

Minutes of a meeting of the Cabinet that took place in the Council Chamber at County Hall on Tuesday 17 January 2023**Present:**

Councillor	Cabinet Member Responsibility
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 Malcolm Buckley	Waste Reduction and Recycling
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 Chris Whitbread	Finance, Resources and Corporate Affairs

Cllrs Susan Barker, Mark Durham, Alan Goggin, Carlo Guglielmi, Ivan Henderson, Bob Massey (from item no.6), Anthony McQuiggan, Mark Platt, Peter Schwier and Mike Mackrory were also present. Cllr Chris Pond and Cllr David King attended remotely, via Zoom.

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 Cllr Graham Butland, Cabinet Member for Devolution, the Arts, Heritage and Culture,
3. There were no declarations of interest.

2. Minutes: 15 December 2022

The Minutes of the previous meeting, held on 15 December 2022, were approved as a correct record and signed by the Chairman.

3. Questions from the public

None.

4. 2022/23 Financial Overview as at the Third Quarter Stage (FP/305/02/22)

The Cabinet received a report setting out the current forecast financial position of Essex County Council's (ECC) revenue and capital budgets as at the third quarter stage of the 2022/23 financial year.

The Cabinet Members for Finance, Resources and Corporate Affairs, Health and Adult Social Care, Highways Maintenance and Sustainable Transport, and the Leader of the Council provided responses to questions from Cllrs Ivan Henderson, Mike Mackrory, David King and Chris Pond in relation to:

- The ongoing pressures within Adult Social Care and any impacts on the ability to deliver assessments within twenty eight days;
- The balance between the investment in the Fleet replacement programme and the need for continuing highways maintenance;
- When the detail around Fees and Charges would be provided;
- The ability to move funds between budgets to address need as it arised;
- Whether perceived delays to road repairs and maintenance were used deliberately to enhance budgets.

It was also agreed that the Cabinet Members for Economic Renewal, Infrastructure and Planning, and Highways Maintenance and Sustainable Transport would provide written answers to Councillor Ivan Henderson in respect of:

- The steps taken to address identified slippages within Highways Major Schemes;
- The amount of DfT Zero Emission Bus Regional Area funding that had been expected and was now described as uncertain.

Resolved:

1. To draw down funds from reserves as follows:

- i. £2.6m from the Covid Equalisation Reserve to the following portfolios due to Covid related expenditure: Children's Services and Early Years £1.5m, Community, Equality, Partnerships and Performance £762,000, Adult Social Care and Health £299,000 and Finance, Resources and Corporate Affairs RSSS £32,000. Further detail can be found in section 5 (sections 5.2.iii, 5.3.iii, 5.1.vii and 5.15.iv)
- ii. £2.5m from the Children's Risk Reserve to the Children's Services and Early Years portfolio to offset placement cost pressures (section 5.2.iii)
- iii. £2.1m from the General Risk Reserve to the Finance, Resources and Corporate Affairs RSSS portfolio £1.9m, to address the pressure from increased energy prices and to the Highways Maintenance and Sustainable Transport portfolio £138,000, to support Local Bus operators increased fuel costs (section 5.15.iv and 5.9.iii)
- iv. £496,000 from the Private Finance Initiatives (PFI) Equalisation Reserves to the Education Excellence, Life Long Learning and Employability portfolio in relation to Clacton secondary schools PFI £276,000, and Debden PFI £220,000 (section 5.7.iii)

- v. £400,000 from the Adult Social Care Risk Reserve to the Adult Social Care and Health portfolio in relation to the four month transport contract extension (section 5.1.vii)
- vi. £2,000 from the Community Initiatives Fund Reserve to the Community, Equality, Partnerships and Performance portfolio to fund payments to community groups that have been awarded small grants (section 5.3.iii)

2. To appropriate funds to reserves as follows:

- i. £4.1m to the Carry Forward Reserve for use in 2023/24 from the following portfolios of which £1.3m are 2021/22 Provisional Outturn requests slipping into 2023/24:
 - Finance, Resources and Corporate Affairs RSSS £1.8m (section 5.15.iv)
 - Education Excellence, Life Long Learning and Employability £750,000 (section 5.7.iii)
 - Other Operating Costs £600,000 (section 5.12.ii)
 - Community, Equality, Partnerships and Performance RSSS £330,000 (section 5.13.ii)
 - Leader £239,000 (section 5.10.ii)
 - Economic Renewal, Infrastructure and Planning £195,000 (section 5.5.iv)
 - Highways Maintenance and Sustainable Transport £179,000 (section 5.9.iii)
- ii. £1.1m to the Technology and Digitisation Reserve from the Finance, Resources and Corporate Affairs RSSS portfolio, £560,000, to offset additional pressures in future years such as additional device costs in 2024/25 and £500,000 from the Highways Maintenance and Sustainable Transport portfolio, to enable a replacement solution for the S106 database in 2023/24 (section 5.15.iv and 5.9.iii)
- iii. £5.1m to the General Risk reserve due to receipt of unbudgeted Independent Living Fund general government grant. (section 3.5)
- iv. £327,000 to the Everyone's Essex Reserve from the Economic Renewal, Infrastructure and Planning portfolio due to Environmental Funding Project delays as a result of recruitment issues, for use in 2023/24 (section 5.5.iv)
- v. £150,000 to the Commercial Investment in Essex Reserve from the Economic Renewal, Infrastructure and Planning portfolio returning funding relating to FP/245/12/21 Essex Renewal Fund following various delays and for use in 2023/24 (section 5.5.iv)

- vi. £130,000 to the Private Finance Initiatives (PFI) Equalisation Reserve from the Education Excellence, Lifelong Learning and Employability portfolio in relation to the Building Schools for the Future PFI (section 5.7.iii)
- vii. £42,000 to the Transformation Reserve from the Economic Renewal, Infrastructure and Planning portfolio, returning funding for use in 2023/24 relating to FP/194/10/21 Digital Connectivity Resourcing, due to delays in the BDUK programme (section 5.5.iv)

3. To approve the following adjustments:

- i. Vire £708,000 to the Adult Social Care and Health portfolio from the Community, Equality, Partnerships and Performance portfolio relating to the reclassification of part of the saving within Public Health, £408,000 being achieved within Active Essex and £300,000 within Communities (sections 5.1.vii and 5.3.iii)
- ii. Vire £115,000 within the Highways Maintenance and Sustainable Transport portfolio from the Roads & Footways to Traffic Management policy lines to align the staffing budgets (section 5.9.iii)
- iii. Adjust the original approved profile of spend of the following decisions taken by the Cabinet Member in order to reflect the current anticipated spend:
 - FP/358/03/22 Cyber Resiliency Measures, reprofile to £400,000 in 2023/24 and £377,000 in 2024/25.
 - FP/406/05/22 Procurement of Social Care Case Management Platform, to reprofile £1m from 2022/23 to 2023/24
 - FP/474/07/22 Purchasing of Voice and Data Network Services, in order that the unspent 2022/23 allocation finalised at year end, currently £650,000, can be used in 2023/24.
 - FP/197/10/21 ASC Market Support & Development so that the unspent 2022/23 allocation finalised at year end, currently £348,000, can be used in 2023/24.
 - FP/881/11/20 Transformation Delivery Resourcing, (then reprofiled in FP/303/02/22), to £1.1m in 2023/24
 - FP/945/01/21 Digital Accessibility Compliance Project, to reallocate £28,000 from 2022/23 to 2023/24.
- iv. Amend the capital budget as shown in Appendices C (i) and C (ii) which allows for capital slippage of £25m, with £15.8m slipped into 2023/24, £7.3m into 2024/25 and £1.9m into 2025/26. Capital budget

additions of £7.9m, capital budget reductions of £9.6m and advanced works of £727,000 (£276,000 to be advanced from 2023/24, £429,000 from 2024/25, and £22,000 from 2025/26) (see section 7.2).

5a. Everyone's Essex Annual Plan and Budget 2023/24 – Part 1: Section 151 Officer's Report (FP/306/02/22)

The Cabinet received a report setting out the Section 151 (S151) Officer's statement on the adequacy of reserves, robustness of the 2023/24 revenue budget, the medium-term financial outlook, Financial Strategy, and the Capital and Treasury Management Strategy. It was noted that the S151 Officer for the Council is the Executive Director for Corporate Services.

The Cabinet was asked to consider and note the report before making recommendations to Full Council on the revenue budget and capital programme, included within the Annual Plan (Minute 5b below refers).

The Cabinet Members for Finance, Resources and Corporate Affairs, and Health and Adult Social Care, provided responses to questions from Cllr Ivan Henderson in relation to:

- How a balance was achieved between funds arising from the social care levy and the final Adult Social Care budget;
- The impact of reductions in revenue support over the lengthy period in which the Fair Funding review had been expected.

Resolved:

Agreed to note the report before making recommendations to Full Council on the revenue budget and capital programme, included within the Annual Plan.

5b. Everyone's Essex Annual Plan and Budget 2023/24 – Part 2: Budget and Plan (FP/306/02/22)

The Cabinet received a report requesting it to make a recommendation to the Council to adopt the Everyone's Essex Annual Plan and Budget 2023/24 including the revenue budget, capital programme, financial strategy, capital strategy and treasury management strategy. In so doing, the Cabinet was asked to consider the report of the Section 151 (S151) Officer on the robustness of the 2023/24 Budget and adequacy of reserves, included elsewhere on the agenda (Minute 5a above refers).

The Cabinet Members for Finance, Resources and Corporate Affairs, Health and Adult Social Care, Highways Maintenance and Sustainable Transport, Waste Reduction and Recycling, and the Leader of the Council provided responses to questions from Cllrs Ivan Henderson, David King and Chris Pond in relation to:

- The number of jobs that could be lost from the deletion of vacancies;

- Whether the removal of funding for Highways Rangers was included in the savings specified within the Highways budget;
- Whether an impact assessment for safety had been completed in relation to Part Night Lighting;
- The measures in place to achieve the target for recycling;

The Deputy Leader and Cabinet Member for Community, Equality, Partnerships and Performance also agreed to provide a written briefing to all Members in response to a question from Cllr David King in relation to how the target set in relation to reducing loneliness had been determined.

Resolved:

1. Agreed to recommend to Full Council In relation to Everyone's Essex Annual Plan and Revenue Budget

- That the Everyone's Essex Annual Plan and budget be approved in the form appended to report FP/306/02/22 (Appendix A).
- That the net cost of services to be set at **£1,462.2 million (m)** for 2023-24 – Appendix A (page 26).
- That the net revenue budget requirement be set at **£1,005.2m** (net cost of services less general government grants) for 2023/24 - Appendix A (page 30).
- That the total council tax funding requirement be **£799.0m** for 2023/24 – Appendix A (page 30).
- That Essex County Council's element of the council tax be increased by 3.5% comprising 1.5% increase in general council tax and 2.0% adult social care precept. This would result in the Essex County Council element of the council tax being **£1,450.17** for a Band D property in 2023/24. A list of bands is as follows:

Council Tax Band	2022/23	2023/24
	£	£
Band A	934.08	966.78
Band B	1,089.76	1,127.91
Band C	1,245.44	1,289.04
Band D	1,401.12	1,450.17
Band E	1,712.48	1,772.43
Band F	2,023.84	2,094.69
Band G	2,335.20	2,416.95
Band H	2,802.24	2,900.34

- vi. That the proposed total schools budget be set at **£639.2m** for 2023/24 which will be funded by the Dedicated Schools Grant, Pupil Premium Grant, Universal Free School Meals Grant, PE and Sports Premium Grant, COVID-19 Recovery Premium Grant, Sixth Form Grant, Teachers Pay and Pension Grants, NQT Grant, Senior Mental Health Lead Training Grant and YPLA Funding Grant. The majority of this will be passed through to maintained schools.
- vii. That the underlying balance on the General Balance be set at **£68.1m** as at 1 April 2023 (Appendix A, Annex 1, page 58).
- viii. That the capital payments guideline be set at **£274.9m** for 2023/24 and that the Executive Director for Corporate Services, in consultation with the Cabinet Member for Finance, Resources and Corporate Affairs, be authorised to make, subject to compliance with financial regulations, adjustments to the phasing of payments between years (should she consider that to be appropriate) as the capital programme is finalised, and to report any impact on the Prudential Indicators at the subsequent quarterly review to Cabinet in July 2023. Any requests to change the prudential borrowing indicators would be brought back before Full Council.

2. Agreed In relation to Everyone's Essex Annual Plan and Revenue Budget

- i. That the Cabinet Member for Finance, Resources and Corporate Affairs, in consultation with the Executive Director for Corporate Services, may adjust the recommendations to Full Council upon receipt of:
 - (a) the final tax base and forecast business rates receipts for 2023/24 from the billing authorities (due by 31 January 2023)
 - (b) the final Local Government Finance Settlement from Government (expected early February 2023)
- ii. That the report by the Executive Director for Corporate Services (S151 officer) on the robustness of the estimates, reserves and capital strategy be considered and noted (see the separate item on this agenda).
- iii. That the Council have a revised expectation on fees and charges for 2023/24 so that rather than an expectation of an increase in line with RPI, the expectation is set at 5.9% (paragraph 5.2).

3. Agreed to make the following recommendations to Full Council in relation to the Capital Strategy:

- i. That the 2023/24 to 2026/27 Prudential Indicators and limits, together with updated limits for 2022/23 as set out in Annexes 3A and 3B of the

Capital Strategy (Appendix A, pages 96-100) be approved. This includes an authorised limit for external debt of **£1,260m** for the 2023/24 financial year, which defines the maximum amount of external borrowing by the Council, and represents the statutory limit determined under section 3(1) of the Local Government Act 2003.

- ii. That the Treasury Management Strategy for 2023/24 be approved, comprising:
 - a. Borrowing strategy, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 81)
 - b. Treasury management investments strategy, as set out in Annex 3 and Annex 3D of the Capital Strategy (Appendix A, Annex 3, page 88)
 - c. Indicative strategy for commercial investment activities, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 91)
- iii. That the policy for making a prudent level of revenue provision for the repayment of debt, (the Minimum Revenue Provision policy) as set out in Annex 3C of the Capital Strategy (Appendix A, Annex 3, page 101), be approved.
- iv. That the revised Treasury Management Policy Statement (Appendix A, Annex 3, page 108) and Treasury Management Practices (Appendix A, Annex 3, page 109), which set out the policies, objectives, and approach to treasury management, are adopted.

4. Agreed to make the following recommendation to Full Council in relation to the Pay Policy Statement:

- i. Recommend that the Council adopts the Pay Policy Statement for 2023/24 as set out in Appendix C to report FP/306/02/22).

5. Agreed to note:

- i. The medium term (2024/25 to 2026/27) revenue issues facing the Council as set out in the report (Appendix A, page 19); at present there is not a balanced budget from 2024/25 and further action will be necessary to identify plans and savings to ensure financial sustainability. The position is based on the best intelligence available today in respect of future funding, price rises and demand. However, in the absence of a government funding settlement beyond 2023/24 and the inherent uncertainty in the macro-economy, where we continue to see high inflation, the financial outlook is volatile.
- ii. That the recommendations in this report present a balanced budget for 2023/24. The Council's plans for 2024/25 to 2026/27 are not sufficiently firm as to allow for a balanced budget to be set. Further opportunities

for improving income and funding, plus greater efficiencies, will need to be secured in the medium term which will be achieved by a focus on prioritisation and outcomes-based commissioning and transformation.

- iii. That the council tax charge calculation is based on a Band D equivalent tax base of **550,992** properties (see Appendix A, page 30).
- iv. That the Capital Strategy, which is presented as Annex 3 in Appendix A, sets out the long-term context in which capital expenditure and treasury management investment decisions are made by the Council and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. It comprises a number of distinct, but inter-related, elements as follows:
 - **Capital expenditure** – this provides an overview of the governance process for approval and monitoring of capital expenditure, including the Council's policies on capitalisation, and an overview of its capital expenditure and financing plans.
 - **Capital financing** requirement and borrowing – this provides a projection of the Council's capital financing requirement, how this will be funded and repaid, sets out the Council's borrowing strategy and explains how the Council will discharge its duty to make prudent revenue provision for the repayment of debt.
 - **Treasury management investments** – this explains the Council's approach to treasury management investment activities, including the criteria for determining how and where funds will be invested to ensure that the principal sums are safeguarded from loss and that sufficient liquidity is maintained to ensure that funds are available when needed.
 - **Other investments** – this provides an overview of the Council's intended approach to investment activities, including processes, due diligence and defines the Council's risk appetite in respect of these, including proportionality in respect of overall resources.

6. Education Travel Contract Extensions and Awards 2023 (FP/543/10/22)

The Cabinet considered a report concerning transport arrangements for pupils who travel on transport secured by the Council from commercial operators. Action was needed in respect of 72 contracts due to expire at the at the end of the 2022-23 academic year to either extend or re-tender them in order to meet the Council's continuing requirement to provide transport for the relevant children from September 2023.

The Cabinet Member for Highways Maintenance and Sustainable Transport responded to questions from Cllr Mike Mackrory and Cllr Chris Pond in relation to:

- The suitability of the 90% price, 10% quality basis that was used to award the new contracts;
- The impact on capacity where school children used existing public transport and how this effected other transport users;
- Whether the creation of new cluster contracts would result in longer journeys for the children using the provision.

It was also agreed that a written response would be provided to Cllr Mike Mackrory in relation to the likelihood of reprocurring and/or extending contracts at 0% inflation given the inflationary environment.

Resolved:

1. Agreed that the Director, Highways and Transportation, is authorised to extend those education transport contracts which expire in July 2023 as set out in Appendix A to report FP/543/10/22) for a one year period where extension is permitted under the terms of the contract and where he considers this to be in the Council's best interests and in line with the sensitivity analysis set out in table 6.1.6 within the report.
2. Agreed that the Director, Highways and Transportation, is authorised to procure new contracts as set out in Appendix A to report FP/543/10/22 using a single sealed bid via the Council's existing dynamic purchasing system where extension of the current contract is not permitted, where extension is not considered to be in the Council's best interests or where the current operator will not agree to an extension.
3. Agreed that any new contract is to be for a period determined by the Director, Highways and Transportation, initially for a maximum of three years and on terms which give the Council the right to extend for up to a further three years.
4. Agreed that new contracts will be awarded on a 90% price, 10% quality basis following a single sealed bid on the dynamic procurement system.
5. Agreed that the quality evaluation will assess each operator's ability to mobilise effectively minimising disruption to users of the service and the quality of management systems in place to ensure compliance with contractual obligations at all times.
6. Agreed that the Director, Highways and Transportation, in collaboration with the Director, Procurement, will develop a procurement model to be used for future procurements of transport contracts which seek to reduce carbon emissions by noting that this model will not be available for the procurements associated with this report (FP/543/10/22).
7. **Re-procurement of framework for Individual Packages of Education Support (FP/539/10/22)**

The Cabinet considered a proposal to procure a new framework for Individual Packages of Education Support (IPES) that support children and young people, with and without Education, Health and Care Plans (EHCPs), who by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education. The current arrangements expire on 31 March 2023.

Resolved:

1. Agreed to undertake a single stage, open, competitive tender process to procure a multi supplier framework for individual packages of education support (IPES) to commence on the 1 April 2023
 - for 18 months with an option to extend for two six-month periods (a maximum of 12 months);
 - with the option to re-open on the grounds set out at paragraph 3.13 of report FP/539/10/22);
 - to be accessed by the Council and any Essex School; and
 - using evaluation criteria based on a price: quality split of 60:40 with 10% of the quality score assessing social value.
2. Agreed to authorise the Director, Education to approve the detailed evaluation model for the procurement
3. Agreed to authorise the Cabinet Member for Education Excellence, Lifelong Learning and Employability to award contracts to the successful bidders.
4. Agreed to authorise the Cabinet Member for Education Excellence, Lifelong Learning and Employability to make decisions about the re-opening of the Framework in accordance with its terms.

8. Option Agreement for land at Warren and Parker's Farm, Little Canfield (FP/476/08/22)

Item deferred.

9. Decisions taken by or in consultation with Cabinet Members (FP/549/11/22)

The report was noted.

10. Date of the next meeting

The next meeting of the Cabinet would take place at 10.15am on Tuesday 21 February 2023 in the Council Chamber at County Hall, Chelmsford, CM1 1QH.

11. Urgent business

There was no urgent business.

Exclusion of the Press and Public

Not moved, as item 8. - Option Agreement for Land at Warren and Parker's Farm. Little Canfield (FP/476/08/22) - was deferred.

12. Confidential Appendix: Option Agreement for Land at Warren and Parker's Farm. Little Canfield (FP/476/08/22)

Item withdrawn.

13. Urgent Exempt Business

There was no urgent exempt business.

There being no further business, the meeting closed at 11.37am.