

MINUTES OF A MEETING OF THE EXECUTIVE SCRUTINY COMMITTEE HELD AT COUNTY HALL, CHELMSFORD ON 29 JANUARY 2013

Present

G Butland (Vice-Chairman) (until 11.05am)	J Pike
W J C Dick (from 10.55am and the commencement of item 7)	Mrs I Pummell
M Mackrory (Chairman)	J Roberts
S Mayzes	Mrs A Turrell
Mrs V Metcalfe	B Wood
M Page	J A Young (Vice-Chairman)
	R Walters

The following officers were present in support of the meeting:

Robert Fox	Governance Officer
Graham Hughes	Committee Officer

1. Apologies for Absence and Substitutions

The Committee Officer reported apologies for absence from Councillors S Candy, N Edey, A M Hedley, and G Mitchinson. Councillor R Walters was substituting for Councillor N Edey.

2. Declarations of Interest

The following Councillors declared a personal interest.

G Butland	Personal Interest as Member of Braintree District Council and, in relation to discussions on the voluntary sector within Item 6, a personal interest as Chief Executive of the East Anglia Children's Hospice.
W J C Dick	Personal Interest as Member of Castle Point Borough Council and Member of Essex Fire Authority
S Mayzes	Personal Interest as Member of Tendring District Council
M Page	Personal Interest as Member of Tendring District Council
J Roberts	Personal Interest as Member of Essex Fire Authority
A Turrell	Personal Interest as Member of Colchester Borough Council
R Walters	Personal Interest as Member of Braintree District Council
B Wood	Personal Interest as Member of Castle Point Borough Council
J A Young	Personal Interest as Member Colchester Borough Council and Member of Essex Fire Authority. Personal Interest as Assessor for the East of England Member Development Charter Scheme.

3. Minutes

The minutes of the meeting held on 5 November 2012 were approved as a correct record and signed by the Chairman.

4. Order of Business

The Chairman proposed, and it was agreed, to vary the order of business from the published agenda so that the 2012-13 Financial Review as at the Third Quarter was considered first, followed by the Revenue and Capital Budgets 2013-14 and Medium Term Resource Strategy item and then Transformation 2. Thereafter, the order of business would follow that of the published agenda.

5. 2012-13 Financial Review as at the Third Quarter Stage

The Committee considered the 2012-13 Financial Review as at the Third Quarter Stage, (ES/04/13), introduced by Councillor Finch, Deputy Leader of the Council and Cabinet Member for Finance and Transformation Programme. Councillor Finch thanked the Finance staff involved with the preparation of both this update and the Budget item that followed which had been particularly challenging due to delayed announcements of Central Government funding settlements.

Overview

The projected underspend on the current revenue outturn forecast for the third quarter stage was £25.059 million, whilst the Capital Payments underspend was £28.306 million after proposed adjustments. Within the current revenue projection the Emergency Contingency of £8 million was currently assumed fully spent although it was unused at present. If this remained unused at year-end the under spend would be £33.059 million.

Revenue

Councillor Finch highlighted four of the most significant variances within the Revenue Budget; a £13.977 million underspend for Children's Services was predominantly as a result of the reduced number of externally commissioned care placements, reduced usage of agency staff and recruitment delays and a lower spend within Looked After Children; lower net borrowing costs of £8 million as a result of reduced borrowing to support the capital programme and higher than expected cash balances; an underspend of £1.144 million in Recharged Support Services for the Transformation Support Unit partly due to slippage and delays in recruitment; and an underspend of £701,000 in Economic Growth and Waste and Recycling predominantly as a result of a reduction in the forecast tonnage to landfill and under spends in the Systematic Review Project.

The number of Children in Care was currently 1,290, having been 1,580 in 2011, and was projected to further reduce to 1,253 by March 2013. Members congratulated the Schools Children and Families Service for their efforts in reducing the number of Children in Care. It was acknowledged that within this number a small number of children would have been placed in homes outside the county.

Capital

The projected under spend on the capital programme totalled £26.295 million (16%) against the latest capital budget of £164.674 million. Excluding Cash Balances Held by Schools and Devolved Formula Capital, the projected under spend totalled £26,819 million (18%) against a latest budget of £152.096 million.

Councillor Finch highlighted key points in connection with the Capital Programme including the following amounts being re-profiled into 2013/14:

Property Transformation Refurbishment - £1.376 million;
Building Schools for the Future (BSF) - £1.628 million, which was funded by a BSF ring-fenced grant (the ICT budget for BSF would be reduced by £996,000 which would be funded as a revenue cost);
Highways and Transportation - £11.468 million with £2.766 million relating to Local Highways Panels. The remaining £8,702 million had s106 funding, external funding or was contractually committed. It was confirmed that it was currently planned that the under spend on Local Highways Panels would be carried forward to the next year;
Harlow A414 Capacity Improvements - £1.082 million due to delays in utility works and final construction associated with the scheme which would not now commence until the next financial year; and
Integrated County Strategy - £2.000 million as initial spend was expected to occur in 2013.

In response to Member questions it was confirmed that (i) the progress, and any slippages, of capital projects were monitored through the Capital Programme Board and (ii) the Committee **Agreed** that further information on the deficit on Trading Activities would be included in the next quarterly update to the Committee.

The Committee **noted** the report.

6. Revenue and Capital Budgets 2013-14 and Medium Term Resource Strategy

The Committee considered the Revenue and Capital budgets 2013-14 and Medium Term Resource Strategy (ES/01/13) introduced by Councillor David Finch, Deputy Leader of the Council and Cabinet Member for Finance and Transformation Programme. Councillor Finch stressed that there were significant economic challenges which was leading to greater volatility in budget planning and highlighted that this was exacerbated by funding uncertainty as details on some finalised Central Government grant settlements remained outstanding. Consequently, the meeting of Full Council originally scheduled for the following week to approve the Budget had been pushed back a week in anticipation of soon receiving this outstanding grant information for inclusion in a finalised budget.

Overview

The 2013-14 revenue budget was outlined with the draft net cost of services estimated at £967.3 million compared to a latest budget in 2012-13 of £950.9 million, although direct comparison was distorted by reclassifications of certain grants. A Budget Requirement of £903.6 (after allowing for General Government Grants and a Withdrawal from General Balance) had been identified. ECC would apply for the Council Tax Freeze Grant for the third year running which meant that the Council Tax rate for 2013-14 would not be increased from that set for 2012-13. Members were mindful that the budget base line would remain unchanged for the third year running as a result.

Schools

The Schools Funding Settlement for 2013-14 was outlined. Schools expenditure, predominantly funded through the Dedicated Schools Grant (DSG), lay largely outside of ECCs control. It was estimated that the Schools Block part of the DSG would reduce by £309.457 million reflecting the increased number of schools achieving academy status who would receive Government funding direct rather than via the County Council. Changes in population demographics would also mean that demand for schools would vary from area to area within the county.

Children's Services

Some of the emerging pressures and efficiency opportunities in Children's Services were outlined including expected £2.4 million savings in Early Years and Childcare as a result of a major redesign of the service. During subsequent discussion Members stressed the need to take into account that the success of the Troubled Families Project would rely heavily on recruiting a significant number of highly capable volunteers. Members highlighted that some voluntary bodies, particularly smaller ones, were struggling for funding. However, it was stressed that contracting parties had to meet the requirements of the commissioning party and that the County Council was prioritising the approval of grant funding to those voluntary organisations that could deliver the County Council's desired outcomes. In response to Member questioning, the Cabinet Member agreed to investigate and ensure that, when contracting with the voluntary sector, the County Council had a consistent approach to risk management.

Adult Social Care

The main budget pressures for Care and Support within Adult Social Care were demographic growth (£13.3 million) and Inflationary increases (£8.1 million). The service had delivered significant efficiency savings through taking commercial opportunities, containing cost pressures and new ways of working. In response to questioning, it was confirmed that the County Council acknowledged the significant challenge facing this particular service and were continually reviewing ways of working (including earlier interventions and re-ablement) and a number of actions had been taken in response to this. It was acknowledged that any further detailed information on the provision of ASC required by Members would need to be given by the portfolio holder.

Miscellaneous

The transfer of Public Health to the County Council and the development of Community Budgets would give further opportunities for further partnership working to deliver more streamlined and effective services.

Councillor Finch would investigate whether a subsidised sewing class advertised recently was consistent with current corporate objectives and priorities.

The focus on highway repairs, particularly pot hole repairs, would remain.

Employees

It was **agreed** that Councillor Finch would provide further information on the current ECC workforce size compared to the start of the current political administration in 2009.

In relation to publication of Pay data it was confirmed that ECC complied with statutory obligations and that it aimed to be as transparent as possible in this regard.

The Committee **noted** the report.

7. Transformation Phase II

Keir Lynch, Executive Director for Transformation, joined the meeting and introduced a report (ES/04/13) outlining the high level intentions of Transformation Phase II and the savings achieved in Transformation Phase I. Councillor David Finch, Deputy Leader of the Council and Cabinet Member for Finance and Transformation Programme was also in attendance to support this item.

The high level intentions for Transformation Phase II were to create a Council that was more efficient, agile and flexible, separating delivery of services from commissioning, and able to operate within a budget of around £200 million lower than 2012 funding levels.

It was emphasised that the approach had been adopted so as to not 'shy away' or defer difficult choices and stressed the importance of ensuring that future changes were sustainable. Good governance of the Programme was essential and would be led and supported by the TSU and Programme Office. It was anticipated that there would be opportunities for further integration and improved pathways by increased partnership working with other organisations. However, it was stressed that this would not be universal and that, whilst the County Council had worked very effectively with boroughs and districts on Council Tax issues, there would be some issues where the County Council would have different agendas and priorities to the boroughs and districts.

Resources would be integrated around people and their needs and, as part of this, the County Council would be developing an "All Age Service" structure for

many of its services. Different delivery vehicles, and early interventions, would be implemented so as to improve the customer care/service pathway.

Whilst the County Council were looking to increase community resilience, it was suggested that in the current economic climate local communities may actually be less resilient.

The Highways function had undergone significant restructuring and some depots had been upgraded although it was acknowledged that some staff had been released who, on reflection, should have been retained.

Members questioned whether the trend towards increased commissioning had led to a more complex working environment. The Cabinet Member stressed that contract management processes had significantly improved and that significant savings had been achieved. Whilst some ECC expertise in contract management was shared with other partners it was not actively marketed to ensure that contract management remained focussed on ECC contracts.

The Committee **noted** the report and it was **Agreed** that the Committee should be regularly briefed on the progress of Transformation II through quarterly updates at future meetings.

8. Corporate Plan Progress Report

The Committee considered the progress of the Corporate Plan as at the second quarter 2012/13, (ES/03/13) presented by Councillor David Finch, Cabinet Member for Finance and Transformation, supported by Justine Atterbury, Information and Intelligence Business Partner – Place and Adam Kendall Strategic Information and Intelligence Manager.

The report provided an updated assessment of the progress made in delivering the County Council's Corporate Plan Priorities in 2012/13. During discussion certain measures and scores were highlighted and/or discussed further:

Measure 1.1.3: the percentage of children achieving five plus A* - C grades in GCSE or equivalent had improved on previous years and was on track to meet the previously set target. Members questioned whether ECC should be aspiring to a yet higher figure. It was stressed that the County Council were not complacent in relation to this measure and that there was significant disparity in educational achievement between different areas in Essex and that a pan county focus needed to be maintained.

Measure 3.2.11: The County Council anticipated having greater access to, and influence over, the wider determinants of health as a result of the transfer of responsibility for Public Health from Primary Care Trusts to County Councils in April 2013. Members were in support of initiatives to encourage greater adult participation in sports to help reverse the current rising trend in obesity rates and further details on these initiatives would be provided to Members.

Measure 3.1.3: the trend for Activity Levels for Older People Supported Through Assistive Technology showed a slight reduction. The main aim was to reduce pressure on residential and domiciliary care by promoting independence and sustainability through re-ablement but evaluating and measuring the effect if those customers had instead used other alternative sustainable models of care was problematic.

Measure 5.1.5: it was noted that there was a discrepancy between the numbers stated for fatalities and serious injuries on Essex roads and those stated by Essex Police in the press recently due to the latter reported only fatalities and based on Police Force Boundaries which did not map directly with Essex County boundaries (for example they also included Southend and Thurrock data).

Members also highlighted concerns about the youth unemployment rate. A significant investment was being made into apprenticeships in Essex.

The report was **noted**.

Councillor Finch was thanked for his attendance and then left the meeting.

9. East of England Member Development Charter

Councillor John Aldridge, Cabinet Member for Adult Social Care (Chairman of the Member Development Steering Group), and Joanna Boaler, Member Support Manager, joined the meeting to provide an update (ES/05/13) on the progress made in achieving the East of England Member Development Charter.

The Charter aimed to promote best practice in Member development. Work had been progressing over the last 12 months in meeting the requirements of the Charter with final assessment scheduled for March 2013. During discussion the following points were made:

- (i) The Charter would ensure that ECC had a structure for future member inductions;
- (ii) A revised guide was available to County Council election candidates once the period for nominations had closed;
- (iii) It was agreed that advance pre-election briefings would be considered for each political party;
- (iv) Specific Member skill sessions, including suitable external courses (subject to budgetary limitations), should be considered;
- (v) Members would need to be proactive in advising of non ECC training undertaken and maintaining their own Personal Development Plans so as to provide an overall comprehensive record of their personal training (particularly useful for 'twin-hatted' Members).
- (vi) Members appreciated and recognised the considerable work involved in progressing towards Charter status.

The report was **noted**.

10. Forward Look

The Committee considered and **Agreed** the Forward Look (ES/06/13).

11. Dates of Future Meetings 2013

The next meeting of the Committee would be at 10am on Tuesday 26 February 2013 in Committee Room 2.

There being no urgent business the meeting closed at 12.02 pm.

Chairman
26 February 2013