 Revised Designations for Roles

The new leadership arrangements, the proposed introduction of an intermediate leadership stratum, and the roles and relationships of the differing levels when operating inside and outside the Council require a review and revision of post titles.

Whilst, since the current base structure was put into place in 2006, the corporate directors have in effect deputised for the chief executive as appropriate this restructure to move to two directors would benefit from formally acknowledging these posts as deputies to the Chief Executive and I propose that these two posts be redesignated as Deputy Chief Executive Place and Deputy Chief Executive People. This, in turn, allows for a more realistic recognition of the increasingly inherent position of the existing heads of service as de facto operational directors. Recognising them as such will reflect a trend in some other English local authorities and also resolve ambiguity when operating in the growing partnership arenas. This redesignation will also assist in credibility of these positions outside the Council and also with recruitment whenever we face that challenge, particularly given the challenges in a growing number of professions. This, in turn, will allow the proposed "mezzanine" leadership tier to utilise the "Service Head" designation and allow for differentiation and also to contribute to current and future recruitment and retention issues.

These new designations are reflected in the chart below.



With these redesignations, and the slimming of senior roles, comes a heightened expectation on those occupying each tier of leadership. The two Deputy Chief Executives will need to assume greater responsibility to support the Chief Executive in the strategic operation and direction of the Council whilst the retitled Service Directors will not only be responsible for the delivery of their

areas of service but also need to display wider corporate and departmental leadership and responsibility. Senior leadership cover, especially at peak holiday periods, will be provided from the wider group of Service Heads, Service Directors and Deputy Chief Executives.

#### **4. Other Options**

##### **4.1 There are other options which could be considered.**

Given the slim and competitive current senior management structure the Council could decide to not amend and reduce the number of senior management posts, allowing continued capacity to address and deliver the challenges facing the Council. This alternative option would, however, not reflect the continued reduction in staffing overall within the Council as a result of financial challenges.

The Council could decide to not review and refresh the public health function but this would not address the recommendations of the Peer Review and would not properly ensure the targeted and effective functioning of the service nor address adequately the reducing resource base.

The Council could carry out a complete review of the entire senior leadership structure but this is not, in my opinion, necessary, and would cause unnecessary and potentially damaging uncertainty and disruption to the delivery of services. A wholesale review would also ignore that the current and proposed structures reflect best practice across unitary councils.

#### **5. Reasons for Recommendations**

5.1 The Council last approved modifications to the senior leadership team and structure in 2013. Since that time the Council has continued to experience marked reductions in its finances and has approved budgets which have continued to reduce the overall staff complement. The Council continues to face reductions in available finance and the leadership structure needs to both reflect the overall staffing reduction and be fit to cope with leading the organisation over coming years.

5.2 The Council received the public health function from the NHS some three years ago and now needs to more fully incorporate and integrate public health into the Council operational structure and further its purposes, as suggested by the 2015 Peer Review. These recommendations look to the core statutory and other functions of public health and embed them with other complementary activities.

5.3

#### **6. Corporate Implications**

Most of the corporate implications were identified in my report to the Cabinet in June 2016 but are restated in this report, with further comments, for the sake of completeness in considering these proposals.

## 6.1 Contribution to Council's Vision & Corporate Priorities

This report is aimed at ensuring that the Council remains and “excellent” organisation in terms of its approach to staff, financial stewardship, value for money, focus on priorities and service delivery and planning for the future. Underpinning the proposals in the report is the aspiration to ensure an organisation which is able to address the Council's Aims and priorities for health, the economy, education, skills and training and its environment.

## 6.2 Financial Implications

These proposals incur savings, one-off costs and investments in future leadership. The main ongoing saving arises from the deletion of one director post. There is a limited one-off cost for the redundancy of two senior officers as a result of the deletion of the director post and the redesign of a head of service post. These cost will be met from the Council's transformation reserve. The second redundancy facilitates restructuring functions without loss of a post but utilising different skills and background. It is anticipated that the costs of reforming the public health functions and creating a new, intermediate, leadership tier, will be met from within existing budgets and the saving made from the deletion of the post of Director of Corporate Services.

## 6.3 Legal Implications

The Head of Paid Service (the Council's Chief Executive) is charged with advising the Council on the appropriate resources and structures needed to deliver statutory functions and the Council's own priorities.

These proposals ensure that the Council continues to address its legal requirement to employ a Director of Public Health and the delivery of a public health service alongside other statutory services.

## 6.4 People Implications

This report is intended to minimise the overall uncertainty and disruption to staff and service delivery across the Council. There are, however, some implications for some of our people. The decisions from the report at the last meeting of Cabinet saw one post being made redundant with the loss of one member of senior staff. These proposals make adjustments to a limited number of senior posts and significantly change one post. Discussions have been held with the staff involved resulting in one further redundancy, actioned under the delegated powers agreed by Cabinet on 28 June 2016.

There will be implications for some posts as the public health functions are realigned.

These proposals also provide opportunities for some to assume enhanced responsibilities and to gain further experience in management and leadership which will both develop their skills and contribute to efforts regarding retention of staff and succession planning.

The Council's HR policies will apply as these proposals are implemented.

#### 6.5 Property Implications

There are no property implications.

#### 6.6 Consultation

Consultation was carried out with all staff of the public health team and with all members of the Senior Leadership Team. Discussions were held with the Regional Director for Public Health England, the East of England Director for Public Health England, the Chief Officer for Southend CCG, the Portfolio Holder and the relevant Scrutiny Chairman. Contributions were sought from Southend Hospital and SEPT. As any detailed proposals are brought forward that might impact on staff these will be the subject of full consultation with staff affected and with trade unions in accordance with the Council's HR policies.

#### 6.7 Equalities and Diversity Implications

Detailed equality assessments, as necessary, will be carried out as these proposals are implemented in detail. However, these proposals should not, of themselves, have direct implications for either equality or diversity. The impact of these proposals should provide more opportunity and support for progression and for greater experience. These proposals should also, by their objectives of greater integration and focus on the wellbeing of the borough, help the Council better address equality and diversity issues in the wider community.

#### 6.8 Risk Assessment

As outlined in the report to Cabinet in June 2016, there are risks associated with the proposals contained across the two reports. However, the proposals contained in this report are designed to mitigate these risks by refocussing some activities and better aligning them, and also by addressing retention and succession planning issues and building greater support and resilience for senior leadership through the new, enhanced, tier of leaders.

#### 6.9 Value for Money

The current senior leadership structure is one of the leanest in unitary local government and, as a result, provides excellent value for money. The Council regularly carries out a market review of the competitiveness of its senior salaries and this evidences that the current structure, and consequently the proposed structure, provides value for money.

The proposed senior leadership structure, including the new "mezzanine" tier, continues to provide value for money, utilising the ongoing savings incurred from the decision taken in June, safeguarding existing skills and allowing for enhanced senior capacity whilst providing development opportunities and more structured succession planning.

The Review and refresh of the public health functions and structure will focus the available resources on statutory requirements and local priorities, ensure that particular activities will be aligned with similar activities in other parts of the Council, and address the funding reductions intimated by Government.

#### 6.10 Community Safety Implications

Any community safety responsibilities associated with the affected roles will be aligned to the proposed management arrangements. This will also allow for refreshed co-ordination of functions and roles across the organisation.

#### 6.11 Environmental Impact

There is no environmental impact from these proposals.

### 7. Background Papers

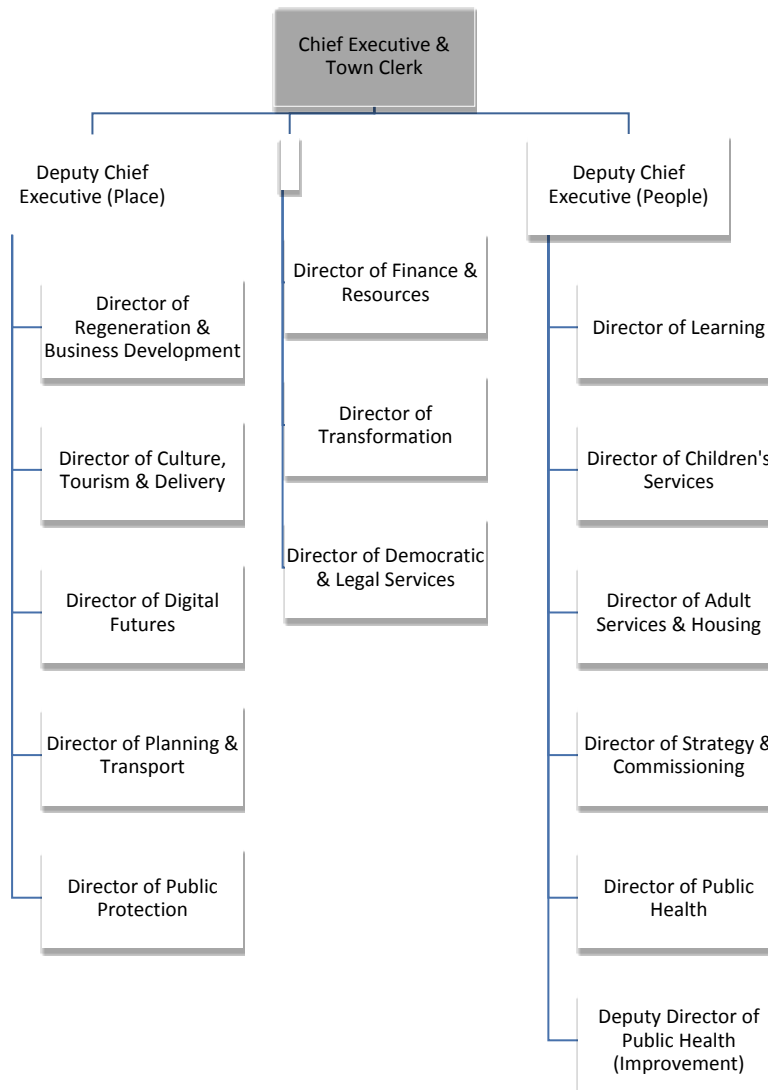
- Report to Cabinet at its meeting on 26 June 2016
- Minute of meeting of Cabinet held on 26 June 2016
- Report of Corporate Peer Review, LGA, October 2015
- Report of Public Health Peer Review, LGA, October 2015
- Fit for the Future, A review of the public health workforce, Public Health England, May 2016
- Directors of Public Health in Local Government - Roles, Responsibilities & Context, Department of Health, October 2015

### 8. Appendices

Appendix One : Revised Senior Leadership Structure

## APPENDIX ONE

### PROPOSED REVISED SENIOR LEADERSHIP STRUCTURE



Within the three departments there will be an additional level of leadership designated Service Head, comprising of a limited number of existing group manager posts given additional delegated responsibility in support of the Deputy Chief Executives and Directors.



## Summary Report to Policy & Resources Scrutiny Committee 13<sup>th</sup> October 2016

At the Council meeting in May 2015, Council agreed to make it a requirement that the Council nominee(s) to four specific outside bodies shall submit summary reports to the Policy & Resources Scrutiny Committee. The specific bodies identified were: -

- Essex Fire Authority
- Southend University Hospital - NHS Foundation Trust
- Essex Police and Crime Panel
- Kent & Essex Inshore Fisheries & Conservation Authority

In your response, please indicate which Group / Body this report relates to.

Notes:-

- *Where there is more than one nominee, a joint report shall be submitted.*
- *Council has agreed that updates shall be submitted to every other ordinary meeting of the Scrutiny Committee.*

**Name of Group / Body:-** Essex Fire Authority

### Update on Key Issues

Not much to report on the Fire Authority. I have attending a couple of meetings and appointed an officer and have nothing to report.

**Person Making Response:**

Councillor Ron Woodley

Date 22<sup>nd</sup> August 2016.

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13<sup>th</sup> October 2016**

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**Name of Group / Body:- Essex Fire Authority**

**Update on Key Issues**

- PCC will probably assume role of leadership of EFA as well as the Police.
- Cuts are being made to fire-fighter numbers at a time when some indicators show increasing deaths and injuries.
- We had a culture progress review. This highlighted that Brexit will mean more austerity.
- Essex was uniquely bad as regards to bullying.

**Person / Persons Making Response:**

Councillor .....Julian Ware-Lane.....  
 Councillor .....  
 Councillor .....  
 Councillor .....

Date .....13th September 2016.....

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# Essex Fire Authority

## Report to the Constituent Authorities of the meetings on 8 and 22 June 2016

The items reported below are the main issues considered by Essex Fire Authority at its annual meeting on 8 June 2016 and an extraordinary meeting on 22 June 2016. Full details of all the matters considered, together with the minutes of the meetings, can be viewed on the Essex County Fire and Rescue Service website, [www.essex-fire.gov.uk](http://www.essex-fire.gov.uk).

### 1. Chairman and Vice-Chairman

The Authority has elected County Councillor Anthony Hedley as its Chairman and Southend Borough Councillor Ann Holland as its Vice-Chairman for the Municipal Year 2016/17.

The Authority has also agreed appointments to membership of its committees and other key Member roles, and approved the calendar of meetings for the forthcoming year.

### 2. Adoption of Revised Code of Member Conduct

The Authority has approved changes to the Code of Conduct for Members, following a review by the Essex County Council and Essex Fire Authority Joint Standards Committee. The changes were adopted by Essex County Council on 10 May 2016.

The main changes to the Code relate to the following issues:

- A new provision against 'bringing the office of Councillor into disrepute';
- Simplification of the number of types of interest;
- Extension of the right to grant dispensations;
- Clarification around members' duty to comply with equality law;
- Registration of tenders; and
- Registration of contracts between councillors and a company owned by the Council.

In addition, the Appendix to the Code has been amended to include an updated version of the Nolan Principles, determined nationally by the Committee on Standards in Public Life. The Code also now includes a new provision to explain that a breach of the 'Nolan Principles' is not a breach of the Code.

The Authority agreed to adopt the revised version of the Code with effect from 9 June 2016.

### **3. Essex Fire Authority Strategy 2016 - 2020**

The Authority has agreed to support further work on a draft version of a Corporate Strategy for the period 2016 – 2020.

Once finalised, the Strategy's purpose will be to provide a clear direction of travel to support the delivery of changes to Essex County Fire and Rescue Service, the additional investment in Community Safety and the need to change the culture in the Service and develop more trust. These changes were also the subject of consideration by the Authority at its meeting on 8 June, as set out in items 4 and 5 below.

The draft Strategy document had been prepared after seeking comments and views from a range of stakeholders, and its development had been supported by facilitated workshops with senior staff and engagement with a broad cross-section of employees. Following the Authority's expression of support, further work would be undertaken, with the aim of presenting the final version of the Strategy for approval by Members later in 2016.

### **4. Integrated Risk Management Plan**

The Authority has agreed the adoption and publication of an Integrated Risk Management Plan covering the period 2016-2020.

The Government expects all Fire and Rescue Authorities to have in place an Integrated Risk Management Plan, setting out the assessment of local risks to life and how effectively resources are used in response to those risks, at the same time providing value for money to the local taxpayer.

Development of the Plan was informed by two 12-week consultations to obtain the views and opinions of the public of Essex, partners, stakeholders and employees on the role of the Fire and Rescue Service in Essex. The first consultation focussed on the principles and standards for the Service. From this, the second consultation proposed options to reflect a refreshed delivery model which aims to put greater emphasis on prevention work helping people avoid having fires and other emergencies, further reducing the demand on response services, whilst still providing an effective and professional response service.

The Plan includes an action plan to manage the changes to service provision identified by the Authority through the planning process, and sets out how the Authority will give the community a Fire and Rescue Service that best meets their needs in a financially sustainable way. The Plan also outlines the changes the Service plans to make in order to manage both existing and emerging risk more effectively.

### **5. 2020 Programme – Consultation Outcomes and Options for Change**

The Authority has received the results of its extensive consultation and engagement exercise 'Options for Change 2016 – 2020' and, based upon the

outcome, agreed proposals for changes to the number and crewing of fire engines across Essex, Southend and Thurrock.

Programme 2020 was established in February 2015 to plan the work for the Fire and Rescue Service in Essex to become service-led, community-focussed, values driven and financially sustainable. As part of this work, the Authority undertook two significant consultation exercises, the first of which looked at principles and standards, with the second consultation seeking views on three specific service options. The resultant proposals for change related to changes to the operational response model, but also incorporated broader changes to the delivery of Prevention and Protection services and to support and enabling functions.

Having given very thorough and detailed consideration to the proposals and the response to the consultation, the Authority has supported the second of the three proposed options for changes to the operational response model, as summarised below:

'Option 2

Under this option the Service will have 66 fire engines, 18 of which are wholetime and 48 are on call. Specifically, the proposal seeks:

1. to remove the second fire engine from the following fire stations:
  - Orsett fire station
  - Rayleigh Weir fire station
  - Loughton fire station
  - Corringham fire station
  - Frinton fire station
2. to change the crewing of the second fire engine at Clacton fire station from wholetime to on-call
3. to change the crewing system at the following fire stations from day-crewing to on-call:
  - Dovercourt fire station
  - South Woodham Ferrers fire station
  - Great Baddow fire station
  - Waltham Abbey fire station
  - Great Dunmow fire station
4. to remove the Pinzgauer fire engines from the following fire stations:
  - Manningtree fire station
  - Burnham-on-Crouch fire station
  - Billericay fire station
5. to replace the Pinzgauer fire engine at Great Dunmow with a conventional fire engine.'

In selecting this option, the Authority noted:

- it had received the support of 73% of respondents to the consultation, and support from 68% of respondents who are Essex County Fire and Rescue Service employees;
- it would allow the Authority to increase its collaboration work and respond to additional emergency incidents; and
- it would require a reduction of 130 wholetime firefighters, achievable by the end of 2019/2020 through natural wastage.

The Authority has expressed support for the following general principles for delivery of the option for change:

- a. that staff affected and their representatives will be engaged in the process for managing the change;
- b. that the potential for compulsory redundancies should be avoided or minimised wherever possible;
- c. that wherever possible the role of firefighters should be broadened to include a wider range of Prevention and Protection activities and the ability to respond to emergency and non-emergency incidents on behalf of other agencies; and
- d. that the Service will endeavour to ensure that the wellbeing of employees is taken into account at all stages of the process.

Finally, the Authority has delegated responsibility to the Acting Chief Fire Officer for taking the necessary actions to deliver the option selected, and to bring forward an implementation plan to its next meeting on 7 September 2016.

## **6. Progress Report on the delivery of the work programme required to improve the culture within the Essex County Fire and Rescue Service**

The Authority has continued to receive regular progress updates on work to implement the recommendations arising from the Independent Cultural Review. These have included reports by the Chairman of the Expert Advisory Panel.

## **7. Appointment of Director of Prevention, Protection and Response**

Following a selection process, the Authority has approved the appointment of David Bill to the post of Director of Prevention, Protection and Response. The post was designed as part of a recent review of the Senior Management structure of Essex County Fire and Rescue Service.

**Councillor Anthony Hedley  
Chairman**



## **Summary Report to Policy & Resources Scrutiny Committee** **13<sup>th</sup> October 2016**

At the Council meeting in May 2015, Council agreed to make it a requirement that the Council nominee(s) to four specific outside bodies shall submit summary reports to the Policy & Resources Scrutiny Committee. The specific bodies identified were: -

- [Essex Fire Authority](#)
- [Southend University Hospital - NHS Foundation Trust](#)
- [Essex Police and Crime Panel](#)
- [Kent & Essex Inshore Fisheries & Conservation Authority](#)

In your response, please indicate which Group / Body this report relates to.

Notes:-

- *Where there is more than one nominee, a joint report shall be submitted.*
- *Council has agreed that updates shall be submitted to every other ordinary meeting of the Scrutiny Committee.*

**Name of Group / Body:-** [Southend University Hospital - NHS Foundation Trust](#)

### **Update on Key Issues**

Although I was appointed by the Council in May 2016 to be the Council's representative on Southend Hospital's Council of Governors, it only took effect in September once the annual elections for the Trust's publicly elected governor positions had taken place.

So far I have attended an induction session for new governors (21<sup>st</sup> September 2016) and the Trust's Annual General Meeting and a meeting of the Council of Governors (28<sup>th</sup> September 2016).

The main item at the AGM was the review of the past year and the presentation of the Annual Report and Accounts 2015/16. There was a series of presentations by Alan Tobias, Chairman of the Trust, and a number of Executive Directors.

2015/16 was described as a very challenging year for SUHFT:

- The Trust's financial deficit at year end was £19.5m, considerably higher than the original target of £7m. (Note: all acute hospital trusts are currently in deficit and have had to negotiate additional financial support from the Dept. of Health. SUHFT's deficit is the lowest of the hospital trusts in Essex.)
- The Trust's overall rating from the Care Quality Commission (CQC) inspection which took place in January 2016 was "requiring improvement". The Trust has now implemented the actions required by the CQC

- Some national Dept. of Health performance targets have been missed, most notably the A & E four hour standard (87.5% against a national target of 95%)
- Huge amount of work to formulate and implement the Success Regime (now morphing into the 5 year Sustainable Transformation Plan)
- Increasing number of attendances at A & E (up to 98,000 in 2015/16 and still rising).
- Pressure on bed availability has been almost continuous with the hospital on “black alert” (the highest level of alert) much of the time.

The relentless rise in A & E attendances and emergency admissions is behind many of the pressures experienced by acute hospital trusts.

- It leads to cancellations of elective surgery etc. and consequent loss of income (£7m in 2015/16)
- Cancellations lead to longer waiting times for treatment
- The Trust makes a financial loss for every patient admitted via A & E as they receive only 70% of the tariff payable for planned admissions.

I asked about the effects of the closure of the Walk-In Centre at St Luke’s Health Centre earlier this year. I was told that patients presenting at A & E are now seen initially by a GP based in the dept. Currently 15-20 patients a day are being redirected elsewhere (e.g. own GP). I was also told that the hospital has found that some patients who previously would have attended the Walk-In Centre seem to be delaying seeking help until their condition has worsened. They are then presenting at A & E. It is early days for the new arrangements, but if this proves to be a regular occurrence, it will need to be addressed.

**Person / Persons Making Response:**

Councillor Meg Davidson

Date 3<sup>rd</sup> October 2016.....

## **Summary Report to Policy & Resources Scrutiny Committee** **13<sup>th</sup> October 2016**

At the Council meeting in May 2015, Council agreed to make it a requirement that the Council nominee(s) to four specific outside bodies shall submit summary reports to the Policy & Resources Scrutiny Committee. The specific bodies identified were: -

- Essex Fire Authority
- Southend University Hospital - NHS Foundation Trust
- Essex Police and Crime Panel
- Kent & Essex Inshore Fisheries & Conservation Authority

In your response, please indicate which Group / Body this report relates to.

Notes:-

- *Where there is more than one nominee, a joint report shall be submitted.*
- *Council has agreed that updates shall be submitted to every other ordinary meeting of the Scrutiny Committee.*

**Name of Group / Body:-** Essex Police and Crime Panel

### **Update on Key Issues**

Cllr Byford attended the first meeting on my behalf in this Municipal Year and the substantive item of business was the election of the Deputy Police & Crime Commissioner.

The papers for this meeting can be found on the following link

<http://cmis.essexcc.gov.uk/essexcmis5/CalendarofMeetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/3598/Committee/127/Default.aspx>

The next meeting has been rescheduled and will now be held on 3<sup>rd</sup> November 2016. This meeting will have an update on Police and Fire collaboration.

### **Person / Persons Making Response:**

Councillor Mark Flewitt

Date 3<sup>rd</sup> October 2016.....

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# Southend-on-Sea Borough Council

Agenda  
Item No.

13

Report of Corporate Director for Corporate Services

to

Policy & Resources Scrutiny Committee

13<sup>th</sup> October 2016

Report prepared by:  
Fiona Abbott

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**In depth scrutiny report –  
'Control of personal debt and the advantages of employment'  
A Part 1 Agenda Item**

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## 1. Purpose of Report

To seek formal approval to the draft report of the scrutiny project – 'Control of personal debt and the advantages of employment'.

## 2. Recommendations

- 2.1 That the report from the in depth scrutiny project, attached at **Appendix 1** be agreed.
- 2.2 That the Chairman of the Scrutiny Committee be authorised to agree any final amendments to the draft report and in accordance with Scrutiny Procedure Rule 10 (Part 4 (e) of the Constitution), the report be submitted to the next Cabinet meeting.

## 3. Background

- 3.1 The Policy & Resources Scrutiny Committee selected its topic at the meeting on 16<sup>th</sup> July 2016 (Minute 158 refers). The project plan was agreed by project team at its meeting on 16<sup>th</sup> September 2015 and by the Scrutiny Committee on 15<sup>th</sup> October 2015 (Minute 346 refers).
- 3.2 The specific focus of the review was to understand the issues around personal debt in Southend and its impact on residents; the support available to residents to stop getting into debt and the advantages & benefits of employment. The aim was to raise resident and all member awareness about the issues and to make appropriate recommendations.
- 3.2 The Member Project Team, which was Chaired by Councillor Mark Flewitt, met on four occasions and considered a range of information and evidence and number of work streams were investigated by the project team. The Project Team comprised Councillors David Garston, Brian Ayling, Alan Crystall, Lawrence Davies, Cheryl Nevin, Derek Kenyon and Chris Walker. Officer support was provided by Fiona Abbott.

- 3.3 The Project Team held a full day of evidence gathering, in the form of a 'mini conference', with invited witnesses on 4<sup>th</sup> February 2016. The event was facilitated by the then Healthwatch Southend Manager.
- 3.4 The review proved to be a thought provoking and wide ranging project, looking at issues such as credit reference agencies, loan sharks and funeral poverty. There was greater Member awareness of the issues facing a number of our residents, for example, the Project Team considered detailed information from the Illegal Money Lending Team on the issue of illegal loan sharks and also considered information about the Credit Union in Southend.
- 3.5 A great deal of good work is taking place in Southend and based on the evidence from the review, a lot of good around to help and support residents who face debt issues and to help them.

## 4 Recommendations

- 4.1 The scrutiny report is attached at **Appendix 1**. The report has been considered by the project team and will be shared with the witnesses.
- 4.2 Scrutiny is recommended to endorse the following issues from the review which now need to be taken forward:-
- a) As a way forward a third sector assembly should be convened to 'show case' event (anti debt fair) for the debt agencies to promote awareness. This will provide an opportunity for stakeholders to show support and advice (the expectation is that the resourcing for the event will be met by sponsorship). A number of programmes or work streams should also be developed to take forward e.g. helping people maximise income, working in a joined up way (see also (g) below).
  - b) That awareness raising about Credit Reference Agencies be included in the work mentioned above and that some can provide information to people on a no-charge basis.
  - c) The Council should embed financial inclusion as a cross cutting priority.
  - d) All statutory agencies should be asked to review their literature promotional materials, social media presence sent to residents so that opportunities to sign post residents who may be experiencing difficulties are not missed (or lead to residents falling further into debt).
  - e) The Council should encourage the use of Credit Unions (Essex Savers Credit Union), and promote membership of them to staff and residents and also look at other ways of supporting its work.
  - f) Partners need to look at targeting outreach opportunities in the wards with higher number of households likely to experience financial stress.
  - g) The Council's Head of Learning be asked to raise with School / FE Governors the need for improved financial literacy of primary and secondary school pupils and for a more structured approach to financial literacy incorporated into the school curriculum (utilising the resources of organisations such as Illegal Money Lending Team for example), including generic financial advice for school leavers.
- 4.3 The Executive is asked to consider the report and identify how best to progress the work.

## 5. Other Options

Not applicable.

## 6. Corporate Implications

- 6.1 Contribution to Council's Vision and Critical Priorities – Becoming an excellent and high performing organisation; reduce inequalities and increase the life chances of people living in Southend.
- 6.2 Financial Implications – there are financial implications to some recommendations but as yet they are unquantifiable. However, any recommendations progressing with associated financial implications will need to go through the annual budgetary process before implementation, as currently no revenue or capital budgets exist for the proposals.
- 6.3 Legal Implications – none.
- 6.4 People Implications – none.
- 6.5 Property Implications – none.
- 6.6 Consultation – as described in report.
- 6.7 Equalities Impact Assessment – none.
- 6.8 Risk Assessment – none.

## 7. Background Papers –

- Project team meeting notes – meetings held on 16<sup>th</sup> September 2015, 14<sup>th</sup> October 2015, 17<sup>th</sup> November 2015 and 5<sup>th</sup> January 2016.
- Notes from witness session held 4<sup>th</sup> February 2016
- Updates to Scrutiny Cttee – 15<sup>th</sup> October 2015, 3<sup>rd</sup> December 2015 and 28<sup>th</sup> January 2016
- Other evidence as described in the report.

## 8. Appendix

**Appendix 1 – in depth scrutiny project draft report**

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# ***Control of personal debt and the advantages of employment***

Policy & Resources Scrutiny Committee  
In depth Scrutiny Project 2015/16

August 2016



## **Preface**

“Unfinished business is never satisfying, but on this occasion to offer a report back as to what we found at a whole day mini conference, seems right and justified.

The depth of the debt project was always going to be a challenge and I have come to realise that even if we had "finished" by issuing recommendations, we would not have been that much further advanced, in the context of the complex issues.

The idea of an anti debt fair is still something I hope we can achieve, despite the fact that there are two new civic projects to take centre stage for 2016/2017.

My colleague Councillors and I spent an un-apologetic time period looking at the issue of funeral poverty and how this affected too many people. The 2016 Budget agreed a 4% increase in funeral costs – something which I did not support. The position now is that the current administration is now faced with looking at all costs afresh as part of the 2017 budget (in the light of continuing budget pressures) - what will happen, only time will tell.

So debt pressures and challenges are still too prevalent but even this late publication of our mini conference day will make a contribution to the never ending civic concern around debt.”

*Councillor Mark Flewitt,  
Chair of the in depth scrutiny project  
2015/16*

“The Working Party reviewed all aspects of personal debt and the many reasons relating to personal debt increases and found mounting costs with limited employment prospects together with the processes used by Banks and Finance Houses to analyse credit worthiness virtually forced people into high interest finance providers. Credit reference agencies together with a plethora of sub agencies hold incorrect information on people who find it difficult to have wrong information corrected and the system allows unscrupulous concerns to manipulate the system and force those with financial problems into further difficulties.

It is hoped that this report will highlight our concerns and will elevate the various issues to Central Government for action.”

*Councillor Brian Ayling  
Chairman, Policy & Resources Scrutiny Committee 2016/17  
Project team member 2015/16*

## 1. Introduction

In 2015/16 Municipal Year, Members of the Policy & Resources Scrutiny Committee undertook an in depth project investigating the issues of the control of personal debt and the advantages of employment. Led by the cross party project team members, the project aimed to understand the issues around personal debt and its impact on residents; the control of personal debt; the support available to residents to stop them getting into debt and the advantages and benefits of employment. The aim was to raise resident and all member awareness about the issues and to make appropriate recommendations.

Debt is something than can potentially affect anyone of us. This review was the start of the debate to help residents in the borough. The way to do this is for actions to be joined up, working together in a partner-led way.

Our thanks go to all those who were involved with the project – particularly the witnesses called to share their views, expertise and insights – and all the Project Team members who undertook to investigate a number of key areas for the review.

## 2. Method of the investigation

The Committee was supported by a project team comprising:-

- 🚩 Councillor Mark Flewitt, Chairman, Councillor David Garston, Councillor Brian Ayling, Councillor Alan Crystall, Councillor Lawrence Davies, Councillor Cheryl Nevin, Councillor Derek Kenyon and Councillor Chris Walker.
- 🚩 Officer support was provided by Fiona Abbott

The project team met on four occasions and considered a range of information and evidence and number of work streams were investigated by the project team.

## 3. Briefing / information considered during review

- (i) Dealing with loan sharks [https://www.youtube.com/watch?v=d\\_Ja0n9WJSk](https://www.youtube.com/watch?v=d_Ja0n9WJSk)
- (ii) Licensing of loan companies
- (iii) Credit reference agencies
- (iv) Funeral Poverty
- (v) Information on debt / individual insolvencies in Southend and financial stress
- (vi) Mortgage debt (interest only mortgages)
- (vii) Role of education
- (viii) Illegal Money Lending Team, including a detailed briefing from the IMLT to the Project Team in January 2016
- (ix) Loan sharks witness statistics (want a *shark free* Southend)
- (x) Information from CAP
- (xi) Essex Savers net Credit Union workshop

## 4. Mini conference

The main evidence gathering session for the review was a **mini conference** held on 4<sup>th</sup> February 2016. This session was facilitated by John Cooke, the then Healthwatch Southend Manager and invited witnesses attended to give their views, see **Table 2**.

The questions were sent to the witnesses in advance and are set out in **Table 1**.

The session was run in a workshop style format, reflecting the objectives of the review.

**Table 1**

	<b>Questions</b>
1	<i>In your opinion what are the main reasons / causes of people getting into personal debt here and is the situation getting worse?</i>
2	<i>What do you see as the main effect on residents / impact on residents (a residents story)? What are the trigger points in people's lives / signals that are struggling?</i>
3	<i>What are agencies doing to help support residents to stop them getting into debt? Are there any significant gaps in support?</i>
4	<i>What do you think to be the best route to getting message out?</i>

The list of witnesses is outlined in **Table 2**. The project team would like to formally thank the witnesses for giving up their time to attend and for sharing their insights.

**Table 2**

Name	Representing
Carl Robinson	Department for Place, Regulatory Services
Trish Carpenter	Citizens Advice Southend
Holly Lippold	Trust Links
Jane Dresner	Advocacy for Older People
Revd Hannah Bucke	Southend Interfaith / Foodbank
Richard Leadley	Christians Against Poverty (CAP)
Gavin Dixon	Kings Money Advice Centre (KMAC)
Alison Davies	Essex Savers net Credit Union
Mick Davey	Essex Savers net Credit Union
Jeremy Martin	Department for Place, Southend Energy
Coral Fallon	Community Integration Team, ECRC
Paul Felice	Community Integration Team, ECRC
Rosanna Ridgeway	Jobcentre Plus, DWP
Judith Codarin	South East Alliance of Landlords, Agents and Residents (SEAL)
Martin Ransom	SEAL
Simon Putt	South Essex Homes
Lorraine Goldsmith	Benefits, Department for Corporate Services
Pam Watson	Finance, Department for People
Christine Lynch	Revenues, Department for Corporate Services
Cathy Braun	Access and Inclusion, Department for People
Ellen Butler	Customer Services, Department for Corporate Services
Sian Hines	The Hub, Department for Corporate Services
Julia MacKenzie	Streets Ahead, Department for People

*In advance of the witness session, each witness was asked to provide some brief information about them / their organisation (a 'pen picture') and what they see as the main issues.*

The following project team members attended the witness day on 4<sup>th</sup> February – Councillor Mark Flewitt (Chairman), Councillor David Garston, Councillor Brian Ayling, Councillor Alan Crystall, Councillor Lawrence Davies, Councillor Cheryl Nevin, Councillor Derek Kenyon and Councillor Chris Walker.

Apologies for absence were received from – Cath Wohlers - England Illegal Money Lending Team, Steve Ackroyd - RBS, Denise Rossiter - Essex Chambers of Commerce, Nick Williams - Keymed, Jon Horne - Stobart Aviation, Bobby Evans - Tesco, Tracey Nicola – Department for Corporate Services, Keith Harding - Department for Corporate Services and Councillor Ron Woodley – Leader of the Council.

The following items formed the paperwork for the meeting:-

- ✚ Response to questions Holly Lippold, Trust Links
- ✚ Response to questions from Lorraine Goldsmith, Essential Living Fund (SBC)
- ✚ Information on Essex Savers net Credit Union
- ✚ Press release re loan sharks and debt
- ✚ Information highlighted by Citizens Advice Southend
- ✚ Introduction to work of the KMAC
- ✚ Response to questions from Christine Lynch, Revenues (SBC)
- ✚ Response to questions from Richard Leadley, CAP
- ✚ Response to questions from Steve Gibbs, RBS
- ✚ Response to questions from Julia Mackenzie, Streets Ahead (SBC)
- ✚ Response to questions from Gavin Dixon, KMAC
- ✚ Response to questions from Sian Hines, The Hub (SBC) was circulated to the project team after the meeting.

## **5. Themes to emerge at mini conference**

The following main themes emerged during the event, which was organised into 3 sessions:-

### **Question 1**

*In your opinion what are the main reasons / causes of people getting into personal debt here and is the situation getting worse?*

### **Pointers of what was discussed at the event**

- Overwhelming view that the situation is getting worse
- Reasons 'are as wide as town itself' – some examples mentioned were - mental health issues considerable need in Southend; divorce; relationship breakdown; events triggers such as illness; culture of debt (consumption) & societal pressure to consume; criminal activities targeting vulnerable residents (on-line scams); peer pressure; redundancy; addictions
- Education needed at school level
- Budgeting – need more work on prevention
- There is what can be called 'good debt & bad debt' with people having good weeks & bad weeks
- Mortgages and crunch – big issue in next 5 years
- Difficult if don't have support mechanisms available
- Complex systems & (the tone of) written communications from statutory agencies – can get unclear or threatening communications
- Fuel and funeral poverty highlighted
- Impact of Universal Credit?
- Benefit cap & pressure to cut them – massive impact on finances when already tight
- Older people and re mortgaging to help younger family

- Cost of holidays if have school aged children
- Don't tend to 'touch' money now - financial literacy

### **Question 2**

*What do you see as the main effect on residents / impact on residents (a residents story)? What are the trigger points in people's lives / signals that are struggling?*

#### **Pointers of what was discussed at the event**

- Residents story very powerful
- Easy to get credit on line and no control (affordability checks)
- Scamming / befriending sites
- Predatory culture
- Crack down on pay day loans – loan sharks / door step loans bank on people not being able to pay!
- Lack of financial understanding
- Role of Credit Unions and differences in repayment levels from other lenders! (e.g. significant differences if borrowed from CU instead of loan shark)
- Seaside town context
- Poor diet / poor self care
- Mental health issue mentioned – need specific help – spend money don't have
- Need checks and balances on system
- If have council tax arrears have additional charges (and difficult to get out of as debt increases year on year)
- There are triggers which point to problems – e.g. access Essential Living Fund, use Foodbanks, which indicates have insufficient funds for the basics
- CAP – on average takes someone a year to make call to ask for help
- *“When you can get into debt without the effort of getting off the sofa I believe we have a serious problem”.*

### **Question 3**

*What are agencies doing to help support residents to stop them getting into debt? Are there any significant gaps in support?*

#### **Pointers of what was discussed at the event**

- Role of local authority – ELT team, Street Ahead etc
- Money management courses at CAP led to debt advice
- Encourage use of cash against card
- Avoid use of bailiffs / legal proceedings will help people – more pastoral approach
- *“we really need to break cycle of debt and poor money management so that individuals take control of their finances.”*
- Trust Links – refer to other organisations
- Money management calculator on Council website
- RBS – invested in debt management office & fund other organisations through donations, fair share contributions or a levy
- Citizens Advice Southend role and KMAC
- Life events have massive impact on income / expenditure
- Education – courses need crèche facilities when run
- 'invest to save' & budget sessions needed in schools

- Mention of 'Your Home Newcastle' – make huge difference (see [www.ownyourown.co.com](http://www.ownyourown.co.com))
- Illegal Money lending Team – more partnership with local authorities, voluntary sector (310,000 people are in the grip of loan sharks nationally)

#### **Question 4**

*What do you think to be the best route to getting message out?*

#### **Pointers of what was discussed at the event**

- Awareness & prevention is key
- Foodbank includes leaflets in packs
- Could leaflet in areas (where debt occurs?) and where to go for help ('may not read it but if not there, can't!) - signposting
- Do a leaflet campaign when send out other documentation (e.g. benefits) – along lines 'how to make your money go further'
- Need to think about how agencies can reach people sooner
- SEAL happy to include information on debt advice on their community website – see [www.mystreetsouthend.com](http://www.mystreetsouthend.com)
- Need some adverse publicity
- Use social media (but one size doesn't fit all)
- Use community hub / digital hub
- Loan scams – need to get banks to put stop on withdrawals
- Issue of financial literacy - need compassion, dignity & respect
- Also need to educate people to know outcomes of their decisions
- Need positive marketing approach too
- Approach TV producers / soap – have debt / loan shark story
- Schools use personal health and social education time & also integrate into other subjects
- Ask Youth Council for views

#### **6. Some emerging outcomes from review**

The review proved to be a thought provoking and wide ranging project, looking at issues such as credit reference agencies, loan sharks and funeral poverty. There was greater Member awareness of the issues facing a number of our residents, for example, the Project Team considered detailed information from the Illegal Money Lending Team on the issue of illegal loan sharks and also considered information about the Credit Union in Southend.

A great deal of good work is taking place in Southend and based on the evidence from the review, a lot of good around to help and support residents who face debt issues and to help them.

There are a number of issues from the review which now need to be taken forward, as follows:-

- a) As a way forward a third sector assembly should be convened to 'show case' event (anti debt fair) for the debt agencies to promote awareness. This will provide an opportunity for stakeholders to show support and advice (the expectation is that the resourcing for the event will be met by sponsorship). A number of programmes or work streams should also be developed to take



forward e.g. helping people maximise income, working in a joined up way (see also (g) below).

- b) That awareness raising about Credit Reference Agencies be included in the work mentioned above and that some can provide information to people on a no-charge basis.
- c) The Council should embed financial inclusion as a cross cutting priority.
- d) All statutory agencies should be asked to review their literature promotional materials, social media presence sent to residents so that opportunities to sign post residents who may be experiencing difficulties are not missed (or lead to residents falling further into debt).
- e) The Council should encourage the use of Credit Unions (Essex Savers Credit Union), and promote membership of them to staff and residents and also look at other ways of supporting its work.
- f) Partners need to look at targeting outreach opportunities in the wards with higher number of households likely to experience financial stress.
- g) The Council's Head of Learning be asked to raise with School / FE Governors the need for improved financial literacy of primary and secondary school pupils and for a more structured approach to financial literacy incorporated into the school curriculum (utilising the resources of organisations such as Illegal Money Lending Team for example), including generic financial advice for school leavers.

The Executive is asked to consider the report and identify how best to progress the work.





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**PLACE/POLICY & RESOURCES SCRUTINY COMMITTEE  
IN-DEPTH STUDY 2016/17**

**TOPIC: 'THE COUNCIL'S COMMUNITY LEADERSHIP ROLE IN PROMOTING SAFER COMMUNITIES'**

**FRAMEWORK FOR SCRUTINY / SCOPE OF PROJECT:**

14

- I. To investigate the possibility of the Council increasing resources for enforcement activity including consideration of the council employing its own PCSOs or financing the provision of additional 'Specials' specific consideration should be given to whether financial support could be offered to such officers and how they would be dedicated to the Borough of Southend-on-Sea;
- II. To consider how such PCSOs or additional 'Specials' could contribute to an improved level of service in connection with the enforcement of public protection, waste, graffiti, street scene etc.
- III. The Committees also agreed that *'officers proceed with background work in advance of the scope of the topic being fully developed'*.

**Method:** Through project team meetings, witness sessions and/or workshops.

**Target date:** April 2017

**MEMBERSHIP:**

Cllrs: Arcscott, D Garston, J Garston, Burzotta, Bright, Robinson (Vice-chair), Gilbert, Ayling (Chair), Assenheim, Callaghan.

**Officer / partner support** – Lysanne Eddy, Tim MacGregor, Ade Butteriss, Kelly Clarke, Rob Walters, Dipti Patel, Simon Ford, Carl Robinson and Tim Row.

**SOURCES OF EVIDENCE**

The evidence base will be:

- (a) Data, profiles, trends and patterns
- (b) Crime performance indicators and information / key issues
- (c) 'Enforcement' performance indicators (ASB/Licensing/Parking/StreetScene)
- (d) Strategic Intelligence Assessment
- (e) Community Safety Plan
- (f) Local community meeting minutes
- (g) Examples from comparable authorities and partners
- (h) Cost profiling
- (i) Clarity of Policing functions and wider 'enforcement'

**POTENTIAL WITNESSES:**

- (a) Chair Southend Community Safety Partnership or nominee
- (b) Southend Police Representative
- (c) PCC or nominee
- (d) Neighbourhood
- (e) Regulatory Services
- (f) Street Scene
- (g) SMAART rep
- (h) Parks warden
- (i) Pier & Foreshore
- (j) BID Rangers
- (k) Voluntary sector (SOS Bus etc)
- (l) Seafront

*Scrutiny process is structured to add value and is supportive of the challenges already set to be delivered, but has limited resources, which need to be focused on providing the front line service and the priority outcomes for the Council.*

**RECOMMENDATIONS:**

To make appropriate recommendations to the Council & partners

This review links to the Council's Corporate Priority 1 – continue to reduce crime, disorder and anti social behaviour.