Minutes of the meeting of the Corporate Policy and Scrutiny Committee, held at 10.25am on Thursday, 24 February 2022 in the Council Chamber, County Hall, Chelmsford.

Present:

County Councillors:
C Pond (Chairman)
T Cunningham
J Fleming
P Gadd
S Kane
M Mackrory (Vice Chairman)
B Massey (substitute)
A McQuiggan
C Siddall
M Steptoe
M Vance
A Wiles

Richard Buttress, Democratic Services Manager, and Gemma Bint, Democratic Services Officer, were also present.

1 Membership, Apologies, Substitutions and Declarations of Interest

The report on Membership, Apologies, Substitutions and Declarations was received and noted.

Apologies for absence had been received from Councillors Garnett (for whom Councillor Massey substituted), Henderson and Land.

2. Minutes

The notes of the meeting held on 27 January 2022 were approved as a true record and signed by the Chairman of the meeting.

Matters Arising: In regard to the reprofiling of expenditure and over-spend in the Highways Maintenance and Sustainable Transport account relating to 3-year delivery programme for Local Highways Panels, it was noted that Councillor Lee Scott had confirmed that all balances would be carried over.

4. Questions from the public

There were no questions from the public.

5. Levelling Up White Paper

The Committee considered report CPSC/05/2022 comprising of an update on aspirations and ambitions for levelling up and devolution.

The Chairman welcomed the following to the meeting to introduce the item and respond to questions:

- Councillor Kevin Bentley, Leader of the Council
- Councillor Graham Butland, Cabinet Member for Devolution, the Arts, Heritage and Culture
- Richard Puleston, Director - Policy

During questioning and discussion, the following was acknowledged, highlighted and/or noted:

- Essex had drawn up their own detailed levelling up paper to accompany and supplement the Government White Paper.

- The Government White Paper was about planning for the future and providing a direction, in collaboration with local people. It was important that people had equal opportunities and the same chances in life. For example, the Essex Year of Reading had just been launched and would help ensure young people had equal opportunities to learn, read and be at the same level through their education and to receive extra help if needed.

- In practice, conversations with Government were with counties and unitaries but ECC would be collaborating and seeking consensus with all Districts and Boroughs in Essex. The county needed to decide how ambitious it was going to be in regard to what freedoms and control Essex would want.

- In terms of housing, the White Paper provided an opportunity for Essex to focus more on building communities and have more spatial planning powers. Current and future generations needed to live in good quality affordable homes but the infrastructure had to considered first to support that.

- Public transport was not reliable in some areas of Essex. The White Paper could give Essex the ability to become a transport authority and have an integrated system and greater control of the routes and integrated ticketing. Public transport was the key to economic success, with people needing to be encouraged to use it, however it also needed to be more affordable and reliable with better connectivity.

- One of the significant elements of the White Paper was that the conversation regarding devolution had been decoupled from a conversation on local government reorganisation. In order to negotiate a devolution deal with the government there was no longer a need first to reorganise the structures of the local authorities. Proposals to

reorganise structures of local government would have to go through the existing legislation which required there to be a broad level of public support.

- It was highlighted that the A127 Task Force, which looked at the economic corridor of the A127 had paused, due to the pandemic.

- It was queried how the Levelling Up Missions would be reached. Some members specially referred to the differences in life expectancy and healthy living across the county. The White Paper stressed the importance of early interventions and increasing opportunities and ECC would be working with partners as part of working towards greater levelling up.

- The White Paper recognised there was a deficiency of granular data to enable progress to be mapped to the local level against some of the missions, the commitment as a sub-national data strategy was being worked on through the ONS to ensure there was better access to data to enable local places to be able to evaluate their progress against the key missions.

- Essex was not included as one of the newly announced education improvement areas. The reason for this could be because the spatial geography was at the local educational authority level. However, within Essex there were significant differences in educational attainment but compared to Suffolk, which was an education investment area, the education performance in the aggregate was higher in Essex and above the education investment area criteria that the government had set out.

- It was confirmed that the aspirations of Everyone's Essex did also include people on the county border. Cross border collaboration with neighbouring authorities was taking place and would continue.

Conclusion:

The Leader offered to return to further update the Committee at an appropriate future date. It was **agreed** that further information be provided to local members on:

(i) The A127 Task Force

The witnesses were thanked for their attendance and left the meeting.

6. Commercial Property Investment Update

The Committee received report CPSC/06/22 which summarised the Commercial Property Investment portfolio and provided an update on

performance and issues since the last report that went to Scrutiny in September 2020.

The Chairman welcome the following to the meeting to introduce the item and respond to questions:

- Councillor Chris Whitbread, Cabinet Member for Finance, Resources and Corporate Affairs
- Stephanie Mitchener, Director - Finance
- Ian Fulton, Commercial Finance Business Partner

Councillor Whitbread and Ian Fulton opened the item highlighting the history of the Commercial Property Investment and the current position, and the key points included:

- In 2017, Cabinet had agreed the initial phase of investments with £50m added to the Property Investment Fund and to date £33.9m had been spent. The programme was paused in 2018 due to Brexit uncertainties and anticipated changes in Government guidance.

- The three investments the Council had currently were Keighley Retail Park in Yorkshire, a trade counter industrial in Guildford and an office block in Watford. Investment had been made for the long-term although short term market fluctuations had impacted on current values.

- The portfolio had been performing well with no significant loss of income during the pandemic.

- The Covid-19 pandemic had put additional pressure on tenants particularly in the retail sector, and some had requested assistance. The Council had worked with them by mainly putting tenants on quarterly rent schedules onto monthly rent schedules, with all of those arrangements but one having now finished. During that period, over 90% of rents were recovered which was a good performance benchmark against the market as a whole.

- There was a balance sheet reserve set at a prudent 75% to 80% of the annual rental income.

- New regulations meant that the County Council could no longer borrow to invest primarily for yield and required a broader benefit.

During questioning, the following was acknowledged, highlighted and/or noted:

- ECC would be bringing forward a new investment strategy shortly focusing on investing in Essex, regeneration and recovery post-pandemic.

- The investments were long- term and it was highlighted that property assets values were expected to increase again as the economy bounced back.

- ECC was looking to get a 5.5% yield from the investments. ECC had used reserves to fund the investments.

The witnesses were thanked for their attendance and left the meeting.

7. Work Programme

The Committee received report CPSC/07/22 comprising the current work programme of the Committee which was noted.

The following was agreed:

(i) The Economic Renewal Investment Fund item would be held jointly with the Place Services and Economic Growth Policy and Scrutiny Committee.
(ii) A briefing to be arranged on understanding how the Council was improving data collection and analysis to show granularities at local level.
(iii) A briefing on the s106 planning contribution process be scheduled.

8. Date of Next Meeting

It was noted that the next meeting was scheduled to be held on Thursday 31 March 2022.

There being no further business the meeting closed at 12.06pm

Chairman