

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

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

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