
Minutes of the meeting of the Corporate Policy and Scrutiny Committee, held at 12.30pm on Thursday, 28 September 2023 in Committee Room 1, County Hall, Chelmsford.

Present:

County Councillors:

Chris Pond (Chairman)
Simon Crow
Mike Garnett
Sam Kane
Dan Land (substitute)
Mike Mackrory (Vice Chairman)
Aiden McGurran (substitute)
Anthony McQuiggan
Clive Souter
Wendy Stamp
Mike Steptoe (Vice Chairman)
Marshall Vance

Graham Hughes, Senior Democratic Services Officer, and Lisa Siggins, Democratic Services Officer, were also present.

1 Membership, Apologies, Substitutions and Declarations of Interest

The report on Membership, Apologies, Substitutions and Declarations was received and it was noted.

Apologies for absence had been received from Councillors Lewis Barber (for whom Councillor Dan Land substituted) and Ivan Henderson (for whom Councillor Aiden McGurran substituted).

2 Minutes

The draft minutes of the meeting held on 27 July 2023 were approved as a true record and signed by the Chairman of the meeting.

3 Questions from the public

There were no questions from the public.

4 Council-owned 'for profit' organisations

The Committee considered report CPSC/17/23 giving an overview of the Council-owned trading organisations and providing details of the purpose of each organisation and the financial returns from these interests.

The following joined the meeting for the duration of the item:

- Councillor Chris Whitbread, Cabinet Member, Finance, Resources and Corporate Affairs.
- Stephanie Mitchener - Director, Finance
- Paul Turner – Director Legal and Assurance

Key points raised during the introductory presentation and subsequent discussion included:

- (i) The Council currently had an interest in four organisations which operated potentially for profit. Three of them were wholly owned by the Council (Essex Cares Limited, Essex Housing LLP and SEAX Trading).
- (ii) In addition, there were other organisations where the Council had an interest or involvement, but these were not for profit.
- (iii) The Leader of the Council was the Lead Member (Councillor) for all council owned trading organisations. There was guidance in place which set out the County Council's requirements about creating new companies or joining a new company.
- (iv) A Strategic Governance Review was underway. A Shareholder Board was in place with Board members including the Lead Member, the Section 151 Officer (or nominee) and the Monitoring Officer (or their nominee). The Shareholder Board had focussed on ensuring that risks were managed and that companies were still required. Officers were working on reconstituting the Shareholder Board to enable more discussions about company performance in that forum rather than through other governance arrangements as at present.
- (v) Each company had a lead ECC officer who was responsible for managing the relationship between the company and ECC. The lead officer must provide an annual report to the shareholder board.
- (vi) The investment in Meditech had enabled some pump priming of medical innovation. 14 projects were being supported. The investment may return a profit if successful in the future. There was no listed value for the company as shares were not regularly traded. It was viewed as a long-term investment. Members challenged whether the projects being supported had come to fruition and whether it was optimising investment outcomes for the County Council.
- (vii) The majority of business for Essex Cares Limited was commissioned by the County Council with a small percentage of cross border work, such as for Havering Council.

- (viii) It was queried how much of Essex Housing LLP property receipts were re-invested and on what types of housing. All sales would be accounted for as part of an approved business plan. A specific governance review for Essex Housing LLP currently underway would include consideration of shareholder returns in future. The conclusions of this review could be a future agenda item for the Committee.
- (ix) SEAX Trading Limited enabled ECC to trade services with the private sector. It was supported by employees in the Place Services Directorate and had provided around £0.5m in income.
- (x) One ECC Director was remunerated for their role on one of the Council-owned companies. That person had a twin role across both ECC and the company concerned and the remuneration had been approved by the Senior Management Employment Committee, a politically balanced committee of councillors, as it was felt that person had taken on additional duties.
- (xi) It was difficult to benchmark these council-owned structures against other local authorities, as arrangements and structures could differ significantly between different councils. It was stressed that ECC did everything it could to minimise risk.

Conclusion

It was agreed to provide or consider further the following:

- (i) The Cabinet Approval paper from 2017 for the investment in Meditech to be circulated.
- (ii) Clarification on the location of the 14 Meditech medical projects being funded and more information be provided on each project.
- (iii) Confirmation on when the last set of statutory accounts for Meditech were filed at Companies House.
- (iv) Further financial information on Essex Cares Limited, particularly percentage breakdown of ECC commissioned business, any further ECC investment made in the Company and information on shareholder dividends received for the investment.
- (v) Further information on the property sales made by Essex Housing LLP, how the income from sales receipts were used, the role and membership of the Essex Housing Board.
- (vi) Further information on the policy for remuneration of ECC company directors.

The contributors were thanked by the Chairman for their attendance and then left the meeting.

The meeting then adjourned at 1.15pm and reconvened at 1.46pm.

5. Local Community Fund (replaced Levelling Up Fund) Update

The Committee considered report CPSC/18/23 which comprised an update on the Local Community Fund, distinguishing it from the Locality Fund, examples of projects funded so far, and some consideration of what made a good project proposal to obtain funding.

The following joined the meeting for the duration of the item:

- Councillor Louise McKinlay, Deputy Leader and Cabinet Member for Levelling Up, and the Economy.
- Paul Turner, Director Legal and Assurance
- Phil Oldershaw, Strategy and Partner Engagement Manager

Key points raised and noted during the initial presentation and subsequent discussion included:

- (i) Funding for the LCF was allocated on a district basis based on £4000 per county council member in that district.
- (ii) Applications for funding would be considered and, if criteria met, approved by officers and the Cabinet Member. The criteria focussed on the levelling up priority cohorts, youth services and supporting voluntary and community projects on climate action. The LCF had also replaced Youth Service Grants.
- (iii) The local county councillors for a district area were invited to collectively make recommendations and applications for funding. The minimum funding allocation was for £1000 and applications with match funding were preferred, dependent on partner. Youth grant ideas needed to involve young people.
- (iv) Some reasons why some applications had been rejected in the previous year were given which included proposals which had no clear outcomes for residents, did not fit with one of the three specified themes and applications for funding for a full year or half year project but were submitted near the end of the financial year. There could be some flexibility regarding the submission cut-off if there was only a slight overrun of a project into the following financial year. Some members queried why there was not more flexibility in permitting a project to run further into the next financial year rather than insisting that most of the project had to complete within the same financial year as the application for funding being made.

- (v) Some members referred to a missed opportunity with only approximately 63% of the monies reserved for the Levelling Up Fund (LUF) in 2022/23 having been allocated and spent. Just six district areas (out of twelve) had used their full allocation of monies from the LUF last financial year. There was a discussion about how to encourage greater uptake and prompt more applications. Further communication and prompting of members could be considered.
- (vi) When applications were submitted all local members would be notified of the submission. Some members queried if all Lead Members had the time to undertake the role.
- (vii) It was queried what had been learnt from the operation of the LUF that could be applied to the operation of the LCF this year. Changes had been implemented for the LCF such as now a rolling approval process was in place, and further guidance and suggestions on schemes and projects for consideration locally was now available. It was stressed by the Cabinet Member that ultimately local members in each district area needed to be organised to submit applications early in the financial year.
- (viii) Some members queried if extra support could be given to help facilitate local meetings being set-up although the Cabinet Member considered that local members should be able to organise this amongst themselves.
- (ix) Whilst unanimity from local members was preferable for applications, there was some flexibility as a view would be taken on fairness and reasonableness and whether money would be going overly to just one part of a district area.

Conclusion

In concluding their comments, some members suggested considering some further changes to processes.

- Further assistance for Lead Members to make submissions.
- More advice and guidance on submission deadlines.
- Increasing awareness that local applications could be submitted separately project by project throughout the financial year and did not have to all be submitted at the same time.
- Further officer support in setting up local meetings and/or ensuring they were taking place.
- Checking in with Lead Members in a couple of months if they had not made any submissions by then.

- The presentation at the meeting on the LCF Scheme should be circulated to all members as it would be useful as a further guide and had relevant officer contacts details.

The Chairman invited the Cabinet Member to bear the above in mind without requesting her to respond further and specifically on each one. However, the Cabinet Member did respond that;

- The application process was the same platform as that used for Locality Fund applications and there had been no issues with the forms used.
- She was not going to request officers to attend the local meetings. It was up to local members to organise themselves to do this. Similarly, she was not going to request officers to check up on local members as to whether meetings had been held or not.
- Extra information was available this year with the list of projects approved so far and the list of suggested projects providing further guidance on the types of local schemes that could be funded.
- Councillor Mark Platt, Deputy Cabinet Member for Levelling Up, and the Economy was the lead contact for both the LCF and the Locality Fund and local members could seek his help and guidance.
- The importance of early submission of applications was stressed.

The contributors were thanked by the Chairman for their attendance and then left the meeting.

7. Work programme

The Committee considered and noted report CPSC/19/23 which comprised the current work programme for the Committee. It was requested that an item on insurance be scheduled to include policies to cover highways damage resulting from accidents and a more general update on approach towards risk and insurance and insurance spend.

Urgent Business

No items were raised.

The Chairman then closed the meeting at 2.58pm

Chairman