Minutes of a meeting of the Cabinet meeting that was held remotely on Tuesday 21 July 2020

Present:

Councillor	Cabinet Member Responsibility
Councillor D Finch	Leader of the Council (Chairman)
Councillor T Ball	Economic Development
Councillor S Barker	Customer, Communities, Culture and Corporate
Councillor K Bentley	Deputy Leader and Infrastructure
Councillor R Gooding	Education and Skills
Councillor D Madden	Performance, Business Planning and Partnerships
Councillor J Spence	Health and Adult Social Care
Councillor S Walsh	Environment and Climate Change Action
Councillor C Whitbread	Finance

Councillors Mackrory, Pond, Henderson, Grundy, Turrell, Weston, Wood, Mitchell, Hedley and Steptoe were also present.

1. **Membership, Apologies, Substitutions and Declarations of Interest.**

The report of Membership, Apologies and Declarations was received and the following were noted:

1. There were no changes to membership since the last meeting of Cabinet.

2. Apologies for absence were received from Cllr L McKinlay (Cabinet Member for Children and Families) and Mr Gavin Jones, Chief Executive.

3. There were no declarations of interest.

2. **Minutes: 26 May 2020**

The minutes of the meeting held on 26 May 2020 were agreed as a correct record and would be signed by the Chairman.

3. **Questions from the public**

There were no questions from members of the public.

4. **2020/21 Financial Overview as at the First Quarter Stage (FP/693/05/20)**

The Cabinet received a report setting out the forecast financial position of Essex County Council's (ECC) revenue and capital budgets as at the first quarter stage of the 2020/21 financial year. The report advised that there was a forecast over spend of £12.3m (1.2%) against a net revenue budget of

£1bn. The over spend was directly driven by the additional costs and lost income or savings, resulting from the COVID-19 pandemic.

The Cabinet Member for Finance provided answers to questions raised by Councillors Henderson and Mackrory in respect of the funding gap resulting from the COVID-19 pandemic, and the establishment of a multi-disciplinary team in Tendring. Further written replies would be provided to Councillor Henderson with regards to where monies would be allocated from the £1.4m welfare fund, and to Councillor Mackrory regarding ongoing funding arrangements for the multi-disciplinary team in Tendring and the position in respect of dormant accounts.

Written responses would also be provided to Councillors Pond and Henderson by the Cabinet Member for Education and Skills in conjunction with the Cabinet Member for Education and Skills in connection with possible subsidies for school transport on commercial bus routes.

The Cabinet Member for Infrastructure would provide a written response to Councillor Mackrory in respect of the budgetary relationship between Parking Partnerships and Local Highways Panels. A written response would also be provided to Councillor Mackrory by the Cabinet Member for Environment and Climate Change Action in respect of the rephasing of flood prevention works.

Resolved:

1. To draw down funds from reserves as follows:

   i. **£5m** from the Reserve for Future Capital Funding to the Deputy Leader and Infrastructure portfolio to cover revenue expenditure on rectifying carriageway defects, environmental works and safety measures (section 5.9.ii). Whilst the Council has received grant funding towards this expenditure, the grant can only be applied to finance capital expenditure.

   ii. **£2.6m** from the Emergency Reserve to the Health and Adult Social Care portfolio relating to the loss of Residential income as a result of the impact of COVID-19 (section 5.8.iii).

   iii. **£828,000** from the Private Finance Initiatives (PFI) Equalisation Reserves to the Education and Skills portfolio in relation to Debden School PFI (£501,000) and Clacton Secondary schools' PFI (£497,000) (section 5.5.ii).

   iv. **£320,000** from the Adults Digital Programme Reserve to the Health and Adult Social Care portfolio to fund projects such as bed finder, electronic home care and shared care records (section 5.8.iii).

   v. **£186,000** from the Transformation Reserve to the Education and Skills portfolio to cover costs incurred on the Demand Responsive Transport project (section 5.5.ii)

vi. **£175,000** from the Transformation Reserve to the Children and Families portfolio to support Divisional Based Intervention Team staffing (section 5.1.iii).

vii. **£156,000** from the Community Initiatives Fund Reserve to the Customer, Communities, Culture and Corporate portfolio to cover expenditure that was incurred in Quarter 1 (section 5.2.ii).
viii. **£247,000** from the Transformation Reserve to the Children Families portfolio to introduce a Multi-Disciplinary team in Tendring (section5.1.iii).

2. To appropriate funds to reserves as follows:

i. **£15.5m** to the Emergency Reserve and **£1.2m** to the General Balance from Health and Adult Social Care portfolio due to lower demand levels than originally anticipated for COVID-19 funding approved in relation to hospital discharge beds, staffing and special equipment. (section 5.8.iii)

ii. **£843,000** to the Private Finance Initiatives (PFI) Equalisation Reserves from Infrastructure portfolio in relation to A130 PFI due to lower in year predicted costs (section 5.9.ii).

iii. **£234,000** to the Private Finance Initiatives (PFI) Equalisation Reserves from Education and Skills portfolio in relation to Building schools for the future and Woodlands PFI (section 5.5.ii).

3. To approve the following adjustments:

i. Retrospectively approve the draw down of **£650,000** from the Insurance Reserve to the Finance portfolio as part of the 2019/20 Provisional Outturn. A late insurance provision was charged against the Insurance Cost Recovery Account (ICRA) at Outturn due to a new claim being identified.

ii. Vire **£113,000** from the Economic Development portfolio to the Finance RSSS portfolio following the Place and Public Health management restructure (sections 5.3.ii & 5.14.ii)

iii. Vire **£29,000** from the Children and Families portfolio to the Customer, Communities, Culture and Corporate RSS portfolio relating to support arrangements for a Technical Services contract (sections 5.1.iii & 5.13.ii)

iv. To amend the capital budget as shown in Appendices C (i) and C (ii) which allows for capital slippage of **£24.1m,** capital budget additions of **£15.4m,** capital budget reductions of **£15.3m** and advanced works of **£5.5m** (see section 7.2).

4. Note that a Capital Receipts Strategy is being developed to enable a broader use of capital receipts in-line with the flexibility currently permitted by the Ministry of Housing, Communities and Local Government; this strategy will be brought to Cabinet and then to Full Council for approval. If approved, the Council will then potentially be able to return £5m to the Reserve for Future Capital Funding (see section 2.1.i).

5. **Optimisation of Essex Housing – creation of Limited Liability Partnerships (LLP) (FP/692/05/20)**

Cabinet received a report seeking approval to establish a LLP Structure for part of Essex Housing as well as establishing new governance and operational processes.

The Leader responded to a question from Councillor Pond in respect of the loan arrangements for the LLP. The Cabinet Member for Economic Development also responded to questions from Councillors Pond, Henderson and Mackrory in relation to responsibility for planning applications, communication with Borough and District Councils, the involvement of the scrutiny function, rent levels and the accountability of the LLP.

Resolved:

1. Agree to:

- the establishment of a limited liability partnership, Essex Housing Development LLP; and
- delegate to the Leader, in consultation with the Cabinet Members for Economic Development and Finance, the Section 151 Officer and the Monitoring Officer authority to establish a further LLP to own, rent and manage housing.

2. Agree that ECC becomes a member and designated member of the LLPs outlined at 2.1, with a 99% interest.

3. Agree on behalf of the Council and as the 100% shareholder of Seax Trading Limited that Seax Trading Limited becomes a member and designated member of each LLP outlined at 2.1, with a 1% interest.

4. Agree that the management board of the LLPs outlined at 2.1 will be established as set out in 4.2.6 and 4.2.7 of the report.

5. Agree that ECC will enter into service level agreements with the LLPs set out in 2.1 for the provision of services by ECC to the LLP so that the LLP can purchase staff services in order to offer its services.

6. Agree that the Director, Performance, Investment and Delivery may:

• agree the terms of the constitution of each LLP which will be set out in the LLP Agreements between Essex County Council, Seax Trading Limited and each individual LLP; and
• adopt and implement each LLP's delivery plan

after consulting the Section 151 Officer and the Monitoring Officer.

7. Agree, on behalf of the Council, the Essex Housing Five Year Business Plan at Appendix A.

8. Agree the Essex Housing Annual Delivery Plan 2020/21 contained in the Confidential Appendix.

6. **Decisions taken by or in consultation with Cabinet Members (FP/704/05/20)**

The report of decisions taken by or in consultation with Cabinet Members since the last meeting of the Cabinet was noted. The report included details of decisions exempted from call in in response to the Covid-19 pandemic.

7. **Date of Next Meeting**

It was noted that the next meeting of the Cabinet would take place on Tuesday 15 September 2020 at 10.00am. It was expected that the meeting would be held online.

8. **Urgent Business**

There was no urgent business.

Exclusion of the Press and Public

Resolved:

That the press and public be excluded from the meeting during consideration of the remaining item of business on the grounds that it involves the likely disclosure of exempt information as specified in paragraph 3 of Schedule 12A of the Local Government Act 1972 – information relating to the financial or business affairs of any particular person).

9. **Optimisation of Essex Housing – creation of Limited Liability Partnerships (LLP) – Confidential Appendix (FP/692/05/20)**
(Press and public excluded)

The Cabinet considered the Confidential Appendix to report FP/692/05/20 which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 5 above refers).

10. **Urgent Exempt Business**

There was no urgent exempt business.

There being no further business, the meeting closed at 10.32am.