

Minutes of a meeting of the Cabinet held in Committee Room 1, County Hall, Chelmsford, CM1 1QH on Tuesday 28 May 2019

Present:

Councillor	Cabinet Member Responsibility
D Finch	Leader of the Council (Chairman)
K Bentley	Deputy Leader and Cabinet Member for Infrastructure
T Ball	Economic Development
S Barker	Customer and Corporate
R Gooding	Education and Skills
G Mohindra	Finance, Property and Housing
S Walsh	Environment and Waste

Councillors M Buckley, M Durham, M Mackrory, R Mitchell, C Pond, L Scordis, M Steptoe and A Turrell were also present.

1. Membership, Apologies, Substitutions and Declarations of Interest.

The report of Membership, Apologies and Declarations was received and the following were noted:

1. The changes in Cabinet membership and portfolios agreed at the Annual Meeting of the Council on 14 May 2019 and set out in the report were noted.
2. Apologies for absence had been received from Councillors D Madden (Cabinet Member for Performance, Business Planning and Partnerships), J Spence (Cabinet Member for Health and Adult Social Care) and L McKinlay (Cabinet Member for Children and Families)

There were no Declarations of Interest.

2. Minutes: 19 March 2019

(Additional information was included within a confidential appendix to the minutes – minute 11 below refers)

The minutes of the meeting held on 19 March 2019 were agreed as a correct record and signed by the Chairman, subject to the inclusion of Councillors I Henderson, M Mackrory and C Pond in the list of those also present.

3. Questions from the public

None.

4. Commercial approach for eight existing Essex Care Schemes for Older People (FP/369/02/19)

The Cabinet was asked to award care contracts to the landlords of eight Extra Care housing schemes for five years where the landlord has indicated a willingness to take on the service and the Council is satisfied that the Landlord can provide care at a reasonable cost, and to procure care competitively in the market for the other schemes.

The following information was provided in response to questions by Councillors Mackrory and Pond:

- Quality of care and standards of accommodation were subject to regular inspection. Whilst new schemes were being delivered the Council worked closely with developers to ensure the required standards were met.
- The costs provided allowed for inflation, and once the schemes were operational checks were made with residents about the standard of care that they received. It was acknowledged that Extra Care was more expensive than Residential Care but was felt to be the right direction of travel in terms of improving the quality of life for residents.

Resolved:

1. That a single stage competitive tender be undertaken for the onsite Care and Support Services (including the Peace of Mind Service) and the award of a five-year contract for the two Extra Care schemes where the Landlord is happy for the Council to award such a contract (The Cannons, Colchester and Sumners Farm, Harlow).
2. That a single stage competitive tender be undertaken for the onsite Care and Support Services (including the Peace of Mind Service) and the award of a five-year contract (with the provision of a break clause at year three of the contract) for the two Extra Care Schemes where the Landlord is happy for the Council to award such a contract (Wren House, Colchester and Canters Meadow, Clacton).
3. That negotiations take place with the scheme landlords for the direct award of five-year contracts for the onsite Care and Support Services (including the Peace of Mind Service) for the following four Extra Care schemes:
 - Helen Court, Witham (Landlord L&Q Group)
 - Montbazon Court, Brentwood (Landlord Anchor Hanover Group)
 - Dobsons Close, Rayleigh (Landlord Swan Housing Association)
 - Honey Tree Court, Loughton (Landlord Places for People Living Plus)
4. That the competitive procurements shall be single stage procurements which comply with the 'light touch' regime in the Public Contracts

Regulations 2015 using a price:quality ratio of 70:30 with the maximum acceptable price for personal care provision being specified using the mechanism set out in the financial implications paragraphs within report FP/369/02/19).

5. That authority to award the contracts for the eight schemes be delegated to the Executive Director for Adult Social Care provided that he is satisfied that the contracts represent best value and are in budget, when costed at expected volumes.

5. 2018- 19 Provisional Outturn Report (FP/386/03/19)

The Cabinet received a report which presented and provided commentary on the provisional outturn position for 2018/19 prior to formal closure of the accounts

The following information was provided in response to questions by Councillors Mackrory and Pond:

- The proposed draw-down to offset the over spend caused by abortive costs relating to the South Essex Rapid Transit Named Highways scheme represented an accountancy adjustment as it had not been possible to continue with this scheme.
- New purchasing arrangements were being made in respect of LED Phase 3, in respect of street lighting. This was due to the end of the current contract being reached.

Resolved:

That the following be approved in relation to the 2018/19 outturn position:

1. A net amount of £2.375m is returned to the General Balance, as detailed below:

	£000
Unused Emergency Contingency	4,000
General under spends	842
Transfer to General Balance	4,842
Transfer to Transformation Reserve (Essex Pay)	(1,977)
Transfer to Carry Forwards Reserve (Staffing Efficiencies)	(490)
Net transfer to General Balance	2,375

2. Of the total amount returned to the General Balance, that £1.575m is applied to offset technical accounting adjustments relating to implementation of International Financial Reporting Standard 9 *Financial Instruments* (IFRS 9). IFRS 9 is designed to provide more transparency for gains and losses arising from financial assets and to be more pessimistic about potential credit losses. Further details are provided in paragraph 3.1.7 of report FP/286/03/19).

3. The remainder of the underlying under spend of £6.500m is appropriated in the Transformation Reserve.
4. Under spends are allocated between portfolios as set out within the 'Transfers of under/over spends between Portfolios' column of Appendix B to report FP/286/03/19).
5. The following amounts are appropriated to/from restricted and other revenue reserves:

Restricted Funds

- **Private Finance Initiative (PFI) Reserves**
 - Building Schools for the Future - £50,000 contribution
 - Clacton Secondary Schools - £9,000 contribution
 - Debden School – 307,000 contribution
 - A130 Road - £10,000 withdrawal
- **Waste Reserve - £20,000** withdrawal per the Joint Working Agreement with Southend in relation to the Waste Infrastructure Grant
- **Schools - £3.623m** net withdrawal from the Schools' reserve, in line with additional spending against the 'individual schools budget' in 2018/19
- **Grants equalisation - £12,000** withdrawal in relation to funding no longer required for the purpose it was set aside for
- **Partnership reserves**
 - Safeguarding Adults Partnership Reserve - £23,000 contribution
 - Public Sector Reform Partnership Reserve - £19,000 contribution
- **Trading Activities**
 - EES for Schools - £1.183m contribution
 - Music Services - £63,000 withdrawal
 - Schools Sickness Insurance Scheme - £834,000 contribution
 - Place Services - £60,000 contribution
 - Information Services Infrastructure - £682,000 withdrawal

Capital Funding

- **Capital funding - £6.188m** withdrawal to transfer capital financing resources to revenue in respect of:
 - Pothole repairs (£3.179m)
 - South Essex Rapid Transit Named Highways Scheme (£3.009m)

Other reserves

- **Carry Forwards - £8.908m** contribution in respect of revenue budget under spends that it is proposed are carried forward for use in 2019/20.
 - **Adults Digital Programme - £3.156m** contribution due to delays in the programme and to continue projects already underway
 - **Capital Receipts Pump Priming Reserve - £21,000** withdrawal to fund costs associated with preparing surplus assets for sale
 - **Carbon Reduction Reserve - £303,000** withdrawal to meet the carbon emissions element of the Council's energy bill
 - **Community Initiatives Reserve - £1.001m** withdrawal to provide financing for community initiatives and to support expenditure incurred on communities in support
 - **Health and Safety Reserve - £250,000** contribution to be used in 2019/20 for emergency repairs relating to works previously undertaken on Seax House
 - **Transformation Reserve - £11.876m** net contribution, due to unspent funds, including Technology Services Portfolio for use in 2019/20 to continue their programme of works, partially offset by costs relating to redundancy and organisation design (*note: this is before the proposal to appropriate the underlying under spend of £6.500m into the Transformation Reserve (as per Resolution 3 above)*).
6. The financing of capital payments in 2018/19 is approved on the basis set out within Appendix G to report FP/286/03/19).
7. Capital payment budgets, and associated capital financing, of £7.856m are profiled into subsequent financial years, in respect of slippage in schemes.
8. Capital payment budgets, and associated capital financing, of £3.22m are brought forward from 2019/20 in respect of schemes that have progressed ahead of schedule.
9. Portfolios' 2018/19 capital payments budgets are reduced by £8.413m, with increases of £4.234m to other schemes to reflect achieved activity in 2018/19.

That the following be approved in relation to the 2019/20 budget:

10. To increase the approval for redundancy costs from the Transformation Reserve from £8m to £10m, as set out in paragraph 5 of report FP/286/03/19)
11. To close the Schools Sickness Insurance Scheme Trading Activity up on closure of the 2018/19 Accounts.

12. To release £23.2m from the Carry Forwards Reserve in 2019/20 for the purposes detailed in Appendix C to report FP/286/03/19, as well as those approved in the Half Year report (FP/085/02/18) and Third Quarter report (FP/084/02/18).

6. EES for Schools (FP/350/01/19)

(Information contained within a confidential appendix (which also contained an additional recommendation) was taken into account in reaching a decision on this issue – minute 12 below refers)

It was noted that, with the agreement of the Chairman of the Corporate Scrutiny Committee and in accordance with paragraph 20.15 (xix) (a) of the Council's Constitution, the decision relating to this issue may not be called in on the grounds that it is in the interests of the Council for it to be implemented urgently.

Further to the decision taken in May 2018 to market EES for sale (report FP/102/03/18), the Cabinet's approval was sought for the disposal of EES for Schools to an identified buyer.

The following information was provided in response to a question by Councillor Scordis:

- Profits had stalled, and there was a need to balance the costs of an upgrade to the aging software package used and maintaining a suitable level of profit.

Resolved:

That, subject to the buyer accepting the position set out in the Confidential Appendix to report FP350/01/19, the Council sell EES including its assets, liabilities and contracts to the entity named in and for the price and on the terms summarised in that confidential appendix.

7. Cabinet approval to place 2019/20 contractual task orders with Ringway Jacobs for values £5m and over (FP/408/04/19)

The Cabinet's approval was sought to issue to Ringway Jacobs those task orders likely to exceed £5m for the 2019/20 financial year.

The following information was provided in response to questions by Councillors Pond, Mackrory and Scordis:

- It was confirmed that a reference at no. 7 in table 1 of the report to "junction 8 at Harlow" should be "junction 8 at Stansted".
- Local overheads included general costs, such as officer time, as against the actual costs for delivering schemes.

- The Council's Constitution set the level at which contractual task orders required Cabinet approval as £5m.

Resolved:

1. That the Director, Highways and Transportation may issue the task orders to Ringway Jacobs as outlined in Table 1, Appendix 1 to report FP/408/04/19, after taking legal advice about the form and content of the task orders.
2. That the Deputy Leader and Cabinet Member for Infrastructure may change the work to be undertaken under the task orders.

8. Decisions taken by or in consultation with Cabinet Members (FP/382/03/19)

The report of decisions taken by or in consultation with Cabinet Members since the last meeting of the Cabinet was noted.

9. Date of Next Meeting

It was noted that the next meeting of the Cabinet would take place on Tuesday 18 June 2019 at 10.00am in Committee Room 1 at County Hall, Chelmsford.

10. Exclusion of the Press and Public**Resolved:**

That the press and public be excluded from the meeting during consideration of the remaining item of business on the grounds that it involves the likely disclosure of exempt information as specified in paragraph 3 of Schedule 12A of the Local Government Act 1972 – information relating to the financial or business affairs of any particular person).

11. Confidential Appendix: Minutes – 19 March 2019
(Press and public excluded)

The Cabinet noted the Confidential Appendix to the minutes of the meeting held on 19 March 2019, which had been approved as a correct record earlier in the meeting (minute 2 above refers).

12. Appendix 2 - EES (FP/330/01/19)
(Press and public excluded)

The Cabinet considered the Confidential Appendix to report FP/330/01/19 which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 6 above refers).

A full record of the proceedings in relation to this issue is included within the confidential appendix to the minutes of this meeting.

Resolved

That Cabinet approve the recommendation set out in the confidential appendix to report FP/330/01/19.

There being no further business, the meeting closed at 10:25am.

Chairman
18 June 2019