

**Minutes of a meeting of the Cabinet meeting held in the Council Chamber at County Hall, Chelmsford at 10.15am on Tuesday 10 October 2023**

**Present:**

<b>Councillor</b>	<b>Cabinet Member Responsibility</b>
Cllr Kevin Bentley	Leader of the Council
Cllr Louise McKinlay	Deputy Leader and Cabinet Member for Levelling Up and the Economy
Cllr Tom Cunningham	Planning a Growing Economy
Cllr Mark Durham	The Arts, Heritage and Culture
Cllr Beverley Egan	Children's Services and Early Years
Cllr Peter Schwier	Climate Czar, Environment, Waste Reduction and Recycling
Cllr Lee Scott	Highways Maintenance and Sustainable Transport
Cllr John Spence	Adult Social Care, Health and ICS Integration
Cllr Chris Whitbread	The Chancellor of Essex

Cllrs Ivan Henderson, David King, Bob Massey, Mark Platt, Laureen Shaw and Holly Whitbread were also present. Cllr Chris Pond attended remotely via Zoom.

**1. Membership, Apologies, Substitutions and Declarations of Interest**

The report of Membership, Apologies and Declarations was received, and the following were noted:

1. Membership of the Cabinet was as set out in the report.
2. Apologies for absence had been received from Cllrs Tony Ball, Cabinet Member for Education Excellence, Lifelong Learning and Mike Mackrory, Leader of the Liberal Democrat Group. Cllr John Spence, Cabinet Member for Adult Social Care, Health and ICS Integration, had sent apologies for late arrival.
3. There were no declarations of interest.

**2. Minutes: 12 September 2023**

The Minutes of the previous meeting, held on 12 September 2023, were approved as a correct record and signed by the Chairman.

**3. Questions from the Public**

None.

## **Variation in the Order of Business**

Upon the proposal of the Chairman, consideration of agenda item 4 (New Countywide Independent Advocacy Service) was deferred pending the arrival of Cllr John Spence as Cabinet Member with responsibility for the decision. Consideration of the report is recorded at Minute 5 below.

### **4. New Passenger Transport Services Dynamic Purchasing Framework Agreement (FP/170/06/23)**

Cabinet's approval was sought for the re-procurement of a Passenger Transport Services Dynamic Purchasing System (DPS) for a period of five years with the ability to extend for up to 24 months in single or multiple extensions.

The Cabinet Member for Highways Maintenance and Sustainable Transport responded to questions by Cllrs Ivan Henderson and David King, advising that the DPS would not impact on existing bus partnerships or planned future developments such as bus franchising. He also confirmed that the DigiGo project would continue and that there were no additional risks associated with the involvement of Thurrock Council in the DPS anticipated were this to be progressed.

#### **Resolved:**

1. Agreed to procure a Dynamic Purchasing System (DPS) for Passenger Transport which is used to source Passenger Transport services from 1 January 2024 for period of up to five years with the ability to extend for up to 24 months in single or multiple extensions. This is subject to change over the period of five years to align with the strategic aims of each of the sub-categories.
2. Agreed that the Director, Procurement in consultation with the Monitoring Officer may approve the mechanism in which Thurrock Council can source Education Transport using the ECC Passenger Transport DPS and that this and any associated costs will be subject to a separate decision.

### **5. New Countywide Independent Advocacy Service (FP/195/00/23)**

Cabinet's approval was sought to go out to the market to procure a new countywide Independent Advocacy Service which will deliver both statutory and non-statutory advocacy.

In presenting the report, Cllr John Spence, Cabinet for Adult Social Care, Health and ICS Integration, clarified that the Council had a statutory duty to provide all types of advocacy service, certain of which were individually specified while others were included within a heading of 'General Advocacy'.

The Cabinet Member responded to questions by Cllrs David King and Chris Pond, explaining plans which would allow the service contract to adapt to rising demand. He also explained how the nature of the procurement process would enable the Council to have full confidence in the successful provider and the service being delivered. Finally, the Cabinet Member undertook to share with Members a forthcoming briefing on advertising and publicity arrangements for the new Service.

**Resolved:**

1. Agreed to undertake a competitive procurement process to procure a contract for a lead provider of a countywide Independent Advocacy Service. The procurement will be a single stage process with a high-level evaluation of 70% quality (including 10% social value) and 30% price with a procurement ceiling price of £5.8m based on 100% of predicted demand over the 5-year term of the contract. The contract length will be 5 years with an option to extend for a further two years.
2. Agreed that the contract will be a block contract that will include 100% of overhead costs and marginal costs relating to 80% of predicted demand.
3. Agreed that the Executive Director of Adult Social Care may award the contract following completion of the competitive process.

**6. Outsourcing of Corporate Payroll Service (FP150/06/23)**

Cabinet's approval was sought to procure a contract for provision of a corporate payroll service.

The Chancellor of Essex responded to a question by Cllr David King, commenting on the risks set out in paragraph 3.31 of the report and expressing the view that outsourcing was the correct course of action. He undertook to provide more detailed information outside the meeting if requested.

**Resolved:**

1. Agreed to procure a contract for the provision of a corporate payroll service for the Council for a three-year term commencing in June 2024, with an option to extend for up to a further two years using a single stage open process.
2. Agreed that the anticipated maximum value of the contract to be paid out to the contractor for the original term of the contract (three years) is £2.610m, which included implementation and transition costs of £375,000 as outlined in the financial implications section of report FP/150/06/23 and referred to in Resolution 4 below.

3. Agreed that the procurement will use an evaluation model based on 35% price and 65% quality to be agreed by the Executive Director for People and Transformation in consultation with the Executive Director, Corporate Services.
4. Agreed to drawdown £437,000 from the Transformation Reserve to be used strictly as follows: £62,000 initially to support the procurement, mobilisation and delivery of the new contract and services in 2023/24; and up to a maximum of £300,000 as a contribution to the supplier's transition costs associated with outsourcing along with an anticipated £75,000 for contractor implementation costs. The details of both being determined following receipt of tenders. It is envisaged that this cost of up to £375,000 would fall in 2024/25.
5. Agreed that the Chancellor of Essex and Cabinet Member with Responsibility for Finance be authorised to award the contract to the successful bidder following completion of the procurement process and that no contract will be awarded unless he is satisfied that the benefits outweigh the risks.

## **7. 2023-24 Financial Overview as at the Half Year Stage (FP/036/02/23)**

Cabinet considered a report which set out the forecast financial position of Essex County Council's (ECC) revenue and capital budgets as at the half year stage of the 2023/24 financial year. The report highlighted that, while there was a small forecast over spend of 1.2% against a net revenue budget of £1.1bn, the short to medium term outlook remained incredibly challenging, with demand uncertainty, market pressures, high inflation and interest rates, and cost of living impacts.

The Chancellor of Essex, assisted by the Leader of the Council and the Cabinet Members for Highways Maintenance and Sustainable Transport and Planning a Growing Economy, provided the following information in response to questions by Cllrs Ivan Henderson, David King and Chris Pond.

- The rate of carriageway repairs had increased, and focus was soon due to shift onto roads and footways. The Cabinet Member for Highways Maintenance and Sustainable Transport commented on the challenges inherent in the repair and maintenance of footways, which were in varied ownership, in comparison with roads, which were mainly owned by ECC.
- The Leader of the Council undertook to liaise with Cllr King outside the meeting concerning funding for additional pupil transport costs incurred by schools affected by reinforced autoclaved aerated concrete (RAAC). The Leader, supported by members, extended thanks to everyone, including councillors, officers, parents and schools, who had worked together effectively to address the challenges arising from the change of DfE policy towards management of RAAC.

- Slippage on the A133/A120 Link Road project had occurred due to changes being made to the procurement process aimed at making the scheme more attractive to bidders and designing out risk. Regular progress reports would be provided.
- The Leader of the Council commented on the achievement of overall savings targets through the ongoing transformation programme. Progress was tightly tracked, with regular reports submitted to scrutiny and mitigations sought where planned savings were not achieved. A Financial Overview Board was in place to monitor the current budget and plan accordingly. An initial report on the Transformation Programme was due for submission to a future meeting of the Cabinet.

During discussion, the Leader of the Council and the Cabinet Member for Highways Maintenance and Sustainable Transport, together with Cllrs Ivan Henderson, David King and Chris Pond, expressed thanks to the Finance officer team for their information and briefings concerning the financial position.

In closing, Councillor Lee Scott, referencing his forthcoming move away from his current portfolio, thanked officers for their excellent work and support during his time in office. The Leader of the Council, together with Cllr Chris Pond, expressed their thanks to Cllr Scott.

#### **Resolved:**

1. To draw down funds from reserves as follows:
  - i. **£1.8m** from the Adults Risk Reserve to the Health, Adult Social Care and ICS Integration portfolio relating to certain disability related expenses being an allowable expense when calculating client contribution (section 5.5.viii)
  - ii. **£1.3m** from the Adults Investment Reserve to the Health, Adult Social Care and ICS Integration portfolio relating to various project expenditure which can be found in more detail in section 5 (section 5.5.viii)
  - iii. **£564,000** from the Covid Equalisation Reserve to the Chancellor of Essex RSSS portfolio for staffing pressures on fixed term contracts still being felt within Business Support as a result of the pandemic (section 5.16.ii)
  - iv. **£462,000** from the Childrens Transformation Reserve to the Children's Services and Early Years portfolio relating to fund the Tendring Multi-Disciplinary Team (MDT) (section 5.1.iii)
  - v. **£418,000** from the Covid Equalisation Reserve to the Arts, Heritage & Culture portfolio relating to temporary staffing for Registrars (section 5.10.iii)
  - vi. **£228,000** from the Private Finance Initiatives (PFI) Equalisation Reserves to the Education Excellence, Life Long Learning and Employability portfolio in relation to Debden Park PFI (section 5.4.iii)

- vii. **£186,000** from the Covid Equalisation Reserve to the Education Excellence, Life Long Learning and Employability portfolio due to the loss of tuition fee income caused by Covid resulting in a lower number of enrolments within Adult Community Learning (section 5.4.iii)
  - viii. **£157,000** from the Adults Risk Reserve to the Health, Adult Social Care and ICS Integration portfolio to fund costs associated with the increased payments to providers in respect of the subsidy for fuel price increase inflation (section 5.5.viii)
  - ix. **£96,000** from the Waste Reserve to the Climate Czar, Environment, Waste Reduction and Recycling portfolio towards the Mechanical and Biological Treatment facility (MBT) ongoing legal costs and other associated costs (section 5.2.iv)
  - x. **£74,000** from the Transformation Reserve to the Planning a Growing Economy portfolio relating to the Cabinet Member Action FP/945/01/21 Digital Accessibility Compliance Project – Policy and Funding, previously approved, but has now time lapsed (section 5.9.ii)
  - xi. **£55,000** from the Technology and Digitisation Reserve to the Chancellor of Essex RSSS portfolio for audit costs relating to the Corporate Systems Project (section 5.16.ii).
2. To appropriate funds to reserves as follows:
- i. **£7.9m** to the Waste Reserve from the Climate Czar, Environment, Waste Reduction and Recycling portfolio to appropriate unused funds to the reserve for future use (section 5.2.iv)
  - ii. **£502,000** to the Waste Reserve from the Climate Czar, Environment, Waste Reduction and Recycling portfolio relating to various Waste projects and for use in 2024/25 (section 5.2.iv)
3. To approve the following adjustments:
- i. Vire **£134,000** within the Climate Czar, Environment, Waste Reduction and **Recycling** portfolio to repurpose funds from the Residual Waste project (FP/066/05/21) for use on the Waste Strategy project (FP/537/10/22) (section 5.2.iv)
  - ii. Vire **£4,000** from the General Balance to Other Operating Costs to remove the planned appropriation from Music Services relating to ECC pension fund deficit (section 9.4 and 5.12.iii)
  - iii. Transfer **£9m** from the Ambition Fund Reserve to the Reserve for Future Capital Funding to address priority highways issues. This funding was allocated via the Executive statement at Full council in February 2023 (FP/134/05/23) (section 7.8 and 9.2)
  - iv. Transfer **£112,000** from the Transformation Reserve to the Reserve for Future Capital Funding towards the refurbishment of Colchester Library (section 9.3)

- v. Transfer **£5.8m** from the Covid Equalisation Reserve to the Waste Reserve to replenish the waste reserve with Covid funding for additional waste tonnages experienced during the pandemic that were originally funded through the Waste reserve (section 9.3).
  - vi. **£6.8m** relating to the Care Workforce Retention Claims Fund, currently approved for draw down via Cabinet Member Action FP/112/05/23, now to be funded from the Market Sustainability and Improvement Fund (new funding announced in July 2023) (section 5.5.vii)
  - vii. Amend the capital budget as shown in Appendices C (i) and C (ii) which allows for capital slippage of **£11.7m** from 2023/24 and **£1.8m** from 2026/27, into 2024/25 **£6.1m**, 2025/26 **£405,000** and 2027/28 **£7.1m**. Capital budget additions of **£25.4m**, capital budget reductions of **£7.8m** and advanced works of **£3.3m**, **£1.1m** from 2024/25, **£2.1m** from 2025/26 and **£87,000** from 2027/18 (see section 7.2).
4. To agree that the Director, Highways and Transportation may issue new task orders or amend current task orders to Ringway Jacobs for the work outlined in section 7.8 of report FP/036/02/23 to a value of £9m.

**8. Award of Contracts for the provision of Microsoft Volume Licensing Agreements (FP/148/06/23)**

Cabinet's approval was sought to award a contract to Phoenix Software, a licensing solution provider (LSP), to acquire a licence for use of the Microsoft 365 toolset across the Council.

**Resolved:**

- 1. Agreed to award a call-off contract to Phoenix Software, with an estimated value of £11.083m (based on current usage), under the Crown Commercial Services (CCS) Technology Products and Associated Services Framework Agreement (RM6068) Lot 3: Software and Associated Services for the Provision of Microsoft Volume Licensing agreements to cover the Council's current and future Microsoft estate for a period of three years, commencing on 1 January 2024 following the group purchasing arrangements run by CCS.
- 2. Agreed to include the award of Unified Support Services from Microsoft in the contract at a total cost of £279,310 with Phoenix Software for a period of 12 months, commencing on 1 January 2024.

**9. Decisions taken by or in consultation with Cabinet Members (FP/227/08/23)**

The report was noted.

**10. Date of next meeting**

Noted that the next meeting of the Cabinet would take place at 10.15am on Tuesday 14 November 2023 in the Council Chamber at County Hall, Chelmsford, CM1 1QH.

**11. Urgent business**

None.

**Exclusion of the Press and Public****Resolved:**

That the press and public be excluded from the meeting during consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information as specified in paragraph 3 of Schedule 12A of the Local Government Act 1972 – information relating to the financial or business affairs of any particular person).

**12. Confidential Appendix: Award of Contracts for the provision of Microsoft Volume Licencing Agreements (FP/148/06/23)**

The confidential appendix to report FP/148/06/23, to which minute 8, above, refers, was noted.

**13. Urgent Exempt Business**

None.

There being no further business, the meeting closed at 11.10am.

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**Chairman**  
**14 November 2023**