

**Minutes of the meeting of the Corporate Policy and Scrutiny Committee, held in Committee Room 1 County Hall, Chelmsford, CM1 1QH on Tuesday 29 January 2019**

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**Present**

Cllr M Mackrory (Chairman)  
Cllr J Abbott  
Cllr J Aldridge (substitute)  
Cllr T Ball  
Cllr M Buckley  
Cllr P Channer (substitute)

Cllr M Durham (substitute)  
Cllr I Grundy (substitute)  
Cllr I Henderson  
Cllr V Metcalfe  
Cllr J Moran  
Cllr R Pratt

**Apologies**

Cllr J Beavis  
Cllr M Garnett  
Cllr M Hardware

Cllr W Schmitt  
Cllr M Steptoe  
Cllr A Turrell

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Richard Buttress, Member Enquiries Manager was supporting the meeting.

**1. Membership, apologies and declarations**

Apologies were received from Cllr J Beavis, Cllr M Garnett, Cllr M Hardware, Cllr W Schmitt, Cllr M Steptoe and Cllr A Turrell.

Cllr J Aldridge substituted for Cllr M Garnett.  
Cllr I Grundy substituted for Cllr J Beavis.  
Cllr P Channer substituted for Cllr W Schmitt.  
Cllr M Durham substituted for Cllr M Steptoe.

**2. Minutes of previous meeting**

Pending a few alterations to the minutes of November's meeting, they were agreed and signed as an accurate record.

**3. Questions from the public**

There were none.

**4. Joint Task and Finish Group – Ringway Jacobs**

The report CPSC/01/19 was introduced by Cllr T Ball, who is chair of the Task and Finish Group:

- The group is looking at whether changes should be made to current contract arrangements in respect of highway maintenance
- The review will be comprehensive and in depth with additional meetings being planned
- The final report, with recommendations, will be presented to the Cabinet Member in April 2019.

Cllr Kevin Bentley, Deputy Leader and Cabinet Member Infrastructure was welcomed to the meeting and offered his views on the Task and Finish Group:

- Welcomes the work being undertaken by the Task and Finish Group
- Has also set up his own inquiry which is being led by one of his Deputy Cabinet Members Cllr Lesley Wagland
- Is pleased to see the level of repairs has increased since May 2018
- Changes in the reporting system within the contract have been made
- RAC were complimentary of Essex County Council
- Is happy for himself, his deputies and relevant officers to be called upon to assist with the Task and Finish Group
- Gauges perception on the amount of emails in his inbox
- Top 20 defects programme working well and are looking to do something similar with footpaths.

I.T integration with ECC systems is integral and geo-imaging is being looked into currently.

The online reporting form needs to be improved – more simple and cost effective to reduce email correspondence.

The wording of the contract will be changed, with KPI's and technology also reviewed.

The direct delivery service which supports Local Highways Panel's is looking at being extended. This could be something that the Place Services and Economic Growth Committee assist with.

Improving the relationship between Essex County Council and district councils in terms of planning and the impact on roads will be pursued.

A request has been made that County Councillors are made aware of press releases/statements before they are published.

The Casualty Reduction team do not link in with Local Highways Panel's currently.

In terms of planning applications, ECC are only asked for their views on certain issues and does not take into consideration the impact on surrounding areas.

There is a difference between a make safe and permanent repair – perception is sometimes that make safe repairs are permanent ones.

ECC's planning team are looking into casualty reduction in terms of future developments. It was noted that the incidents are not always caused by the design of the road – sometimes it is as a result of driver behaviour.

The relationship between the Casualty Reduction team and Essex Police will be looked into by Cllr Bentley however; this is not related to Ringway Jacobs or the contract.

Other factors in terms of the contract extension are being looked into, such as method, cost, quality and value for money.

## **Actions**

- 1) Pedestrian crossings in Witham are not being implemented due to a lack of funding from Section 106, Local Highways Panels and ECC. This is to be reviewed by Cllr Bentley.
- 2) Improvements to the relationship between the Casualty Reduction team and Essex Police. This is to be investigated by Cllr Bentley.
- 3) Work at Benfleet Station commencing on 1 February 2019 – Cllr Sheldon did not receive any pre-warning of these works. Process to be reviewed.

## **5. Essex County Council Reserves**

The report CPSC/02/19 was introduced by Tina French, Head of Strategic Finance and Insight:

- The report covers details of all the reserves held by ECC and how they are used

The A130 PFI contract for the A130 uses credits from central government that make payments later in the contract.

Payments to the contractor for the A130 are based on traffic flows.

A sum of £12m will be paid in 2019/20 to support the A130 PFI contract.

Reserves are misinterpreted by the media – it was suggested a press release is produced to explain the reserves in more detail.

A substantial amount of funds are held in overnight investments, meaning quick access can be obtained if need be.

ECC's treasury management policy has worked but is being reviewed again this year.

## **Actions**

- 1) More detail to be provided on how the A130 PFI reserve works and the impact on the revenue budget.
- 2) Details/lists on grant equalisation to be provided.

## **6. Provisional Settlement**

The report CPSC/03/19 was introduced by Nicole Wood, Director for Finance and Procurement:

- ECC was disappointed to not be a pilot for the Business Rate Retention (BRR) scheme
- It would have bought £15m into Essex as a whole
- Still unclear as to the reasons why ECC was unsuccessful
- The settlement was in line with the four year deal for the Revenue Support Grant (RSG)
- This is the penultimate year for the RSG
- A number of one-off grants were announced in the settlement for highways and social care
- The consultation on Fair Funding closes in March 2019

- ECC is waiting to see what the framework for business rate reform is from central government.

The total retain share for BRR is £200m, the majority of which will come to ECC – roughly 80/20 split. Nothing has been confirmed on what the split is likely to be between upper and lower tier authorities.

## **Actions**

- 1) To confirm the amount of money set aside for the impact of Brexit
- 2) Further details on the proposed prosperity fund to be provided
- 3) The outcome of the Fair Funding consultation to be provided, possibly at a future committee meeting.
- 4) Graph detailing the precise figures with regard to ECC's proportion of tax

## **7. 2018/19 Financial Overview as at the Third Quarter Stage**

The report CPSC/04/19 was introduced by Tina French, Head of Strategic Finance and Insight:

- This includes the provisional winter measures mentioned back in October/November 2018.

The Leaders budget refers to underspend as a result of vacancies in digital services.

The service has been through the organisational redesign process and as a result, has led to these posts becoming vacant. Recruitment is currently ongoing.

Three properties within the Property Investment Portfolio are making the financial returns expected.

Due to broader risk, the decision has been taken to not approve any further funds to this programme at the moment.

Assets have been obtained for the long-term which accounts for volatility in the market. No indications in the material value, asset value or the yield.

There is a reserve in place to cover repairs to properties when they are being sold.

One of ECC's properties into its portfolio is in retail. An independent view was obtained from advisors who advise ECC's Pension Fund.

A proportion of the £50m property portfolio has been set aside to cover the expenditure in the revenue stream. The property investment balance is within report CPSC/02/19.

Savings were noted from voluntary organisations. There is a savings plan in this area which is driving overspends rather than there being a reduction in these grants.

The carry forward of underspends are only allowed in certain portfolios/services.

Generic carry forward of budgets is not supported.

## **Actions**

- 1) Is there a plan in place to reduce the number of vacancies within I.T under the Leader's portfolio?

## **8. Work Programme**

The updated work programme was noted by the committee.

## **9. Date of next meeting**

The next meeting will be held on Tuesday 26 February 2019 at 1:00pm.

## **10. Urgent Business**

An urgent item was taken as a result of the paper being submitted late – 'Organisation Plan and Budget 2019/20'.

This paper was submitted the meeting of the Cabinet on Tuesday 22 January 2019 and was for noting by the committee.

The cost of debt for 2019/20 is £54m, increasing to £60m for 2021/22.

The budget pressures over the next two years are accumulative – it is not £72m in 2020/21 and then a further £100m in 2021/22.

## **11. Urgent exempt business**

None received.

The meeting closed at 1:05pm.

**Chairman**