
Minutes of the meeting of the Corporate Policy and Scrutiny Committee, held in Committee Room 1 County Hall, Chelmsford, CM1 1QH on Tuesday, 28 November 2017

Present:

Cllr M Mackrory (Chairman)	Cllr M Buckley
Cllr C Sargeant	Cllr M Garnett
Cllr D Louis	Cllr M Hardware
Cllr I Henderson	Cllr V Metcalfe
Cllr J Beavis	Cllr W Schmitt
Cllr J Moran	

The following officers were also in support:

Richard Buttress	Senior Democratic Services Officer
Joanna Boaler	Head of Democratic Services

1 Apologies for absence

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

2 Declarations of Interest

Cllr D Louis declared a DPI during the meeting for agenda item 5, confirming that he is a Director of Provide.

3 Minutes of previous meeting

The minutes of the meeting held on 24 October 2017 were approved and signed by the Chairman.

4 Questions from the Public

There were no questions from the public.

5 2016/17 Financial Overview as at the Half Year stage

Members received report CSC/21/17, which provided an update on the half year financial position for Essex County Council (ECC). The Chairman welcomed Cllr L McKinlay (Cabinet Member for Resources) and Tina

French (Head of Financial Strategy and Analysis) to the Committee.

Cllr M Mackrory began by requesting that if any questions posed by the Committee members could not be answered, that a written response will be provided at a later date, this was agreed by Cllr L McKinlay.

Cllr L McKinlay introduced the item by making several points:

Autumn Budget

- There was limited information for Local Government detailed in the autumn budget which was disappointingly quiet. There was a particular focus on housing and construction skills
- Local Authorities can now charge a 100% Council Tax premium on empty properties. Officers will provide a written response to how many empty properties there are in Essex currently
- Additional funds announced for the NHS and education. A decision on whether ECC will be part of the pilot for Business Rates Retention is expected to be received week commencing 11 December 2017.

Commercial Fund

- Further to the last meeting of the Committee, ECC has acquired its first commercial property for investment
- ECC is looking at dividing the county up in terms of economic growth, to ensure areas get sufficient funding The amount to commit to supporting this is currently being investigated with an update anticipated in January 2018.

Budget Setting Process

- This is taking the form of a two-pronged approach – to deliver a sustainable yet achievable budget. An update will be provided to the Committee on 23 January 2017.

Members made various contributions and received responses from the witnesses as shown:

- The cost of redundancy cannot be determined at this time, as this will depend on which individuals are made redundant. The £5m is based on 10% of the workforce at an average redundancy cost
- There has been an over recovery of income within Adult Social Care (ASC), as a result of the implementation of the Social Care Charging Policy. Part of the over recovery has been offered up to mitigate the organisational design savings
- Officers will provide a written response to the request for detailed information on the increased income within ASC
- The error in the Tax Base set for Rochford was as a result of an internal error by Rochford District Council, which has now been

corrected

- The forecast overspend in Children's and Families is as a result of more complex cases being received, which ultimately cost more money. Gang culture also forms part of these complex cases and fortnightly meetings are being held with senior officers, including the Chief Executive, to manage this pressure as it is unsustainable to maintain these costs. An update is currently being sourced by service areas and a more detailed briefing on how this relates to gang culture has impacted this, which will be provided in the form of a written response
- ECC entered into a contract with Virgin Care with a 10% reduction in budget – a deep dive review is currently being undertaken
- Cllr L McKinlay stated that more complex cases are being received for children aged between 5 and 9 years old. These cases are more difficult to place in care as they will generally remain in care until adult age. The deep dive review recognises the need to understand the problems before solutions are provided. It is premature to make this assumption until the review has taken place. Cllr L McKinlay informed the Committee that services are currently investigating how to address these concerns

At this stage, Cllr D Louis declared an interest as he is a Director for the company 'Provide' however; he was not required to leave the meeting.

- The estimated savings from the Organisational Design is £5m, however this is expected to rise to around £10m when other transformation programmes are taken into account, for example Trading Standards, Community Hubs etc.
- The £8.7m net opportunities relates to a number of risk and opportunities. The key opportunities include £4m for the emergency contingency, care packages which may become dormant before the end of the year and changes to demographic growth
- Capital spend is on target in terms of the profile set out for 2017/18. This is balanced against circumstances which are outside of ECC'S control. The capital programme for 2018/19 is currently being looked into and will include a deep dive review. This will also look at rotary return on investment in capital works
- Underspends in mental health are not negatively impacting the services being provided. A number of care packages have changed where service users have stepped down to a lower level of support. There are also a lower number of residential and nursing care packages, when compared to the budget. A written response is to be provided on what is being budgeted for compared to number of service user's taking up the care packages
- Members requested clarity on the ASC Sustainability Programme. This is a programme is underway to manage Adult Social Care (ASC) spend. Cllr L McKinlay advised this is about ensuring the service is sustainable for the future. The programme has supported £17.9m in savings, £12m of which relate to a review of home care packages. Other savings cover day care and residential care

packages etc.

- Information on the number of service users against what has been budgeted for will be provided in writing
- Where there are underspends in support service budgets, these are being 'banked' to support the sustainability of these services
- Clarity was requested on the £70k underspend for the Coroner's Service. The Committee was advised that budgets are set on assumptions (volumes and estimates) and forecast underspend is based on current activity. There has been a reduced demand on the Coroner's service so far this year
- An explanation as to why £1.3m is being transferred to the Resources Recharge Support Services portfolio to help mitigate Organisational Design savings will be provided in writing at a later date
- The Dedicated Schools Grant (DSG) is a grant that ECC receives which is then pass ported to Schools. ECC keep an overview of this but over/underspend is carried forward and managed by the Schools Forum. Members asked what impact does ECC have on this budget for which a response will be provided in writing
- The correct figure as to the exact funding for special schools will be provided in writing
- The pressures within the Resources Recharged Support Services portfolio will be offset by underspends in staffing The majority of staffing vacancies are due to recruitment plans currently being on hold until the Organisational Design programme has completed
- The Traded Services pressure mainly relates to Essex Education Services (EES) and original forecasts had been set too high. They are still growing their income however; it is less than originally forecast. A review of future forecasting will take place
- Despite the significant drop in turnover (£1.3m) in EES , there is no risk of making a loss in this area
- The total capital budget for the Deputy Leader and Economic Growth, Skills, Infrastructure and the Digital Economy portfolio was £42.68m. Part of the underspend relates to the University of Essex
- The Harlow MedTech scheme is delayed. Anglia Ruskin University who are delivering the scheme, have had delays finalising the agreement with the contractor
- The reason why Coastal Communities are mentioned in the report despite the project being wholly funded by the Local Growth Fund (LGF) is because the Council is the Accountable Body and therefore needs to be reflected in the capital programme, even though ECC does not delivery the scheme
- The £2.5m of the A120 preferred route scheme will be re-profiled. The original budget for this scheme was made based on a set of delivery assumptions
- Cllr V Metcalfe made a request that for future reports, it is clearly defined as to whether Epping (as a town) or Epping Forest (district area) is being referred to
- Community Initiatives Fund (CIF) money is held in a reserve and when a bid is approved, the money is then requested to be

drawdown from the reserve. The £301k relates to new projects for third parties (charities etc.) for community improvements that have been approved

- Section 106 schemes are often added to the capital programme, when delivery details of the scheme are known, this is particularly the case for highways scheme
- The forecast over spend relates to scheme that have been confirmed for delivery this financial year, where a corresponding budget will be added in the capital programme funded from the S106 contributions. This is usually done through the quarterly reports
- It was agreed by Officers that the wording of paragraph 7.1ii could be made clear and will take this on board in future reports
- A comprehensive list of the available Section 106 monies is to be provided after the meeting for each division
- The budget briefing and reserves report will take place 23 January 2018, which will be held in private
- In relation to Appendix Ci, the Committee were advised that once the capital programme is approved, an estimate on how the programme will be spent across the year is based on delivery assumptions at the time. This forms the year to date budget and progress measured against this position
- Members were assured there is enough left in reserves
- The waste reserve amount of £101m is a sufficient amount
- Members asked why the Waste Reserve had been increased to such a large amount however, Cllr L McKinlay advised the answer would not be permitted in this meeting but Members would be updated after the meeting
- It was commented that the £410m daily cash balance seems quite high, this reflects higher cash balances at the start of year mainly due to receipt of Government grants. However, members were advised that it will reduce towards the end of the year
- The increase of net indebtedness by £102m by the end of March 2018 is due the cash balances being used throughout the year to fund expenditure
- Members asked for a clear history of what money has been transferred between accounts – this will be provided in writing after the meeting
- The Chairman congratulated the Committee on their efforts for this agenda item.

6

Work Programme

Members received report CSC/22/17, which provided the current position as regards to work planning and programming.

Member Enquiries/Essex Highways Report It Tool

Cllr M Buckley informed the Committee that he had not been able to speak to Cllr R Mitchell, Deputy Cabinet Member for Highways but would make

time to do so.

Budget Briefing/Reserves

Committee members will be provided with an update on the budget and reserves on 23 January 2018, which will be held in private.

7 Date of Next Meeting

Tuesday 23 January 2018 was noted as the next activity day.

8 Urgent Business

Cllr M Mackrory informed the Committee at the start of the meeting that he had used his powers as Chairman of this Committee to waive the 'Call in' process with regard to the Cabinet Member decision concerning the Child Awareness and Development Unit Protection contract. He had discussed the matter with the two relevant Cabinet members and agreed that it was a matter of extreme urgency and that there were exceptional circumstances to justify his decision.

9 Urgent Exempt Business

No urgent exempt business was raised.

Chairman