

MINUTES OF A MEETING OF THE CABINET HELD AT COUNTY HALL, CHELMSFORD, ON 24 JANUARY 2012

Membership

* P J Martin (Chairman)	* D M Finch
* K Bentley	* J Jowers
* S Candy	* D Louis
S C Castle	* J R Lucas
* Mrs T M Chapman	A Naylor

* present

Councillors T C Smith-Hughes and M Mackrory were also present as observers.

Councillors J Aldridge, Mrs A Brown, Mrs P Channer, W J C Dick, R C Howard, N J Hume and R A Madden were also present.

1. Apologies for Absence

Apologies for absence were received on behalf of Councillors S Castle and A Naylor.

2. Minutes

The minutes of the meeting held on 6 December 2011 were agreed as a correct record and signed by the Chairman.

3. Declarations of Interest

There were no declarations of interest.

4. Financial Overview as at the Third Quarter Stage

The Cabinet considered report **FP/496/03/11** by the Deputy Leader and Cabinet Member for Finance and Transformation Programme which provided an updated assessment of the financial position of the council based in 2011/12, based upon the position at the third quarter stage.

Resolved:

- (1) That the current revenue outturn forecast, which is a projected under spend for the year of **£6.931m**, be noted, together with a projected under spend of **£34.905m** against the approved capital payments guideline.
- (2) That approval be given to appropriate **£3.746m** from Earmarked Reserves as follows:

	Financing Source				
	s75 Reserve £'000	Health and Safety Reserve £'000	Essex Transport Reserve £'000	ExDRA Reserve £'000	Insurance Reserve £'000
Portfolio Requesting Funding					
Adults, Health & Community Wellbeing	674				
Highways and Transportation - Passenger Transport			83		
Procurement, Property and major Projects		118			
Economic Development and Waste Recycling				130	
Deputy Leader					2741
Total	674	118	83	130	2,741

(3) That £3.188m is appropriated into Earmarked Reserves as follows:

	Reserve		
	Waste Reserve £'000	PRG Reserve £'000	Transformation Reserve £'000
Portfolio Returning Funds			
Economic Development and Waste Recycling	123		
Education and 2012 Games		800	
Deputy Leader	1173		1092
Total	1,296	800	1,092

- (4) That approval be given to Supplementary Estimates from the Emergency Contingency to various headings totalling **£3.030m** as detailed within the report.
- (5) That approval be given to a return to the General Balance of **£391,000** (**£364,000** from Deputy Leader in respect of the Internal Audit and Risk Management Corporate Services Review savings, **£27,000** in relation to Human Resources Corporate Services Review savings).
- (6) That the intention to seek approval to carry forward **£406,000** for Adults, Health and Community Wellbeing (in respect of the surplus on the Process Improvement Plan Budget, support for the Strategic IT project, Oscars, and Swift data workers in 2012/13) be noted.

- (7) That approval be given to amendments to the capital payments profile and financing assumptions as follows (with the impact of the changes upon the capital payment profile being as identified in Appendix C to the report):

	Approval Sought in this Report £'000	Approval to be Sought via Cabinet Member Action £'000	No Action at this time £'000	Total £'000
Reduced to reflect the impact of Slippage	(35,702)	(647)		(36,349)
Reduced to reflect schemes that will no longer be progressed	(6,915)	(3,758)		(10,673)
Increased to take account of newly approved schemes	7,573	4,056		11,629
Other Schemes	403		85	488
Total	<u>(34,641)</u>	<u>(349)</u>	<u>85</u>	<u>(34,905)</u>

- (8) That approval be given for the transfer of £500,000 into the AHCW revenue budget from Other Operating Costs in relation to the 2010/11 dividend received from Essex Cares Ltd.

5. Corporate Plan/2012-13 Budget

The Cabinet considered report **FP/497/03/11** by the Leader of the Council and the Deputy Leader and Cabinet Member for Finance and Transformation Programme which presented information to enable the Cabinet to consider and make relevant recommendations to the Full Council on the new Corporate Plan for 2012/13 to 2016/17, on the revenue budget and Council Tax precept for 2012/13 and the capital programme to 2016/17, and also to consider the medium term resource strategy for the period to 2014/15 in the light of the best information available regarding funding.

With regard to the Corporate Plan, it was agreed to amend Priority 2 by the insertion of the word 'highways' such that this would now read:

'Securing the infrastructure, highways and environment to enable businesses to grow'.

In response to a comment, the Cabinet acknowledged the continued intention to integrate the capital programme as part of the budget process.

Resolved:

Essex Works Corporate Plan

- (1) That the EssexWorks Corporate Plan 2012/13 – 2016/17 be adopted, subject to the amendment of Priority 2 by the insertion of the word 'highways' such that this would now read:

'Securing the infrastructure, highways and environment to enable businesses to grow';

Revenue and Capital Budgets 2012/13, Medium Term Resources Strategy

- (2) That the following be recommended to Council:
1. The budget requirement be £858,142,443;
 2. The council tax requirement be £581,568,886;
 3. The net cost of services be £937,906,451;
 4. The Revenue Budget for 2012/13, as set out in sub-sections 2 and 3 of the report, be adopted;
 5. The second tranche of Council Tax Freeze Grant be accepted, thereby implying that there will be no increase in the Band D Council Tax for 2012/13, which will therefore remain at £1,086.75;
 6. The reserves and general balances be as set out in sub-section 2 of the report;
 7. £582,000 of the 2012/13 Transformation Reserve be used to support the development of the full business case for the Corporate Services Phase 2 programme
 8. The capital programme for the period 2012/13 to 2016/17, as set out in sub-section 5 noting the funding sources and implications for the medium term resource strategy;
 9. The Executive Director for Finance, in consultation with the Cabinet Member for Finance and Transformation, be authorised to make adjustments to the phasing of payments between years should that be necessary as the capital programme is finalised, and to report and impact on the Prudential Indicators at the next available quarterly review;
 10. The 2012/13 Prudential Indicators, Treasury Management Strategy and Minimum Revenue Provision policy as set out in sub-section 6 of the report be adopted;
 11. The Pay Policy Statement for 2012/13 as set out in sub-section 7 of the report be adopted; and

12. The Executive Director for Finance (Section 151 Officer) statement on the robustness of the budget be noted.
- (3) That the provisional Dedicated Schools Grant (DSG) figures set out in paragraph 2.10 of the report be noted;
- (4) That the content of the summary equality impact assessment be considered; and
- (5) That a schedule be presented to Full Council setting out the Council Tax for each category of dwelling and the precepts on each of the Council Tax collecting authorities for 2012/13, along with the final Council Tax base.

6. Approval of Revised Business Case for Information Services Modernisation Programme

The Cabinet considered report **FP/630/09/11** by the Deputy Leader and the Cabinet Member for Finance and Transformation Programme. This detailed the business case for the Information Systems (IS) Modernisation Programme, which had been revised to align with the Council's ICT Strategy and ensure the performance improvements and efficiency savings can be realised. As a result, some previous assumptions made around the state of the ICT industry (cloud computing) and related savings sources had been amended to allow them to be achieved at lower risk and in line with what is achievable at this time.

In response to a comment, the Cabinet Member acknowledged the importance of monitoring that the savings referred to in the report were achieved and the role of scrutiny in undertaking this.

Resolved:

- (1) That, noting the associated variations required to appropriate revenue and capital budgets considered elsewhere on the agenda for the meeting, approval be given to:
 - the revised investment plan for IS modernisation, which requires an additional £2.06m of revenue funding over the five year period of the project, to be drawn from the Transformation Reserve; and
 - the revised efficiency programme resulting from the investment.
- (2) That the Council's ICT Strategy for 2011 to 2015 be supported.

7. Children's Services Safeguarding Inspection – Update

The Cabinet received report **FP/726/12/11** by the Cabinet Member for Children's Services which provided an update following the Ofsted inspection of safeguarding services for children in Essex between 26 and 30 September 2011. The report outlined the immediate actions taken as a result of the inspection and referred to the 'Essex Unified Improvement Plan' as the action

plan which was being developed for making further improvements across Children's Services in Essex following the cessation of the statutory Children's Services Improvement Board.

The report followed on from a previous report considered by the Cabinet in September 2011 which had provided a detailed overview of improvements in Essex, together with a summary of history and progress since the start of the government intervention in December 2009.

The report was noted, together with an undertaking by the Cabinet Member that a report on the Unified Improvement Plan would be submitted to a future meeting of the Cabinet.

8. Approval of the Final Business Case and Contract Award of the Highways Strategic Transformation Programme

The Cabinet considered report **FP/612/08/11** by the Cabinet Member for Highways and Transportation which presented the Final Business Case of the Highways Strategic Transformation Programme. A report containing exempt information on the same issue, including the Final Business Case document itself, had been included in Part II of the agenda for the meeting (minute 14 below refers).

Cabinet approval was sought for the award of a contract with the private sector partner Ringway Jacobs Limited, to form a Strategic Partnership that would deliver the majority of Highways and Transportation services commencing on 1 April 2012, with the long term aspiration to move into a private-public Joint Venture (JV).

In presenting the report, the Cabinet Member for Highways and Transportation advised that paragraph 4.2.1 of the report, relating to the Strategic Partnering Board, should be amended by the insertion of the following immediately after the first sentence:

'Membership of the Board will include the Cabinet Member for Highways and Transportation and the Cabinet Member for Finance and Transformation Programme. The Cabinet Member for Highways and Transportation will chair the Board.'

Resolved:

- (1) That the Final Business Case set out at Appendix 1 of the report (included with the report on the same matter considered in the absence of the press and public – minute 14 below refers) be agreed.
- (2) That the contract for the Highways Strategic Partnership be awarded to Ringway Jacobs Limited, commencing on 1 April 2012 for a contract period of ten years with the option to extend for a further period of up to five years.

- (3) The authority to finalise the contract be delegated to the HST Programme Director in consultation with appropriate officers for the provision of legal and financial advice.
- (4) That the logo and name of 'Essex Highways' for the strategic partnership with Ringway Jacobs Limited be approved.
- (5) That paragraph 4.2.1 of the report relating to the Strategic Partnering Board be amended by the insertion of the following immediately after the first sentence:

'Membership of the Board will include the Cabinet Member for Highways and Transportation and the Cabinet Member for Finance and Transformation Programme. The Cabinet Member for Highways and Transportation will chair the Board.'

9. Adult Social Care Local Account

The Cabinet considered report **FP/729/12/11** by the Cabinet Member for Adults, Health and Community Wellbeing which sought approval for the first 'Local Account', describing the performance of the Council in delivering adult social care services for 2010/11. It was noted that the 'Local Account' should have been included with the report as an appendix, and would be published on the internet following the meeting.

The Cabinet noted the challenges which the Council had faced over the past year and would continue to face in the future, together with the plans outlined in the Local Account to ensure the continuation of quality services for the County's most vulnerable residents.

Resolved:

That the 'Local Account' describing the performance of the Council in delivering adult social care services for 2012-11 be approved.

10. Re-procurement of Reablement Services

The Cabinet considered report **FP/743/01/12** by the Cabinet Member for Adults, Health and Community Wellbeing which sought approval to tender for the Reablement Service for a three year contract and to extend the existing contract to allow sufficient time for the current provider to meet its own legal obligations to staff prior to any possible transfer to a new incoming contractor. A report containing exempt information on the same issue had been included in part II of the agenda for the meeting (minute 15 below refers).

Members noted that reablement was a suite of interventions which supported vulnerable adults to be as independent as possible within their own homes. It was commonly used after an episode in hospital or other event which resulted in a loss of life skills and/or confidence.

The current contract to provide Reablement Services in Essex was due to expire in June 2012. In the interests of identifying the best value approach to this service it was proposed to run a tender process using the Part B Health and Social Care exemption to OJEU.

Resolved:

- (1) That the current contract with Essex Cares be extended to allow sufficient time for Essex Cares to meet its own legal obligations to staff prior to any possible transfer to a new incoming contractor.
- (2) That it be agreed to tender for the Reablement Service for a 3 year contract to commence upon the expiration of the current contract.

11. Decisions taken by or in consultation with Cabinet Members

The Cabinet received report **FP/739/01/12** by the Secretary to the Cabinet listing the decisions taken since the last meeting.

12. Urgent Business

Coryton Oil Refinery: Statement by the Cabinet Member for Economic Development, Waste and Recycling

The Chairman agreed to consideration of this item of business on the grounds that there was an urgent need to update the Cabinet on events that had occurred on the morning of the meeting.

The Cabinet Member for Economic Development, Waste and Recycling updated the Cabinet on the current position regarding Coryton oil refinery, the parent company of which had just filed for insolvency. Councillor Bentley was due to meet with his counterpart in Thurrock Council (in whose area the refinery was situated) and with the Chair of the Local Enterprise Partnership to consider the impact of the situation on the local economy and to ascertain what assistance the Council could provide. He undertook to update the Cabinet in due course.

13. Exclusion of the Press and Public

Resolved:

That, having reached the view that, in each case, the public interest in maintaining the exemption (and discussing the matter in private) outweighed the public interest in disclosing the information, the public (including the press) be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

14. Approval of the Final Business Case and Contract Award of the Highways Strategic Transformation Programme

(exempt under paragraph 3 – information relating to the financial or business affairs of any particular person)

The Cabinet considered report **FP/612/08/11/ptII** by the Cabinet Member for Highways and Transportation which contained exempt information referred to in the report on the same issue considered and decisions taken earlier in the meeting (minute 9 above refers).

15. Re-procurement of Reablement Services

(exempt under paragraph 3 – information relating to the financial or business affairs of any particular person)

The Cabinet considered report **FP/743/01/12/ptII** by the Cabinet Member for Adults, Health and Community Wellbeing which contained exempt information referred to in the report on the same issue considered and decisions taken earlier in the meeting (minute 11 above refers).

The meeting closed at 11.15am.

Chairman
20 March 2012