

The Leader's Report of Cabinet Issues

This report details the main issues considered by the Cabinet at its meetings on 19 July and 20 September 2016.

1. Chief Executive's 100 Day Report

Cabinet considered the Chief Executive's report setting out his thoughts on the issues he had identified in his first 100 days in post that the organisation needed to address. The report was based on his observations of the strengths and weaknesses of the Council as he had experienced them and as they had been relayed to him by employees and partners. It explained the work he had set in motion to address these issues and it described in high-level terms – based on five key principles – the future direction of travel for the organisation in order to enable it to realise its ambition for Essex and its people, recognising that the challenges being faced are unlike any that had been faced in the past. In the light of its many strengths, great officers and ambitious members, despite the challenging circumstances faced by all public services, the Chief Executive was confident that Essex was well-positioned not only to weather them but to thrive.

Cabinet welcomed the report, commenting on the value of a fresh view of the Council's activities and ways of working. It was agreed that the report should be published and shared with all Members of the Council, employees and partner organisations.

2. 2016-17 Financial Review as at the First Quarter Stage

The Cabinet was informed of the forecast position of the Council's revenue and capital budgets as at the first quarter of the 2016/17 financial year. A full-year forecast overspend on revenue of £6.3m and an overspend of £1.1m on capital was reported, after proposed adjustments, and it was noted that plans to recover the revenue position were in development. Cabinet noted that the position was very similar to that at the same stage in 2015/16, meaning that there was no cause for concern. Adjustments and mitigations would be made throughout the year to ensure that expenditure remained within budget.

Cabinet noted the report and approved a number of actions to draw down funds from reserves, appropriate funds to reserves and effect necessary adjustments.

3. Procurement of an Independent Living Provider Development Framework

Independent living schemes enable people to live more independently. They also allow the Council to provide care at a lower cost, as residents either pay their own rent or can claim their rent as local housing allowance. Currently there is a

gap in provision of Independent Living across Essex, with insufficient numbers of units to take pressure from residential care placements.

Cabinet considered a report which proposed that the Council address this gap by developing 2,500 Independent Living units over the next five to seven years for availability either as social/affordable rented units or ownership units. As around 700 units are already in operation or already in development through the existing grant support scheme, the Council would need to facilitate the provision of a further 1800 units.

The Cabinet approved delivery of these independent living schemes via the preferred option of establishing a seven-year Council-led multi-provider framework agreement. The schemes would be provided on land owned by and/or made available to a public sector organisation. The Council will not be obliged to procure schemes through the framework and has the right to terminate any contract with a provider should delivery not be met. Authority to finalise the detailed evaluation criteria was delegated to the Executive Director for People Commissioning, who would also award the framework to the successful bidders.

4. Surplus Property Disposal – sale of the former Epping St John’s Junior and Primary School

The site of the former St John’s Junior and Primary school and adjacent Adult Education and Youth Centre, known locally as Centre Point, in St. John’s Road, Epping are owned by the Council and vacant and boarded. The site was vacated in April 2010 when the new Epping Primary School was completed. The site has been declared surplus to service requirements and the necessary approvals have been obtained from the DfE for a disposal to take place. The site is close to Epping Town Centre and offers a significant regeneration opportunity, particularly as it adjoins a depot owned by Epping Forest District Council (EFDC) and Epping town hall, owned by Epping Town Council (ETC).

ECC worked collaboratively with EFDC as Local Planning Authority towards the approval of a Development Brief for the St. John’s Road Area. The Brief, which promotes the ECC site and adjacent property for redevelopment for mixed use development including residential, retail and leisure as uses in isolation or on a mixed use basis, was approved by EFDC at their Cabinet on 10 September 2012 and was referred to their Full Council on 27 September 2012 for adoption as non-statutory planning guidance.

Following joint marketing, during which the site was offered as a whole or combination of plots, the preferred offer from the perspective of EFDC was that which met their regeneration aims and the findings of a public consultation about the site. The amount of this offer is significantly below offers received by ECC for its part of the site.

The Cabinet compared the financial benefits of a larger capital receipt, the wider community regeneration benefits and the opportunity to improve, against the Council’s wider obligations as a place-shaper – particularly in respect of economic regeneration. It was agreed that progressing the transaction with EFDC would deliver several wider economic and community benefits, sufficient to outweigh the reduction in capital receipt. Although a larger capital receipt could

be invested to deliver some of these benefits, it could not deliver a large retail /leisure scheme in Epping.

Cabinet has therefore agreed to delegate authority to the Director for Corporate Operations to dispose of the freehold of the former Epping St John's Junior and Primary School in St John's Road, Epping to Epping Forest District Council, on terms and conditions to be agreed by the Director for Corporate Operations and subject to the Secretary of State confirming consent to the disposal at an undervalue.

5. Future Direction of the Quality Improvement Service – Early Years and Childcare

The Council has a statutory duty to ensure that sufficient quality childcare services are provided. At present the Council's Quality Improvement Team provides quality improvement services to early years settings in the maintained and non-maintained sectors. This is delivered partly by a commissioned provider. The contract with the commissioned provider will expire on 31 March 2017.

Statutory guidance published in September 2014 has changed the Government's expectations about how local authorities discharge their statutory duties under the Childcare Act 2016. In addition, the Education White Paper 2016, 'Educational Excellence Everywhere' signals a change in the way school improvement is developed, with a stronger focus on school to school support through a school-led improvement system and diminished responsibility for local authorities. It is proposed that, from 2018, funding to local authorities for school improvement will cease.

In view of these changes to the LA role in school improvement, and in order to address the issue of financial sustainability, it is proposed that the service should be delivered differently in future, refocusing on the aims of the statutory guidance. Having considered the benefits and risks of the various options in relation to this, the Cabinet has agreed to commission a single ECC Quality Improvement Intervention Team provided by ECC employees, which includes support for Childminders and Out of School (OOS) providers that are currently provided by contractors.

6. Extension of Day Opportunities Contract

The Council currently places around 1,900 adults into day opportunities via a 'managed service' (where ECC manages the personal budget for the individual, with support provided in line with the person's wishes) each year as part of a support package to meet eligible care needs. Day opportunities provide a chance for people to take part in activities outside of the home while also providing a break for carers.

Following the cancellation of a single stage procurement process for day opportunities commenced in October 2014, officers and stakeholders have undertaken a range of activities to understand how day opportunities are currently used and how the offer can be recommissioned in line with ECC's corporate objectives and the Care Act, and develop a financially sustainable

model. This would include a shift of focus to personalised solutions which will deliver progressive activities, support individuals to achieve work, participation and well-being and improve outcomes.

In order to allow time to develop future options for the redesign of the service based on this work, the Cabinet has agreed to the extension for twelve months (until 30 September 2017) of a number of current contracts and grant agreements for day opportunities due to expire on 30 September 2016. A further report will be submitted in due course concerning the future procurement of the service.

7. Superfast Essex Phase 3 Delivery Programme

The Superfast Essex programme is part of the national initiative to improve fast broadband availability in the UK. The initiative is managed by the Broadband Delivery UK (BDUK) section of the Department for Culture, Media and Sport, which has recognised Superfast Essex as one of its top four programmes in terms of successful delivery and successful supplier relationships.

Based on the success of previous phases of the project, it is proposed to proceed with further expansion, to be known as Superfast Essex Phase 3. Fast broadband increasingly underpins all aspects of life for Essex residents and businesses. Investing in improvements of broadband connectivity in the county will enable and support ECC's delivery of all of its key objectives, making a real difference to residents and businesses in the more rural parts of Essex. Essex wants to grow the local economy and create an environment for businesses to thrive and improved broadband coverage will support this ambition. Better connectivity across the county will also support digital inclusion in terms of lifelong learning and skills development as well as the use of public services provided through online channels.

It is already known that Phase 3 will include the Tendring District Council, and funding has been secured from that Council and BDUK for the delivery of additional broadband infrastructure in this area.

In proceeding with the further expansion of the Superfast Essex programme, the programme will work towards the following key objectives:

- Achieve at least 97% superfast coverage by 2020
- Drive service take-up to reach 50%
- Work with other Essex authorities to maximise local funding contributions.

Cabinet has authorised the creation of 'Superfast Essex Phase 3' as a new capital scheme at an overall value of £7.4m over four years (2017/18 to 2020/21) to be funded by:

- (a) £3m from savings from phases 1 and 2
- (b) £2.2m from Tendring District Council; and
- (c) £2.2m from BDUK.

In addition, the £1.9m 'Gainshare' savings from the take up of broadband in phases 1 and 2 will be invested as part of phase 3, by the current supplier (BT).

The target for Phase 3 will be that 97% of premises in Essex have access to 30Mbps broadband.

Cabinet has authorised the Executive Director for Place Operations and CIO to agree with BDUK and Tendring District Council the areas to be included within Superfast Essex Phase 3 and determine whether the solution offered by the current supplier is acceptable based on price and delivery timescale. The procurement of suitable delivery partners to deliver Superfast Essex Phase 3 will be undertaken through a competitive, single stage OJEU procurement process with a contract length of ten years, divided into geographical lots. Cabinet has authorised the Executive Director for Place Operations and CIO to determine (in consultation with BDUK and Tendring District Council) the evaluation criteria for the award of the contracts for delivery of Phase 3, and to award the contracts once the procurement is complete and he is satisfied that the formal evaluation and due diligence shows that the proposed contract(s) represent value for money.

Finally, Cabinet has authorised the drawdown of £195,000 revenue from the transformation reserve for Superfast Essex Phase 3, to be used to drive demand and take-up of the new broadband services deployed under the Superfast Essex programme (all Phases).

8. Chelmsford Park and Ride – approval for agency agreement with Chelmsford City Council covering the operation of the Chelmsford Park and Ride Sites

Chelmsford has two Park and Ride sites, located at Sandon and Chelmer Valley. There are currently two operational contracts relating to Park and Ride – one for bus operations and one for the management of the site and facilities. Both current contracts are due to expire on 24 September 2016. At present, the Council pays the full cost of the services and receives all fare income.

In January 2016, the Council undertook a competitive procurement of three contracts, covering bus operations, front of house and site maintenance for the sites. In June 2016 it was decided not to proceed with the procurements for front of house services and site maintenance due to there being clear advantages in a greater partnership with Chelmsford City Council. In order to realise the benefits of this partnership approach, it was necessary to consider alternative options for service delivery, resulting in the proposed development of an Agency Agreement.

Cabinet has agreed to delegate to Chelmsford City Council, via an Agency Agreement with effect from autumn 2016 for a period of five years, with an optional two-year extension, responsibility for:

- The operation of the site and facilities management at the sites, including the responsibility for all staff; and
- The maintenance of the site and facilities including all reactive maintenance.

The agreement will incorporate a gain share provision to allow both parties to share any income generated over and above the cost of the service, thereby incentivising the partnership to increase income generation of the sites.

An Officers Operations Board has been established to oversee operational aspects of Park and Ride services, including maintenance, asset condition, potential capital investment requirements, customer feedback and consideration of new income generation incentives.

Finally, Cabinet has approved the extension of the current Park and Ride contracts for front of house and site maintenance with Chelmsford City Council for a maximum three-month period, at a cost of £98,794 to the Council, to ensure interim delivery of services while the Agency Agreement is developed.

Councillor David Finch
Leader of the Council