

**Minutes of a meeting of the Cabinet that took place in the Council Chamber at County Hall at 10.15am on Tuesday 23 May 2023**

**Present:**

<b>Councillor</b>	<b>Cabinet Member Responsibility</b>
Cllr Kevin Bentley	Leader of the Council (Chairman)
Cllr Louise McKinlay	Deputy Leader and Cabinet Member for Community, Equality, Partnerships and Performance
Cllr Tony Ball	Education Excellence, Lifelong Learning and Employability
Cllr Graham Butland	Cabinet Member for Devolution, the Arts, Heritage and Culture
Cllr Beverley Egan	Children's Services and Early Years
Cllr Lee Scott	Highways Maintenance and Sustainable Transport
Cllr John Spence	Health and Adult Social Care
Cllr Lesley Wagland	Cabinet Member for Economic Renewal, Infrastructure and Planning
Cllr Chris Whitbread	Finance, Resources and Corporate Affairs

Cllrs Tom Cunningham, Mark Durham, Ivan Henderson, Bob Massey, Mike Mackrory, Mark Platt and Peter Schwier were also present. Attending remotely via Zoom were Cllrs Alan Goggin, David King and Chris Pond.

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

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

1. There had been no changes of membership since the last meeting.
2. Apologies for absence had been received from Councillor Malcolm Buckley, Cabinet Member for Waste Reduction and Recycling.
3. There were no declarations of interest.

**2. Minutes: 18 April 2023**

The Minutes of the previous meeting, held on 18 April 2023, were approved as a correct record and signed by the Chairman.

**3. Questions from the public**

None.

#### 4. 2022-23 Provisional Outturn Report (FP/307/02/22)

The Cabinet received a report which presented and provided commentary on the provisional outturn position for the financial year 2022/23 prior to formal closure of the accounts. The report also explained the key movements since the third quarter overview report (presented to Cabinet on 17 January 2023) to the year-end position.

In presenting the report, the Cabinet for Finance, Resources and Corporate Affairs highlighted amendments to appendices G, H and M of the report, revised versions of which had been circulated prior to the meeting. The recommendations contained within the report were unaffected.

The Cabinet Member for Finance, Resources and Corporate Affairs, with contributions by the Cabinet Members for Highways Maintenance and Sustainable Transport and Health and Adult Social Care, responded to questions on the following points by Councillors David King, Ivan Henderson and Chris Pond:

- When the current assumptions in respect of inflation would be revisited;
- The benefits of using earned value measures, rather than purely financial terms, when considering capital underspends;
- Whether the £8m allocated to the Reserve for Future Capital Funding was felt to be sufficient;
- How the £17m of incurred inflationary pressure had been managed and the impact on reserves;
- The relationship between the underspend for Highways and the level of compensation claims received in respect of damage to vehicles.

#### Resolved:

Agreed to approve the following in relation to the 2022/23 outturn position:

1. Appropriation of the net under spend **£11.742m** as follows:
  - **£8m** to the Reserve for Future Capital Funding to provide some level of resilience to the growing cost escalation risk across the £1.2bn capital programme,
  - Create a new earmarked reserve to be known as the Highways Reserve **and** transfer **£3m** to support one-off investment in Highways. Drawdowns will be approved by the Cabinet Member for Finance, Resources and Corporate Affairs in consultation with the Cabinet Member for Highways Maintenance and Sustainable Transport
  - **£742,000** to the Technology and Digitisation reserve to support ongoing digital transformation, including any emergent pressure coming from 2030 work.
2. Allocation of under spends between portfolios as set out within the 'Transfers of under / over spends between Portfolios' column of Appendix A to report FP/307/02/22.

3. Appropriation of the following amounts to / from restricted and other revenue reserves

**Restricted Funds**

**- Private Finance Initiative (PFI) Reserves**

- Building Schools for the Future - **£574,000** contribution (Appendix D 8iii)
- Clacton Secondary Schools - **£880,000** contribution (Appendix D8iii)
- Debden School - **£22,000** withdrawal (Appendix D 8iii)
- A130 Road - **£1.034m** withdrawal (Appendix D 10iii)

**- Waste Reserve – £7.053m** net contribution comprising:

- Contribution of **£7.227m** to return balances not needed as tonnages were lower than anticipated and **£268,000** to replenish the reserve relating to interim investment in senior resources (Appendix D 12iii)
- Contribution of **£780,000** for site dilapidation works and unspent project funds, for use in 2023/24 (Appendix D 12iii)
- Withdrawal of **£1.222m** to fund waste related projects (Appendix D 12iii)

**- Schools - £5.508m** net withdrawal from the Schools reserve, following net decreases against schools' budgets in 2022/23 (Appendix D 7i)

**- Partnership Reserves**

- Youth Offending Service Partnership Reserve - **£94,000** net withdrawal (Appendix D 3iv)
- Essex Safeguarding Children's Board Partnership Reserve - **£38,000** withdrawal (Appendix D 3iv)
- Adults Safeguarding Board Partnership Reserve - **£33,000** contribution (Appendix D 1vii)
- Public Law Partnership Reserve - **£10,000** withdrawal (Appendix D 15iii)

**Reserve for Future Capital Funding**

**- Capital funding - £781,000** net contribution to transfer revenue financing resources to capital in respect of:

- Capital Financing - £2.508m contribution due to slippage in the capital programme (Appendix D 17ii)
- To offset write off expenditure in relation to Essex County Hospital - £1.182m withdrawal (Appendix D 6iii)
- Schools Devolved Formula Grant categorised as revenue - £612,000 withdrawal (Appendix D 7iii)
- Capital works relating to lift replacement - £20,000 contribution (Appendix D 15iii)

- DUCCL capital project - £47,000 contribution (Appendix D 15iii)
- This is in addition to the £8m contribution to this reserve proposed in recommendation 2.1 above, and will bring the net contribution to £8.781m (Section 2.1)

### Other reserves

- **Carry Forwards - £6.468m** contribution, in respect of revenue budget under spends that it is proposed are carried forward for use in 2023/24. The proposals for utilising this Reserve in 2023/24 are set out in **Appendix C** of this report
  - In addition to this there is a £298,000 contribution returning unused 2021/22 carry forwards no longer required, and a withdrawal of £24,000 relating to a 2021/22 carry forward not previously drawn down in year (Appendix D 3iv, 5iii & 13iii)
- **Adults Risk - £139,000** contribution relating to the Market Initiatives fund, the funding will be withdrawn for use in 2023/24 (Appendix D 1vii)
- **Adults Transformation – £780,000** net contribution comprising:
  - £951,000 contribution, due to unspent project funding (Appendix D 1vii)
  - £171,000 withdrawal to fund expenditure relating to Charging Reform and the Care Quality Commission (CQC). (Appendix D 1vii & 13iii)
- **Ambition Fund - £1.068m** net contribution comprising:
  - £1.404m of contributions, due in the main to unspent project funding, which is required for use in the next financial year and therefore will be withdrawn in 2023/24 (Appendix D 1vii, 4iii, 11iii, 13iii & 15iii)
  - £336,000 withdrawal to fund expenditure for various Leader led initiatives. (Appendix 5iii, 7iii, 8iii & 13iii)
- **Bursary for Trainee Carers Reserve - £75,000** withdrawal relating to the Nightingale Health and Care Bursary Programme (Appendix D 8iii)
- **Children's Transformation Reserve - £634,000** net withdrawal comprising:
  - £651,000 withdrawal to fund foster care fee uplifts and a number of projects to deliver the Children's Transformation Programme (Appendix D 3iv)
  - £17,000 contribution due to the under spend on Children In Care Books project to be used in 2023/24 (Appendix D 3iv)
- **Commercial Investment in Essex Places - £11,000** contribution due to unspent resource costs related to Essex Renewal Fund, for use in 2023/24 (Appendix D 6iii)
- **Community Initiatives Reserve - £279,000** withdrawal to support expenditure incurred on community projects during 2022/23 (Appendix D 4iii)
- **COVID Equalisation Reserve - £30,000** net withdrawals comprising:

- £786,000 contribution to return Covid funding where actual expenditure or income losses were lower than previously forecast in year, of which £660,000 is for use in 2023/24. (Appendix D 6iii, 10iii, 13iii & 15iii)
- £816,000 withdrawals to help cover the continued impact of the pandemic on services (Appendix D 3iv, 4iii & 8iii).
- **Emergency Reserve - £734,000** withdrawal to cover increases in Home to School transport public ticket increases and Local Bus fuel costs (Appendix D 10iii)
- **Essex Climate Change Commission - £846,000** contribution relating to Climate Change for use in 2023/24. (Appendix D 11iii)
- **Everyone's Essex Reserve - £218,000** net contribution comprising:
  - £415,000 contribution relating to Everyone's Economy and Everyone's Environment projects for use in 2023/24 (Appendix D 6iii, 8iii & 10iii)
  - £197,000 withdrawal mainly relating to the Arts and Culture Fund, Adult Community Learning and Community Challenge Fund initiatives (Appendix D 3iv, 5iii, 8iii)
- **General Risk Reserve - £4.296m** contribution relating to Utilities and Energy costs as additional costs were lower than anticipated due to the receipt of government funding and to replenish in relation to the approved pay award decision for 2023/24 (Appendix D 9iii, 10iii & 15iii)
- **Insurance Reserve - £4.865m** contribution due to year end actuarial evaluation and provision (Appendix D 15iii)
- **Quadrennial Elections Reserve - £13,000** contribution due to unspent election funds (Appendix D 4iii)
- **Technology and Digitalisation Reserve - £549,000** net contribution comprising:
  - £1.443m contribution relating to mitigation of future pressures and under spend against Social Care platform programme (Appendix D 15iii)
  - £894,000 withdrawal relating to various technology projects (Appendix D 15iii)
  - This is in addition to the £742,000 contribution proposed in paragraph 2.1 above, and will bring the total net contribution to this reserve to £1.291m (Section 2.1)
- **Transformation Reserve - £1.993m**, net withdrawal comprising:
  - £2.041m withdrawal relating to approved decisions mainly for work on Property Transformation, Libraries Strategy, Concessionary fares reimbursement, Charging Reform and CQC, Support Services and Corporate Print services projects (Appendix D 1vii, 4iii, 6iii, 10iii, 13iii & 15iii)
  - £48,000 contribution relating to the return of North East Quadrant Office Strategy and Digital Connectivity Resourcing funding for use in 2023/24 (Appendix D 6iii & 15iii)

4. Financing of capital payments in 2022/23 on the basis set out within **Appendix G** to report FP/307/02/22.
5. Reprofiting of capital payment budgets, and associated capital funding, of **£31.385m**, into subsequent financial years, in respect of slippage in schemes (as shown in the 'Slippage' column of Appendix H to report FP/307/02/22).
6. The bringing forward of capital payment budgets, and associated capital financing, of **£13.314m** in respect of schemes that have progressed ahead of schedule (as shown in the 'Advanced works' column of Appendix H to report FP/307/02/22).
7. Reduction of capital payment approvals by a total of **£33.395m** (as shown in the 'Reductions' column of Appendix H to report FP/307/02/22), with increases of **£36.244m** to other schemes (as shown in the 'Additions' column of Appendix H to report FP/307/02/22), to reflect achieved activity in 2022/23.
8. Agreed, in relation to the 2023/24 budget:
  - Delegation of authority to the Executive Director for Corporate Services (S151 Officer), in consultation with the Cabinet Member for Finance, Resources and Corporate Affairs, to apply the total of **£11.917m** from the Carry Forwards Reserve in 2023/24 for the purposes detailed in Appendix C to report FP/307/02/22 for amounts that have been requested at year end, plus amounts previously approved by Cabinet to carried into the Reserve during 2022/23. The Section 151 Officer will advise the Cabinet Member for Finance, Resources and Corporate Affairs if, after consultation with the relevant Executive Director, the amount of any carry forward should be reduced.

**5. Adoption and Implementation of ECC Tree Management Plan (FP/540/10/22)**

The Cabinet considered a report which sought approval for the adoption and implementation of an ECC Tree Management Plan

The Leader of the Council and the Councillor Peter Schwier (Climate Tsar), speaking at the invitation of the Leader, with contributions from the Cabinet Members for Highways Maintenance and Sustainable Transport and Economic Renewal, Infrastructure and Planning, responded to questions by Councillors Mike Mackrory, and Chris Pond in relation to:

- Whether Essex Highways had subscribed to the Plan;
- The intended dissemination of the Plan;

- The feasibility of simplifying the process of making small areas of land available for 'adoption' by residents;
- How Parish Councils would be engaged in the delivery of the Plan.

**Resolved:**

1. Agreed to adopt the Essex County Council Tree Management Plan as appended to report FP/540/10/22).
2. Noted that Tree Management Statements will be produced by officers and published on the ECC website.

**6. Supporting Local Bus Services – 2024 Onwards (FP/093/03/23)**

The Cabinet considered proposals regarding the review of ECC supported bus services following expiry of the existing contracts in July 2024.

The Cabinet Member for Highways Maintenance and Sustainable Transport responded to questions by Councillors Ivan Henderson, Mike Mackrory and Chris Pond in relation to:

- The opportunities for Scrutiny to consider the consultation proposals;
- Assurance that before any services were discontinued information on the impact of such on the socio-economic groups using the service were considered;
- Why the Bus Service Operator grant had not been included in the Financial implications data within the report;
- Whether decisions to stop particular services would be made on purely financial grounds;
- The time at which evening, as opposed to daytime, services commenced;
- Whether the contracts allowed for action to be taken against poorly performing operators.

**Resolved:**

1. Agreed that the Director, Highways and Transportation shall consult as follows:
  - a. Retendering the 97 Local Bus contracts set out in Appendix A to report FP/093/03/23, with an approximate annual net cost of £4.9m, for a four-year period with the possibility of extending for a further two years.
  - b. The redesign and re-procurement of 43 contracts as set out in Appendix B to report FP/050/02/23: the 39 bus contracts with an approximate annual net cost of £3.3m and four new Local Bus contracts with an approximate annual net cost of £1.1m for a two-year period with an option for extension for u to a further three years.

- c. That the consultation referred to in b above will be on the basis that if these services are not on course to meet the subsidy requirement of no more than £5 per passenger journey by the time the Council needs to make a decision on what happens after the end of the two-year period, the Council may consult on withdrawal, noting that consultation would not take place until 2025 at the earliest.
  - d. The withdrawal of the 21 low use Local Bus contracts listed in Appendix C to report FP/050/02/23 where the cost is currently more than £10 per passenger journey.
- 2. Noted that following consultation, decision on which services to extend, which services to procure, which services to award and which services to withdraw will be taken by the Cabinet Member for Highways Maintenance and Sustainable Transport as long as decisions can be accommodated within the overall local bus budget.
  - 3. Noted that some contracts for services may need to be the subject of a short-term extension if it is not possible to consult and award contracts by the expiry of the current contracts in July 2024.
  - 4. Noted that the proposals for innovative new delivery models will be brought forward for consideration, including, but not limited to, devolving hyper local services, digital demand responsive services, low-rate flat fares building on the success of the national £2 fare offer, and marketing and promotion of services, including wider ticketing offers. Such investment proposals will be subject to agreement in a decision taken by the relevant Cabinet Members

**7. Decisions taken by or in consultation with Cabinet Members (FP/119/05/23)**

The report was noted.

**8. Dates of Future Meetings**

Noted that Cabinet meetings would take place on the following dates in 2024:

16 January	23 July
27 February	10 September
26 March	8 October
23 April	12 November
28 May	17 December
25 June	

(Unless otherwise notified, all meetings will take place at 10.15am in the Council Chamber at County Hall, Chelmsford, CM1 1QH.)



**9. Date of the next meeting**

The next meeting of the Cabinet would take place at 10.15am on Tuesday 20 June 2023 in the Council Chamber at County Hall, Chelmsford, CM1 1QH.

**10. Urgent business**

There was no urgent business.

There being no further business, the meeting closed at 11.10am.