

The Executive – 2 September 2020

Minutes of the meeting of **The Executive** held on **2 September 2020** when there were present:-

Chairman: Cllr S E Wootton
Vice Chairman: Cllr Mrs C E Roe

Cllr D S Efde
Cllr S P Smith
Cllr I H Ward

Cllr M J Webb
Cllr A L Williams

NON-MEMBERS ATTENDING

Cllrs Mrs J R Gooding, G J Ioannou and D J Sperring

OFFICERS PRESENT

S Scrutton	- Managing Director
A Hutchings	- Strategic Director
M Harwood-White	- Assistant Director, Assets & Commercial
M Hotten	- Assistant Director, Place & Environment
N Lucas	- Assistant Director, Resources
D Tribe	- Assistant Director, Transformation & Customer
S Worthington	- Principal Democratic & Corporate Services Officer

134 MINUTES

The Minutes of the meeting held on 8 July 2020 were approved as a correct record and would be signed by the Chairman in due course.

135 QUARTER 1 2020/21 FINANCIAL MANAGEMENT & PERFORMANCE REPORT

The Portfolio Holder for Finance introduced the quarter 1 2020/21 financial management and performance report and emphasised that this covered the lockdown period from April to June 2020. The latest revenue budget for 2020/21 was £10.38 million; changes to the original budget were due to drawdowns from reserves detailed in appendix 1 to the report. The forecast overrun as of quarter 1 was £10.46 million, giving a small projected overspend of £83,000 assuming full application of the Council's COVID grant allocation of just over £1 million but no additional payments for loss of income under the Government's recently announced scheme.

The COVID-19 pandemic was expected to have a significant impact on the Council's financial position, both in 2021 and in future years although the full impact was currently unclear and would depend on how the wider economy recovered. The Council was currently incurring additional unplanned expenditure in a number of areas including support for leisure services, provision for homeless services and increased litter collection. Losses are also expected across most income lines and notably car parking.

The projections within the report were based on assumptions with a high degree of uncertainty and would therefore be subject to close monitoring and refinement over the course of the financial year. The Council had to date received £1.011 million of un ringfenced grant from central government to contribute towards COVID-19-related pressures. Monthly reporting on expected COVID-19-related financial pressures was required of the Council and these returns had been shared with Members. A scheme to reimburse local government for an element of its lost income had been announced by central government; however, details were only released post-publication of this report and was not reflected in the quarter 1 financial position presented to the Executive. A claim would be made in September with the first payment anticipated in October.

The Council would seek to mitigate any remaining overspends through in year savings as far as practicable but had reserves to draw down, if necessary. No COVID-related funding beyond 2021 had yet been announced but it was possible that some loss of income and cost pressures could be experienced in 2021/22 and beyond. It was difficult to be able to quantify this currently. The position would continue to be closely monitored over the financial year with assumptions being updated for budget-setting, as appropriate. The Council was likely to have to make some difficult decisions in order to ensure its financial sustainability in the medium term unless significant additional ongoing resources were agreed for local authorities in the Budget Settlement, which was expected to be announced following the Comprehensive Spending Review in late autumn.

The forecast overrun of the Council's capital programme as of quarter 1 was £1.923 million. The table at appendix 3 summarises the projected position according to service area. The major items with slippage against the 2020/21 budget are the play spaces programme, which was impacted by the pandemic, and the asset delivery programme, where works were anticipated to commence in 2021/22 in line with the final business case agreed by Council. In addition, COVID-19 had delayed some works funded by the disabled facilities grant in quarter 1. The department was reviewing the policy to enable additional households to benefit from the grant in line with the Essex-wide DFG group and government practice.

The Leader of the Council thanked the Portfolio Holder and officers for managing the Council's finances effectively during the pandemic.

Resolved

That the quarter 1 2020/21 revenue budget and capital position set out in sections 3 and 4 of the report and detailed in appendices 1 to 4 be noted.

As a result of a unanimous roll call of names, it was further **Recommended to Council**

That £2.67 million of the planned 2020/21 capital programme be re-profiled

into future years, as set out in appendix 3 to the report. (ADR)

EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That the press and public be excluded from the meeting for the remaining business on the grounds that exempt information as defined in paragraph 3 of Part1 of Schedule 12A of the Local Government Act 1972 would be disclosed.

136 REVIEW OF GROUNDS MAINTENANCE AND STREET CLEANSING CONTRACTS

The Executive considered the exempt report of the Assistant Director, Place and Environment providing details on the grounds maintenance and street cleansing contracts.

Responding to a Member question relating to the current marketplace, officers advised that there had been substantial changes in the marketplace within the last few months, which was more competitive now than a year ago with more workforce flexibility. It was therefore anticipated that prices should be more competitive. It was further noted that a Directors' report would be going to the next meeting of the Investment Board.

Resolved

- (1) That it be noted that Green Gateway Trading (GM) Ltd had successfully delivered the Council's grounds maintenance contract since December 2016, achieving the quality and savings targets set out in the original business plan.
- (2) That it be noted that the grounds maintenance contract expires in December 2021 and a decision would therefore need to be taken on the future operating model for this service by December 2020.
- (3) That it be noted that the Council's street cleansing contract, currently outsourced to Suez, was due to expire in March 2022 and a decision would therefore need to be taken on the future operating model for this service by March 2021.
- (4) That a drawdown of £20,000 be agreed from the Council's earmarked reserves to commission an external consultant to provide an appraisal of the options for the Council to deliver both its grounds maintenance and street cleansing services, including the potential delivery of a joint contract by GGT. (ADPE)

(unanimously approved by roll call of names)

137 MATERIALS RECOVERY FACILITIES (MRF) CONTRACT

The Executive considered the exempt report of the Assistant Director, Place and Environment providing details of the materials recovery facilities contract.

Resolved

That the materials recovery facilities contract (the new contract) be awarded to the incumbent provider, Viridor, from 4 November 2020. (ADPE)

(unanimously approved by roll call of names)

The meeting closed at 7.55 pm.

Chairman

Date

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