

## **Minutes of the meeting of the Corporate Policy and Scrutiny Committee, held in Committee Room 1 County Hall, Chelmsford, CM1 1QH on Tuesday 29 May 2018**

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### **Present:**

Cllr M Mackrory (Chairman)  
Cllr J Aldridge (substitute for Cllr M Steptoe)  
Cllr J Beavis  
Cllr M Garnett  
Cllr I Grundy (substitute for Cllr A Sheldon)  
Cllr M Hardware  
Cllr I Henderson (Vice-Chairman)  
Cllr M Maddocks  
Cllr V Metcalfe (Vice-Chair)  
Cllr R Pratt  
Cllr W Schmitt  
Cllr A Turrell

### **Apologies:**

Cllr M Hardware  
Cllr R Pratt  
Cllr M Steptoe  
Cllr A Sheldon

Richard Buttress, Member Enquiries Manager was in support of the meeting.

### **1. Membership, Apologies and Declarations**

Apologies were received from Cllr M Hardware, Cllr R Pratt, Cllr M Steptoe and Cllr A Sheldon.

No declarations of interest were received.

### **2. Minutes of previous meeting**

The minutes of the meeting held on Tuesday 24 April 2018 were approved and signed by the Chairman of the Committee.

### **3. Questions from the public**

None received.

### **4. 2017/18 Provisional Outturn Report**

Members received a report which provided an overview the 2017/18 Provisional Outturn report.

Cllr M Mackrory welcomed Margaret Lee, Executive Director for Corporate and Customer Services, Christine Golding, Chief Accountant and Tina French, Head of Strategic Finance and Insight.

Margaret Lee introduced the item and made the following comments:

- This report was presented at last week's Cabinet meeting
- Is a provisional outturn – auditors are currently going through the accounts
- Required to close the accounts one month early this year
- Position reported £9m underspend on revenue spend
- Spent 91% of the 2016/17 capital programme budget

Upon conclusion of the introduction, Members made various contributions and received responses:

- 9% of unspent budget partly relates to highway schemes which can be impacted by the weather. The cut off is 31 March so there will be slippage. Any outstanding work as of 31 March is rolled into the following year, which is examined on a scheme by scheme basis
- Not expecting any changes to the report following audit as a result of the Northamptonshire situation
- There may be adjustments against certain debtors and creditors. Each entry in the accounts is looked at very carefully
- Previous underspends in budgets are taken into account when putting together future budgets
- Overspend in the Children and Families budget for 2017/18 has been taken into account for the 2018/19 budget. Cannot guarantee there will not be a further overspend in this area in future years
- Investment property portfolio
- A risk based approach was taken the Property Investment Portfolio was looked at. Made sure the portfolio was diverse – retail, office. Some of the returns made are put into a reserve to ensure costs are covered if a tenant vacates. Has asked for specialised advice and report on how to make sure ECC has a developed investment approach
- Report will be shared with the Committee on a confidential basis when completed
- The Ministry for Communities and Local Government and CIPFA looked into whether there should be restrictions to only investing outside of the local area. No requirement but if investment in the local area is undertaken, ECC has to demonstrate it is fully aware of the risks
- Information Services refers to ECC's Information Technology service. Recommendation to change the title to 'Technology Services' was noted
- One particular contract with Library services came to an end which is why it is not being continued. This is familiar practice across the Country as the vision for both sides has changed
- Traded accounts are where majority of business relates to trading with external bodies. Commercial approach is taken to look at where ECC can charge or trade but is not the majority of the business account. In finance area, ECC do provide financial services to other authorities in Essex
- Takes a lot of work to set up a new traded activity but is still very much a focus on ECC's radar

- A summary will be provided detailing income received across the whole Council
- Unsupported borrowing is where it has not is not supported by a Government grant in any way
- The £100,000 not spent in the Children and Families budget in 2017/18 relates to the adaptations programme. More details will be provided on whether this money will be forwarded to the 2018/19 budget
- Overspend of £582,000 on the Harlow Enterprise Zone and A414 Pinch Point Package one – specific details on this will be provided after the meeting
- Community Initiatives Funds are moved into a reserve and at the end of the year the money is drawn down to cover this so although it is referenced as an overspend, in real terms it is not
- Would like more money put into the Communities Initiatives Fund as it as a very important mechanism
- ECC are mindful of when to borrow and use cash balances. Need to look at the long term picture when deciding which is the best option
- Interest rates risk is a factor and is something that is looked when borrowing
- ECC receive a PFI grant from DEFRA for the waste project which is a partnership between ECC and Southend Borough Council. ECC receive the grant and the £1.7m is Southend Borough Council's share of the grant
- The reduced provision within Deputyships held for the Office of the Public Guardian is for people who are unable to look after their own financial affairs and is based within Essex Legal Services. It's not a statutory service but is one that ECC provides
- Current funding gap for 2019/20 is £40m and will raise to £100m in 2020/21.

## **5. Pay Policy Review Update**

Members received a presentation detailing the latest position on the Pay Policy Review.

Cllr M Mackrory welcomed Pam Parkes, Director, Organisation Development and People to the meeting.

Pam Parkes introduced the item and made the following comments:

- The pay review is about making an investment in ECC's pay bill – complaints were received from staff about if being unfair
- It has not been reviewed for 10 years
- Changes are being made to core working days and hours – it will now be Monday – Saturday, 7:00am – 8:00pm
- Two separate pay arrangements – one for the majority of staff and one for social care staff

Upon conclusion of the presentation, Members made various contributions and received responses:

- Working from home will not impact the pay policy – it is about making sure employees are not claiming overtime when they should not be
- Allowances are pensionable so this will not be affected
- Each functional area has local arrangements for monitoring effectiveness of employees working from home
- Not all employees have entitlement to work from home (Park Rangers, Highways, front facing employees)
- The worst case reduction in pay (after 18 month pay protection ends and after factoring out those who have accepted a “smaller” role) is £9,500
- The best case pay increase (after factoring out promotions to “bigger” roles) is £9,450
- In order for an employee to move into zone 3, they need to satisfy the criteria. Zone 3 is mainly there to be used for retention purposes
- There has been a lack of consistency with line managers having a differing view on what they feel employees should be paid – the pay review will address this
- Engagement is ongoing and has been challenging at times. Any major change can cause suspiciousness with employees. There has been five CEO/Leader roadshows and the majority of questions were around pay and grading
- A couple of individuals at the roadshows who fell into the 20% adversely affected said they understood the reasons for the pay review
- The £3.3m investment is to cover the cost of increased salaries
- Employees are being asked to opt-in to these arrangements. There will be a 45 day consultation for those employees who do not opt-in. If after this period they have not opted-in, ECC will proceed with the ‘dismiss and re-engage’ process. If an employee does not accept new contract, they will be effectively dismissed
- The pay review will leave ECC in a far better position than before and will help with staff retention
- Discussions with the trade union have taken place – 240 employees engaged with the vote. The unions have been fully briefed on a monthly basis
- 15% of ECC employees are members of a trade union
- HR and Executive Directors will have more of a say over salaries – i.e. in-year adjustments.

## **6. Task and Finish Group Update: Resourcing Contract**

Cllr M Buckley, Chair of the Task and Finish Group provided the committee with an update on the group’s progress in respect of the procurement of ECC’s resourcing contract.

It was noted by the group that officer support at meetings was excellent and extremely helpful.

The draft report will be produced by Thursday 31 May 2018.

## **7. Work Programme**

An update on the committee's work programme was provided and the following items will be added to it:

- Pre-scrutiny of the 2019/20 budget
- Task and Finish group – resourcing contract
- Corporate Policy and Scrutiny Committee to consider how to engage with staff following the results of the recent staff survey.

It was suggested that a traffic light system be added to the work programme to make it clearer on how topics are progressing.

A timescale for the item 'Property investment to shape communities' was requested – an update will be provided to the committee in due course.

**8. Date of next meeting**

The date of the next meeting is Tuesday 26 June 2018, at 10:30am in Committee Room 1.

**9. Urgent Business**

None received.

**10. Urgent Exempt Business**

None received.

The meeting concluded at 12:53pm.

**Chairman**