

# The Leader's Report of Cabinet Issues

## 1. Recommendations to Council

The Cabinet agreed to recommend the following two issues to Council for consideration. The matters concerned are the subject of separate reports on the agenda for this meeting:

- Revenue and Capital Budgets 2014/15 and Medium Term Resource Strategy
- Corporate Outcomes Framework

## 2. Financial Strategy 2014/15 and Beyond

As a precursor to its consideration of the 2014/15 budget, the Cabinet was updated on the Council's financial planning process and on the Financial Strategy for 2014/15 to 2016/17. The Cabinet noted the funding landscape and the impact of funding changes on projected resources, together with the anticipated impact of the Transformation Phase 2 programme. The updated planning totals and the approach to setting the capital programme for the coming years and the approach to the maintenance of reserves were also noted.

## 3. Strategy for Children and Young People with Special Educational Needs and Disability (SEND) 2014-19

The need for the development of a SEND Strategy, replacing the existing 2008 policy (updated in 2011), was identified as part of the Lifelong Learning Strategy agreed by Cabinet in March 2013.

A key driver for the Strategy's development has been the significant Government reforms to education, health and social care when working with and for children and young people with SEND (0-25) and their families and/or carers. This includes the ongoing development of the Children and Families Bill, scheduled to receive royal assent in spring 2014, and the accompanying SEND Code of Practice.

The strategy and associated implementation plan are to become key drivers for increasing confidence in the system, but the underpinning driver is to address the poor outcomes being achieved by many children and young people with a SEND category.

The Essex strategy has been informed by significant consultation activity, engaging as many key stakeholders as possible.

The Cabinet approved the SEND Strategy 2014-19 for launch on 6 January 2014. It also approved the associated implementation plan for 2014-15 and agreed the

approach for monitoring progress against the plan, together with its annual review and refresh arrangements.

#### **4. Transforming Corporate Systems: Future Process**

The Council is procuring replacement IT systems in a project entitled 'Transforming Corporate Systems'. The programme will implement fully integrated and modernised finance, procurement, HR and business intelligence systems, realising significant benefits from the fourth quarter of 2014/15.

In order to avoid delays in project implementation (which could ultimately result in lost savings), the Cabinet delegated authority to the Leader of the Council to appoint the preferred bidder and authorise signature of the contract. It also agreed that the contract must either be within the Council's affordability envelope, or may exceed the affordability envelope by an amount equivalent to additional savings which the bidder can guarantee over and above the Council's previously specified benefits.

#### **5. 2013/14 Financial Review as at the Third Quarter**

The Cabinet considered the forecast financial position of the Council for 2013/14, based upon the position at the third quarter, noting that the current revenue outturn forecast is for an unadjusted underspend of £15.1m, as compared to £7m at the half year stage. A number of technical adjustments to reserves were agreed, resulting in an adjusted position of an under spend of £2.0m for the year. A number of other adjustments were agreed in respect of over spends within the Economic Growth and Infrastructure portfolio, the Transformation and Corporate Services portfolio and the Leader and Finance Recharged Strategic Support Service portfolio.

A projected underspend of £37.9m against the approved capital payments guideline was also noted, and the Cabinet was informed of ongoing work to improve the capital programme process, with a view to reducing the level of slippage.

In order to allow the use of 2013/14 underspends to fund certain distinct 2014/15 risks and commitments, the Cabinet approved the establishment of three earmarked Reserves in respect of Community Resilience, Consultation and Economic Growth Strategy.

#### **6. Corporate Plan Progress Report as at the Third Quarter**

The Corporate Plan sets out the outcomes which the Council committed to deliver against its five priorities, together with the measures of success identified to assist in the management of performance.

The Cabinet noted the performance achieved against these indicators for 2012/13 (where year-end data or comparative data has been recently released) and noted progress so far for 2013/14 (where data is available). It also noted that the progress report is to be considered by the Corporate Scrutiny Committee.

## 7. Early Years and Childcare: Essex Children's Centres

The Cabinet has approved a restructure of the model for the delivery of Children's Centres across the County. It has also agreed to extend the four existing contracts for provision of Children's Centres across the County (Barnardo's – North East and South Essex, 4 Children - Mid Essex and Surgeons - West Essex) for two years from 1 April 2014 – 31 March 2016.

Children's Centres are part of the Council's effective early support system for children, young people and their families. The system aims to ensure that there is sufficient high quality provision to prevent the needs of children, young people and families escalating into more costly intervention and to support a step down from more costly service where appropriate. As part of the Council's next stage of transformation, and consistent with the Vision for Essex adopted in July 2013, there is a need to improve the way services are delivered in this area and to make savings.

Currently, Children's Centres in Essex are organised on a quadrant-based model (North East, South Essex, Mid Essex and West Essex) and contracts with the existing providers are due to expire on 31 March 2014. This imminent expiry, together with changes to the inspection framework, has provided an opportunity to review the delivery model.

Discussions with existing providers about the current contracts identified that savings could be made by continuing to provide the services but reducing the numbers of Children's Centres. In future, Children's Centres will be delivered via a 'main site' and 'designated delivery site' model, with each main site having linked delivery sites as part of their network of provision.

**Main sites** are buildings which are proposed to be open to the public for drop in visits and service delivery. Services will be available to families for 50 hours a week, maybe as a combination of centre open hours and telephone service operating times. Website information will be available 24 hours.

**Designated delivery sites** will be open for a set number of hours each week, varying between 5 and 35. Website information will be available 24 hours.

**Outreach services** will continue to be provided based on need within the community and will adapt to meet changing family needs. They will be held in community venues such as church halls, village halls, libraries or health centres. They also include targeted one to one support in the home.

In reaching its decision, the Cabinet noted the following:

- a Children's Centre service will continue to be provided for all children in Essex;
- although the proposals would result in a reduction in the numbers of registered Children's Centres, there will be no change to the current service specification;

- the benefits of the proposed changes include reduction in rental and utility costs for existing registered sites directly let by providers and efficiency gains through leaner management, leaner processes and administration of the services through the main sites;
- there will also be benefits to service users as staff will be released from staffing under-utilised buildings. This will allow for a flexible staffing model, with the opportunity to redirect staff toward more front-line work, supporting vulnerable families and children; and
- Children's Centre services will continue to be provided at 82 of the current 85 sites.

### **Note**

This decision was called in following the Cabinet meeting and referred to the People and Families Scrutiny Committee for consideration.

## **8. Home to School Transport Policy**

The Council's current expenditure on home to school transport is in the region of £25 million, of which over £10 million is spent on facilitating access to schools for pupils with a statement of Special Educational Needs (SEN). The cost is increasing as a result of rising demand and the general cost of transporting children to and from school.

In the light of this, and the fact that the current home to school transport policy allows some pupils to receive free transport in circumstances where the Council is not required by law to provide it, a decision was taken to review the service. A number of potential options for change were developed, with a consultation exercise undertaken in autumn 2013.

The consultation document included the following proposals:

- Removal of the use of priority admission area to determine entitlement – use nearest school.
- Review of unavailable walking routes to take account of current circumstances
- Withdrawal of provision of transport to low income families with a child attending a selective school
- Addition of a means tested assessment as part of the process to assess cases where there may be exceptional circumstances
- Changes to the 'application window' for applications made under the discretionary post 16 and exceptional transport policies
- Reduction in transport assistance for Post 16 learners, such that support will only be provided in certain circumstances.

Having considered the proposed changes in detail, including the benefits and risks of each, and having taken account of the consultation responses, the Cabinet has authorised the Director for Commissioning: Education and Lifelong Learning to update the Council's home to school transport policy to reflect the following changes:

- 1) With effect from September 2015 the Council will only provide transport to a pupil's nearest non-faith school unless there is a statutory duty to provide transport, but that as a transitional measure, this is not applied to pupils who are, in July 2015, receiving transport until they complete their current phase of education or leave that school. For the purpose of this decision 'faith school' includes Voluntary Aided Schools and Becket Keys School.
- 2) Certain routes to Bromfords School and Grange Primary School, Wickford and Forest Hall (formerly Mountfitchet) School, Stansted will be designated as safe walking routes and the Cabinet Member for Education and Lifelong Learning will review other routes which have previously been considered not to be safe walking routes in the light of advice from the Member Routes Panel.
- 3) Where a pupil ceases to be entitled to free transport as a result of the re-classification of a route as available to be used as a walking route, the Council will give at least one full term's notice to those affected.
- 4) Transport will continue to be provided for those students from low income families attending selective (grammar) schools in accordance with the existing policy.
- 5) With effect from 1 September 2014 the Council will take account of family income when deciding whether transport should be provided in exceptional circumstances, applying a means test in normal circumstances.
- 6) With effect from 1 September 2014 the Council will not normally consider requests to provide transport in exceptional circumstances other than between 1 March and 30 September and between 1 and 31 January.
- 7) With effect from 1 September 2014 post 16 learners from low income families are asked to make a contribution of £450 per year for transport to post 16 education which can be paid in instalments.
- 8) With effect from 1 September 2014, transport for Post 16 learners who have a statement of SEN will continue to be provided, as long as the school named within that statement is the nearest to their home that meets their needs. There will continue to be a charge for this provision.
- 9) With effect from 1 September 2014, transport assistance will be provided to those new Post 16 learners with SEN or additional needs, who no longer have a statement, but attend FE Courses. Assistance will be in the form of either a pass to travel on existing or public transport contracts or a Personal Transport Budget, based on assessed need.
- 10) The provision of subsidised transport to all other Post 16 learners not covered in paragraphs 7 – 9 above be ceased from 1 September 2014, with the purchase of tickets on existing public services on a full cost recovery basis to be allowed instead.
- 11) The Council will work with transport operators to encourage them to provide commercial school transport services to meet community demands and they will in principle be permitted to sell spare seats on County Council commissioned

routes on a commercial basis with a view to reducing the cost to the Council of those services.

#### **Note**

This decision was called in following the Cabinet meeting and referred to the People and Families Scrutiny Committee for consideration.

### **9. West Essex Pupil Referral Unit**

West Essex Pupil Referral Unit (PRU) has capacity for 125 children. It was placed in special measures by Ofsted in March 2012 and was assessed in May 2013 as making satisfactory progress (compared with the position in January 2013 when progress was not satisfactory).

In a recent consultation with all Essex secondary schools concerning the future delivery and funding of alternative provision for children unable to attend a school setting for a variety of reasons, schools in West Essex stated that they did not wish to continue to commission the West Essex PRU. This was due to concerns about the quality of provision and access and transport challenges for pupils in some areas.

Cabinet has therefore agreed to seek the consent of the Secretary of State for Education to discontinue the West Essex PRU with effect from 3 August 2014. The Council will, however, retain responsibility for providing services for children unable to attend school for medical reasons which are currently provided by West Essex PRU.

All funding currently associated with provision for pupils with challenging behaviour at West Essex PRU will be delegated to a lead school in each of the three West Essex districts (Harlow, Epping Forest and Uttlesford) to enable them to develop or commission provision for these pupils. Harlow schools have agreed to commission provision for pupils with challenging behaviour through the new Aspire Academy (free school) and Headteachers from Epping Forest and Uttlesford are currently also in discussion with the academy about commissioning places for pupils in their districts.

### **10. Building Work at John Ray Infant and Junior Schools, Braintree**

John Ray Infant and Junior Schools are co-located infant and junior schools in Braintree. John Ray Infant School is currently occupying temporary accommodation following the destruction of its building by fire in August 2013.

The Council is currently in negotiation with its insurers regarding the replacement of the infant school building. At the same time, the demography of the area means that there is a shortage of school places, and the Council is currently consulting on expanding both the infant and the junior schools from three forms to four forms of entry. Although insurance will clearly not fund the building of the infant school to a larger size, combining the rebuild of this school with its expansion and that of the junior school will minimise disturbance for the children as well as achieving procurement savings.

The Cabinet has agreed to proceed with the proposed rebuild and expansion by procuring a Design and Build contractor using the Smarte East framework. The total project cost is anticipated to be £7.1m, with the new infant school building to be provided by September 2015 and the expanded junior school by September 2016.

## **11. Essex Equipment Service Commissioning Intentions**

Equipment is provided by the Council and NHS bodies to allow the frail, elderly and physically disabled to live independently and to facilitate discharge from hospital. In Essex, this service is commissioned by the Council for itself and on behalf of a number of partners, with the current model for delivery being that of a service provided by a Local Authority Trading Company (LATC – in this case Essex Cares).

As the joint working agreement with the Council's partners is due to expire on 31 March 2014 and the contract with the LATC (Essex Cares) will expire on 30 June 2014, an options appraisal was undertaken to establish the preferred model for commissioning services in future. Having considered various possibilities, and with the current partners confirming their wish to continue with a jointly commissioned solution, it was proposed to continue with the current model (albeit with equipment now being supplied to commissioners via the Department of Health Integrated Procurement Hub (IPH) where this is the most effective way), together with the development of a retail element to the service.

The Cabinet has agreed that the service should be delivered in this way and delegated authority to the Cabinet Member for Adults Social Care to award the contract to the appropriate trading company upon advice from the Executive Director for Corporate Services and the Director for People Commissioning. It has also agreed that the Council should join the Department of Health sponsored Integrated Procurement Hub and enter into appropriate legal arrangements to deliver the joint service. Finally, the Cabinet has approved the development of a retail element to the service to provide choice and personalisation to service users and opportunities for people who are not eligible for social care services to obtain their own equipment, with the aim of ensuring that this provision operates on a full cost recovery basis.

## **12. Procurement of Refuse Derived Fuel Disposal Contract**

Following a decision taken in May 2012, a Mechanical Biological Treatment (MBT) facility for the processing of residual waste collected by the Waste Collection Authorities in the areas of Essex County Council and Southend-on-Sea Borough Council is currently under construction in Basildon. It is expected to start accepting and processing waste in July 2014.

Following treatment at an MBT facility, approximately 50% of the waste, by weight, remains for disposal as an 'MBT output'. Removal and disposal of outputs is contractually the responsibility of the County Council. The Council could continue to landfill this material or send it to energy recovery (or similar) facilities as a Refuse

Derived Fuel (RDF). Once RDF is transferred to an energy facility it may be processed to produce electrical energy to be resold to the National Grid.

The Cabinet has approved the strategy for the procurement and risk/commercial profile for the short-term disposal of RDF, and has agreed to commence a procurement exercise for award of a contract intended to secure short term disposal of RDF by energy generation routes. This will improve on the previously forecast landfilling position and pursue an energy disposal route earlier than originally anticipated, while at the same time securing savings on landfill disposal costs and offering a more environmentally sound solution. The Cabinet has also delegated authority to approve the award and execution of the contract to the Director for Commissioning, Waste and Environment in consultation with the Cabinet Member for Waste and Recycling and the Waste Member Board.

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