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**Minutes of the meeting of the Cabinet, held in Committee Room 1  
County Hall, Chelmsford, CM1 1QH on Tuesday, 18 July 2017****Present:**

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| Councillor David Finch     | Leader of the Council (Chairman)  |
| Councillor Kevin Bentley   | Deputy Leader and Economic Growth, Skills, Infrastructure and the Digital Economy (Vice-Chairman) |
| Councillor Susan Barker    | Culture, Communities and Customer   |
| Councillor Ray Gooding     | Education   |
| Councillor Ian Grundy      | Highways  |
| Councillor Sue Lissimore   | Housing, Property and Planning  |
| Councillor Louise McKinlay | Resources   |
| Councillor Dick Madden     | Children and Families   |
| Councillor Simon Walsh     | Environment and Waste   |

Councillors P Channer, J Deakin, A Hedley, I Henderson, S Hillier, M Mackrory, M Maddocks and C Pond also attended.

**1 Apologies for Absence**

Apologies for absence were received from Councillor John Spence (Cabinet Member for Health and Adult Social Care).

**2 Minutes: 20 June 2017**

The minutes of the meeting held on 20 June 2017 were agreed as a correct record and signed by the Chairman.

**3 Declarations of Interest**

Councillor I Henderson declared a Code interest in agenda item 7 (Establishment of a new 900 place secondary school at Paxman Avenue, Colchester) in that he is a member of Essex Fire Authority (minute 7 below refers).

**4 Questions from the Public**

None.

**5 A414 / Edinburgh Way, Harlow (FP/849/06/17)**

The Cabinet was asked to approve expenditure of £9.6m for a proposed joint funded project between the County Council and Local Growth Funding by the South East Local Enterprise Partnership (SELEP) to reduce traffic congestion in Harlow as committed housing developments start to progress. The scheme involved the widening of Edinburgh Way to a dualled two lane standard. Authority was also sought to engage Morgan Sindall PLC as Principal Construction Contractor, through the Eastern Highways Alliance (EHA) Framework, to be appointed by the Director for Capital Delivery.

The Deputy Leader and Cabinet Member for Economic Growth, Skills, Infrastructure and the Digital Economy undertook to provide information to Councillor Mackrory concerning the methodology for assessing best value in relation to capital projects.

**Resolved:**

1. That the contract for construction of the works at Edinburgh Way, Harlow (as set out in report FP/849/06/17) be awarded to Morgan Sindall plc through the Eastern Highways Alliance.
2. That expenditure of up to £9.6m on the contract be approved, in accordance with the tender, for which there is an existing allocation within the capital programme on design and construction of the diversionary works required for Statutory Undertakers plant, an Advanced Works contract and all preliminary design and tendering costs.

**6 Procurement of Support Services for Unpaid Carers (FP/832/05/17)**

The Cabinet's approval was sought to procure new support services for unpaid carers in Essex from 1 April 2018 for a maximum contract period of 60 months. This would replace and enhance the current grant funded services for unpaid carers.

Responding to a question by Councillor Mackrory, the Leader of the Council commented that the proposal represented a different approach to delivery of the service, making more effective use of facilities and resources. In the light of this, he was confident that it would be possible to achieve year on year efficiencies while continuing to meet increased demand and maintain a fixed cost.

**Resolved:**

1. That support services for unpaid carers be procured using a single stage open procurement process based on a fixed price of £4.5m, with tenders to be assessed on the basis of quality, with the contract starting on 1 April 2018 for a period of five years.
2. That the Executive Director for Social Care and Education be authorised to award the contract to the successful bidder following completion of the procurement process.

**7 Establishment of a New 900 Place Secondary School at Paxman Avenue, Colchester (FP/830/05/17)**

Information contained within a confidential appendix was taken into account in reaching a decision on this issue (minute 15 below refers).

Councillor Henderson declared a Code interest in this item (minute 3 above refers).

In the light of the growing demand for additional secondary school places in Colchester, the Cabinet's approval was sought to publish a specification inviting proposals to establish a new 900-place, six form of entry, secondary school and award the relevant contract for delivery of the new school.

The Cabinet Member for Education provided the following information in response to questions raised by Councillor Mackrory and Councillor Henderson:

- The fire strategy for the new school had yet to be developed, but would include all appropriate fire prevention and control measures. The Leader of the Council added that the wider issue of fire safety in buildings owned and maintained by the Council would be reviewed by the independently chaired all-party commission established by the full Council at its meeting on 11 July.
- Although the implications for the Council of the statement by the Secretary of State for Education on 17 July concerning free schools had yet to fully assessed, it was likely that the proposed new school at Paxman Avenue would be an academy.

**Resolved:**

1. That a new 900-place secondary school be established to serve Colchester from September 2019, in order to accommodate population growth in the area.
2. That the Director, Education issue a document seeking proposals to establish a free school in the area.
3. That the Council publicise the fact that it is seeking proposals be sending them to operators of schools in Essex, and by public notice.
4. That authority be delegated to the Head of Infrastructure Delivery to enter into a contract with Barnes Construction following procurement through a mini competition under the Essex Construction Framework for delivery of the new secondary school on the site of the former Alderman Blaxill Secondary School, Colchester, subject to the following conditions having been met:
  - a. Granting of a satisfactory planning permission;
  - b. Confirmation that the construction costs are within the agreed budget as stated within the confidential appendix to report FP/830/17, and that they represent good value for money.

**8**

**2017/18 Financial Overview as at the First Quarter Stage (FP/744/02/17)**

The Cabinet considered a report which set out the forecast financial position of the Council's revenue and capital budgets as at the first quarter stage of the 2017/18 financial year. This reported a full year forecast over spend on revenue of £4.9m (0.5%) against a net budget of £912.7m. This assumed full commitment of the Emergency Contingency (£4m), which if

not required would result in a full year forecast over spend of £900,000.

The report also set out an over spend of £2.6m on capital against the current budget of £262m. After taking account of the budget change requests set out within the report, together with a recent Cabinet report to add LED Phase 3 rollout (£4.4m) to the capital programme, there would be an over spend of £1.4m.

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

- The Cabinet Member for Resources explained that the discrepancy in the Tax Base for Rochford (paragraph 3.1 of the report) had arisen due to an error by Rochford District Council. She also commented that the Council would continue to demonstrate a responsible approach to financial management by working within existing budgets.
- The Cabinet Member for Children and Families commented that the increase in the cost of legal proceedings within his portfolio related largely to childcare issues. A detailed breakdown would be provided to Councillor Mackrory.
- The Leader of the Council reassured the Cabinet of his support for the Community Investment Fund (CIF) and advised that he would brief Group Leaders later that day regarding future plans for it.

The Cabinet Member for Resources undertook to provide written responses to the following additional issues raised:

#### **To Councillor Mackrory**

- An explanation for the virement referred to in paragraph 2.3(iii);
- Information concerning the impact on staffing levels and service provision (if any) of the under spend referred to in paragraph 5.1.1 (ii).

#### **To Councillor Pond**

- Information concerning the possibility of amortising the payments relating to PFI Schemes referred to in paragraph 2.1.(ii).

#### **To Councillor Henderson**

- Information concerning the arrangements in place for ensuring that payments to early years providers were maintained at an appropriate level.

#### **Resolved:**

- 1 That funds be drawn down funds from reserves as follows:

i) **£1.2m** from the Transformation Reserve to the Health and Adult Social Care portfolio relating to the Short Term Support in the Community project

ii) **£1.1m** from the Private Finance Initiatives (PFI) Equalisation reserves to the Education portfolio in relation to Debden School PFI (**£439,000**) and Clacton Secondary schools' PFI (**£626,000**)

iii) **£650,000** from the Carbon Reduction Reserve to the Resources Recharged Support Services portfolio in relation to the annual Carbon reduction payment

iv) **£476,000** from the Community Initiative Fund Reserve to the Environment and Waste portfolio to fund capital spend of **£187,000** and revenue spend of **£289,000** in relation to grants to third parties for Community improvements

v) **£60,000** from the Transformation Reserve to the Housing, Property and Planning portfolio to develop and implement the Housing Infrastructure Bid Readiness project.

vi) **£43,000** from the Transformation Reserve to the Housing, Property and Planning portfolio in respect of Organisational Design Phase 1 Service Management redundancy costs

2 That funds be appropriated to reserves as follows:

i) **£178,000** to the PFI Equalisation reserve from Education portfolio in relation to Building Schools for the Future

3 That the following adjustments be approved:

i) To vire **£388,000** from Culture, Communities and Customer

portfolio to Resources Recharged Support Services portfolio relating to underspends contributing to the Support Services Project (See 5.1.3.i and 5.1.14.ii)

ii) To transfer **£253,000** from ELS Reserves in the Resources Traded Portfolio to EES Traded Reserve in the Education Traded portfolio to return some of the financial support provided to ELS at the end of 2015/16 financial year

iii) To vire **£165,000** from Culture, Communities and Customer portfolio to Health and Adult Social Care portfolio relating to the Essex Cares Sensory contract

iv) To vire **£25,000** from Culture, Communities and Customer portfolio to Resources Recharge Support Services portfolio to fund the IT asset audit work

v) To amend the capital budget as shown in Appendices C (i) and C(ii) which allows for capital slippage of **£6m**, capital budget additions of **£2.1m**, capital budget reductions of **£701,000** and advanced works of **£1.4m** (see section 7).

## **9 Procurement of Commercial Vehicles and Associated Maintenance (FP/754/02/17)**

Information contained within a confidential appendix was taken into account in reaching a decision on this issue (minute 16 below refers).

The Cabinet's approval was sought for the procurement of leased commercial vehicles, their maintenance, fleet management and short term hire vehicle provision for Essex County Council. The value of the contract was estimated to be £7.8m over the five year term.

The Cabinet Member for Resources undertook to provide a written reply to Councillor Pond regarding the possibility of weighting the procurement to reflect a move away from diesel vehicles, and also to Councillor Mackrory regarding the likely TUPE implications of the proposal for staff previously transferred from ECC to VLS.

### **Resolved:**

1. That the re-procurement of leased commercial vehicles on a 5 year contract (on a 3+1+1 basis), short term hires, maintenance services

and fleet management services be agreed, using the single stage open procurement procedure, applying high level evaluation criteria of 60% price and 40% quality.

2. That the Director, Business Operations be authorised to award the contract to the winning bidder.
3. That the purchase of new commercial vehicles be frozen from 31 October 2017 until the start of the contract with the winning bidder.

#### **10 Creation of a Property Investment Fund (FP/855/06/17)**

In the light of the significant shortfalls between demand and available funding faced by the Council, the Cabinet's approval was sought to allocate £50m capital for the purpose of investment in UK commercial property with a view to generating income to help deliver outcomes key to residents and business in Essex. Report FP/855/06/17 outlined the proposal and sought approval for the funding requirement, the investment criteria (upon which the transactions would be assessed) and the risks.

In response to questions by Councillors Pond and Mackrory, the Leader of the Council provided an assurance that the Council's Risk Register would be updated as required to reflect any potential risk related to the proposed purchase of commercial property. The Cabinet Member for Resources advised that the Council was adopting a prudent approach, and she had met with the Chairman of the Scrutiny Board to ensure Scrutiny involvement in developing the criteria for determining whether or not to proceed with an acquisition.

#### **Resolved:**

1. That £50m be added to the Capital Programme for 2017/18 to create a commercial property investment fund to generate income, to be funded via borrowing which will be repaid from the income generated by the property.
2. That decisions relating to the acquisition and disposal of investment property will be taken by the Executive Director for Corporate and Customer Services (under £2m) or by the Cabinet Member for Resources in consultation with the Executive Director for Corporate and Customer Services (over £2m), in both cases after consulting the Leader of the Council.
3. That the fund will only be spent on the acquisition of commercial property located in the UK (not housing sites or development land) and that the Council should seek to achieve a gross return of at least 5% (formally referred to as Net Income Yield, (NIY)) on its investments.

#### **11 SEND Capital Programme Determination of Statutory Notices and Award of Contract (FP/869/06/17)**

Information contained within a confidential appendix was taken into account in reaching a decision on this issue (minute 17 below refers).

In the light of the growing demand for additional school places for children with special educational needs across the County, the Cabinet's approval was sought to expand Lexden Springs School and Oak View School, and convert places to boarding places for Glenwood School, following a statutory consultation process.

In response to comments and questions by Councillor Pond, the Cabinet Member for Education stated that he was keen to alleviate issues for those living near Oak View School in terms of the proposed building work and from the subsequent increase in the numbers of children arriving at the school by bus. He undertook to liaise with Epping Forest District Council regarding a site owned by them which was adjacent to the school, and agreed that the budget for the scheme (as set out in the confidential appendix to the report) should be amended to reflect the potential outcome of these discussions.

Responding to Councillor Henderson in relation to fire safety issues, the Cabinet Member commented on the need for fire strategies to be tailored to individual buildings, in order to allow account to be taken of their particular design purpose.

**Resolved:**

1. That Lexden Springs School expand as the proposal published in the statutory notice of 8 June 2017, involving the addition of 50 places, 30 of which are boarding places.
2. That Glenwood School should convert 20 current places to boarding places, as published in the statutory notice of 8 June 2017.
3. That Oak View School be expanded by 24 places, as published in the statutory notice of 8 June 2017.
4. That the procurement of the associated building works for Lexden Springs, Glenwood and Oak View Schools be undertaken through a two stage design and build mini competition using the Essex Construction Framework.
5. That authority be delegated to the Head of Infrastructure Delivery to award the contracts to the successful bidders for work at Lexden Springs, Glenwood and Oak View Schools respectively, once the following conditions have been met:
  - a. granting of a satisfactory planning permission;
  - b. confirmation that the construction costs are within the agreed budget and represent value for money.
6. That the capital budget for construction and associated project fees at Lexden springs, Glenwood and Oak View Schools be approved, as per the profiles stated in the confidential appendix to report FP/869/06/17.

**12**

**Cabinet Decisions Report (FP/847/06/17)**

The Cabinet received a report setting out the decisions taken by or in consultation with Cabinet Members since the last meeting.

In response to a question by Councillor Henderson relating to decision FP/ 853/06/17, the Cabinet Member for Culture, Communities and Customer confirmed that a modest charge was to be introduced for use of accommodation in libraries. Charitable organisations would receive a preferential rate, and all affected groups would be notified.

Also in response to Councillor Henderson with regard to decision FP/856/06/17, the Cabinet Member undertook to reply in writing concerning the numbers of posts being deleted as part of the Trading Standards restructure, and the implications of this for the Service.

The report was **noted**.

**13 Date of Next Meeting**

It was noted that the next meeting of the Cabinet would take place on Tuesday 19 September 2017 at 10.00am at County Hall, Chelmsford, CM1 1QH.

**14 Exclusion of the Press and Public Resolved:**

That the press and public be excluded from the meeting during consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

**15 Establishment of a New 900 Place Secondary School at Paxman Avenue, Colchester (Confidential Appendix)**  
(Press and public excluded)

The Cabinet noted the confidential appendix to report FP/830/05/17), which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 7 above refers).

Responding to a question by Councillor Mackrory, the Cabinet Member for Education commented on the funding mix for the scheme, in particular relating to the level of S106 contributions.

**16 Procurement of Commercial Vehicles and Associated Maintenance (Confidential Appendix)**  
(Press and public excluded)

The Cabinet noted the confidential appendix to report FP/754/02/17), which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 9 above refers).

**17 SEND Capital Programme Determination of Statutory Notices and Award of Contract (Confidential Appendix)**  
(Press and public excluded)

The Cabinet noted the confidential appendix to report FP/869/06/17), which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 11 above refers).

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**Chairman**

**19 September 2017**