



Essex County Council

# People and Families Policy and Scrutiny Committee

<b>10:30</b>	<b>Thursday, 10 January 2019</b>	<b>Committee Room 1, County Hall, Chelmsford, CM1 1QH</b>
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**For information about the meeting please ask for:**

Gemma Bint, Democratic Services Officer

**Telephone:** 033301 36276

**Email:** democratic.services@essex.gov.uk

## Pages

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### **Private Pre-Meeting for PAF Members Only**

Please note that there will be a private pre-meeting for committee members at 9.30am in Committee Room 6, County Hall.

- |          |                                                                                                                                                                                                                                                                                                 |               |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>1</b> | <b>Membership, Apologies, Substitutions and Declarations of Interest</b>                                                                                                                                                                                                                        | <b>4 - 4</b>  |
| <b>2</b> | <b>Minutes</b><br>To approve as a correct record the minutes of the meeting held on 8 November 2018.                                                                                                                                                                                            | <b>5 - 8</b>  |
| <b>3</b> | <b>Questions from the Public</b><br>A period of up to 15 minutes will be allowed for members of the public to ask questions or make representations on any item on the agenda for this meeting.<br>On arrival, and before the start of the meeting, please register with the Committee Officer. |               |
| <b>4</b> | <b>Relationship Management</b><br>To consider report PAF/01/19.                                                                                                                                                                                                                                 | <b>9 - 24</b> |

- |          |                                                                                                                                                                                                   |                |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>5</b> | <b>Essex Education Services</b><br>To consider report PAF/02/19.                                                                                                                                  | <b>25 - 30</b> |
| <b>6</b> | <b>Member Updates</b><br>To consider report PAF/03/19.                                                                                                                                            | <b>31 - 31</b> |
| <b>7</b> | <b>Work Programme</b><br>To consider report PAF/04/19.                                                                                                                                            | <b>32 - 34</b> |
| <b>8</b> | <b>Date of Next Meeting</b><br>To note that the next meeting of the People and Families Policy and Scrutiny Committee will be held on Thursday 14 February 2019.                                  |                |
| <b>9</b> | <b>Urgent Business</b><br>To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency. |                |

### **Exempt Items**

(During consideration of these items the meeting is not likely to be open to the press and public)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

- |           |                                                                                                                                                                                                                 |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>10</b> | <b>Urgent Exempt Business</b><br>To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency. |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### **Essex County Council and Committees Information**

All Council and Committee Meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972. If there is exempted business, it will be clearly marked as an Exempt Item on the agenda and

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The agenda is available on the Essex County Council website, <https://www.essex.gov.uk>. From the Home Page, click on 'Your Council', then on 'Meetings and Agendas'. Finally, select the relevant committee from the calendar of meetings.

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With sufficient notice, documents can be made available in alternative formats, for further information about this or about the meeting in general please contact the named officer on the agenda pack or email [democratic.services@essex.gov.uk](mailto:democratic.services@essex.gov.uk)

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## Agenda item 1

**Committee:** People and Families Policy and Scrutiny Committee

**Enquiries to:** Graham Hughes, Senior Democratic Services Officer

### **Membership, Apologies, Substitutions and Declarations of Interest**

#### **Recommendations:**

To note

1. Membership as shown below
2. Apologies and substitutions
3. Declarations of interest to be made by Members in accordance with the Members' Code of Conduct

#### **Membership**

(Quorum: 4)

Councillor M Maddocks	Chairman
Councillor J Baker	
Councillor G Butland	
Councillor J Chandler	
Councillor J Deakin	
Councillor M Durham	
Councillor B Egan	
Councillor J Henry	
Councillor J Lumley	
Councillor P May	
Councillor M McEwen	
Councillor R Pratt	
Councillor P Reid	
Councillor C Souter	

#### **Non-elected Members**

Richard Carson  
Lee Cromwell  
Marian Uzzell

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**Minutes of the meeting of the People and Families Policy and Scrutiny Committee, held at 10.05am in Committee Room 1 County Hall, Chelmsford, CM1 1QH on Thursday, 8 November 2018**

**Present:**

*County Councillors:*

M Maddocks (Chairman)

J Baker

G Butland

J Deakin

M Durham

B Egan

M Garnett (substitute)

J Henry

J Lumley

P May

M McEwan

M Platt (substitute)

R Pratt

P Reid

Councillor J Moran and Graham Hughes, Senior 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 Chandler (for whom Councillor Platt substituted), Souter (for whom Councillor Garnett substituted), and R Carsen, Educational co-optee.

No declarations of interest were made.

**2 Minutes**

The draft minutes of the meeting held on 11 October 2018 were approved and signed by the Chairman.

**3. Questions from the Public**

There were no questions from the public

**4. Relationship Management**

The Committee considered report PAF/23/18. Steve Ede, Head of Procurement, joined the meeting to introduce and supplement the report.

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### Background

There had been a perception that relationships between ECC and the care market were poor and getting worse. Additional responsibilities were also being imposed by the Care Act on market management and sustainability and the County Council had recognised that it could not meet these new duties without improving relationships with the care market. As a result, a review of supplier relationships had been undertaken by County Council Officers and a report published in November 2016 with a number of recommendations and actions to improve those relationships.

### Actions taken

An update on progress was given with issues highlighted and clarifications sought during the subsequent discussion:

One of the key improvement actions was developing and maintaining a Care Provider Information Hub.

Only approximately 15% of care providers were represented through the Essex Care Association (ECA) and officers wanted to move that figure towards 40%. The ECA met quarterly. There were also monthly meetings of ECA Management with ECC.

Reference was made to the Hertfordshire model where to be able to bid for contracts provider had to already be a member of the provider care body.

Strategic provider groups were in place for learning disabilities and supported living, building on the approach piloted for domiciliary care.

There had been positive feedback on the sharing of the care strategy from providers. Officers had felt that it was important to share ECC's ambitions for the future market and seek views on future collaborative working to drive efficiencies.

### Leadership

It was acknowledged that the County Council's leadership style towards care providers had been identified as a little dictatorial in the past and officers were trying to make it more open to provider ideas.

The original 2016 report had highlighted the responsibility and role of the county council's directors to develop and provide leadership of the market. Members queried how much progress had been achieved and the required actions for staff to support that role. It was stressed that there were structure charts in place illustrating how ECC procured and commissioned and which explained the roles of directors and how they complemented each other.

Some members pursued clarification on the level of senior director and Chief Executive awareness of the need to improve provider relationships and the actions being taken. Some members queried whether prevention was a big enough priority and focus for adult social care.

### Capacity

In response to member questioning, Mr Ede considered that generally there were sufficient care home places for those who cannot afford top-ups. However, there was a significant challenge in providing sufficient nursing care places.

The key challenge for providers was workforce and a shortage of nurses was a significant pressure. Whilst changing pay rates for care staff may assist future recruitment and retention it was possible that it might not and that the County Council would have to work with the market to find other solutions.

It was proposed to increase ECCs base fees to encourage more providers to enter into the County Council's framework agreement.

It was thought that Brexit could exacerbate staffing issues. In addition, wage competition from other sectors such as retail for example, could tempt workers away from social care.

Consideration was being given to a joint workforce strategy with Health partners.

The County Council's Quality Team continued to provide support to care providers. Adult Community Learning also provided some courses that could assist care providers.

### Aged debt

Payment issues - Work had been undertaken to speed up the process for submitting invoices and provide help and training to providers to enable them to submit actionable invoices. The default payment term was 30 days although it could be significantly shorter.

### Conclusion

The Chairman thanked Mr Ede for his attendance.

The following actions and requests for further information were agreed:

- (i) Provide further details of oldest debt

- (ii) Further detail on new entrants/closures in Care provider market.
- (iii) Further detail on the work being undertaken with Districts to promote good housing to keep people out of care or at least delay it.
- (iv) Further consideration of promoting career opportunities in schools.
- (v) A further update to focus at a strategic rather than operational level.

Members also suggested that the Committee should consider building in a review of Domiciliary Care into future work planning discussions.

**5. Work Programme**

The committee considered and noted report PAF/24/18.

**6. Date of Next Meeting**

The date of the next Committee activity day was Thursday 13 December 2018 which may be held in public, be a private session, briefing or site visit – to be confirmed nearer the time.

There being no further business the meeting closed at 11.10 am.

**Chairman**



	<b>AGENDA ITEM 4</b>
	<b>PAF/01/19</b>
<b>Committee:</b>	<b>People and Families Policy and Scrutiny Committee</b>
<b>Date:</b>	<b>10 January 2019</b>
<b>Enquiries to:</b>	<b>Name: Graham Hughes</b>  <b>Designation: Senior Democratic Services Officer</b>  <b>Contact details:</b> 033301 34574 <a href="mailto:Graham.hughes@essex.gov.uk">Graham.hughes@essex.gov.uk</a>

## **RELATIONSHIP MANAGEMENT**

As part of its induction programme the Committee had briefings on the care market and one of the issues discussed at some of them was supplier relationships.

A review of supplier relationships was undertaken by County Council Officers and a report published in November 2016. Coming out of that review was agreement to conduct an annual supplier relationship survey – the first of these was undertaken at the beginning of 2018.

The Committee considered the issue of supplier relationships at both its June 2018 and November 2018 meetings taking in the above November 2016 report, the results of the survey (challenging progress being made against the recommendations in the November 2016 report and highlight issues still not being addressed or progressed) and consideration of and alignment with the overall Care Market Strategy. An extract of the minutes from the November 2018 meeting are attached as **Appendix 1**.

The Committee requested a further information from Steve Ede, Head of Procurement, which is attached (**Appendix 2**). The Committee advised that they did not require Mr Ede to attend in this instance. In considering the further information attached, the Committee may decide that it wishes to follow up further clarifications with Mr Ede at another time. As further background **Appendix 3** is the presentation made at the November 2018 meeting.

The Committee also requested a discussion on executive oversight and leadership. Accordingly, Councillor Christopher Whitbread, Deputy Cabinet Member, and Nick Presmeg, Executive Director, Adult Social Care, have been invited to attend to respond to questions from the Committee. To introduce the discussion, and in consultation with the PAF Chairman and Vice Chairmen, they have been asked to come prepared to respond to the following initial/advance questions:

Cont 1/2

## Advance questions

The Council has recognised that provider/supplier relationships had worsened and commissioned a report in 2016 to understand why relationships had worsened, understand how both parties perceived each other; assess the appetite for working together in the future and identify actions for improvement.

- Can you please explain how and by whom the findings of this report were discussed both within the political and officer leadership teams?
- Can you please indicate how addressing the issues identified in the 2016 report have been prioritised at a senior level and executive oversight of the proposed changes and improvements is maintained? How do you monitor progress?
- How did/do you ensure that The Care Market Strategy 2017-21 has (or is) addressing/encompassing the issues highlighted in the 2016 report and that there is also a strong link with developing current and further corporate strategies.
- Can you please outline the executive arrangements in place for leading the relationships with, and direction of, the market as expected under the Care Act.

What risk assessment is undertaken:

- on the impact on the County Council if provider/supplier relationships deteriorate?
- on the County Council not being able to meet its statutory role under the Care Act to provide market leadership etc?

*[The 2016 report can be accessed here From <<https://www.livingwellessex.org/vision/market-shaping/provider-relationship-management/executive-summary-and-your-feedback/>>]*

## Action required:

- (i) To consider the further information and subsequent discussion.
- (ii) To consider the structure of any further follow-up work on this issue.

## Appendix 1

**Extract of the Minutes of the meeting of the People and Families Policy and Scrutiny Committee, held at 10.05am in Committee Room 1 County Hall, Chelmsford, CM1 1QH on Thursday, 8 November 2018**

### **Relationship Management**

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- (v) A further update to focus at a strategic rather than operational level.

Members also suggested that the Committee should consider building in a review of Domiciliary Care into future work planning discussions.

## APPENDIX B

### Aged Creditors Information for People and Families Scrutiny Committee

ECC are currently receiving an average of 9,500 Domiciliary and Day Care invoices from providers a month and the vast majority are now received online via the Extranet system.

Historically, issues over delays to the payment of (non-residential) providers fell into two main categories:

**Suspended Invoices** – these provider invoices from providers are where the hours invoiced are greater than the weekly planned hours. The introduction of Extranet has significantly improved this process where the provider is able to identify any suspended invoice and correct any submission details.

The level of suspended invoices has reduced from £1.2m in April 2017 to £0.355m (185 invoices) as at the end of November 2018.

The age profile of these outstanding invoices is as follows:

0-30 days	31-60 days	61-90 days	91-120 days	121+ days	Total
£52,252	£ 70,701	£ 25,545	£25,240	£ 181,278	£ 355,016

Details of the top 10 providers with suspended invoices are detailed in appendix 1. This also includes details of the oldest invoices and the reasons why these remain outstanding.

### Supplementary Invoices

Supplementary invoices occur where the hourly rate requested is different from planned or the package isn't recorded on the system. As at the end of November there were 3 supplementary invoices under investigation totalling £10,000. The earlier invoice is dated 20 March 2018.

### Residential Invoicing

Residential invoices are paid via Extranet based on a monthly payment schedule which captures all movements in occupancy. There is no invoicing or and suspended payments issues.

Each provider can view their schedule payment on Extranet and any adjustments for new or changing clients are made on the next scheduled payment or if necessary by

an interim weekly payment. Any overpayment is offset against a future payment or in some cases, an invoice is issued.

Table 1 shows that there has been a net overpayment position from April to November 2018 which have then been offset against the next payment. Any queries are dealt with on a case by case basis but there are no reported delays or issues with this process

	Apr £	May £	Jun £	Jul £	Aug £	Sep £	Oct £	Nov £
<i>Total Value of late notification credits</i>	101,361.13	57,152.95	216,016.45	95,153.11	35,047.55	65,948.59	51,867.37	76,011.83

Table 1 details providers with the highest value of suspended invoices

<b>Table 1 Provider</b>	<b>0-30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>91- 120 days</b>	<b>121+ days</b>	<b>Total</b>	<b>Number of invoices</b>
GLEN PAT HOMES	£0	£0	£0	£0	£48,481	<b>£48,481</b>	6
LONDON CARE ESSEX	£15,454	£13,323	£4,071	£1,850	£8,445	<b>£43,143</b>	32
LIVING AMBITIONS	£4,942	£5,918	£8,227	£8,227	£14,545	<b>£41,857</b>	11
GENESIS HOUSING	£0	£0	£0	£0	£25,047	<b>£25,047</b>	15
GUARDIAN HOMECARE	£0	£12,665	£0	£48	£5,070	<b>£17,784</b>	4
ESSEX NURSING SERVICES	£0	£15,540	£0	£0	£0	<b>£15,540</b>	2
MENCAP (A)	£0	£0	£0	£0	£15,453	<b>£15,453</b>	3
GOLDEN HANDS HOMECARE LTD	£0	£3,760	£2,040	£0	£8,724	<b>£14,524</b>	6
RIGHT AT HOME COLCH & DIST	£3,176	£1,890	£1,878	£1,878	£2,043	<b>£10,865</b>	6
ALLIED HEALTHCARE GROUP LTD	£0	£0	£925	£7,510	£844	<b>£9,279</b>	4

Table 2 details the top 10 oldest suspended invoices and the reasons why these remain outstanding

<b>Date Entered</b>	<b>Provider</b>	<b>Invoice Total</b>	<b>Reason</b>
01/06/15	MENCAP (A)	£55.36	Invoice queried with provider several times (as already paid) but No RESPONSE.
07/06/15	ZDNUPLACES FOR PEOPLE INDIVI	£839.80	SYSTEM ISSUE - the invoice has been paid.
24/07/15	ZDNUPLACES FOR PEOPLE INDIVI	£826.20	SYSTEM ISSUE - the invoice has been paid.
08/02/18	AUTISM CARE UK LTD	£440.75	Provider contacted Autism Care have been chased several times but NO RESPONSE.
10/10/18	JEWISH CARE	£30.00	INVOICE QUERY as doesn't agree with planned.
27/04/18	MENCAP (A)	£10,829.70	Provider able to correct invoice on EXTRANET or query with P2P.



02/05/18	MENCAP (A)	£4,567.50	Provider able to correct invoice on EXTRANET or query with P2P.
31/05/17	PRIMARY CARE (UK) LTD	£1,166.75	Provider able to correct invoice on EXTRANET or query with P2P.
16/04/18	BASILDON PROGRESSION CENTRE	£455.40	INVOICE QUERY as doesn't agree with planned
11/12/17	GENESIS HOUSING ASSOCIATIO	£466.70	INVOICE QUERY as doesn't agree with planned

## **New entrants and leavers to the care home market**

Three homes have opened in Essex in the last 12 months:

- Cherrywood Grange (Chelmsford)
- Baycroft (Chelmsford)
- Riverdale (Chelmsford)

Eight homes have closed in Essex in the last 12 months:

- Scarletts (Colchester)
- Trippier (Colchester)
- Well House (Brightlingsea)
- Poplars (Walton on the Naze)
- The Squirrels (Brentwood)
- Bellevue (Clacton)
- Guide at Sandon (Chelmsford)
- Guide at Broomfield (Chelmsford)

## **Work by Districts to promote good housing**

At the moment there is no specific keyworker/care worker initiative. Our feedback from districts who have the housing duty is that due to the rapid increase in homelessness, their priority is securing accommodation for people who are homeless or at risk of homelessness

However we are starting a mini trial on a keyworker initiative for social workers and teachers in Chelmsford in March 2019 with a local Registered Housing Provider and intend having further conversations with other Essex Registered Housing Providers and districts to see if this could be replicated elsewhere.

## **Promoting care to schools**

The Employability and Skills Unit has a programme of work which includes:

- Promoting careers in care. Targeting secondary schools in areas with the greatest number of care-sector vacancies.
- Increasing links between employers and schools. Presentations are made at careers and options events, and a Carers Enterprise Network links industry representative with schools.
- Facilitating work experience and industry visits.

Procurement Services

# Relationship Management

**Report to People and Families Scrutiny,  
November 2018**

# Background

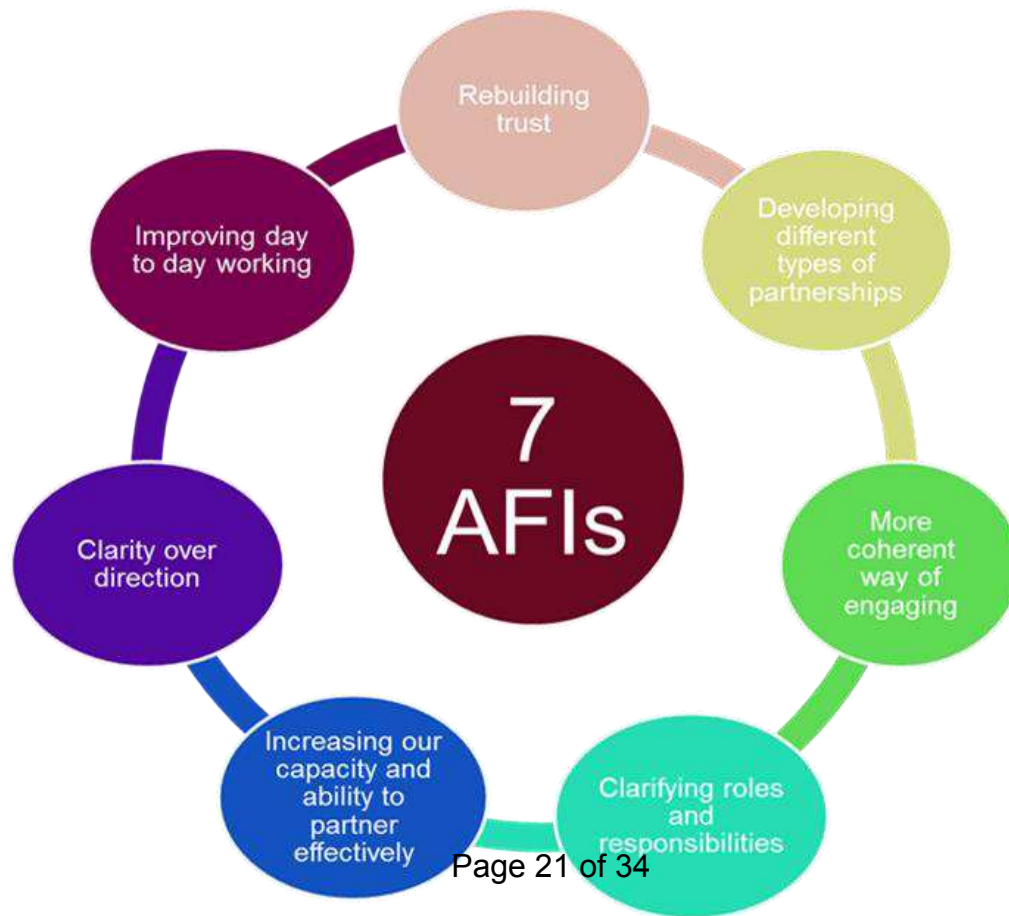
A project was initiated in 2016 to fully evaluate the relationship between ECC and its adult social care supply base and to consider how matters could be improved. The reasons for this project were:

1. A perception that relationships between ECC and the care market were poor and getting worse.
2. Additional responsibilities imposed by the Care Act around market management and sustainability. ECC recognised that it could not meet these new duties without improving relationships with the care market.

The project produced the following [report](#).

# Recommendations

The November report identified 7 Areas For Improvement (AFIs):



# Progress since June

**Care Provider Information Hub** - to improve ECC's communication and to be open and transparent the Council set up the [hub](#) to act as a 'one stop shop' for news, details of events, key documents, contact details, etc. Content has continued to be improved and updated.

**Essex Care Association (ECA)** - the Council has continued to improve its relationship with the ECA. Simon Harniess (seconded to the position of Development Director) has developed a strategy for them and ECC have agreed to support their growth ambitions. ECA will now play a leading role in developing our future contracting model for domiciliary care.

**Strategic provider groups** – these are now in place for learning disabilities and supported living, building on the approach piloted for domiciliary care. Health partners now attend all quadrant forums. Feedback from the market has been very positive. Additional forums will be deployed as new contracts are launched.

# Progress since June (2)

**Advisory Forum** – this group has now met twice and has raised concerns which have already been incorporated into future contracting models.

**Payment Issues** - a project team has continued to target this complex area. Aged debt has reduced to around £0.6m (was £1.2m in June). 95% of non-residential providers are now using our Extranet to submit invoices which greatly improves efficiency. A recent survey of providers has given very positive feedback about the changes made.

**Workforce** – the Quality team have continued to provide training to providers. We have also had positive feedback about the training supplied by Adult Community Learning. We are exploring options for a joint workforce strategy with health partners and the potential for using the Apprenticeship Levy to fund training.

**Integrated Residential and Nursing Framework** - example of best practice engagement. Surveys, workshops on topics of interest, co-production of the solution, building trust.

# Summary

- Good progress has been made, and there is a continued focus on relationships across ECC.
- Positive feedback from providers about our engagement – new forums for learning disabilities and supporting living providers; co-production of new contract for older peoples residential and nursing.
- Relationships continue to be difficult in some areas, not helped by our challenging financial position. There are also some operational frustrations which are being actively addressed.



		<b>AGENDA ITEM 5</b>
		<b>PAF/02/19</b>
<b>Committee:</b>	<b>People and Families Policy and Scrutiny Committee</b>	
<b>Date:</b>	<b>10 January 2019</b>	
<b>Enquiries to:</b>	<b>Name: Graham Hughes</b>  <b>Designation: Senior Democratic Services Officer</b>  <b>Contact details:</b> 033301 34574 <a href="mailto:Graham.hughes@essex.gov.uk">Graham.hughes@essex.gov.uk</a>	

### **Essex Education Services**

On 14 June 2018 the Committee considered a call-in of the Cabinet Decision FP/102/03/18 - Review of Essex Education Services. After discussion, the Committee supported the decision by majority vote. A copy of the minutes recording the discussion at that meeting is attached as **Appendix A**.

With contract negotiations are still underway, it has not been possible to determine with certainty when a detailed follow-up discussion with the Committee could be scheduled. Consequently, it has been agreed with the Chairman, in the interim, to have a short status update which may indicate when a substantive discussion item can be scheduled into the Committee's work programme.

The status update (which will constitute **Appendix B** of this report) is expected to follow a few days after publication of the agenda and prior to the meeting date.

**Extract of the Minutes of the meeting of the People and Families Policy and Scrutiny Committee, held at 10am in Committee Room 1 County Hall, Chelmsford, CM1 1QH on Thursday, 14 June 2018**

**4. Essex Education Services – call-in**

The Committee considered report (PAF/13/18) comprising papers connected to a call-in of a decision made by Cabinet on 22 May 2018 to conduct a sale of Essex Education Services (EES), a traded part of the County Council which provided certain services to schools.

(a) Summary of decision being reviewed:

- EES was a profitable traded business of Essex County Council with its own recognisable brand in the market place.
- A key product of EES was Target Tracker which held a 25% market share in primary school assessment software.
- It was proposed that the following consultancy services were also disposed of as part of the transaction: Education Finance Support, Support for Governors, Clerking Agency, Schools HR.
- Whilst Joint venture arrangements had been considered, it had been decided to proceed with the complete disposal of EES with the exception of Essex Outdoors and Initial Teacher Training.

(b) The reasons for the call-in

On 25 May 2018 the decision was called-in by Councillor Baker with the support of Councillor's Deakin, Mackrory and Robinson. At the invitation of the Chairman, Councillor Baker presented his case for the call-in:

- Selling EES to a private company would undermine democratic accountability and was not in the interest of the public, schools, families and pupils.
- Schools that remained in local education authority control (rather than converting to academies) had made a decision at their governing body meetings to stay as such partly as a result of the general and professional support they get from Essex County Council. The disposal of EES would deny those schools being able to stay part of Essex County Council.
- The services provided by EES were very important to schools and

were profitable and brought revenue to the County Council which should not be discarded.

- Disposal of other educational support services with Target Tracker was premised on a vague market view that it was more attractive to sell EES in totality (with the support services) but he queried whether this was consistent with the views of the commissioned management consultant who had reviewed options for EES.
- He had concerns that EES could be further sold-on by a purchaser.
- The focus on maximising the sale value of EES could overshadow proper consideration of the impact on families and pupils.
- The decision should be put on hold so that further thought could be given to the impact on key stakeholders.

(c) Cabinet Member response to the call-in

Thereafter, at the request of the Chairman, Councillor Ray Gooding, Cabinet Member for Education and Skills, responded to each of the issues raised in the call-in notice with support from the following officers:

- Jason Kitcat, Executive Director for Corporate Development.
- Richard Boughey, Director for EES for Schools.

The following key points were made in response to the call-in:

- The purpose of the Cabinet paper was essentially to explore the market for a sale.
- Organisationally, EES operated independently from the statutory Education services provided by the County Council. It was confirmed that EES did not have any special access to other areas of ECC education services. EES had no financial support from ECC.
- Statutory services were ones delivered pursuant to a legal duty. Non-statutory services were discretionary under statute but services that a Local Authority could choose to offer. None of the services in the proposed package for sale were statutory but were discretionary non-statutory services.
- Various functions of EES had been traded long before the academisation process had started. Since that time all schools (whether local education authority controlled or not) had been free to decide whether to purchase any of the EES services. The EES services in future would still be offered for purchase just as they are now and all schools (including academies) would still be free to make that purchase choice.
- The Cabinet Member contested that the issue of academisation had any bearing on the sale process. Decisions by schools whether to stay as a County Council maintained school or not were completely

separate decisions to that of deciding whether to purchase EES services.

- It was considered that EES had reached a point where it now needed significant investment in order to continue to grow and meet the demands of its customers. In the case of Target Tracker, which was a significant part of the sale, specialist investment was needed to avoid losing ground to competitors and to further adapt the software for use on other appliances such as i-pads. The Cabinet Member viewed that Target Tracker was at peak of its revenue curve and ECC would see income from it declining in future without further significant investment.
- Similarly, the consultancy services needed investment and he believed that another owner would also be better placed to offer this investment.
- Retaining a shareholding would be problematic in determining an appropriate level that was acceptable to the market and would continue to involve the County Council in contributing financially towards product and service development.

(d) Issues raised by the Committee

During subsequent discussion the following clarification was given and/or issues were raised:

- Retaining EES had been considered as an option by the County Council. Investing in the development, renewal and improvement of the Target Tracker software had been estimated to cost between £4-£7 million - this was considered unviable for the Council and did not produce sufficient return at an acceptable risk;
- The Cabinet Member and officers considered that the sale disposal option was the most likely to deliver good and sustainable outcomes for the EES service and products.
- Most schools in Essex bought at least one service from EES.
- A broad range of up to 40 companies had shown informal interest in the proposed sale. A handful of those were direct competitors for Target Tracker and some were private equity companies who could look to develop the Target Tracker software, in particular, and sell it on. Members suggested that the private equity option may be something that should be resisted.
- Members queried whether the main strategic driver for the sale was solely to maximise best value highlighting that the Cabinet decision paper referred to 'maximising the return to the Council'. Yet members questioned whether there should also be a priority objective for EES to retain a strategic presence in Essex and remain as an employer in the county. Members were keen that the bid assessment process was a combination of both maximising value

- and ensuring an ongoing strategic presence in Essex.
- Members were keen that a future purchaser be encouraged to retain the location of the EES business within Essex. It was stressed that although it was not possible to constrain a future purchaser indefinitely the County Council had been clear during informal discussions that there was an expectation that bidders should take this into consideration.
  - The Cabinet Member reported that, perhaps, inevitably there had been some mixed initial views about the proposal when he spoke to Head Teachers after the publication of the Cabinet agenda papers. He added that the schools acknowledged that Target Tracker needed further significant development but that they did have some concerns around the disposal of some of the consultancy services.
  - The Education representative present at the meeting reported that the specific areas of concern for schools had been the proposed disposal of HR services and educational visits and that they had only been given 5 days to comment prior to the Cabinet decision being taken. It was acknowledged that the need for commercial confidentiality and ensuring that staff impacted by the proposal had been informed first had constrained the time available to consult schools in advance of the decision.
  - Members queried whether the County Council could justify losing the income being generated by EES if it was sold. In addition, members queried whether the commercial decision to sell EES would be undermined when incurring significant legal and consultancy fees and being charged £3m for the pension bond. It was stressed that the funds for the pension bond was not an additional cost as it would be recovered from the purchaser after sale completion.

(e) Motions proposed and the decision of the Committee

The Chairman then reminded the Committee that, in considering the call-in, the Committee had the following courses of action open to it.

- Refer the decision back to the Cabinet Member for Education;
- Refer the matter to Full Council;
- Support the decision being implemented;

Councillor Deakin moved the following motion, which was seconded by Councillor Baker:

That Decision FP/102/03/18 – Review of Essex Education Services be referred back to the Cabinet Member to further explore the opportunities to retain the service as the County Council had an

obligation to retain the income and profit from the service for the betterment of the Essex population.

Upon being put to the meeting the Motion was lost by 7 votes to 4 with one declared abstention.

Then, in proposing the Committee's support for the proposed decision to be implemented, Councillor Butland stressed that the discussion had raised a number of issues for the Cabinet Member to consider further during the procurement process and on which the Committee would need further information and reassurance after the sale had completed.

Councillor Butler moved a Motion to the effect detailed in the resolution below, which was seconded by Councillor Chandler.

Upon being put to the meeting the Motion was carried by 8 votes to 3 with one declared abstention. Accordingly it was:

**Resolved:**

- (i) That, the Committee supports Decision FP/102/03/18 – Review of Essex Education Services and that it should be implemented at the conclusion of the meeting;
- (ii) That after the sale transaction had been completed, a further update be provided by the Cabinet Member to illustrate how the strategic objectives stated in the decision paper had been met, provide more information on the financial payback period, and that there was a clear understanding with the purchaser to encourage EES maintaining a strategic presence in the county.

**PAF/03/19**

**Committee** People and Families Policy and Scrutiny

**Date** 10 January 2019

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**MEMBER UPDATES**

Report by Graham Hughes, Senior Democratic Services Officer

Contact details: graham.hughes@essex.gov.uk Tel: 03301 34574

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**Recommendation:**

To discuss and note updates given by members.

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The PAF Chairman has requested that there be a 'trial' standard agenda item to receive member updates (usually orally but advance briefing papers can be included in agenda packs if preferred).

Members are encouraged to report back to the PAF any issues of interest and meetings and events attended of relevance to the committee.

		<b>AGENDA ITEM: 7</b>
		<b>PAF/04/19</b>
<b>Committee:</b>	<b>People and Families Policy and Scrutiny Committee</b>	
<b>Date:</b>	<b>10 January 2019</b>	
<b>Enquiries to:</b>	<b>Name: Graham Hughes</b>  <b>Designation: Senior Democratic Services Officer</b>  <b>Contact details:</b> 033301 34574 <a href="mailto:Graham.hughes@essex.gov.uk">Graham.hughes@essex.gov.uk</a>	

## **WORK PROGRAMME**

### Briefings

Further briefings and discussion days will continue to be scheduled on an ongoing basis as identified and required.

### Formal committee activity

The Committee held a private work planning session on 13 December 2018, reviewing what it had done in the previous 18 months, discussion on ways of working, and discussion with Cabinet Members. Items programmed/being considered to come to Committee are listed in an updated Appendix A.

### Task and Finish Group activity

There is currently no Task and Finish Group activity.

### Chairman and Vice Chairmen meetings

The Chairman and Vice Chairmen meet monthly in between scheduled meetings of the Committee to discuss work planning and meet officers as part of preparation for future items. The Chairman and Vice Chairmen also meet the Cabinet Members for Education, Children & Families, and Health and Adult Social Care on a regular basis.

### **Action required by Members at this meeting:**

**To consider this report, discuss future work activity, and whether any changes are required to the work programme.**



**People and Families Policy and Scrutiny Committee: 21 December 2018**  
**Work programme (subject to further investigation, scoping and evaluation) for 2018/19 municipal year**

Date/timing	Issue/Topic	Focus/other comments	Approach
<b>Items identified for formal scrutiny in full committee</b>			
TBC	Gangs/County Lines	Referral from Full Council and also identified during work planning discussions in December 2018.	TBC - Discussions underway with officers.
TBC	Special Educational Needs	Identified during work planning discussions in December 2018.	TBC - Discussions underway with officers.
TBC	Young Carers Service	A new service has been delivered in-house by ECC from 1 April 2018. The Cabinet decision was called-in but later withdrawn after an informal meeting with the Cabinet Member.	(i) Post-implementation review of new service (six months after Contract commencement) as agreed as part of the withdrawal of the call-in. (ii) Identify any further follow-up work which may be conducted in full committee or by Task & Finish Group
TBC (after contract negotiations have completed)	Cabinet Decision FP/102/03/18 – Review of Essex Education Services	Update on how the strategic objectives stated in the decision paper have been met, provide more information on the financial payback period, and how to encourage EES maintaining a strategic presence in the county.	Interim status update on contract negotiations for January 2019 meeting. Full committee session to be scheduled to follow up on the call-in discussion in June 2018 and reassurances being sought.
April/May 2019 TBC	0-19 contract with Virgin Care	Review contract performance after a year of operation (KPIs, involvement of CVS etc).	(i) Private briefing in July on background etc, (ii) Formal session in August to challenge performance. (iii) Site visits to Family Hubs to be arranged (iv) Further session(s) with sub-contractors and service users to be scoped and arranged
11 April 2019	Educational Attainment	Annual update and discussion.	TBC
April/May 2019	School Places planning	Refreshed 10 Year Plan and primary and secondary 'Offer day'.	Private briefing update held in May 2018. Likely private briefing update – timing TBC
September/October 2019	Safeguarding – (i) children and (ii) adults	Report of the work of the Safeguarding Boards to align with the timing of their respective annual reports.	(i) Healthwatch Essex update on work being done to support the Safeguarding Boards. (ii) Cabinet Member for Adult Social Care and Health in his role as member of ESAB and partner agency.

**Task and Finish Group reviews**

**To be confirmed – none currently operating.**

**Further issues under consideration and/or for further evaluation**

TBC	Domiciliary Care	Identified during work planning discussions.	Could be considered under a 'What does good care look like?' and then move into other parts of the care market thereafter. To be scoped.
TBC	Children in Care/school leavers transitions	How is the system working to help them prepare for adult working life? Possible links between looked after children and the homelessness. The support for looked-after children being introduced into schools	To be scoped.
TBC	Autism	Diagnosis and referral waiting times.	Possible Joint approach with HOSC.
TBC	Hip fractures and falls Prevention Task and Finish Group	Follow up on recommendations that are relevant to PAF (there were HOSC specific recommendations as well)	