

## **Minutes of the meeting of the Corporate Policy and Scrutiny Committee, held in Committee Room 1 County Hall, Chelmsford, CM1 1QH on Tuesday 31 July 2018**

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### **Present**

Cllr M Mackrory (Chairman)  
Cllr M Buckley  
Cllr I Grundy (substitute for Cllr I Grundy)  
Cllr R Pratt  
Cllr A Turrell  
Cllr M Steptoe  
Cllr J Aldridge (substitute for Cllr V Metcalfe)  
Cllr M Garnett  
Cllr M Hardware  
Cllr J Moran  
Cllr W Schmitt

### **Apologies**

Cllr J Beavis  
Cllr I Henderson  
Cllr V Metcalfe  
Cllr J Abbott

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

#### **1. Membership, apologies and declarations**

Apologies were received from Cllr J Beavis, Cllr I Henderson, Cllr V Metcalfe and Cllr J Abbott.

No declarations of interest were received.

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

The minutes of the meeting held on Tuesday 26 June 2018 were approved and signed by the Chairman.

#### **3. Minutes of the call-in meeting held on 10.07.2018**

The notes from the informal call-in meeting were noted by the committee.

#### **4. Questions from the public**

None received.

#### **5. Borrowing**

Members received report CSC/31/18, which outlined Essex County Council's (ECC) approach to borrowing.

Cllr M Mackrory welcomed the following officers to the meeting:

- Nicole Wood, Director, Finance and Procurement

- Christine Golding, Chief Accountant
- Rob Manning, Head of Finance, Commercial Insight

Christine Golding introduced the item and made the following comments:

- ECC are able to borrow money for any purpose that is deemed prudent although it is predominately used to manage and fund its capital programme
- Complies with CIPFA financial code
- ECC puts together an annual strategy which demonstrates that borrowing is prudent, affordable and sustainable
- Borrowing cannot exceed the measure set out in the capital financing requirement
- At 31 March 2018, Capital financing requirement amounted to £845m with external debt amounting £515m
- Future projections indicate that capital financing requirement will increase to £1.1bn and external debt will increase to £760m.

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

- ECC borrow mainly from the Public Works Loan Board (PWLB) and receive fairly preferential rates, credit rating dependent
- ECC can only borrow in sterling (£)
- Borrowing is not limited to just this organisation – borrowing has been obtained previously through the money markets
- Officers are always looking for the best deal for ECC
- Borrowing is only undertaken when required
- PWLB are flexible in terms of length of borrowing (1 – 50 years)
- No more than £15m of debt matures in any one year
- Legislation permits authorities the freedom to borrow, as long as the authority understands the implications
- £27m of the £50m agreed by Cabinet has been spent on property investment
- ECC's property investment fund is agnostic to place. Opportunities in Essex have been explored but they did not meet the criteria approved by Cabinet
- Essex is only 5% of the UK's geography
- Graph 4.7 shows the level of expenditure to be incurred based on the capital programme. It shows capital expenditure over three years which has derived from borrowing
- Graph 4.13 shows capital financial requirement is increasing
- All debt is secured against a fixed rate of interest
- Revenue borrowing currently stands at £45m.

## **6. Fees and Charges**

Members received report CSC/32/18, which detailed ECC's income from fees and charges.

Cllr M Mackrory welcomed the following officers to the meeting:

- Nicole Wood, Director, Finance and Procurement
- Rob Manning, Head of Finance, Commercial Insight

Rob Manning introduced the item and made the following comments:

- Service areas should be looking to obtain full cost recovery on discretionary services which should include everything (overheads etc)
- Some charges are set centrally by the Government which do not always obtain full cost recovery
- Fees and charges operated through a private company are permitted to make greater than full cost recovery
- At the beginning of each cycle, officers will look at charges against the policy and to ascertain if anything else can be charged for
- Should always aim for an Retail Price Index (RPI) uplift
- Of the £133m received, £90m related to Adult Social Care.

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

- Full cost recovery is not always possible due to restraints on certain charges, nor is a service able to cross-subsidise from another service area
- Significant over-achieving of fees and charges for commercial services
- Need greater transparency on the charges for Traffic Regulation Orders (TRO)
- Schedule of charges is published annually on ECC's website
- Income from TRO's is received by ECC, not Ringway Jacobs
- A Parish Council who currently hire a building from ECC were informed that they would no longer receive payment in advance, which contradicts ECC's policy of requesting payment from organisations up front.

## **7. Statutory Consultations**

Members received a presentation on Statutory Consultations, presented by Duncan Taylor, Head of Profession Research and Citizen Insight.

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

- The delivery of the consultation process is mainly completed in-house, depending on the capacity of the service area. External companies are commissioned if required
- If external companies are used, the Research Framework is used which lists pre-approved companies, speeding up the procurement process
- For more area specific consultations, the local Member should be informed before the process begins rather than during and/or after
- Early engagement with the Scrutiny Board is something that should happen and will be addressed going forward
- Surveys are sent to a random sample of Essex addresses, ensuring enough households are included in order to capture the relevant geography. If responses are not received, reminder letters are sent

- The aim of a consultation is to ensure that a robust sample of results are received, which are statistically significant
- Advice is sought on how to reach those groups who do not use I.T
- The consultation is reviewed before it is distributed to make sure there no leading/loading questions
- Traditional methods of telephone calls and door knocking are still used where appropriate
- The consultation tracker be made available to the relevant local Member to keep them abreast of consultations in their local area.

**8. Work Programme**

An update on the work programme, including future agenda items, was provided to the committee.

**9. Date of next meeting**

To note that the next meeting of the Corporate Policy and Scrutiny Committee will take place on Tuesday 25 September 2018 at 10:30am.

**10. Urgent business**

None received.

**11. Urgent exempt business**

None received.

The meeting closed at midday.

**Chairman**