



Essex County Council

Cabinet

10:15	Tuesday, 16 January 2024	Council Chamber County Hall, Chelmsford, CM1 1QH
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For information about the meeting please ask for:

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Pages

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Meeting Arrangements

In accordance with paragraph 14.7 of the Council's Constitution, the Leader has agreed that all members may take part in the meeting and vote if they are present via Zoom. The link to the Zoom meeting has been sent to members separately. Members of the public may watch on YouTube and there will of course be the normal public access to the meeting room in County Hall, from which any member of the public may observe the meeting and make representations.

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3 Questions from the public

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. No statement or question shall be longer than three minutes and speakers will be timed.

On arrival, and before the start of the meeting, please register with the Democratic Services Officer.

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To note that the next meeting of the Cabinet will take place at 10.15am on Tuesday 27 February 2024 in the Council Chamber, County Hall, Chelmsford, CM1 1QH

10 Urgent Business

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)

The following items of business have not been published on the grounds that they involve the likely disclosure of exempt information falling within Part I of Schedule 12A of the Local Government Act 1972. Members are asked to consider whether or not the press and public should be excluded during the consideration of these items. If so it will be necessary for the meeting to pass a formal resolution:

That the press and public are excluded from the meeting during the consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information falling within Schedule 12A to the Local Government Act 1972, the specific paragraph(s) of Schedule 12A engaged being set out in the report or appendix relating to that item of business.

11 Urgent Exempt Business

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.

Committee: Cabinet

Enquiries to: Emma Tombs, Democratic Services Manager
Emma.tombs@essex.gov.uk

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

Member

Portfolio

(Quorum: 3)

Cllr Kevin Bentley	Leader of the Council (Chairman)
Cllr Louise McKinlay	Deputy Leader, Levelling Up and the Economy (Vice-Chairman)
Cllr Tony Ball	Education Excellence, Lifelong Learning and Employability
Cllr Tom Cunningham	Highways, Infrastructure and Sustainable Transport
Cllr Mark Durham	The Arts, Heritage and Culture
Cllr Beverley Egan	Children's Services and Early Years
Cllr Peter Schwier	Climate Czar, Environment, Waste Reduction and Recycling
Cllr Lee Scott	Planning a Growing Economy
Cllr John Spence	Health, Adult Social Care and ICS Integration
Cllr Chris Whitbread	The Chancellor of Essex

Minutes of a meeting of the Cabinet meeting held in the Council Chamber at County Hall at 10.15am on Tuesday 19 December 2023

Present:

Councillor	Cabinet Member Responsibility
Cllr Louise McKinlay	Deputy Leader and Cabinet Member for Levelling Up and the Economy (in the Chair)
Cllr Tony Ball	Education Excellence, Lifelong Learning and Employability
Cllr Tom Cunningham	Highways Infrastructure and Sustainable Transport
Cllr Mark Durham	The Arts, Heritage and Culture
Cllr Beverley Egan	Children's Services and Early Years
Cllr Peter Schwier	Climate Czar, Environment, Waste Reduction and Recycling
Cllr Lee Scott	Planning a Growing Economy
Cllr John Spence	Adult Social Care, Health and ICS Integration (items 1-4 only)
Cllr Chris Whitbread	The Chancellor of Essex

Cllrs Carlo Guglielmi, Derrick Louis, Mark Platt and Holly Whitbread were also present. Cllrs Alan Goggin, Ivan Henderson, Mike Mackrory, Chris Pond and Wendy Stamp 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. Membership of the Cabinet was as set out in the report.
2. Apologies for absence were received from Cllr Kevin Bentley, Leader of the Council and Cllr David King, Deputy Leader of the Liberal Democrat Group.
3. There were no declarations of interest.

2. Minutes: 14 November 2023

The Minutes of the previous meeting, held on 14 November 2023, were approved as a correct record and signed by the Chairman.

3. Questions from the Public

None.

Variation in the Order of Business

Upon the Motion of the Chairman, duly carried, the Cabinet agreed to consider Agenda Item 5 (Developing a Health Determinants Research Collaboration for Greater Essex) as the next item of business.

4. Developing a Health Determinants Research Collaboration for Greater Essex (FP/287/11/23)

Cabinet's approval was sought to accept funding awarded following a successful bid to the National Institute for Health and Care Research (NIHR) for the development of a Health Determinants Research Collaboration (HDRC) in Greater Essex. Agreement was also sought to delegate authority to officers to implement the partnership.

The Cabinet Member for Adult Social Care, Health and ICS Integration responded as follows to questions by Cllrs Ivan Henderson, Mike Mackrory and Chris Pond:

- Although the Collaboration's work on the wider determinants of health would undoubtedly take account of the impact of past decisions and circumstances on vulnerable groups today, undertaking a dedicated assessment of these factors did not fall within its remit.
- The importance for communities on the Essex borders of services delivered by neighbouring authorities and health services was acknowledged.
- The Cabinet Member undertook to arrange a Members' Briefing on life expectancy discrepancies across the County, to take place in the New Year.

Resolved:

1. Agreed that the Council should accept £4,999,764 funding from the National Institute for Health and Care Research for a Health Determinants Research Collaboration.
2. Agreed that the Director, Policy in consultation with the Monitoring Officer and the Section 151 Officer may enter into agreements to accept the funding and implement the partnership.

5. Whole Council Transformation (FP/278/10/23)

Cabinet's approval was sought to mobilise the Whole Essex Transformation (WCT) programme as outlined in the 'WCT Strategy' and 'Deploying the WCT Strategy' documents, attached as Appendices A and B respectively to report FP/278/10/23.

The Chancellor of Essex, supported by the Special Lead Member for Transformation (Cllr Derrick Louis) provided the following responses to questions by Cllrs Chris Pond, Mike Mackrory and Ivan Henderson.

- Financial and demand challenges in the local government sector were only one reason for proposing the transformation programme. It was important for all organisations to review their operations and assess whether they could be more effective, and a similar process was undertaken by the Council each year as part of the budget process.
- Clarification was provided concerning the commitment to regular engagement with scrutiny, the timescale for the creation of the Special Lead Member for Transformation role and the importance of partnership working, especially in terms of achieving better value for money.

Resolved:

Agreed:

1. To adopt the 'Whole Council Transformation Strategy' (WCT) and 'Deploying the WCT Strategy' documents, as set out respectively in Appendices A and B to report FP/278/10/23).
2. To draw down £1.6m from the Transformation Reserve across financial years 2023/24 to 2025/26 to mobilise the Strategy and delivery of the first phase of the WCT Programme (up to 2025), which will include:
 - a. the next major milestone of April 2025 (Transition State 2)
 - b. Dedicated work to address £100m (by 2028) transformation savings target.
 - c. Initiation of work to embed the Conditions for Success.
 - d. Design of an effective operating model to support transformation (including transformation governance, measurement of outcomes), in conjunction with the Support Services Programme.
 - e. Specialist capacity and capability for portfolio mobilisation.
3. That procurement of one or more transformation partners will be needed to bring capacity, capability and specialist skills to support with the phase two of WCT, at an estimated cost of £1m to £2m.
4. To bring a further report to the Chancellor for Essex and Cabinet with responsibility for Finance with respect to how the transformation partner(s) will be procured.

6. Proposed Harlow Gilston Garden Town Joint Committee (FP/198/08/23)

Cabinet's approval was sought to enter the new Harlow Gilston Garden Town Joint Committee (HGGT Joint Committee), as an equal partner alongside four other partner local authorities. The role of the Joint Committee would be to take decisions and commission initiatives that impact the Harlow sub-region.

In presenting the report, the Cabinet Member for Planning a Growing Economy advised that the ECC nominated/appointed member of the Joint Committee was likely to be Cllr Lesley Wagland.

The Cabinet Member undertook to provide a written response to questions by Cllr Mike Mackrory on matters related to the operation of the Joint Committee including:

- The criteria for designating decisions as subject to call-in by any of the partner overview and scrutiny committees.
- The definition of an 'HGGT person' in the context of a request to attend the scrutiny committee of a partner authority.
- Clarification of the term 'regular' as it relates to the provision of reports and updates to the partner authorities.

Resolved:

1. Agreed to enter into the Inter Authority Agreement (IAA) for the Harlow and Gilston Garden Town Joint Committee, to be executed as a Deed and that the Cabinet agrees to participate in the Joint Committee as set out in that agreement.
2. Agreed to that the form of the Inter Authority Agreement will be that set in Appendix 2 to report FP/198/08/23 as amended in accordance with Appendix 1 to the same report, but that the Monitoring Officer be authorised to:
 - a. Waive any of the amendments in Appendix 1 if he considers that it is in the best interests of the Council to do so.
 - b. Make any further minor amendments to the deed which may be requested by partner authorities after consulting with the Cabinet Member for Planning a Growing Economy.
3. Noted that once the IAA is executed the Monitoring Officer will make the necessary changes to accommodate HGGT Joint Committee arrangements in the ECC Constitution and this will be reported to Council for information.
4. Agreed that the Leader in consultation with the Cabinet Member for Planning a Growing Economy shall appoint or nominate an elected

representative to the Committee as the ECC-nominated Member of the HGGT Joint Committee.

7. Decisions taken by or in consultation with Cabinet Members (FP/282/11/23)

The report was noted.

8. Date of next meeting

Noted that the next meeting of the Cabinet would take place at 10.15am on Tuesday 16 January 2024 in the Council Chamber at County Hall, Chelmsford, CM1 1QH.

9. Urgent business

None.

There being no further business, the meeting closed at 10.52am.

Chairman
16 January 2024

Forward Plan Reference Number: FP/037/02/23

Report title: 2023/24 Financial Overview as at the Third Quarter Stage	
Report to: Cabinet	
Report author: Councillor Christopher Whitbread, Chancellor of Essex and Cabinet Member with responsibility for Finance	
Date: 16 January 2024	For: Decision
Enquiries to: Nicole Wood, Executive Director, Corporate Services, email Nicole.wood@essex.gov.uk or Adrian Osborne, Head of Strategic Finance and Insight, email Adrian.osborne2@essex.gov.uk	
County Divisions affected: All Essex	

1 Everyone's Essex

- 1.1 The Annual Plan and Budget was set for 2023/24 at Council in February 2023. The plan set out the Everyone's Essex strategic aims and commitments, alongside a budget to enable delivery of our aims, while also maintaining the financial sustainability of the Council.
- 1.2 The purpose of this report is to set out the current forecast financial position of Essex County Council's (ECC) revenue and capital budgets as at the third quarter stage of the 2023/24 financial year. The report highlights that, while there is a forecast over spend of 0.4% against a net revenue budget of £1.1bn, the short to medium term outlook remains incredibly challenging, with demand uncertainty, market pressures, above target inflation, relatively high interest rates and cost of living impacts. Significant over spends of 16.7% in the Children Service's and Early Years portfolio and 14% across Home to School Transport are being experienced, reflecting the picture seen nationally.
- 1.3 The **£4.5m** revenue over spend is an **£8.2m** favourable movement since the Half Year report of **£12.7m**. This is mostly driven by a movement of **£11m** in Other Operating Costs, partly offset by an adverse movement of **£4m** in Children's Services and Early Years. **Further details on movements are set out in section 5.**
- 1.4 The forecast outturn for the capital programme is £307.4m, before adjustments proposed within this report. This represents an under spend of **£16.5m** (5.1%) against the latest approved budget of £323.8m. **Further details on movements are set out in section 7.**
- 1.5 We are still facing unprecedented circumstances – after reaching a 40 year high back in winter 2022/23, inflation is now falling but still remains nearly double the Bank of England target at 3.9%. In the current economic climate forecasts for future inflation remain uncertain. There is a risk to the financial position if inflation does not reduce at the speed forecast by the Bank of

England, however with the actual rate now tracking quite closely to the forecast, this risk is beginning to ease. There are other unknowns that risk the position too, including ongoing demand for services, particularly across Children's Social Care and Home to School Transport – such pressures are being seen nationally; increasing complexity of need, as well as escalating supplier costs. These will be carefully monitored and are likely to result in ongoing volatility of expenditure for the remainder of the year, making it difficult to produce an accurate forecast.

- 1.6 Despite these challenges, our focus remains on prioritising our resources to achieve the strategic aims outlined in Everyone's Essex. Since the start of this year there has been a further **£1.6m** of funding approved towards our key strategic priorities.

2. Recommendations

Approval is sought for the following:

- 2.1 To draw down funds from reserves as follows:

- i. **£1.6m** from the Adults Investment Reserve to the Health, Adult Social Care and ICS Integration portfolio relating to Health and Social Care Reform (£732,000), and various project expenditure, details of which can be found in section 5 (section 5.5.vi)
- ii. **£960,000** from the Transformation Reserve to the Health, Adult Social Care and ICS Integration portfolio relating to the Health and Social Care reform Cabinet Member Action FP/421/05/22, previously approved, but now time lapsed (section 5.5.vi)
- iii. **£946,000** from the Reserve for Future Capital Funding to the Health, Adult Social Care and ICS Integration portfolio relating to Independent Living Older People housing scheme's capital costs transferring to revenue (section 5.5.vi)
- iv. **£500,000** from the Covid Equalisation Reserve to the Children Service's and Early Years portfolio relating to the increased complexity and additional demand of mental health issues relating to young people (section 5.1.iii)
- v. **£161,000** from the Ambition Fund Reserve to the Levelling Up, Communities and Business Engagement RSSS portfolio relating to the Just About Managing project to cover the costs associated with the Working Families Initiative, previously approved in FP/011/03/21, but now time lapsed (section 5.14.iii)
- vi. **£117,000** from the Community Initiatives Reserve to the Levelling Up, Communities and Business Engagement RSSS portfolio to fund payments to community groups that have been awarded small grants (section 5.14.iii)

- vii. **£77,000** from the Waste Reserve to the Climate Czar, Environment, Waste Reduction and Recycling portfolio towards the Mechanical and Biological Treatment facility (MBT) ongoing legal costs (section 5.2.iii)
- viii. **£58,000** from the Capital Receipts Pump Priming Reserve to the Chancellor of Essex RSSS portfolio to fund costs on vacant properties pending transformation/sale (section 5.16.ii)
- ix. **£24,000** from the Transformation Reserve to the Planning a Growing Economy portfolio relating to the Cabinet Member Action FP/687/04/20 Supporting Community Infrastructure Levy Uptake across Essex, previously approved, but now time lapsed (section 5.9.iii)
- x. **£17,000** from the Technology and Digitisation Reserve to the Chancellor of Essex RSSS portfolio relating to My Oracle Support (section 5.16.ii).

2.2 To appropriate funds to reserves as follows:

- i. **£1.5m** to the Technology and Digitisation Reserve from the Chancellor of Essex RSSS portfolio to appropriate funds, for use in 2024/25, to deliver the Network and Voice Programme (£1m) and to offset pressures in 2024/25 within the Technology service (£500,000) (section 5.16.ii)
- ii. **£444,000** to the Commercial Investment in Essex Places Reserve from the Planning a Growing Economy portfolio relating to an under spend within the Essex Renewal Fund (decision FP/245/12/21), due to delays, for use in 2024/25 (section 5.9.iii)
- iii. **£370,000** to the Waste Reserve from the Climate Czar, Environment, Waste Reduction and Recycling portfolio to appropriate unused funds to the reserve for future use (section 5.2.iii)
- iv. **£319,000** to the Everyone's Essex Reserve from the Planning a Growing Economy portfolio, returning funding for use in 2024/25, relating to FP/426/06/22 Delivering Digital Essex, due to delays in the project (£239,000) and FP/247/12/21 Environment & Climate Action Programme funding not required this year (£80,000) (section 5.9.iii)
- v. **£26,000** to the Reserve for Future Capital Funding from the Climate Czar, Environment, Waste Reduction and Recycling portfolio to fund capital expenditure incurred in the purchase of a cherry picker (section 5.2.iii)

2.3 To approve the following adjustments:

- i. Reprofile and repurpose part of the allocations within the Carry Forward Reserve relating to the Corporate, Chief Executives Office and People and Transformation functions, following a review of the reserve, as follows:

- **£450,000** to the Chancellor of Essex RSSS portfolio, for use in 2024/25, supporting delivery of Whole Council Transformation (WCT)
 - **£436,000** to the Chancellor of Essex RSSS portfolio, for use in 2024/25, for P2P resource for income collection to reduce outstanding debts - 8 x full time equivalents (FTE) (repurpose)
 - **£205,000** to the Levelling Up, Communities and Business Engagement RSSS portfolio, for use in 2024/25, to support priorities in the delivery of performance and business intelligence (reprofiling)
 - **£153,000** to the Levelling Up, Communities and Business Engagement RSSS portfolio, for use in 2024/25, relating to fixed term contracts within Partnership and Equality (reprofiling)
 - **£150,000** to the Levelling Up, Communities and Business Engagement RSSS portfolio, for use in 2024/25, relating to training resources and 2 fixed term Data Analysts (reprofiling)
 - **£100,000** to the Chancellor of Essex RSSS portfolio, for use in 2024/25, for Decision Making training for officers within Legal (repurpose)
 - **£100,000** to the Chancellor of Essex RSSS portfolio, for use in 2024/25, to support efficiency savings in Finance (repurpose)
 - **£100,000** to the Chancellor of Essex RSSS portfolio, for use in 2024/25, to support efficiency savings in Technology services (repurpose)
- ii. 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/406/05/22 Procurement of Social Care Case Management Platform, to reprofile £5.2m into 2024/25 and £3.6m into 2025/26
 - FP/474/07/22 Voice & Data Network services, to reprofile £1.9m into 2024/25 and £953,000 into 2025/26
 - FP/421/05/22 Health and Care Act 2022 – Adult Social Care Reforms to reprofile £2.8m into 2024/25.
- iii. Amend the capital budget as shown in Appendices C (i) and C (ii) which allows for capital slippage of **£33.5m** from 2023/24 plus **£22.8m** from 2024/25 across 2025/26 (**£14.5m**), 2026/27 (**£21.4m**), 2027/28 (**£5m**) and 2028/29 (**£15.4m**). A reduction to the capital programme of **£4.7m** and an addition to the capital programme of **£4m**. Furthermore, move advanced works totalling **£23.3m** (**£14.6m** into 2023/24, **£3.9m** into 2025/26, and **£4.8m** into 2026/27), with **£13.7m** from 2024/25 and **£9.6m** from 2027/28 (see section 7.2).

3. Executive Summary: Revenue

3.1 Appendix A summarises the revenue budgets and forecast outturn for each portfolio. There is a full year forecast over spend of **£4.5m (0.4%** against a net budget of **£1.1bn)**. The overall over spend position is driven by Children's Services and Early Years, Health and Adult Social Care and ICS Integration and The Chancellor of Essex portfolios:

- i. Children's Services and Early Years, **£20.6m**, mainly relates to placement pressure due to a combination of increased package costs and increases in demand. This is reflective of a national picture.
- ii. Health and Adult Social Care and ICS Integration, **£3.5m**, predominantly due to Older People Residential and Nursing Care with increased volumes and price, and capacity pressures within Reablement support, requiring additional spot purchasing.
- iii. The Chancellor of Essex, **£3.7m**, pressure in relation to delayed delivery of an ECC wide staffing review saving for 2023/24. Plans are in development to ensure full delivery in 2024/25.

Partially offset by under spends in:

- iv. Other Operating Costs, **£18m** driven by higher levels of income on interest earned from treasury management activity due to rising interest rates and larger cash balances than forecast, plus reduced expectations on capital financing costs following re-profiling in the capital programme.
 - v. Highways Maintenance and Sustainable Transport **£2.6m** and Chancellor of Essex RSSS **£1.7m** in relation to energy costs – following a stabilisation of the energy market since the budget was set, unit rates are now nearly half that assumed.
- 3.2 The Council continues to find itself in an extremely uncertain economic environment. CPI inflation is continuing to decline, but at 3.9% is still nearly double the Bank of England target rate. The Bank of England's most recent forecast (November Monetary Policy Committee (MPC) Report) continued to forecast an ongoing reduction in inflation, down to around 4% by the end of this financial year, averaging over 6% for the year. Whilst this broadly matches assumptions built into the budget for 2023/24, a slower or bumpier decline than predicted will potentially create pressure against 2023/24 budgets, and could impact our medium term plans. Alongside this, interest rates are now at their highest levels since 2008, and the expectation is this will continue in the short to medium term, which will impact on the revenue cost of borrowing to support the capital programme in the medium term.

- 3.3 At this time, pressure of over £16m relating to inflation is being reported. We continue to hold reserves specifically set aside for inflationary risk, which can mitigate any emergent pressure if necessary in the short term. The position will continue to be carefully monitored and is likely to result in ongoing volatility of some spend in the remaining months of the year, which makes it difficult to produce an accurate forecast.
- 3.4 The position reported in section 5 assumes the approval of the proposed adjustments in this report as set out in the recommendations in paragraphs 2.1 to 2.3.

4. Executive Summary: Capital

- 4.1 The original capital programme for 2023/24 as set by Full Council in February 2023 was **£274.9m**. The forecast outturn is **£307.4m**, before adjustments proposed within this report. This represents an under spend of **£16.5m** (5.1%) against the latest approved budget of **£323.8m**. After taking account of budget change requests in this report there is a residual over spend of **£3.2m**, mainly in relation to Schools cash balances, which is controlled by Essex schools and any balance at Provisional outturn will be funded from Devolved Formula capital grant. More detail is set out in Section 7.
- 4.2 The **£16.5m** under spend in the 2023/24 Capital Programme position relates to the following requests in this report:
- 2023/24 Slippage: **£33.5m** (plus £22.8m from 2024/25, with £14.5m into 2025/26, £21.4m into 2026/27, £5m into 2027/28 and £15.4m into 2028/29)
 - 2023/24 Additions: **£4m**
 - 2023/24 Reductions: **£4.7m**
 - 2023/24 Advanced Works: **£14.6m** (plus further advance works of £3.9m into 2025/26 and £4.8m into 2026/27. With £13.7m from 2024/25 and £9.6m from 2027/28)
- 4.3 Appendix C (i) summarises current year forecasts and changes to the Capital Programme for 2023/24 since approval of the original programme in the Budget Report to Council in February 2023. Appendix C (ii) contains the detail of the budget adjustments seeking approval.
- 4.4 The Council has an ambitious four-year capital programme totalling over £1.2bn. Despite the continued decline in general inflation, we are still experiencing specific materials inflation and market instability, therefore we face some significant risks, particularly on our large major schemes. These risks are being seen nationally on major building schemes, and while the risks do not impact on the current year capital programme, the Council is working to resolve these risks as far as possible with partners, to ensure any impact on the aspirational capital programme is minimised.

5. Revenue Position

5.1 Children's Services and Early Years:

- **Non-DSG - £20.6m (16.7%) over spend**
 - **DSG – £3.8m under spend**
- i. The forecast over spend in Non-DSG is predominantly as a result of higher than budgeted numbers of children in particular types of care; mainstream residential, external fostering and unregistered arrangements. Also, the average weekly rate paid for mainstream residential placements is £1,638 (35%) above the budgeted rate, and for Children with Disabilities residential £1,383 (48%) above the rate budgeted. There is limited sufficiency in the market, which has resulted in price inflation far in excess of budgeted levels. In addition, there is a forecast £2.2m over spend on staffing as vacancies are lower than expected.
- ii. There has been an adverse movement since the Half Year report of **£4m**:
- **£3m** placement costs, profiled as:
 - **£1.2m** mainstream residential due to 3 new placements and 3% rise in average weekly rate
 - **£141,000** unregistered placements where there are 5 new placements
 - **£988,000** supported living due to a 29% rise in average weekly rate
 - **£374,000** Parent and Child placements where forecast weeks of care have increased by 46%
 - **£710,000** direct payments and provisions due to increased numbers
 - **£664,000** Separated Migrant Children where there has been increased placement spend and a reduction in the numbers of young people in education, who are eligible for grant funding.
- iii. Approval is sought in this report for the following:
- **£500,000** from the Covid Equalisation Reserve due to the increased complexity of mental health issues in young people leading to additional demand

5.2 Climate Czar, Environment, Waste Reduction and Recycling - £86,000 (0.1%) under spend

- i. The portfolio reports a small forecast under spend of **£86,000** and favourable movement of **£23,000** from the Half Year report.
- ii. The following should be noted for 2023/24 in relation to Waste Management:
- For residual waste the forecast tonnage for the remaining months of the year is as per the budget set for December to March
 - For non-residual waste the baseline from which the 2023/24 forecast (December to March) is driven has been adjusted to reflect 2022/23 actuals, all other assumptions used at budget setting remain unchanged.

- Any variation from these assumptions could have a material budgetary risk or opportunity and therefore tonnage variances will be carefully monitored throughout the remainder of the year to assess impact on the full year forecast outturn position.
- It should be noted that the food waste intervention is in the early stages of roll out and therefore there is an opportunity that food waste may increase over the remaining months of the year.

iii. Approval is sought in this report for the following:

- **£370,000** to the Waste Reserve to appropriate unused funds to the reserve for future use
- **£77,000** from the Waste Reserve towards the Mechanical and Biological Treatment facility (MBT) ongoing legal costs
- **£26,000** to the Reserve for Future Capital Funding to fund capital expenditure incurred to date in the purchase of a cherry picker.

5.3 **Education Excellence, Lifelong Learning and Employability (DSG) - £194,000 over spend**

i. An in year **£194,000** over spend is reported which results from:

- **£4.9m** Increased costs and volume within Independent Schools
- **£2.8m** Top-Up funding for mainstream schools largely due to an increase in the price and volume of pupils with an Education Health and Care Plan (EHCP)
- **£966,000** for pupils placed in Individual Packages of Education Support due to an increase in volume of pupils placed through the framework
- **£489,000** for new enhanced provisions due to the cost of new provisions
- **£426,000** for SEND Therapies largely due to the increase in costs of Independent Therapists
- **£410,000** for Essex pupils placed in other LA schools due to an increase in the volume of mainstream places and the cost of special school places
- **£2.9m** Planned expenditure from the High Needs Block (HNB) carry forward for additional place and top up funding agreed through the Schools Forum and commitments for the Inclusion Framework
- **£1.1m** Alternative Provision over spend largely due to an increase in the cost of Personal Budgets and suppliers not covered by the Individual Packages of Education Support (IPES) contract.

Partially offset by the following under spends:

- **£13m** High Needs Block contingency funding
- **£1.1m** Schools Block funding
- **£206,000** Specialist Teachers under spend due to vacancies where recruitment is ongoing for the new posts created through the SEND restructure.

ii. This is an adverse movement of **£6.9m** since the Half Year report mainly attributable to:

- **£2.1m** Mainstream top up funding where there has been a significant increase in the volume of EHCP's
- Planned expenditure from the High Needs Block (HNB) carry forward:
 - **£2m** Additional place and top up funding agreed through the School Forum
 - **£857,000** Additional commitments for the Inclusion Framework
- **£850,000** Increased average cost of Education Health and Care Plans (EHCP) and payments backdated to 2022/23
- **£183,000** An increase in the average hourly rate of Other Local Authority SEN top ups, plus 12 new placements

5.4 Education Excellence, Lifelong Learning and Employability (Non DSG) - £530,000 (1.8%) over spend

- i. A forecast over spend of **£530,000** is largely due to:
- **£652,000** relating to the Educational Psychologist teams where the cost of associate Educational Psychologists of £618,000 and back dated pay rises of £270,000 are only partially offset by staffing vacancies

Partially offset by:

- **£236,000** vacancies in the SEND Operations teams where recruitment is ongoing for the new posts.

- ii. This is an adverse movement of **£120,000** since the Half Year report mainly attributable to increased costs across the SEND Operations and Educational Psychology teams within the Quadrants.

5.5 Health, Adults Social Care and ICS Integration - £3.5m (0.8%) over spend

- i. The Adult Social Care system is facing increased pressure to support hospital discharges, resulting in higher numbers of temporary packages having to be commissioned at increased costs as there continues to be a supply and demand mismatch. This mismatch gives a challenge in being able to accurately predict future financial outturn and the service will continue to track the impact.
- ii. The Adult Social Care forecast is based on volume growth being in line with latest assumptions and price uplifts as per Cabinet Decision papers taken earlier this year. The forecast makes no prediction about further savings delivery over and above that already validated. The service are actively pursuing the delivery of savings not reflected in the forecast (£1.2m), and as these savings come to fruition, and if all other assumptions remain in line with budget, the outturn position will move favourably, enabling the offset of further emerging volume and price pressures.
- iii. There are several over and under spends, the most significant being Older People Residential and Nursing Care driven by increased volumes and price, where some of the price pressure is being driven by complexity of need.

- iv. The favourable movement of **£1.3m** since the Half Year report is driven by actions taken as a result of recovery plan, along with increases to the forecast in respect of Residential and Non Residential income due to increased volumes and individual contribution levels.
- v. The Public Health forecast outturn is an online position. Of the £67.7m allocated to ECC in 2023/24, approximately £900,000 is unallocated to expenditure. There is a workstream to set out and define the appropriate focus on existing gaps in service delivery in line with the approved Wellbeing, Public Health and Communities business plans. The funds remain subject to the normal Public Health grant conditions. £2.3m of the £2.5m of Central Government Contain Management Outbreak funding (COMF) carried forward from 2022/23 is allocated to the Essex Wellbeing Service which has a major focus on enabling communities to become more confident post Covid.
- vi. Approval is sought in this report for the following drawdowns from reserves:
 - **£1.6m** from the Adults Investment Reserve relating to:
 - **£732,000** in relation to Health and Social Care reform Cabinet Member Action FP/421/05/22, previously approved, but now time lapsed
 - **£523,000** in relation to Adults with Disabilities Residential and Nursing price uplifts utilising the Social Care Grant
 - **£180,000** in relation to Day Opportunities Diagnostics
 - **£127,000** in relation to Anthropol Tech Test and Learn funding
 - **£32,000** in relation to Care Intermediate Care Independent Living Housing Advisors
 - **£28,000** in relation to Electronic Home Care Monitoring
 - **£10,000** in relation to Advocacy resources
 - **£8,000** to fund backfill of Apprenticeship posts
 - **£960,000** from the Transformation Reserve relating to the Health and Social Care reform Cabinet Member Action FP/421/05/22, previously approved, but now time lapsed
 - **£946,000** from the Reserve for Future Capital Funding relating to Independent Living Older People housing scheme's capital costs transferring to revenue as they will now not be capitalised.

5.6 **Highways, Infrastructure and Sustainable Transport - £2.6m (2.1%) under spend**

- i. The forecast under spend of **£2.6m** predominantly relates to energy under spends across policy lines, which is partially offset with pressures being reported within Home to School Transport. This represents an adverse movement of **£1.8m** from the Half Year report mainly within Home to School Transport.
- ii. The largest variances are:
 - **£6.5m** under spend in relation to energy across policy lines as energy prices are nearly half the unit price expected when the budget was set

Offset by:

- **£4.9m** over spend within Home to School Transport policy lines; £3.7m resulting from an unfunded pressure within Hired Transport due to a number of factors which include more complex passenger needs and further mileage travelled, an estimated £600,000 transporting 176 Asylum students from hotels to 20 mainstream schools across the county and £600,000 on a combination of demand and price increases agreed with operators since August 2022 in Public Tickets.

5.7 **Leader – £110,000 (4.9%) over spend**

- i. The portfolio reports a forecast over spend of **£110,000**. This is an adverse movement of **£150,000** from the Half Year report. This movement is due to adjusted staffing forecast assumptions within the Democratic Core and Chief Executive Officer policy lines, offset by an additional £40,000 of income from Slough in relation to commissioner activity.
- ii. The over spend is offset by the under spend that is reported in the Levelling Up, Communities and Business Engagement portfolio, managed through the management structure of the authority.

5.8 **Levelling Up, Communities and Business Engagement – £186,000 (2.9%) under spend**

- i. The portfolio reports a forecast under spend of **£186,000**, a favourable movement of **£167,000** from the Half Year report. This is mainly driven by an increase in Deputyships income of £107,000, where Deputyship fees are fixed nationally by the Court of Protection. A further £50,000 is due to an increase in expected management training course income within Strategic Partnerships.

5.9 **Planning a Growing Economy – £37,000 (0.3%) under spend**

- i. The portfolio reports a forecast under spend of **£37,000** which is mainly attributable to the following:
 - **£60,000** under spend within Developer Management & Staffing due to staffing vacancies
 - **£52,000** under spend within Strategic Spatial Planning due to reduced spend, including lower consultancy and travel costs where possible, to offset the pressure within Environmental Planning
 - **£24,000** under spend within Housing Growth & Strategic Sites due to staffing vacancies.

Offset by:

- **£79,000** over spend within Environmental Planning due to the additional costs of the Local Minerals Plan

- **£20,000** over spend within Economic Renewal relating to a forecast pressure within staffing.
- ii. This is a favourable movement of **£69,000** from the Half Year report which is mainly due to revised staffing forecasts within Developer Management & Staff.
- iii. Approval is sought in this report for the following:
 - **£444,000** to the Commercial Investment in Essex Places Reserve relating to an under spend within the Essex Renewal Fund, due to delays. This is intended for use in 2024/25
 - **£319,000** to the Everyone's Essex Reserve returning funding which will now be used in 2024/25, relating to FP/426/06/22 Delivering Digital Essex due to delays in the project (£239,000) and FP/247/12/21 Environment & Climate Action Programme as funding is not now required this year (£80,000)
 - **£24,000** from the Transformation Reserve relating to the Cabinet Member Action FP/687/04/20 Supporting Community Infrastructure Levy Uptake across Essex, previously approved, but now time lapsed

5.10 The Arts, Heritage and Culture – **£63,000 (0.2%) over spend**

- i. The portfolio reports a forecast over spend of **£63,000** mainly attributable to the following:
 - **£360,000** over spend within the Registrations Service, largely due to income pressures as a result of declining numbers of ceremony bookings compared to those anticipated when the budget was set
 - **£32,000** over spend in Trading Standards due to the New Burdens grant not being received directly to the service as it has been included in the overall government funding to ECC

Offset by

- **£144,000** under spend within Gypsy and Travellers relating to the contribution to the Essex Countywide Traveller Unit for Outreach work now being funded by Public Health, and staffing under spends as a result of in-year vacancies
 - **£99,000** under spend in Youth Services largely due to staffing vacancies (£218,000) and income in excess of budget (£200,000), partially offset by an over spend on supplies and services where there has been one off investment made in Youth Centre buildings (£347,000)
 - **£56,000** under spend in Libraries Services due to staffing vacancies
 - **£41,000** under spend in Heritage and Cultural Service due to not filling a vacant post
- ii. This is an adverse movement of **£247,000** from the Half Year report largely attributable to income pressures within the Registration Service.

5.11 The Chancellor of Essex – **£3.7m (50.9%) over spend**

- i. The **£3.7m** forecast over spend is driven by the full amount of the £5m organisation wide staffing saving being budgeted within the portfolio. Delivery of the saving has been delayed, creating the over spend within the Portfolio. Plans are now being developed to ensure delivery of the saving in 2024/25.
- ii. There is a favourable movement of **£725,000** from the Half Year report predominantly due to £500,000 of lower costs forecast in relation to the council tax sharing agreement, plus £186,000 within Customer Services mainly due to vacancies being held within Compliance and Complaints in preparation for the delivery of savings in the next financial year.

5.12 **Other Operating Costs – £18m (20.4%) under spend**

The **£18m** forecast under spend represents a favourable movement from the Half Year report of **£11m**, driven by capital financing and treasury management. Increasing interest rates and greater cash balances (driven in part by lower than expected usage of reserves) has resulted in higher investment returns, and reduced expectations on capital financing costs following re-profiling in the capital programme.

5.13 **Leader Recharged Strategic Support Services - £78,000 (3.8%) over spend**

- i. The portfolio reports a **£78,000** over spend, which is an adverse movement of **£64,000** from the Half Year report. The total over spend is driven by concerns within the Communications and Marketing Service about meeting the current year marketing activity savings target of £50,000, as well as a nominal staffing over spend. The service expects this saving to be fully realised in 2024/25.

5.14 **Levelling Up, Communities and Business Engagement Recharged Strategic Support Services – £401,000 (5.8%) under spend**

- i. The portfolio reports a **£401,000** forecast under spend, which is a favourable movement of **£383,000** from the Half Year report mainly driven by:
 - **£188,000** attributable to delays in filling vacant roles with Performance and Business Intelligence
 - **£83,000** due to difficulties currently facing the Legal and Assurance function in filling specialised posts
 - **£50,000** relating to Public Health additional recharge income within Performance and Business Intelligence
- ii. This under spend is offset by the over spend in the Leader portfolio, this is managed through the management structure of the authority
- iii. Approval is sought in this report for the following:

- **£161,000** from the Ambition Fund Reserve relating to the Just About Managing project to cover the costs associated with the Working Families Initiative, previously approved in FP/011/03/21, but now time lapsed.
- **£117,000** from the Community Initiatives Reserve to fund payments to community groups that have been awarded small grants.

5.15 Planning a Growing Economy Recharged Support Services - £45,000 (4%) under spend

- i. This forecast under spend of **£45,000** and a favourable movement of **£26,000** from the Half Year report are due to revised staffing forecasts.

5.16 The Chancellor of Essex Recharged Support Services - £1.6m (1.4%) under spend

- i. This **£1.6m** forecast under spend position is driven by:
 - **£2.7m** under spend within Property Utilities & Energy. Of this, £1.6m is due to the 2023/24 unit rate for electricity being significantly lower than the unit rate assumed in the current year budget, and £1m is due to lower than budgeted consumption levels.

Offset by

- **£627,000** over spend within Property Contracts, of which £348,000 is attributable to the Mitie Contract and the Mitie Managed Fund where the actual CPI rate is higher than that assumed at budget setting, and £210,000 relating to Iron Mountain storage costs
- **£290,000** over spend within Property Landlord relating to a pressure of £340,000 mostly due to dilapidation costs for the exit of Essex House which are higher than originally estimated and are therefore outside of the approved Cabinet Member Action value, offset with a £50,000 under spend due to staffing vacancies within the Core Management Team where the staffing structure is currently under review

- ii. Approval is sought in this report for the following drawdowns:
 - **£1.5m** to the Technology and Digitisation Reserve to appropriate funds, for use in 2024/25, to deliver the Network and Voice Programme (£1m) and to offset pressures in 2024/25 within the Technology service (£500,000)
 - **£58,000** from the Capital Receipts Pump Priming Reserve to Property Landlord to fund costs on vacant properties pending transformation/sale
 - **£17,000** from the Technology and Digitisation Reserve relating to My Oracle Support.

6. Trading Activities

- 6.1 Trading activities as a whole are reporting a **£1,000** surplus against the budgeted surplus of **£300,000**.

- 6.2 Place Services is forecasting an achievement of the planned target of **£300,000** which will be appropriated to County Reserves
- 6.3 Music Services is forecasting a small surplus of **£1,000**.
- 6.4 These forecast positions will leave a net residual surplus in reserves of **£1.7m**, of which **£1.4m** relates to Place Services
- 6.5 Appendix B shows the position by each Trading Activity.

7. Capital

- 7.1 An under spend of **£16.5m** (5.1%) is forecast against the latest capital budget of **£323.8m**. After taking account of budget change requests in this report there is a residual over spend of **£3.2m**.
- 7.2 Approval is sought for:
 - i. 2023/24 Slippage: **£33.5m** plus 2024/25 slippage of £22.8m (£14.5m into 2025/26, £21.4m into 2026/27, £5m into 2027/28 and £15.4m into 2028/29)
 - ii. 2023/24 Additions: **£4m**
 - iii. 2023/24 Reductions: **£4.7m**
 - iv. 2023/24 Advanced Works: **£14.6m** (plus further advance works of £3.9m into 2025/26 and £4.8m into 2026/27. With £13.7m from 2024/25 and £9.6m from 2027/28)
- 7.3 The key points to note are listed below, and the detailed requests are shown at Appendix C(ii).
- 7.4 **Children Service and Early Years – £2.3m (47.8%) under spend**
 - i. Approval is sought to slip **£2.4m** into 2024/25. This slippage mainly relates to the Solo Placements programme; **£800,000** has been earmarked for the fourth Solo Placement premise which has yet to be identified and therefore is requested to be slipped. **£450,000** relates to Woodlands where there is a 14-week programme, however it is likely to require full planning which will delay works starting, therefore spend is likely to slip into 2024/25. Finally, **£235,000** of slippage relates to Roach Vale due to ongoing discussions with the new Head Teacher to ensure the project adheres to DfE requirements. Outside of Solo placements, Early Years is slipping **£205,000** as the Great Chesterford project is to be delivered by the school, and planning has not yet been submitted.
- 7.5 **Climate Czar, Environment, Waste Reduction and Recycling – £25,000 (2.8%) over spend**

- i. Approval is sought to add £26,000 into programme relating for the purchase of a cherry picker vehicle, which will be funded by a revenue contribution to the Reserve for Future capital funding.

7.6 **Education Excellence, Lifelong Learning and Employability - £3.4m (6.9%) over spend**

- i. Overall, approval is sought to;
 - Reprofile **£2m** from 2023/24, **£1.8m** into 2024/25 and **£193,000** into 2025/26
 - To advance **£1.9m** from 2024/25
 - For capital programme additions of **£1.4m**;
 - Partially offset by capital programme reductions of **£1.2m**.

The most material adjustments relate to the following:

- ii. A **£1.9m** over spend relates to advanced works within Maldon Primary Basic Need and specifically Limebrook Way Primary, based on the latest contractor cashflows. This is partly offset by **£1m** slippage within Special Schools, mainly relating to unallocated funds intended for new projects which will now not start until the next financial year, and **£600,000** slippage within Temporary Accommodation due to issues with work undertaken on Reinforced Autoclaved Aerated Concrete at several sites, which has resulted in delays to originally planned works that will now be undertaken in Summer 2024.
- iii. Schools Cash Balances is reporting a non-controllable over spend of **£3.4m** in relation to grants to Schools. This will be fully funded by the Devolved Formula Capital grant.

7.7 **Health, Adult Social Care and ICS Integration – £462,000 (81%) under spend**

- i. An under spend of **£298,000** is forecast on the Independent Living Ninefields scheme as the brick payment to the developer is now expected to be due early in the new financial year.
- ii. An under spend of **£180,000** is forecast on Independent Living Adults with Complex Needs in relation to delays with the land purchase due to ongoing planning permission issues.
- iii. Overall approval is sought to slip **£571,000** into 2024/25, for additions of **£190,000**, partially offset by reductions of **£101,000** and advanced works of **£20,000** from 2024/25.

7.8 **Highways, Infrastructure and Sustainable Transport - £11.9m (7.6%) under spend**

- i. Overall, approval is sought to;

- Reprofile **£13.3m** from 2023/24, **£13.9m** from 2024/25, **£3.9m** from 2025/26, **£25.1m** into 2026/27, **£100,000** into 2027/28 and **£5.8m** into 2028/29
 - Capital programme additions of **£1.1m**;
 - Capital programme reductions of **£631,000**
 - Advanced works of **£932,000** into 2023/24, **£9,000** into 2024/25, **£3.9m** into 2025/26, **£4.8m** into 2026/27, **£9.6m** from 2027/28
- ii. There is **£6.6m** under spend on Housing Infrastructure Fund projects which is driven by slippage of **£4.7m** on Colchester Rapid Transit System into 2024/25, due to delays in delivery following an extended tender process. Furthermore, slippage of **£2.8m** relating to A133-A120 Link Road resulting from delays due to land issues and public inquiry. This is offset by advanced works of **£872,000** on Harlow Sustainable Transport Corridor due to the ability to progress more rapidly following the cabinet decision to award contract.
- iii. There is a **£2.5m** under spend for Highways Major Schemes, mainly relating to slippage of **£1.9m** on A127 Corridor Improvements as work has been paused as the Major Roads Network funding is not yet confirmed. A meeting with the Department for Transport is due to take place to confirm the requirements to unlock the funding.
- iv. An under spend of **£2.8m** is forecast on the Highways Maintenance Programme. An under spend of **£1m** is forecast on the Footway Maintenance programme due to unexpected delays in the start date of several schemes. An under spend of **£500,000** is also forecast on the Passenger Transport Infrastructure scheme in relation to the Basildon Volt project to electrify bus services in Basildon; ECC has developed a bid into the Zero Emission Bus Regional Areas (Zebra) funding call, and depending in the timing of the announcement for successful bids, it is likely that some expenditure will now fall into 2024/25.

7.9 **Leader – £9m (14%) over spend**

- i. Approval is sought to advance **£11.7m** into 2023/24 from 2024/25. This is regarding Beaulieu Park Station as Network Rail are progressing ahead of schedule.
- ii. An under spend of **£2.8m** is forecast on Chelmsford North East Bypass as the Silt Lagoon works that were due to start in March have now slipped into early 2024/25. There is also a risk that any issues securing land could extend the forecast out past the Homes England deadline for scheme funding.

7.10 **Levelling Up, Communities and Business Engagement – £33,000 (28.2%) under spend**

- i. Approval is sought to reprofile **£33,000** from 2023/24 into 2024/25 for the Changing Places project at Barleylands due to delays in the work completing.

7.11 Planning a Growing Economy – £13.1m (38.8%) under spend

- i. Overall approval is sought to:
 - Reprofile **£11.5m** from 2023/24, **£7.7m** into 2024/25, **£2.3m** into 2025/26, **£1.4m** into 2026/27 and **£93,000** into 2027/28
 - Add **£988,000** into capital programme
 - Reduce **£2.6m** from the capital programme
- ii. Economic Investment has an under spend of **£8.7m** which mainly relates to Harlow Development Fund's slippage of **£5m**, as it is unlikely that £5m of projects will have been identified by year end to enable ECC to release its contribution. Furthermore, slippage of **£1.5m** for Colchester Town Regeneration as the valuation of the Queen Street bus garage is yet to be finalised and legal delays are anticipated for the scheme. Finally, slippage of **£1.4m** in relation to the Clacton Town Regeneration programme; a business case has recently been endorsed for the Clacton Hub which seeks to add ECC's proportion of Tendring District Council's successful Levelling Up Fund bid (£2.8m) to the capital programme and reprofile the existing ECC contribution to the project (£7.9m) in to future years.
- iii. Essex Housing reports an under spend of **£1.5m** which relates to the Independent Living schemes that are being removed as a Third Party will now be delivering these. ECC will only be carrying out design and planning work.
- iv. Superfast Broadband is reporting a **£977,000** under spend which relates to contracts that have now completed on target but under budget. Approval is sought to reprofile these under spends into 2024/25. As per the agreements with the Department for Culture, Media and Sport (DCMS), ECC are required to retain these under spends to reinvest in the further rollout of superfast broadband, or repay funds to DCMS.
- v. Essex Housing LLP Loans report an under spend of **£1.9m**, which relates to the realignment of Essex Housing LLP to the latest Annual Delivery Plan.

7.12 The Arts, Heritage and Culture – £993,000 (58.6%) under spend

- i. Approval is sought to reprofile **£993,000** from 2023/24 into 2024/25. The slippage relates to Transforming Youth Services, due to delays as the scope of works are being determined.

7.13 The Chancellor of Essex – £28,000 (0.3%) under spend

- i. Approval is sought to reduce the capital programme by **£200,000** and add **£200,000** to the programme. This is to realign funding between the core estate maintenance programme and the various Salix grant funded carbon reduction initiatives within the Portfolio.

- 7.14 **Appendix C** provides a comparison of approved and forecast outturn capital payments by Portfolio and sets out the variance plan which summarise the proposals for addressing the forecast budget variances.

8. Policy context and Outcomes Framework

- 8.1 This report is an assessment of the financial position of the County Council, which itself is a representation of the Annual plan. The budget and Annual plan were approved in parallel in February 2023.

9. Reserves

- 9.1 A summary of the forecast balances on reserves is provided in **Appendix D**.
- 9.2 Of the recommendations requested in this report the most significant is to approve **£1.6m** from the Adults Investment Reserve to the Health, Adult Social Care and ICS Integration portfolio relating to Health and Social Care Reform (£732,000) and various other project expenditure, and to appropriate **£1.5m** to the Technology and Digitisation Reserve from the Chancellor of Essex RSSS portfolio relating to unused funds, for use in 2024/25, to deliver the Network and Voice Programme (£1m) and to offset pressures in 2024/25 within the Technology service (£500,000).

10. Financial Implications

Finance and Resources Implications (Section 151 Officer)

- 10.1 The report is provided by the Section 151 Officer. There are no further comments.

11. Legal Implications

- 11.1 The Council is responsible for setting the budget each year. Once agreed the executive then have to implement the policy framework and keep within the budget, subject to the limits set by Financial Regulations.

12. Equality and Diversity implications

- 12.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act

- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 12.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 12.3 The equality implications are assessed as part of budget setting process and as part of individual schemes.
- 12.4 There are no equality and diversity or other resource implications associated with this report.

13. List of Appendices

Appendix A	Revenue Forecast Outturn
Appendix B	Trading Activities
Appendix C (i)	Capital Forecast Outturn
Appendix C (ii)	Capital Variance Plan
Appendix D	Balance Sheet - Earmarked Reserves
Appendix E	Treasury Management
Appendix F	Prudential Indicators

(Available at www.essex.gov.uk if not circulated with this report)

14. List of Background Papers

Budgetary control reports.

Appendix A

Revenue Forecast Outturn

Portfolio	Q3 Forecast			Half Year Forecast		
	Latest Budget £000	Variance £000	% of Latest Budget	Variance £000	Movement £000	Direction of Travel
Children's Services and Early Years DSG	(401)	(3,791)	945.0%	(3,812)	21	↓
Children's Services and Early Years Non DSG	123,150	20,594	16.7%	16,608	3,986	↓
Climate Czar, Environment, Waste Reduction and Recycling	93,427	(86)	(0.1%)	(64)	(23)	↑
Education Excellence, Life Long Learning and Employability DSG	(2,662)	194	(7.3%)	(6,712)	6,906	↓
Education Excellence, Life Long Learning and Employability Non DSG	29,934	530	1.8%	410	120	↓
Health, Adult Social Care and ICS Integration	450,898	3,465	0.8%	4,795	(1,329)	↑
Highways, Infrastructure and Sustainable Transport	123,811	(2,573)	(2.1%)	(4,413)	1,840	↓
Leader	2,227	110	4.9%	(41)	150	↓
Levelling Up, Communitas and Business Engagement	6,400	(186)	(2.9%)	(20)	(167)	↑
Planning a Growing Economy	10,745	(37)	(0.3%)	32	(69)	↑
The Arts, Heritage and Culture	27,587	63	0.2%	(185)	247	↓
The Chancellor of Essex	7,248	3,691	50.9%	4,416	(725)	↑
Other Operating Costs	88,352	(18,008)	(20.4%)	(6,997)	(11,011)	↑
Leader RSSS	2,046	78	3.8%	14	64	↓
Levelling Up, Communitas and Business Engagement RSSS	6,859	(401)	(5.8%)	(18)	(383)	↑
Planning a Growing Economy RSSS	1,122	(45)	(4.0%)	(19)	(26)	↑
The Chancellor of Essex RSSS	114,837	(1,648)	(1.4%)	(1,791)	143	↓
Total	1,085,581	1,949	0.2%	2,204	(254)	
DSG Offset	3,063	3,597	117.4%	10,524	(6,927)	
Total Excluding DSG	1,088,644	5,546	0.5%	12,727	(7,181)	
Funding		(1,053)			(1,053)	
Revised Total	1,088,644	4,494	0.4%	12,727	(8,234)	

Appendix B

Trading Activities

	Revenue reserve 1 April 2023	Income	Budget Expenditure	(Surplus)/ Deficit	Income	Forecast Expenditure	Forecast (Surplus) / deficit	Final Outturn position	Appropriations To County Revenue Account	To Trading Activity reserve	Final Outturn position	Variance Plan Proposals to/(from) reserves	Revenue reserve 31 March 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Traded Services	(1,443)	(3,968)	3,668	(300)	(4,048)	3,748	(300)	(0)	(300)	(0)	-	-	(1,443)
Place Services	(285)	(4,338)	4,338	-	(4,771)	4,770	(1)	(1)	-	-	(1)	-	(285)
Music Services													
Total	(1,729)	(8,306)	8,006	(300)	(8,819)	8,518	(301)	(1)	(300)	(0)	(1)	-	(1,729)

Appendix C (i)

Capital Forecast Outturn

	Year to date			Budget Movement		Full Year		
	Budget	Actuals	Variance	Original Budget	In year approved changes	Revised Budget	Outturn	Variance
	£000	£000	£000	£000	£000	£000	£000	£000
Children's Services and Early Years	1,711	414	(1,297)	3,010	1,902	4,913	2,566	(2,347)
Climate Czar, Environment, Waste Reduction and Recycling	590	885	295	-	886	886	911	25
Education Excellence, Life Long Learning and Employability	29,370	33,892	4,522	55,201	(5,730)	49,472	52,869	3,397
Health, Adult Social Care and ICS Integration	(1,086)	(55)	1,031	2,277	(1,706)	571	108	(462)
Highways, Infrastructure and Sustainable Transport	104,643	91,697	(12,946)	118,183	38,626	156,810	144,929	(11,880)
Leader	33,289	51,685	18,396	42,527	23,450	65,977	74,929	8,952
Levelling Up, Communities and Business Engagement	61	67	7	100	16	116	83	(33)
Planning a Growing Economy	12,225	11,896	(329)	45,442	(11,635)	33,806	20,707	(13,099)
The Arts, Heritage and Culture	1,089	3	(1,087)	1,351	344	1,695	702	(993)
The Chancellor of Essex	6,304	5,093	(1,211)	6,768	2,832	9,600	9,572	(28)
ECC Capital Programme	188,196	195,576	7,380	274,859	48,986	323,845	307,377	(16,469)

Financed by:

	Budget Movement		Full Year		
	Original Budget	In year approved changes	Revised Budget	Outturn	Variance
	£000	£000	£000	£000	£000
ECC Capital Programme					
Grants	137,479	27,457	164,936	183,243	18,307
Reserves	7,300	9,068	16,368	16,393	25
Developer & Other contributions	23,627	10,495	34,122	29,275	(4,847)
Capital receipts	5,000	(1,422)	3,578	3,578	-
Unsupported borrowing	101,454	3,387	104,841	74,888	(29,954)
ECC Capital Programme	274,859	48,986	323,845	307,377	(16,469)

Appendix C(ii)

Capital Variance Plan

Variance plan - current year

Portfolio	Approved changes					Variance Plan (2023/24)					
	Slippage	Additions	Reductions	Advanced Works	Approved changes	Slippage	Additions	Reductions	Advanced Works	Residual Variance	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Children's Services and Early Years	146	2,236	(706)	227	1,903	(2,371)	24	-	-	(0)	(2,347)
Climate Czar, Environment, Waste Reduction and Recycling	886	-	-	-	886	-	26	-	-	(1)	25
Education Excellence, Life Long Learning and Employability	(7,030)	8,834	(7,682)	148	(5,730)	(1,965)	1,449	(1,236)	1,945	3,204	3,397
Health, Adult Social Care and ICS Integration	(1,706)	-	-	-	(1,706)	(571)	190	(101)	20	(0)	(462)
Highways, Infrastructure and Sustainable Transport	(11,361)	98,869	(65,004)	16,123	38,627	(13,254)	1,073	(631)	932	(0)	(11,880)
Leader	(608)	-	-	24,058	23,450	(2,768)	-	-	11,720	0	8,952
Levelling Up, Communities and Business Engagement	-	16	-	-	16	(33)	-	-	-	-	(33)
Planning a Growing Economy	(11,818)	17,133	(16,237)	(713)	(11,635)	(11,515)	988	(2,573)	-	(0)	(13,099)
The Arts, Heritage and Culture	(110)	515	(61)	-	344	(993)	-	-	-	0	(993)
The Chancellor of Essex	317	6,468	(3,953)	-	2,832	-	200	(200)	-	(28)	(28)
ECC Capital Programme	(31,284)	134,071	(93,643)	39,843	48,987	(33,470)	3,950	(4,742)	14,617	3,176	(16,469)

Variance plan - Future years

Variance Plan - Future Years											
Portfolio	2024/25		2025/26		2026/27		2027/28		2028/29		Total Variance
	Slippage	Advanced Works	Slippage	Advanced Works	Slippage	Advanced Works	Slippage	Advanced Works	Slippage	Advanced Works	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Children's Services and Early Years	2,371	-	-	-	-	-	-	-	-	-	2,371
Education Excellence, Life Long Learning and Employability	1,772	(1,945)	193	-	-	-	-	-	-	-	20
Health, Adult Social Care and ICS Integration	571	(10)	-	(10)	-	-	-	-	-	-	551
Highways, Infrastructure and Sustainable Transport	(13,845)	9	(3,916)	3,890	25,140	4,781	100	(9,612)	5,775	-	12,322
Leader	(22,478)	(11,720)	15,973	-	(5,185)	-	4,815	-	9,643	-	(8,952)
Levelling Up, Communities and Business Engagement	33	-	-	-	-	-	-	-	-	-	33
Planning a Growing Economy	7,742	-	2,271	-	1,409	-	93	-	-	-	11,515
The Arts, Heritage and Culture	993	-	-	-	-	-	-	-	-	-	993
ECC Capital Programme	(22,841)	(13,666)	14,521	3,880	21,364	4,781	5,008	(9,612)	15,418	-	18,853

Portfolio & Scheme	Slippage	Additions	Reductions	Advanced Works	2023/24 Changes
	£000	£000	£000	£000	Requested
EARLY YEARS	(217)	24	-	-	(193)
ADAPTATIONS	(327)	-	-	-	(327)
CHILDRENS RESIDENTIAL	(328)	-	-	-	(328)
SOLO PLACEMENTS	(1,499)	-	-	-	(1,499)
Children's Services and Early Years	(2,371)	24	-	-	(2,347)
CHERRY PICKER	-	26	-	-	26
Climate Czar, Environment, Waste Reduction and Recycling	-	26	-	-	26
SCHOOLS CAPITALISED BUILDING MAINTENANCE	-	134	-	-	134
HARLOW PRIMARY BASIC NEED	-	9	-	-	9
EPPING FOREST PRIMARY BASIC NEED	(207)	-	(3)	-	(210)
EPPING FOREST SECONDARY BASIC NEED	(6)	6	-	-	-
COLCHESTER PRIMARY BASIC NEED	-	-	(17)	-	(17)
COLCHESTER SECONDARY BASIC NEED	(7)	227	(10)	-	210
BRAINTREE PRIMARY BASIC NEED	(93)	-	(4)	2	(95)
MALDON PRIMARY BASIC NEED	-	-	-	1,943	1,943
TENDRING PRIMARY BASIC NEED	-	-	(82)	-	(82)
TENDRING SECONDARY BASIC NEED	-	-	(6)	-	(6)
UTTLESFORD SECONDARY BASIC NEED	-	592	-	-	592
UTTLESFORD PRIMARY BASIC NEED	-	-	(692)	-	(692)
CHELMSFORD PRIMARY BASIC NEED	-	3	-	-	3
CHELMSFORD SECONDARY BASIC NEED	(50)	-	-	-	(50)
SPECIAL SCHOOLS	(1,002)	113	(113)	-	(1,002)
ACL DIGI HUB	-	-	(245)	-	(245)
TEMPORARY ACCOMMODATION	(600)	113	(26)	-	(513)
Education Excellence, Life Long Learning and Employability	(1,965)	1,197	(1,198)	1,945	(21)
BRIDGEMARSH	-	-	-	20	20
INDEPENDENT LIVING ADULTS WITH COMPLEX NEEDS	(180)	-	-	-	(180)
INDEPENDENT LIVING OLDER PEOPLE NINEFIELDS WALTHAM	(391)	190	(97)	-	(298)
INDEPENDENT LIVING OLDER PEOPLE COPPINS COURT	-	-	(4)	-	(4)
Health, Adult Social Care and ICS Integration	(571)	190	(101)	20	(462)
ACTIVE TRAVEL	-	-	(111)	-	(111)
ACTIVE TRAVEL 3 & COL TOWN FID LCWIP4	-	311	-	-	311
ACTIVE TRAVEL 4	(318)	321	(21)	-	(18)
AIR QUALITY THEATRE & EDUCATION	-	-	-	10	10
BUS & PASSENGER TRANSPORT INFRASTRUCTURE	(500)	-	-	-	(500)
CYCLE ASSET RENEWAL	-	-	(200)	-	(200)
FOOTWAY MAINTENANCE	(1,000)	-	-	-	(1,000)
PT TRANSPORT ADVERTISING	(350)	-	-	-	(350)
SECTION 106	-	89	-	-	89
SURFACE WATER ALLEVIATION	(405)	-	-	-	(405)
School Streets	(284)	-	(300)	-	(584)
A133-A120 LINK HIF	(2,800)	-	-	-	(2,800)
COLCHESTER RAPID TRANSIT SYSTEM (HIF)	(4,733)	-	-	-	(4,733)
HARLOW STC NTH/STH (Ph1:GILSTON TO TC) (HIF)	-	-	-	872	872
A120 MILLENNIUM WAY SLIPS	(184)	-	-	-	(184)
A127 Corridor Improvements	(1,933)	-	-	-	(1,933)
CHELMSFORD GROWTH AREA	-	274	-	-	274
CAMBRIDGE ROAD JUNCTION	(443)	-	-	-	(443)
CYCLING INFRASTRUCTURE	(303)	-	-	-	(303)
SOUTH MALDON RELIEF ROAD	-	-	-	50	50
ADVANCED SCHEME DESIGN	-	79	-	-	79
Highways, Infrastructure and Sustainable Transport	(13,253)	1,074	(632)	932	(11,879)

2023/24 Financial Overview as at the Third Quarter Stage

Portfolio & Scheme	Slippage	Additions	Reductions	Advanced Works	2023/24 Changes
	£000	£000	£000	£000	Requested
BEAULIEU PARK STATION	-	-	-	11,720	11,720
CHELMSFORD NORTH EASTERN BYPASS	(2,768)	-	-	-	(2,768)
Leader	(2,768)	-	-	11,720	8,952
CHANGING PLACES	(33)	-	-	-	(33)
Levelling Up, Communities and Business Engagement	(33)	-	-	-	(33)
BDUK ESSEX SUPERFAST PROGRAMME PHASE 3	-	-	(262)	-	(262)
BDUK ESSEX SUPERFAST PROGRAMME PHASE 4	(735)	228	(207)	-	(714)
COLCHESTER GROW ON SPACE	(686)	-	-	-	(686)
COLCHESTER TOWNS FUND	(100)	-	-	-	(100)
Colchester Town Regeneration	(1,500)	-	-	-	(1,500)
ADVANCED SCHEME DESIGN - ECONOMIC GROWTH	(93)	-	(79)	-	(172)
CLACTON TOWN REGENERATION	(1,409)	128	(128)	-	(1,409)
Harlow Development Fund	(5,000)	-	-	-	(5,000)
HARWICH LEVELLING UP	-	395	(120)	-	275
Harlow Town Centre Regeneration	(85)	-	-	-	(85)
LEXDEN SPRINGS ILOP	-	-	(671)	-	(671)
SHENFIELD LIBRARY	(35)	-	-	-	(35)
ST PETERS ILOP - INV	(199)	-	(150)	-	(349)
PRIMROSE MEADOW ILOP	-	-	(360)	-	(360)
MOULSHAM LODGE	-	-	(6)	-	(6)
WESTFIELD	-	-	(102)	-	(102)
EH LLP LOAN ECH	(1,673)	-	-	-	(1,673)
EH LLP LOAN SHERNBROKE	-	238	-	-	238
EH LLP LOAN PURFORD	-	-	(487)	-	(487)
Planning a Growing Economy	(11,515)	989	(2,572)	-	(13,098)
TRANSFORMING YOUTH SERVICES - TOWNHOUSE YOUTH CENT	(993)	-	-	-	(993)
The Arts, Heritage and Culture	(993)	-	-	-	(993)
SALIX PSDS3A	-	164	-	-	164
SALIX PSDS3B	-	-	(81)	-	(81)
CAPITALISED BUILDING MAINTENANCE	-	36	(119)	-	(83)
Chancellor of Essex	-	200	(200)	-	-
ECC Capital Programme	(33,470)	3,699	(4,704)	14,617	(19,855)
Devolved Formula Capital	-	251	(38)	-	213
Total Capital Programme	(33,470)	3,950	(4,742)	14,617	(19,642)

2023/24 Financial Overview as at the Third Quarter Stage

Portfolio & Scheme	2024/25		2025/26		2026/27		2027/28		2028/29	
	Slippage £000	Advanced Works £000	Slippage £000	Advanced Works £000	Slippage £000	Advanced Works £000	Slippage £000	Advanced Works £000	Slippage £000	Advanced Works £000
EARLY YEARS	217	-	-	-	-	-	-	-	-	-
ADAPTATIONS	327	-	-	-	-	-	-	-	-	-
CHILDRENS RESIDENTIAL	328	-	-	-	-	-	-	-	-	-
CHILDREN WITH DISABILITIES	-	-	-	-	-	-	-	-	-	-
SOLO PLACEMENTS	1,499	-	-	-	-	-	-	-	-	-
Children's Services and Early Years	2,371	-	-	-	-	-	-	-	-	-
SOCIAL HOUSING DECARB FUND	-	-	-	-	-	-	-	-	-	-
WASTE & RECYCLING	-	-	-	-	-	-	-	-	-	-
CHERRY PICKER	-	-	-	-	-	-	-	-	-	-
SHRUB END REDEVELOPMENT	-	-	-	-	-	-	-	-	-	-
Climate Czar, Environment, Waste Reduction and Recycling	-	-	-	-	-	-	-	-	-	-
SCHOOLS CAPITALISED BUILDING MAINTENANCE	-	-	-	-	-	-	-	-	-	-
BASILDON PRIMARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
BASILDON SECONDARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
HARLOW PRIMARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
HARLOW SECONDARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
EPPING FOREST PRIMARY BASIC NEED	207	-	-	-	-	-	-	-	-	-
EPPING FOREST SECONDARY BASIC NEED	6	-	-	-	-	-	-	-	-	-
COLCHESTER PRIMARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
COLCHESTER SECONDARY BASIC NEED	7	-	-	-	-	-	-	-	-	-
ROCHFORD PRIMARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
ROCHFORD SECONDARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
BRAINTREE PRIMARY BASIC NEED	93	(2)	-	-	-	-	-	-	-	-
BRAINTREE SECONDARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
CASTLE POINT PRIMARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
CASTLE POINT BASIC NEED	-	-	-	-	-	-	-	-	-	-
MALDON PRIMARY BASIC NEED	-	(1,943)	-	-	-	-	-	-	-	-
MALDON SECONDARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
TENDRING PRIMARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
TENDRING SECONDARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
UTTLESFORD SECONDARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
UTTLESFORD PRIMARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
BRENTWOOD PRIMARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
CHELMSFORD PRIMARY BASIC NEED	-	-	-	-	-	-	-	-	-	-
CHELMSFORD SECONDARY BASIC NEED	50	-	-	-	-	-	-	-	-	-
SCHOOLS FEASIBILITIES	-	-	-	-	-	-	-	-	-	-
SPECIAL SCHOOLS	809	-	193	-	-	-	-	-	-	-
ACL DIGI HUB	-	-	-	-	-	-	-	-	-	-
TEMPORARY ACCOMMODATION	600	-	-	-	-	-	-	-	-	-
Education Excellence, Life Long Learning and Employability	1,772	(1,945)	193	-	-	-	-	-	-	-
BRIDGEMARSH	-	(20)	-	-	-	-	-	-	-	-
INDEPENDENT LIVING ADULTS WITH COMPLEX NEEDS	180	-	-	-	-	-	-	-	-	-
INDEPENDENT LIVING OLDER PEOPLE NINEFIELDS WALTHAM	391	10	-	(10)	-	-	-	-	-	-
INDEPENDENT LIVING OLDER PEOPLE COPPINS COURT	-	-	-	-	-	-	-	-	-	-
IL OP INVESTMENT	-	-	-	-	-	-	-	-	-	-
POLLYSFIELD	-	-	-	-	-	-	-	-	-	-
Health, Adult Social Care and ICS Integration	571	(10)	-	(10)	-	-	-	-	-	-
HIGHWAYS MAINTENANCE	-	-	-	-	-	-	-	-	-	-
ACTIVE TRAVEL	-	-	-	-	-	-	-	-	-	-
ACTIVE TRAVEL 3 & COL TWN FD LCWIP4	-	-	-	-	-	-	-	-	-	-
ACTIVE TRAVEL 4	318	-	-	-	-	-	-	-	-	-
A127 AIR QUALITY (AQMP)	-	-	-	-	-	-	-	-	-	-
AIR QUALITY MANAGEMENT AREAS INTERVENTIONS	-	-	-	-	-	-	-	-	-	-
AIR QUALITY THEATRE & EDUCATION	-	(10)	-	-	-	-	-	-	-	-
BASILDON AIR QUALITY MANAGEMENT (EASTMAYNE)	-	-	-	-	-	-	-	-	-	-
BRIDGES	-	-	-	-	-	-	-	-	-	-
BUS LANE CAMERA ENFORCEMENT	-	-	-	-	-	-	-	-	-	-
BUS & PASSENGER TRANSPORT INFRASTRUCTURE	500	-	-	-	-	-	-	-	-	-
CYCLE ASSET RENEWAL	-	-	-	-	-	-	-	-	-	-
CASUALTY REDUCTION	-	-	-	-	-	-	-	-	-	-
EV CHARGEPOINTS	-	-	-	-	-	-	-	-	-	-
FOOTWAY MAINTENANCE	1,000	-	-	-	-	-	-	-	-	-
LED ROLLOUT	-	-	-	-	-	-	-	-	-	-
LOCAL HIGHWAYS PANELS	-	-	-	-	-	-	-	-	-	-
PASSENGER TRANSPORT	-	-	-	-	-	-	-	-	-	-
PT TRANSPORT ADVERTISING	350	891	-	(891)	-	-	-	-	-	-
PUBLIC RIGHTS OF WAY	-	-	-	-	-	-	-	-	-	-
Real Time Legacy Displays	-	-	-	-	-	-	-	-	-	-
ROAD MAINTENANCE	-	-	-	-	-	-	-	-	-	-
SAFETY BARRIER REPLACEMENT	-	-	-	-	-	-	-	-	-	-
SECTION 106	-	-	-	-	-	-	-	-	-	-
STREET LIGHTING REPLACEMENT	-	-	-	-	-	-	-	-	-	-
SURFACE WATER ALLEVIATION	405	-	-	-	-	-	-	-	-	-
School Streets	284	-	-	-	-	-	-	-	-	-
TRAFFIC SIGNAL REFURBISHMENT	-	-	-	-	-	-	-	-	-	-
A133-A120 LINK HIF	(7,645)	-	10,445	-	-	-	-	-	-	-
COLCHESTER RAPID TRANSIT SYSTEM (HIF)	4,733	-	-	-	-	-	-	-	-	-
HARLOW STC NTH/STH (PH1:GILSTON TO TC) (HIF)	-	(872)	-	-	-	-	-	-	-	-
HIGHWAYS MAJOR SCHEMES	-	-	-	-	-	-	-	-	-	-
A120 MILLENNIUM WAY SLIPS	(5,691)	-	-	-	-	-	100	-	5,775	-
A127 Corridor Improvements	868	-	(16,494)	-	17,559	-	-	-	-	-
A127 FAIRGLEN INTERCHANGE	(1,850)	-	-	-	1,850	-	-	-	-	-
CHELMSFORD GROWTH AREA	-	-	-	-	-	-	-	-	-	-
COLCHESTER A134 ST BOTOLPHS	(7,864)	-	2,133	-	5,731	-	-	-	-	-
M11 JUNCTION 7A AND GILDEN WAY UPGRADING	-	-	-	-	-	-	-	-	-	-
CAMBRIDGE ROAD JUNCTION	443	-	-	-	-	-	-	-	-	-
COLCHESTER ITP (BOROUGH WIDE)	-	-	-	-	-	-	-	-	-	-
CYCLING INFRASTRUCTURE	303	-	-	-	-	-	-	-	-	-
SOUTH MALDON RELIEF ROAD	-	-	4,781	-	4,781	-	(9,612)	-	-	-
BASILDON INTEGRATED TRANSPORT PACKAGE	-	-	-	-	-	-	-	-	-	-
M11 JUNCTION 8	-	-	-	-	-	-	-	-	-	-
SAFER ROADS A104 ESSEX	-	-	-	-	-	-	-	-	-	-
ADVANCED SCHEME DESIGN	-	-	-	-	-	-	-	-	-	-
OTHER HIGHWAYS MAJOR SCHEMES	-	-	-	-	-	-	-	-	-	-
FLOOD MANAGEMENT	-	-	-	-	-	-	-	-	-	-
Highways, Infrastructure and Sustainable Transport	(13,846)	9	(3,916)	3,890	25,140	4,781	100	(9,612)	5,775	-

2023/24 Financial Overview as at the Third Quarter Stage

Portfolio & Scheme	2024/25		2025/26		2026/27		2027/28		2028/29	
	Slippage £000	Advanced Works £000	Slippage £000	Advanced Works £000	Slippage £000	Advanced Works £000	Slippage £000	Advanced Works £000	Slippage £000	Advanced Works £000
BEAULIEU PARK STATION	(3,896)	(11,720)	3,896	-	-	-	-	-	-	-
CHELMSFORD NORTH EASTERN BYPASS	(18,582)	-	21,350	-	-	-	-	-	-	-
Leader	(22,478)	(11,720)	15,973	-	(5,185)	-	4,815	-	9,643	-
CHANGING PLACES	33	-	-	-	-	-	-	-	-	-
Levelling Up, Communities and Business Engagement	33	-	-	-	-	-	-	-	-	-
BDUK ESSEX SUPERFAST PROGRAMME PHASE 3	-	-	-	-	-	-	-	-	-	-
BDUK ESSEX SUPERFAST PROGRAMME PHASE 4	735	-	-	-	-	-	-	-	-	-
COLCHESTER GROW ON SPACE	-	-	686	-	-	-	-	-	-	-
COLCHESTER TOWNS FUND	100	-	-	-	-	-	-	-	-	-
Colchester Town Regeneration	1,500	-	-	-	-	-	-	-	-	-
ADVANCED SCHEME DESIGN - ECONOMIC GROWTH	-	-	-	-	-	-	93	-	-	-
CLACTON TOWN REGENERATION	-	-	-	-	1,409	-	-	-	-	-
Harlow Development Fund	5,000	-	-	-	-	-	-	-	-	-
HARWICH LEVELLING UP	-	-	-	-	-	-	-	-	-	-
Harlow Town Centre Regeneration	(1,500)	-	1,585	-	-	-	-	-	-	-
LEXDEN SPRINGS ILOP	-	-	-	-	-	-	-	-	-	-
SHENFIELD LIBRARY	35	-	-	-	-	-	-	-	-	-
ST PETERS ILOP - INV	199	-	-	-	-	-	-	-	-	-
PRIMROSE MEADOW ILOP	-	-	-	-	-	-	-	-	-	-
MOULSHAM LODGE	-	-	-	-	-	-	-	-	-	-
WESTFIELD	-	-	-	-	-	-	-	-	-	-
EH LLP LOAN ECH	1,673	-	-	-	-	-	-	-	-	-
EH LLP LOAN SHERNBROKE	-	-	-	-	-	-	-	-	-	-
EH LLP LOAN PURFORD	-	-	-	-	-	-	-	-	-	-
Planning a Growing Economy	7,742	-	2,271	-	1,409	-	93	-	-	-
TRANSFORMING YOUTH SERVICES - TOWNHOUSE YOUTH CENT	993	-	-	-	-	-	-	-	-	-
The Arts, Heritage and Culture	993	-	-	-	-	-	-	-	-	-
SALIX PSDS3A	-	-	-	-	-	-	-	-	-	-
SALIX PSDS3B	-	-	-	-	-	-	-	-	-	-
CAPITALISED BUILDING MAINTENANCE	-	-	-	-	-	-	-	-	-	-
Chancellor of Essex	-	-	-	-	-	-	-	-	-	-
ECC Capital Programme	(22,841)	(13,666)	14,521	3,880	21,364	4,781	5,008	(9,612)	15,418	-
Devolved Formula Capital	-	-	-	-	-	-	-	-	-	-
Total Capital Programme	(22,841)	(13,666)	14,521	3,880	21,364	4,781	5,008	(9,612)	15,418	-

Appendix D

Balance Sheet – Earmarked Reserves

	2023/24 movements				Adjustments proposed in quarterly report included within this position £000
	Balance at 1 April 2023	(Contributions)/ Withdrawals agreed	Future commitments	Estimated Closing balance	
	£000	£000	£000	£000	
Long Term Contractual Commitment					
PFI Reserves					
A130 PFI	(17,324)	10,052	695	(6,577)	
Building Schools for the Future PFI	(2,122)	-	(830)	(2,952)	
Debden School PFI	(1,154)	-	762	(392)	
Clacton Secondary Schools' PFI	(1,409)	-	184	(1,226)	
Waste Reserve	(114,589)	9,884	(9,090)	(113,795)	(293)
Grant Equalisation Reserve	(43,933)	-	5,037	(38,896)	
Trading Activities (not available for use)	(1,729)	304	(304)	(1,728)	
Partnerships and Third Party (not available for use)	(2,267)	-	-	(2,267)	
Schools (not available for use)	(43,704)	-	-	(43,704)	
General Balance	(68,096)	-	4	(68,092)	
Reserves earmarked for future use					
Adults Digital Programme	(28)	-	28	0	
Adults Risk	(12,561)	-	2,837	(9,724)	
Adults Investment	(9,802)	(21,567)	21,567	(9,802)	1,640
Ambition Fund	(10,551)	(9,925)	13,602	(6,874)	161
Bursary for Trainee Carers	(263)	-	263	-	
Capital Receipts Pump Priming	(10,034)	(1,000)	500	(10,534)	58
Carbon Reduction	(711)	152	-	(559)	
Carry Forward	(15,039)	-	15,039	(0)	
Childrens Risk	-	(5,000)	5,000	-	
Childrens Transformation	(6,010)	-	3,352	(2,658)	
Collection Fund Risk	(17,084)	(9,114)	-	(26,198)	
Commercial Investment in Essex Places	(15,469)	650	223	(14,596)	(444)
Community Initiatives Fund	(277)	(350)	350	(277)	117
Covid Equalisation Reserve	(26,273)	-	24,330	(1,943)	500
EES Pension Risk	(4,000)	-	-	(4,000)	
Emergency	(23,227)	(4,000)	4,000	(23,227)	
Emergency Planning	(300)	-	-	(300)	
Equalities Fund Reserve	(261)	-	-	(261)	
Essex Climate Change Commission	(3,067)	-	2,218	(849)	
Essex Crime and Police	(73)	-	-	(73)	
Everyones Essex	(44,987)	(2,000)	13,165	(33,821)	(319)
Future Capital Funding	(36,295)	(7,463)	9,715	(34,042)	920
General Risk	(14,841)	(10,338)	(371)	(25,550)	
Health and Safety	(4,649)	-	1,205	(3,443)	
Highways	(3,000)	-	3,000	-	
Insurance	(11,125)	-	600	(10,525)	
Newton	(151)	-	-	(151)	
Property Fund	(962)	-	28	(934)	
Quadrennial Elections	(1,491)	(500)	-	(1,991)	
Renewal Fund	(2,427)	-	181	(2,246)	
Social Distancing & Hygiene	(900)	-	-	(900)	
Technology and Digitisation	(20,119)	(5,000)	14,959	(10,160)	(1,483)
Transformation	(58,880)	(11,820)	18,290	(52,410)	984

Treasury Management

TREASURY MANAGEMENT SUMMARY - 2023/24

	Actual Balance 1 April 2023 £000	Movements			Estimated Balance at 31 March 2024 £000
		Raised	Repaid	Net movement	
	£000	£000	£000	£000	£000
Borrowing					
Long Term	583,831	-	(12,044)	(12,044)	571,787
Temporary	12,150	1,377	-	1,377	13,527
Total External Borrowing (A)	595,981	1,377	(12,044)	(10,667)	585,314
Investments					
Long Term	4,853	6,414	(3,917)	2,497	7,350
Temporary	635,558	1,844	(428,100)	(426,256)	209,302
Total External Investments (B)	640,411	8,258	(432,017)	(423,759)	216,652
Net indebtedness (A-B)	(44,430)	(6,881)	419,973	413,092	368,662

Borrowing	
Average balance of long term borrowing during the year over the period to date (£000)	580,361
Opening pool rate at 1 April 2023 (%)	3.37%
Weighted average rate of interest on new loans secured to date	N/A
Average pool rate for year (%)	3.40%

Investments	
Average daily cash balance over period to date (£000)	720,689
Average interest earned over period	4.96%
Benchmark rate - average 1 month SONIA rate	4.92%

Appendix F

Prudential Indicators

Prudential Indicators - Summary

		Approved Indicator	Current Forecast
Affordability			
Incremental impact on Council Tax of 2023/24 and earlier years 'starts'	£	£123.99	£111.58
Ratio of financing costs to net revenue streams	%	9.7%	9.4%
Prudence			
Net borrowing and Capital Financing Requirement		Net borrowing is below the medium term forecast of the CFR	
Capital Expenditure			
Capital expenditure	£m	275	310
Capital Financing Requirement (<i>excluding credit arrangements</i>)	£m	1,324	1,093
External Debt			
Authorised limit (<i>borrowing only</i>)	£m	1,080	N/A
Operational boundary (<i>borrowing only</i>)	£m	900	N/A
Actual external borrowing (<i>maximum level of debt during year</i>)	£m	N/A	596
Treasury Management			
Interest rate exposures			
Upper limit for exposure to fixed rates			
Net exposure	£m	1,080	547
Debt		100.0%	98.7%
Investments		100.0%	78.3%
Upper limit for exposure to variable rates			
Net exposure	£m	380	202
Debt		35.0%	2.8%
Investments		100.0%	85.7%
Maturity structure of borrowing (upper limit)			
Under 12 months	%	30.0%	2.1%
12 months and within 24 months	%	30.0%	3.0%
24 months and within 5 years	%	30.0%	10.3%
5 years and within 10 years	%	40.0%	17.1%
10 years and within 25 years	%	85.0%	24.1%
25 years and within 40 years	%	40.0%	30.3%
40 years and within 50 years	%	20.0%	0.0%
50 years and above	%	20.0%	13.2%
Total sums invested for more than 364 days			
Authorised limit	£m	30	N/A
Actual sums invested (<i>maximum position during year</i>)	£m	N/A	-
Summary			
All Treasury Management activities have been undertaken in accordance with approved policies and procedures.			
External debt is within prudent and sustainable limits.			
Credit arrangements have been undertaken within approved indicators			
Maturity Structure of borrowing: maturity dates for market loans are based on the next review date, not the final maturity date.			

Forward Plan Reference Number: FP/038/02/23

Report title: Everyone's Essex Annual Plan and Budget 2024/25 – Part 1: Section 151 Officer's Report	
Report to: Cabinet	
Report author: Nicole Wood, Executive Director for Corporate Services	
Date: 16 January 2024	For: Discussion
Enquiries to: Nicole Wood, Executive Director for Corporate Services email Nicole.wood@essex.gov.uk	
County Divisions affected: All Essex	

1. Purpose of the Report

- 1.1 The report sets out the Section 151 (S151) Officer's statement on the adequacy of reserves; robustness of the 2024/25 revenue budget; the medium-term financial outlook; Financial Strategy; and the Capital and Treasury Management Strategy. The S151 Officer for the Council is the Executive Director for Corporate Services.

2. Recommendations

- 2.1 That Cabinet considers and notes this report before making recommendations to Full Council on the revenue budget and capital programme, included within the Annual Plan.

3. Assurance Statement of the S151 Officer (Executive Director for Corporate Services)

- 3.1 I have examined the budget proposals and, whilst the spending and service delivery proposals are challenging, they are achievable given the political and management track record and current plans to implement the changes. The resources available to the Council are being targeted to achieve the strategic aims outlined in Everyone's Essex.
- 3.2 The Council has a good track record on financial management and delivering savings and continues to work to deliver its required savings in 2023/24 of £36m against a £1.1bn budget.
- 3.3 The level of reserves is appropriate but requires regular monitoring given the risks and volatility of demand, prices, and inflation. We will continue to report fully each quarter to Cabinet on the reserves position.

- 3.4 The recommended 2024/25 revenue budget and the capital programme are included elsewhere on the agenda. Whilst the budget shown for 2024/25 is balanced and robust, there remains a gap between our estimated spend and assumed funding from 2025/26 and onwards.
- 3.5 There remains significant uncertainty around the future of general government grants from 2025/26 onwards. There is no confirmation of ECC's allocation for the Social Care grant, Services grant, and other grants announced in the provisional Local Government Finance settlement, from 2025/26 onwards, nor has it been confirmed that funding from these grants to local authorities will even continue beyond the end of 2024/25. This presents substantial risk to the financial stability of the Council if these grants were to be discontinued, or if the Council's allocation were to reduce. In 2025/26, 14% of the Council's gross expenditure budget is forecast to be funded by either general government grants or specific grants that are unconfirmed beyond 2024/25. ECC's allocation of the services grant was reduced by 84% between 2023/24 and 2024/25, an unexpectedly large decrease in funding, which demonstrates the risk of assuming grants will continue throughout the medium-term.
- 3.6 It is imperative the Council maintains focus on financial sustainability and continues the drive to deliver a balanced budget over the medium-term, with a strong focus on transformation.

4 Background

- 4.1 The S151 Officer is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the Local Government Act 2003.
- 4.2 The budget is a financial plan of the Organisation Strategy and forms part of the Annual Plan. The budget is delivered through Cabinet Members who have a portfolio responsibility for several services, which will deliver the strategic aims and priorities of the Everyone's Essex plan.
- 4.3 This report concentrates on the draft 2024/25 revenue budget, level of reserves and capital programme as set out elsewhere on this agenda. It considers key medium-term risks and issues faced by the Council in arriving at the recommended budget and reserves.

5 Current Financial Context

- 5.1 The Council continues to operate in a climate of uncertainty and volatility. Inflation has begun to reduce, although is still double the Bank of England target rate, while interest rates are at their highest level since 2008. Additionally, we continue to see the impact of the pandemic on our spend and activity.

- 5.2 Social Care and Health portfolios represent £1.1bn of gross spend (64% of total budget) – the Health, Adult Social Care and ICS Integration portfolio alone represents £905m gross or 51% of the budget¹. During 2023/24 we are experiencing pressure on both Adult's and Children's Services, as well as on Home to School Transport. The care market continues to struggle with capacity, and there is still uncertainty around the timing and financial impact of potential care reform. We are experiencing pressures on Children's Services despite significant investment in the budget this year. There is rising demand for placements and increasing costs, driven in part by lack of sufficiency in the market, with similar issues being faced across the country. £5m was set aside in the Children's Risk reserve as part of 2023/24 budget setting in order to mitigate any further growth in Children's cost pressure, however the scale of pressure being experienced has exceeded that sum; a demonstration of the importance of a prudent reserves strategy to manage exceptional costs in these volatile economic times. High levels of inflation have continued to cause pressure across budgets in 2023/24 (£16m reported as at Quarter 3) which is driven by increasing social care costs.
- 5.3 For 2024/25 and beyond, it is not possible to precisely forecast demand patterns as we continue to see different trends compared to pre-pandemic, and a volatile macroeconomic environment. We are experiencing increased demand and price pressure, coupled with inflation running higher than the Bank of England target, and National Living Wage (NLW) growing at 9.8%. It is important that the trends on service demands are closely monitored through the coming year. Retaining appropriate levels of reserves to provide for exceptional demand and price increases is critical to the financial sustainability of the Council.
- 5.4 Going forward, we expect inflation pressure to recede during 2024/25, and the Medium Term Resource Strategy (MTRS) has been set in accordance with the inflationary position set out by the Bank of England with a return to levels around the target rate of 2% from 2025/26. Interest rates are expected to continue at levels much higher than we have experienced over the previous 15 years and this has been factored into our cost of borrowing for the capital programme.
- 5.5 The 2024/25 budget is based on anticipated income from both council tax and business rates based on the final returns submitted by the district councils. The districts are allowed by law to amend these returns until the 31st January 2024, therefore these are subject to change. These two funding sources account for 91% of the Council's net funding streams (excluding specific grants). Central government has announced several changes to business rate reliefs, due to come into effect in 2024/25, such as the splitting of the small and standard business rate multiplier, requiring substantial changes to the way both business rates income and the Section 31 compensation grant for reliefs are calculated (explanation of risk set out in Section 12.11).

¹ Excluding Dedicated Schools grant which is 'passed through' to schools.

6 Revenue Budget

- 6.1 If Council and Cabinet accept the recommendations in the budget report, the Council would plan to spend £2.5bn in 2024/25 (including schools). After income, this equates to a net expenditure budget of £1.1bn (£1,147.9m), an increase of £60.8m, (5.6%) on 2023/24.
- 6.2 The total expenditure pressures on the budget for 2024/25 are £100m and the material pressures are outlined as below:
- 6.3 Recurring costs include:
- £42m (9.8%) social care inflation, including the impact of increases to National Living Wage
 - £31m of demographic pressure, most significantly impacting service demand across Children's Services £18m (14.5%) and Home to School Transport £11m (30.4%)
 - £17m (5%) pay inflation
 - £11m (2.5%) impact of "adult client activity" where packages of care end and may be replaced with more costly packages due to changes in need.
- 6.4 In addition to the known pressures reflected in the budget there are a series of risks that are being managed through the reserves strategy (see section 11 for details on reserves). Some of the risks include:
- Inflation, interest rate risk and borrowing risk on the capital programme
 - Fragility of our funding position given the national economic outlook and inherent uncertainty on funding beyond 2024/25
 - Demand and price pressures in Children's Social Care and Home to School Transport.
- 6.5 Resource has also been set aside through the reserves strategy to enable additional strategic choices, including:
- New investments in strategic priorities to deliver Everyone's Essex, including levelling up, skills and climate action
 - Meeting the future cost of our ambitious Whole Council Transformation programme.
- 6.6 The combination of these pressures most significantly impacts the Health, Adult Social Care and ICS Integration portfolio and the Children's Services and Early Years portfolio with net growth (before savings) of £46m (10.5%) and £28m (23.3%) respectively.
- 6.7 The budget assumes £32m of savings to balance the 2024/25 position. Of these £27m are recurrent and £5m are one-off savings. The savings include continuation of the Meaningful Lives Matter Programme supporting adults with learning difficulties, which is now in its fourth year; the ongoing Connect Programme that will continue to ensure the most appropriate support is offered

to older people going into and leaving hospital, making better use of technology solutions in provision of care; making more efficient use of our buildings; making better use of technology and digital across the Council and reviewing staffing costs, including management cost and layers.

7 Funding and Taxation

Taxation

- 7.1 Increases to the social care precept alongside an increase to the general level of council tax is expected to yield **£40.3m** in 2024/25. This will lead to a total council tax yield of £848m in 2024/25

	Tax Rise	Increased Tax Yield
	%	£m
2024/25 Adult Social Care Precept	2.00%	16.1
2024/25 Council Tax Rise	2.99%	24.2
Total Increased Tax Yield for 2024/25	4.99%	40.3

- 7.2 The draft referendum principles published by the Department for Levelling Up, Housing and Communities would require a referendum only if council tax is increased by 5% or more in 2024/25. This 5% is comprised of a 'core council tax' element and an 'adult social care precept'. Government has set the referendum cap for the core council tax element at 3%. The Council is proposing to increase core council tax by 2.99%. This increase alone will yield an additional **£24.2m** in 2024/25.
- 7.3 In addition, local authorities with social care responsibilities can increase council tax by up to 2%, if the money raised is spent on adult social care, through the 'adult social care precept'. It is proposed the full adult social care precept of 2% is raised, yielding a further **£16.1m**. It is critically important that the Council is able to sustainably raise the tax income in the base budget, to fund the major ongoing cost pressures across the adult social care budget as outlined in section 6.6.
- 7.4 Council tax collection has remained relatively resilient during 2023/24 and the short-term outlook remains robust, with a slight decrease forecast in the collection rate of 0.4%, based on the latest data provided by the billing authorities. Several districts have indicated that the impact of the cost of living crisis and economic downturn is beginning to affect some household's ability to pay their council tax bills. However, these districts have also suggested that this will be a short-term issue, and based on the latest budget returns provided by the district councils of Essex, the long-term outlook is that collection rates will increase in 2024/25 and the taxbase will continue to grow. To provide some mitigation for any shortfall in tax collection, a balance of £26.2m is being held in

the collection fund risk reserve, which would provide some support for any future reduction to the tax base. The collection fund reserve is 0.62% of the total local tax collection forecast over the medium-term to 2027/28.

- 7.5 The taxbase for 2024/25 is 557,153 Band D equivalent properties, which is a 1.12% increase from 2023/24. This brings in a total budgeted council tax of **£848.3m**. There has been a 0.98% increase in households across the county, and a 0.94% decrease in Band D equivalent households claiming Local Council Tax Support (LCTS), where their household income is below a certain threshold. At present around 9% of households do not pay the full amount of council tax, with 4% exempt in full, and 5% paying a substantially reduced rate due to their means or status.
- 7.6 It is estimated Non-Domestic rates for 2024/25 will yield **£193.2m**. Rates are underpinned through grants from government to pay for the reliefs provided to businesses announced in the Chancellor's Autumn Statement. Central government announced the continuation of business rate relief and financial support for local businesses in 2024/25 and the business rate multiplier for properties with a rateable value of greater than £51,000 will be increased by 6.62% from 1 April 2024. Businesses in the retail, hospitality, and leisure sectors will receive a 75% reduction in their rates paid in 2024/25. The government also announced the continued freeze of the small business rates multiplier for the next financial year.
- 7.7 It is understood that Local authorities will be fully compensated for the business rate relief policies, and therefore the Council is forecasting an increase in the Section 31 Grant Compensation from £40.8m in 2023/24 to £47.7m in 2024/25. This approach does create inherent risk in the sustainability of the Council's business rate base once reliefs end. The majority of reliefs provided to businesses are currently due to end on the 1 April 2025.

Government Grants

- 7.8 The Provisional Local Government Finance Settlement from Central Government provided new information and confirmed announcements made in the 2023 Autumn Statement, in particular announcements in relation to changes to business rates. However, there is still considerable uncertainty for local government funding as we have no certainty post 2024/25. The Services grant will continue into 2024/25, but was significantly reduced for the second consecutive year. The Council will receive £1.1m in 2024/25, which is an 84% or £6m reduction in funding compared to 2023/24.
- 7.9 The Provisional Settlement also confirmed the continuation of the Revenue Support Grant (RSG) of £22.7m, an increase in-line with September Consumer Price Index (CPI) inflation. The medium term resource strategy assumes that RSG will continue to grow at the assumed rate of inflation, however there is no formal confirmation from government of funding from 2025/26 onwards.

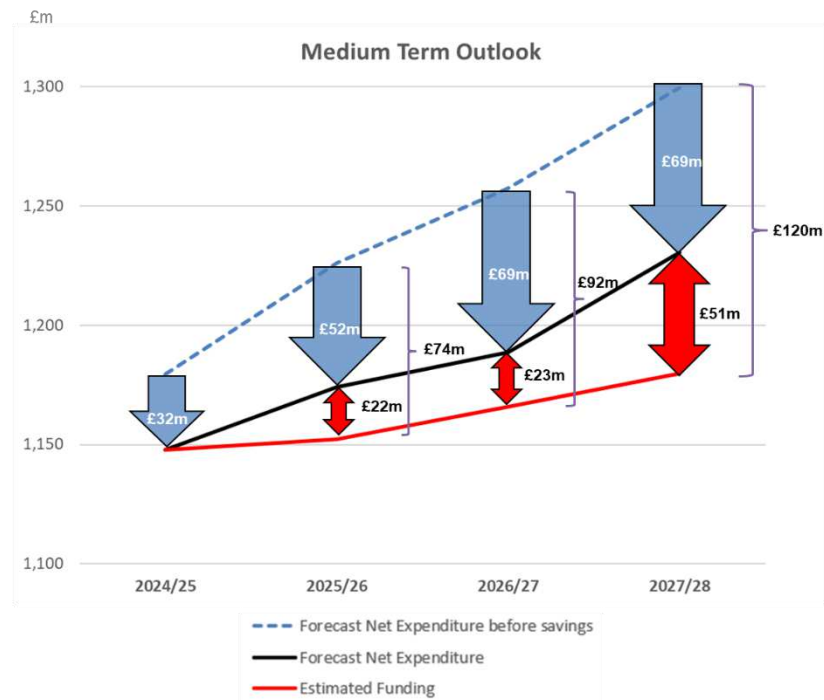
- 7.10 The uncertain funding position makes it more complicated to plan for the long-term. We expect to receive £308m of specific government grants in 2024/25 excluding grants passported to schools. These grants are only guaranteed to 31 March 2025. Without certainty of multi-year agreements, we need to plan on a broad range of funding assumptions.
- 7.11 Allocations for the social care grant were also confirmed. The Council will receive an extra £15.6m compared to the 2023/24 allocation. Combined with the yield from the adult social care precept (£16.1m), funding for social care in 2024/25 has increased by £31.7m. This has enabled the Council's increased investment in social care given the pressures faced, where the combined Adult's and Children's Social Care net expenditure budgets have increased by £52m to £613m and notable investment of £23.3m to the Adults Investment reserve to support work on business plan delivery and market strategy development and implementation.

Other

- 7.12 We rely on a significant amount of income from fees and charges, budgeted at £152m in 2024/25, an increase of £19m from 2023/24. We will manage risk around income generation through close monitoring of fees and charges to ensure we are able to act as and when issues of sustainability arise.

8 Financial Strategy

- 8.1 This report proposes a balanced budget for 2024/25. There is reliance on one-off savings and technical adjustments of over £7m to close the budget gap, resulting in a structural deficit of £7m or 0.6% which will need to be permanently resolved in future years. It is the opinion of the S151 Officer that whilst this is an acceptable level of risk, it will need to be appropriately managed through the 2025/26 budget.
- 8.2 The medium range scenario for future years indicates a gap between the Council's expected funding streams and the Council's expenditure. After delivering 100% of all existing planned savings, the gap is expected to be £22m in 2025/26 rising to £51m by 2027/28, before further tax rises. The outlook for the authority is set out below, however this mid-range scenario will change given the context of no government funding certainty post 2024/25, uncertainty around cost of care reforms, a volatile macroeconomic environment and unforeseen events notably demand and price pressures.



- 8.3 The Council has a robust savings, income and efficiency programme which enables setting a balanced budget for 2024/25 with a further £37m of savings planned through to 2027/2028. In 2024, there will continue to be focus on additional savings and cost avoidance through the Council's "Whole Council Transformation" programme. This will include using technology and digitisation, and the redesign of services and different ways of working with partners. The Whole Council Transformation strategy was approved at Cabinet in December 2023 and sets an ambition to identify a total of £100m of savings.

9 Capital Programme and Treasury Management

- 9.1 The Council will invest considerable sums through the capital programme over the next four years. The capital programme aspirations will deliver a range of schemes to maintain, enhance and deliver new public assets, such as investment in a new railway station at Chelmsford's Beaulieu Park and the Chelmsford North-Eastern Bypass and Colchester/Tendring A120-A133 link road and rapid transit scheme, as well as highways maintenance and providing new school places. The capital programme also includes schemes to help deliver revenue savings, such as the Essex Housing Programme to redevelop redundant Council property. To the extent that the Council must borrow to pay for this investment, it will incur borrowing costs which must be funded from the revenue budget.
- 9.2 The revenue costs of borrowing to finance the capital programme will rise from 9.6% of the net budget in 2024/25, to 11% by 2027/28. There is inherent risk of cost escalation due to inflation and slippage, as well as higher borrowing costs should base rates rise or decline at a slower rate than the assumptions built into

the MTRS. However, it is key the Council continues to look to manage within the budgeted cost envelope of the capital programme, through reprioritisation and rescoping, to ensure that there is no further increase in the capital programme budget to 2027/28 and to control levels of debt.

- 9.3 Whilst the Council can determine its own programmes for capital investment that are central to the delivery of quality public services, it must be satisfied, and able to demonstrate, that these programmes are affordable, prudent, and sustainable. In doing so, the Council must have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities (the Prudential Code) and the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (Treasury Management Code). Recently government have launched a call for views in relation to exploring and developing additional capital flexibilities and a final consultation on changes to minimum revenue provision regulations and statutory guidance. Outcomes of these may impact our future capital investment programmes.
- 9.4 The Prudential and Treasury Management Codes require the Council to produce a Capital and Treasury Management Strategy which explains how the Council takes capital expenditure, investment, and treasury management decisions and how it takes account of stewardship, value for money, prudence, sustainability, and affordability. The full strategy is shown in Appendix A, Annex 3 and the Corporate Policy and Scrutiny committee was consulted on this document in December 2022 for 2023/24 – the strategy for 2024/25 is consistent with that applied in 2023/24. The Executive Director for Corporate Services is required to report explicitly on the affordability and risk associated with this strategy.
- 9.5 In order to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability, the Capital and Treasury Management Strategy:
- Sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
 - Provides an overview of the governance process for approval and monitoring of capital expenditure. These processes are well established and have been highly effective in recent years in ensuring the delivery of the Council's capital investment plans.
 - 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.

- 9.6 The Capital and Treasury Management Strategy, and the indicators provided in Appendix A Annexes 3A and 3B, show that the capital financing requirement, external borrowing levels and costs of borrowing are all on an upward trajectory. This reflects the substantial level of capital investment being undertaken by the Council. A focus of some of the capital programme is upon 'invest to save' initiatives and upon economic regeneration. Hence, the increases in borrowing, and the costs associated with this borrowing, may be partly mitigated by revenue savings and additional income generation (e.g. additional housing and businesses providing tax revenues).
- 9.7 In the longer-term, it will not be possible to sustain this level of capital investment without the greater achievement of savings, generation of income and increased funding.
- 9.8 The Council's approach to treasury management investment activities is set out in Appendix A (Annex 3 page 93) and includes 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. The treasury management investment strategy proposed for 2024/25 is consistent with that applied in previous years.
- 9.9 The Council has a good track record with regard to its treasury investment activity, adhering to statutory guidance by giving priority to security and liquidity over yield. In addition, Internal Audit has consistently issued 'good' assurance opinions on the management of these activities, confirming that internal controls are in place and adhered to.
- 9.10 The Council's policies, objectives, and approach to risk management of its treasury management activities is set out in the Strategy, alongside the knowledge and skills available to the Council, and provides confirmation that these are commensurate with the Council's risk appetite.
- 9.11 The Capital and Treasury Management Strategy also provides an overview of the Council's current approach to other investment activities.
- 9.12 All other investment activities entered into so far have been subject to approval in accordance with the Council's governance framework for decision making and giving due regard to risk and proportionality.
- 9.13 The distinct, but inter-related, elements of the Capital and Treasury Management Strategy collectively demonstrate that the Council's capital expenditure and investment decisions properly take account of stewardship, value for money, prudence, sustainability and affordability, by setting out the long-term context in which capital expenditure and investment decisions are made, and by having due consideration to both risk and reward and impact on the achievement of priority outcomes.

10 Dedicated Schools Grant (DSG)

- 10.1 The DSG is part of the Council's budget and is made up of four blocks: Schools, High Needs, Early Years and Central School Services. The Schools Block is passported directly to schools and is managed by schools. A significant proportion of the Early Years Block is passported to early years providers. The High Needs and Central School Services blocks are managed by the Council.
- 10.2 Total funding for 2024/25 increases by £97.7m; the Schools Block increases £31.9m, the High Needs Block increases £12.7m, the Early Years Block increases £55.8m and the Central School Services Block increases £328,000.
- 10.3 This includes the Mainstream Schools Additional grant that was announced in the Autumn statement 2022 and the Early Years Supplementary Grant announced in the 2023 Spring Budget which have now been baselined in the DSG allocations for 2024/25.
- 10.4 The increase in funding will keep the High Needs Block with a surplus balance for 2024/25, however the demand for Education, Health and Care Plans continues to increase cost pressures which is placing significant risk on the block. It is currently forecast that the High Needs Block will fall into deficit in 2025/26. Given the volatility and complexity of need and should funding from central government continue not to keep pace with spend, there is a real risk that the deficit could arise earlier. It should also be noted that the statutory override for the DSG finishes 31 March 2026 and so from that point on DSG deficits will no longer be separated from the authority's wider accounts. At this point we are not making any provision in reserves for the potential medium to long-term implications.
- 10.5 The Department for Education (DfE) has stated that with the increase in funding to the High Needs Block it expects local authorities to only request transfers from the Schools Block in exceptional circumstances. The Council has not made any requests for 2024/25. Should the increase in funding in future years not be sufficient the Council will request a transfer from the Schools Block.
- 10.6 It should be noted that the increased demand for special educational needs and disabilities also impacts on Non DSG services, namely, Education Psychologists, Home to School Transport, Special Education Operation Teams and Transitions.

11 Reserves

- 11.1 Reserves are defined in Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992. This requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating their budget requirement.

- 11.2 Reserves play an essential part in the financial strategy and provide a cushion against the significant risks the Council faces, and a source of funding for business cases to change the way services are provided and achieve future savings. The continued provision of adequate reserves is essential in medium-term planning. Without these, it may be necessary to take remedial urgent action in-year to mitigate challenges that arise, which could lead to longer-term consequences.
- 11.3 We define our reserves in two ways:
- **Restricted reserves** – reserves where the authority to commit the funds rests elsewhere (e.g. amounts held on behalf of schools and partnerships) and those held for managing cyclical spending or long-term commitments (e.g. those associated with long-term contracts such as Private Finance Initiative (PFI) and waste). These total £213m.
 - **Unrestricted reserves** – reserves earmarked to support the medium to longer-term plans of the Council (e.g. those earmarked to enable it to transform and invest to save); and contingent reserves (amounts that are available to the Council to meet contingent expenditure). These total £286m.

Over the next four years the Council is anticipating that it will draw down from unrestricted reserves for investment in Whole Council Transformation and developing strategic priorities in line with the ambition of the Everyone's Essex plan.

- 11.4 During 2024/25, £115m is expected to be drawn down from unrestricted reserves – a significant proportion of this (£24m) is from the Everyone's Essex Reserve to deliver initiatives associated with the strategic priorities of the Everyone's Essex plan. This will include positive Climate Change activities, supporting the Levelling Up agenda, Economic Recovery and Heritage and Arts investments. Additionally, it is anticipated that there will be calls on the Transformation Reserve (£25m) and Technology and Digitisation Reserve (£18m) to finance investment in innovation and ongoing change across the Council.
- 11.5 Within the budget, plans are in place for net contributions of £81m to reserves in 2024/25. The largest contributions are to the Adults Investment Reserve (£23m), Transformation Reserve (£19m), Technology and Digitisation Reserve (£14m) and Everyone's Essex Reserve (£13m).
- 11.6 By 2027/28 it is anticipated that the balance of unrestricted reserves will have reduced to £188m (a reduction of £98m or 34%). The reduction mainly relates to the Transformation Reserve (£46m) to meet costs associated with the Whole Council Transformation programme, and the Everyone's Essex Reserve (£34m) as it is utilised to fund strategic priorities.
- 11.7 Whilst the level of unrestricted reserves may be enough to cover the funding gaps in the medium-term, as set out earlier in this report, the authority's record

on financial management and delivery of savings is such that it is highly unlikely that this level of usage of reserves would be required to fund the gap. It should also be noted that each of the reserves we hold is to meet specific costs or mitigate specific risks – such a significant call on reserves to fund the gap would be a risk to the financial sustainability of the Council.

- 11.8 The authority also has a General Balance, which is an un-ringfenced reserve set aside to allow the Council to deal with unexpected events or costs at short notice. The general reserve balance is held at 6% of net revenue budget in recognition of the level of risk associated with the pressures the Authority may face. The balance is £68m, which is enough to fund the Council's activities for 22 days.

12 Risks

- 12.1 There are several risks associated with the budget:
- 12.2 Ongoing inflation risk and the emergence of new burdens could contribute to the non-delivery of savings in 2024/25 with a knock-on impact in 2025/26. There is also the risk that plans cannot be developed in-time to fully offset or mitigate these challenges. Officers carry out a delivery risk assessment before the budget is set to test the readiness to deliver the savings as planned in the budget. At this stage, 56% (£17.8m) have a high level of confidence, with 42% (£13.5m) medium risk and 2% (£455,000) of savings have a high level of delivery risk. This is a higher level of delivery confidence to that at this point last year.
- 12.3 The one-year provisional local government financial settlement for 2024/25 does not provide any information on funding allocations from 2025/26 onwards. Additionally, there is no confirmation of whether the Social Care grant, Services grant, and other grants announced in the provisional settlement will continue beyond 2024/25. If these grants were to be discontinued, or if the Council's allocation were to reduce, this would have a considerable adverse impact on the Council's funding position.
- 12.4 The emergence of new unfunded burdens in social care and other areas of the organisation that are currently unknown could create financial pressures. The Council will need to remain vigilant in identifying these pressures and develop plans to mitigate or resolve these pressures as they emerge.
- 12.5 Pressures in the Adult Social Care market have continued to increase steadily and are challenging the capacity of the market to meet demand, resulting in a destabilised market, with a heightened risk of provider failure. Despite the award of additional monies as set out in section 7.11, the funding made available remains lower than the required growth in the resources for Adult Social Care between 2023/24 and 2024/25 (£36m). Furthermore, it is unclear whether these funding streams will continue beyond 2024/25, and what

additional demand pressures the Council will be experiencing by that point, creating a high risk of additional cost pressures impacting the Council. Whilst this is predominantly focussed on the Adult Social Care market, there is a risk other markets may begin to be impacted.

- 12.6 This year as set out in our regular financial reporting to Cabinet, we have seen significant cost pressures emerge across support to younger people, including Children's Social Care and Home to School Transport. We are seeing increases in demand, however significant cost pressure is as a result of increasing prices far in excess of our original assumptions, particularly in social care, where there are issues with market sufficiency. These are issues being seen nationally, and the proposed budget for 2024/25 in these two areas will grow by £40m, however if we continue to see unprecedented growth beyond our latest forecast this will create a risk to the 2024/25 budget.
- 12.7 Ultimately the extent and management of social care demand is a significant risk given that people are living longer, may have greater care needs, and the Council is experiencing more complex cases within both Adult's and Children's Services. However, these areas are monitored closely to allow action to be taken at the earliest opportunity to manage this risk position. The Council has a good record of managing this risk as is evident from the financial review reports provided to Cabinet during the year.
- 12.8 There are assumptions included in the budget for an increase in the National Living Wage, however any change to this by government will have a significant financial impact on the budget, because there will be increased demand for rate increases from contractors. The precise profile of these increases over the medium-term are unknown, however, increases will likely be strongly correlated with inflation, and therefore, if inflation remains higher than assumed, this will potentially create a financial pressure for the Council.
- 12.9 There is a growing risk that the UK may fall into a recession in the new year. Allied with the ongoing cost of living crisis, despite existing government support, it will likely put residents and local businesses under increased financial pressure.
- 12.10 Although the districts are not yet forecasting a reduction in the adjusted tax base, there is a risk that residents could prioritise paying essential bills over taxes, and that businesses will be unable to continue operating in existing premises when the bulk of National Non-Domestic Rates (NNDR) reliefs end. Many have been extended until 1st April 2025, including the large discounts for retail, hospitality, and leisure sectors and the continued freezing of the small business rates multiplier. However, others have been discontinued, such as the decision to uplift the standard business rates multiplier by September 2023 CPI.
- 12.11 The decision to de-couple the small and standard multipliers has required many billing authorities to make urgent and quick changes to their internal financial systems. There is a risk that these urgent changes to both reliefs and processes

could impact on the accuracy of budget forecasts provided by the districts and increases the risk that these forecasts could change before the final deadline to submit NNDR returns to central government on the 31 January 2024.

Additionally, the extension of reliefs, particularly to the Retail, Hospitality, and Leisure sector, means we will not know the full impact of these rate freezes until 2025/26 onwards at the earliest. Many businesses would have received significantly discounted rates for five years and it is unclear whether businesses will be able to afford full payment when the reliefs end. More strain will be placed on billing authority collection teams and if overall collection rates fall, it will adversely impact our funding budgets.

- 12.12 Furthermore, although it is necessary to increase council tax by 4.99%, to ensure frontline services are appropriately funded and to achieve a balanced budget in 2024/25, the increase in council tax to be paid by residents does raise the risk that households may not be able to afford to pay their bills in future years. This might impact on the collection rate and the overall in-year collection of the council tax precept. While the billing authorities will be required to pay a precept to ECC in 2024/25, based on the budget set before the statutory deadline, any adverse impact to the collection rate in 2024/25 will reduce collection fund balances in 2025/26. There are various schemes available to residents with low-incomes or are struggling financially, such as the Hardship Fund and Local Council Tax Support schemes, however this risk will still need to be closely monitored throughout 2024/25 to determine if collection rates remain resilient.
- 12.13 No centralised council tax support packages have been announced by central government to date for the 2024/25 financial year. As there remains continued pressure on local households, driven by the cost of living crisis, high interest rates, and the ongoing economic downturn, there is a risk that households will continue to face financial hardships and be at risk of not paying their council tax bills. The Hardship Fund remains in place via the Council Tax Sharing Agreement in 2024/25, however, if a large number of households cannot afford to pay their bills, this will also have an adverse impact of local tax collection and ECC's available funding over the medium-term. While this has not yet impacted on funding budgets for 2024/25, we have seen a slight reduction to the forecast council tax collection rate in 2023/24, and therefore continuation of this economic challenge would increase this risk.
- 12.14 The rate of inflation continues to fall (latest CPI of 3.9%, November 2023), however, is not forecast to fall to the Bank of England's (BoE) 2% target until 2025. The Council has based its cost assumptions over the medium-term on the BoE's inflation projections, and therefore if high inflation continues for longer than expected, this will create financial pressure on the cost of delivering services and paying the Council's employees.
- 12.15 Further potential increases, or a reduction slower than currently forecasted to the BoE's base interest rate may create cost pressures for the Council, particularly in relation to borrowing for the capital programme. The sharp

increases in interest rates during recent months have been accounted for in the Council's financing assumptions, however, if the BoE were to raise interest rates by more than expected, this will put greater financial pressure on the revenue cost of borrowing and the Council's financial position. This will continue to be monitored both for short-term impact, and potential medium-term scenarios.

- 12.16 The 2024/25 budgets for both council tax and business rates are based on the final returns submitted by the district councils. However, the districts are allowed by law to amend these returns until the end of January 2024. These funding sources account for 91% of our total funding budgets. Central government has announced several changes to the business rate system, due to come into effect in 2024/25. Furthermore, the economic outlook for the UK remains volatile over the medium-term. If districts were to resubmit their final returns and NNDR1 forms with material changes, this would impact on the Council's funding position and future spending plans. For context, a 1% reduction in council tax income is equal to almost £8m funding each year.
- 12.17 Finally, there is the potential for a negative impact on fees and charges budgets as a result of an economic downturn. For context, the fees and charges budget for 2024/25 is £152m.

13 Control environment

- 13.1 In building the budget and considering the risks inherent within it, it is important that the Council considers not only the level of reserves available to support it, but the wider control environment which will help to manage and minimise those risks. This includes:
- a. the approach to financial planning and monitoring with budget holders
 - b. a strong accountability framework which sets out clear roles and responsibilities in terms of financial management
 - c. regular and accurate reporting to Members and senior officers
 - d. performance reporting
 - e. internal audit function assessing controls and processes.
- 13.2 These processes are robust, and it is important that continued focus is given to these by the senior leadership of the Council to ensure this remains the case. These processes provide an early warning system to potential problems to enable appropriate action to be taken if necessary, in a calm and measured way.
- 13.3 The Council has completed its self-assessment of the CIPFA Financial Management Code, which was included in the Annual Assurance Statement for 2022/23 presented to the Audit, Standards and Governance Committee and Council. The self-assessment concluded all 68 areas were fully met, however a

three point action plan is underway to support continuous improvement in delivering against the Financial Management Code.

- 13.4 The council's internal audit service was externally assessed during 2023/24 and achieved the highest assessment possible score of 'generally compliant'.
- 13.5 It must be recognised that these steps will not eliminate risk entirely, especially for those that come externally. There are further measures that can be taken to diminish the overall financial effect of these risks, including:
 - a. slowing down or stopping spending
 - b. increasing income elsewhere; or
 - c. moving funds around the organisation.

Forward Plan Reference Number: FP/038/02/23

Report title: Everyone's Essex Annual Plan and Budget 2024/25 – Part 2: Budget and Plan	
Report to: Cabinet	
Report author: Councillor Christopher Whitbread, Chancellor of Essex (Cabinet Member with responsibility for Finance) and Councillor Louise McKinlay, Deputy Leader and Cabinet Member for Levelling Up, Communities and Business Engagement	
Date: 16 January 2024	For: Decision
Enquiries to: Nicole Wood, Executive Director for Corporate Services (Nicole.Wood@essex.gov.uk), with respect to the budget or Richard Puleston, Director, Policy (Richard.Puleston@essex.gov.uk) with respect to the annual plan.	
County Divisions affected: All Essex	

1 Everyone's Essex

- 1.1 Everyone's Essex sets out the Council's strategic aims and commitments for the period of the current administration along with key principles for how we operate as an organisation including commitment to ensuring excellent service delivery. In line with Everyone's Essex, this budget seeks to align our financial resources to ensure delivery against our commitments over the next two years whilst also maintaining well-funded and sustainable core and statutory services that can continue to deliver improved outcomes to our local residents.

2 Purpose of the Report

- 2.1 The report asks the Cabinet to make a recommendation to the Council that it adopts the Everyone's Essex Annual Plan and Budget 2024/25 including the revenue budget, capital programme, financial strategy, capital strategy and treasury management strategy. In doing so, the report of the Section 151 (S151) Officer on the robustness of the 2024/25 budget and adequacy of reserves, included elsewhere on this agenda, should be considered.
- 2.2 The Annual Plan publishes the Council's plans for 2024/25, highlighting actions upon which the Council will focus.
- 2.3 The report includes the Council's proposed financial strategy from 2024/25 to 2027/28, which is informed by the best information available regarding future funding and demand, whilst noting the risks and mitigations approach as outlined in the report. In the continued absence of a multi-year funding settlement for local government, there is inevitably significant uncertainty from 2025/26.

- 2.4 To note that whilst the budget proposed for approval for 2024/25 is balanced, there is not yet a balanced and sustainable budget for the medium-term 2025/26 to 2027/28. Further plans and saving opportunities will be developed during 2024 to ensure financial sustainability.

3 Recommendations

Everyone's Essex Annual Plan and Revenue Budget

Cabinet is asked to make the following recommendations to Full Council:

- 3.1 That the Everyone's Essex Annual Plan and budget be approved in the form appended to this report (Appendix A).
- 3.2 That the net cost of services to be set at **£1,147.9million (m)** for 2024/25 – Appendix A (page 28).
- 3.3 That the net revenue budget requirement to be set at **£1,072.8m** (net cost of services less general government grants) for 2024/25 – Appendix A (page 32).
- 3.4 That the total council tax funding requirement be set at **£848.3m** for 2024/25 – Appendix A (page 32).
- 3.5 That Essex County Council's element of the council tax be increased by 4.99% comprising of a 2.99% 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 **£1,522.53** for a Band D property in 2024/25. A full list of bands is as follows:

Council Tax Band	2023/24 £	2024/25 £
Band A	966.78	1,015.02
Band B	1,127.91	1,184.19
Band C	1,289.04	1,353.36
Band D	1,450.17	1,522.53
Band E	1,772.43	1,860.87
Band F	2,094.69	2,199.21
Band G	2,416.95	2,537.55
Band H	2,900.34	3,045.06

- 3.6 That the proposed total schools budget be set at **£720.6m** for 2024/25 which will be funded by the Dedicated Schools Grant, Pupil Premium Grant, Universal Free School Meals Grant, Teachers Pay and Pension Grants, PE and Sports Premium Grant, Sixth Form Grant, COVID-19 Recovery Premium Grant, Pupil

Premium Plus Post 16 Grant, YPLA Funding Grant, NPQ Targeted Support Grant and Senior Mental Health Lead Training Grant. The majority of this will be passed through to maintained schools.

- 3.7 That the underlying balance on the General Balance be set at **£68.1m** as at 1 April 2024 (Appendix A, Annex 1, page 60).
- 3.8 That the capital payments guideline be set at **£320.1m** for 2024/25 and that the Executive Director for Corporate Services, in consultation with the Cabinet Member with responsibility for Finance, be authorised to make, subject to compliance with financial regulations, adjustments to the phasing of payments between years (should they 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 2024. Any requests to change the prudential borrowing indicators would be brought back before Full Council.

Cabinet is asked to agree the following:

- 3.9 That the Cabinet Member with responsibility for Finance, in consultation with the Executive Director for Corporate Services, may adjust the recommendations to Full Council passed at the meeting upon receipt of:
- (a) the final tax base and forecast business rates receipts for 2024/25 from the billing authorities (due by 31 January 2024)
 - (b) the final Local Government Finance Settlement from Government (expected early February 2024)
- 3.10 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).

Capital Strategy

Cabinet are requested to make the following recommendations to Full Council:

- 3.11 That the 2024/25 to 2027/28 Prudential Indicators and limits, together with updated limits for 2023/24 as set out in Annexes 3A and 3B of the Capital Strategy (Appendix A, pages 95-99), be approved. This includes an authorised limit for external debt of **£1,373m** for the 2024/25 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.
- 3.12 That the Treasury Management Strategy for 2024/25 be approved, comprising:
- a. Borrowing strategy, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 77).

- b. Treasury management investments strategy, as set out in Annex 3 and Annex 3D of the Capital Strategy (Appendix A, Annex 3, page 87).
 - c. Indicative strategy for commercial investment activities, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 90).
- 3.13 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 100), be approved.
- 3.14 That the revised Treasury Management Policy Statement (Appendix A, Annex 3, page 106) and Treasury Management Practices (Appendix A, Annex 3, page 107), which set out the policies, objectives, and approach to treasury management, are adopted.

Pay Policy Statement

Cabinet are requested to make the following recommendation to Full Council:

- 3.15 Recommend that the Council adopts the Pay Policy Statement for 2024/25 as set out in Appendix C.

For Cabinet to note:

- 3.16 The medium-term (2025/26 to 2027/28) revenue issues facing the Council as set out in the report (Appendix A, page 21); at present there is not a balanced budget from 2025/26 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 2024/25 and the inherent uncertainty in the macro-economy, where we continue to see high inflation and high interest rates, the financial outlook is volatile.
- 3.17 That the recommendations in this report present a balanced budget for 2024/25. The Council's plans for 2025/26 to 2027/28 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.
- 3.18 That the council tax charge calculation is based on a Band D equivalent tax base of **557,153** properties (see Appendix A, page 32).
- 3.19 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.

4 Statement of the Executive Director Corporate Services (S151 Officer)

- 4.1 The Executive Director for Corporate Services is the Chief Finance Officer appointed under section 151 of the Local Government Act 1972.
- 4.2 The report by the Executive Director for Corporate Services (S151 Officer) on the robustness of the estimates, reserves and capital strategy is set out in the separate report elsewhere on this agenda.
- 4.3 It should be noted that this report will see council tax increased by 4.99%, of which 2.0% is to be spent on Adult Social Care using the adult social care precept.

5. Other Issues

- 5.1 An Equalities Comprehensive Impact Assessment (ECIA) has been undertaken on the budget in line with the public sector equality duty. The findings of the ECIA carried out are included at Appendix B of this report.
- 5.2 The review of the fees and charges schedule is an annual process with fees and charges being agreed by officers or by the relevant Cabinet Member. The

proposed fees and charges for the 2024/25 budget are published on the Council's website. These are provided for information only and none of the recommendations in this report ask the Cabinet to set these fees and charges. www.essex.gov.uk/spending-and-council-tax/finance-and-spending-breakdowns

6. Relevance to the Council's Everyone's Essex Strategy and Plan

- 6.1 The Annual Plan for 2024/25 covers the action the Council will take next year to contribute to Everyone's Essex, alongside the Budget. The Annual Plan is set out in Appendix A.

7. Internal and External Consultation

- 7.1 All Executive Directors and Directors have been involved in the preparation of the Annual Plan and the Budget.
- 7.2 Through budget consultation meetings the Council engages with representatives from the unions.
- 7.3 Public consultation was undertaken throughout November 2023, for a period of 4 weeks. Through this exercise, the Council gathered the views of residents and those who run businesses within the county. The consultation was promoted via the Essex residents panel, through the Council's corporate communications channels and through digital / social media. Businesses and representatives of business rate payers were able to respond to the consultation.
- 7.4 There were 2,159 responses to the consultation. Respondents included residents and businesses. The full report on the budget consultation is shown in Appendix D. The key messages from respondents to the consultation are that:

Essex-wide issues and resident concerns

- Pressures on healthcare and the NHS are viewed by participants as the most important issue facing Essex today. Participants also see crime/community safety and pressures on social care provision as key issues to be addressed
- Topics of most concern for people personally are the condition of roads and pavements, crime levels and anti-social behaviour.

Commitment priorities

- When asked about things that should be prioritised for immediate action, participants identified developing Essex's infrastructure as the top issue.

This was followed by supporting those who care for the sick or vulnerable people and securing high standards in education

- Compared to the 2023/24 Budget Consultation, this year shows an increase in prioritisation for infrastructure and roads, and a decrease in concerns over the economy and cost of living. There has also been a decrease in concern over climate and environment for the immediate future.

Spending decisions

- Participants are torn between different strategies for allocating resources and acknowledge that these are difficult decisions for ECC
- Favoured strategies for dealing with financial pressures centre around:
 - Helping people to help themselves so they have less reliance on public services
 - Prioritising spending to protect services for the most vulnerable and those without choice
 - Streamlining services so we can deliver the same outcomes.
- Participants feel decisions around spending allocation should be taken as close to local communities as possible, and prioritise services that benefit the majority of residents and businesses.

7.5 In response to the key messages, the Council is investing an additional **£59m** in portfolio budgets for 2024/25 (**£61m** including other operating costs). The most significant part of the budget is spent on health and social care services (64% of gross expenditure, excluding dedicated schools grant (DSG)). The Council is also continuing to invest in the maintenance of roads and footways, children's services, economic regeneration and waste.

7.6 This report will also be reviewed by the Corporate Policy and Scrutiny Committee prior to final presentation of the Annual Plan to Full Council on 13th February 2023.

8. Legal Implications (Monitoring Officer)

8.1 In each financial year the Council must make its budget calculation in accordance with sections 42A and 42B of the Local Government Finance Act 1992. In particular, it must calculate the total of:

- The expenditure the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year
- Such allowance as the authority estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year

- The financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure
 - Such financial reserves as are sufficient to meet any estimated revenue deficit for previous financial years which has not already been provided for.
- 8.2 Those calculations are then used to determine the council tax requirement for the year.
- 8.3 The Council is required to set a balanced budget and in considering the budget the Council must have regard to the advice of its Chief Finance Officer appointed under section 151 of the Local Government Act 1972.
- 8.4 The Council must issue any precept or precepts in accordance with section 40 of the Local Government Finance Act 1992. The section prescribes what must be included in the issue of the precept. It must be issued before 1 March in the financial year preceding the year for which it is issued but is not invalid merely because it is issued on or after that date.
- 8.5 Under section 25 of the Local Government Act 2003, the Chief Finance Officer (section 151 officer) is required to report to the authority on the robustness of the estimates made for the purposes of the calculations required to be made by the Council. These are the estimates which the Cabinet is required to determine and submit to Full Council and are contained within this report. The Chief Finance Officer is also required to report on the level of reserves.
- 8.6 In deciding its Capital Programme for the year, the Council must have regard to the 'Prudential Code' established by the Local Government Act 2003. This is addressed in the report.
- 8.7 The budget allocates funding to services on the basis that a number of changes to Council services which are under consideration may be made. The budget does not itself authorise any changes to services and does not assume that changes will be made. Any changes to services will need to be the subject of appropriate consideration by the Cabinet Member or the Cabinet following, where appropriate, consultation and a full report setting out options for change, the impact of the proposed changes on service users, including in particular the impact on different equality groups. Where a decision is made not to implement any changes then budgetary adjustments may need to be made but the Council is confident that whilst savings over the 2024/25 budget are assumed, each can be implemented in a number of ways, thus no particular changes are assumed.
- 8.8 The setting of the budget is a function reserved to the Full Council, but the Cabinet is required to make recommendations it wishes to make to Full Council on the various calculations the authority is required to make. Once the budget is agreed by Full Council, the Cabinet cannot make any decisions which conflict

with that budget, although virements and in year changes may be made in accordance with the Council's Financial Regulations. Similarly, any decision made by the Cabinet or by an officer exercising executive functions must be made in accordance with the policies, plans and strategies agreed by Full Council, including the Everyone's Essex Strategy.

- 8.9 Section 106 of the Local Government Finance Act 1992 restricts any member of the Council from voting on the budget or council tax requirement if they owe any amount of council tax to any local authority which has been outstanding for more than two months. If this applies to a member and they attend a meeting at which the council tax requirement is to be set they must declare this fact and they cannot vote. It is an offence to vote or to fail to make this declaration.
- 8.10 Section 52ZB of the Local Government Finance Act 1992 requires the Council, when setting council tax, to determine whether or not the increase is 'excessive'. An increase is excessive unless it is within parameters determined by the Secretary of State. If an increase is 'excessive' it can only be implemented if supported by a referendum.
- 8.11 The Secretary of State has not taken the final decision on what is an 'excessive' increase for 2024/25, and a decision is not expected until early February 2024. If the Council sets council tax before this determination is made it would need to reconvene to determine whether or not the increase is excessive. Based on what is currently known, the recommendations in this report would not lead to an increase in council tax which is defined as 'excessive'.
- 8.12 The draft principles for 2024/25 published by the Secretary of State in December 2023 state that for the Council any increase of 3% or more (excluding the 'social care precept') would be defined by the then Secretary of State as 'excessive'.
- 8.13 In addition, social care authorities are permitted to levy a 'social care precept' of 2% or less. There is no legal requirement for the money raised to be used for adult social care services, but the Secretary of State has previously indicated that he will ask local authorities how they have spent the money. If an authority is unable to demonstrate usage for social care purposes, he may restrict that authority's ability to raise council tax in future years.
- 8.14 This means that if the draft referendum principles become the final principles, any increase by ECC of 5% or more would trigger a referendum. The proposed increase of 4.99% would not therefore trigger a referendum.
- 8.15 With respect to the Annual Plan, once this is approved by full Council it becomes part of the county council's policy framework which means that neither the Leader nor the Cabinet may take a decision which is contrary to it.

9. Staffing and Other Resource Implications

- 9.1 An element of reorganisation and reshaping will be required to support efficiency gains in some operational areas. Staffing implications which may arise as a result of operational plans flowing from this budget will be addressed under their specific implementation plans.

10. Equalities Comprehensive Impact Assessment

- 10.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. In addition, marital status is a relevant protected characteristic for 9.1(a).
- 10.3 The equality implications have been assessed as part of the budget setting process as detailed in Appendix B. Equality impact assessments will be carried out before any decision is taken to change any services in response to the budget or otherwise - please see paragraphs 5.1 and 7.6 of this report for further information.

11. List of Appendices

Appendix A – Essex County Council Annual Plan 2024/25

Appendix B – Equalities Comprehensive Impact Assessment (Annual Plan and Budget)

Appendix C – Pay Policy Statement

Appendix D – Budget Consultation Report

Everyone's Essex Annual Plan and Budget

2024/2025

Essex County Council Everyone's Essex Annual Plan and Budget 2024/25

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2. Resources
 - a. Financial Strategy 2024/25 to 2027/28
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Everyone's Essex Strategic Aims – What we will deliver in 2024/25

Aim 1: Strong, inclusive and sustainable economy

Aim 2: High quality environment

Aim 3: Health, wellbeing and independence for all ages

Aim 4: A great place for children and families to grow

Aim 1: Strong, Inclusive and Sustainable Economy

1. We will offer high quality learning opportunities to over 10,000 residents, by providing training and employment support, through our Adult Community Learning service. New initiatives will include skills bootcamps, guaranteed interview schemes and bursaries for training opportunities in key growth sectors.
2. We will level up access to jobs for Essex residents by helping businesses to secure over £1 million of unspent apprenticeship funding and delivering over 6,000 opportunities for employment and skills programmes in our levelling up priority areas. We will implement the Essex Local Skills Improvement Plan, an employer-led plan that will influence the commissioning of £5.5 million of skills funding across the county. Its focus will be on important sectors for job growth, including construction and retrofit, clean energy, advanced manufacturing, Digi-tech and life sciences.
3. We will use £3 million of funding from the Government's Multiply programme to commission 6,000 adult numeracy training opportunities. This will support students to develop everyday life skills like budgeting, as well as helping to unlock job opportunities and gain a maths qualification.
4. We will continue construction of a new three platform station at Beaulieu Park, the first new station on the Great Eastern Main Line for 100 years. There will be car parking for around 700 vehicles, including electric vehicle charging, and cycle parking. The station is expected to be open by the end of 2025. We will also continue to progress the enabling works for the Chelmsford North East Bypass that will increase road capacity for the new station and the city.
5. We will continue to deliver the Army and Navy Sustainable Transport Package, which includes considering the redesign of the Army and Navy junction in Chelmsford. This will improve conditions for all road users, including pedestrians, cyclists and buses, and expand the Sandon and Chelmer Valley Park & Ride sites.
6. We will continue to deliver major transport schemes, funded by the Government's Housing Infrastructure Fund and Grant, which will unlock infrastructure for housing led growth across the county. In Colchester, we will continue construction of the new Rapid Transit System, connecting the future Tendring Colchester Borders Garden Community to the city centre and railway station. We will also commence construction of the first phase of the A120-A133 link road. In Harlow, we will complete construction of a new access road into the Templefields Industrial Estate, from Cambridge Road, and begin construction of a new Sustainable Transport Corridor, connecting Harlow station to a new bus station in the town centre.
7. We will continue construction works to improve access between the M11, Junction 8 and the A120 with London Stansted Airport, Bishop's Stortford, Birchanger Services and Takeley. This will reduce congestion and support future plans for housing, employment and business development.
8. We will continue work with our city, district and borough council partners to deliver new homes across three Garden Community developments in Essex – Chelmsford, Dunton Hills and Harlow Gilston Garden Town. We will also continue to work with our council partners on plans for the Tendring Colchester Borders Garden Community and further phases of Harlow Gilston Garden Town, to bring forward acceptable developments. We will continue to negotiate for developer Section 106 funding for new schools, early years facilities and sustainable transport measures for new Garden Communities. We will continue to insist on excellent transport and street design standards, with a focus on parking, urban realm quality and mobility hubs.
9. We will progress construction and sales on four new housing schemes, through Essex Housing, our housing development arm. When completed, we anticipate that these schemes will provide 168 private homes, six affordable homes and two new community assets.

10. We will complete a review of our 255 operational properties and our office estate for maximum efficiency and to minimise future costs. We will explore opportunities to release land and buildings to enable regeneration and growth in places, working with partners across the county. We will also continue to progress the disposal of assets that we no longer need to provide funding for our capital programme. We will continue to work with the Shire Hall Charitable Trust to develop plans for the Shire Hall in Chelmsford and develop detailed proposals for County Hall based on our own requirements and wider redevelopment options.
11. We will collaborate with partners to unlock the full potential of Freeport East at the proposed Bathside Bay development at Harwich Port. This is anticipated to generate an additional £500 million investment for the local economy over five years and lead to the creation of over 3,000 new jobs. This is a unique and unprecedented opportunity to provide high-quality employment and an economic boost for residents of Tendring and Essex.
12. We will continue our work and co-investment with South Essex Councils (SEC) and the newly formed North Essex Councils (NEC), to deliver ambitious programmes for a strong, sustainable and inclusive economy. Closer collaboration on services will provide more effective use of public money. The joint committee of SEC will support economic development, including South Essex Advanced Technical Skills (SEATS) training for careers in engineering, digital and logistics, creating opportunities with employers. Delivering the NEC Board Action Plan, with North Essex Councils, will provide a joined up inward investment offer linked to our Extraordinary Essex work, develop the Young Entrepreneurs programme in north Essex, and jointly promote the visitor economy.
13. In line with government policy, we will integrate functions provided by the South East Local Enterprise Partnership (SELEP) back into Essex, to help deliver our ambitions for economic growth. This will include ensuring a strong voice for business in decision making through new Greater Essex business board arrangements.
14. We will deliver a new approach to client relationships with 100 businesses, strengthening relationships with business intermediaries, establishing new business support programmes and continuing to deliver the Ambitious Women in Essex network. This will create and safeguard over 550 jobs and builds on our work to establish the Essex Community Business Pledge.
15. We will support the growth of Essex businesses in key industry sectors, by working with partners to implement our Sector Development Delivery programme and with business intermediary bodies. This will allow us to create the conditions for over 40,000 new jobs in the county by 2040.
16. We will continue to work with Greater Essex public and private sector partners to develop opportunities that will make our region stand out and compete as a great location for inward investment, a high-skilled workforce, tourism and students. In the initial year we will secure 25 new inward investment leads, attract 100 jobs and help retain 50 jobs through business retention activity.
17. We will support Visit Essex and coordinate activity with the new Greater Essex Inward Investment and Place Promotion Partnership. We will work to develop Visit Essex's role as the formal Local Visitor Economy Partnership body for Visit England. We expect this to achieve £11 million extra spend in the Essex visitor economy, support 540 visitor economy businesses, create 190 jobs and win 165 million media impressions.
18. We expect to award £125,000 grant funding to cultural organisations through the third round of our Arts and Cultural Fund. Successful organisations will receive funding between £2,500 to £30,000, depending on the size and nature of the project. This will help them deliver exhibitions, events and activities in 2024/25 to engage communities and benefit residents.
19. We will continue to promote Essex as an attractive location for production companies to use for filming through the Essex Film Office, working with city, district and borough councils to provide a countywide service.

20. We will deliver a new Cultural Ambassadors programme, enlisting the help of cultural role-models to front a campaign that champions the county's creative and cultural sector and rich cultural heritage.
21. We will continue to build the economic conditions in Essex to maximise the benefits of the transition to a green economy. This will include additional support for Essex businesses to access green grants and support to innovate, as well as development of a green skills action plan and collaboration in the Tending Future Skills Programme, which is supported by £340,000 investment.
22. We will continue to work to deliver major levelling up regeneration plans in priority places across Essex, using funding from government. In Clacton-on-Sea, the £20 million Clacton Hub will create a new library, Adult Community Learning facilities, and introduce the Centre for Coastal Communities to the town. Our Levelling Up Partnership with government and Long Term Plan for Towns funding will deliver £40 million of additional investment in Clacton. In Harwich, a fully refurbished library will be created in the town, with the reintroduction of Adult Community Learning to the library, and in Dovercourt new public realm works will improve the town centre. In Colchester, we will support the delivery of the City Centre masterplan, including Towns Fund projects and the St Botolph's Circus scheme, which seek to regenerate this important gateway to the city for all users.
23. We will begin to realise the potential of the Essex Renewal Fund by seeking suitable acquisitions to support good jobs, future growth and investment, green growth and levelling up the economy. Over the next 20 years, the fund aims to invest over £100 million, supporting 1,500 jobs and bringing to market enough land to deliver 1,000 new homes.
24. We will work with city, district and borough council partners to use the planning system to generate developer funding for local infrastructure, skills and community development, including Nationally Significant Infrastructure Projects. We will support two district councils to introduce the Community Infrastructure Levy in 2024/25 to access over £50 million from a new source of developer funding, which is flexible in how and what it can be used for, including investment in infrastructure and levelling up priorities.
25. We will commission a new Voluntary and Community Sector (VCS) Infrastructure Provider to deliver a quality assured, digital self-serve Universal Support Offer to the sector. Supported by other targeted VCS infrastructure support, to places and communities of greatest need, this investment will build capacity and strength in the sector to contribute to our ambitions to level up the county and reduce inequalities.
26. We will help families to get online and stay online, by raising awareness of affordable social tariffs for households who receive benefits and promoting other digital affordability offers to residents. We will work with voluntary and community organisations across Essex and in our levelling up areas to share information to save residents money and prevent them from becoming digitally excluded. Ahead of the digital phone network switchover in 2025, we will develop digital infrastructure to increase high-speed connectivity and increase digital inclusion across Essex, including:
 - a countywide awareness campaign, focussing on digitally excluded residents and businesses
 - exploring alternative technologies that will reach more remote areas
 - establishing a device recycling programme to increase digital inclusion and reuse digital devices, to support our new waste strategy and a circular economy

Aim 2: High Quality Environment

1. We will work with partners, including city, district and borough councils and the energy network operator to inform Local Area Energy Planning. This will investigate opportunities for renewable generation, storage, building retrofit, and clean heat infrastructure to enable effective local progress toward net zero.
2. We will support Essex residents to access affordable energy and energy efficiency measures for their homes, through schemes including:
 - Essex Energy Switch, which helps households to get a better price for their energy supply
 - Solar Together, which helps homeowners to purchase high quality solar panels for less
 - the Government's Help to Heat scheme, which provides energy efficiency support and upgrades to low-income households
3. We will work with Uttlesford, Chelmsford and Colchester councils to embed Net Zero carbon planning policies into draft Local Plans. This will require all new homes to meet the new Net Zero energy standards.
4. We will partner with electric vehicle chargepoint operators to install around 60 electric vehicle on street residential chargers as part of our Office of Zero Emission Vehicles (OZEV) on-street residential charge points funding. We will develop a business case for £8 million funding from OZEV for on street charge points.
5. We will work toward our goal of Silver status as a Carbon Literate Organisation for Essex County Council. We will support 1,000 council employees to achieve Carbon Literacy accreditation.
6. We will develop a new Local Transport Plan in consultation with the public and other organisations. The plan will be central to securing future government funding for transport improvements in Essex which support a wide range of positive outcomes – Supporting People, Health, Wellbeing, and Independence; Creating Sustainable Places and Communities; Connecting People, Places and Businesses. We will also work to develop a number of other important transport studies and plans, including:
 - a 'functional road hierarchy', called Place and Movement, to provide an up to date understanding of how all road users travel throughout Essex
 - local transport studies to identify priorities for strategic investment in transport in levelling up areas, including Tendring and South Essex
 - work with other councils in Essex to deliver sustainable growth via Local Plans and Future Transport Strategies, helping to plan future projects to be prioritised for funding
 - a new Speed Management Strategy to reflect the needs of residents and our road network, making sure our roads are safe for all users
7. We will continue to work within the Safer Essex Roads Partnership to help us achieve our aspiration for zero deaths and serious injuries on Essex roads by 2040. We will continue to work towards integrating and implementing the safe system approach. This aims to reduce risk to all road users, across all county council functions, so that the safety of our road users and residents is considered in all our policies and service delivery.

8. We will provide more up to date and reliable travel information about bus services via the TravelEssex website and App, by implementing a new Transport Provider Portal. The portal will also allow us to work more effectively with transport providers who run our services.
9. We will continue to provide DigiGo, our on demand, electric vehicle public transport service. We will expand the DigiGo service to replace some existing supported local bus routes, providing a more flexible service to users with significantly more choice about when they travel.
10. Subject to successful contract award, we will begin the replacement, refurbishment and new installation of more than 200 high-quality bus shelters across Essex.
11. We will continue to deliver active travel schemes in Braintree, Brentwood, Chelmsford, Colchester, Harlow and Wickford, with funding from Active Travel England. Subject to consultation, these will create safer spaces for walking, cycling and wheeling, providing sustainable choices for residents and visitors. Schemes will include the creation of segregated cycle paths, junction improvements and safer crossing facilities.
12. We will develop opportunities to encourage cycling and e-scooters across Essex, increasing health and wellbeing, and reducing climate impact. This will include:
 - consulting on a new Essex Cycling Strategy, so that cycling plans and initiatives support local and national priorities
 - working with all districts to develop Local Walking and Cycling Infrastructure Plans, which are essential for securing government funding to support infrastructure projects that make it easier for residents to walk and cycle
 - aiming for our Essex e-scooter trial to reach 3.5 million rides overall, encouraging sustainable methods of transport and providing greater choice to residents and visitors
13. We will produce a Healthy School Streets toolkit to allow us to focus support where it is most needed to make it safer for children, families and carers to walk, cycle or wheel to school. This will include a prioritisation tool, a 'catalogue' of measures which can be introduced, a toolkit for schools to use, and refresh of our guidance for schools in new developments.
14. We will complete our transformation programme to upgrade all streetlights in Essex with LED light fittings, by replacing the remaining fittings that are harder to replace, such as older style columns. LED streetlights are better for the environment, have fewer faults and are a more effective use of taxpayers' money. Overall, this will save 6,500 tonnes of carbon per year.
15. We will work as part of the Essex Waste Partnership to develop the new Waste Strategy for Essex, taking into account the results of the public consultation. Action plans will identify priorities for delivery to ensure sustainable waste management in Essex.
16. We will work to deliver new arrangements for the treatment of waste which cannot be recycled or is not biodegradable, known as residual waste, by 2025. This will ensure the future sustainability of the service.
17. We will work as part of the Essex Waste Partnership, using the Love Essex brand, to share best practice to reduce waste and create a more circular economy, where products and materials are kept in circulation for as long as possible. We will increase the types of materials that can either be recycled or taken for reuse at our recycling centres.
18. We will deliver a range of activities to encourage and support partners and communities to take climate action themselves, including:

- holding spring and autumn climate conferences for all Essex local authorities and other partners
 - Climate Czar visits to Essex businesses
 - face-to-face advice and support at community climate events
 - continuing to promote and develop the Carbon Cutting Essex app
 - bringing the content in our climate advice packs up to date with the latest information
 - providing support to Community Energy groups
 - rolling out new school sustainability kits
19. We will launch the new Local Nature Recovery Strategy for Greater Essex for consultation and develop the first actions. The final strategy will set out the ambition for a greener, healthier Essex with space for wildlife and people, describing how we can deliver 30% of Essex as natural green infrastructure by 2030. Increasing green infrastructure captures carbon, reduces flood risk, overheating and soil degradation, while supporting pollinators crucial to farming. Increasing green space for public access also benefits physical and mental health.
20. We will make £4.5 million available to deliver 7 major Capital Flood programme schemes to protect 187 properties, seeking match funding from the Environment Agency.
21. We will continue to deliver our 5-year programme to map all the Essex County Council managed trees on the public highway, alongside newly planted street trees under the Essex Forest initiative. This will include identifying sites for new trees on our highways.
22. We will continue to deliver the Essex Forest Initiative, with a target to plant a further 125,000 trees in 2024/25. This will bring the total number of trees planted since 2020 to 490,000, by the end of the financial year. We will seek additional grant funding to support delivery of the initiative from external funds, such as Urban Tree Challenge.
23. We will continue to develop the Essex Climate Focus Area, which pilots and accelerates climate action across the Blackwater and River Colne Catchment areas. We will do this in partnership with the district and borough councils, the North Essex Farm Cluster, local parishes, the four Net Zero Innovation Futures estates, the three Nature Plan parishes and others. We will promote the Climate Focus Area with a full communications campaign, including website, case studies and blogs.
24. We will develop a new Essex Water Strategy to set out a series of recommendations to tackle water scarcity and water quality across Essex, building upon the regional water strategy work undertaken by Water Resources East. This will help residents and businesses to understand the importance of reducing their own water usage and ways to do so.
25. We will work to establish two more sections of the King Charles III England Coast Path, a long distance coastal path that follows the coastline of England. Once formally opened, this will bring the total number of completed sections in Essex to six, with another three sections subject to approval by government.
26. We will deliver key initiatives to increase biodiversity, reduce climate impact and improve health and wellbeing through access to quality open space, including:

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- maintaining Green Flag Award status across seven Country Parks and welcome over 900,000 visitors again in 2024/25
- seeking further Countryside Stewardship funding to enhance the management of natural environments our Country Parks
- beginning to deliver a Biodiversity Net Gain scheme in East Mersea, Colchester
- seeking external funding for the following sites: Belhus Woods Country Park, Hadleigh Country Park (Hadleigh Downs), Thorndon Country Park and Weald Country Park

27. We will publish a biodiversity report to communicate the positive actions we are taking to improve the environment for nature to thrive in Essex. This will build on our existing Tree Strategy and brings together the policies and actions that are necessary to comply with the Government's new Biodiversity Duty for councils.

Aim 3: Health Wellbeing and Independence for All Ages

1. We will develop a healthy weight strategy with partners, setting out a different approach to promoting healthy weight, recognising the limitations of current approaches to reducing obesity. We will focus more on a collective effort on reducing the obesogenic nature of the local environment, which limits the free choice of residents to adopt and sustain behaviours for a healthy weight.
2. We will look for opportunities to promote oral health and healthy weight among children. This will include working with partners in education and health on a joint approach to educating children and families on the risks of high sugar intake and encouraging them to reduce added sugar intake in packed lunches. We will work with health partners to support a reduction in the number of under 5s having multiple teeth extracted due to tooth decay.
3. We will successfully deliver Ride London-Essex, which will release new funding of £750,000 from London Marathon Foundation to increase sport and physical participation across Essex. We will work with partners and organisations to raise our profile as a sporting county, showcasing the benefits of holding mass participation events that inspire residents to get involved and boost the economy.
4. We will continue to work with the Essex Recovery Foundation (ERF) to support delivery its 5-Year Strategic Approach to Drugs and Alcohol and the National Drug Strategy. The ERF 5-year strategy has four main aims:
 - i. Growing the recovery community – supporting people to maintain their recovery and improve their health and wellbeing
 - ii. Empowering people and their ideas – to work with the community to better support them to influence the way support is provided
 - iii. Influencing life changing services – delegating responsibility to the community to develop and fund treatment and support
 - iv. Changing perceptions – reduce the stigma associated with addiction and drug/alcohol use
5. We will continue to support residents to quit smoking, prioritising areas and populations in Essex with higher rates of smoking, including expectant mothers and routine and manual workers. We will work with our partners across the health system to support the Government's ambition of a smoke free generation.
6. We will lead countywide efforts with partners to reduce youth vaping in Essex. This will focus on co-designing effective messages with young people and providing information to support and inform parents. We will review the resources available to schools and develop a clear quit vaping pathway of support. Insight from our activities will be used to inform the design of a countywide youth vaping campaign.
7. We will deliver initiatives to protect the health and wellbeing of Essex consumers through our trading standards team by:
 - prioritising cases that pose the greatest risk to consumers and businesses, including rogue traders who target the most vulnerable in our community
 - enhancing our work to tackle the underage sales of age restricted goods (including vapes) and disrupting the sale and supply of illicit tobacco products
 - intercepting unsafe, dangerous and illegal goods entering the UK through Essex ports and airports and preventing them from entering the marketplace

- ensure the highest standards of livestock welfare are maintained and respond to outbreaks of notifiable animal diseases, such as avian influenza
8. We will launch a new Air Quality Strategy for public consultation, which will set out how we will work with partners and stakeholders with the aim of improving the quality of the air we all breathe.
 9. We will continue to support delivery of the new Essex Sexual Health Service for young people. This will ensure that all young people are supported to have healthy relationships and can access youth-friendly sexual health services when they need them. We will implement a young person mystery shopping programme to test service provision. We will lead countywide efforts to continue to reduce under 18 conceptions and under 18 abortions, through an action plan that matches the national teenage pregnancy framework.
 10. We will work with our partners to deliver the Southend, Essex and Thurrock Mental Health Strategy and support action to reduce suicide through the Suicide Prevention Partnership. We will develop a plan to tackle mental health stigma, enable positive everyday wellbeing, prevent low-level mental health disorders, and enable people with poor mental health to be physically active and more socially connected. We will develop a new delivery model for adult social care mental health services that addresses the wider determinants of mental health and promotes greater choice and control for people with long-term mental illness.
 11. We will continue to support the health and wellbeing of employees via our Working Well workplace health offer for organisations across Essex. This will include training more people in Mental Health First Aid and a targeted approach to reduce lifestyle risk factors, with a particular focus on routine and manual workers.
 12. We will establish a £5 million Health Determinants Research Collaboration for Greater Essex, defining a joint research programme across Southend, Essex and Thurrock with the University of Essex. The findings will help to inform decisions by partners across Greater Essex, as they work to understand and deliver improvements to the health of Greater Essex residents, with a focus on those places and groups who experience greater health inequalities.
 13. We will implement the Essex Care Market Strategy to support and shape the market so that it meets the diverse range of needs of residents, builds capacity for more people to be supported in their own homes and remains vibrant and stable.
 14. We will implement the commitments in our Disability Strategy to help improve the lives of adults in Essex who have a learning disability, physical disability or sensory impairment.
 15. We will expand the provision of the Essex Shared Lives Service, independent living provision and develop our in-house residential homes to increase accommodation options for people with learning disability and autism.
 16. We will promote inclusive employment and support increasing numbers of adults with learning disability and autism and adults accessing mental health services into paid work. Through Adult Community Learning we will continue to support adult learners with learning difficulties to lead healthy, independent and socially included lives.
 17. We will grow our Direct Payments Service to support more people to manage their own care, support plans and budgets where they want greater control.
 18. We will continue to plan for the Government's proposed changes to the adult social care charging regime.

19. We will continue expanding delivery of the Essex Care Technology Service, which provides a range of care technology to help older people and people with disabilities to live more independently.
20. We will enhance our early help, information, advice and guidance to help improve customer experience and manage increasing demand.
21. We will develop a strategic approach to the adoption and use of technology for adult social care and the development of digital skills to improve access to services for residents, enable self-serve options and make processes simpler and more efficient.
22. We will continue to manage over £580,000 of government funding through the Rough Sleeping Initiative, working with 350 individual rough sleepers and helping over 200 of them off the streets. We will provide a further 48 units of supported accommodation for rough sleepers with £210,000 funding secured from the Government's Next Step Accommodation Programme.
23. We will coordinate work across districts, boroughs and cities in Essex to better accommodate rising numbers of homeless households placed in emergency and temporary accommodation. This will include accelerated joint efforts to bring forward new housing supply that is more affordable to local housing authorities, reducing financial pressures. We will explore options for data sharing and service improvement to avoid the negative impacts when households are displaced and dislocated within and beyond Essex.
24. We will deliver a new model of integrated intermediate care services working with the NHS to help people to regain independence and to reduce ongoing care needs.
25. We will continue to deliver the commitments in our All-Age Carers Strategy and bring greater visibility to the needs of carers in Essex. This will include providing access to a first point of contact at the Essex Wellbeing Service, the procurement of a new core offer, the launch of a carers' community fund to help meet needs at the local level and by developing a carers' short breaks offer. This will improve support to the many thousands of unpaid carers supporting family and friends in Essex, including young carers and young carers transitioning to adulthood.
26. We will support the Health and Digital Literacy Champions across Essex, integrating them with our Integrated Care Systems and GP surgeries to promote the NHS app and online consultations. We will also collaborate with community hubs to employ a digital triaging tool, directing digitally excluded residents to local support. We will map digital exclusion risks and use this data to identify intervention areas, aligning with local providers to address digital inclusion gaps effectively.
27. We will continue to build resilient communities, supporting people to be independent and stay connected. Our social movement, United in Kind, fosters community connections and activities bringing people together in acts of kindness. We will continue to enable people to remain at home and manage independently through our Community Agent team who provide a home visit and support service based on individual needs.
28. Our Holiday Activity and Food programme will support school children aged 4-16 who receive free school meals across Essex. Over 240 clubs will offer around 200,000 free spaces during the year for young people to access enriching activities, physical activity, food, education and family support during the Easter, summer and Christmas school holidays as well as at half term.
29. Our Move With Us programme will engage young people in finding an activity that is right for them and that they enjoy. Within a year, we will see a 1% increase in children classed as active and will raise awareness through proactive and targeted communications to engage an additional 100,000 young people in Essex. We will

increase the number of activities for children and young people on our activity finder by at least 10% and will coordinate a programme for over 100 young people to become Move With Us Ambassadors, who will encourage their peers to participate.

30. Essex Pedal Power will give out 4,000 new bikes to residents in the levelling up areas of Clacton, Harwich, Colchester, Basildon and Canvey Island, which will positively impact on health, active travel, carbon reduction and community cohesion. In Harlow, a new Essex Pedal Power scheme will be supported by Sport England's Place Expansion programme. We will explore all investment opportunities for the sustainability of Essex Pedal Power in future years.
31. We will fund new projects through The Public Health Accelerator Bids (PHAB) £7.5 million grant programme, to help people in Essex to live a healthy life. Projects will be expected to make a difference to the lives of many vulnerable residents and reduce health inequalities across Essex. Covering an initial three-year period, funded projects will lay the foundations for the achievement of longer-term health outcomes that will support all residents to live a healthy life and achieve their full potential.
32. We will make sure all residents have access to essential resources and support to prevent them from becoming socially isolated, by offering effective information and signposting in our libraries. Maintaining libraries as inclusive and welcoming spaces will help us to foster healthier and more connected communities across Essex.

Aim 4: A great place for children and families to grow

1. We will continue to design and deliver school buildings that are net-zero carbon in operation, by investing over £38 million in the education estate. This includes opening two new primary schools, to deliver 1,725 additional mainstream school places in time to increase school intakes for September 2024, and investing over £3 million to replace ageing temporary classrooms with new, permanent, low carbon buildings. We will secure around £25 million investment toward new schools and extensions to existing schools by negotiating Section 106 funding, using the updated 2023 Essex Developer Contribution Guide.
2. We will continue to deliver and develop capacity to provide school places for children and young people with Special Educational Needs and Disabilities (SEND). We will invest £19 million towards priority projects and will use the new SEND sufficiency plan to identify future areas of growth. We will develop SEND expansions at 16 different sites across Essex, improving learning and inclusion opportunities for children with severe learning difficulties.
3. We will work with all education partners, as a member of the Essex Education Taskforce, to continue to minimise the impact of the pandemic on children and young people's learning and grow best practice across the education system. Together, we will deliver the Year of Numbers, a countywide campaign that aims to inspire a love of learning, with a focus on numeracy, with activities in education and community settings, which will include:
 - Number Stacks, a large scale, continuous professional development for Essex teachers to learn new ways to engage primary children with maths
 - small maths group sessions, designed to boost the numeracy skills for our lowest achieving primary and secondary pupils, run by the Essex Educational Psychology Service
 - Labs in the Libraries, maths and science sessions for primary age children, held in libraries
 - Cricket4maths, running cricket clubs with Essex Cricket to support children and young people to develop maths skills by scoring games
4. We will continue to implement the Early Years and Childcare strategy, working with schools to develop the plan and fully implement the new childcare wraparound policy for primary age pupils. Outcomes from the strategy will include:
 - an increase in the percentage of children achieving a Good Level of Development (GLD)
 - identifying those children as early as possible who will need more support, such as improved assessment at the 2-year check, and focus on the cohorts who generally do not achieve a GLD (those born in summer and those with Special Educational Needs and Disabilities)
 - an increase in take up of access to a funded learning for eligible 2-year-olds
 - a focus on children who are at an economic disadvantage, to help narrow their word gap
5. We will continue to develop activities that enhance the personal development and informal education of young people across Essex. We will work with voluntary sector partners to create new youth provision for young people while supporting young carers and their families. Activities will include Duke of Edinburgh, Young Carers, Plan B and Hospital Projects.

6. We will continue to help children and families to access education, by promoting and monitoring attendance. We will support those families who choose to educate their children at home with monitoring and positive challenge. We will work directly with schools through the Attendance Specialist Team to identify concerns about absence at the earliest opportunity, as part of the nationwide DfE Absence portal which captures daily and real time attendance data.
7. We will deliver the Harlow Futures programme, working with headteachers and community partners, to address high levels of need among children and young people related to Social Emotional and Mental Health, those Not in Education, Employment or Training and those who have not reached their expected reading age. Programmes will include:
 - Trauma Perceptive Practice training (TPP) for teachers, which has been shown to improve emotional resilience and behaviour
 - RISE programme to support primary age children with social, emotional and mental health and wellbeing
 - PATHS programme to support secondary age pupils with social, emotional and mental health and wellbeing
8. We will provide training to schools and early years settings that have committed to increase the number of children attaining a Good Level of Development at the Early Years Foundation Stage. We will work with a specialist training provider, ELKLAN, to support Early Years settings in Canvey Island to work towards Communication Friendly accreditation, giving staff knowledge and skills to support children with speech, language and communication needs.
9. We will help to improve children's life chances in Colchester, by launching a Communication Hub that serves as a model of best practice for the wider school community within the district. We will also implement the Let's Talk programme in Colchester which prioritises social, emotional and mental health needs.
10. We will continue reducing educational inequality in Tendring through our Tendring Levelling Up programme. We will launch a Communications Hub and train Communication Champions in the district. We will support schools by offering Emotional Literacy Support Assistance training and running a Home School Liaison pilot which will promote the regular and punctual attendance of all students.
11. We will implement the Essex Education Inclusion Strategy across the education sector, as the first stage of our Education Transformation Programme. Our priority will be to undertake inclusion reviews in as many schools as possible, to track the impact of the Inclusion Framework and to pilot the Ready to Regulate training programme.
12. We will continue to prioritise improvement across all Special Educational Need and Disability (SEND) services through the Co-ordination and Oversight Groups. The SEND Partnership Board will oversee this work and we will work closely with the Essex Family Forum, early years settings, schools, colleges and health partners. We will also lead a new piece of work to support the sustainability of the High Needs Block, which funds the SEND system in Essex.
13. Essex Music Service will continue to lead on the development of a Greater Essex Music Hub. This will provide the capacity to help 90% of schools in Essex to deliver music education, reduce the cost of music education for young people from disadvantaged backgrounds and allow us to bring together Essex Music Hub partners to provide inspirational experiences and opportunities for our young people.
14. We will continue to provide a strong offer that supports literacy in Essex libraries. Libraries will continue to seek to enhance their offer through outreach and partnership working particularly in areas of greatest need. We will leverage libraries expertise in promoting reading for pleasure, working with education and other services to build vital skills that significantly impact a child's future opportunities and overall well-being.

15. We will transform the ground floor of Colchester Library into an Imagination and Literacy Centre, supported by Arts Council England funding. This will focus on science, art and technology and provide interactive learning and a play space for children and their families.
16. We will continue to work across children and family services in a way which focuses on continuous self-evaluation and improvement, using opportunities to review what we do and identify ways to evolve or innovate. We will use our Children's Transformation Board to pilot new ways of working, aiming to deliver improved outcomes in a cost-effective way. We will use learning gained from evaluating our transformation projects to inform the future development of our service offer and the wider Whole Council Transformation Programme. This year we will explore the role that digital technology can play in enabling us to achieve our ambitions.
17. We will continue to work with partners to deliver a range of accessible support for families, helping them to address their needs and reducing demand on our statutory services. This includes:
 - achieving the full potential of our Supporting Families Programme
 - continuing to invest in the Family Innovation Fund
 - maximising the potential of contracts, such as the Essex Child and Family Wellbeing Service
 - improving the accessibility of online resources, such as the Local Offer website and Essex Directory of Services
 - delivering externally grant funded parenting support
18. We will pilot the implementation of a Multi-Disciplinary Team (MDT) in south Essex based on the successful evaluation of our MDT in Tendring. We will evaluate the pilot to identify if the same positive impacts that were achieved in north Essex can be replicated in the South, focused on reducing the number of children going into care and on the re-establishment of links between families and community resources.
19. We will work across our services, with partners and communities, to ensure an effective response to those arriving in Essex from other countries, including families and young people who arrive independently. We will meet our statutory duties and ensure new arrivals are welcomed, informed of local community resources and engaged in local health and education providers. Separated migrant children will receive a service from our Arrivals Team that will consider all of their needs and provide a wraparound service to aid their settlement.
20. We will refresh our Domestic Abuse Commissioning Strategy to ensure we maintain a robust approach to delivering on our statutory duties for victims and survivors. We will ensure this work is informed by our domestic abuse discovery research, to support the redesign of an improved offer for victims, survivors and perpetrators in future.
21. We will coordinate a strategic and joined-up response to community safety priorities across Essex, Southend and Thurrock through Safer Essex. This will include work to stop violence against women and girls (including domestic abuse) through education and training, creating safer public spaces and providing support to victims. We will support initiatives to reduce reoffending, aiming to improve outcomes for offenders as well as protect victims and strengthen public confidence. Working with city, district and borough councils, we will fulfil our statutory Community Safety Partnership responsibilities.

22. We will deliver on our core functions to support and promote the welfare of children who are at risk of harm. This includes working with families to support children staying safely at home and, when necessary, placing them in high quality care settings suitable to their needs. We will work with system partners to remain alert to the variety of issues impacting on children, young people and families today and will consider how we can develop our services to reflect these and to respond to growing demand.
23. We will use the findings from our Outstanding Ofsted inspection of Children's Services to inform how we embed and share excellent practice and continue to provide cost effective and high-quality care for those who need it. In response to the report's recommendation, we will seek to improve practice related to separated migrant children to ensure they are being provided with consistent and trauma informed care that meets their individual needs.
24. We will continue to improve the sufficiency of placements for children in care through our programmes of work under the governance of the Children's Transformation Board and as part of the Whole Council Transformation Programme. We will achieve this by continuing to strengthen support aimed at diverting children and young people from care, by further expanding the availability of in-house foster placements and by continuing to deliver our ambitious programme to increase residential provision in Essex. This will involve improving our relationship with the market, improving the way we commission placements and developing our own in-house residential homes.
25. We will deliver our Co-Parenting Strategy and Children in Care and Leaving Care Partnership Strategy, working through our Children in Care Partnership Board to maximise the potential of the Essex system to deliver improved outcomes for this priority group. Our actions will be driven by the voices of children and young people in care and leaving care; we will incorporate opportunities to listen to children and young people into everything we do.
26. We will continue to engage with changes to the national policy agenda for children, families and education, including the reform strategy for children's social care and the transformation of SEND and alternative provision. We will make use of opportunities to shape developments so that they reflect the voice of children and young people and advocate for a more robust national response to the growing external pressures faced by local authorities. We will engage with piloting and trailblazing to ensure that solutions reflect on the ground experience, including providing support to the National Workload Action Group and piloting the new early careers framework for social workers.
27. We will continue to ensure we are effectively responding to an increase in diversity in our population and the over-presentation of some groups who come into contact with children's services by further embedding our commitment to anti-racist practice. Under the governance of the Children's Transformation Board, we will continue to implement our Anti-Racist Practice Strategy impacting on our service users, staff and partners. We will provide spaces to surface and explore relevant issues and to influence the practice of others across the system.
28. We will recommission our advocacy service, led by the voices and experiences of children and young people, to provide an effective and accessible offer of support, ensuring those who use our services have their views heard and complaints are effectively acknowledged and responded to.
29. We will use our position as an Outstanding provider of Children's Services to influence the development of practice nationally by continuing our successful role as a Sector Led Improvement Partner, by consolidating our commercial offer including our children in care books and thinking tools, and by piloting the Essex Solution Focused Centre. We will maximise the commercial visibility of this activity by developing an online presence to promote our achievements and the opportunities of partnering with Essex.

30. We will work with partners to address the growing pressures around children's mental health, by improving emotional wellbeing and expanding the availability of early help. This will include deepening and furthering the impact of Trauma Perceptive Practice and designated mental health leads in schools and supporting school mental health teams. We will also engage with health partners to address the lack of capacity in acute and crisis provision and will work to strengthen the provision and oversight of Mental Health Act (MHA) Section 117 aftercare support.
31. We will coordinate our response to tackling child criminal exploitation with our partners, including the Violence and Vulnerability Unit (VVU) and Essex Police, to better understand the changing landscape of criminal exploitation and its impact on children, young people and their families. Making best use of evidence and the voice of our communities we will support continuous practice developments, leading to new approaches to prevention and targeted intervention, and ensure we are providing an effective response to the new Serious Violence Duty.
32. We will work with under-represented and disadvantaged groups to support their progression towards learning opportunities. We will widen participation in priority areas by working in partnership with families, community groups and training providers. ACL Community engagement officers based in Canvey, Harwich and Braintree will support family learning and delivery of training in adult numeracy via the Multiply programme and progression to English, Maths, Digital Skills and English for Speakers of Other Languages (ESOL).
33. We will create an improved customer experience for those who use our services, by implementing streamlined digital platforms, user-friendly interfaces, and efficient service delivery processes. We will continue to place a special focus on providing an equal and accessible services for those who need us most, promoting inclusivity and social equality. We will continue to explore opportunities to use automation technology, where it will improve the customer experience, increase our efficiency and reduce costs.

Resources

Financial Strategy 2024/25 – 2027/28

The 2023/24 financial year has been another challenging year. We are experiencing pressure on both Adult's and Children's services and Home to School Transport. The care market continues to struggle with capacity, and there is still uncertainty around the timing and financial impact of potential care reform. The Council continues to operate in a climate of uncertainty and volatility. Inflation has begun to reduce, although is still double the Bank of England target rate, while interest rates are at their highest level since 2008. We continue to face a significant level of uncertainty in our medium term resource strategy (MTRS).

We have a legal responsibility to operate within a balanced budget. With the changes and reductions in Government grant funding over recent years, coupled with increasing and more complex demand for core services such as caring for the elderly, protecting vulnerable children and supporting those families who need it, the financial situation continues to be challenging. However, it continues to provide an opportunity to question how services are currently provided and where necessary, redesign them to better meet the needs of residents and communities now and in the future.

The budget sets out the financial resources that we have available to deliver our statutory requirements, political priorities and the Annual Plan and therefore achieve the Everyone's Essex Strategic Aims. In 2024/25, we will spend a gross budget (including schools) of **£2,495m**, which, after taking income and specific grants into account, amounts to a net cost of services of **£1,148m**, some £61m or 6% more than originally budgeted in 2023/24 (after adjusting for differing accounting treatment of Social Care Grant from 2024/25), and invest **£320m** in our capital programme. This budget is underpinned by a financial strategy to ensure that we can continue to live within our means, whilst also continuing to deliver essential services to residents and keep council tax as low as possible.

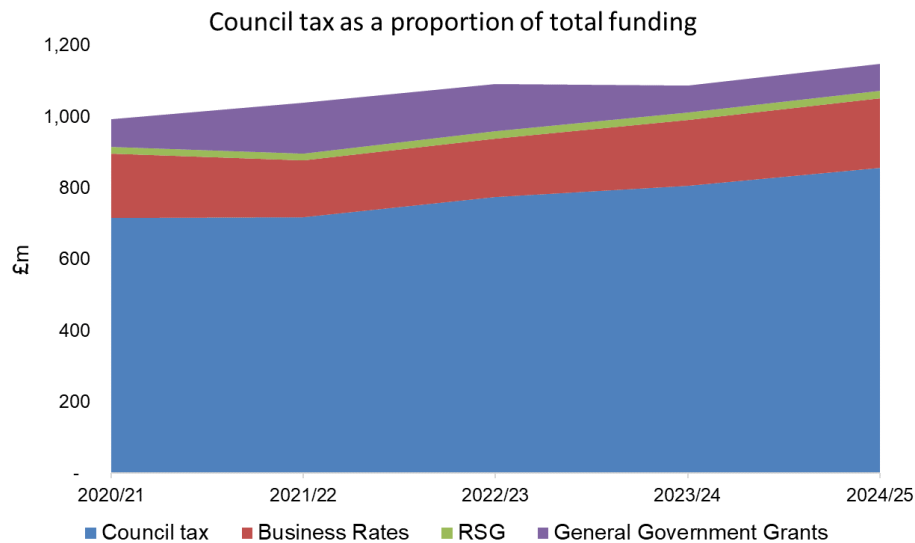
We have a strong record of sound financial management, and over the last four years have generated savings to taxpayers of **£175m**. A further **£32m** of new savings are forecast to be delivered by the end of 2024/25 (**3%** of net budget). The planned savings are focused around continuation of existing programmes that will deliver efficiencies in Adult Social Care, including the "Connect" programme for Older People to deliver better outcomes, the "Meaningful Lives Matter" programme that will deliver better support to adults with learning difficulties, and through use of technology that will enable people to live independently and prevent the escalation of needs. We will also continue to make strides to make more efficient use of our buildings, make better use of technology and digitisation across the Council and securing staffing efficiencies. We have an outstanding track record of delivering savings, generating income and delivering value to our residents, with a constant focus on strategic outcomes and financial prudence.

The Provisional Local Government Financial Settlement (Provisional Settlement) from Government provided new information and confirmed announcements in the Chancellor's Autumn Statement. This included additional monies for social care, changes to the business rates system and continuation of business rates reliefs for many businesses, and a significant reduction to the services grant for 2024/25. In addition to this, for the Dedicated Schools Grant (DSG), an

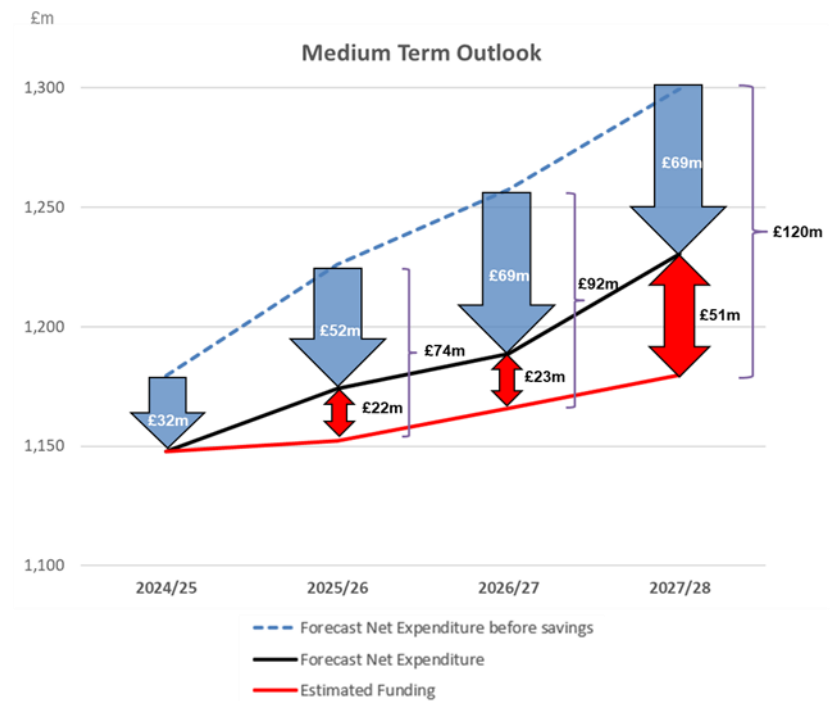
additional £97.7m in total was announced across the individual elements. There was only a one-year funding announcement for all grants. The Provisional Settlement also confirmed the continuation of Revenue Support Grant (RSG) of £22.7m.

Our long-term funding position is much less clear. The Provisional Settlement and Policy Statement has provided no assurance about the future of any government grants beyond 2024/25 and we know very little about whether current funding streams will continue and what ECC's allocation will be going forward. This makes it difficult to plan for the medium or long-term. Our medium-term strategy assumes the continuation of Revenue Support Grant throughout the MTRS, and that it will continue to be uplifted by inflation. We also assume the continuation of social care grants at 2022/23 levels from 2025/26 onwards.

Our budget for 2024/25 assumes that council tax is increased by 4.99%. This is made up of a 2.99% general council tax precept, and 2% Adult Social Care precept. The precept is being used to insulate Adult Social Care from having to make higher savings, and support growth in need caused by changes in the demographics of our population and inflation, including the national living wage rise. Taking these increases into account, the council tax for a band D property will be **£1,522.53; this is an increase of £1.39 per household per week.**



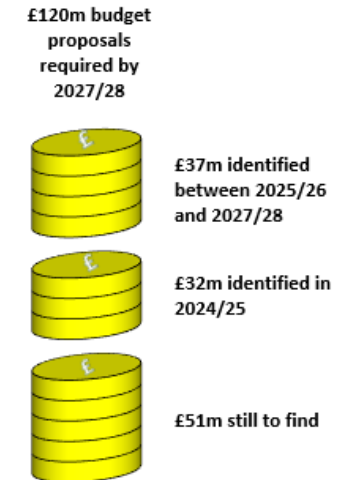
Net expenditure of **£1,148m** is funded by council tax, business rates, Revenue Support Grant and General Government Grants. Income from council tax is the largest funding stream at **£856m** and will make up **75%** of our funding in 2024/25.



Based on latest intelligence on demand for services, inflation, and likely funding levels, we are forecasting a budget gap of **£22m** in 2025/26, rising to **£51m** in 2027/28. The most significant driver of the gap is inflation which accounts for £72m by 2027/28. There are new burdens and other cost pressures of £77m (by 2027/28), including financing of the capital programme, growing demand for Children's Social Care and the anticipated impact of a changing client base in Adult Social Care. There are no assumptions made around future levels of council tax in arriving at the gap from 2025/26 onward.

Some progress has been made towards balancing the budget over the medium-term. Further new savings totalling £69m have been identified in the medium-term to 2027/28, and are included in the forecast gap. Work will continue during 2024/25 to identify proposals to close the funding gap beyond the next year, including through our Whole Council Transformation programme. We are fully cognisant of the challenges faced, including the funding uncertainty, and we are determined to continue to transform how we operate to tackle this enormous task. We are committed to delivery of savings and generating the income required to reach a balanced budget position but also to deliver better services for residents.

There will be a continued focus on commercialism where possible, effective contract management and working with partners to secure value for money in delivering our strategic aims and priorities. We will be redesigning services where appropriate to ensure they remain modern and fit for purpose. The capital programme in 2024/25 includes £25m of schemes which will result in cash savings or reduced costs thus reducing the burden on taxpayers.



Capital

The capital programme presented is fully developed for 2024/25 and provides the current view of the aspirational programme for 2025/26 to 2027/28. The four-year programme totals £1,070m, and has undergone a thorough review to contain emerging cost escalation pressures, mitigate against the impact of rising interest rates on borrowing costs and to continue to plateau the Authority's level of indebtedness to ensure the programme remains financially sustainable.

The longer-term capital programme aspirations remain significant, and we recognise that investments are essential to meet future needs, generate additional income including capital receipts and deliver revenue savings and reductions in cost. We continue to develop a future programme of investment which is affordable within the financial envelope available and will help transform service delivery to improve the quality of life for residents.

The overall aim for the capital programme is to have a diverse portfolio of activity ensuring, where appropriate, the creation of new assets and maintaining the quality of existing infrastructure, for the benefit of our residents and businesses.

The approach to the development of the capital programme is:

- Ensuring activity is prioritised in line with the Everyone's Essex strategic aims whilst maintaining financial sustainability
- Ensuring robust delivery plans are in place, enabling delivery on time and to budget, for example maintaining the road network and ensuring every child has a place at school
- Utilising and leveraging the existing asset base to maximise its value whilst also ensuring it remains fit for purpose
- Maximising leverage of external funding, especially from development, which will increase the financial envelope available for capital projects such as funding for road improvements, new road junctions and building new schools
- Ensuring that cross organisational goals are understood and built into projects at the earliest stages to maximise the value from every pound spent, and deliver on Everyone's Essex ambitions

Continued investment is vital to achieving the ambitions for the county from schemes to generate economic growth, to unlocking land to develop homes to levelling up priority places. Following the notable achievements in securing Housing Infrastructure Funding (HIF) and Levelling up Funding (LUF) to support these ambitions, schemes are now at various stages, either in the design phase or in the construction phase such as Beaulieu Station and Chelmsford North-East Bypass that will deliver a new train station and road improvements, the A133-A120 Link Road and Colchester Rapid Transit System schemes supporting delivery of the Tendring-Colchester Borders Garden Community, the Harlow Sustainable Transport Corridor assisting in unlocking new homes in the Gilston Villages and the levelling up schemes in Colchester and Clacton.

We continue delivery of further significant packages of highway works such as improvements to the M11 Junction 8, Army and Navy Sustainable Transport Package and the A127 / A130 Fairglens Interchange and continue to work closely with the Department for Transport, National Highways and other third

parties to secure funding for developing our longer-term pipeline covering the next 10 to 15 years, providing greater opportunities to leverage external funding and enabling greater outcomes for Essex.

Essex Housing Development Limited Liability Partnership (LLP) is our housing development subsidiary which works with public sector partners across Essex to identify and bring forward surplus land in order to help address general, specialist and affordable housing need, generate capital receipts and deliver revenue benefits. The ambitious programme continues in bringing forward private units which offset the costs of the affordable and specialist units to ensure the model is financially sustainable. Specialist units such as Independent Living for Older People and People with Learning Disabilities help promote the independence of some of the most vulnerable in the County, improve outcomes and reduce the costs of social care provision. Our ambition over the next four years is to sell 463 units.

Increased investment and working in partnership with organisations and communities across the county is vital to achieving the ambitions for the Essex Climate Action Commission. We will continue to:

- deliver buildings that have a net-zero carbon operational design
- transform our estate to be more energy efficient
- make Essex more resilient to climate impacts such as flooding
- deliver and maintain new and existing cycling infrastructure and active travel schemes which enable people to walk and cycle.

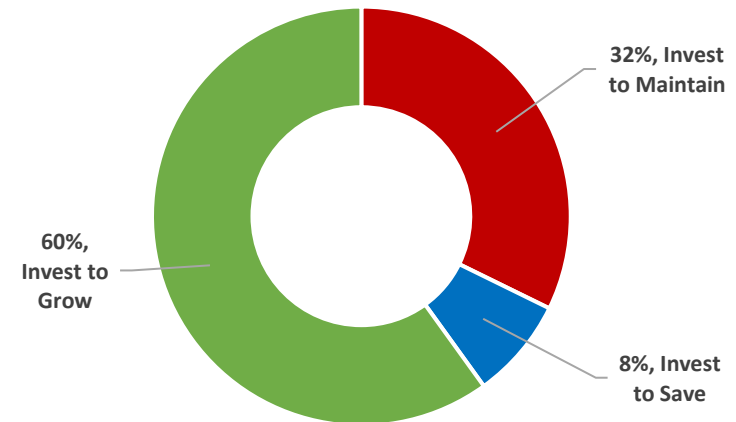
Our collaboration with Essex Schools has seen our special school places increase and has continued with the delivery of new sites for our pupil referral units (PRUs). This continues to represent a step change in the provision and helps to reduce distances children with Special Educational Needs and Disabilities (SEND) need to travel, keeping them closer to their family and reducing associated costs. Alongside investment via successful free school applications, the SEND and Alternative Provision (AP) capital programme has seen over £115m of investment in our schools and PRUs to date with a further £37m of ECC investment planned over the next four years. On top of this there is £126m being spent on mainstream education over the next four years to ensure that additional pupil places are being delivered in the areas of need.

Maintaining our existing assets continues to be a priority, we have, over the last three years, invested over £182m into highways in order to efficiently maintain the network for our residents and users and over £50m into our core and school building estates, whilst ensuring that carbon reduction forms part of all projects delivered where physically possible and financially viable.

The 2024/25 programme can be analysed as follows:

- **Invest to Maintain** totals £103m and includes areas where the Council is maintaining (but extending the life of) its current assets, for example, highways and property maintenance.
- **Invest to Save / Generate Return** totals £25m and includes areas where the Council is investing to generate a return or saving, for example, accommodation for older people with disabilities, LED lighting and the Essex Housing Programme.
- **Invest to Grow** totals £192m and includes areas where the Council is expanding its capacity, for example, economic growth schemes in infrastructure and highways, creating new school places to meet additional demand from demographic changes and new housing developments.

Capital Programme 2024/25 £320m



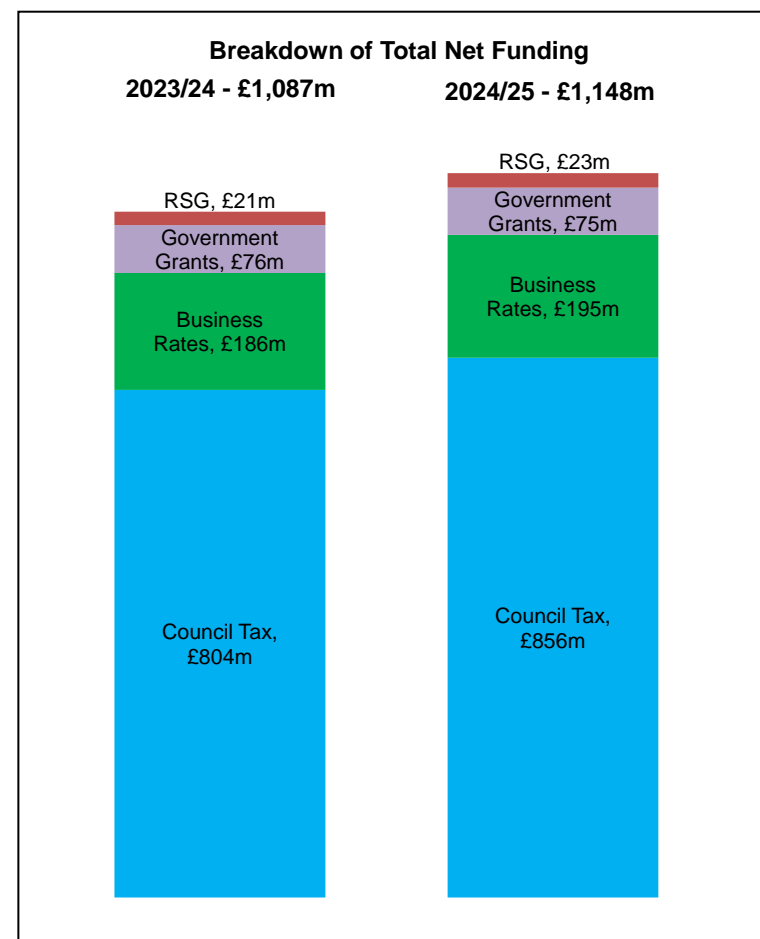
2024/25 Revenue Overview

Despite the financial challenges facing local government, the budget for 2024/25 is increasing. Gross expenditure to be incurred in the delivery of Council services in 2024/25 is **£2,495m**. After taking income and specific grants into account, the net cost of services amounts to **£1,148m**, which is an increase of **£61m** or 6% over 2023/24.

Budget breakdown

	2023/24 £m	2024/25 £m
Gross Expenditure	2,293.9	2,495.1
<i>Deduct:</i>		
Income	(297.0)	(318.5)
Specific Government Grants (excluding DSG)*	(308.2)	(351.0)
Specific Government Grants (DSG)	(601.7)	(677.7)
Subtotal: Net Cost of Services	1,087.0	1,147.9
<i>Deduct:</i>		
Council Tax Requirement	(799.0)	(848.3)
Revenue Support Grant (RSG)	(21.3)	(22.7)
Non-Domestic Rates	(184.4)	(193.2)
Non-Domestic Rates Collection Fund Surplus	(1.1)	(1.4)
General Government Grants*	(75.8)	(75.1)
Council Tax Collection Fund Surplus	(5.4)	(7.2)
Subtotal: Total Funding	(1,087.0)	(1,147.9)
Balanced budget	0.0	0.0

*2023/24 figures restated for change in accounting treatment of the Social Care Grant. This is now accounted for as a 'Specific Government Grant' rather than a 'General Government Grant'. This has increased the stated figure for Specific Government Grants in 2023/24 by £89.9m with a corresponding reduction to General Government Grants.



Income

Within the budget, income of **£318.5m** is expected in 2024/25, an increase of **£21.5m** when compared to 2023/24. The breakdown of income streams by portfolio is shown on page 30.

48% of income shown in the table is derived from fees and charges; of this the majority is raised from means tested charges for Adult Social Care. Fees and charges are subject to an annual review.

A significant proportion (**93%**) of the income recharges relate to the Better Care Fund.

	2023/24	2024/25
	£m	£m
Fees and Charges	(133.6)	(152.2)
Contributions from Other Bodies	(61.2)	(59.5)
Interest Receivable	(3.3)	(14.5)
Rents and Lettings	(5.8)	(5.0)
Sales	(2.3)	(2.5)
Other Income:		
Appropriations Income *	(21.5)	(9.0)
Dividends	-	(1.2)
Income Recharge	(49.6)	(52.7)
Other Recharges	(19.7)	(21.9)
TOTAL	(297.0)	(318.5)

* Appropriations Income is the budgeted drawdown from reserves, such as the Private Finance Initiative (PFI) and Waste reserve, as well as the budgeted surplus from trading accounts that is attributable to the County Fund.

Specific Government Grants

The budget also includes over **£1bn** of specific government grants, the most significant are the Dedicated Schools Grant (**£678m**), the majority of which is passed through to schools, the Social Care Grant (**£105m**), which is ring-fenced for Adults and Children, and Public Health grant (**£69m**), which is ring-fenced to public health activity.

Revenue Budget Summary

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000	Portfolio		Expenditure	Income Specific Grants Expenditure
					£000	£000 £000 £000
149,788	119,617	122,749	Children's Services and Early Years		367,101	(11,292) (211,296) 144,513
84,031	94,467	93,427	Climate Czar, Environment, Waste Reduction and Recycling		94,032	(4,905) (98) 89,029
26,372	19,050	27,272	Education Excellence, Life Long Learning and Employability		625,701	(29,178) (577,123) 19,400
479,355	441,992	450,898	Health, Adult Social Care and ICS Integration		881,395	(180,833) (231,734) 468,828
117,027	120,829	123,811	Highways, Infrastructure and Sustainable Transport		148,970	(20,668) (6,236) 122,066
2,070	2,136	2,227	Leader		2,050	2,050
6,355	5,147	6,400	Levelling Up, Communities and Business Engagement		7,864	(2,432) (92) 5,340
9,220	6,184	10,745	Planning a Growing Economy		13,599	(5,219) (31) 8,349
26,450	23,825	27,587	The Arts, Heritage and Culture		42,930	(14,089) (2,068) 26,774
11,046	8,974	7,248	The Chancellor of Essex		16,824	(1,948) 14,876
76,306	134,507	88,352	Other Operating Costs		161,027	(24,686) 136,341
1,948	1,970	2,046	Leader RSSS		1,900	1,900
6,716	6,558	6,859	Levelling Up, Communities and Business Engagement RSSS		7,229	(559) 6,670
998	1,140	1,122	Planning a Growing Economy RSSS		1,155	1,155
96,901	100,638	114,837	The Chancellor of Essex RSSS		123,291	(22,709) 100,582
1,094,582	1,087,035	1,085,581			2,495,068	(318,517) (1,028,677) 1,147,874

Recharged Strategic Support Services (RSSS) relates to functions which support all services across the organisation and are allocated out on an appropriate recharge basis.

2024/25 Capital Programme Overview

2022/23	2023/24		2024/25	2025/26	2026/27	2027/28	Four Year Total
Actuals £000	Latest Budget £000		Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	£000
1,478	4,913	Children's Services and Early Years	8,965	1,463	485	505	11,418
735	886	Climate Czar, Environment, Waste Reduction and Recycling	1,000	1,000	1,000	1,000	4,000
44,482	49,472	Education Excellence, Life long Learning and Employability	66,578	51,659	26,723	50,523	195,483
144	571	Health, Adult Social Care and ICS Integration	1,811	6,081	3,840	-	11,731
114,030	155,817	Highways, Infrastructure and Sustainable Transport	134,372	174,857	98,714	76,549	484,491
26,359	65,977	Leader	71,473	93,688	23,729	24,098	212,988
143	116	Levelling Up, Communities and Business Engagement	133	100	100	100	433
26,043	34,799	Planning a Growing Economy	25,245	57,557	31,449	2,564	116,815
31	1,695	The Arts, Heritage and Culture	1,753	1,750	1,400	-	4,903
11,436	9,600	The Chancellor of Essex	8,732	6,500	6,500	6,200	27,932
224,881	323,845	Total Capital Programme	320,063	394,654	193,940	161,538	1,070,196

Financed By:

2022/23	2023/24		2024/25	2025/26	2026/27	2027/28	Four Year Total
Actuals £000	Latest Budget £000		Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	£000
6,422	3,578	Capital Receipts	5,100	2,700	4,300	10,200	22,300
16,022	34,122	Contributions	34,837	26,182	18,274	33,633	112,926
110,521	164,936	Grants	178,351	209,991	94,666	70,739	553,746
6,000	16,368	Reserves	8,410	4,500	4,500	4,500	21,910
85,916	104,841	Unsupported Borrowing	93,365	151,281	72,200	42,467	359,313
224,881	323,845		320,063	394,654	193,940	161,538	1,070,196

Council Tax Requirement

Under sections 42A and B of the Local Government Finance Act 1992, as inserted by the Localism Act 2011, there is a requirement to disclose the budget requirement and associated council tax requirement for the year. This is set out below.

Statutory disclosure requirement

	£
Net cost of Services	1,147,873,685
General Government Grants *	(75,118,094)
Budget requirement	1,072,755,591
Less funding available:	
Revenue Support Grant	22,694,035
Non-Domestic Rates	193,211,446
Non-Domestic Rates Collection Fund Surplus	1,367,126
Council Tax Collection fund surplus	7,200,371
	224,472,978
Council tax requirement	848,282,613
Tax base (Band D equivalent properties)	557,153.30
Band D council tax	1,522.53

The Band D council tax charge for Essex County Council is **£1,522.53**.
The provisional council tax charge by band is set out in the table below.

Council Tax Band	2023/24 £	2024/25 £
Band A	966.78	1,015.02
Band B	1,127.91	1,184.19
Band C	1,289.04	1,353.36
Band D	1,450.17	1,522.53
Band E	1,772.43	1,860.87
Band F	2,094.69	2,199.21
Band G	2,416.95	2,537.55
Band H	2,900.34	3,045.06

* General Government Grants includes £23m PFI grants, £48m Business Rates Compensation Grant, and £1m Services Grant

Annex 1: Revenue and Capital Budgets

Children's Services and Early Years (Cllr Beverley Egan)

Revenue Budget

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Income Specific Grants Expenditure
					£000	£000 £000 £000
			Childrens Services			
11,186	12,501	12,518	Children's Services and Early Years		14,500	(1,142) (1,093) 12,266
16,250	18,368	18,583	Childrens Family Support		22,088	(14) 22,074
35,041	30,858	33,759	Childrens Fieldwork		40,626	(1,399) (5,030) 34,197
69,225	38,709	38,851	Children Looked After		99,204	(43,298) 55,906
7,223	7,459	7,285	Childrens Strategic Management and Development		13,751	(1,388) (4,806) 7,557
(895)	359	359	Domestic Violence		3,715	(830) (2,670) 215
7,113	7,073	7,073	Early Years and Childcare		13,597	(5,606) 7,991
2,034	2,008	2,008	Emotional Wellbeing and Mental Health Service		2,015	(7) 2,008
1,770	1,994	2,003	Youth Offending Service		4,908	(752) (2,060) 2,096
1,243	689	712	Early Years - non DSG		760	(155) 605
(401)	(401)	(401)	Early Years - DSG		151,937	(152,338) (401)
149,788	119,617	122,749	Total Children's Services and Early Years		367,101	(11,292) (211,296) 144,513

Children's Services and Early Years (Cllr Beverley Egan)

Capital Programme

2022/23	2023/24		2024/25	2025/26	2026/27	2027/28	Four Year Total
Actuals £000	Latest Budget £000		Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	£000
Early Years							
858	1,496	Early Years	4,326	233	5	5	4,569
858	1,496	Subtotal Early Years	4,326	233	5	5	4,569
People Capital Schemes							
263	760	Adaptations	777	400	400	400	1,977
200	100	Children with Disabilities	100	80	80	100	360
-	514	Childrens Residential	2,064	750	-	-	2,814
157	2,043	Solo Placements	1,699	-	-	-	1,699
620	3,417	Subtotal People Capital Schemes	4,640	1,230	480	500	6,850
1,478	4,913	Total Children's Services and Early Years	8,965	1,463	485	505	11,418

Climate Czar, Environment, Waste Reduction and Recycling (Cllr Peter Schwier)

Revenue Budget

2022/23		2023/24	2023/24	2024/25			
Actuals	Original Budget	Latest Budget		Gross		Total Net	
£000	£000	£000		Expenditure	Income	Specific Grants	Expenditure
				£000	£000	£000	£000
2,089	223	2,633	Environmental Strategy	253		(8)	246
40		286	Green Infrastructure	489	(49)	(90)	349
559	1,012	1,072	Management and Support Services	748			748
			Waste Management				
	(104)	(104)	Waste Management and Support Services	54			54
976	1,363	1,364	Waste Strategy	1,395			1,395
23,215	25,534	23,761	Recycling Initiatives	25,084			25,084
14,221	18,120	18,847	Civic Amenity Service	19,228	(1,562)		17,666
40,748	45,265	42,773	Waste Disposal	40,594			40,594
2,118	2,041	2,057	Courtauld Road Waste Treatment	2,057			2,057
192	137	137	Exceptional Waste	200			200
185	571	430	Landfill Aftercare	515	(190)		325
2,526	2,693	2,945	Tipping Away Payments	3,415			3,415
(2,837)	(2,388)	(2,773)	Trade Waste Income		(3,103)		(3,103)
84,031	94,467	93,427	Total Climate Czar, Environment, Waste Reduction and Recycling	94,032	(4,905)	(98)	89,029

Climate Czar, Environment, Waste Reduction and Recycling (Cllr Peter Schwier) Capital Programme

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Four Year Total
Actuals £000	Latest Budget £000	Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	£000
735	886 Energy projects completing 2023/24 or earlier	-	-	-	-	-
735	886 Subtotal Energy and Emissions reduction	-	-	-	-	-
-	- Cherry Picker	-	-	-	-	-
-	- Recycling Centres Household Waste Maintenance	1,000	1,000	1,000	1,000	4,000
-	- Subtotal Waste Reduction and Recycling	1,000	1,000	1,000	1,000	4,000
735	886 Total Climate Czar, Environment, Waste Reduction and Recyclin	1,000	1,000	1,000	1,000	4,000

Education Excellence, Life Long Learning and Employability (Cllr Tony Ball)

Revenue Budget

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Income Specific Grants Expenditure
					£000	£000 £000 £000
			Education and Life Long Learning DSG			
(28,442)	(73)	(221)	Schools and Central Services Block	361,732		(361,805) (73)
32,024	(2,589)	(2,441)	High Needs Block	204,491	(798)	(206,482) (2,789)
			Education and Life Long Learning Non DSG			
15,771	16,443	17,544	Access To Education	31,513	(15,046)	16,468
(83)	(74)	611	Adult Community Learning	12,939	(4,198)	-
978	633	2,023	Business Growth Sector Development & Innovation	696	(63)	633
(503)	(516)	2,036	Schools	4,841	(5,082)	(276)
1,882	1,133	3,486	Skills	1,179		1,179
4,351	3,640	3,787	Special Educational Needs	7,468	(3,644)	3,764
395	453	447	Strategic Management	842	(347)	494
26,372	19,050	27,272	Total Education Excellence, Life Long Learning and Employability	625,701	(29,178)	(577,123) 19,400

Education Excellence, Life Long Learning and Employability (Cllr Tony Ball)

Capital Programme

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Four Year Total
Actuals £000	Latest Budget £000	Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	£000
Adult Community Learning						
260	606 Adult Community Learning Digital Hub	-	-	-	-	-
260	606 Subtotal Adult Community Learning	-	-	-	-	-
22,510	27,355 Education Basic Need Programme	38,083	26,783	18,868	42,668	126,402
13,174	14,492 Special Schools	20,004	17,021	-	-	37,024
7,213	6,650 Schools Capitalised Building Maintenance	8,491	7,855	7,855	7,855	32,056
42,897	48,497 Subtotal Education Capital Schemes	66,578	51,659	26,723	50,523	195,483
43,157	49,103 Subtotal Local Authority Controlled	66,578	51,659	26,723	50,523	195,483
3,749	369 Devolved Formula Capital	-	-	-	-	-
(2,424)	- Schools Cash Balance	-	-	-	-	-
1,325	369 Subtotal School Controlled	-	-	-	-	-
44,482	49,472 Total Education Excellence, Life Long Learning and Employability	66,578	51,659	26,723	50,523	195,483

The 2023/24 latest budget is gross expenditure £844m income £160m and specific grant £234m

The 2023/24 original budget for specific grants has been restated (uplift of £64.4m) to reflect the revised accounting treatment of Social Care Grant as a specific government grant from 2024/25

The Public Health grant presents a 2024/25 net expenditure budget of a £1.6m credit in the above table, due to the contribution towards support services. This grant is fully utilised, with the related costs being shown within Chancellor of Essex RSSS (Recharge Strategic Support Services) portfolio, Levelling Up, Communities and Business Engagement RSSS portfolio and Leader RSSS portfolio. The presentation is in line with accountancy regulations.

Health, Adult Social Care and ICS Integration (Cllr John Spence)

Capital Programme

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Four Year
Actuals £000	Latest Budget £000	Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	Total £000
Local Delivery Mid						-
-	50 Bridgemarsh	230	-	-	-	230
-	50 Subtotal Local Delivery Mid	230	-	-	-	230
Housing - Vulnerable People						
107	298 Independent Living Older People Ninefields Waltham Abbey	401	401	-	-	802
35	218 Independent Living Adults with Complex Needs	180	5,680	2,840	-	8,699
-	- Independent Living Older People Investment	1,000	-	1,000	-	2,000
2	4 Independent Living projects completing 2023/24 or earlier	-	-	-	-	-
144	521 Subtotal Housing - Vulnerable People	1,581	6,081	3,840	-	11,501
144	571 Total Health, Adult Social Care and ICS Integration	1,811	6,081	3,840	-	11,731

Highways, Infrastructure and Sustainable Transport (Cllr Tom Cunningham)

Revenue Budget

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Income Specific Grants Expenditure
					£000	£000 £000 £000
1,173	1,133	906	Flood Management		987	(141) 846
36,141	35,030	35,054	Home to School Transport		50,912	(930) 49,982
			Infrastructure			
1		4	Additional pothole works			-
1,485	1,827	1,764	Bridges		1,542	(38) 1,504
(1,180)	(184)	(332)	Congestion		8,977	(9,547) (570)
1,040	899	893	Highways Asset Management		933	933
130	(5,163)	(3,661)	Highways Management and Administration		(4,145)	(989) (5,134)
1,471			Localism			-
20,500	19,210	19,905	Ongoing Operator Payments for A130 PFI		14,314	14,314
1,741	1,713	1,728	Park and Ride		2,610	(1,105) 1,506
931	1,539	1,256	Public Rights Of Way		1,687	(213) 1,474
476	703	703	Road Safety		869	(12) (175) 681
13,292	14,556	14,672	Roads And Footways		15,341	(123) 15,219
10,259	14,190	14,674	Street Lighting		8,175	(469) 7,706
(2,236)	(412)	(410)	Traffic Management Act		4,638	(5,186) (548)
3,189	3,450	3,259	Winter Service		3,513	3,513
26,513	30,186	30,554	Passenger Transport		36,166	(1,916) (6,061) 28,190
2,103	2,152	2,841	Transport Strategy		2,449	2,449
117,027	120,829	123,811	Total Highways, Infrastructure and Sustainable Transport		148,970	(20,668) (6,236) 122,066

Highways, Infrastructure and Sustainable Transport (Cllr Tom Cunningham)

Capital Programme

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Four Year Total
Actuals £000	Latest Budget £000	Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	£000
Essex Highways Commissioning						
10,020	10,044	9,950	9,950	9,950	9,950	39,800
52	200	150	150	150	150	600
535	600	600	600	600	600	2,400
-	450	300	500	500	-	1,300
8,950	12,000	9,000	8,000	8,000	8,000	33,000
5,573	8,600	1,502	-	-	-	1,502
4,354	4,200	3,400	3,400	3,400	3,400	13,600
41,794	45,868	39,250	25,612	21,512	27,112	113,486
371	400	400	400	400	400	1,600
2,054	2,000	2,000	2,000	2,000	2,000	8,000
2,920	3,000	3,000	3,000	3,000	3,000	12,000
1,925	2,500	2,905	2,500	2,500	2,500	10,405
2,173	2,000	2,333	2,333	2,333	2,000	9,000
799	666	-	-	-	-	-
81,519	92,529	74,790	58,445	54,345	59,112	246,693
Sustainable Transport						
1,805	3,616	2,108	-	-	-	2,108
537	1,480	2,274	1,185	-	-	3,459
110	2,691	2,629	-	-	-	2,629
58	105	-	-	-	-	-
146	234	200	175	175	200	750
150	63	4	-	-	-	4
-	4	4	12	-	-	16
118	1,582	1,403	1,000	-	-	2,403
-	833	751	-	-	-	751
-	236	50	50	-	-	100
2,925	10,844	9,424	2,422	175	200	12,220

Highways, Infrastructure and Sustainable Transport (Cllr Tom Cunningham)

Capital Programme (cont.)

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Four Year Total
Actuals £000	Latest Budget £000	Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	£000
Integrated Passenger Transport Unit						
-	350 Passenger Transport Advertising	2,998	-	-	-	2,998
282	829 Passenger Transport	750	250	250	250	1,500
34	486 Integrated Passenger Transport Unit schemes completing 2023/24 or earlier	-	-	-	-	-
316	1,665 Subtotal Integrated Passenger Transport Unit	3,748	250	250	250	4,498
84,760	105,037 Subtotal Highways & Transportation	87,962	61,117	54,770	59,562	263,411
412	4,000 A133-A120 Link HIF	4,800	48,402	-	-	53,202
2,345	16,473 Colchester Rapid Transit System (HIF)	14,074	6,713	-	-	20,787
1,435	4,001 Harlow Sustainable Transport Corridor (Ph1:Gilston to TC) (HIF)	11,428	13,945	-	-	25,373
1,728	5,575 Cambridge Road Junction	943	-	-	-	943
5,921	30,048 Subtotal Housing Infrastructure Fund	31,245	69,060	-	-	100,305
Named Highways Schemes						
55	217 A120 Millennium Way Slips	-	-	-	100	100
424	2,271 A127 Corridor Improvements	3,065	2,544	31,350	10,824	47,784
131	318 A127 Fairglen Interchange	4,150	31,392	1,850	-	37,392
7,198	11,614 M11 Junction 8	546	-	-	-	546
6	150 Safer Roads A104 Essex	1,304	-	-	-	1,304
207	200 South Maldon Relief Road	100	4,881	4,881	63	9,925
3,269	1,587 Advanced Scheme Design	1,500	1,363	1,363	1,500	5,725
9,225	173 Other Highways Major Schemes	-	-	-	-	-
20,515	16,531 Subtotal Named Highways Schemes	10,665	40,180	39,444	12,487	102,775
2,834	4,200 Flood Management	4,500	4,500	4,500	4,500	18,000
2,834	4,200 Subtotal Flood Management	4,500	4,500	4,500	4,500	18,000
114,030	155,817 Total Highways, Infrastructure and Sustainable Transport	134,372	174,857	98,714	76,549	484,491

Leader (Cllr Kevin Bentley)

Revenue Budget

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Income Specific Grants Expenditure
					£000	£000 £000 £000
1,123	1,134	1,229	Corporate Policy		1,206	1,206
947	1,002	999	Democratic Core		844	844
2,070	2,136	2,227	Total Leader		2,050	- - 2,050
1,948	1,970	2,046	Communications and Customer Relations		1,900	1,900
1,948	1,970	2,046	Total Leader RSSS		1,900	- - 1,900

Leader (Cllr Kevin Bentley)

Capital Programme

2022/23	2023/24		2024/25	2025/26	2026/27	2027/28	Four Year Total
Actuals £000	Latest Budget £000		Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	£000
16,622	54,280	Beaulieu Park Station	58,764	21,936	-	-	80,700
6,700	8,668	Chelmsford North Eastern Bypass	8,418	62,480	-	-	70,898
23,322	62,948	Subtotal Chelmsford HIF	67,182	84,416	-	-	151,598
3,038	3,029	Army and Navy Roundabout	4,291	9,272	23,729	24,098	61,390
3,038	3,029	Subtotal Highways Named Schemes	4,291	9,272	23,729	24,098	61,390
26,359	65,977	Total Leader	71,473	93,688	23,729	24,098	212,988

Levelling Up, Communities and Business Engagement (Cllr Louise McKinlay)

Revenue Budget

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Expenditure
					£000	£000
456	344	342	Communities		746	(338)
448		146	Community Initiatives Fund			(62)
70	148	147	Customer Services and Member Enquiries		186	(30)
(413)	(417)	(423)	Deputyship Service		1,050	(1,405)
199	194	194	Initiatives and Partnerships		194	
1			Innovation Fund			
249			Levelling Up			
438		668	Locality Fund			
1,782	1,925	1,925	Members Support		1,989	
2,353	2,708	3,159	Service Design		2,816	
771	246	243	Sports Development		884	(640)
(0)			Strategic Partnerships			(49)
6,355	5,147	6,400	Total Levelling Up, Communities and Business Engagement		7,864	(2,432)
890	962	957	Democratic Services		1,241	(242)
836	442	557	Equality And Diversity		496	(0)
4,390	4,397	4,593	Performance, Business Intelligence, Planning and Partnerships		4,650	(226)
600	757	753	Internal audit and Counter Fraud		842	(90)
6,716	6,558	6,859	Total Levelling Up, Communities and Business Engagement RSSS		7,229	(559)

Community Initiatives Fund, Innovation Fund, Locality Fund, and Strategic Partnerships expenditure is funded via draw down from reserves and does not form part of the base budget.

Levelling Up, Communities and Business Engagement (Cllr Louise McKinlay)

Capital Programme

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Four Year
Actuals £000	Latest Budget £000	Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	Total £000
Community						
143	100	133	100	100	100	433
-	16	-	-	-	-	-
143	116	133	100	100	100	433
116 Subtotal Community						
143	116	133	100	100	100	433
116 Total Levelling Up, Communities and Business Engagement						

Planning a Growing Economy (Cllr Lee Scott)

Revenue Budget

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget		Gross	Income	Total Net
£000	£000	£000		Expenditure	£000	Expenditure
				£000		£000
1,466	617	2,714	Developer Management and Staff	5,578	(2,968)	2,610
3,376	3,136	4,094	Economic Regeneration	3,042		3,042
1,341	1,041	1,240	Environmental Planning	1,464	(348)	1,117
470	412	666	Garden Communities	436		436
1,068	(145)	(147)	Housing	1,350	(1,497)	(147)
222	208	290	Housing Growth and Strategic Sites	338		307
304	165	270	Inward Investment	172		172
451	750	743	Strategic Spatial Planning	1,203	(406)	797
522		874	Superfast Broadband	15		15
9,220	6,184	10,745	Total Planning a Growing Economy	13,599	(5,219)	8,349
998	1,140	1,122	Capital Programme, Implementation and Delivery	1,155		1,155
998	1,140	1,122	Total Planning a Growing Economy RSSS	1,155	-	1,155

The original and latest budget movement for 2023/24 is due to the removal of a one-off saving relating to the application of historical Developer Management income. In addition, Economic Regeneration and Superfast Broadband latest budget figures include in-year reserve funding.

The Housing line refers to charges that are being incurred and recouped from Essex Housing Development LLP.

Planning a Growing Economy (Cllr Lee Scott)

Capital Programme

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Four Year Total
Actuals £000	Latest Budget £000	Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	£000
660	544 BDUK Essex Superfast Programme Phase 3	-	-	-	-	-
4,404	2,615 BDUK Essex Superfast Programme Phase 4	735	-	-	-	735
-	700 BDUK Gigabit Top up scheme	-	-	-	-	-
5,064	3,859 Subtotal Superfast Broadband	735	-	-	-	735
-	150 Colchester Towns Fund Liveable Neighbourhoods	100	-	-	-	100
285	1,886 Colchester Grow on Space	1,191	686	-	-	1,877
-	172 Advanced Scheme Design - Economic Growth	300	275	275	93	943
-	1,537 Clacton Town Regeneration	332	1,836	10,087	863	13,118
-	1,500 Colchester Town Regeneration	2,500	-	-	-	2,500
177	993 Colchester A134 St Botolphs	436	4,633	5,739	-	10,808
-	85 Harlow Town Centre Regeneration	-	2,500	-	-	2,500
-	120 Harwich Levelling Up	1,009	3,305	1,434	-	5,748
-	5,000 Harlow Development Fund	5,000	-	-	-	5,000
12,397	2,661 Skills & Economic Growth Projects completing 2023/24 or earlier	-	-	-	-	-
12,859	14,104 Subtotal Economic Investment	10,868	13,235	17,535	956	42,594
135	85 Loughton Library	1,089	10,519	-	-	11,608
1,554	2,642 Shenfield Library	35	-	-	-	35
76	241 St Peters Independent Living Older People	199	-	-	-	199
322	507 Independent Living projects completing 2023/24 or earlier	-	-	-	-	-
2,088	3,475 Subtotal Housing Investment	1,323	10,519	-	-	11,842
6,032	13,361 Essex Housing Loans	12,320	33,803	13,914	1,608	61,645
6,032	13,361 Subtotal Essex Housing LLP	12,320	33,803	13,914	1,608	61,645
26,043	34,799 Total Planning a Growing Economy	25,245	57,557	31,449	2,564	116,815

The Arts, Heritage and Culture (Cllr Mark Durham)

Revenue Budget

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Expenditure
					£000	£000
4,068	3,897	4,533	Coroners		6,072	(1,166)
2,042	1,249	1,777	Heritage and Cultural Services		1,750	(542)
			Leisure			
95	104	104	Contributions To Other Bodies		127	
964	709	1,313	Country Parks		3,403	(2,594)
157	195	195	Cressing Temple		229	(28)
14,828	13,864	15,192	Libraries		15,879	(828)
83		50	Marketing Essex			
(30)	(113)	72	Outdoor Education		4,450	(4,139)
(1,481)	(1,772)	(1,344)	Registrars		3,412	(4,919)
150	175	175	Rural Issues		150	
382	107	326	Tourism		236	(115)
1,054	1,354	1,349	Trading Standards		1,910	(352)
750	700	698	Travellers		915	(654)
3,390	3,355	3,147	Youth Services		4,400	1,249
						(2,068)
26,450	23,825	27,587	Total The Arts, Heritage and Culture		42,930	(14,089)
						(2,068)
						26,774

The Arts, Heritage and Culture (Cllr Mark Durham)

Capital Programme

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Four Year
Actuals £000	Latest Budget £000	Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	Total £000
Library Service						
-	405 Colchester Library Refurbishment	110	-	-	-	110
-	405 Subtotal Libraries	110	-	-	-	110
Country Parks						
-	- Cressing Temple Barns Roof Repair	200	1,400	1,400	-	3,000
7	- Country Parks projects completing 2023/24 or earlier	-	-	-	-	-
7	- Subtotal Country Parks	200	1,400	1,400	-	3,000
Essex Outdoors						
23	- Essex Outdoors projects completing in 2023/24 or earlier	-	-	-	-	-
23	- Subtotal Essex Outdoors	-	-	-	-	-
Travellers						
-	- Traveller Sites Maintenance	450	350	-	-	800
-	- Subtotal Travellers	450	350	-	-	800
Youth Services						
-	1,290 Colchester Towns Fund Transforming Youth Services	993	-	-	-	993
-	1,290 Subtotal Youth Services	993	-	-	-	993
31	1,695 Total The Arts, Heritage and Culture	1,753	1,750	1,400	-	4,903

The Chancellor of Essex (Cllr Christopher Whitbread)

Revenue Budget

2022/23	2023/24	2023/24			2024/25	
Actuals £000	Original Budget £000	Latest Budget £000		Gross Expenditure £000	Income £000	Specific Grants £000
						Total Net Expenditure £000
			Central Services To The Public			
8,009	6,648	6,648	Council Tax Sharing Scheme	6,648		6,648
(565)	(3,602)	(5,317)	Other Services	3,638	(1,641)	1,997
80	1,741	1,733	Customer Services	2,143	(270)	1,874
500	614	611	Emergency Planning	632	(37)	594
			Precepts			
1,810	1,854	1,854	Environmental Agency	1,883		1,883
412	416	416	Kent and Essex Sea Fisheries	437		437
1,289	1,302	1,302	Lee Valley Park	1,443		1,443
(490)			Vehicle Lease Management			-
11,046	8,974	7,248	Total The Chancellor of Essex	16,824	(1,948)	-
10,520	9,639	10,928	Business Support	10,272		10,272
81	108	108	Car Provision Scheme	2,767	(2,615)	152
1,831	1,976	2,081	Customer Services	1,958		1,958
10,489	10,918	12,465	Finance	16,791	(5,865)	10,926
9,942	8,459	9,431	Human Resources	10,151	(1,361)	8,789
28,307	26,630	30,741	Information Services	28,025	(1,155)	26,870
(1,606)	4,068	4,068	Insurance	6,383	(1,767)	4,616
5,047	5,390	5,625	Legal Services	6,748	(1,297)	5,451
6,501	5,704	6,945	Procurement	6,684	(136)	6,548
19,101	21,844	25,095	Property	27,449	(8,513)	18,936
6,689	5,902	7,349	Transformation Support Unit	6,064		6,064
96,901	100,638	114,837	Total The Chancellor of Essex RSSS	123,291	(22,709)	-
						100,582

The Chancellor of Essex (Cllr Christopher Whitbread)

Capital Budget

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Four Year Total
Actuals £000	Latest Budget £000	Budget £000	Aspirational £000	Aspirational £000	Aspirational £000	£000
Technology Services						
142	-	-	-	-	-	-
	- Technology Services schemes completing in 2023/24 or earlier					
142	- Subtotal Technology Services	-	-	-	-	-
2,603	1,393 Capitalised Building Maintenance	6,000	6,000	6,000	5,700	23,700
0	(0) Core Estate Carbon Reduction Fund	500	500	500	500	2,000
-	- Pitsea Library	1,000	-	-	-	1,000
-	3,006 Salix PSDS3B	1,232	-	-	-	1,232
8,691	4,553 Property projects completing 2023/24 or earlier	-	-	-	-	-
11,294	8,952 Subtotal Property	8,732	6,500	6,500	6,200	27,932
-	368 Clarendon Road New Roof	-	-	-	-	-
-	280 Lift Replacements Clarendon Road	-	-	-	-	-
-	648 Subtotal Commercial Property Investment	-	-	-	-	-
11,436	9,600 Total Chancellor of Essex	8,732	6,500	6,500	6,200	27,932

Other Operating costs

The revenue budget in 2024/25 is **£136m**. The expenditure includes the net appropriations to reserves and restricted funds as described in the Reserves section (starting on page 59) of **£81m** and the costs of financing the capital programme of **£72m**.

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Expenditure
					£000	£000
34,692	42,942	42,942	Capital Financing		45,390	45,390
(1,083)			Dividends Received			-
			Interest Payable			
(816)	(430)	(430)	Contributions - Transferred Debt		(684)	(684)
21,245	28,494	28,494	External Interest Payable		26,522	26,522
(80)			Loan Charges Grant			-
			Interest Receivable			
(13,743)	(8,083)	(8,083)	External Interest Receivable		(250)	(21,439)
3,266	4,550	4,550	Interest Reallocated			5,424
43,480	67,473	67,473			71,662	(16,449)
						-
						55,213

Appendix A Annual Plan 2024/25

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Income Specific Grants Expenditure
					£000	£000 £000 £000
Approps To/(From) Reserves and Restricted Use Funds (i)						
(11,342)	(10,052)	(10,747)	A130 PFI Reserve			(5,156) (5,156)
(1,660)		(2,062)	Adult Social Care Risk			-
(247)		(28)	Adults Digital Programme			-
(2,916)	21,567	17,677	Adults Investment Reserve	23,262		23,262
4,027	9,925	(1,326)	Ambition Fund Reserve			-
855		63	Building Schools for the Future			-
(75)			Bursary for Trainee Carers			-
6,000	1,000	1,000	Capital Receipts Pump Priming	1,000		1,000
(271)	(152)	(152)	Carbon Reduction Reserve			(190) (190)
(9,705)		(5,388)	Carry Forwards Reserve			-
	5,000	5,000	Childrens Risk	6,200		6,200
			Childrens Sustainability Reserve	4,570		4,570
(1,177)		(934)	Childrens Transformation Reserve			-
434		(452)	Clacton PFI Reserve			-
9,497	9,114	9,114	Collection Fund Risk Reserve			-
(189)	(650)	(650)	Commercial Investment in Essex Places Reserve			(590) (590)
(98)	350	204	Community Initiatives Fund	350		350
(14,495)		(11,004)	Covid Equalisation			-
(619)		(719)	Debden PFI Reserve			-
5,663	4,000	3,991	Emergency	4,000		4,000
(1,265)		(2,152)	Essex Climate Change Commission			-

i within appropriations to/from reserves, expenditure means a contribution to a reserve and income means a withdrawal from a reserve.

Appendix A Annual Plan 2024/25

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Income Specific Grants Expenditure
					£000	£000 £000 £000
Approps To/(From) Reserves and Restricted Use Funds (i)						
(2,286)	2,000	(5,087)	Everyones Essex		12,990	12,990
982	10,338	10,182	General Risk Reserve			-
7,094		(9,497)	Grant Equalisation Reserves			-
(7)			Health and Safety Reserve			-
3,000			Highways Reserve			-
4,865			Insurance Reserve			-
(109)			Partnership Reserves			-
(340)		(28)	Property Investment			-
492	500	500	Quadrennial Elections Reserve		500	500
(96)		(181)	Renewal Fund Reserve			-
24,055	7,463	16,603	Reserve For Future Capital Funding		4,074	4,074
(5,508)			Schools Reserves			-
8,479	5,000	1,616	Technology and Digitisation		13,598	13,598
(304)	(304)	(300)	Trading Activities Reserves			(300)
10,375	11,820	5,921	Transformation Reserve		18,820	18,820
(281)	(9,884)	(287)	Waste Reserve			(2,000)
32,826	67,034	20,879			89,364	(8,236) - 81,128
76,306	134,507	88,352	Total Other Operating Costs		161,027	(24,686) - 136,341

i within appropriations to/from reserves, expenditure means a contribution to a reserve and income means a withdrawal from a reserve.

Trading Activities

This section sets out the budgets relating to those services that are currently set up as Trading Activities, which operate under separate Trading Accounts. For 2024/25, the Trading Activities have a target operating surplus of **£300,000**

	Revenue reserve 1 April 2024	Income	Expenditure	(Surplus) / deficit	Appropriations		Revenue reserve 31 March 2025
	£000	£000	£000	£000	To County Revenue Account	To Trading Activity reserve	£000
Place Services	(1,443)	(4,614)	4,314	(300)	(300)	-	(1,443)
Music Services Traded	(285)	(4,390)	4,390	-	-	-	(285)
Total	(1,728)	(9,004)	8,704	(300)	(300)	-	(1,728)

Reserves

Any organisation which is being prudently managed, whether in the commercial, charitable or public sector, will maintain a level of reserves to deal with future or unexpected pressures.

Much has been written about Local Authority reserves and much is misunderstood.

We have built specific reserves to manage known financial liabilities and possible risks – as good financial practice would dictate; these can be split into three types:

- Those reserves which are for known current and future contractual liabilities or are beyond the control of the Council. These are restricted in use and cover items such as Private Finance Initiative (PFI) contracts and Schools Balances
- Those reserves which are for more general purposes such as the Transformation Reserve, used to fund revenue investment in areas such as new ways of working and more efficient services, and
- The General Balance.

To provide greater clarity in reporting, these are presented under two headings of 'Restricted Funds' which covers the first bullet point above and 'Reserves', which covers the last two.

Among the restricted funds, there are items to cover the waste strategy, and also the PFI contracts for the A130 and various schools. This approach effectively smooths what could be significant year on year increases in budget requirement and contract costs to more manageable levels.

We also use these specific cash backed reserves to generate interest receipts and minimise the cost of debt. We expect to earn **£19.4m** in 2024/25 from investing our temporary surplus cash balances (of which £5.4m will be applied to reserves and balances and £14m will be used to fund services).

Reserves

			2024/25		2025/26	2026/27	2027/28
	Balance at 1	Balance at 1	Budgeted	Assumed	Closing		
	April 2023	April 2024	(Contributions)	usage	balance		
	£000	£000	/ Withdrawals	£000	£000	£000	£000
General Balance	(68,096)	(68,092)	-	-	(68,092)	(68,092)	(68,092)
Reserves earmarked for future use							
Adults Digital Programme	(28)	0	-	-	0	0	0
Adult Social Care Risk	(12,561)	(9,724)	-	806	(8,918)	(8,112)	(7,304)
Adults Investment Reserve	(9,802)	(9,802)	(23,262)	23,262	(9,802)	(9,692)	(9,691)
Ambition Fund	(10,551)	(6,874)	-	3,576	(3,297)	-	-
Bursary for trainee carers	(263)	-	-	-	-	-	-
Capital Receipts Pump Priming	(10,034)	(10,534)	(1,000)	500	(11,034)	(11,534)	(12,034)
Carbon Reduction and Energy Risk	(711)	(559)	190	-	(369)	(369)	(369)
Carry Forward	(15,039)	(0)	-	-	(0)	(0)	(0)
Childrens Risk	-	-	(6,200)	6,200	-	-	-
Childrens Sustainability	-	-	(4,570)	-	(4,570)	(4,570)	(4,570)
Childrens Transformation	(6,010)	(2,658)	-	1,039	(1,619)	(1,225)	(1,225)
Collection Fund Risk	(17,084)	(26,198)	-	-	(26,198)	(26,198)	(26,198)
Commercial Investment in Essex Places	(15,469)	(14,596)	590	410	(13,596)	(12,396)	(10,896)
Community Initiatives Fund	(277)	(277)	(350)	350	(277)	(277)	(277)
EES Pensions	(4,000)	(4,000)	-	-	(4,000)	(4,000)	(4,000)
Emergency	(23,227)	(23,227)	(4,000)	4,000	(23,227)	(23,227)	(23,227)
Emergency Planning	(300)	(300)	-	-	(300)	(300)	(300)
Equalities Fund Reserve	(261)	(261)	-	-	(261)	(261)	(261)
Essex Climate Change Commission	(3,067)	(849)	-	686	(163)	0	0
Essex Crime and Police	(73)	(73)	-	-	(73)	(73)	(73)
Everyones Essex	(44,987)	(33,821)	(12,990)	23,952	(22,860)	(742)	(393)

Reserves

			2024/25			2025/26	2026/27	2027/28
	Balance at 1	Balance at 1	Budgeted	Assumed	Closing			
	April 2023	April 2024	(Contributions)	usage	balance			
	£000	£000	/ Withdrawals	£000	£000	£000	£000	£000
Reserves earmarked for future use (cont'd)								
Future Capital Funding	(36,295)	(34,042)	(4,074)	5,932	(32,184)	(32,108)	(32,032)	(31,956)
General Risk Reserve	(14,841)	(25,550)	-	823	(24,727)	(24,727)	(24,727)	(24,727)
Health and Safety	(4,649)	(3,443)	-	62	(3,381)	(3,381)	(3,381)	(3,381)
Highways	(3,000)	-	-	-	-	-	-	-
Insurance	(11,125)	(10,525)	-	-	(10,525)	(10,525)	(10,525)	(10,525)
Newton Reserve	(151)	(151)	-	-	(151)	(151)	(151)	(151)
Property Investment	(962)	(934)	-	-	(934)	(934)	(934)	(934)
Quadrennial Elections	(1,491)	(1,991)	(500)	-	(2,491)	(991)	(1,491)	(1,991)
Renewal Fund	(2,427)	(2,246)	-	-	(2,246)	(2,246)	(2,246)	(2,246)
Social Distancing and Hygeine	(900)	(900)	-	-	(900)	(900)	(900)	(900)
Technology and Digitisation	(20,119)	(10,160)	(13,598)	18,080	(5,678)	(5,426)	(5,161)	(5,161)
Transformation	(58,880)	(52,410)	(18,820)	25,000	(46,230)	(33,050)	(19,870)	(6,690)

Restricted Funds

				2024/25		2025/26	2026/27	2027/28
	Balance at 1	Balance at 1	Budgeted	Assumed	Closing			
	April 2023	April 2024	(Contributions)	usage	balance			
	£000	£000	£000	£000	£000	£000	£000	£000
Long Term Contractual Commitment								
PFI Reserves								
A130 PFI	(17,324)	(6,577)	5,156	-	(1,420)	0	(367)	(2,939)
Building Schools for the Future PFI	(2,122)	(2,952)	-	(798)	(3,750)	(3,750)	(3,750)	(3,750)
Clacton Secondary Schools' PFI	(1,409)	(1,226)	-	83	(1,143)	(1,131)	(1,131)	(1,131)
Debden School PFI	(1,154)	(392)	-	80	(312)	(192)	(192)	(192)
Waste Reserve	(114,589)	(113,795)	2,000	5,058	(106,737)	(101,159)	(90,743)	(75,547)
Covid equalisation Reserve	(26,273)	(1,943)	-	2,201	258	1,000	1,000	1,000
Grant Equalisation Reserve	(43,933)	(38,896)	-	-	(38,896)	(38,896)	(38,896)	(38,896)
Trading Activities	(1,729)	(1,728)	300	(300)	(1,728)	(1,728)	(1,728)	(1,728)
Partnerships and Third Party	(2,267)	(2,267)	-	-	(2,267)	(2,267)	(2,267)	(2,267)
Schools	(43,704)	(43,704)	-	-	(43,704)	(43,704)	(43,704)	(43,704)

Annex 2

Performance

Section to be added for version to Full Council

Annex 3

Capital and Treasury Management Strategy

CAPITAL AND TREASURY MANAGEMENT STRATEGY

This Strategy explains how decisions are made about capital expenditure, investments and treasury management. The Strategy contains several distinct but related elements as follows:

- **Capital expenditure**

In this section, the process for approving, monitoring and financing capital projects is explained.

- **Capital financing and borrowing**

This section provides a projection of the Council's Capital Financing Requirement and the external borrowing required. It also explains how the Council will discharge its duty to repay debt.

- **Treasury management investments**

This section explains how and where cash balances arising as a result of the Council's day-to-day activities will be invested to ensure that the funds are protected from loss and are available when needed.

- **Other investments**

This section contains an overview of the Council's other investment activities.

- **Treasury Management Policy Statement and Treasury Management Practices**

This section contains the Council's Treasury Management Policy Statement and Treasury Management Practices.

- **Knowledge and skills**

The final section explains the knowledge and skills available to the Council in relation to management of borrowing and investment activities.

Further details are provided in the following sections.

CAPITAL EXPENDITURE

Capitalisation policies

Expenditure incurred by the Council on the acquisition or construction of land, buildings, roads and bridges, vehicles, plant and equipment and other assets is classified as capital expenditure provided that the resulting assets:

- Will be held for use in the delivery of services, for rental to others, or for administrative purposes; and
- Will be of continuing benefit to the Council for a period extending beyond one financial year.

Subsequent expenditure on existing assets is also classified as capital expenditure if these two criteria are met.

There may be instances where expenditure does not meet this definition but would still be treated as capital expenditure, including:

- Where the Council has no direct future control or benefit from the resulting assets, but would treat the expenditure as capital if it did control or benefit from the resulting assets; and
- Where statutory regulations require the Council to capitalise expenditure that would not otherwise have expenditure implications according to accounting rules.

The Council operates several limits for capital expenditure which means that items which are individually below these limits are charged to revenue rather than capital. The limits are currently as follows:

De-minimis limits		£
General limit	Applied where no specific limit is applicable	10,000
Specific limits	Schools' capital projects funded or supported by Formula Capital Grant	2,000
	Transport (highways) infrastructure	Nil
	Land	Nil

Governance

The Chancellor of Essex, in conjunction with the Executive Director, Corporate Services, manages the preparation of the annual capital programme, on behalf of the Council, in accordance with the Council's capital projects governance arrangements and capitalisation criteria.

Each project that is added to the Capital Programme is for the provision and for the purposes of delivering public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services. No schemes are added to the Capital Programme if their only or primary purpose is to achieve a financial return.

Each scheme that is added to the Capital Programme is allocated:

- A 'start date' for planning purposes.
- An overall 'scheme approval' which sets the total budget for the scheme.
- An 'annual payments guideline' which sets the parameters for expenditure in each of the financial years over which the scheme is expected to span.

Once the capital programme or a scheme is approved, Executive Directors are, subject to the rule in the Constitution that officers may not take a Key Decision and limits within the scheme of delegation to officers, authorised to progress with capital projects that have:

- An approved 'start' date in the current or a prior financial year (i.e. schemes with a start date in a future financial year are indicative only, and do not constitute approval to spend).
- Adequate scheme and payments approval in the capital programme to finance these projects.

Schemes will usually only be added to, or removed from, the Capital Programme as part of the annual budget setting process. Any request outside of this process to change the capital programme by adding or removing schemes, or by allocating additional scheme and payment approvals to an approved scheme, must be approved by the Chancellor of Essex (up to a limit of **£5m**) or by the Cabinet (for schemes of **£5m** or more).

Executive Directors will ensure that:

- All officers responsible for committing expenditure on any approved capital project comply with all relevant guidance and follow approved certification processes.
- Budget holders are accountable for the effective management of the scheme and payment approvals allocated to them to either oversee or directly manage.
- Appropriate monitoring processes are in place to ensure that the scheme and payment approvals for a capital project are not overspent.
- Reports are made to the relevant Cabinet Member(s) on expenditure compared with the scheme and payment approvals for the capital projects for which they are accountable.

The Executive Director, Corporate Services will ensure that timely information is available on expenditure for each capital project, which is sufficiently detailed to enable Executive Directors and their managers to fulfil their budgetary responsibilities.

The Executive Director, Corporate Services will also monitor performance against the Council's approved capital programme on an on-going basis and will advise upon the overall financial position. Specifically, the Executive Director, Corporate Services will prepare financial overview reports for the Chancellor of Essex to present to Cabinet on a regular basis. These financial overview reports will provide a comparison of the Council's projected expenditure with the latest approved capital programme and assess the financing implications of variations in forecast under / over spends against payment approvals.

Capital Expenditure Plans

The proposal is for capital investment of **£320m** for the 2024/25 programme, with an indicative programme for the subsequent three years totalling **£750m**. These planning levels represent a continued major investment in the infrastructure and economy of Essex. Further details are presented elsewhere within the Council's 2024/25 Annual Plan.

When expenditure is classified as capital expenditure for capital financing purposes, this means that the Council can finance that expenditure from any of the following sources:

- **Capital grants and contributions** - amounts awarded to the Council in return for past or future compliance with certain stipulations.
- **Capital receipts** – amounts generated from the sale of assets and from the repayment of capital loans, grants or other financial assistance.
- **Revenue contributions** – amounts set aside from the revenue budget in the Reserve for Future Capital Funding.
- **Borrowing** - amounts that the Council does not need to fund immediately from cash resources, but instead charges to future years' revenue budgets in annual instalments.

Actual capital expenditure and financing sources for 2022/23 (provisional, pending conclusion of the external audits of the Council's Statement of Accounts for 2020/21, 2021/22 and 2022/23), together with the original and updated plans for 2023/24, proposals for 2024/25 and the indicative guidelines for the subsequent three years, are summarised in **Annex 3A**, with detailed plans presented elsewhere within the Annual Plan.

CAPITAL FINANCING REQUIREMENT AND BORROWING

Context

The Council is required by regulation to comply with the **CIPFA Prudential Code for Capital Finance in Local Authorities** (the 'Prudential Code') when assessing the affordability, prudence and sustainability of its capital investment plans. Fundamental to the prudential framework is a requirement to set a series of prudential indicators. These prudential indicators collectively build a picture that demonstrates the impact over time of the Council's capital expenditure plans upon the revenue budget and upon borrowing and investment levels and explain the overall controls that will ensure that the activity remains affordable, prudent and sustainable.

A summary of the Prudential Indicators for the period 2022/23 through to 2027/28 is provided in **Annex 3A**. The Prudential Indicators for 2022/23 are provisional, pending conclusion of the external audits of the Council's 2020/21, 2021/22 and 2022/23 Statement of Accounts.

Explanatory comments are provided in the following paragraphs.

Capital Financing Requirement

When the Council decides to finance capital expenditure from borrowing, this means that it is electing to incur capital expenditure now that it will need to charge to future years' revenue budgets in annual instalments (a process referred to as making annual **Minimum Revenue Provision** or MRP). The **Capital Financing Requirement** (CFR) provides a measure of the capital expenditure that will need to be charged to the revenue budget in future years.

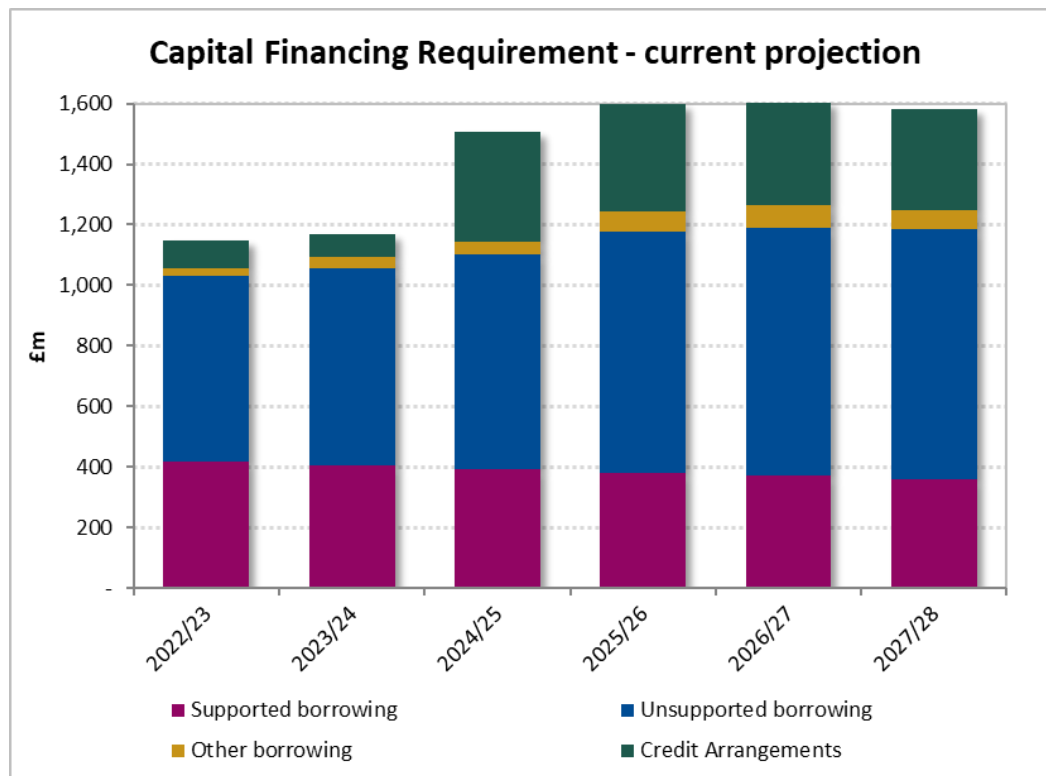
The actual Capital Financing Requirement (CFR) for 2022/23 is derived from the Council's Balance Sheet for 2022/23. It provides a measure of the amount of capital expenditure that the Council has already spent that has yet to be funded from cash resources.

Forward projections of the Capital Financing Requirement incorporate the Council's plans to finance further capital expenditure from borrowing and discount the amounts that will be charged to the revenue budget each year as MRP.

In addition to quantifying the capital expenditure that will need to be charged to the revenue budget in future years, the Capital Financing Requirement also provides a measure of the Council's indebtedness, and hence of its need to borrow for capital financing purposes.

Credit arrangements are also included in the calculation of the CFR because they have the same practical impact as borrowing; credit arrangements enable the Council to acquire the use of assets on deferred payment terms – typical examples include leases and Private Finance Initiative schemes.

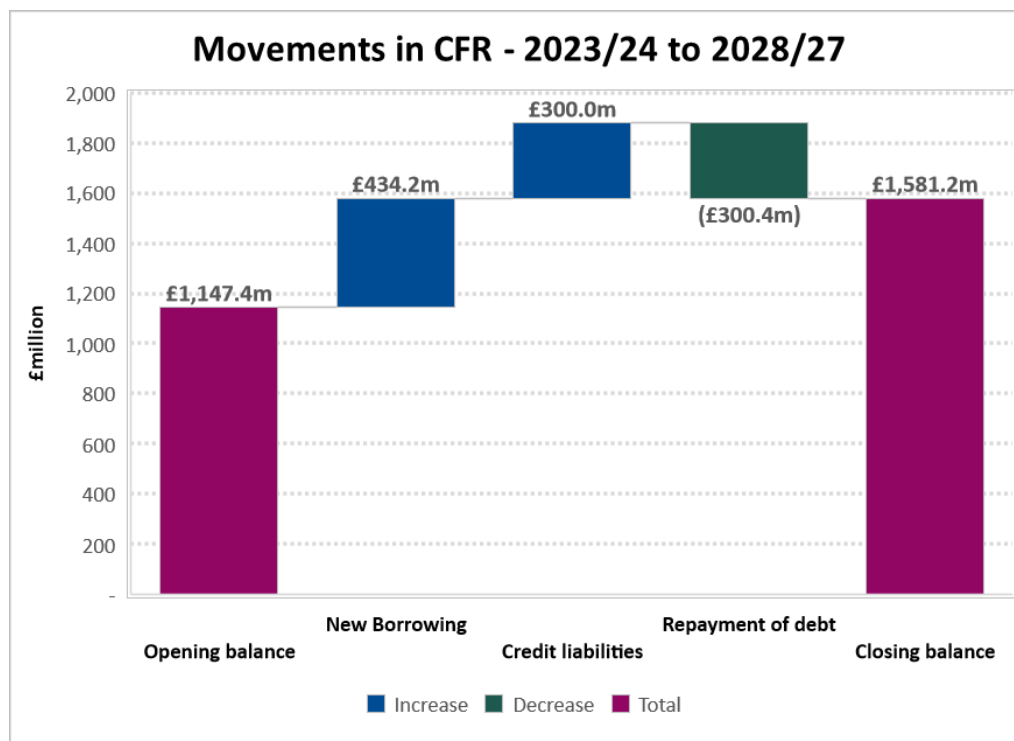
The actual CFR for 2022/23 and forward projections for the current and forthcoming years are illustrated in the graph below:



The forward projections of the CFR incorporate the Council's plans to:

- Finance further capital expenditure from borrowing and credit arrangements (which **increases** the CFR); and
- Make provision for the repayment of debt (which **reduces** the CFR).

The Capital Financing Requirement increases over this period because the amount of capital expenditure that the Council plans to finance from borrowing over the period (at **£434.2m**) exceeds the amount of debt that will be repaid (**£300.4m**) over the same period.



There is also a substantial increase in credit arrangements in 2024/25, reflecting the estimated impact of adopting **International Financial Reporting Standard 16 Leases (IFRS 16)** in that year, which is a requirement of the CIPFA Code of Practice on Local Authority Accounting in the

United Kingdom. IFRS 16 increases the CFR because it will now be necessary to capitalise the operating leases the Council enters into, and because uplifts in finance and operating lease rentals based on rates or indices will now be treated as increases in the deemed cost of the leased assets. Although adoption of IFRS 16 will have a substantial impact on the Council's CFR, capitalisation of the leases does not change the costs to the Council of these arrangements.

The impact on the CFR of adopting IFRS 16 in 2024/25 has been provisionally estimated at **£300m**. It is however possible that the actual impact will be higher or lower than this sum.

The estimates of the CFR assume that the Council will repay debt on the basis set out in **Annex 3C**.

Revenue Provision for the repayment of debt policy

The Council sets cash resources aside from the Revenue Budget each year to pay for the capital expenditure it has previously financed from borrowing. This practice is referred to as making **minimum revenue provision** (or MRP) for the repayment of debt.

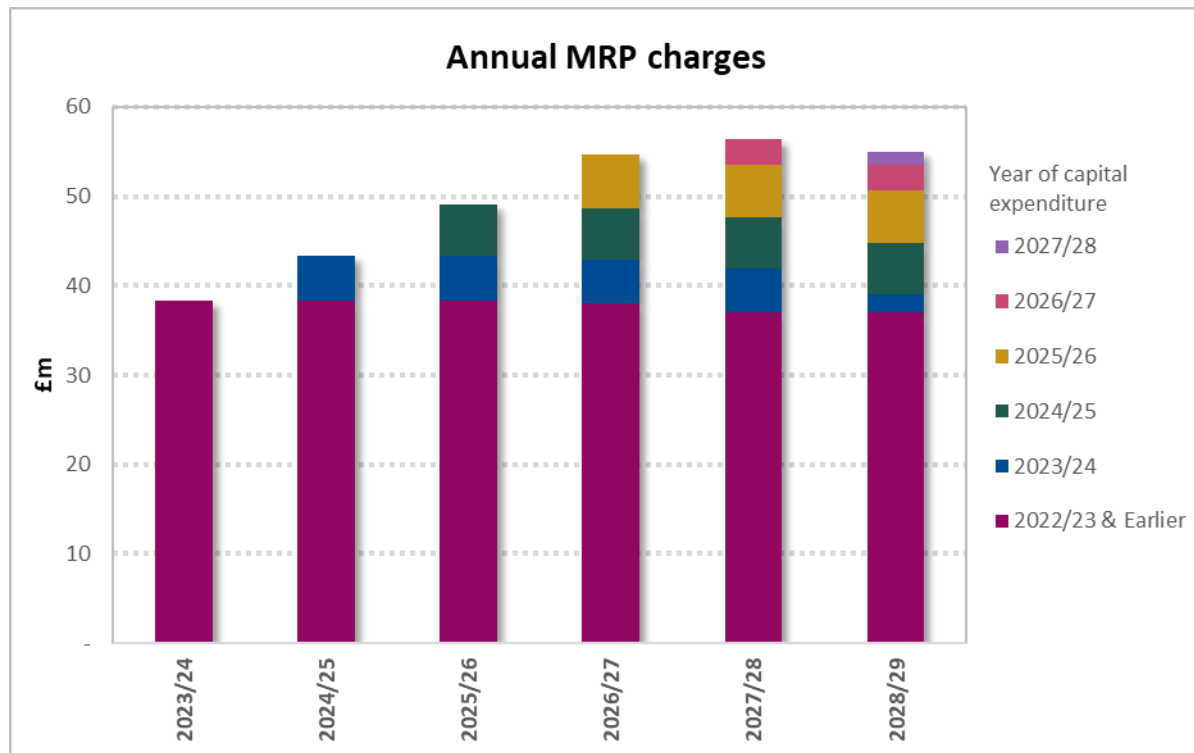
Statutory guidance requires MRP to be provided annually on a prudent basis, and interprets 'prudent' to mean that:

- MRP charges on government **supported** and **pre-April 2008** borrowing should (as a minimum) be made over a period commensurate with the period implicit in the determination of the original grant; and
- MRP charges on **unsupported** borrowing should be made over a period commensurate with the period the capital expenditure provides benefit.

Alternative methods to those listed above are permitted, but only if they result in a prudent basis of repayment.

In accordance with the requirement to make a prudent 'revenue provision for the repayment of debt', the Council ensures that debt is repaid over a period that is commensurate with the period over which the capital expenditure provides benefit. This is achieved by applying the methodologies set out in **Annex 3C**.

The 'revenue provision' charges resulting from applying the policies set out in **Annex 3C** are shown below.



The charges increase incrementally because of the proposals presented elsewhere in the Annual Plan to incur capital expenditure that will be financed from borrowing in each year of the Council's current financial planning horizon.

External Borrowing Limits

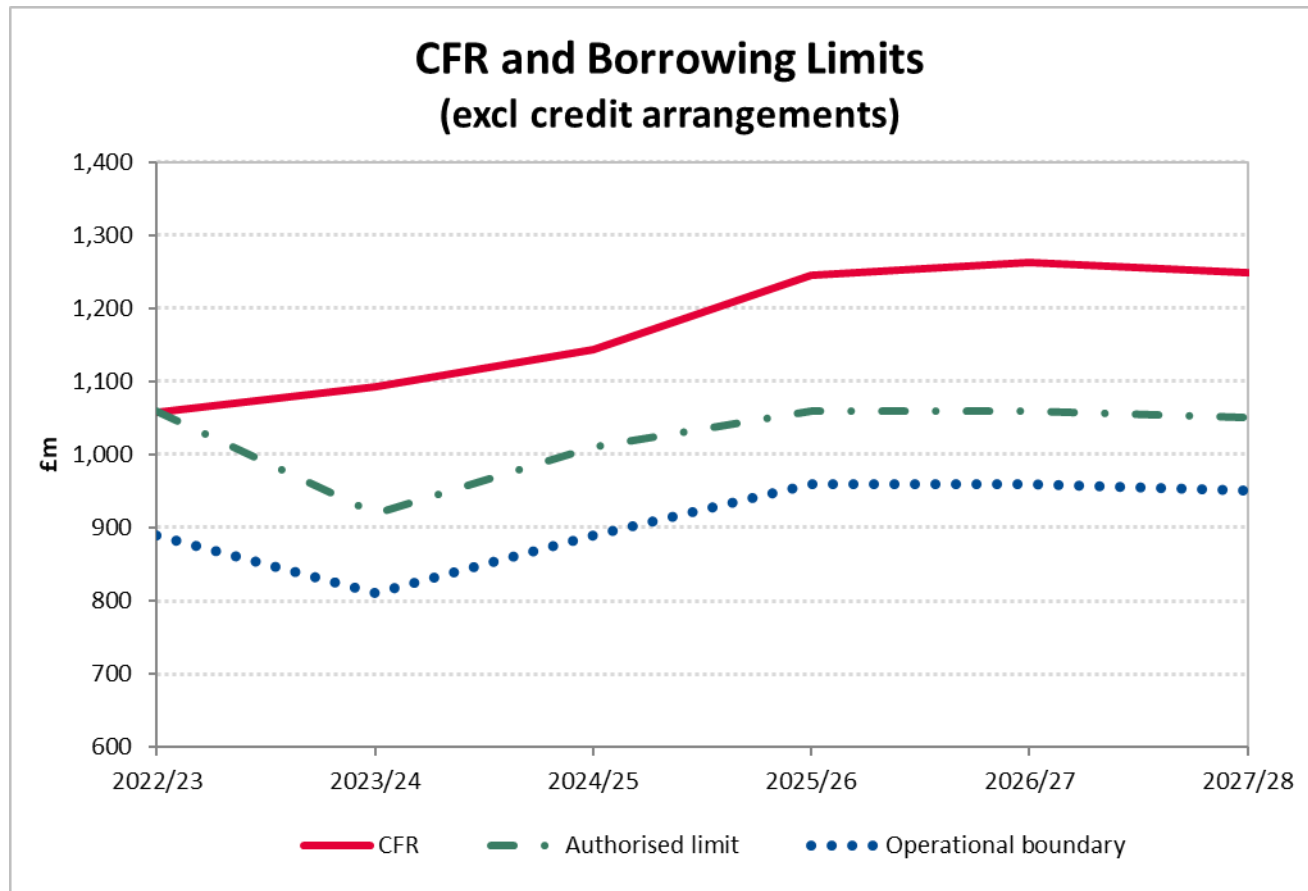
The Council is only permitted to borrow externally (including via credit arrangements) up to the level implied by its Capital Financing Requirement (CFR). However, the Council must not borrow if there is no identified need for it; neither can it borrow to invest for the primary purpose of generating a financial return.

To ensure compliance with these principles, limits are established for external debt, as follows:

- **Authorised limit** – this defines the maximum amount of external debt permitted by the Council, and represents the statutory limit determined under section 3 (1) of the Local Government Act 2003.
- **Operational boundary** – this is an estimate of the probable level of the Council’s external debt and provides the means to manage external debt to ensure that the ‘authorised limit’ is not breached.

The proposed limits, which are set out in **Annex 3A**, make separate provision for external borrowing and other long-term liabilities, and are based upon an estimate of the most likely but not worst-case scenarios. They allow headroom for fluctuations in the level of cash balances and in the level of the Capital Financing Requirement. They also include provision for the estimated impact of adopting IFRS 16 in 2024/25. It is possible that the impact of adopting IFRS 16 will be higher than estimated; if that is the case, it will be necessary to adjust the authorised limit for 2024/25 during the financial year.

As illustrated in the graph below, the authorised limit and operational boundary related to external borrowing are below the current estimates of the Capital Financing Requirement for borrowing.



Borrowing Strategy

While the Capital Financing Requirement provides a measure of the Council's need to borrow externally, borrowing up to the level implied by its Capital Financing Requirement would result in the Council borrowing more than it needs to. This is because the Council holds temporary surplus cash balances by virtue of its decisions to hold funds in reserves and balances that can be used to offset or defer the need for external borrowing (a treasury management practice referred to as **internal borrowing**). Internal borrowing does not reduce the magnitude of funds held in reserves and balances; the funds are merely being borrowed until they are required for their intended purpose.

Consequently, the assessment of the need for external borrowing considers the forward projections of the Capital Financing Requirement, the Council's prevailing cash flow position and the need for a reasonable but not excessive holding of short-term investments for liquidity management.

Currently, long-term external borrowing amounts to **£571.8m** which is equivalent to around **52.3%** of the estimated CFR for borrowing as at 31 March 2024. It is not anticipated that any further external borrowing will be required before the end of the 2023/24 financial year.

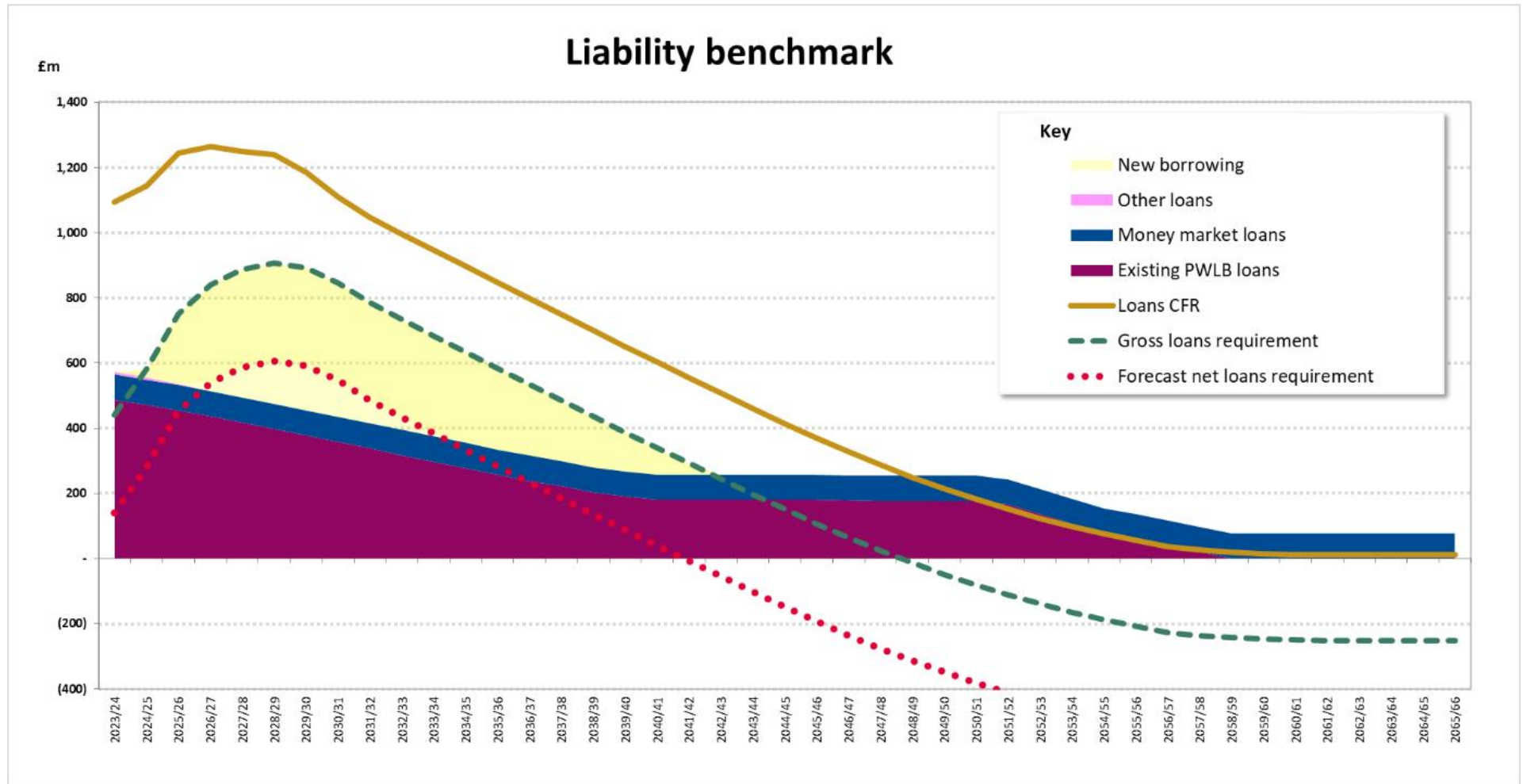
The Council will externalise its borrowing when it needs to do so to ensure that it has sufficient liquidity to meet its day-to-day cashflow requirements.

A **liability benchmark** is used to inform the assessment of the amount of loan debt that the Council needs each year into the future to fund its existing debt liabilities, planned prudential borrowing and other cash flows. The purpose of the liability benchmark is to compare the Council's existing loans against its future need for loan debt.

The liability benchmark is presented graphically, and comprises long-term forecasts for each of the following:

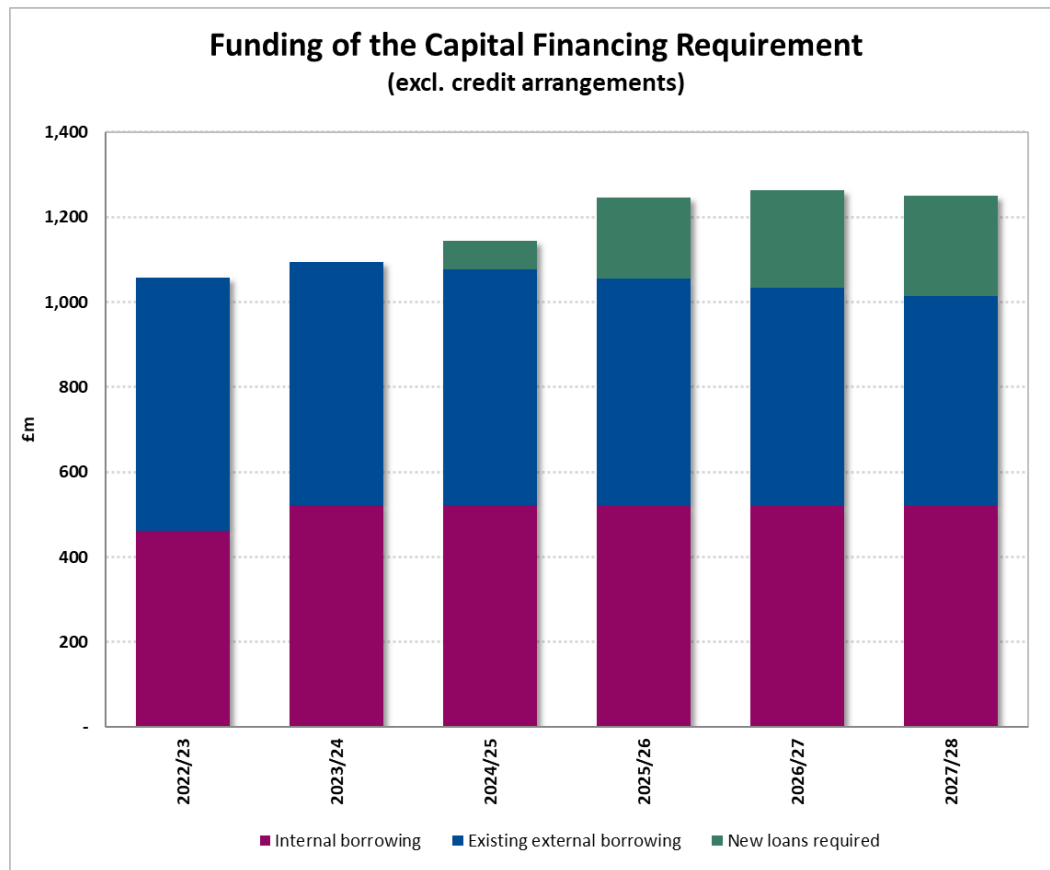
- **Existing loan debt outstanding.**
- **Loans Capital Financing Requirement** (Capital Financing Requirement excluding any part related to credit arrangements).
- **Net loans requirement** (forecast of the Council's loan debt, net of investments).
- **Gross loan debt** (forecast of the gross debt required in accordance with the Council's budget plans).

The need for further external borrowing is represented by the gap between the existing loan debt outstanding and the Council's future need for borrowing (as represented by the forecasts for gross loan debt).



The liability benchmark also shows how closely the existing loans book fits the future needs of the Council, and the maturities needed for new borrowing to match liabilities. While the projections show that the Council has existing commitments that exceed the forecast of gross loan debt in the future, there is no requirement for these loans to be repaid to meet the benchmark. However, the liability benchmark does act as a mechanism for preventing future over-borrowing.

The following graph shows how it is anticipated to fund the Capital Financing Requirement:



That is, it shows how much it is expected will be funded from internal borrowing and how external borrowing is likely to increase.

This translates into the following forecasts of long-term external borrowing over the current planning horizon:

Current Forecast	Long term borrowing requirement				
	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Existing external loans	572	554	536	514	494
Requirement for further borrowing					
2023/24	-	-	-	-	-
2024/25	-	68	68	68	68
2025/26	-	-	122	122	122
2026/27	-	-	-	40	40
2027/28	-	-	-	-	6
New external borrowing	-	68	190	230	236
Total external borrowing	572	622	726	744	730
Internal borrowing	521	521	520	519	519
Total borrowing	1,093	1,143	1,246	1,263	1,249

However, the external borrowing requirement will be kept under review, and new long-term external loans will only be secured:

- When the funds are required to meet the Council's expected cash flows and to provide liquidity; and
- Within the parameters established by the **authorised limit** and **operational boundary** for external debt (as set out within **Annex 3A**).

Prospects for interest rates

The Council predominantly expects to satisfy its external borrowing requirement from the **Public Works Loan Board** (PWLB), although other sources of loan funding will be considered if the lending terms are comparable to, or better than, those offered by the PWLB.

PWLB interest rates are set with reference to gilt rates. The forecast is for gilt yields and PWLB rates to fall back over the Council's current financial planning horizon, as inflation starts to fall. However, there are several risks to the current forecasts (which are shown in **Annex 3B**), including that:

- Labour and supply shortages prove to be more enduring, which may depress economic activity.
- UK economic growth is weaker than currently anticipated.
- There are complications in resolving significant UK / EU trade arrangements.
- Inflationary pressure builds up too strongly and for a longer period.
- There is a weakening of the Pound.

Maturity structure of borrowing

Limits are proposed, in **Annex 3B**, for the maturity structure of borrowing. The purpose of these limits is to guide decisions about the period over which new external borrowing will be secured, to ensure that the Council does not have:

- A large amount of debt maturing in any one year that it may need to refinance in that year alongside any new borrowing that may be required; and
- External loans more than its CFR, other than in the short-term.

Interest rate exposure

To manage and minimise the impact of movements in interest rates, limits are proposed within **Annex 3B** that will establish the ranges within which fixed and variable rate borrowing will be undertaken.

The Council usually secures its long-term loans at fixed rates of interest, to provide certainty over the cost of maintaining the loans over their lifetime (indeed, all the Council's current long-term borrowing is at rates of interest that were fixed at the outset, for the whole duration of the loans).

While any new loans secured over the period of this strategy are likely to also be secured at fixed rates of interest, up to **35%** could, alternatively, be secured at variable rates of interest.

Performance indicators

If long-term borrowing is undertaken, performance will be assessed against the average PWLB rate for the year for the applicable loan type and interest rate banding.

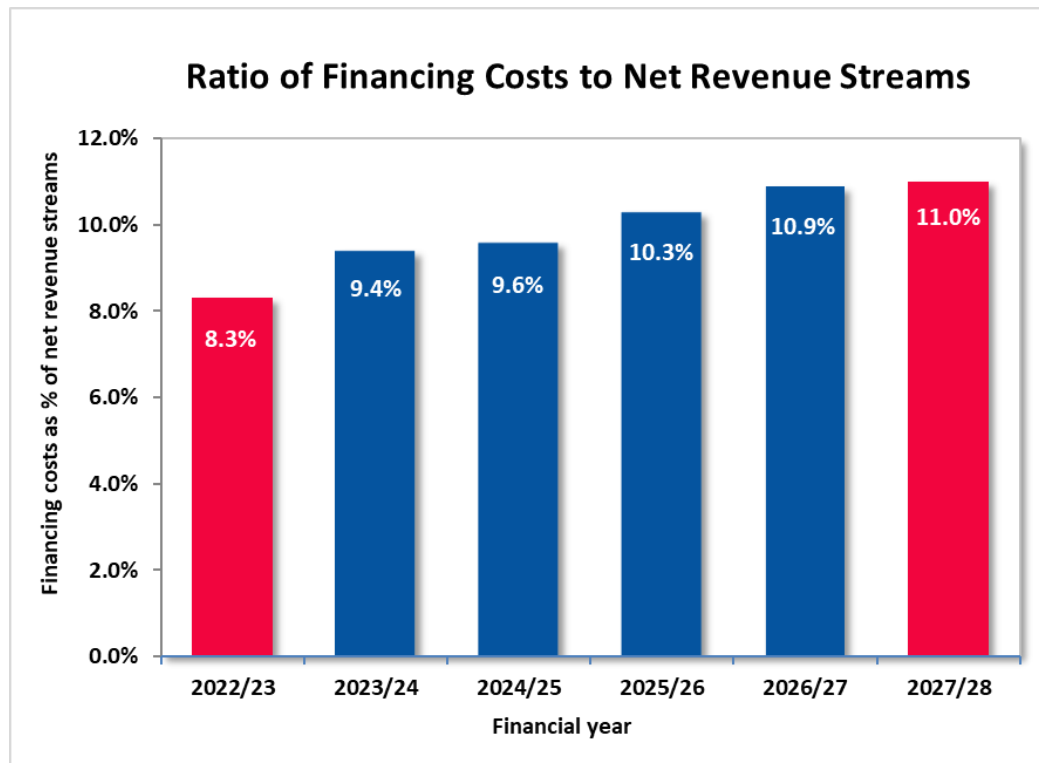
Short-term borrowing will be assessed against the Sterling Overnight Index Average (SONIA) which is published by the Bank of England. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling from other financial institutions and other institutional investors.

Ratio of financing costs to net revenue streams

The trend in the 'cost of capital' is provided by the **ratio of financing costs to net revenue streams**. This ratio provides a key indicator of affordability, as it shows the proportion of the annual revenue budget that is being consumed year on year to finance the costs of borrowing (the costs of borrowing comprise interest payable on external loans and leases and the statutory provision for the repayment of debt).

The actual ratios for 2022/23 and the latest estimates for 2023/24 and the forthcoming four years are provided in **Annex 3A**.

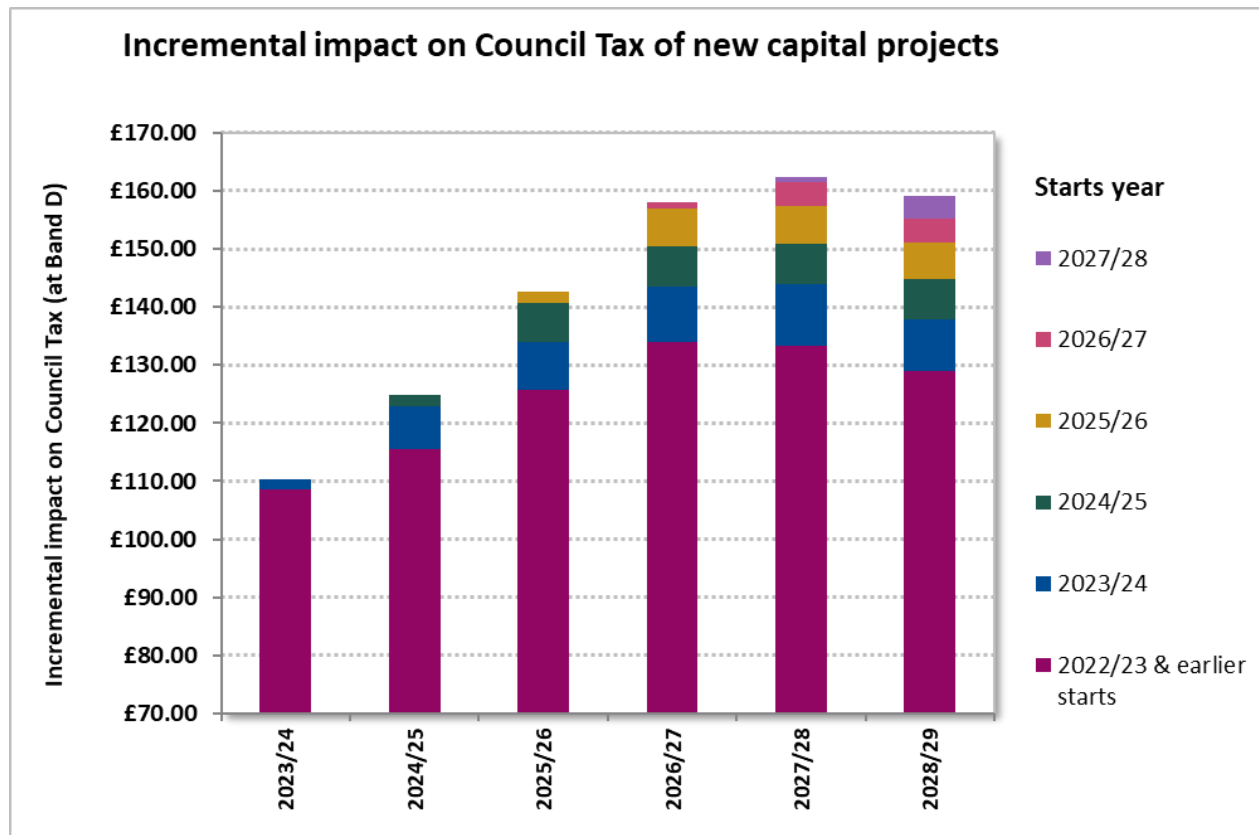
The trend in this ratio over this period is illustrated in the adjacent graph. This shows that the proportion of the revenue budget that is required to fund borrowing costs is expected to increase from **8.3%** in 2022/23 to **11.0%** by 2027/28.



Incremental impact upon Council Tax

Another measure of the affordability of the capital programme proposals is their impact upon council tax.

The incremental impact upon council tax (at **band D**) from continuing with capital schemes started in or prior to 2022/23 and the additional amounts that result from commencing new capital projects in 2023/24 and the subsequent four years is illustrated in the graph below and set out in **Annex 3A**.



The above graph shows the amount of council tax required to meet the costs of borrowing (comprising interest payable on external loans and leases and the statutory provision for the repayment of debt) split between the amounts that arise because of capital projects that started in or before 2022/23, and the amounts arising because of commencing additional capital projects in each year of the Council's current planning horizon.

The actual impact upon council tax may be lower than that implied in **Annex 3A** because:

- The indicator is calculated on the basis that the revenue implications of borrowing decisions will be funded entirely from council tax; the Budget Requirement is funded from a combination of financing sources, including council tax, business rates and general government grants.
- No account has been taken of the savings that may accrue from invest to save / improve schemes.

TREASURY MANAGEMENT INVESTMENTS

Introduction

The Council holds cash balances because of timing differences between its cash inflows and outflows. These cash balances are invested until they are required for use during the Council's day-to-day activities. The investment of funds for this purpose is referred to as treasury management.

The Council's treasury management investment activities must be undertaken in compliance with statutory guidance on investments and with the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (referred to as the Treasury Management Code). These require the Council to prepare an annual strategy that explains how the Council will invest its funds for treasury management purposes, giving priority firstly to security and liquidity, and then to yield.

Outlook for interest rates

The Bank of England's Monetary Policy Committee (MPC) increased the Bank Rate three times during 2023/24, from **4.25%** in April 2023 to **5.25%** in August 2023. The Bank Rate has been held at **5.25%** since August 2023.

Current market expectations are for the MPC to keep Bank Rate at **5.25%** for the remainder of 2023/24 to combat on-going inflationary and wage pressures.

Investment projections

As noted elsewhere, the Council must use its cash balances to defer external borrowing for as long as possible. However, it must also retain sufficient liquidity of funds to ensure that it has cash available when it needs it, to cover its outgoings.

In practice, this means that the cash balances the Council holds for investment can be subject to significant fluctuation. However, for planning purposes, it is assumed that the Council will maintain cash balances for investment of circa **£450m** for the duration of the current financial planning horizon (as set out in **Annex 3B**).

Investment strategy

When the Council has surplus cash balances, these are invested on a short-term basis, for periods of up to 365 days.

In accordance with regulatory requirements, the primary objectives, when investing the Council's funds, are **security** (protecting the capital sum invested from loss) and **liquidity** (ensuring the funds invested are available for expenditure when needed). The generation of **yield** is distinct from these prudential objectives. However, this does not mean that yield is ignored; yield is considered once proper levels of security and liquidity are determined.

The Council's funds will only be invested in 2024/25 according to the Secretary of State's definition of **specified** investments. These are sterling deposits made for periods of up to 365 days with investment schemes of high quality and which are not defined by regulation as capital expenditure. Specified investments include deposits with the UK Government, other local authorities, money market funds and bodies of high credit quality.

No use will be made in 2024/25 of **non-specified investments**; non specified investments are financial investments that do not meet the criteria to be treated as a specified investment.

A lending list will be compiled by the Executive Director, Corporate Services to include counterparties satisfying the criteria set out within **Annex 3D**. The lending limits that will be applied to counterparties satisfying these criteria are also set out within **Annex 3D**. Additional operational market information (including Credit Default Swaps and negative rating watches and outlooks) will also be considered before making any specific investment decisions.

The criteria for choosing counterparties (as set out within **Annex 3D**) provide a sound approach to investing in normal market circumstances. However, the Executive Director, Corporate Services will determine the extent to which the criteria set out within **Annex 3D** will be applied in practice.

Interest rate exposure

To manage and minimise the impact of movements in interest rates, limits are proposed within **Annex 3B** that will establish the ranges within which fixed and variable rate investments will be undertaken. As noted elsewhere, the Council's investments will be made for periods of up to 365 days, for durations that ensure that the cash is available to meet expenditure when needed. Because of the relatively short-term nature of these deposits, there is little to differentiate between fixed and variable rates of interest – funds could equally be invested fully at fixed rates of interest or fully at variable rates.

Liquidity

Liquidity is defined as having adequate, but not excessive cash resources, borrowing arrangements and overdraft or standby facilities to ensure that funds are always available for the achievement of the Council's objectives. In this respect, the Council will seek to maintain liquid short-term deposits of at least **£50m** available with a week's notice.

Environmental, Social and Governance issues

The Council will not knowingly invest directly with counterparties whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's values. This would include, inter alia, avoiding direct investment in institutions with material links to:

- Human rights abuse (such as child labour and political oppression)
- Environmentally harmful activities (for example, pollutants, destruction of habitat and fossil fuels)
- Socially harmful activities (such as tobacco and gambling)

Performance

Performance on cash invested short-term, to maintain liquidity of funds, will be benchmarked against the Sterling Overnight Index Average (**SONIA**) rate; the aim being to achieve investment returns that are equivalent to, or greater than, the average SONIA rate for the year.

Treasury Management advisors

The Council employs **Link Treasury Services Ltd** to provide it with treasury management advice. The services provided by Link Treasury Services Ltd include advice on treasury matters and capital finance issues, economic and interest rate analysis and creditworthiness information. Notwithstanding this, the final decision on all treasury matters remains vested with the Council. The services received from Link Treasury Services Ltd are subject to regular review.

Support to subsidiaries and partnerships

The Council currently provides treasury management support to its subsidiaries Essex Cares Ltd and the Essex Housing Development LLP and holds cash balances on behalf of the partnerships for which it is the 'accountable' body.

As part of the agreement to provide treasury management support to its subsidiaries, the Council provides a working capital loan facility to each of Essex Cares Ltd and the Essex Housing Development LLP. These are bridging facilities that enable both entities to manage temporary shortfalls of cash. In addition, in relation to Essex Cares Ltd and the partnerships for which the Council is the accountable body, the Council temporarily borrows any surplus cash balances they have and returns these sums when they are required to cover their outgoings.

Any amounts lent to, or borrowed from, these organisations are consolidated with the Council's own cash balances daily, and the Council invests or borrows on the net position.

The Council charges interest on amounts lent to these organisations and pays interest on any amounts it borrows from them, in accordance with the terms of formal agreements between the respective parties.

OTHER INVESTMENTS

Introduction

Other investments are those made or held:

- For service purposes (including housing, regeneration and local infrastructure) which may achieve a commercial return but obtaining these returns is not the primary purpose of the investment.
- Primarily to generate a financial return and are neither linked to treasury management activities or directly part of delivering services.

While investments for service purposes and those which are primarily to generate a financial return invariably constitute capital expenditure, the latter category of investment cannot be financed from borrowing. Indeed, the Council is unable to secure loans from the PWLB for any purpose if it has any schemes within its capital programme that are primarily to generate a financial return.

The following paragraphs provide an overview of the Council's current 'other' investments and those included within the proposed 2024/25 capital programme or in the indicative programme for the subsequent three years.

Investment properties

The Council acquired three properties, at a total cost of **£33.9m** (two in 2017/18 and one in 2018/19), which are held for capital appreciation and/or to earn rental income.

A proportion of the annual rental income from these properties has been set aside in the **Property Investment** earmarked revenue reserve to mitigate against the risk of future losses.

These investment properties are measured at their fair value (which ensures the valuation reflects the market conditions at the end of each reporting period). The fair value measurements enable the Council to assess whether the underlying assets provide security for capital

investment. As these properties were acquired primarily to generate a financial return, the Council will not add to the current portfolio of properties.

Shareholdings

Medtech Accelerator Ltd

The Council holds **500,000** ordinary **£1** shares in the company **Medtech Accelerator Ltd** (this currently represents a **20%** holding in the company). The company facilitated the early-stage development of innovations in medical technology by financing projects at an early stage in order to maximise the potential for success in bringing new life enhancing technologies to patients.

Harlow Investment Fund

The Cabinet has agreed, in principle, to enter into a limited liability partnership agreement to create a fund for investment in property to secure growth and regeneration in Harlow. The Council's investment in the Fund (included in the capital programme for 2024/25) will be capped at **£5m** (equivalent to a **10%** equity holding).

Loans to local enterprises and third parties

The Council has awarded loans towards expenditure which would, if incurred by the Council, be capital expenditure. The loans that are currently outstanding are as follows:

Essex University – Centre for Advanced engineering	Year to be repaid	Loan amount (£)	Interest rate %
Instalment one	2025/26	1,000	0%
Instalment two	2026/27	1,000	0%
Total		2,000	

Loans to subsidiaries of the Council

The Council provides capital loans to the **Essex Housing Development LLP**, to facilitate approved housing development projects. To date, the Council has advanced loans totalling **£13.4m** (up to 31 December 2023). Based on the current capital programme proposals, the Council could advance further loans totalling **£73.1m** to the LLP over the period 2023/24 to 2027/28. However, each housing project will be subject to Cabinet approval, following submission of robust business cases and delivery plans.

A separate loan agreement is put in place for each Essex Housing project that the Council agrees to support. These loan agreements set out the repayment terms and the interest charges.

TREASURY MANAGEMENT POLICY STATEMENT AND TREASURY MANAGEMENT PRACTICES

The Council must have regard to the CIPFA Treasury Management Code under the provisions of the Local Government Act 2003.

The Treasury Management Code identifies several key principles for treasury management, including that:

- Objectives, policies, practices, strategies and reporting arrangements should be in place to ensure that treasury management activities are effectively managed and controlled.
- The policies, practices and strategies should prioritise security and liquidity when investing treasury management funds.
- The policies, practices and strategies should also explain how value for money will be secured, and the arrangements to ensure effective control of risks.

The Council's **Treasury Management Policy Statement** (which set out the policies, objectives and approach to risk management of its treasury management activities), and its **Treasury Management Practices** (which set out the way the Council sought to achieve its policies and objectives for treasury management) are presented for information in the following annexes:

- **Annex 3E** – Treasury Management Policy Statement
- **Annex 3F** – Treasury Management Practices
- **Annex 3G** – Management practices for non-treasury investments

KNOWLEDGE AND SKILLS

The Council recognises the importance of ensuring that the officers involved in the treasury management function and other investment activities are fully equipped to undertake the duties and responsibilities allocated to them. The Executive Director, Corporate Services is responsible for recommending and implementing the necessary arrangements and does this by:

- **Appointing individuals who are both capable and experienced**

All individuals involved in the delivery of the treasury management function are required to be professionally qualified accountants, who have a responsibility to undertake continuing professional development.

- **Providing training and technical guidance**

All individuals involved in the delivery of the treasury management function are provided with access to relevant technical guidance and training necessary to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills to undertake the duties and responsibilities allocated to them.

- **Appointing treasury management and other professional advisors**

By employing external providers of treasury management services, the Executive Director, Corporate Services ensures that the individuals involved in delivery of the Council's treasury management activities have access to specialist skills and resources.

In addition, professional advisors are employed as required to ensure that the Council has access to the specialist skills and resources necessary to undertake other investment activities.

Elected members tasked with oversight and scrutiny of the Council's treasury management strategy and activities have access to training, as required.

ANNEX 3A - PRUDENTIAL INDICATORS

Summary of prudential indicators		2022/23 Actual	2023/24		2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
			Original Estimate	Updated Estimate				
Capital expenditure & financing								
Capital Expenditure	£m	225	275	310	320	395	194	162
Capital Financing								
Borrowing	£m	86	101	75	93	151	72	42
Grants and contributions	£m	127	161	213	212	237	113	105
Capital receipts and earmarked reserves	£m	12	13	22	15	7	9	15
Total capital financing	£m	225	275	310	320	395	194	162
Capital financing requirement								
Capital financing requirement (CFR)								
Opening CFR	£m	1,123	1,178	1,147	1,169	1,507	1,598	1,606
Add								
Additional borrowing	£m	86	101	75	93	151	72	42
Additional credit liabilities (PFI / Finance leases)	£m	-	100	-	300	-	-	-
Other changes	£m	(10)	-	-	-	-	-	-
		1,199	1,379	1,222	1,562	1,658	1,670	1,648
Less								
Revenue provision for debt repayment	£m	(49)	(55)	(53)	(55)	(60)	(64)	(67)
Capital receipts applied to repay debt	£m	(3)	-	-	-	-	-	-
Capital Financing Requirement	£m	1,147	1,324	1,169	1,507	1,598	1,606	1,581

Summary of prudential indicators		2022/23	2023/24		2024/25	2025/26	2026/27	2027/28
		Actual	Original Estimate	Updated Estimate	Forecast	Forecast	Forecast	Forecast
Analysis of the Capital Financing Requirement								
Supported borrowing and pre 2008/09 unsupported borrowing	£m	418	406	406	394	382	370	358
Unsupported borrowing								
General	£m	624	680	664	718	807	832	838
Deferred (loans, housing and investment properties)	£m	15	58	23	31	57	61	53
Sub total - borrowing	£m	1,057	1,144	1,093	1,143	1,246	1,263	1,249
Credit arrangements (PFI / Finance leases)	£m	90	180	76	364	352	343	332
Total	£m	1,147	1,324	1,169	1,507	1,598	1,606	1,581
Gross borrowing and the CFR								
Medium term forecast of CFR	£m	1,507	1,442	1,598	1,606	1,581	1,560	1,500
Forecast external debt (long term) and credit arrangements	£m	687	571	572	554	535	514	494
Headroom	£m	820	871	1,026	1,052	1,046	1,046	1,006
External debt								
Authorised limit								
Borrowing	£m	1,060	1,080	920	1,010	1,060	1,060	1,050
Other long term liabilities	£m	189	180	76	363	352	343	332
Total authorised limit	£m	1,249	1,260	996	1,373	1,412	1,403	1,382
Operational boundary								
Borrowing	£m	890	900	810	890	960	960	950
Other long term liabilities	£m	184	175	71	359	348	338	327
Total operational boundary	£m	1,074	1,075	881	1,249	1,308	1,298	1,277
Actual external debt (incl. credit arrangements)	£m	687	N/A	N/A	N/A	N/A	N/A	N/A

Summary of prudential indicators		2022/23 Actual	2023/24		2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
			Original Estimate	Updated Estimate				
Financing to net revenue streams								
Financing to Net Revenue Streams	%	8.30%	9.70%	9.40%	9.60%	10.30%	10.90%	11.00%
Incremental impact on Council Tax								
Effect of capital schemes starting in:								
2022/23 and earlier years	£	106.21	121.96	108.59	115.49	125.78	133.90	133.23
2023/24	£	-	2.03	1.76	7.47	8.26	9.54	10.67
2024/25	£	-	-	-	1.95	6.71	6.93	7.00
2025/26	£	-	-	-	-	1.80	6.50	6.43
2026/27	£	-	-	-	-	-	1.11	4.13
2027/28	£	-	-	-	-	-	-	1.01
Total	£	106.21	123.99	110.35	124.91	142.55	157.98	162.47

ANNEX 3B - TREASURY MANAGEMENT SUMMARY

Treasury Management Summary		2022-23 Actual	2023-24		2024-25 Estimate	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast
			Original Estimate	Latest Estimate				
Estimated debt and investments								
Investments (estimated balance at each 31st March)	£m	555	470	450	450	450	450	450
External debt (operational boundary for borrowing)	£m	890	900	810	890	960	960	950
Expected movement in interest rates								
Bank Rate (at each 31st March)	%	4.25%	4.50%	5.25%	4.00%	3.00%	3.00%	3.00%
PWLB (borrowing) rates								
5 year	%	4.48%	4.10%	4.90%	4.20%	3.60%	3.50%	3.50%
10 year	%	4.55%	4.30%	5.00%	4.20%	3.70%	3.50%	3.50%
25 year	%	4.90%	4.50%	5.30%	4.50%	4.10%	4.00%	4.00%
50 year	%	4.60%	4.20%	5.10%	4.30%	3.90%	3.80%	3.80%
Source: Link Treasury Services Ltd (November 2023)								
Effect of 1% increase in interest rates								
Interest on borrowing	£000	N/A	1,015	-	340	1,290	2,100	2,330
Interest on investments	£000	N/A	(3,060)	(4,510)	(3,160)	(1,530)	(800)	(440)
Interest attributed to reserves & balances	£000	N/A	2,397	2,347	2,302	2,286	2,290	2,316
Interest attributed to other bodies	£000	N/A	98	122	122	122	122	122
Net total	£000	N/A	450	(2,041)	(396)	2,168	3,712	4,328
Borrowing requirement (external borrowing)	£m	5	123	-	68	122	40	6

Treasury Management Summary		2022-23 Actual	2023-24		2024-25 Estimate	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast
			Original Estimate	Latest Estimate				
Interest rate exposures								
Upper limits for exposure to fixed rates								
Net exposure	£m	1,060	1,080	920	1,010	1,060	1,060	1,050
Debt	%	100%	100%	100%	100%	100%	100%	100%
Investments	%	100%	100%	100%	100%	100%	100%	100%
Upper limits for exposure to variable rates								
Net exposure	£m	318	380	320	350	370	370	370
Debt	%	30%	35%	35%	35%	35%	35%	35%
Investments	%	100%	100%	100%	100%	100%	100%	100%
Maturity structure of borrowing (upper limit)								
Under 12 months	%	2%	30%	40%	30%	30%	30%	30%
12 months and within 24 months	%	2%	30%	40%	30%	30%	30%	30%
24 months and within 5 years	%	8%	30%	40%	30%	30%	30%	30%
5 years and within 10 years	%	17%	40%	40%	40%	40%	40%	40%
10 years and within 25 years	%	29%	85%	79%	90%	80%	80%	80%
25 years and within 40 years	%	30%	40%	40%	40%	40%	40%	40%
40 years and within 50 years	%	0%	20%	20%	20%	20%	20%	20%
50 years and above	%	13%	20%	20%	20%	20%	20%	20%
Maturity structure of borrowing (lower limit)								
All maturity periods	%	0%	0%	0%	0%	0%	0%	0%
Total sums invested for more than 364 days								
Upper limit for sums invested for more than 364 days	£m	13	30	30	-	-	-	-

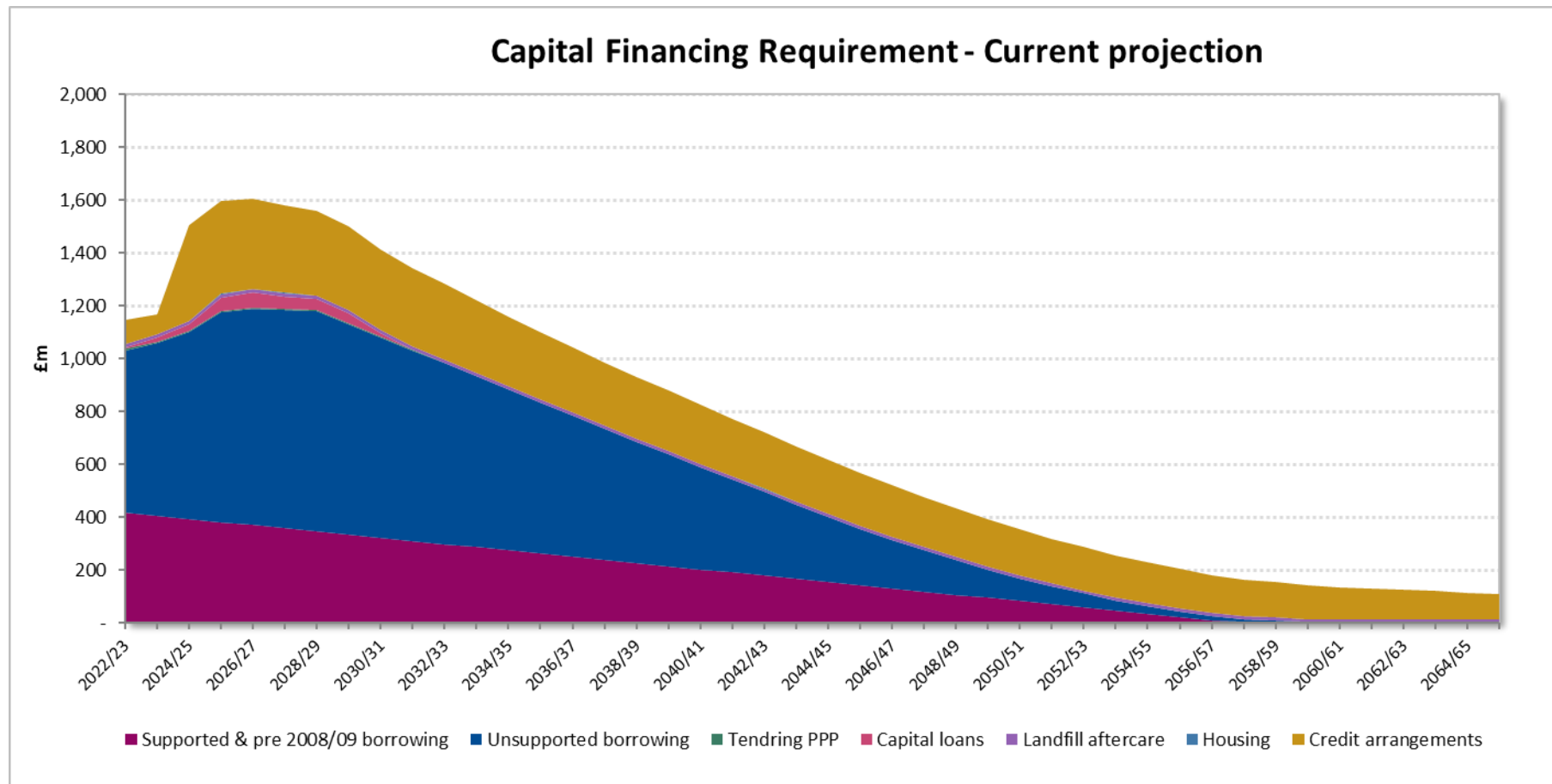
ANNEX 3C – REVENUE PROVISION FOR THE REPAYMENT OF DEBT POLICY

In accordance with the requirement to make a prudent ‘revenue provision for the repayment of debt’ or Minimum Revenue Provision (MRP), the Council ensures that debt is repaid over a period that is commensurate with the period over which the capital expenditure provides benefit. This is achieved by applying the following methodology:

Borrowing	MRP repayment basis
Pre 1st April 2008 debt	This element of the Capital Financing Requirement is being repaid on a 50-year ‘ Equal instalments ’ basis, with commencement of the 50-year term in 2007/08.
Government supported debt (2008/09 onwards)	This element of the Capital Financing Requirement is being repaid on a 50-year ‘ Equal Instalments ’ basis, with commencement of the 50-year term in the financial year following the capital expenditure.
Unsupported borrowing (General)	This element of the Capital Financing Requirement is being repaid using the Asset Life method. This means that the unsupported borrowing is repaid in equal instalments over the useful life estimated at the start of the relevant asset lives (or over a shorter period where use of the standard useful life would not be supportable as prudent).
Unsupported borrowing (Loans awarded for capital purposes)	<p>This element of the Capital Financing Requirement is being repaid using the Asset Life method, which spreads the unsupported borrowing over the estimated useful life of the assets for which the loans are awarded or, if shorter, over the term of the loans.</p> <p>Where the Council receives the repayment of an amount loaned, the income is classified as a capital receipt. If there is any element of the related Capital Financing Requirement outstanding when the loans are repaid, the capital receipts are applied to repay the residual debt outstanding.</p>
Credit arrangements	MRP is met by a charge equal to the element of rent/charge that goes to write down the balance sheet liability.

Revenue provision is chargeable in the first financial year after the relevant capital expenditure is incurred. Where it is practical or appropriate to do so, the Council may make voluntary revenue provision, or apply capital receipts, to reduce debt over a shorter period.

Based on the MRP policies outlined above, and the capital programme proposals outlined elsewhere within the Capital and Treasury Management Strategy, the longer-term forecast of the Capital Financing Requirement is as follows:



ANNEX 3D - COUNTERPARTY CRITERIA FOR INVESTMENTS

1. Context

In order to minimise the risk to investments, the Council stipulates the minimum acceptable credit quality of counterparties for inclusion on its lending list. Where applicable, it does this by reference to the credit ratings, watches and outlooks published by all three ratings agencies (i.e. Fitch, Standard and Poor and Moody's). Definitions of the credit ratings of the three main rating agencies are available upon request.

2. Banks and building societies

The Council will invest funds with:

- UK banks and building societies
- Non-UK banks domiciled in a country with a minimum sovereign rating of **AA-**

that have credit ratings equivalent to, or better than, the following:

Rating category	Credit rating agencies		
	Fitch	Standard & Poor's	Moody's
Short term	F1	A-1	P-1
Long term	A	A	A2

These ratings will be used to determine the pool of counterparties with whom the Council can transact for **term/call deposits** and **certificates of deposit**. This will ensure that funds are invested with high quality counterparties.

Where counterparties are rated by more than one credit rating agency, the lowest ratings will be used to determine whether they are included on the counterparty list.

The short and long-term ratings will be further applied to determine the maximum amount that will be invested with each of the counterparties in the 'pool', and for what duration.

Credit rating information is supplied by Link Treasury Services Ltd, the Council's appointed treasury advisor, on all active counterparties that comply with the criteria above.

Credit ratings will be kept under review. Counterparties will be removed from the Council's lending list if they receive a downgrading to their credit rating below the minimum criteria outlined above.

Counterparties placed on '**negative ratings watch**' (which indicate a likely downgrading of the counterparty's credit rating) will remain on the Council's lending list at the discretion of the Executive Director, Corporate Services, in consultation with the Chancellor of Essex.

Although non-UK banks domiciled in a country with a minimum sovereign rating of **AA-** may be included on the lending list, due regard will be given to the country exposure of the Council's investments.

If the Council's own banker falls below the minimum credit rating criteria outlined above, and is not nationalised or part nationalised, the bank will be used for transactional purposes only, and not as an active outlet for investments.

3. Financial institutions nationalised (or part nationalised) by the UK Government

UK banks that do not fully meet the credit rating criteria outlined in the previous paragraph, but which have been nationalised or part nationalised, will remain on the counterparty list while they continue to be nationalised (or part nationalised).

4. Money Market Funds

Money Market Funds (MMFs) are short-term, pooled investments that are placed, by a manager, in a wide range of money market instruments. The size of the investment pool of a MMF enables the manager to not only offer the flexibility of overnight and call money, but also the stability and returns of longer dated deposits.

Strict rules and criteria are set down by the official rating agencies, covering the types of investment counterparties used, the maturity distribution of the funds and investment concentrations.

The Council will only use **constant** or **low volatility** net asset value (**CNAV** and **LVNAV**) money market funds that have an **AAA** credit rating and are denominated in sterling and regulated within the EU.

5. UK Government

No restrictions are placed on the amounts that can be invested with the UK Government (with the Debt Management Office or via UK treasury bills or Gilts with less than 1 year to maturity).

6. Other local authorities

Other local authorities are included within the counterparty 'pool'. The amount that can be invested with a local authority will depend on whether it is an **upper** or **lower** tier authority. Upper tier local authorities comprise county councils, unitary and metropolitan authorities and London boroughs and lower tier local authorities include district / borough councils and police and fire authorities.

7. Monetary limits applying to investments

The monetary limits for counterparties satisfying the criteria outlined in the previous paragraphs will be determined with reference to the counterparties' short and long-term credit ratings (or to other criteria where applicable), as outlined in the table overleaf.

Notwithstanding these limits, the Executive Director, Corporate Services will ensure appropriate operational boundaries are in place to avoid over exposure to any country, sector or group.

Monetary limits

Counterparty type	Short and long term credit rating criteria						Investment Limit £m
	Fitch		Standard & Poor's		Moody's		
	Short term	Long term	Short term	Long term	Short term	Long term	
UK Banks and building societies	F1+	AA-	A-1+	AA-	P-1	Aa3	75
	F1	A	A-1	A	P-1	A2	65
UK banks and building societies (nationalised)							65
Non UK financial institutions	F1	A	A-1	A	P-1	A2	35
AAA' rated Money Market Funds (CNAV)							60
'AAA' rated Money Market Funds (LVNAV)							60
UK Government							No limit
Local authorities - upper tier							30
Local authorities - lower tier							15

Notes:

Forward deals - If forward deposits are made, the forward period plus the deal period should not exceed a maximum duration of one year.

ANNEX 3E – TREASURY MANAGEMENT POLICY STATEMENT

The following statement defines the policy and objectives of the Council's treasury management activities:

1. The Council defines its treasury management activities as:
 - The management of its investments and cash flows, its banking, money market and capital market transactions.
 - The effective control of the risks associated with those activities.
 - The pursuit of optimum performance consistent with those risks.
2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives.
4. It is therefore committed to the principles of achieving value for money in treasury management, within the context of effective risk management.
5. The Council's policies for borrowing and investments are set out within the annual Capital and Treasury Management Strategy.

ANNEX 3F – TREASURY MANAGEMENT PRACTICES

TMP 1 - Risk Management

A key objective of the Council's treasury management activities is to safeguard the principal sums it invests from loss.

The Section 151 Officer will ensure there are arrangements in place for the identification, management and control of treasury management risk and will report on the adequacy of these arrangements and on the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect.

[1] Credit and counterparty risk management

The Council will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited. The Council will also ensure a cautious approach in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

[2] Liquidity risk management

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it to have the level of funds available to it which are necessary for the achievement of its business objectives.

The Council will not borrow earlier than required to meet its cash flow needs, unless there is a clear business case for doing so and will only do so for the current capital programme, to fund future debt maturities and/or to ensure an adequate level of liquidity of funds.

[3] Interest rate, exchange rate and inflation risk management

The Council will seek to minimise any detrimental impact on its budgeted income and expenditure levels arising because of fluctuations in interest and exchange rates and inflation.

[4] Refinancing risk management

The Council will ensure that the maturity profile of borrowing, private financing and lease arrangements are managed in such a way to as to obtain favourable offer terms for renewal or refinancing if required. The Council will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective.

[5] Legal and regulatory risk management

The Council will ensure that its treasury management activities comply with its statutory powers and regulatory requirements.

The Council will also ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may affect with the Council, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

[6] Operational risk, including fraud, error and corruption

The Council will maintain suitable systems and procedures and effective contingency management arrangements to minimise exposure to the risk of loss.

[7] Price risk management

The Council will seek to protect itself from adverse fluctuations in the value of the sums it invests.

TMP 2 - Performance measurement

The Council is committed to the pursuit of value for money in its treasury management activities within the framework set out in its treasury management policy statement.

TMP 3 - Decision-making and analysis

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, to demonstrate that reasonable steps were taken to ensure that all relevant matters were considered.

TMP 4 - Approved instruments, methods and techniques

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in its annual Capital and Treasury Management Strategy.

The Council has reviewed its classification with financial institutions under MIFID II and will set out in its annual Capital and Treasury Management Strategy those organisations with which it is registered as a professional client.

TMP 5 - Organisation, clarity and segregation of responsibilities, and dealing arrangements

The Council arranges its treasury management activities to ensure that there is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly regarding the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

The Section 151 Officer is responsible for approving any departure from these principles, having due regard for the implications of any such action. The Section 151 Officer will also ensure that the responsibilities for each post engaged in treasury management are understood and adhered to, that there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

The delegations to the Section 151 Officer in respect of treasury management are set out in the Council's Financial Regulations and Scheme of Delegation for Financial Management. The Section 151 Officer will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and the CIPFA Standard of Professional Practice on Treasury Management.

TMP 6 - Reporting requirements and management information arrangements

Regular reports will be prepared and considered on the implementation of the Council's treasury management policies; including on the budgetary implications and on the performance of the treasury management function.

As a minimum:

- Full Council will receive an annual report on the strategy and plan to be pursued in the coming year.
- The Cabinet will receive reports on the performance of the treasury management function, and on any circumstances of non-compliance with the Council's Treasury Management Policy Statement and TMP's, as part of the Council's quarterly financial overview reporting.

The Council's **Corporate Policy and Scrutiny Committee** have responsibility for the scrutiny of treasury management policies and practices.

TMP 7 - Budgeting and accounting arrangements

The Section 151 Officer will prepare, and full Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all the costs involved in running the treasury management function, together with associated income.

The Section 151 Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP 6 Reporting requirements and management information arrangements.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

TMP 8 - Cash and cash flow management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Section 151 Officer and will be aggregated for cash flow and investment management purposes.

Cash flow projections will be prepared on a regular and timely basis, and the Section 151 Officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1[2] liquidity risk management.

TMP 9 - Money laundering

Procedures are maintained for verifying and recording the identity of counterparties and reporting suspicions and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the Council's Anti-Money Laundering Policy.

TMP 10 - Training and qualifications

The staff involved in the treasury management function are both capable and experienced and they are equipped to undertake the duties and responsibilities allocated. They have access to training to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

The Section 151 Officer will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff.

The Section 151 Officer also ensures that elected members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

TMP 11 - Use of external service providers

Responsibility for treasury management decisions remains vested with the Council, but external providers of treasury management services are employed, to acquire access to specialist skills and resources. Treasury management services are secured in compliance with the Council's Procurement procedures, following a full evaluation of the costs and benefits and on appropriate terms and conditions. The treasury management services are subject to regular review.

TMP 12 - Corporate governance

The treasury management function and its activities are undertaken with openness and transparency, honesty, integrity and accountability, in accordance with the key principles of the CIPFA Treasury Management in the Public Services Code of Practice and Cross Sectoral Guidance Notes.

ANNEX 3G - Investment management practices for non-treasury investment

The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management.

New investments will only be undertaken following the Council's business case and governance framework for decision making and will require a decision in accordance with the constitution, with an investment of over **£500,000** normally requiring a published decision.

Each proposal to make a non-treasury management investment will articulate:

- The objectives and management arrangements for the investment.
- The risk of loss and the arrangements for mitigating such losses.
- The decision making and reporting arrangements.
- The performance management arrangements.

The Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the Council's risk exposure.

Appendix B – Equalities Comprehensive Impact Assessment (Annual Plan and Budget)

1. Overview

- 1.1 This appendix describes the most significant equality pressures confronting each main service area, informed by an equality analysis. It highlights the effect of policy and governance changes; an overview of potential impacts; and a service impact overview. These outcomes are based upon changes resulting from the 2024/25 budget.
- 1.2 It is important to note that the budget is the financial expression of the Everyone's Essex Annual Plan and our operational intent, and where known, the equality impact of change is disclosed. However, there are a number of individual decisions that will arise over the period of the 2024/25 budget. These will be subject to specific and more detailed equality impact analyses in line with the Council's Equalities Comprehensive Impact Assessment (ECIA) guidance. Political decisions will only be taken once effective and meaningful engagement has taken place on a need-by-need basis.
- 1.3 In making this decision we must have regard to the Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010, i.e. have due regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - (c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
- 1.4 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In addition, marital status is a relevant protected characteristic for 1.3(a)
- 1.5 The PSED is a relevant factor in making this decision but does not impose a duty to achieve the outcomes in s149. It is only one factor that needs to be considered and may be balanced against other relevant factors.
- 1.6 Part of the equalities governance is to ensure that Equalities Comprehensive Impact Assessments are undertaken when considering new and/or revised policies to inform and underpin good decision making processes. This also helps us pay due regard to our equality obligations.
- 1.7 The Equality Act also says that public bodies must pay 'due regard' to equality. This means that we must:
 - Remove or minimise disadvantages suffered by people due to their protected characteristics;
 - take steps to meet the needs of people from protected groups where these are different from the needs of other people.

2. Identified high level cumulative equality impact

- 2.1 At this stage, it is not possible to fully measure the cumulative impact of the proposals on those people who have protected characteristics under the Equality Act 2010, or how the geographic spread of budget proposals will be felt across rural and urban areas of Essex.
- 2.2 Key impacts from this initial analysis across the portfolios are outlined from section 5 below.

3. Mitigating actions which will be considered

- 3.1 **Monitoring of impact:** Services should ensure ongoing equalities monitoring of the impact of service changes, to identify trends in disproportionate or unanticipated impact at an early stage to address them. This reporting should be monitored Council-wide at senior levels within the Council in order to identify cumulative impacts and mitigating actions. Consideration should be given to working with other partners in this monitoring and evaluation where appropriate.
- 3.2 **Informing decision-making:** The findings of this monitoring should be used to inform the budget-setting process year on year.
- 3.3 **Equalities Comprehensive Impact Assessments:** As the budget proposals are developed, individual Equalities Comprehensive Impact Assessments will be undertaken. This will include an assessment of who is likely to be impacted by the changes, whether they are considered to have 'protected characteristics' under the Equality Act 2010 and if they are, what mitigation activity is proposed to ensure that they will not be disproportionately affected.
- 3.4 Where no mitigating factors can be identified to a change to a policy, process or practice, which may affect one or more protected characteristics adversely, ECIA authors must provide Cabinet Members with clear options by which to base their political decision making on.
- 3.5 In addition to considering the nine protected characteristics when completing an Equalities Comprehensive Impact Assessment, consideration of the following areas is also required in terms of impact and mitigation:
 - Digital accessibility
 - Levelling up (priority cohorts and places)
 - Inclusion health groups and other priority groups
 - Geographical areas
 - Families
 - Crime and disorder
 - Climate

ECIAs are reviewed to provide an assessment of the cumulative impact of the budget decisions.

- 3.6 **Targeting based on need:** Resources and services should clearly identify specific needs of different groups at an early stage in order to be most effective and meet needs at first contact wherever possible.
- 3.7 **Gaps in monitoring:** Where gaps in monitoring have been identified during the Equalities Comprehensive Impact Assessment process, steps should be taken to fill these in the forthcoming year. This will enable better modelling of potential impacts and assessments in future.

4. Strategic focus on Equality, Diversity and Inclusion

- 4.1 The Council is fully committed to addressing the challenges facing communities and supporting residents to live better lives. Everyone's Essex: our plan for levelling up the county 2021-2025 sets out how services are responding to and are planning for these challenges with a key focus on tackling inequalities across the County. We are focused on four areas where outcomes really matter for the quality of life of our residents.

They are:

- the economy
 - the environment
 - children and families
 - promoting health, care and wellbeing for all parts of our population, particularly those who need our support the most
- 4.2 This commitment to equality and inclusion is shared by partners and is firmly rooted in the long-term Vision for Essex: The Future of Essex. This outlines commitments to improve the life chances and experiences for all Essex residents. A key ambition within the Vision for Essex is to share prosperity with everyone, an ambition that is vitally important to the Council.
- 4.3 The Everyone's Essex Annual Plan and Budget for 2024/25 gives effect to this in the following ways:
- By ensuring that the savings are balanced across service areas and are not targeted at the most vulnerable
 - By driving savings through the delivery of efficiencies and through the reform of services to improve outcomes and make them more cost effective
 - By continuing to invest in services and activities that will reduce inequalities and support better lives for all residents

5. Policy and Governance Context

- 5.1 The proposed council tax increase may adversely impact some residents of Essex; however residents on the lowest incomes will remain eligible for support with their bills via their local council tax support schemes (operated and maintained by the city, district and borough councils). The element of the increase relating to the specific social care precept will be ring-fenced for adult

social care. This should positively impact on vulnerable adults within Essex by helping to protect and improve social care services.

- 5.2 The localisation of council tax benefit (introducing new payees to council tax as a result of national policy changes) was implemented in 2013/14 alongside a scheme for hardship and investment in collection initiatives including Citizens Advice support. Over this time, the 12 billing authorities have sustained collection rates against this backdrop, ensuring no negative impact on other council tax payers. Our budget maintains the investment into collection and hardship that was introduced in 2023/24 for a further two financial years.
- 5.3 We have joined forces with the borough, district and city councils and police and fire authorities to tackle council tax fraud across the county. The programme:
- ensures those entitled to discounts or exemptions on their council tax are receiving the right support;
 - has introduced extensive regular reviews to ensure the levels of benefits people receive are correct;
 - encourages people to notify councils if their circumstances change, and the consequences of not doing so, to enable councils to take swift and appropriate action against people fraudulently claiming council tax benefit.
- 5.4 The budget will be discharged against a background of continuing intense pressure across the health and care system in Essex, particularly in light of heightened inflation and the lasting impacts of the Covid-19 pandemic.

6. Portfolio Impacts Overview

Children's Services and Early Years

- 6.1 Children's Services and Early Years purpose is to protect children and young people from neglect and abuse, and to promote their development and wellbeing. The Council will continue to work with partners to provide a wide range of early help, family support and social work interventions, to help families improve their lives and support children to overcome early childhood trauma, look forward to a brighter future and achieve their aspirations. As Corporate Parents, the Council will do its best to see that this happens for children in care and care leavers.
- 6.2 To do this well and get best value for money, the Council aims to be at the forefront of best practice. It will always learn from the most forward-thinking innovations and positive developments in the social work profession, as well as from the children, young people and families the Council works with.
- 6.3 The portfolio has identified budget savings proposals of **£1.7m** for 2024/25 (1.2% of net budget).

- 6.4 £750,000 relates to one-off drawdown from the Family Solutions Reserve, and £100,000 one-off drawdown from the Youth Justice Reserve where Children in Care also have involvement with Youth Justice.
- 6.5 Under our Placement Strategy we are seeking to place children in care within a family setting as evidenced through our Essex fostering programme. This will therefore reduce the reliance on the independent market realising a £639,000 saving in 2024/25.
- 6.6 Aligning £150,000 of staff costs to the Domestic Abuse Grant where activity is targeted to grant outcomes.
- 6.7 There is a £100,000 income generation target, to be delivered across the portfolio through a range of different activity that is currently being developed.
- 6.8 In order to ensure that the Council pays due regard to the PSED, individual Equalities Comprehensive Impact Assessments will be undertaken in order to ensure there are mitigating actions, where possible, to minimise any adverse impact on children, young people and their families. Where there are no mitigating factors, policy authors will need to set out the options based on the adverse impacts in order for political decision making to take place.

Climate Czar, Environment, Waste Reduction and Recycling

- 6.9 The portfolio has identified budget savings proposals of **£350,000** for 2024/25 (0.4% of net budget).
- 6.10 This will be delivered through service interventions and education to increase participation in existing food waste recycling services and improve capture rates. This will reduce the amount of food waste treated as residual waste and divert this to lower cost treatment routes.
- 6.11 The food waste recycling initiative has no adverse impact on persons who share any relevant protected characteristic. The food waste recycling services, and intervention have both been designed to ensure all residents provided with these services are able to fully participate.

Education Excellence, Life Long Learning and Employability

- 6.12 The portfolio has identified budget savings proposals of **£578,000** for 2024/25 (2.9% of net budget).
- 6.13 £100,000 relates to a managed vacancy factor within school crossing patrols.

- 6.14 £78,000 relates to increased income generation from the school improvement offer that commenced in September 2023.
- 6.15 £200,000 relates to surplus school properties due to lower maintenance costs as a result of fewer surplus properties.
- 6.16 £200,000 relates to increasing the recharge of central support costs to the Dedicated Schools Grant.
- 6.17 Whilst it is not anticipated that there will be any impact to service users from the proposals set out, in order to ensure that the Council pays due regard to the PSED, individual Equalities Comprehensive Impact Assessments will be undertaken in order to ensure there are mitigating actions, where possible, to minimise any adverse impacts. Where there are no mitigating factors, policy authors will need to set out the options based on the adverse impacts in order for political decision making to take place.

Health, Adult Social Care and ICS Integration

- 6.18 The priority is to operate in a manner that is fiscally sustainable while fully meeting our obligations, and in this context, we remain committed to ensuring that we do what is required to keep adults safe. We will ensure adults, carers and families have access to the information, advice and tools they need to enable them to live ordinary lives, safely and independently, for as long as possible. The Council at any point in time supports around 16,000 adults in long term care, of which about 9,500 are older people, 4,000 are people with learning disabilities and autism, over 2,000 are people with physical or sensory impairments and around 800 are people with mental health needs. In addition to those adults, we impact the lives of many other people on a short-term or regular basis. This includes carers, people in reablement, people in receipt of care tech, and people supported into employment, safeguarding activity to keep people safe, as well as support through information and guidance.
- 6.19 The portfolio has identified new budget savings proposals of **£4.8m** this year (details set out in 6.21 and 6.22 below) which together with some **£13.4m** of savings from activity already included within the Medium Term Resource Strategy (MTRS) but due to deliver in this financial year amounts to **£18.3m** in savings for 2024/25 (3.9% of net budget).
- 6.20 The proposals set out in the 2023/24 ECIA which will deliver in the 2024/25 financial year are listed below. A copy of the 2023/24 ECIA setting out the assessment of the impact of these proposals has been published online and can be found here [Document.ashx \(essex.gov.uk\)](https://www.essex.gov.uk/document/ashx). These areas total **£13.4m** and are;
- Disabilities (Learning, Physical and Sensory) **£6.2m** – Paragraph 6.7(a)

- Technology, and Information Advice and Guidance (IAG) **£942,000** – Paragraph 6.7(c)
- Older People **£3.4m** – Paragraph 6.7(d)
- Changes to inflation modelling **£1.4m** – Paragraph 6.7(f)
- Essex Cares Ltd (ECL) review **£1.5m** – This will be achieved through contractual efficiencies. There is no impact on anyone using ECL services.

6.21 The main areas of continuing activities with additional savings total **£2.4m** and are set out in the 2023/24 ECIA link above;

- Disabilities (Learning, Physical and Sensory) **£76,000** – Paragraph 6.7(a)
- Mental Health **£400,000** – Paragraph 6.7(b)
- Technology, and Information Advice and Guidance (IAG) **£1.5m** – Paragraph 6.7(c)
- Older People **£430,000** – Paragraph 6.7(d)

6.22 The new savings that impact on 2024/25 total **£2.4m** and are set out in the following paragraphs;

- Supporting independence reviews **£1.5m** – We will review adults with learning disabilities who are not currently getting the best outcomes to identify the most appropriate option with the objective of maximising their independence and quality of life. The savings will be realised from more efficient and higher quality service delivery made possible through appropriate housing options and increasing use of community assets.
- Mental Health **£200,000** – This has already been achieved through the outcome of our recent re-tendering of Supported Accommodation provision for people with mental health issues. There is no impact on anyone using these services.
- Intermediate Care **£500,000** – This is care provided to people who need short term support, in most cases this is through our reablement provision, and while some people may go on to require long term care and support the objective is always to help people regain as much independence as possible. We have identified that the current provision is not operating as efficiently as we would like and work is underway to redesign the service offer with a view to improving outcomes for those who use the service and reducing the time spent within the service for adults who require interim care at home or who require a short-term residential care home placement as part of their onward journey back to their own home, following an acute admission or step up from the community. This work is intended to benefit all groups who use the service by offering personalised support designed to enable the adult to regain as much independence as quickly as possible. The savings come from the efficiencies that this approach will generate.

- Equipment service **£175,000** –The equipment service has recently been re-tendered, and our equipment catalogue has been reviewed and refined. Adults requiring equipment will continue to have their needs fully met.

6.23 In developing our budget proposals for this year, we have kept our vision for Adult Social Care at the centre of our thinking. We want people to be able to live their lives to the fullest. This means people can be active citizens, exercise choice and control over their care and have sustainable solutions supported by a community-based model of social care that is preventative and localised. This reflects the Council's commitments to levelling-up the county in 4 key areas: the economy; the environment; children and families; and promoting health, care and wellbeing for all ages.

6.24 Our mission of making the difference every day for those who rely on us for care and support is underpinned by clear and measurable outcomes. We want people to enjoy:

- Independence and wellbeing that is maximised
- Choice and control over care and support
- Access to a place called home
- Access to social and employment opportunities
- Positive experience of social care
- Reduced inequalities and increased inclusion
- People at risk can live free from abuse, harm and neglect

6.25 The activities set out above, with their focus on increasing independence and personalisation, align with our vision, and our mission statement, while at the same time delivering best value for all citizens of Essex.

6.26 Individual Equalities Comprehensive Impact Assessments will be undertaken where necessary. Where there are no mitigating factors, policy authors will need to set out the options based on the adverse impacts in order for political decision making to take place.

Highways Maintenance and Sustainable Transport

6.27 The portfolio has identified budget savings proposals of **£5.7m** for 2024/25 (4.5% of net budget). These are categorised into the main areas outlined below:

- Removal of surplus passenger transport budget through efficiency savings associated with concessionary fares totalling £1m
- One-off Local Transport Fund grant funding £3.6m to maintain the Local Bus budget at existing levels
- A one-off recharge of Special Educational Needs to the High Needs Block £500,000

- Annual street lighting maintenance saving due to LED conversions being complete £400,000
- £25,000 insourcing of statutory sustainable drainage system advice for housing developments

6.28 Whilst it is not anticipated that there will be any negative impact to service users from the proposals set out, in order to ensure that the Council pays due regard to the PSED, individual Equalities Comprehensive Impact Assessments will be undertaken in order to ensure there are mitigating actions, where possible, to minimise any adverse impacts. Where there are no mitigating factors, policy authors will need to set out the options based on the adverse impacts in order for political decision making to take place.

Leader

6.29 The portfolio has identified budget savings proposals of **£141,000** for 2024/25 (3.4% of net budget), the majority of which relate to efficiencies through support services.

6.30 These changes are not expected to impact on the level of service provided to residents.

6.31 Individual Equalities Comprehensive Impact Assessments will be undertaken where necessary. Where there are no mitigating factors, policy authors will need to set out the options based on the adverse impacts in order for political decision making to take place.

Levelling Up, Communities and Business Engagement

6.32 The portfolio has identified budget savings proposals of **£265,000** for 2024/25 (2.2% of net budget).

6.33 £36,000 relates to a planned reduction in external audit support, a further £20,000 relates to reductions in non-staffing budgets across Democratic Services which reflect a reduction in demand for external services.

6.34 £73,000 relates to a managed vacancy factor within the Chief Executive Office.

6.35 £115,000 relates to the deletion of a number of vacant posts, with the remaining £21,000 linked to realising efficiencies across the Chief Executive Office.

6.36 Individual Equalities Comprehensive Impact Assessments will be undertaken where necessary. Where there are no mitigating factors, policy authors will

need to set out the options based on the adverse impacts in order for political decision making to take place.

The Arts, Heritage and Culture

- 6.37 The portfolio has identified budget savings proposals of **£426,000** for 2024/25 (1.6% of net budget).
- 6.38 £300,000 relates to a redesign of the staffing structure within the Library Service, revisiting logistic processes around the movement and storage of books and engaging more residents in events and activities to deliver the Everyone's Essex Library Plan.
- 6.39 £51,000 relates to the funding of Outreach staff within the Essex Countywide Traveller Unit. There is agreement for these costs to now be funded from the Public Health grant.
- 6.40 £25,000 relates to the Rural Farming Schools Food Day. This contribution has not been requested since Covid therefore this budget is no longer required.
- 6.41 £50,000 relates to service improvements for food, beverage and retail within in-house operated outlets in ECC Country Parks, including exploring alternative operating models.
- 6.42 There are not expected to be any negative impacts on service users with protected characteristics, but an Equalities Comprehensive Impact Assessment will be completed as part of the governance and decision making for any individual project.

The Chancellor of Essex

- 6.43 The portfolio has identified budget savings proposals of **£3.8m** for 2024/25 (3.2% of net budget).
- 6.44 £544,000 relates to the Exit of Essex House. This reflects the ongoing work to rationalise ECC core estate to realise efficiencies. There will be no impact on the service received by residents.
- 6.45 £302,000 relates to the Estate Transformation which will deliver efficiencies relating to the utilisation of ECC buildings. There will be no impact on the service received by residents.
- 6.46 £300,000 relates to customer services digital transformation. Through improved use of technology and workforce management, customer services will benefit from staffing efficiencies. The transformation process will positively impact the

customer journey, providing improved online options and increased access to upskilled officers who have been released from transactional tasks.

- 6.47 A £120,000 staff saving in the Customer Services Compliance and Complaints team will be realised. This reflects the existing lean operation. There will be no negative impact on residents as this was achieved as part of previous lean review.
- 6.48 £1.1m relates to reductions in staffing budgets across support services. The main driver is the deletion of vacant and fixed term positions. But this includes review of service offers, redesign of delivery models, and increased use of technology to realise efficiencies. These savings are not expected to impact on the level of service provided to residents.
- 6.49 £682,000 Network and Voice savings relates to the Councils renewal of its telephony, contact centre, and network infrastructure to enhance performance, improve reliability, increase security, and ensure compatibility with future technology requirements. This will create efficiencies through process redesign and use of modern technology.
- 6.50 £350,000 will be realised from process simplification, maximising the use of available technology, better workforce management, and digital automation of service across Procurement and Transactional Services. This is expected to positively impact the customer journey.
- 6.51 £102,000 will be realised from the right sizing of budgets, it reflects a reduction in demand for some external services and supplies over the last three years across Support Service budgets. There will be no impact on the service received by residents.
- 6.52 £125,000 will be realised from a one-off adjustment to the insurance fund reserve which actions recommendations from the annual actuarial review.
- 6.53 A further £157,000 relates to commercial activity income across Procurement and People Operations.
- 6.54 At this stage it is not considered that the savings proposals will have an adverse impact on persons who share any relevant protected characteristic. However, an Equalities Comprehensive Impact Assessment will be completed as part of the governance and decision making for each individual proposal. Where there are no mitigating factors, policy authors will need to set out the options based on the adverse impacts in order for political decision making to take place.

Essex County Council Pay Policy Statement 2024/25

1. Introduction

This is the Council's Pay Policy Statement adopted under the Localism Act 2011.

2. Determination of Grade and Salary for Chief Officers and lowest paid employees

The Council's pay policy is influenced by several factors which include market information, market forces, economic climate, measures of inflation and budgetary position and political context. Pay is revisited from time to time to ensure they remain appropriate when benchmarked against external independent appropriate compensation surveys, applicable to each role.

(The Essex Pay policy referred to in this Statement is relevant to the majority of Council employees. However, the scope of this Statement does not include all Terms and Conditions as some are set on a national basis.)

Those outside the scope of the Essex Pay Policy include:

- The Chief Executive, whose pay increases are decided by a national bargaining arrangement.
- Teachers, who are covered by the national conditions for schoolteachers pay and conditions in England and Wales.
- Employees whose terms and conditions are determined by Soulbury Committee, Adult Education, Joint National Council (JNC).
- Employees on National Health Service (NHS) terms and conditions.

For the main pay scales the appropriate grade for a job is established through the Korn Ferry HAY job evaluation methodology, which provides the basis for grade determination based upon a range of established factors.

No job evaluation process exists for Soulbury or Youth and Community conditions, but employees are placed within nationally defined grading structures.)

3. Determination of Salary

The Council operates a locally determined pay structure known as 'Essex Pay'. This consists of grades A to J for the majority of the workforce and grades SCC to SCI for specialist social care roles. Each job is assigned the appropriate grade and salary (known as the 'rate for the job'). Details of these grades can be found on the Council's website.

The Chief Executive is subject to nationally negotiated terms and conditions of employment (JNC for Chief Executives of Local Authorities). Although the Council will initially determine the salary of the Chief Executive – thereafter, annual increases will be subject to national pay bargaining as and when agreed.

The details of the salary package for the Chief Executive, and all members of the Corporate Leadership Team are published and updated on the Council's website.

The definition of the lowest paid employee used by the Council is for those undertaking an approved apprenticeship programme and where the apprenticeship pay rate of the national minimum wage applies as described by law. For all other employees on Essex main grades, salaries will be no less than the National Living Wage, or 85% of the rate for the job, whichever is the highest.

All employees who are new to the organisation or who secure a new job within it are appointed at a salary in accordance with Essex Pay / Essex Pay Social Care guidance agreed by the Chief Executive. Employees will be provided with an appropriate progression plan in accordance with the Essex Pay Policy and subject to satisfactory progress, salary will be increased accordingly up to Rate for the Job (RFJ).

Pay is reviewed annually, usually in April, as follows:

- The 'rate for the job' for each job that is on Essex Pay main grades is reviewed by the Chief Executive.
- For Essex Social Care roles, the pay is reviewed and, where increased, an increase is applied to all employees in these roles by the Chief Executive.
- For employees appointed at grades A and B of the main grades, the pay is reviewed and, where increased the minimum, mid-point and maximum pay rates will be increased by the same amount.

Where clear evidence exists and can be balanced with business need, the use of an additional market supplement payment to a job role or group of job roles where external market pressures would otherwise prevent ECC being able to recruit or retain will be considered.

In exceptional circumstances the use of an individual supplement may be required where a business case exists.

4. Appointment of Chief Officers

Chief Officers are listed in the table below. The table below shows the Chief Officers and their statutory role (if applicable):

Officer	Statutory Roles
Chief Executive	Head of Paid Service
Executive Director – Children & Families	Director of Children's Services
Executive Director – Corporate Services	Section 151 Officer
Executive Director – Climate, Environment & Customer Services	
Executive Director – Economy, Investment & Public Health	
Executive Director – Adult Social Care	Director of Adult Social Services
Executive Director – People & Transformation	
Director of Wellbeing, Public Health & Communities	Director of Public Health

The Monitoring Officer is also defined by the Localism Act 2011 as a Chief Officer. That role is fulfilled by the Director, Legal and Assurance.

Generally, new employees will start at either the bottom of the grade or at the mid-point for Grade A or B, or by exception at the maximum rate of pay.

The appointment of individual Chief Officers, including those receiving salaries in excess of £100,000, is in accordance with the pay structure and the principles outlined in the Essex Pay / Essex Pay Social Care guidance. No Chief Officer is appointed to a job without being approved by the Councillors who are on the Senior Management Employment Committee (SMEC).

5. Appointment of other employees paid above £100,000

Deputy Chief Officers are Officers who report into a Chief Officer who reports into the Chief Executive. The appointment of Deputy Chief Officers is also the subject of a vote by the Senior Managers Employment Committee (SMEC), which is a committee of elected councillors.

There are a number of senior posts, neither Chief Officer nor Deputy Chief Officer posts, that may attract a salary of £100,000 or more and which are not subject to a decision by the SMEC or any councillor. These include Officers graded at level B3. It also includes Coroners, although they are not employees.

6. Pay Progression for Chief Officers and Deputy Chief Officers

Levels of increase and any unconsolidated payments for Chief Officers are set by the SMEC considering a number of factors including market conditions, benchmarking data and affordability.

The pay of Chief Officers does not routinely include a performance related element, but, exceptionally, one off payments may be authorised by the Senior Management Employment Committee, every such payment being the subject of individual authorisation by the Committee

Where a Chief Officer has been appointed to a role at the minimum salary for grade, accelerated base pay towards mid-point may take place in accordance with a

progression plan. Any pay increase for a Chief Officer or any pay increase for beyond the mid-point for a Deputy Chief Officer requires the approval of SMEC and will be considered on exceptional circumstances for example where performance, retention or specific market pressures may exist.

7. Other Allowances/Payments

As a general rule, all other forms of payments/allowances are applicable to all employees or specific groups of employees (such as pension contributions, childcare vouchers etc). As an exception, Chief Officers, Deputy Chief Officers and other employees at Grade C may also receive:

- Annual Allowance Payment in lieu of a lease car (other eligible employees may receive a lease car subject to eligibility criteria but they are not entitled to an allowance in lieu)
- Private Medical Health Insurance – This is not a contractual entitlement but is currently available to Chief Officers and roles at grade C and above

8. Definition of Lowest and Highest Paid Employees

The lowest paid employees are defined as those currently on an approved apprenticeship scheme. This excludes some interns who, although employees, are subject to significant investment in terms of training and learning.

The highest paid employee is the Chief Executive. Other than the Chief Executive, the highest paid posts within the Council fall within posts evaluated at grade A.

9. Pay Ratios

The recommendation of the Hutton Report into “Fair Pay in the Public Sector”, as recognised by the Government in the Code of Recommended Practice for Local Authorities on Data Transparency, was that a pay ratio of the highest paid officer (at ECC this is the Chief Executive) compared to the median salary in the organisation should be published.

The ratio as of 1 January 2024 is 1:6.9. This ratio may change slightly during the year due to changes in pay rates and the demographics of the organisation.

10. Publication of Pay Data

The Council will publish the number of people and job title by salary band. This is from £50,000 to £54,999 and then by pay bands of £5,000 thereafter. This will include elements made on a repeatable or predictable basis such as market premium payments.

The pay of all Chief Officers other than the monitoring officer is published on the Council's website. The pay of the monitoring officer is published in the accounts.

11. Governance

The Council's policy is to delegate authority for decision-making to the appropriate level and to detail such delegations within the Constitution.

Under the Council's Constitution, the Chief Executive is the Head of the Paid Service and has delegated authority to appoint, dismiss and determine pay for all employees except where this function is specifically delegated to Members under the constitution or by law. The Chief Executive has authorised certain other officers to appoint and dismiss certain staff.

Full Council appoints Members to a politically balanced committee called the Senior Management Employment Committee (SMEC). This committee has authority to:

- recommend to Full Council the appointment of the Head of the Paid Service
- appoint and dismiss Chief and Deputy Chief Officers (other than the Chief Executive, the s151 officer and the monitoring officer) this may be through the appointment of sub-committees of three Members to deal with particular appointments, dismissals or appeals or through authorising the Chief Executive or his nominee to deal with a particular appointment or dismissal
- consider and approve the recommendations of the Chief Executive and the Leader of the Council in respect of unconsolidated payments (if made) for the Chief Executive and Executive Directors
- determine pay levels for Chief and Deputy Chief Officers including market supplements and retention payments (which may only be made in exceptional circumstances).

The Committee can delegate functions relating to Layer 2 employees (Directors and Heads of Service) to a Sub-Committee.

Any change of pay for Chief Officers and for Layer 1 (Executive Directors) and Layer 2 employees other than in accordance with normal progression through the grade is approved by the Committee. This means that any market supplements or other retention payments must be approved by the Committee.

The appointment or dismissal of the Head of the Paid Service, the section 151 officer or the monitoring officer is required to be approved by the full Council. The authority must consult with the Secretary of State before dismissing its Director of Public Health.

12. Termination of Employment of Chief Officers

The Council's Policy on the termination of Chief Officers' employment is as detailed at paragraph 10 of this Statement and within the Constitution.

The Council's early retirement Policy is that requests for early payment of

benefits will be agreed (before the age of 60) only if there is a compelling business reason for doing so.

The Council's redundancy policy may be implemented and enacted if, a Chief Officer position is made redundant. All payments will be made in accordance with the redundancy policy and subject to any payment restrictions regarding Public Sector Exit payments.

In exceptional circumstances to avoid or settle a claim or potential dispute, the Council may agree payment of a settlement sum in line with any restrictions regarding Public Sector Exit payments. All cases must be supported by a business case and take account of all legal, financial, contractual and other responsibilities.



Budget Consultation Report 2024/25

Chief Executive's office
December 2023

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Quality Assurance

Introduction

Next year, Essex County Council (ECC) will spend over £2bn. This will include funding for essential services and investment in our county's infrastructure and future growth. This is a substantial amount of money, but it doesn't go as far as we would like. Just like households across Essex, we have to make difficult choices about where we spend, and where to make savings.

As we shape plans our financial plans for delivery of Everyone's Essex in 2024/25 and beyond, we want to hear from local people about their views and values.

We wanted to hear your views about:

- the big issues we face and the challenges that lie ahead for Essex.
- the things that concern you and your family; and
- where we should focus resources as we work to improve lives across our county.

For information on how ECC spends its money, and where it gets its money from can be found [here](#)

The financial outlook for ECC – and for local authorities in general – is highly uncertain. We face the significant impacts of the economic climate of high inflation and rising interest rates, the cost of living situation, while still waiting for a multi-year settlement from government. We do not yet know how much funding ECC will receive from government. What the lasting impact of the economic climate, speed of recovery and the pandemic will be on council spending and income also remains unclear. This makes forecasting future years' spending and income levels particularly challenging.

Fortunately, ECC has a track record of strong financial management. The council has already secured £235m in savings over the past five years.

Despite this ECC has, like other councils, faced financial pressure for a number of years because:

- more people need our services and support each year, with increasing levels of complexity, which are ongoing issues being seen nationally; and
- the costs of providing services have increased – partly due to inflation, and partly as a result of changes in the law.

As we think about the future, ECC want to ensure we understand our residents' aspirations, anxieties and are keen to understand how the financial situation has changed people's priorities for themselves, their families, and their communities.

For this reason, Essex launched a public consultation, inviting views on the challenges Essex face as a county and on priorities for the future of Essex County Council.

The consultation was divided into two parts. Part one focused on priorities for recovery across Essex and the challenges we face as a county. Part two focused on the financial pressures facing the county council itself and invited views and comments on how we should allocate resources to meet the needs of the residents.

The results of this consultation will inform our plans for the next eighteen months, the budgets set for the next financial year (2024/25) and our longer-term strategies.

This report shows the findings from this consultation. Respondents were given a list of proposals and options for services across the county and the analysis has been reported as an overall county wide view.

Demographic information was captured to understand who has responded to the consultation and understand the impact it has on the residents of Essex.

Interpreting the data within the consultation

This report contains several tables and charts that present the consultation findings. In some instances, responses may not add up to 100%. There are several reasons why this might happen:

- The question may have allowed each respondent to give more than one answer
- A response of between 0% - 0.5% will be shown as <1%.
- Percentages have been rounded up to 2 decimal places when applicable
- As the questionnaire was completed by respondents themselves (self-completion), not all respondents have answered all the questions. Therefore, the base size (the number of people answering a question) varies by question.
- To ensure inclusivity, the questionnaire was open for anyone to take part and was available online and in paper format.
- For the analysis of free text comments, all have been read through and a coding frame was developed on a theme-by-theme basis and quantified thereafter.

Key Conclusions

- **The most prominent issue that residents feel Essex faced today is the pressure on National Health service and health care services.**
- **More Residents are most concerned about the condition of roads and pavements within Essex, rising from 53% in 23/24, to 64% in 24/25.**
- **Concerns about Crime/Community Safety has risen by 3% over the past year, becoming one of the most important issues facing Essex Today.**
- **Nearly all of respondents believe inflation and current cost of living situation will have an impact on ECC finances over the next years (85%), however this has fallen from 96% in the previous year.**
- **Under three quarters of respondents would understand if there was an increase in council taxes and the biggest proportion of respondents would be willing to increase council tax to protect services for the most vulnerable or those without choice (69%).**
- **4 areas of which respondents would like to see prioritised spending would be; Developing Essex infrastructure, Supporting those who care for the sick or vulnerable people, Securing higher standards in education, and Protecting Vulnerable Children.**

Executive summary

- National Health Service/Healthcare remained the most important issue facing Essex today (52%) while Crime and community safety was viewed as the second most important issue from respondents (29%) followed by Social Care provision (28%).
- When looking at what ECC could do in relation to budget priorities, The following priorities had a high percentage of respondents agreeing –
 - Prioritise spending to protect services for the most vulnerable and those without choice (75% = Agree strongly or Agree slightly) (76% - 2022 response)
 - Help people to help themselves more so they have less reliance on publicly funded services (75% = Agree strongly or Agree slightly) (75% - 2022 response)
 - Streamline services so that we can deliver the same outcomes (67% = Agree strongly or Agree slightly) (68% - 2022 response)
 - Use / partner with other organisational bodies to provide services (65% = Agree strongly or Agree slightly) (65% - 2022 response)
 - Encourage local people and communities to deliver certain services (55% = Agree strongly or Agree slightly) (57% - 2022 response)
 - Introduce charges for some services which are currently free/subsidised (36% = Agree strongly or Agree slightly) (40% - 2022 response)
 - Reduce or stop delivering some services to protect others (26% = Agree strongly or Agree slightly) (29%-2022 response)
- When respondents were asked *ECC should consider increase in council tax*. The following responses were in level of agreement for the following statement
 - To protect services for the most vulnerable and those without choice (69% = Agree strongly or Agree slightly) (70%-2022 response)
 - Only when opportunities to streamline services have been exhausted (61% = Agree strongly or Agree slightly) (64%-2022 response)
 - When the only alternative is to stop delivering some services (57% = Agree strongly or Agree slightly) (60%-2022 response)
 - As an alternative to imposing/ increasing fees and charges for services) (42% = Agree strongly or Agree slightly) (40%-2022 response)
- Over 4 out of 10 respondents (44%) disagree strongly or disagree slightly with increasing council tax under no circumstances.

- The top five services that respondents felt should be prioritised when budget setting were: Developing Essex infrastructure = 45% (42%-2022), Supporting those who care for the sick or vulnerable people = 34% (36%-2022), Securing high standard of education = 29% (29%-2022), Protecting vulnerable children = 27% (26%-2022) and Good local jobs = 24% (22% - 2022).
- There was a high number of free-text comments which made comments about other budget issues which were not related to the actual proposals which are subject to the consultation (General Comments in Detailed Findings).

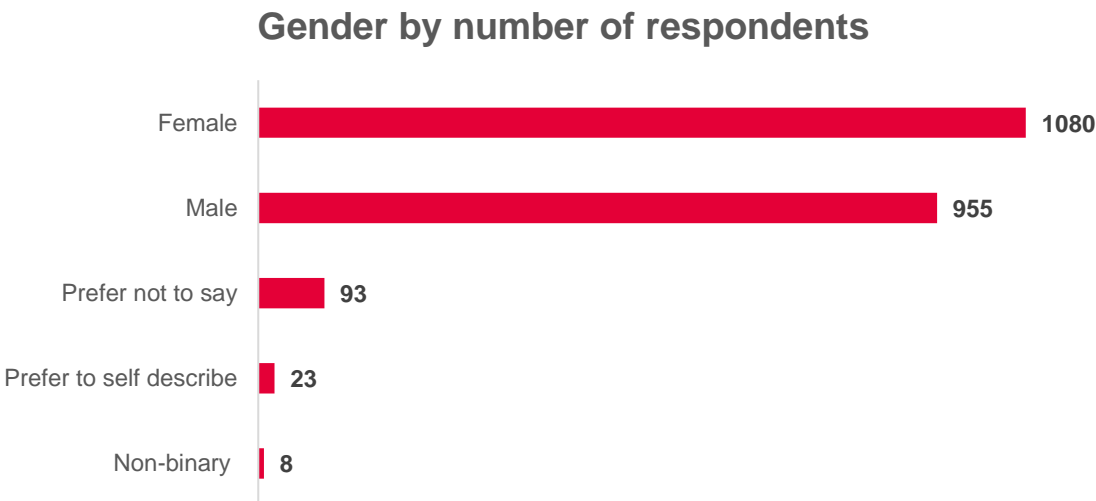
More detailed analysis can be found in the detailed section below.

Who gave their views

2159 responses to the online consultation. **94.67%** of respondents answered as residents (n=2044), **4.2%** answered as Resident and business owners (n=91), **0.92%** answered as Other (n=20) and **0.18%** as business owners only (n=4).

The business owner findings will be reported on in a section later in the report.

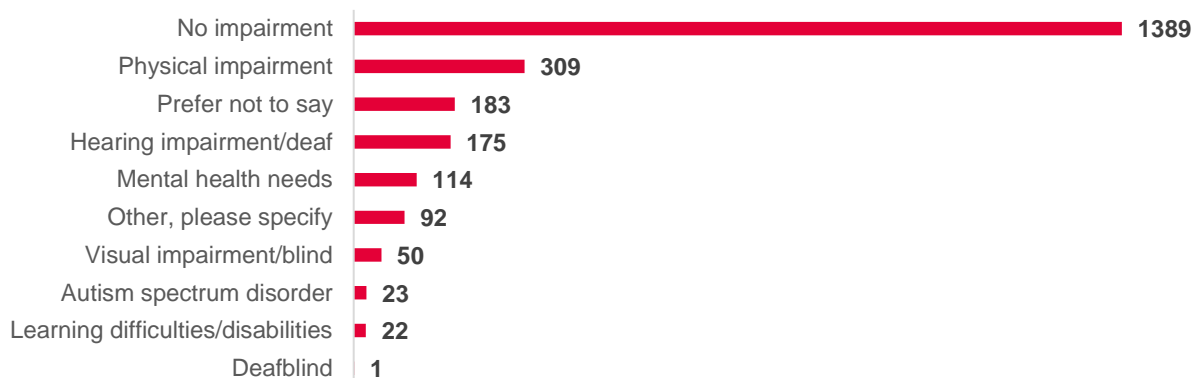
Of the respondents that declared their gender **50.02%** of respondents were **Female**, **44.23%** were **Male**, **4.31%** preferred not to say, **1.07%** Preferred to self-describe and **<1%** were Non-binary.



64.34% stated they had **no impairment**, **14.31%** of respondents said that they have a **physical impairment**, **8.48%** **prefer not to say**, **8.11%** have a **Hearing impairment/deaf**, **5.28%** have a **mental health need**, **4.26%** stated **other**, **2.32%** have a **Visual impairment/blind**, **1.07%** **autism spectrum disorder** and **1.02%** have a **Learning Difficulty or Disabilities** with **<1%** stated **Deafblind**.

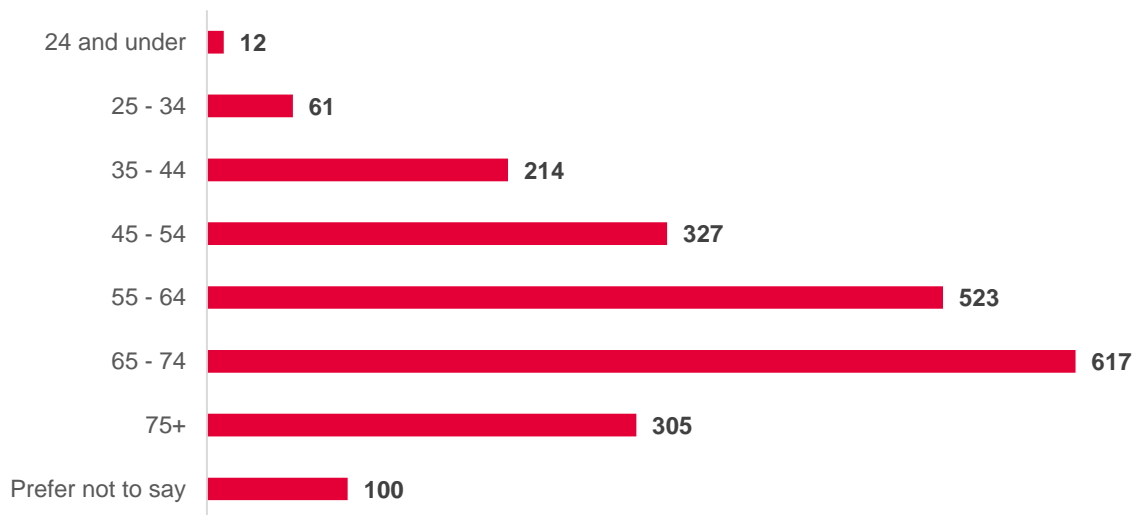
Respondents were asked to select all impairments that may apply to there own personal circumstance.

Impairment by number of respondents



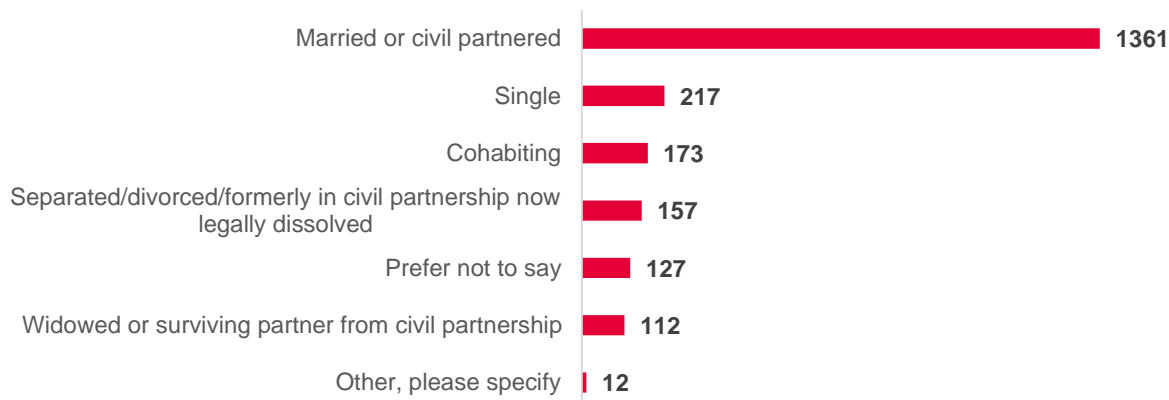
28.58% were aged between **65 – 74**, **24.22%** of respondents were aged **55 - 64**, **15.15%** were aged between **45 – 54**, **14.13%** were aged **75+**, **9.91%** were aged **35 - 44**, **2.83%** were aged **25 - 34** years old, **0.55%** were **24 and under** and **4.63%** of respondents **preferred not to say**. The rest of the respondents did not answer this question

Number of Respondents by Age group



63.04% of respondents were **Married**, **10.05%** were **Single**, **8.01%** were **Cohabiting**, **7.27%** were **Separated/divorced** and **5.88%** of respondents **preferred not to say**. **5.19%** are **widowed** and of respondents stated **Other, please state** there was **0.56%**, The rest of the respondents did not answer this question

Marital status of respondents



86.06% of respondents stated they were **White British**, **7.36%** of respondents **preferred not to say**, **2.13%** respondents said they were **White other**, and **0.88%** stated **Irish**, **0.65%** were **African**, **0.66%** respondents said they were **White and black Caribbean**, **0.51%** were **white and Asian** and All other stated ethnicities were below **0.5%** responses

<i>Ethnicity</i>	<i>Count</i>
English/Welsh/Scottish/Northern Irish/British	1858
Prefer not to say	159
Any other white background, please describe	46
Irish	19
African	14
White and Asian	11
Any other Mixed/Multiple ethnic background, please describe	10
White and Black Caribbean	8
Indian	7
Caribbean	6
Any other ethnic group, please describe	5
Chinese	4
White and Black African	4
Any other Asian background, please describe	3
Pakistani	2
Bangladeshi	1
Any other Black/African/Caribbean background, please describe	1
Gypsy/Irish Traveller	1

The district breakdown number of respondents completing is shown in the table below

<i>District</i>	<i>Count</i>
Chelmsford	384
Colchester	297
Braintree	218
Tendring	203
Basildon	185
Brentwood	129
Maldon	128
Rochford	125
Uttlesford	119
Epping Forest	117
Castle Point	103
Harlow	70
Other, Please state	27
Prefer not to say	54

*Please note, respondents who had stated other are classified because they gave answers covering multiple districts or self-described. The remaining respondents did not complete the answer



Detailed findings - Residents

Detailed findings - Residents

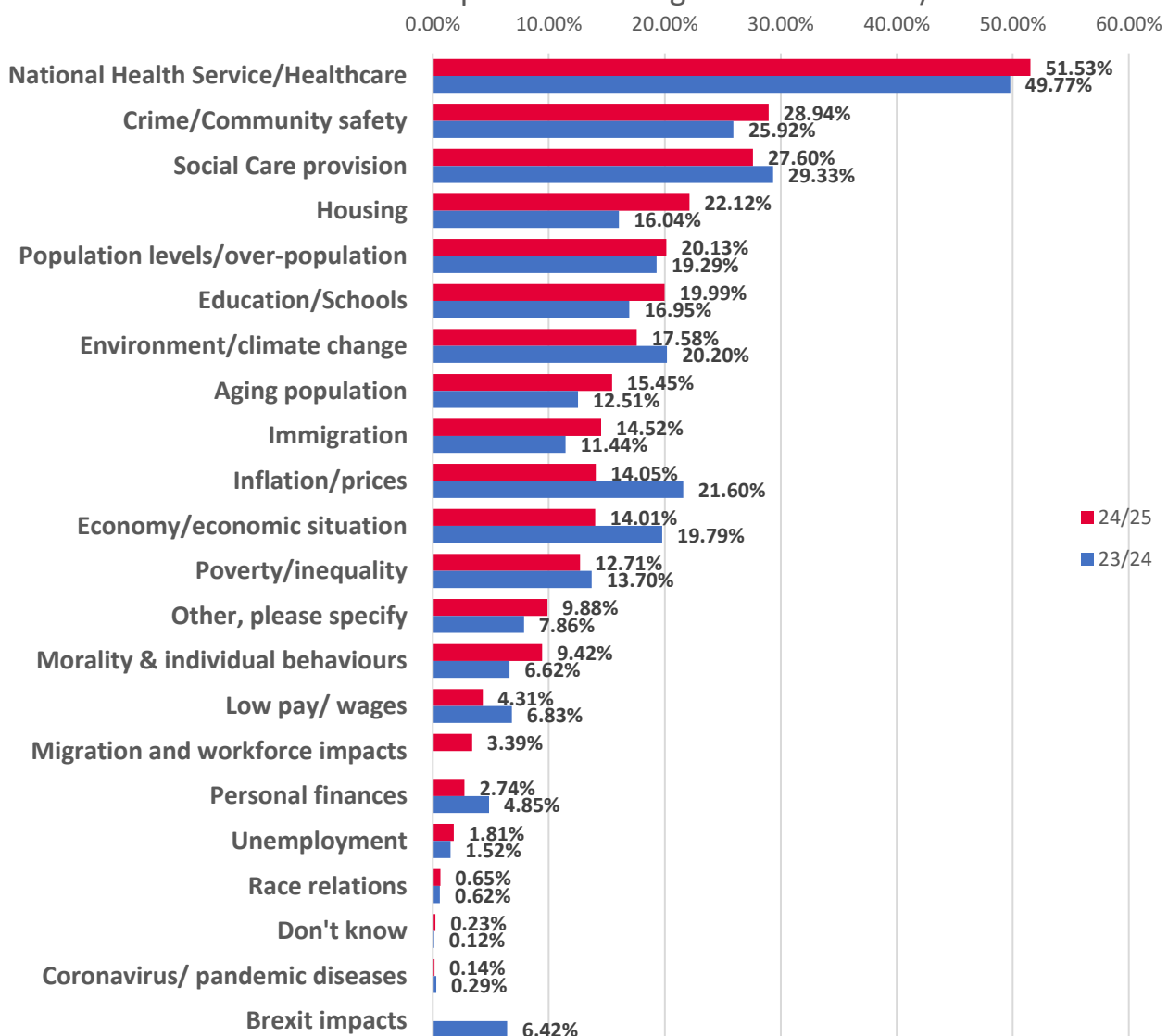
Views on challenges and priorities for budget setting of Essex County Council.

The consultation asked respondents about the most important issue facing Essex today.

The question asked for respondents to select their top 3 issues

Out of the 2042 respondents to this question, the following issues were selected

What would you say are the most important issues facing Essex today? - Residents (Max. 3 responses – figures reflect % of respondents who gave each answer)



In regard to the free text comments box for other, please specify, (n=213) these have been themed, coded and quantified below:

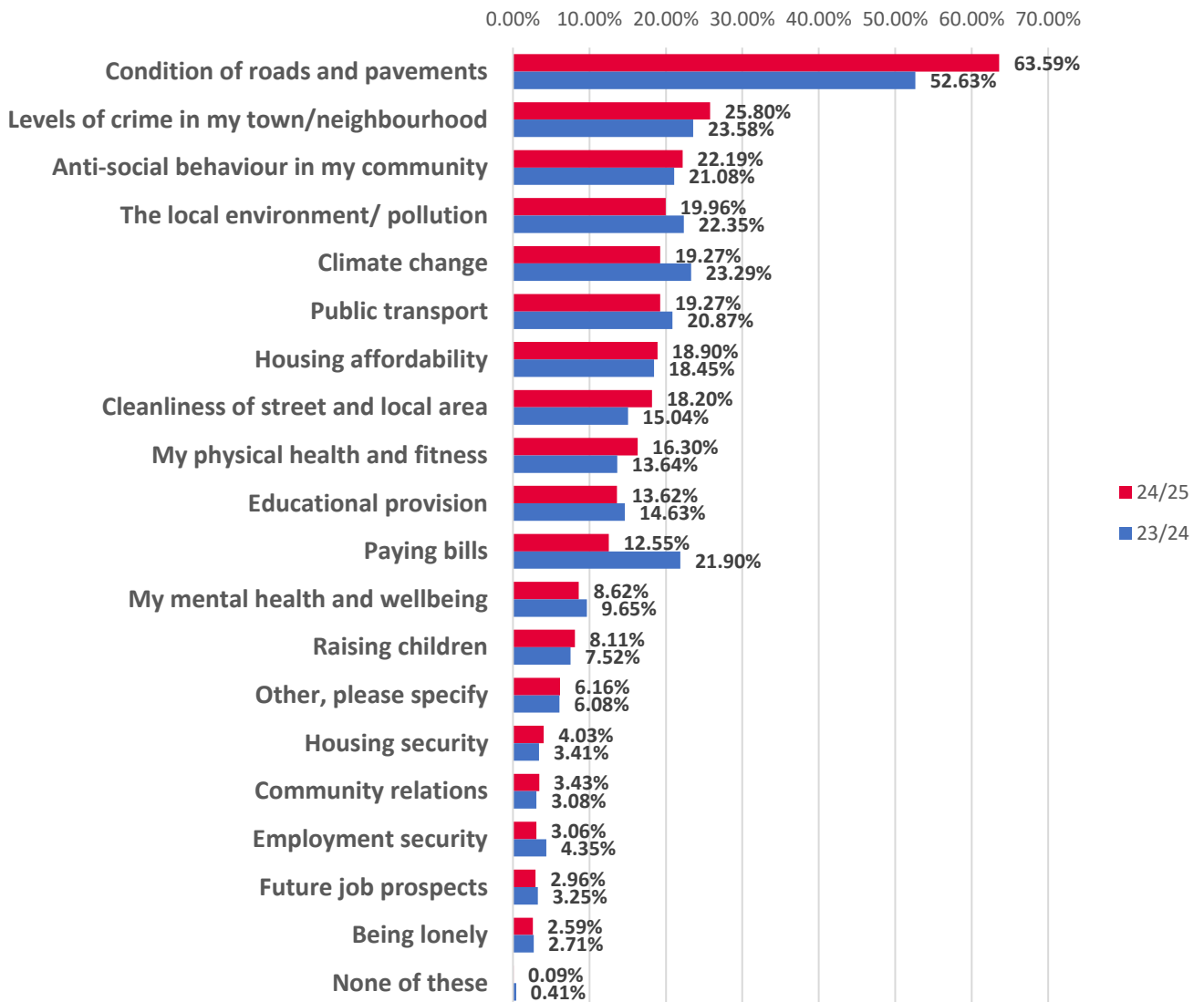
<i>Option</i>	<i>Total</i>	<i>Percentage</i>
Roads/traffic	101	47.41%
Infrastructure	28	13.14%
Public transport	20	9.39%
Pressure from housing developments	12	5.63%
Mental health	8	3.76%
Environment/climate change	5	2.35%
National Health Service/Healthcare	4	1.88%
Crime/Community safety	4	1.88%
All are priorities	4	1.88%
Population levels/over-population	3	1.41%
SEND/support for people with disabilities	3	1.41%
Immigration	2	0.94%
Library provision	2	0.94%
Economy/ economic situation	2	0.94%
Homelessness/rough sleeping	2	0.94%
Unemployment	1	<1%
Brexit impacts	1	<1%
Other	45	21.13%

The consultation asked respondents about thinking about their own situation what were they most concerned about.

The question asked for respondents to select their top 3 situations.

Out of the 2044 respondents to this question, the following situations were selected:

**Which of the following are you concerned about?-
Residents** (Max. 3 responses – figures reflect % of respondents who gave each answer)



In regard to the Other, please specify free text comments box relating to responses from respondents describing issues that respondents are most concerned about, these have been themed, coded and quantified below.

<i>Theme</i>	<i>Total</i>	<i>Percentage</i>
Availability of GPs/ healthcare	20	15.04%
Pressure from housing developments	18	13.53%
Traffic levels/ road safety	14	10.53%
Condition of roads and pavements	8	6.02%
Social care provision for older people	7	5.26%
Infrastructure	7	5.26%
SEND/support for people with disabilities	6	4.51%
Population levels/over-population/immigration	5	3.76%
Levels of crime in my town/neighbourhood	3	2.26%
Community relations	3	2.26%
Housing security	3	2.26%
The local environment/ pollution	3	2.26%
Support for active travel	2	1.50%
Cleanliness of street/local area	2	1.50%
Housing affordability	1	0.75%
Raising children	1	0.75%
Library provision	1	0.75%
Public transport	1	0.75%
Paying bills	1	0.75%
Anti-social behaviour in my community	1	0.75%
Protecting women and girls	1	0.75%
None of these	1	0.75%
Other comment non-related to the consultation	39	29.32%

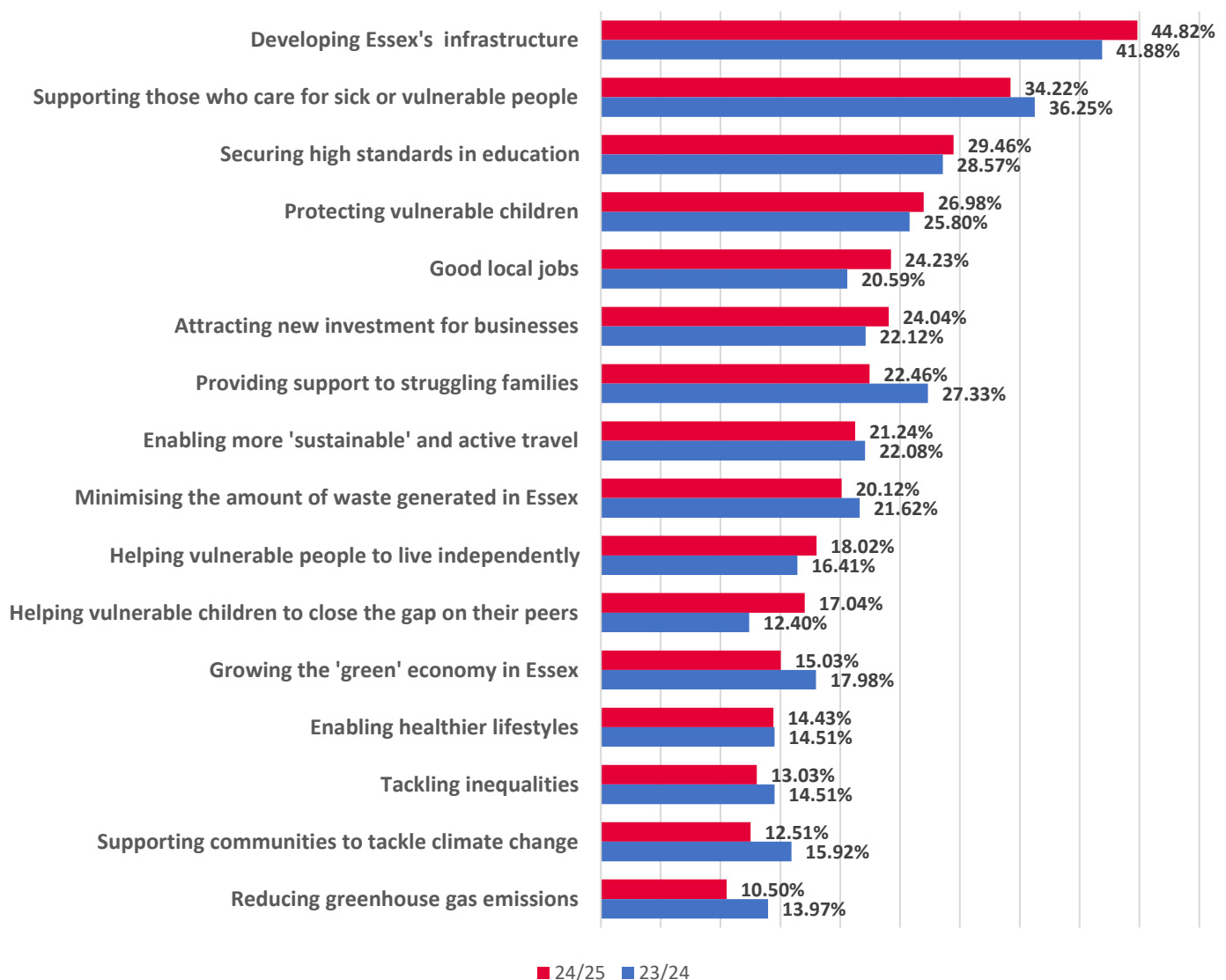
The consultation asked respondents to choose up to 4 commitments that they felt the council should prioritise for immediate action from the following.

The options were listed under the council's 16 commitments.

The statistical breakdown of the responses has been combined together to show the most common responses on a commitment basis.

Out of the 2029 respondents to this question, the following commitments were selected:

What Should the Council Prioritise for Immediate Action? Residents (Max. 4 responses – figures reflect % of respondents who gave each answer)



In regard to the free text comments box relating to responses from respondents describing why they felt that these services should be prioritised, *these have been themed, coded and quantified below.*

Theme	Total	Percentage
Other comment not related to the consultation	163	11.52%
For the future/ future generations	159	11.24%
Climate changes	128	9.05%
Support for children and young people	123	8.70%
Education	121	8.55%
Environment	118	8.34%
Support for the most vulnerable	114	8.06%
Improve infrastructure (general)	103	7.28%
More effective employment / local employment	96	6.78%
Road improvements needed	95	6.71%
Health is key	93	6.57%
Most important improvements	78	5.51%
Address inequalities	73	5.16%
Lack of infrastructure for expanding community	71	5.02%
Help for carers	67	4.73%
Supporting businesses / attracting businesses to area	67	4.73%
Biggest impact on a number of people	65	4.60%
Improving public transport	59	4.17%
Will have knock on effect to improve other areas	50	3.53%
Community pride	49	3.46%
People/families are struggling	48	3.39%
Help economic growth	47	3.32%
Waste management/recycling	47	3.32%
Directly affect me	44	3.11%
Invest in local communities	43	2.90%
Improve healthcare/ availability of healthcare	40	2.83%
Not currently being addressed / under funded	40	2.83%
Too many new houses/ overpopulated	40	2.83%
Council waste too much on wrong things / woke agenda / don't spend on the important things	38	2.68%
Aging population	37	2.61%
Long term impact	34	2.40%
Social care provision	31	2.20%
Help people to help themselves/be independent	30	2.12%
Affordable housing	26	1.84%
Better standards of living	25	1.77%
Sign of a civilised society / basic requirement	25	1.77%
Improve policing / reduce crime	23	1.63%
Transport infrastructure	23	1.63%
Safety in the community	22	1.55%

Mental health important	21	1.43%
Poor education standards currently / education underfunded / not enough schools	21	1.48%
Achievable improvements	19	1.34%
All areas should be prioritised	18	1.27%
Encourage/accommodate alternative travel	17	1.20%
My opinion	14	0.99%
People matter / should care about people	13	0.92%
Common sense / obvious / the right thing to do	12	0.80%
Flooding concerns	11	0.78%
SEND	11	0.78%
Don't know / no answer	9	0.64%
Green spaces vital	9	0.64%
Physical health	9	0.64%
Economic stability	8	0.57%
Biodiversity measures	7	0.50%
Rail service improvements	7	0.49%
Reduced crime from Alcohol/drug schemes	6	0.42%
Mental health services in high demand	5	0.35%
Skills investment	4	0.28%
Education is foundation for a good future	3	0.21%
More leisure and fitness choices needed	3	0.21%
Protection for everyone	3	0.21%
Access to libraries	2	0.14%
Investment in early years is needed	2	0.14%
None of the options	2	0.14%
Brexit	1	0.07%
Coast protection measures	1	0.07%
Funding in early years	1	0.07%
More support needed from national government	1	0.07%
Secondary schools historically underfunded	1	0.07%

Views on how Essex County Council should allocate resources

The consultation asked respondents how strongly they agree, disagree or both should be equally considered for the pairs of the following services:

1st paired statement ...ECC should prioritise services that benefit the majority of residents and taxpayer's vs ...ECC should prioritise services that focus on those with the greatest needs.

Out of the 2043 respondents to this question, 32.80% (n=670) Agreed strongly that ECC should prioritise services that benefit the majority of residents and taxpayer's, 9.94% slightly agreed (n=203), 34.80% (n=711) believed both should be equally considered, 9.20% (n=188) slightly agreed that ECC should prioritise services that focus on those with the greatest needs, 12.97% (n=265) Strongly Agree and 0.29% (n=6) Don't know.

...ECC should prioritise services that benefit the majority of residents and taxpayer's vs ...ECC should prioritise services that focus on those with the greatest needs.



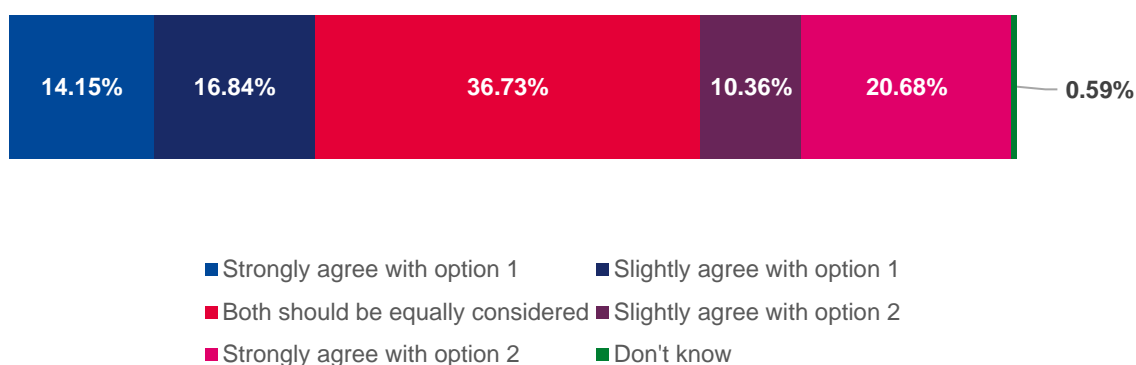
■ Strongly agree with option 1 ■ Slightly agree with option 1
■ Both should be equally considered ■ Slightly agree with option 2
■ Strongly agree with option 2 ■ Don't know

.....ECC should target services towards struggling neighbourhoods, towns or cities vs ...ECC should provide services that are available in all communities across Essex.

Out of the 2044 respondents to this question, 14.38% (n=294) Agreed strongly that ECC should target services towards struggling neighbourhoods, towns or cities, Slightly agreed 15.95% (n=326), 38.26% (n=782) believed both should be equally considered,

10.03% (n=205) slightly agreed that ECC should provide services that are available in all communities in Essex, 20.79% (n=425) Strongly Agreed and 0.59% (n=12) Don't know.

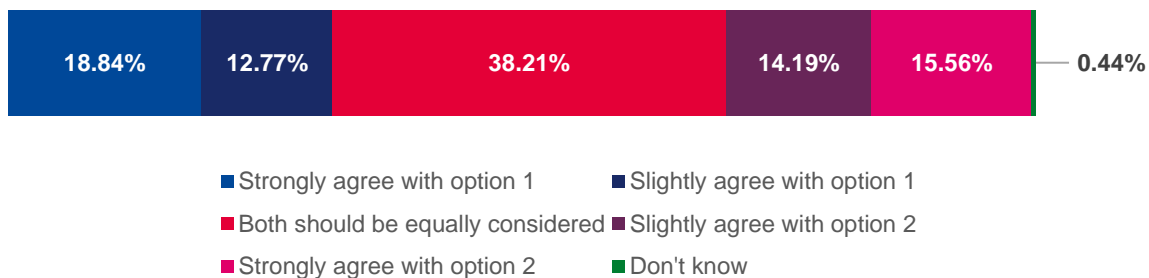
*.....ECC should target services towards struggling neighbourhoods, towns or cities vs
...ECC should provide services that are available in all communities across Essex.*



**...ECC should prioritise spending on meeting the needs of the people today VS
...ECC should prioritise spending on projects that will increase opportunities over the long term.**

Out of the 2044 respondents to this question, 18.84% (n=385) Agreed strongly that ECC should prioritise spending on meeting the needs of the people today, 12.77% (n=261) slightly agreed, 38.21% (n=781) believed both should be equally considered, 14.19% (n=290) slightly agreed that ECC should prioritise spending on projects that will increase opportunities over the long term, 15.56% (n=318) Strongly Agree and 0.44% (n=9) Don't know.

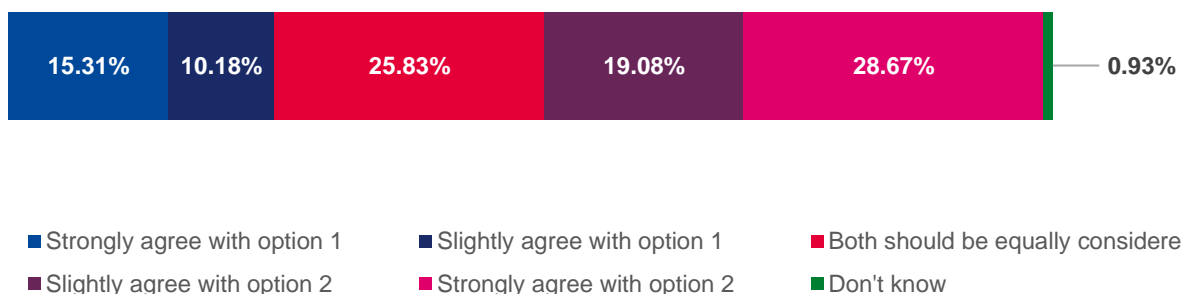
ECC should prioritise spending on meeting the needs of the people today vs ...ECC should prioritise spending on projects that will increase opportunities over the long term.



...Decisions on how to spend money in Essex should consider the county as a whole VS ...Decisions on how to spend money should be taken as close to local communities as possible.

Out of the 2044 respondents to this question, **15.31% (n=313) Agreed strongly that Decisions on how to spend money in Essex should consider the county as a whole, 10.18% (n=208) slightly agreed, 25.83% (n=528) believed both should be equally considered, 19.08% (n=390) slightly agreed that Decisions on how to spend money should be taken as close to local communities as possible, 28.67% (n=586) Strongly Agree and 0.93% (n=19) Don't know.**

...Decisions on how to spend money in Essex should consider the county as a whole vs ...Decisions on how to spend money should be taken as close to local communities as possible

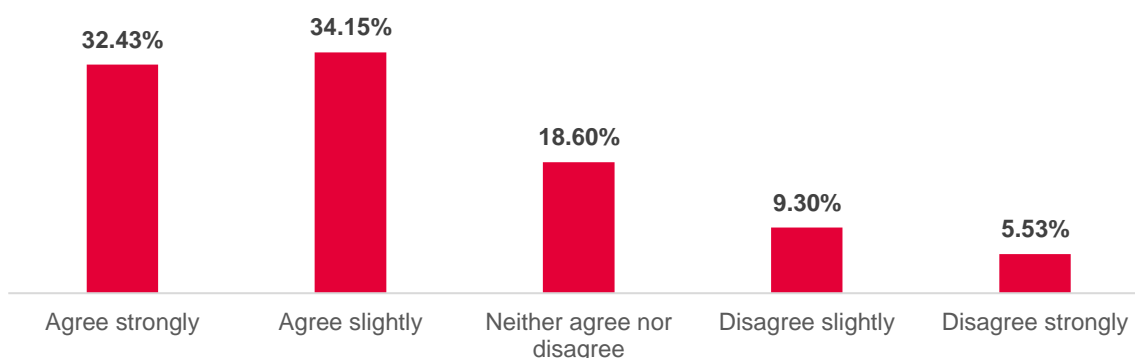


The consultation asked respondents how strongly do you agree or disagree that Essex County Council should do each of the following when faced with financial pressures?

Financial pressure - Streamline services so that we can deliver the same outcomes

Out of the 2044 respondents to this question, **32.43% (n=663) Agreed Strongly, 34.15% (n=698) Agreed Slightly, 18.60% (n=380) Neither Agreed nor Disagreed, 9.30% (n=190) Disagreed slightly and 5.53% Disagreed strongly (n=113).**

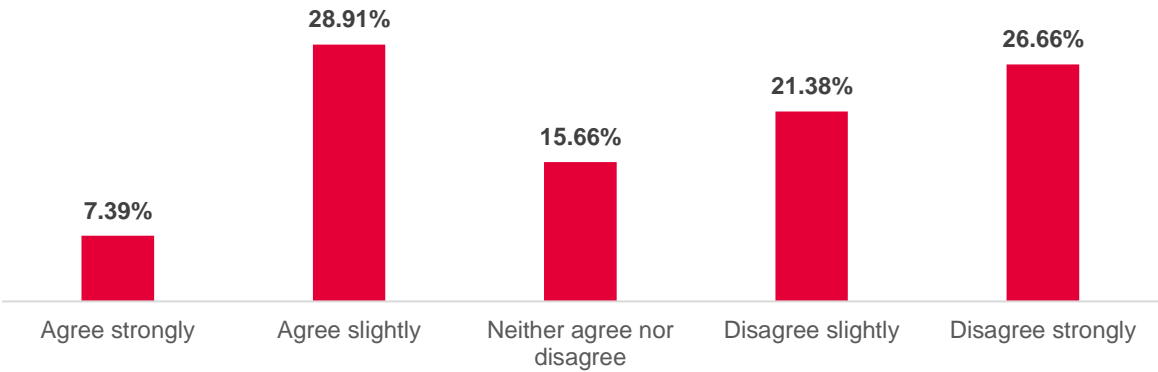
Streamline services so that we can deliver the same outcome



Financial pressure - Introduce charges for some services which are currently free/subsidised

Out of the 2044 respondents to this question, **7.39% (n=151) Agreed Strongly, 28.91% (n=591) Agreed Slightly, 15.66% (n=320) Neither Agreed nor Disagreed, 21.38% (n=437) Disagreed slightly and 26.66% Disagreed strongly (n=545).**

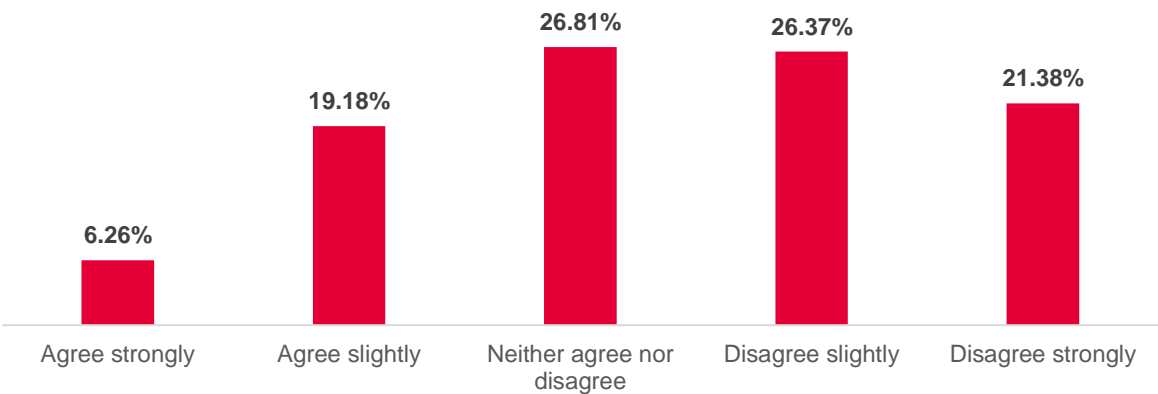
Introduce charges for some services which are currently free/subsidised



Financial pressure - Reduce or stop delivering some services to protect others

Out of the 2044 respondents to this question, **6.26% (n=128) Agreed Strongly, 19.18% (n=392) Agreed Slightly, 26.81% (n=548) Neither Agreed nor Disagreed, 26.37% (n=539) Disagreed slightly and 21.38% Disagreed strongly (n=437).**

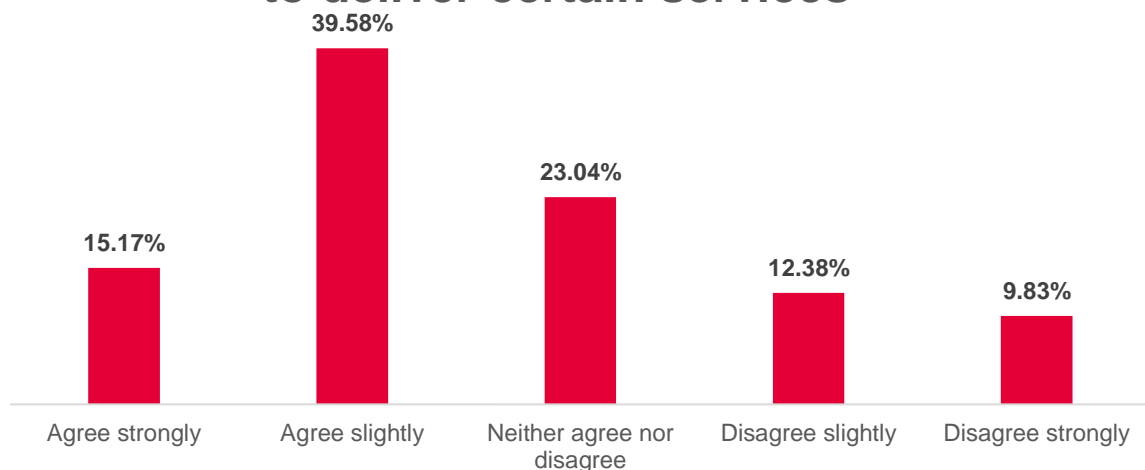
Reduce or stop delivering some services to protect others



Financial pressure - Encourage local people and communities to deliver certain services

Out of the 2044 respondents to this question, **15.17% (n=310) Agreed Strongly**, **39.58% (n=809) Agreed Slightly**, **23.04% (n=471) Neither Agreed nor Disagreed**, **12.38% (n=253) Disagreed slightly** and **9.83% Disagreed strongly (n=201)**.

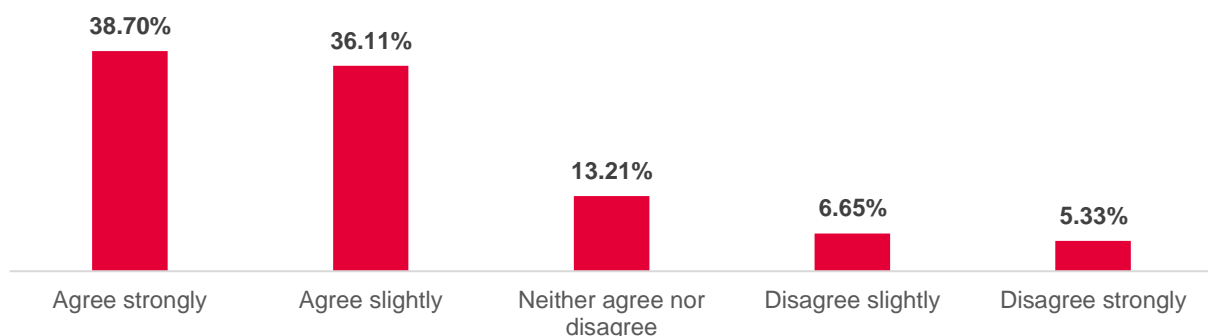
Encourage local people and communities to deliver certain services



Financial pressure - Help people to help themselves more so they have less reliance on publicly funded services

Out of the 2044 respondents to this question, **38.70% (n=791) Agreed Strongly**, **36.11% (n=738) Agreed Slightly**, **13.21% (n=270) Neither Agreed nor Disagreed**, **6.65% (n=136) Disagreed slightly** and **5.33% Disagreed strongly (n=109)**.

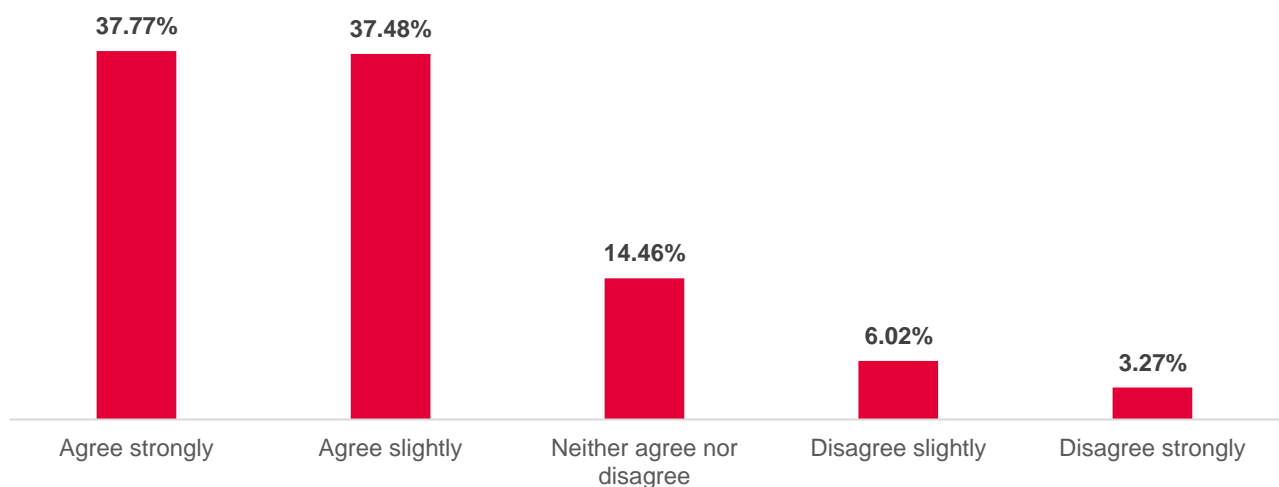
Help people to help themselves more so they have less reliance on publicly funded services



Financial pressure - Prioritise spending to protect services for the most vulnerable and those without choice

Out of the 2044 respondents to this question, **37.77% (n=772) Agreed Strongly**, **37.48% (n=766) Agreed Slightly**, **14.46% (n=316) Neither Agreed nor Disagreed**, **6.02% (n=123) Disagreed slightly** and **3.27% Disagreed strongly (n=67)**.

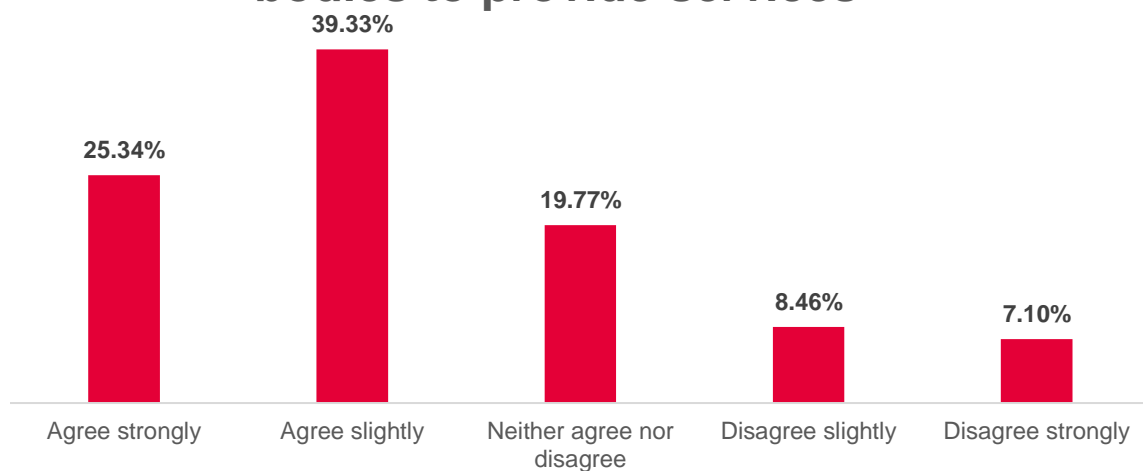
Prioritise spending to protect services for the most vulnerable and those without choice



Financial pressure - Use / partner with other organisational bodies to provide services

Out of the 2044 respondents to this question, **25.34% (n=518) Agreed Strongly**, **39.33% (n=804) Agreed Slightly**, **19.77% (n=404) Neither Agreed nor Disagreed**, **8.46% (n=173) Disagreed slightly** and **7.10% Disagreed strongly (n=145)**.

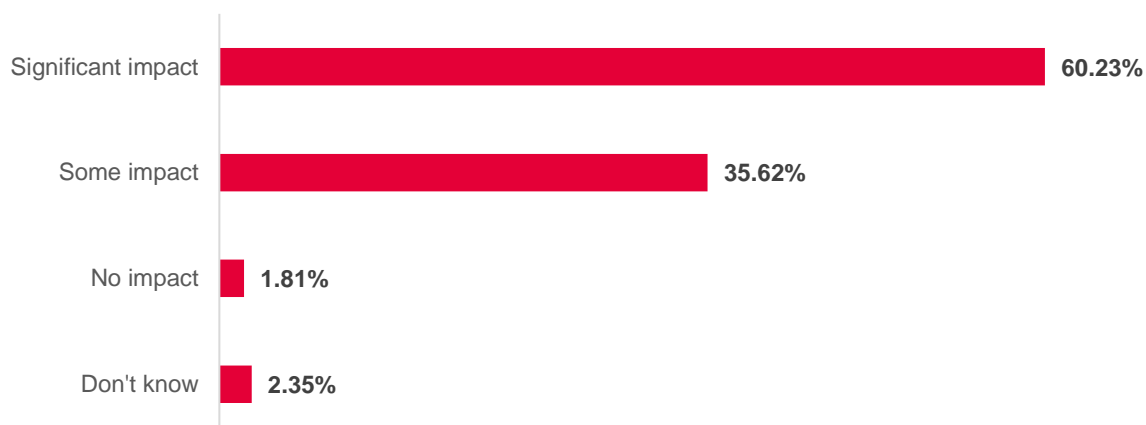
Use / partner with other organisational bodies to provide services



The consultation asked respondents if they thought inflation, interest rates and the current cost of living situation will have an impact on Essex County council's finances.

Out of the 2044 respondents to this question, **60.23% (n=1231) Significant impact**, **35.62% (n=728) some impact**, **1.81% (n=37) No impact**, and **2.35% Don't know (n=48)**.

Inflation, interest rates and current cost of living situation impacting on ECC finances



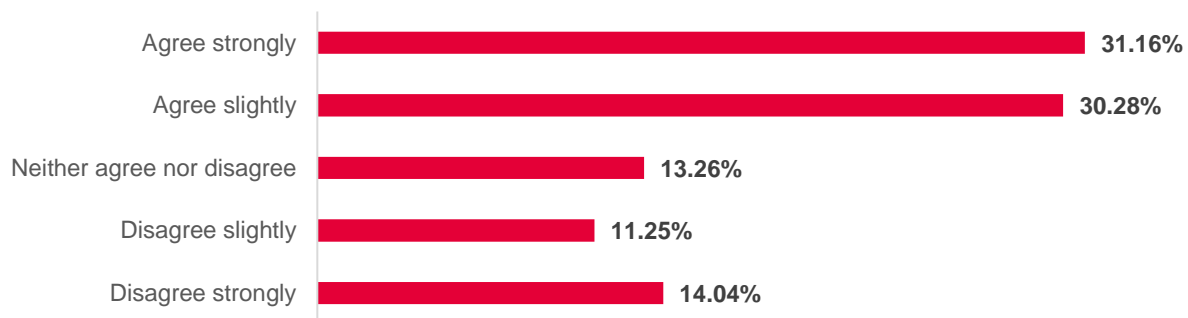
Increase in Council tax

The consultation asked respondents to agree or disagree with the following statements relating to increase in council tax...

1st statement - ...only when opportunities to streamline services have been exhausted

Out of the 2044 respondents to this question, **31.16% (n=637) Agreed Strongly**, **30.28% (n=619) Agreed Slightly**, **13.26% (n=271) Neither Agreed nor Disagreed**, **11.25% (n=230) Disagreed slightly** and **14.04% Disagreed strongly (n=287)**.

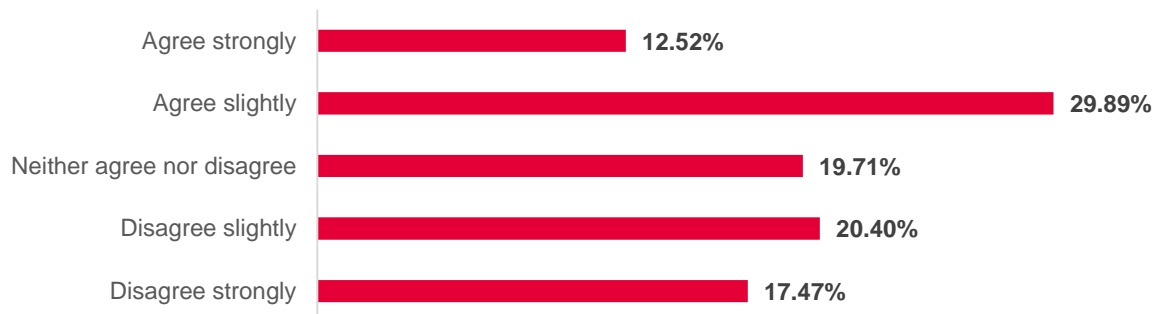
Increase in council tax only when opportunities to streamline has been exhausted



2nd statement - ...as an alternative to imposing/ increasing fees and charges for services

Out of the 2044 respondents to this question, **12.52% (n=256) Agreed Strongly**, **29.89% (n=611) Agreed Slightly**, **19.71% (n=403) Neither Agreed nor Disagreed**, **20.40% (n=417) Disagreed slightly** and **17.47% Disagreed strongly (n=357)**.

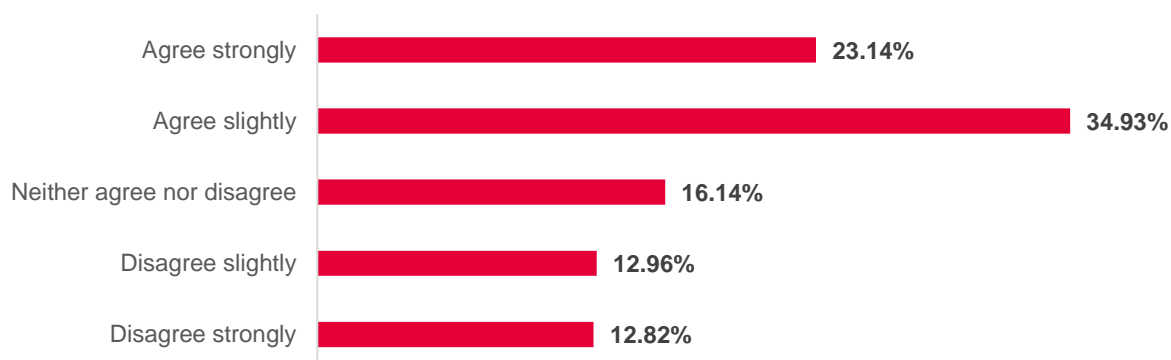
Increase in council tax as an alternative to imposing/increasing fees and charges for services



3rd statement - ...when the only alternative is to stop delivering some services

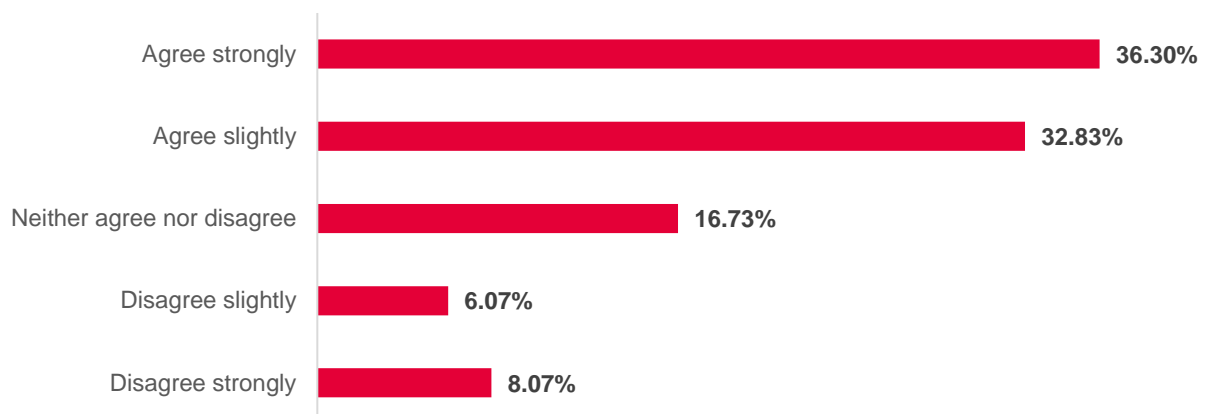
Out of the 2044 respondents to this question, **23.14% (n=473) Agreed Strongly**, **34.93% (n=714) Agreed Slightly**, **16.14% (n=330) Neither Agreed nor Disagreed**, **12.96% (n=265) Disagreed slightly** and **12.82% Disagreed strongly (n=262)**.

Increase council tax when the only alternative is to stop delivering some services

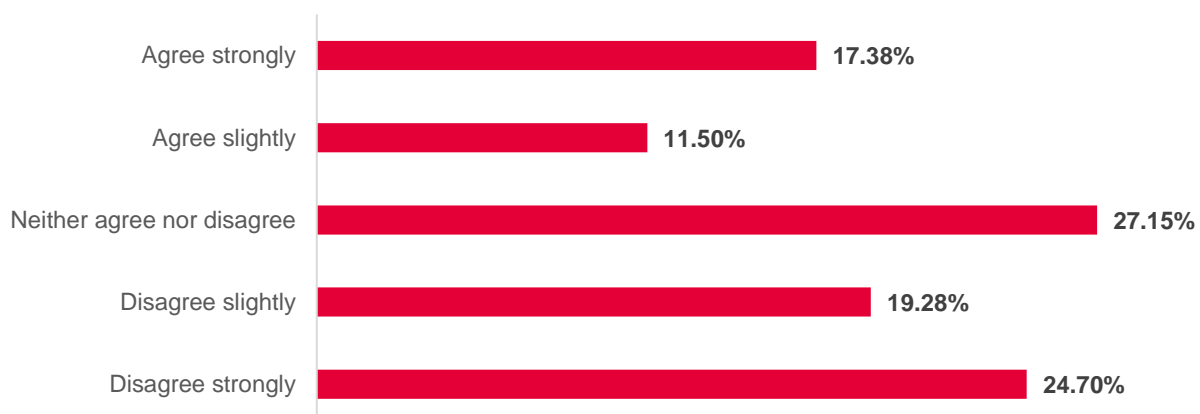


4th statement - ...to protect services for the most vulnerable and those without choice

Out of the 2044 respondents to this question, **36.30% (n=742) Agreed Strongly**, **32.83% (n=671) Agreed Slightly**, **16.73% (n=342) Neither Agreed nor Disagreed**, **6.07% (n=124) Disagreed slightly** and **8.07% Disagreed strongly (n=165)**.

Increase council tax to protect the most vulnerable and those without choice**5th statement - ...under no circumstances**

Out of the 2044 respondents to this question, **17.38% (n=355) Agreed Strongly**, **11.50% (n=235) Agreed Slightly**, **27.15% (n=555) Neither Agreed nor Disagreed**, **19.28% (n=394) Disagreed slightly** and **24.70% Disagreed strongly (n=505)**.

Increase in council tax under no circumstances

The consultation then asked respondents to what other circumstances would they agree or disagree to an increase in council tax

The free text comments box responses have been themed, coded and quantified below.

Theme	Total	Percentage
Prioritise efficiency/ eliminate wasteful spending	20	20.20%
Streamline ECC staff/ salaries/ benefits	17	17.17%
Do not increase Council Tax	8	8.08%
Increase Council Tax	8	8.08%
Increase Council Tax for the wealthiest	8	8.08%
ECC to deliver all services/ avoid partnerships	6	6.06%
Prioritise vulnerable people/ households	6	6.06%
Concentrate on the basics/ essentials/ higher impact services	5	5.05%
ECC to review its working practices first	5	5.05%
More support needed from national government	5	5.05%
Improve transparency around budget/ spend	4	4.04%
Need more information to answer	4	4.04%
Consider charging for some services	2	2.02%
Cut or charge for under-used/ unnecessary services	2	2.02%
Spend budget fairly across the county	2	2.02%
Invest in public transport	1	1.01%
Review benefits system	1	1.01%
Other	23	23.23%

Any other comments

The consultation asked respondents if there was anything else to consider regarding the consultation within a free-text box comments box.

Regarding the free text comments box relating to responses from respondents describing anything else ECC should consider have been themed, coded and quantified below

Theme	Total	Percentage
Prioritise council efficiency / eliminate wasteful spending / streamline staff / stop working from home	143	19.72%
Improve road maintenance	54	7.45%
Avoid vanity or fashionable projects	47	6.48%
Improve roadside and pavement maintenance	34	4.69%
Revise highest pay grades for ECC staff	34	4.69%
Spend budget fairly across county	33	4.55%
Prioritise vulnerable people/ households	30	4.14%
Review outsourcing to private companies	30	4.14%
Listen to the concerns/needs of residents/businesses	28	3.86%
None/ nothing	28	3.86%
No increase in Council Tax	21	2.90%
Prioritise value for money	21	2.90%
Budget needs to be communicated better	20	2.76%
Share service delivery with district and boroughs	19	2.62%
Concentrate on the basics/ essentials	18	2.48%
Consider Council Tax increase	17	2.34%
Invest in infrastructure	17	2.34%
Negative comments about questionnaire/survey	16	2.21%
Streamline ECC management team	16	2.21%
Increase Police presence	15	2.07%
Invest in childcare and education for children	15	2.07%

Invest in public transport	15	2.07%
Take a long-term/ joined-up view	15	2.07%
Budget review needed	14	1.93%
Invest in high streets	14	1.93%
Improve social care services	13	1.79%
More support needed from national government	13	1.79%
Share service delivery with local groups, voluntary sector, charities, NGOs	13	1.79%
Renegotiate road maintenance contract or bring in house	12	1.66%
Action on environmental issues	11	1.52%
Focus on reducing crime	11	1.52%
Better healthcare provision	10	1.38%
Don't know	10	1.38%
ECC to review the way it works	9	1.24%
Limit over-development/ population growth	9	1.24%
Improve recycling services	8	1.10%
Review council owned buildings	8	1.10%
Improve individuals' self-reliance	7	0.97%
Wealthier households should pay more Council Tax and/ or vice versa	7	0.97%
Help families in need	6	0.83%
Stop duplication of services	6	0.83%
Support employment, work skills and adult education	6	0.83%
Charge for some services	5	0.69%
Improve road safety	5	0.69%
Improve Youth Services	5	0.69%
Invest now to make savings in the future	5	0.69%
Pair improved infrastructure with new housing developments	5	0.69%
Services for young people	5	0.69%
Become more entrepreneurial/ business-minded	4	0.55%

Focus on leisure, culture and tourism	4	0.55%
Funding for SEND	4	0.55%
Means test/ make sure resources are going to those truly in need	4	0.55%
Tackle issues with housing	4	0.55%
Don't cut services	3	0.41%
Green spaces key	3	0.41%
Invest in active travel	3	0.41%
Maintain libraries	3	0.41%
Speeding motorists	3	0.41%
Tackle poverty/ inequality	3	0.41%
Assess need for new bus and cycle lanes	2	0.28%
Cut under-used services	2	0.28%
More investment in the voluntary sector	2	0.28%
Attract industries/businesses to the area	1	0.14%
Improve health and wellbeing	1	0.14%
Improve parking	1	0.14%
Invest in sustainable travel	1	0.14%
Local government reform needed	1	0.14%
Review council house allocation	1	0.14%
Update or replace Council Tax	1	0.14%
Other comments	137	18.90%



Detailed findings – Businesses in Essex

Detailed findings – Businesses in Essex

Businesses within Essex were invited to take part within the consultation. 95 people who were undertook the consultation with 91 stating they were resident and business owners with 4 declaring that they were a Business in Essex.

For the purpose of this section this will reflect the findings from the 95 businesses within Essex.

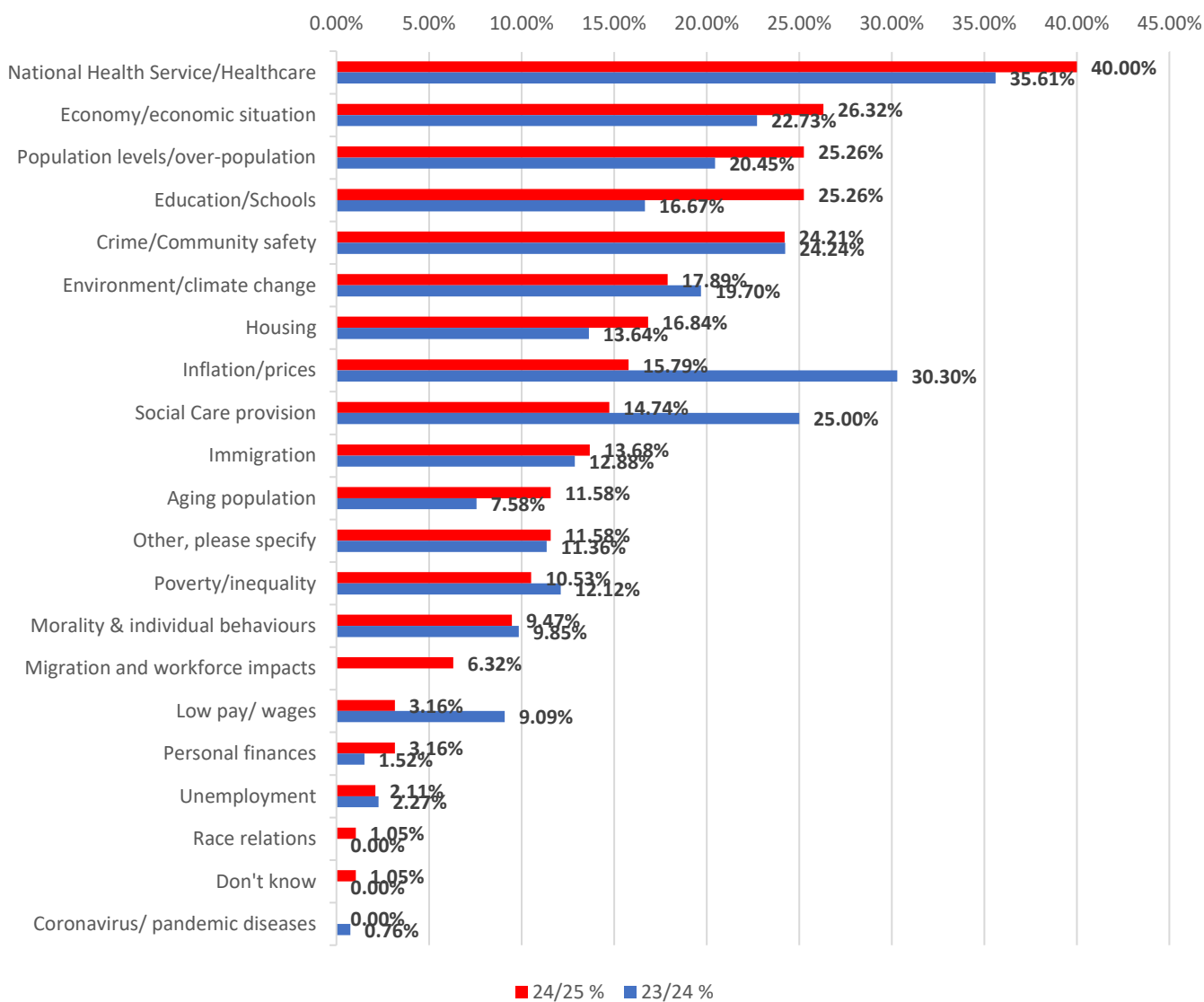
Views on challenges and priorities for budget setting of Essex County Council.

The consultation asked businesses about the most important issues facing Essex today.

The question asked for businesses to select their top 3 issues

Out of the 95 businesses to respond to this question, the following issues were selected

What would you say are the most important issues facing Essex today? - Business owners (Max. 3 responses – figures reflect % of respondents who gave each answer)



In regard to the free text comments box for other, please specify, (n=11) these have been themed, coded and quantified below:

<i>Option</i>	<i>Total</i>	<i>Percentage</i>
Roads/traffic	7	58.33%
Pressure from housing developments	2	16.67%
All are priorities	1	8.33%
Economy/economic situation	1	8.33%
Mental health	1	8.33%

The consultation asked businesses about thinking about their own situation what were they most concerned about.

The question asked for businesses to select their top 3 situations. Out of the 95 businesses who responded to this question, the following situations were selected

<i>Option</i>	<i>Total</i>	<i>Percentage</i>
Condition of roads and pavements	54	56.84%
Levels of crime in my town/neighbourhood	29	30.53%
Anti-social behaviour in my community	25	26.32%
The local environment/ pollution	20	21.05%
Housing affordability	19	20%
Cleanliness of street and local area	17	17.89%
Educational provision	17	17.89%
Paying bills	14	14.74%
My physical health and fitness	11	11.58%
Raising children	11	11.58%
Climate change	10	10.53%
Public transport	10	10.53%
My mental health and wellbeing	9	9.47%
Housing security	6	6.32%
Community relations	5	5.26%
Future job prospects	4	4.21%
Being lonely	3	3.16%
Employment security	3	3.16%
Other, please specify	6	6.32%

In regard to the Other, please specify free text comments box relating to responses from businesses describing issues they are most concerned about, these have been themed, coded and quantified below.

Theme	Count
Traffic levels/ road safety	2
The local environment/pollution	1
Cleanliness of streets/local area	1
Community relations	1
Other	1

The consultation asked businesses to choose up to 4 commitments that they felt the council should prioritise for immediate action from the following.

The options were listed under the council's 16 commitments.

The statistical breakdown of the responses has been combined together to show the most common responses to a commitment.

Out of the 94 responses to this question, the following commitment were selected

Option	Total	Percentage
Developing Essex's infrastructure	47	50%
Attracting new investment for businesses	36	38.30%
Securing high standards in education	31	32.98%
Good local jobs	28	29.79%
Protecting vulnerable children	28	29.79%
Supporting those who care for sick or vulnerable people	22	23.40%
Providing support to struggling families	16	17.02%
Helping vulnerable children to close the gap on their peers	14	14.89%
Helping vulnerable people to live independently	14	14.89%
Minimising the amount of waste generated in Essex	14	14.89%
Growing the 'green' economy in Essex	12	12.77%
Enabling healthier lifestyles	11	11.70%
Enabling more 'sustainable' and active travel	11	11.70%
Supporting communities to tackle climate change	10	10.64%
Reducing greenhouse gas emissions	9	9.57%
Tackling inequalities	6	6.38%

In regard to the free text comments box relating to responses from respondents describing why they felt that these commitments should be prioritised, *these have been themed, coded and quantified below.*

<i>Theme</i>	<i>Total</i>	<i>Percentage</i>
Education	12	7.55%
Will have knock on effect to improve other areas	9	5.66%
Address inequalities	8	5.03%
Environment	8	5.03%
Road improvements needed	8	5.03%
Supporting businesses / attracting businesses to area	7	4.40%
For the future/ future generations	6	3.77%
Improve infrastructure (general)	6	3.77%
More effective employment / local employment	6	3.77%
Support for children and young people	6	3.77%
Support for the most vulnerable	6	3.77%
Help economic growth	5	3.14%
Lack of infrastructure for expanding communities	5	3.14%
Better standards of living	4	2.52%
Health is key	4	2.52%
Improve policing / reduce crime	4	2.52%
Most important improvements	4	2.52%
Not currently being addressed / under funded	4	2.52%
Climate changes	3	1.89%
Help people to help themselves/be independent	3	1.89%
Poor education standards currently / education underfunded / not enough schools	3	1.89%
Aging population	2	1.26%
Council waste too much on wrong things / woke agenda / don't spend on the important things	2	1.26%
Help for carers	2	1.26%
Improve healthcare/ availability of healthcare	2	1.26%
Rail service improvements	2	1.26%
Safety in the community	2	1.26%
Too many new houses/ overpopulated	2	1.26%
Biggest impact on a number of people	1	0.63%
Directly affect me	1	0.63%
Economic stability	1	0.63%
Education is foundation for a good future	1	0.63%
Improving public transport	1	0.63%
Invest in local communities	1	0.63%

Investment in early years is needed	1	0.63%
Long term impact	1	0.63%
Mental health important	1	0.63%
My opinion	1	0.63%
People matter / should care about people	1	0.63%
Reduce crime from Alcohol/drug schemes	1	0.63%
SEND	1	0.63%
Transport infrastructure	1	0.63%
Waste management/recycling	1	0.63%
Other comment	9	5.66%

Views on how Essex County Council should allocate resources.

The consultation asked respondents how strongly they agree, disagree or both should be equally considered for the pairs of the following services:

1st paired statement ...ECC should prioritise services that benefit the majority of residents and taxpayer's vs ...ECC should prioritise services that focus on those with the greatest needs.

Out of the 95 businesses to this question, 33.68% (n=32) Agreed strongly that ECC should prioritise services that benefit the majority of residents and taxpayer's, 11.58% slightly agreed (n=11), 34.74% (n=33) believed both should be equally considered, 9.47% (n=9) slightly agreed that ECC should prioritise services that focus on those with the greatest needs, 9.47% (n=9) Strongly Agree and 1.05% (n=1) Don't know.

ECC should prioritise services that benefit the majority of residents and taxpayer's vs ...ECC should prioritise services that focus on those with the greatest needs.



- Strongly agree with option 1 ■ Slightly agree with option 1
- Both should be equally considered ■ Slightly agree with option 2
- Strongly agree with option 2 ■ Don't know

.....ECC should target services towards struggling neighbourhoods, towns or cities vs ...ECC should provide services that are available in all communities in Essex.

Out of the 95 businesses to this question, **8.42% (n=8) Agreed strongly that ECC should target services towards struggling neighbourhoods, towns or cities, Slightly agreed 16.84% (n=16), 33.68% (n=32) believed both should be equally considered, 11.58% (n=11) slightly agreed that ECC should provide services that are available in all communities in Essex, 29.47% (n=28) Strongly Agreed and 0% (n=0) Don't know.**

.....ECC should target services towards struggling neighbourhoods, towns or cities vs ...ECC should provide services that are available in all communities in Essex.



■ Strongly agree with option 1 ■ Slightly agree with option 1
■ Both should be equally considered ■ Slightly agree with option 2
■ Strongly agree with option 2 ■ Don't know

...ECC should prioritise spending on meeting the needs of the people today vs ...ECC should prioritise spending on projects that will increase opportunities over the long term.

Out of the 95 businesses to this question, **14.74% (n=14) Agreed strongly that ECC should prioritise spending on meeting the needs of the people today, 8.42% (n=8) slightly agreed, 38.95% (n=37) believed both should be equally considered, 11.58% (n=11) slightly agreed that ECC should prioritise spending on projects that will increase opportunities over the long term, 26.32% (n=25) Strongly Agree and 0% (n=0) Don't know.**

ECC should prioritise spending on meeting the needs of the people today vs ...ECC should prioritise spending on projects that will increase opportunities over the long term.



■ Strongly agree with option 1 ■ Slightly agree with option 1
 ■ Both should be equally considered ■ Slightly agree with option 2
 ■ Strongly agree with option 2 ■ Don't know

...Decisions on how to spend money in Essex should consider the county as a whole VS ...Decisions on how to spend money should be taken as close to local communities as possible.

Out of the 95 businesses to this question, **16.84% (n=16) Agreed strongly that Decisions on how to spend money in Essex should consider the county as a whole, 9.47% (n=9) slightly agreed, 25.26% (n=24) believed both should be equally considered, 16.84% (n=16) slightly agreed that Decisions on how to spend money should be taken as close to local communities as possible, 30.53% (n=29) Strongly Agree and 1.05% (n=1) Don't know.**

...Decisions on how to spend money in Essex should consider the county as a whole vs ...Decisions on how to spend money should be taken as close to local communities as possible



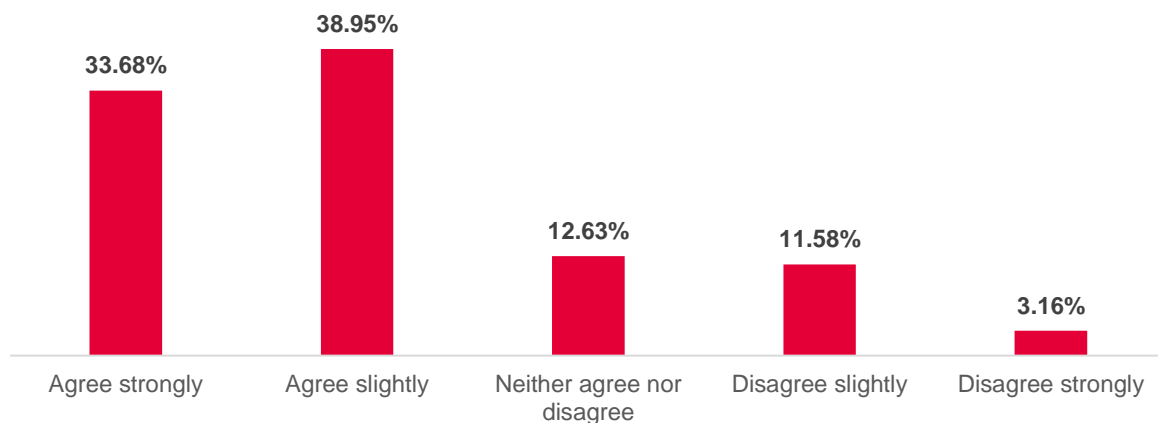
■ Strongly agree with option 1 ■ Slightly agree with option 1
 ■ Both should be equally considered ■ Slightly agree with option 2
 ■ Strongly agree with option 2 ■ Don't know

The consultation asked Businesses how strongly do you agree or disagree that Essex County Council should do each of the following when faced with financial pressures?

Financial pressure - Streamline services so that we can deliver the same outcomes

Out of the 95 Businesses to this question, 33.68% (n=32) Agreed Strongly, 38.95% (n=37) Agreed Slightly, 12.63% (n=12) Neither Agreed nor Disagreed, 11.58% (n=11) Disagreed slightly and 3.16% Disagreed strongly (n=3).

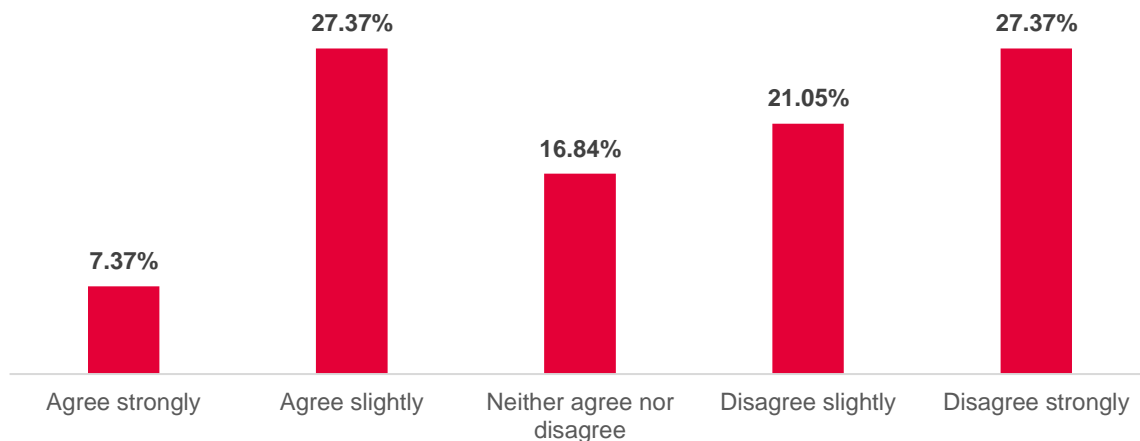
Streamline services so that we can deliver the same outcome



Financial pressure - Introduce charges for some services which are currently free/subsidised

Out of the 95 Businesses to this question, 7.37% (n=7) Agreed Strongly, 27.37% (n=26) Agreed Slightly, 16.84% (n=16) Neither Agreed nor Disagreed, 21.05% (n=20) Disagreed slightly and 27.37% Disagreed strongly (n=26).

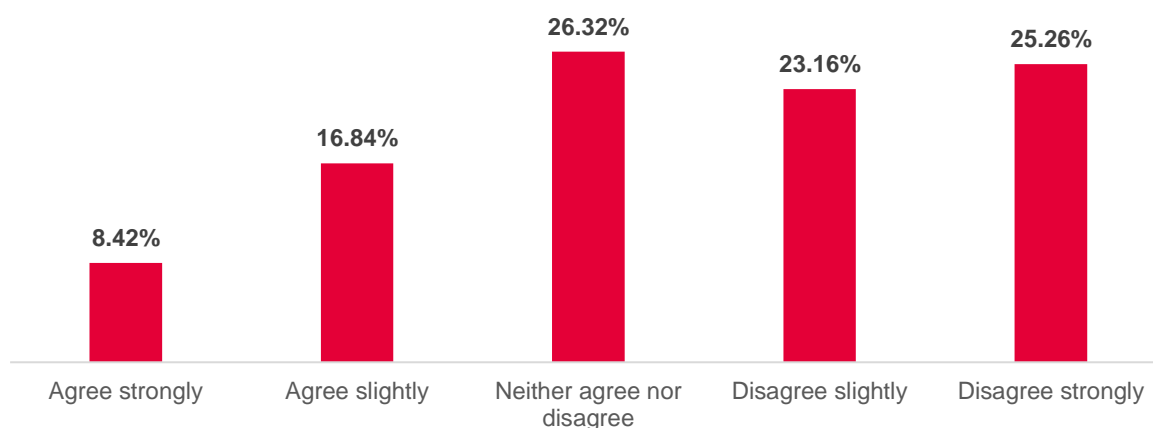
Introduce charges for some services which are currently free/subsidised



Financial pressure - Reduce or stop delivering some services to protect others

Out of the 95 Businesses to this question, **8.42% (n=8) Agreed Strongly, 16.84% (n=16) Agreed Slightly, 26.32% (n=25) Neither Agreed nor Disagreed, 23.16% (n=22) Disagreed slightly and 25.26% Disagreed strongly (n=24).**

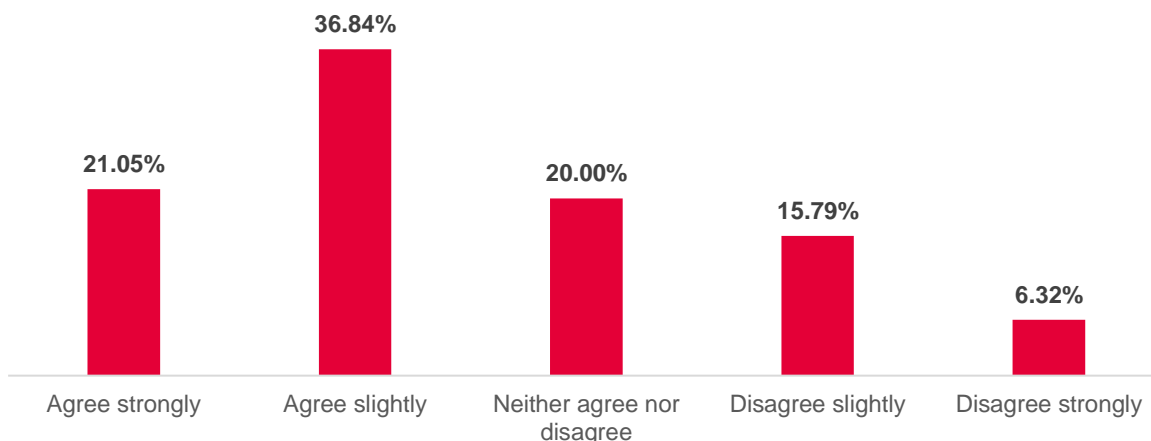
Reduce or stop delivering some services to protect others



Financial pressure - Encourage local people and communities to deliver certain services

Out of the 95 Businesses to this question, **21.05% (n=20) Agreed Strongly, 436.84% (n=35) Agreed Slightly, 20.00% (n=19) Neither Agreed nor Disagreed, 15.79% (n=15) Disagreed slightly and 6.32% Disagreed strongly (n=6).**

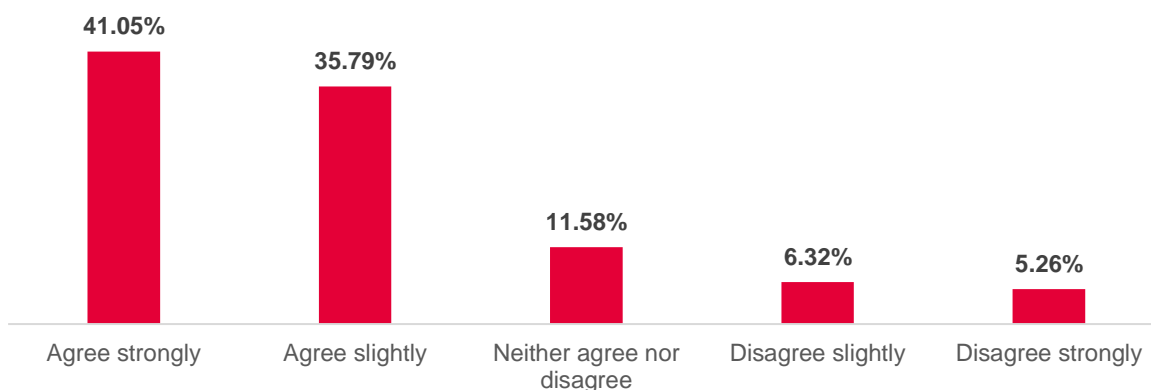
Encourage local people and communities to deliver certain services



Financial pressure - Help people to help themselves more so they have less reliance on publicly funded services

Out of the 95 Businesses to this question, **41.05% (n=39) Agreed Strongly**, **35.79% (n=34) Agreed Slightly**, **11.58% (n=11) Neither Agreed nor Disagreed**, **6.32% (n=6) Disagreed slightly** and **5.26% Disagreed strongly (n=5)**.

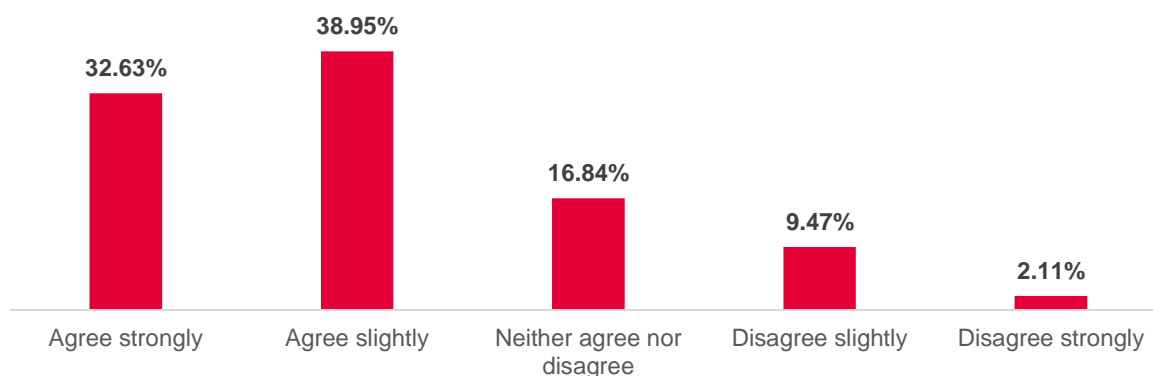
Help people to help themselves more so they have less reliance on publicly funded services



Financial pressure - Prioritise spending to protect services for the most vulnerable and those without choice

Out of the 95 Businesses to this question, **32.63% (n=31) Agreed Strongly**, **38.95% (n=37) Agreed Slightly**, **16.84% (n=16) Neither Agreed nor Disagreed**, **9.47% (n=9) Disagreed slightly** and **2.11% Disagreed strongly (n=2)**.

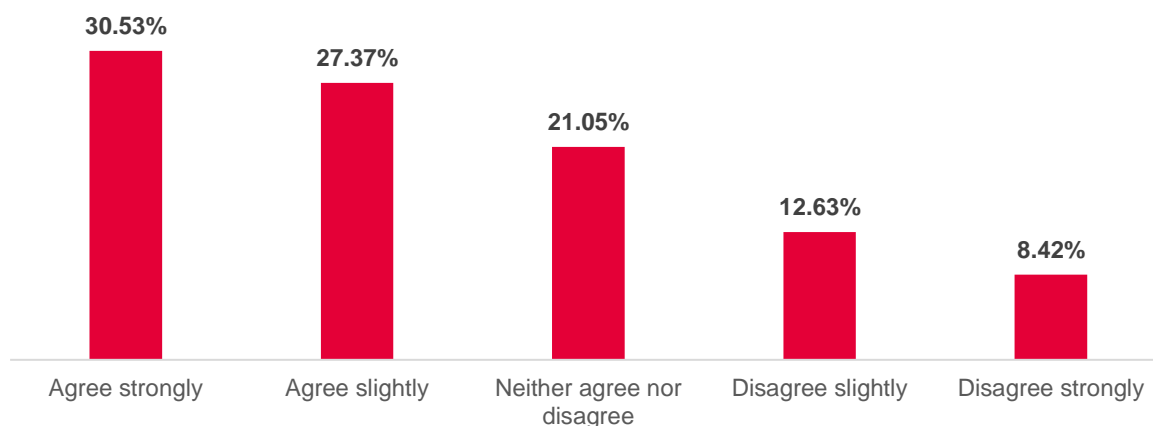
Prioritise spending to protect services for the most vulnerable and those without choice



Financial pressure - Use / partner with other organisational bodies to provide services

Out of the 95 Businesses to this question, **30.53% (n=29) Agreed Strongly**, **27.37% (n=26) Agreed Slightly**, **21.05% (n=20) Neither Agreed nor Disagreed**, **12.63% (n=12) Disagreed slightly** and **8.42% Disagreed strongly (n=8)**.

Use / partner with other organisational bodies to provide services

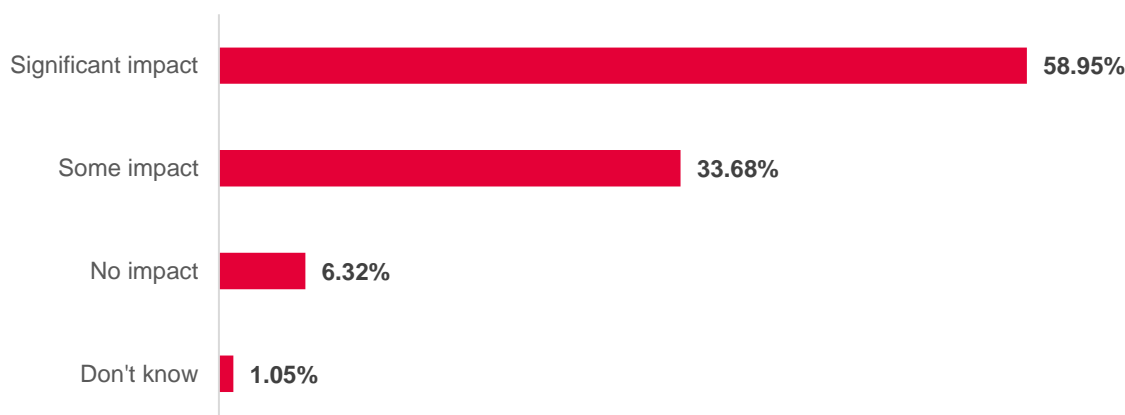


Impact of inflation and cost of living

The consultation asked businesses if they thought inflation and the current cost of living situation will have an impact on Essex County council's finances.

Out of the 95 businesses to answer this question, 58.95% (n=56) Significant impact, 33.68% (n=32) some impact, 6.32% (n=6) No impact, and 1.05% Don't know (n=1).

Inflation and Current cost of living situation impacting on ECC finances



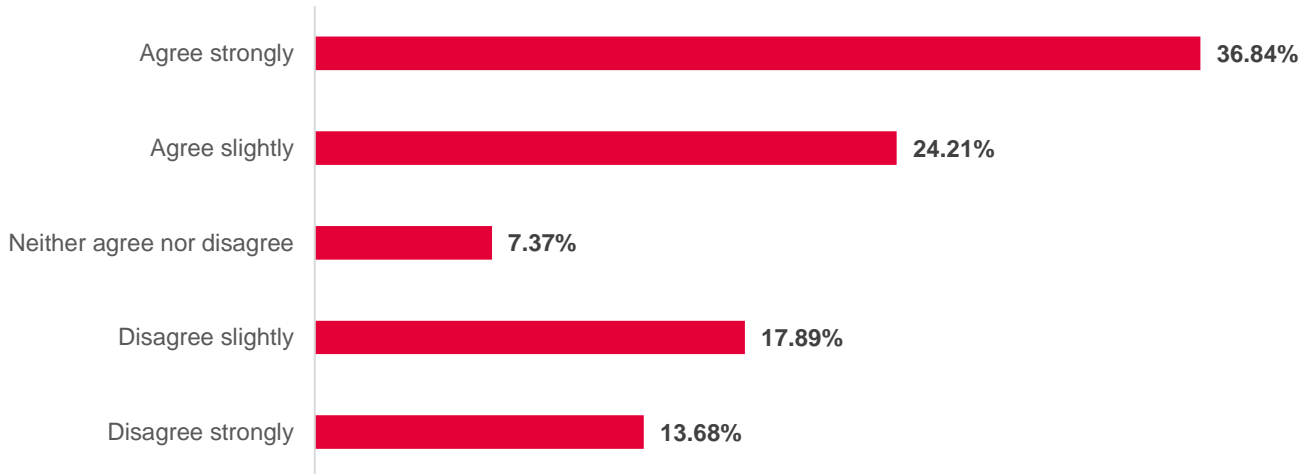
Increase in council tax

The consultation asked business to agree or disagree with the following statements relating to increase in council tax...

1st statement - ...only when opportunities to streamline services have been exhausted

Out of the 95 businesses to answer this question, 36.84% (n=35) Agreed Strongly, 24.21% (n=23) Agreed Slightly, 7.37% (n=7) Neither Agreed nor Disagreed, 17.89% (n=17) Disagreed slightly and 13.68% Disagreed strongly (n=13).

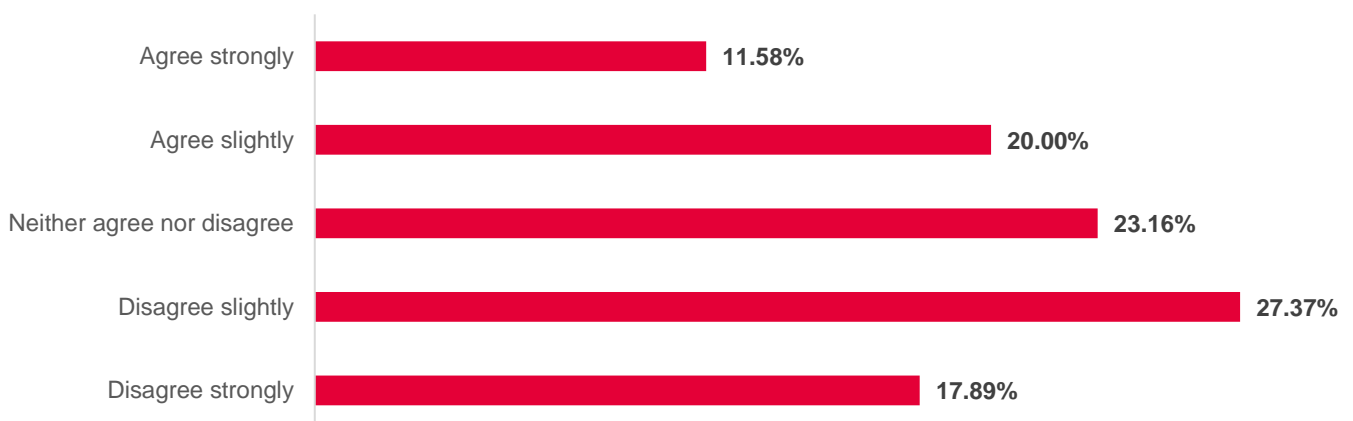
Increase in council tax only when opportunities to streamline services have been exhausted



2nd statement - ...as an alternative to imposing/ increasing fees and charges for services

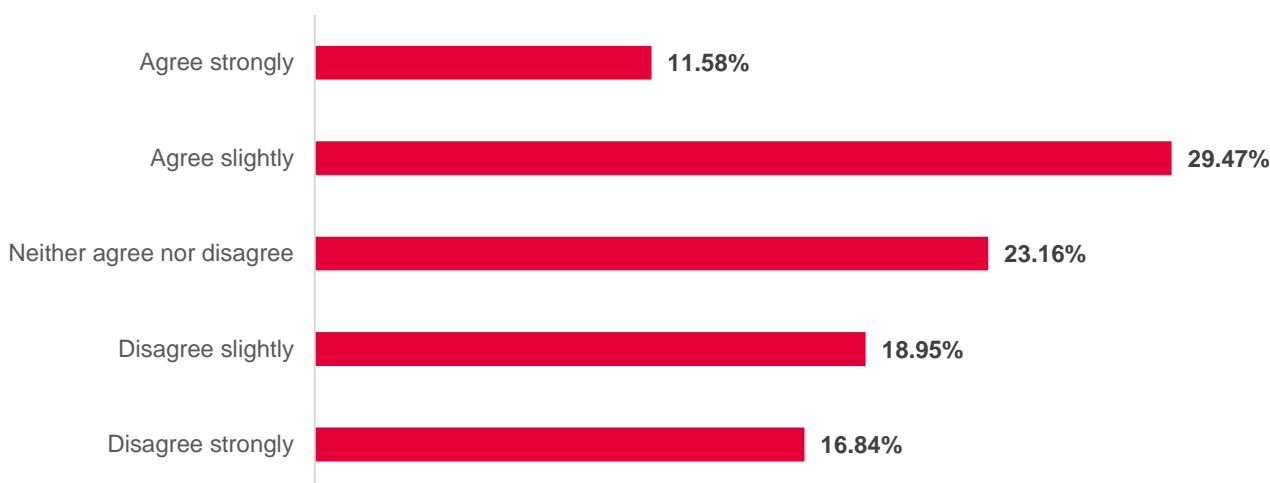
Out of the 95 businesses to answer this question, **11.58% (n=11) Agreed Strongly, 20.00% (n=19) Agreed Slightly, 23.16% (n=22) Neither Agreed nor Disagreed, 27.37% (n=26) Disagreed slightly and 17.89% Disagreed strongly (n=17).**

Increase in council tax as an alternative to imposing/increasing fees and charges for services

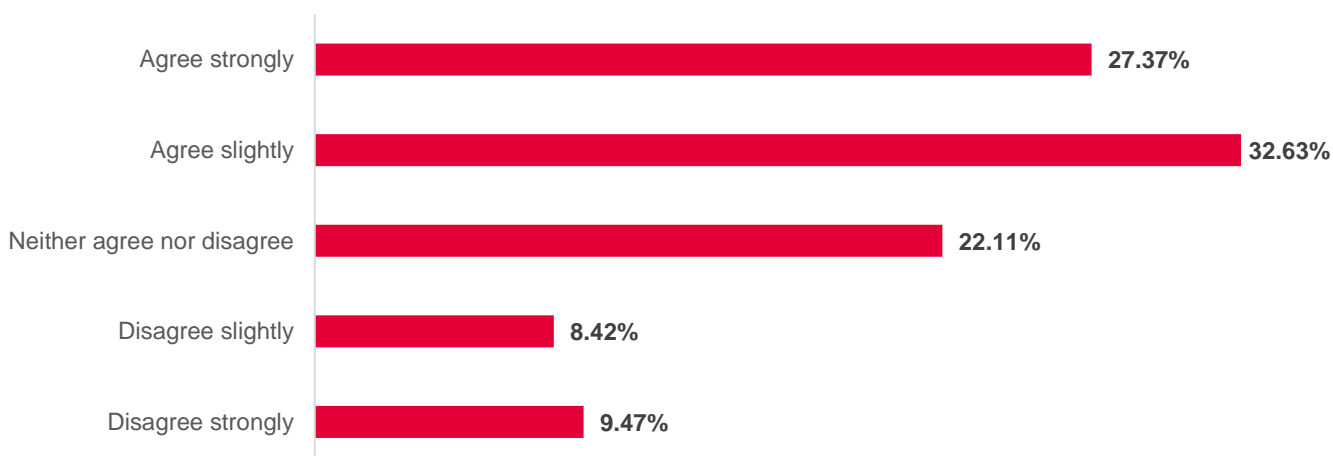


3rd statement - ...when the only alternative is to stop delivering some services

Out of the 95 businesses to answer this question, **11.58 % (n=11) Agreed Strongly**, **29.47% (n=28) Agreed Slightly**, **23.16% (n=22) Neither Agreed nor Disagreed**, **18.95% (n=18) Disagreed slightly** and **16.84% Disagreed strongly (n=16)**.

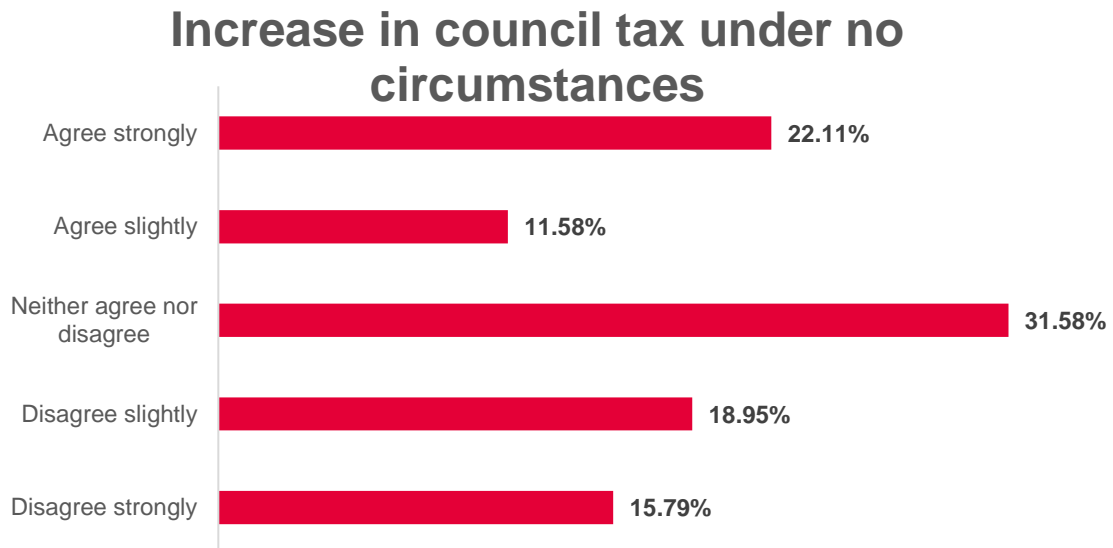
Increase council tax when the only alternative is to stop delivering some services**4th statement - ...to protect services for the most vulnerable and those without choice**

Out of the 95 businesses to answer this question, **27.37% (n=26) Agreed Strongly**, **32.63% (n=31) Agreed Slightly**, **22.11% (n=21) Neither Agreed nor Disagreed**, **8.42% (n=8) Disagreed slightly** and **9.47% Disagreed strongly (n=9)**.

Increase council tax to protect the most vulnerable and those without choice

5th statement - ...under no circumstances

Out of the 95 businesses to answer this question, **22.11% (n=21) Agreed Strongly**, **11.58% (n=11) Agreed Slightly**, **31.58% (n=30) Neither Agreed nor Disagreed**, **18.95% (n=18) Disagreed slightly** and **15.79% Disagreed strongly (n=15)**.



The consultation then asked Businesses to what other circumstances would they agree or disagree to an increase in council tax

The free text comments box responses have been themed, coded and quantified below.

Theme	Total	Percentage
Prioritise efficiency/ eliminate wasteful spending	5	38.46%
Do not increase Council Tax	2	15.38%
Increase Council Tax for the wealthiest	1	7.70%
Improve transparency around budget/ spend	1	7.70%
Streamline ECC staff/ salaries/ benefits	1	7.70%
Review outsourced contracts	1	7.70%
Reduce Council Tax	1	7.70%
ECC to deliver all services/ avoid partnerships	1	7.70%
Other	2	15.38%

Any other comments

The consultation asked respondents if there was anything else to consider regarding the consultation within a free-text box comments box.

Regarding the free text comments box relating to responses from respondents describing anything else ECC should consider have been themed, coded and quantified below

Theme	Total	Percentage
Prioritise council efficiency / eliminate wasteful spending / streamline staff / stop working from home	11	12.36%
Listen to the concerns/needs of residents/businesses	8	8.99%
Improve road maintenance	6	6.74%
Review outsourcing to private companies	4	4.49%
Attract industries/businesses to the area	3	3.37%
Concentrate on the basics/ essentials	3	3.37%
Avoid vanity or fashionable projects	2	2.25%
Budget needs to be communicated better	2	2.25%
Consider council tax increase	2	2.25%
Improve roadside and pavement maintenance	2	2.25%
Invest in high streets	2	2.25%
No increase in Council Tax	2	2.25%
Tackle issues with housing	2	2.25%
Action on environmental issues	1	1.12%
Become more entrepreneurial/ business-minded	1	1.12%
Budget review needed	1	1.12%
Don't cut services	1	1.12%
Don't know	1	1.12%
Focus on leisure, culture and tourism	1	1.12%
Focus on reducing crime	1	1.12%
Help families in need	1	1.12%
Improve health and wellbeing	1	1.12%
Improve social care services	1	1.12%
Improve individuals' self-reliance	1	1.12%
Improve youth services	1	1.12%
Improve police presence	1	1.12%
Invest in childcare and education for children	1	1.12%
Invest in public transport	1	1.12%
Invest in sustainable travel	1	1.12%
More support needed from national government	1	1.12%
None/ nothing	1	1.12%
Prioritise value for money	1	1.12%
Prioritise vulnerable people/ households	1	1.12%

Review council owned buildings	1	1.12%
Share service delivery with district and boroughs	1	1.12%
Share service delivery with local groups, voluntary sector, charities, NGOs	1	1.12%
Spend budget fairly across county	1	1.12%
Stop duplication of services	1	1.12%
Streamline ECC management team	1	1.12%
Support employment, work skills and adult education	1	1.12%
Take a long-term/ joined-up view	1	1.12%
Other comments	12	13.48%

Appendix

Appendix A – Consultation Questionnaire

Everyone's Essex – Let's talk Budget Consultation 2024/25

INTRO

We want Essex to be the best local authority in the country – as judged by the people, the businesses, and the communities we support and serve. To achieve this, we need to be honest and open. We need the honesty to admit that we don't have all the answers when it comes to tackling complex problems. And we need to be open to new ideas and approaches – ensuring the services we provide and the investments we make are developed with our communities.

NEW PAGE

As we shape plans our financial plans for delivery of Everyone's Essex in 2024/25 and beyond, we want to hear from local people about their views and values. We would like to hear your views about:

- the big issues we face and the challenges that lie ahead for Essex.
- the things that concern you and your family; and
- where we should focus resources as we work to improve lives across our county.

Next year, Essex County Council (ECC) will spend over £2bn. This will include funding for essential services and investment in our county's infrastructure and future growth. This is a substantial amount of money, but it doesn't go as far as we would like. Just like households across Essex, we have to make difficult choices about where we spend, and where to make savings.

For information on how ECC spends its money, and where it gets its money from can be found [here](#)

NEW PAGE – SKIP TO SURVEY OR OPTION TO READ ON

The financial outlook for ECC – and for local authorities in general – is highly uncertain. We face the significant impacts of the economic climate of high inflation and rising interest rates, the cost of living situation, while still waiting for a multi-year settlement from government. We do not yet know how much funding ECC will receive from government. What the lasting impact of the economic climate, speed of recovery and the pandemic will be on council spending and income also remains unclear. This makes forecasting future years' spending and income levels particularly challenging.

Fortunately, ECC has a track record of strong financial management. The council has already secured £235m in savings over the past five years.

Despite this ECC has, like other councils, faced financial pressure for a number of years because:

- more people need our services and support each year, with increasing levels of complexity, which are ongoing issues being seen nationally; and
- the costs of providing services have increased – partly due to inflation, and partly as a result of changes in the law.

- You can help shape how we respond to the current uncertainty and to the pressures we face. Please click the >> button below to play your part.

NEW PAGE

SINGLE CODE/ ASK ALL

Q1a – Responding_as...

Are you completing the survey as a...?

- Resident 1
- Business owner 2
- Resident and business owner 3
- Other [specify] 4

RESTRICTED MULTICODE/ ASK ALL/ OPTIONAL/ LIMIT TO 3 RESPONSES/ RANDOMISE

Q1 – Important Issues

What would you say are the most important issues facing Essex today? (please select up to three responses)

- Coronavirus/ pandemic diseases (1)
- Economy/economic situation (2)
- Migration and workforce impacts (3)
- National Health Service/Healthcare (4)
- Social Care provision (5)
- Race relations (6)
- Poverty/inequality (7)
- Environment/climate change (8)
- Unemployment (9)
- Population levels/over-population (10)
- Immigration (11)
- Education/Schools (12)
- Crime/Community safety (13)
- Morality & individual behaviours (14)
- Housing (15)
- Aging population (16)
- Low pay/ wages (17)
- Inflation/prices (18)
- Personal finances (19)
- Other _____ (20)

RESTRICTED MULTICODE/ ASK ALL/ LIMIT TO 3 RESPONSES/ RANDOMISE**Q2 – QConcerns****Which of the following are you concerned about? (please select up to three responses)**

- | | |
|---|--|
| <input type="checkbox"/> My physical health and fitness (1) | <input type="checkbox"/> Levels of crime in my town/neighbourhood (12) |
| <input type="checkbox"/> My mental health and wellbeing (2) | <input type="checkbox"/> Anti-social behaviour in my community (13) |
| <input type="checkbox"/> Being lonely (3) | <input type="checkbox"/> The local environment/ pollution (14) |
| <input type="checkbox"/> Climate change (4) | <input type="checkbox"/> Cleanliness of street and local area (15) |
| <input type="checkbox"/> Housing security (5) | <input type="checkbox"/> Condition of roads and pavements (16) |
| <input type="checkbox"/> Housing affordability (6) | <input type="checkbox"/> Community relations (17) |
| <input type="checkbox"/> Employment security (7) | <input type="checkbox"/> Public transport (18) |
| <input type="checkbox"/> Future job prospects (8) | <input type="checkbox"/> Other _____ (19) |
| <input type="checkbox"/> Paying bills (9) | <input type="radio"/> None of these (20) |
| <input type="checkbox"/> Educational provision (10) | |
| <input type="checkbox"/> Raising children (11) | |

RESTRICTED MULTICODE/ ASK ALL/ OPTIONAL/ LIMIT TO 4 RESPONSES/ RANDOMISE**Q3 – QPriorities**

Essex County Council has set out a range of commitments that it will deliver over the next four years. Which of these should the council prioritise for immediate action? (Please select up to four responses).

Good local jobs	<input type="checkbox"/>	Tackling inequalities	<input type="checkbox"/>	Developing Essex's infrastructure	<input type="checkbox"/>	Attracting new investment for businesses	<input type="checkbox"/>
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Growing the 'green' economy in Essex	<input type="checkbox"/>	Reducing greenhouse gas emissions	<input type="checkbox"/>	Enabling more 'sustainable' and active travel	<input type="checkbox"/>	Minimising the amount of waste generated in Essex	<input type="checkbox"/>
Supporting communities to tackle climate change	<input type="checkbox"/>	Enabling healthier lifestyles	<input type="checkbox"/>	Helping vulnerable people to live independently	<input type="checkbox"/>	Supporting those who care for sick or vulnerable people	<input type="checkbox"/>
Securing high standards in education	<input type="checkbox"/>	Providing support to struggling families	<input type="checkbox"/>	Protecting vulnerable children	<input type="checkbox"/>	Helping vulnerable children to close the gap on their peers	<input type="checkbox"/>

OPEN/ IF Q3 <> BLANK/ OPTIONAL

Q4 – QReasonsForPriorities

Please let us know why you believe these areas should be prioritised

Open text box

HORIZONTAL SINGLE CODE/ ASK ALL/ SHOW ONE PAIR PER SCREEN, DON'T KNOW FOR ALL

Q5 – QSpendingAllocation

Considering how Essex County Council allocates spending, do you feel...

	Strongly agree		Both should be equally considered		Strongly agree	
...ECC should prioritise services that benefit the majority of residents and taxpayers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	...ECC should prioritise services that focus on those with the greatest needs
...ECC should target its services towards struggling neighbourhoods, towns or cities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	...ECC should provide services that are available in all communities across Essex
...ECC should prioritise spending on meeting the needs of people today	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	...ECC should prioritise spending on projects that will increase opportunities over the long-term.
...Decisions on how to spend money in Essex should consider the county as a whole	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	...Decisions on how to spend money should be taken as close to local communities as possible

GRID/ SINGLE CODE HORIZONTALLY/ ASK ALL**Q6 – QFinancialPressures**

How strongly do you agree or disagree that Essex County Council should do each of the following when faced with financial pressures? (Select one per statement)

	Agree strongly (1)	Agree slightly (2)	Neither agree nor disagree (3)	Disagree slightly (4)	Disagree strongly (5)
Streamline services so that we can deliver the same outcomes (1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Introduce charges for some services which are currently free/subsidised (2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduce or stop delivering some services to protect others (3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encourage local people and communities to deliver certain services (4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Help people to help themselves more so they have less reliance on publicly funded services (5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prioritise spending to protect services for the most vulnerable and those without choice (6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use / partner with other organisational bodies to provide services (7)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SINGLE / ASK ALL**Q7a – QMacroeconomic_impact**

To what extent do you think inflation, interest rates and the current cost of living situation will have an impact on Essex County Council's finances?

- Significant impact 1
- Some impact 2
- No impact 3
- Don't know 4

GRID / ASK ALL**Q7 – QCouncilTax**

To what extent do you agree or disagree with the following statements?

ECC should consider increases in council tax...

	Agree strongly (1)	Agree slightly (2)	Neither agree nor disagree (3)	Disagree slightly (4)	Disagree strongly (5)
...only when opportunities to streamline services have been exhausted (1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...as an alternative to imposing/ increasing fees and charges for services (2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...when the only alternative is to stop delivering some services (3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...to protect services for the most vulnerable and those without choice (4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...under no circumstances (5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

☐ Other (8) _____

OPEN/ ASK ALL/ OPTIONAL**Q8 – QOtherComments**

If you have any other comments about the ECC budget or how we might do things differently, please tell us below

Open text box

ABOUT YOU

ASK ALL

In order to ensure the continued development of our Diversity and Equality practices, everyone that we work with is asked to complete the information below. You are not obliged to answer any of the questions, but the more information you supply, the more effective our monitoring will be. If you choose not to answer questions, it will not affect your participation. The information you supply below is confidential and will be used solely for monitoring purposes.

SINGLE/ ASK ALL

QID – QAgeGroup

What age group do you belong to?

- | | |
|---|----|
| <input type="radio"/> Under 16 | 1 |
| <input type="radio"/> 16-17 | 2 |
| <input type="radio"/> 18-24 | 3 |
| <input type="radio"/> 25-34 | 4 |
| <input type="radio"/> 35-44 | 5 |
| <input type="radio"/> 45-54 | 6 |
| <input type="radio"/> 55-64 | 7 |
| <input type="radio"/> 65-74 | 8 |
| <input type="radio"/> 75-84 | 9 |
| <input type="radio"/> 85-94 | 10 |
| <input type="radio"/> 95+ | 11 |
| <input type="radio"/> Prefer not to say | 12 |

SINGLE/ ASK ALL

QID – QGender

To which gender do you most identify?

- | | |
|--|---|
| <input type="radio"/> Male | 1 |
| <input type="radio"/> Female | 2 |
| <input type="radio"/> Non-binary | 3 |
| <input type="radio"/> Prefer to self-describe_____ | 4 |
| <input type="radio"/> Prefer not to say | 5 |

SINGLE/ ASK ALL

QID – QMaritalStatus

What is your marital status?

- | | |
|--|---|
| <input type="radio"/> Single | 1 |
| <input type="radio"/> Cohabiting | 2 |
| <input type="radio"/> Married or civil partnered | 3 |
| <input type="radio"/> Separated/divorced/formerly in civil partnership now legally dissolved | 4 |
| <input type="radio"/> Widowed or surviving partner from civil partnership | 5 |
| <input type="radio"/> Other _____ | 6 |
| <input type="radio"/> Prefer not to say (7) | |

SINGLE/ ASK ALL

QID – QDistrictStatus

What is the district you live in?

- ☐ Basildon
- ☐ Braintree
- ☐ Brentwood
- ☐ Castle Point
- ☐ Chelmsford
- ☐ Colchester
- ☐ Epping Forest
- ☐ Harlow
- ☐ Maldon
- ☐ Rochford
- ☐ Tendring
- ☐ Uttlesford
- ☐ Other
- ☐ Prefer not to say

SINGLE/ ASK ALL

QID – QEthnicity

To which of these ethnic groups do you consider you belong?

- **White**
 - ☐ English/Welsh/Scottish/Northern Irish/British
 - ☐ Irish
 - ☐ Gypsy/Irish Traveller
 - ☐ Any other white background, please describe
- **Mixed/multiple ethnic origins**
 - ☐ White and Black Caribbean
 - ☐ White and Black African
 - ☐ White and Asian
 - ☐ Any other Mixed/Multiple ethnic background, please describe
- **Asian/Asian British**
 - ☐ Indian
 - ☐ Pakistani
 - ☐ Bangladeshi

- Chinese
 - Any other Asian background, please describe
- **Black/African/Caribbean/Black British**
 - African
 - Caribbean
 - Any other Black/African/Caribbean background, please describe
- **Other ethnic group**
 - Arab
 - Any other ethnic group, please describe _____
- **Prefer not to say**

MULTI/ ASK ALL

QID – QDisability

Do you consider yourself to have a health condition, disability, or impairment? Please tick all that apply.

- | | |
|---|----|
| <input type="checkbox"/> No impairment | 1 |
| <input type="checkbox"/> Hearing impairment/deaf | 2 |
| <input type="checkbox"/> Visual impairment/blind | 3 |
| <input type="checkbox"/> Deafblind | 4 |
| <input type="checkbox"/> Mental health needs | 5 |
| <input type="checkbox"/> Physical impairment | 6 |
| <input type="checkbox"/> Learning difficulties/disabilities | 7 |
| <input type="checkbox"/> Autism spectrum disorder | 8 |
| <input type="checkbox"/> Other (please specify) _____ | 9 |
| <input type="radio"/> Prefer not to say | 10 |

SINGLE/ ASK ALL

QID – QDistrict

What is your current employment status? Please tick all that apply.

- | | |
|---|----|
| <input type="radio"/> Employed full-time | 1 |
| <input type="radio"/> Employed part-time | 2 |
| <input type="radio"/> Self-employed | 3 |
| <input type="radio"/> Employed on flexible/zero hours contract | 4 |
| <input type="radio"/> Business owner | 5 |
| <input type="radio"/> In full-time education or training (e.g. college, apprenticeship) | 6 |
| <input type="radio"/> Not currently employed | 7 |
| <input type="radio"/> Volunteering | 8 |
| <input type="radio"/> Retired | 9 |
| <input type="radio"/> Other (please state) _____ | 10 |
| <input type="radio"/> Prefer not to say | 11 |

NEW PAGE/ SHOW TO NON-ERP MEMBERS

NEXT STEPS

Essex County Council undertakes research on a wide range of issues through its residents' panel. We would love for you to be involved. This is an opportunity for you to tell us your views about the issues that matter to you.

There's a quarterly prize draw for all new joiners where you can win a prize of up to £100!

If you would like to join the residents' panel, please register via the link below

[LINK FOR CONSULTATION PANEL REGISTRATION].

Thank you for your time today.

NEW PAGE/ SHOW TO ERP MEMBERS

NEXT STEPS

We really appreciate your participation in this consultation survey and for being a member of the Essex Residents' panel. We'd love all Essex residents to join our panel and get involved as well.

If there is anyone else you know who lives in Essex, please share this link with them and encourage them to join. It is their opportunity to tell us their views about the issues that matter to them.

And, don't forget, there's a quarterly prize draw for all new joiners where they can win a prize of up to £100!

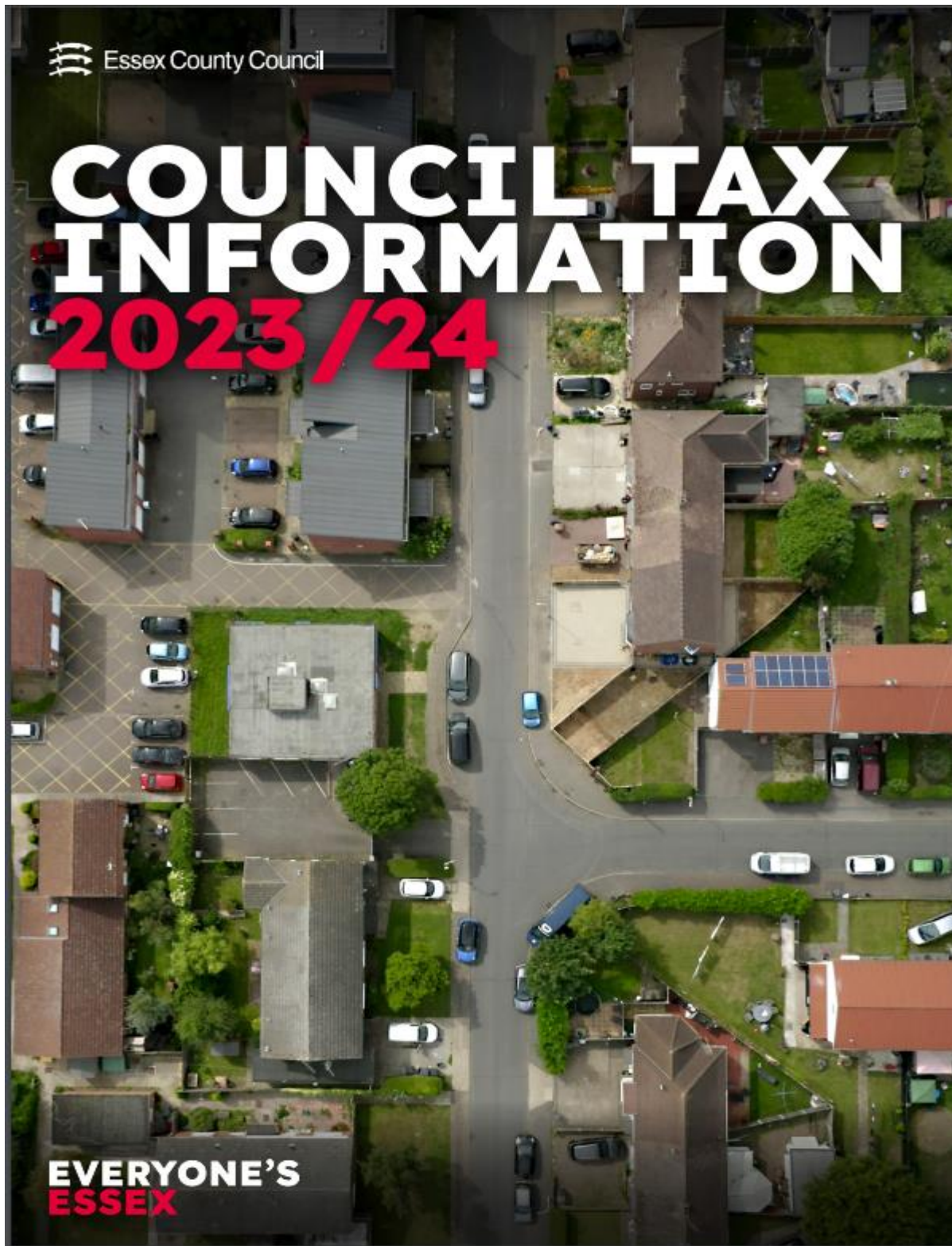
[LINK FOR REFER A FRIEND PANEL REGISTRATION].

You can share the link with a friend or family member or someone else in your household. The only requirement is that they are 18 or over and live in Essex.

Thank you for your time today.

E

Appendix B – Essex County Council - Council Tax Information



https://www.essex.gov.uk/sites/default/files/migration_data/files/assets.ctfassets.net/knkzaf64jx5x/NYX3NiI06oRdU4qUtTUnX/95cc724b47849c7cba923ddd9175014f/Council_Tax_Leaflet_2023-2024.pdf

This information is issued by:

Research and Citizen Insight team

Essex County Council

Contact us:

Consultations@essex.gov.uk

www.essex.gov.uk

The information contained in this document can be translated, and/or made available in alternative formats, on request.

Published January 2024.

Forward Plan reference number: FP/284/11/23

Report title: Chelmsford North East Bypass (CNEB) Section 1A – Procurement of a Design and Build Contract	
Report to: Cabinet	
Report author: Councillor Kevin Bentley - Leader of the Council	
Date: 16 January 2024	For: Decision
Enquiries to: Mark Eves – Senior Project Sponsor M:07973 375274 email: mark.eves2@essex.gov.uk	
County Divisions affected: Springfield, Chelmer, Broomfield & Writtle	

1 Everyone's Essex

- 1.1 Everyone's Essex has the aim of creating a strong, inclusive and sustainable economy, a high-quality environment and a good place for children and families to grow. This includes a commitment to deliver and maintain high quality infrastructure to support a growing economy and the delivery of new housing and communities.
- 1.2 The Chelmsford Housing Infrastructure Fund (HIF) projects will support the aim of creating a strong, inclusive and sustainable economy set out in Everyone's Essex and achieve shared outcomes to develop our county sustainably, connect us to each other and the world and share prosperity with everyone. These long-awaited improvements to the transport network will support people travelling for business or pleasure, which in turn helps the economy of greater Essex.
- 1.3 The design of the first phase of the new Chelmsford bypass (Section 1A) (CNEB) has been finalised with revised traffic modelling being undertaken to support the delivery of this phase. In addition, work to prepare for procurement of the scheme has been undertaken and the land assembly required for construction of Section 1A is progressing. Once complete, Section 1A will be the first phase of the bypass which will relieve congestion on roads in and around Chelmsford providing easier, more reliable and resilient journeys in the region. The delivery of Beaulieu Park Station (BPS) is also underway.
- 1.4 Together CNEB and BPS will provide the conditions needed to support the delivery of over 10,000 new homes, employment uses, a new country park and other community and leisure facilities north of Chelmsford. By committing to the timely delivery of infrastructure to unlock growth and development opportunities, ECC helps enable the development of high quality, sustainable new communities such as those being planned at Chelmsford Garden Community.

2 Recommendations

- 2.1 Agree to launch a competitive procurement for the Chelmsford North East Bypass main works design and build contract using a mini-competition on the Major Works Category of the Framework created by the Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust.
- 2.2 Agree that the tender evaluation criteria to be used in the procurement will be a 60/40 price/quality split with 5% of the quality score assessing social value and 5% assessing climate impact to the extent that they are consistent with the most economically advantageous tender.
- 2.3 Agree that the Cabinet Member for Highways, Infrastructure and Sustainable Transport is authorised to award a design and build contract following completion of the procurement process and subject to the budgetary parameters set out within paragraphs 6.1.3 and 6.1.4 of this report.
- 2.4 Agree the revised capital spend and funding profile as set out in section 6.1.3 of this report.

3 Background

- 3.1 Following a bid in March 2019, ECC was successful in securing £218m of HIF grant funding from Homes England for the delivery of a new railway station at Beaulieu Park, Chelmsford and the delivery of a new north-eastern bypass, running from the A12 in Chelmsford to Great Leighs. Additional funding for the projects is being provided from developers and the South East Local Enterprise Partnership.
- 3.2 The full CNEB scheme will comprise a new 4.6km single carriageway (Sections 1A and 1B) and dualling of a 1.2km stretch of the A131 (Section 2). The single carriageway section is split into a southern section (Section 1A) and a northern section (Section 1B). These two sections will meet at an intermediate roundabout which will connect the bypass with the proposed new Northern Radial Distributor Road (NRDR). The NRDR will be a new east-west road which will be delivered by the developer consortium as part of the Chelmsford Garden Community and will link Essex Regiment Way in the west (at Wheelers Hill Roundabout) with CNEB to the east.
- 3.3 Following engagement with Homes England in July this year, it was agreed that the CNEB scheme could be delivered in two phases commencing with construction of Section 1A and the timetable for delivering Section 1A was extended until March 2026. Construction of the remainder of the CNEB will take place in future when alternative funding has been secured. ECC is currently working closely with the developer consortium to ensure the delivery programmes for Section 1A and the NRDR are properly aligned.
- 3.4 This change meant that the Grant Funding Agreement that is in place with Homes England needed to be varied. A decision to agree such variation was

taken by the Leader on 27 July 2023 (FP/187/07/23) and the Deed of Variation was entered into on 20 December 2023.

- 3.5 The terms of this variation mean that the CNEB will be delivered in phases. Section 1A is proposed to be the first part of the bypass and is scheduled to be completed by March 2026. The new Beaulieu Park Station (BPS) is scheduled to open in 2025; together these schemes will directly unlock circa 6,000 homes in the new garden community. The remainder of CNEB is expected to be completed as funding subsequently becomes available, including through future developer contributions, and will unlock additional homes bringing the total to over 10,000 homes. Where practicable, the design and construction of Section 1A will accommodate the future provision of the next phase of the bypass works.
- 3.6 To date, ECC has spent £22m on CNEB, including the delivery of advanced enabling works. A decision was taken by Cabinet in April 2022 (FP/977/02/21) to agree to procure and award the enabling works for a Conveyor Bridge over a section of the CNEB. These works were procured via the Eastern Highways Alliance Framework Agreement. The contract was awarded to Octavius Infrastructure Ltd in July 2022. Good progress has been made to date on the construction of this bridge which will accommodate quarrying operations initially but in due course will be modified for use as part of future development of the Chelmsford Garden Community. The bridge is scheduled to be completed in January 2024.
- 3.7 To deliver the scheme, ECC must also undertake works to move two silt lagoons that are located in close proximity to the proposed new highway. The two existing silt lagoons will be infilled, and a new single silt lagoon will be excavated. A decision was taken in July 2023 by Cabinet (FP/187/07/23) to procure and award the silt lagoon works as a further enabling works package. A contract for the delivery of these works has recently been awarded and work is due to start on site early in 2024.
- 3.8 Separating the procurement and delivery of the silt lagoon relocation works from the Section 1A construction works reduces programme risk and will help to ensure that Section 1A of the CNEB can be delivered by March 2026. This is because the lagoon works must be completed before any earthworks and highway works for section 1A commence.
- 3.9 Since agreeing to progress Section 1A of CNEB in July this year, work has been underway to finalise the design and undertake revised traffic modelling to take account of the phased approach, progress land assembly and develop contract documentation in preparation for procuring a design and build contractor for the main works package.
- 3.10 In order to progress the delivery of the first phase of CNEB, it is now necessary to procure a contractor to construct Section 1A through a Design and Build Contract. Whilst approximately 80% of the design has been completed, it will be for the successful contractor to complete the detailed design. In this way, there is an opportunity for the contractor to identify and possibly drive out further

value engineering opportunities as well as making sure they are happy with the design. Sufficient time has been allowed within the delivery programme for the Contractor to finalise the detailed design before the main construction works commence on site.

- 3.11 It is proposed that the Major Works Framework awarded by the Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust ('the Framework') is used to procure the works using a mini-competition tender process. The Framework has been selected as this framework more closely aligns with the Highways sector and is divided into regions with a specific lot which covers the Essex geographical area. This Framework has recently been used successfully on other ECC projects.
- 3.12 The design and build scheme is for a standard new highway with no special structures and therefore it is considered that a pricing bias in the % split for the procurement would be appropriate. The suggested price/quality split will temper a risk to ECC that suppliers tender lower value bids and subsequently exploit the ability to submit compensation event claims during delivery. A lower quality bias is proposed as this scheme is being constructed on land that is separate from the highway network reducing the interface with Statutory Undertakers and removing the need for extensive traffic management on existing highway. There is not expected to be any significant impact on local residents as a result of the construction activities, given the distance of the works from existing properties. In summary, many of the key issues that would normally be assessed and evaluated under the quality criteria are less critical for this specific project by virtue of its geographic location and the nature of the works.
- 3.13 The planning application (CC/CHL/85/21) for the CNEB was approved by Essex County Council's Development and Regulation Committee on 25 March 2022. It has been confirmed that the bypass can be delivered in a phased approach under the planning consent, however, there has been a need to provide some additional clarifications. Additionally, ECC will need to ensure that construction complies with the planning conditions attached to the planning permission. The planning permission required commencement within 5 years from 4 April 2022. Notification of commencement was given on 16 September 2022 under Ref CC/CHL/85/21/01/01. The contract that ECC procures will ask the contractor to carry out the works in compliance with the contract and the planning consent.
- 3.14 Before construction of CNEB Section 1A can commence and a design and build contract be awarded, the ownership of the relevant land parcels will need to be secured. Negotiations with the three main landowners; namely Hanson Quarry Products Europe Ltd, Threadneedle Pensions Ltd and Countryside Zest (Beaulieu Park) LLP have been positive, but they are not yet complete. ECC are also progressing alternative land assembly options, including land dedication or making compulsory purchase orders, in order to keep all options open and thus provide assurance that the land will be acquired. Any decision to proceed with Compulsory Purchase of the land parcels will be subject to a separate decision.

- 3.15 It should be noted that land acquisition discussions and, if necessary, the compulsory purchase process for the bypass works will run in parallel with the tender process. Tenderers are to be made aware that the land assembly process needs to be completed prior to contract award. The Council will be unable to award the contract unless and until it is satisfied that land assembly will be completed in time for construction to commence on programme.
- 3.16 As per other major highway schemes being led by ECC, this scheme is managed and controlled in the following ways:
- Monthly reports
 - Updates to key senior stakeholders at Major Projects Programme Board
 - Project Board – 4-weekly (minimum) including wider stakeholders
 - Monthly progress meetings
 - Weekly project team meetings
 - Ad-hoc required reports and/or meetings
- 3.17 Due to the importance of this scheme, there are also further key stakeholder communications such as:
- Briefings
 - Reports
 - Slides/presentations
 - Ad-hoc meetings
- 3.18 Once the main highway works for Section 1A are on site, the contracts will be managed by ECC's in-house Infrastructure Delivery Team. The team will include Project Sponsors, Project Managers, Site Supervisors and Quantity Surveyors. They will actively manage and control all contractors' applications for costings, assess any Compensation Events in line with the NEC4 ECC contract and will assess and agree programmes of activities with the contractor. Issues will be raised in a timely manner via Early Warning meetings with mitigations and resolutions being agreed collaboratively to prevent larger time and/or cost impacts to the project.
- 3.19 To provide additional independent cost management advice and support both during the detailed design and delivery phase of CNEB Section 1A, Gleeds Cost Management Ltd have been commissioned by ECC, procured through Perfect Circle JVT. Gleeds are currently undertaking a detailed and robust cost management review of the CNEB Section 1A forecast project costs prior to publishing tender documents.

4 Links to our Strategic Ambitions

- 4.1 This report links to the following aims in the Essex Vision:
- Develop our County sustainably
 - Connect us to each other and the world
 - Share prosperity with everyone

- 4.2 Approving the recommendations in this report will have the following impact on ECC's ambition to be net carbon neutral by 2030:
- The provision of CNEB Section 1A will reduce current traffic delays and congestion within Chelmsford City Centre by providing a more direct route to the new Beaulieu Park Railway Station and access to the A12.
 - It will reduce private car journeys into Chelmsford City Centre (to access Chelmsford Station), thereby reducing emissions.
- 4.3 This report links to the following strategic priorities in Everyone's Essex:
- A strong, inclusive, and sustainable economy
 - High-quality environment, including in our new garden communities
 - Health wellbeing and independence for all ages
 - A good place for children and families to grow

5 Options

5.1 **Option 1 - Recommended Option: Agree to procure a design and build contract for the Section 1A of the Chelmsford North East Bypass.**

The Invitation to Tender (ITT) documents and scope for the CNEB Section 1A bypass works will be finalised and will be issued via a publicly accessible framework. This will allow the scheme to maintain progress to meet the identified completion date.

ECC have a contractual commitment to complete the works for CNEB by March 2026. If the procurement of CNEB Section 1A is delayed, the completion date may not be achieved which could have serious implications for the project and result in claims for funding not being paid by Homes England.

While this is the recommended option, it is to be noted that if funding is withdrawn or the land cannot be acquired, the procurement and award of the bypass works will increase ECC's abortive cost position.

5.2 **Option 2 – Not Recommended: Do not to procure the CNEB Section 1A works**

If the design and build contract is not procured there is a risk that the project would be delayed and could not be delivered by March 2026.

This would expose ECC to greater financial risk as ECC would be in further default under the terms of the Grant Funding Agreement with Homes England and would be liable for costs incurred beyond the funding deadline.

There may also be further cost escalation as a result of delaying the construction works due to possible further material cost increases and inflation, resulting in a funding shortfall which could fall to ECC to fund.

6 Issues for consideration

6.1 Financial implications

- 6.1.1 As Homes England have accepted the phased delivery approach, there is no longer a funding gap associated with Section 1A CNEB. The funding for Beaulieu Park Station and for Section 1A CNEB is currently linked, meaning that both programmes must be delivered in order to receive grant funds.
- 6.1.2 If this scheme were to be terminated at this stage the abortive cost position is £22m; this does not include any repayment of funding received to date, as this would only be necessary in the event of a fundamental default on the part of ECC, which carries a low risk. If funds were required to be repaid on CNEB, this would equate to £14.7m. This represents a significant cash flow risk to ECC.
- 6.1.3 There has been no change to the total funding envelope, however, as the forecast now only relates to Section 1A, spend profiles in relation to CNEB require adjusting as does the funding profile. The proposed revised forecast and profile is as follows:

Chelmsford North East Bypass (CNEB)	Prior Year(s) Actual Spend	2023/24 Forecast	2024/25	2025/26	2026/27	2027/28	2028/29	Total Scheme
	£000	£000	£000	£000	£000	£000	£000	£000
Latest Forecast	18,786	5,900	8,418	62,480	-	-	-	95,585
Latest Financing Updated								
Housing Infrastructure Fund	18,786	5,900	8,418	60,257				93,361
S106 Contributions				2,224				2,224
	18,786	5,900	8,418	62,481	-	-	-	95,585

- 6.1.4 The total cost forecast for the scheme, inclusive of contingency, inflation and other risk allocations is £95.585m. ECC have a thorough break-down of this forecast, which is supported by a quantitative risk assessment. The tender returns are expected to fall within budget.
- 6.1.5 The current approved budget and delivery programme assumes that a Compulsory Purchase Order (CPO) Public Inquiry (PI) is not required for this project. ECC is currently negotiating with several landowners and if a PI materialised the programme would be extended by an estimated period of 12 months to March 2027, this would incur direct costs of circa £1.5m. The far more significant financial risk is that this slippage in the programme would reprofile expenditure beyond the current Homes England funding deadline, resulting in circa £20m that would be need, at least in the first instance, to be funded by ECC. ECC would need to seek a programme extension or consider alternative approaches to funding unless there was a significant reduction in scope.

6.2 Financial Risks

- 6.2.1 **The risk of cost escalation is significant** across the entire scheme. If this risk materialises ECC may utilise the remaining contingency and inflationary risk allocation leaving ECC exposed to fund any further cost escalation and future

materialisation of risk up to completion of the project in March 2026. This would result in unfunded capital cost which would put pressure on other Major Projects within the Aspirational Capital programme. If any costs of either scheme extend beyond March 2026, ECC will also face an unfunded budget gap as the HIF grant must be applied in full by this date.

- 6.2.2 The initial HIF bid included an allowance for Part 1 claims of £1.34m, to drawdown on the HIF grant; expenditure must be capital and incurred by 31 March 2026. ECC classifies Part 1 claims as revenue expenditure and if these costs materialise it will certainly be post completion. ECC will need to engage in dialogue with Homes England to determine if additional revenue funding can be made available to cover these costs post completion (or its terms of the grant can be amended to allow revenue to be paid from them) if this is not agreed there will be an unfunded revenue pressure. ECC will need to clarify with Homes England if the existing £1.34m of capital funding can be used to service other capital costs in the project.
- 6.2.3 As above in paragraph 6.1.5 risk of delay in completion of phase 1A, due to any future need for a public inquiry to acquire land required, poses a significant financial threat.

Financial Mitigations

- 6.2.4 Whilst ECC does not have the ability to terminate the grant funding agreement, it is currently able to abandon the scheme. Any decision to abandon would not be likely to result in a fundamental contractual default requiring HIF funding to be repaid. However, once ECC are under contract with a third party to begin construction, then the ability to abandon would not be practical, as ECC would be unable to fund the programme without the HIF.

6.3 Legal implications

- 6.3.1 This project was subject to an audit in November 2023 commissioned by the internal audit team from a specialist auditor. This highlighted some significant weaknesses in the system of control of the project. A number of recommendations were made and agreed by the service. It is understood that these are now in the process of being implemented.
- 6.3.2 The contractual agreements required detailed conditions to be met before claims for HIF Funding are paid by Homes England including Certificates of Title. This needs to be managed carefully to ensure that ECC submits and recovers claims for HIF Funding successfully.
- 6.3.3 The design and build contract must be competitively procured using a procedure that is compliant with the Public Contracts Regulations 2015.
- 6.3.4 It is important that ECC has the right to carry out any enabling and construction works on the relevant land and that it can provide a Certificate of Title on terms that are satisfactory to Homes England. Without a satisfactory Certificate of

Title, there is a significant risk that funding claims will not be paid by Homes England.

- 6.3.5 The Public Services (Social Value) Act 2012 replaces a requirement on contracting authorities to consider, when procuring services, how the economic, environmental and social wellbeing of the local area may be improved and how this can be delivered through the procurement. Contracts should be awarded on the basis of the most economically advantageous tender and qualitative, environmental and/or social aspects should be linked to the subject matter of the contract.

7 Equality and Diversity Considerations

- 7.1 The Public Sector Equality Duty applies to ECC when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic; the infrastructure schemes will have positive impacts across a wide range of the population.

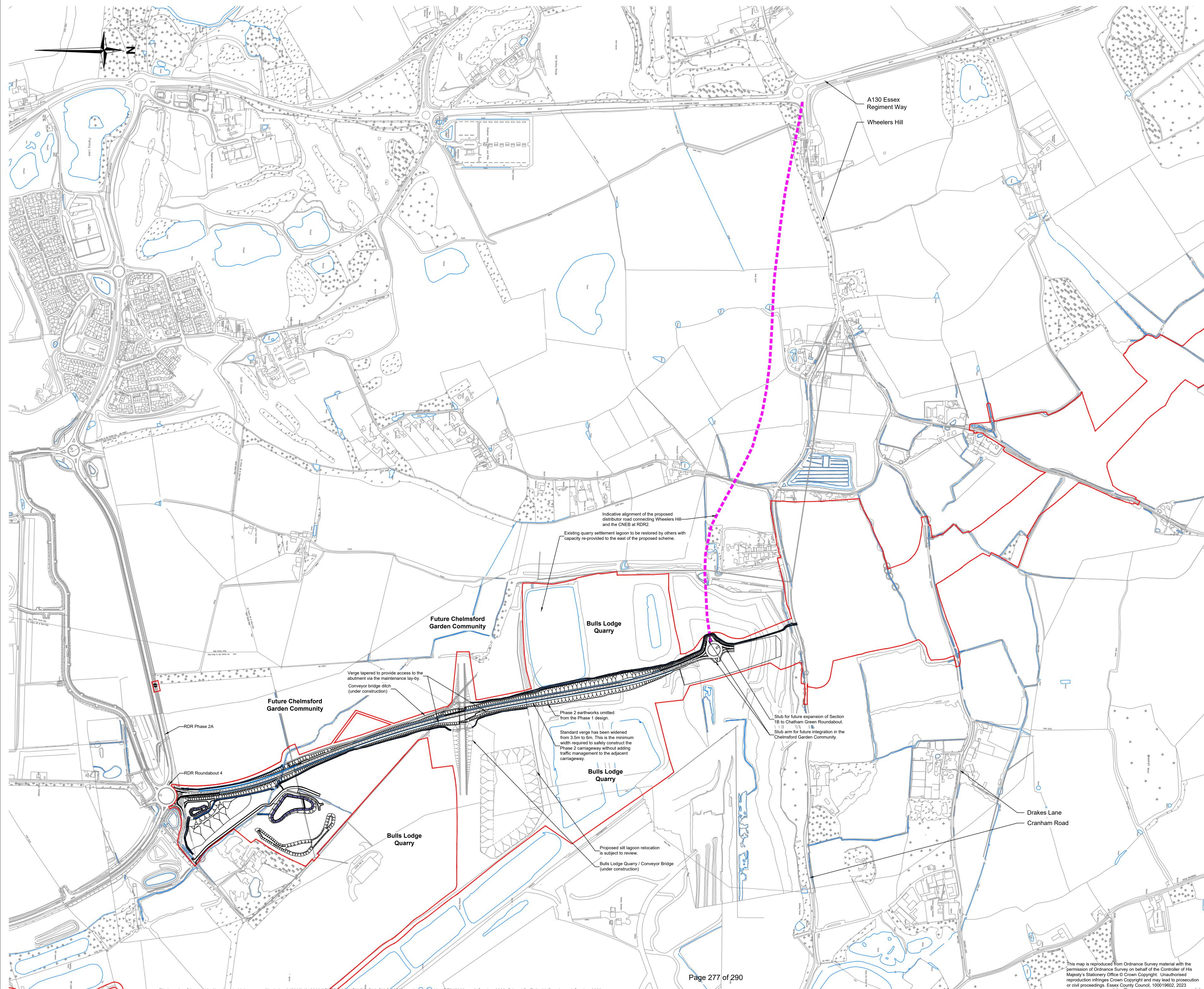
8 List of Appendices

- 8.1 Equality Impact Assessment
- 8.2 CNEB Section 1A – General Arrangement Plan

9 List of Background papers

- 9.1 Cabinet Decision - Proposed Beaulieu Park Railway Station and Chelmsford North East Bypass FP/187/07/23.

9.2 Cabinet Decision - Housing Infrastructure Fund – Contract for Beaulieu Park Station and Chelmsford North East Bypass FP/544/10/19.








Notes

- Do not scale.
- This drawing has been created for information purposes only and does not represent the final design of the Chelmsford North East Bypass.
- The design targets levels which are now out of date due to ongoing work within Bulls Lodge Quarry. Updated survey information will be required to finalise the design.
- Refer to planning application 23/00114/FUL for the further details of the alignment of the developers distributor road.



Key:

General Details:





Drainage Details:



0 100 200 300 400 500

SCALE 1 : 5000

Rev	Date	Description of revision	Drawn	Checked	Reviewed	Approved
P01	29/09/23	Issued for Homes England	PT	GB	KC	PM

DRAWING STATUS

S2 - SUITABLE FOR INFORMATION

Essex Highways

Essex Highways, Seax House, Victoria Road South, Chelmsford, CM1 1QH.
Tel: 0345 6037631

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SCHEME TITLE

CHELMSFORD NORTH EAST BYPASS

DRAWING TITLE

SCHEME PLAN SECTION 1A SKETCH

DESIGNED	DRAWN	CHECKED	REVIEWED	APPROVED
PT	PT	GB	KC	PM
DATE	DATE	DATE	DATE	DATE
JUN 23	JUN 23	JUN 23	JUN 23	JUN 23

DRAWING UNITS U.N.O.

DIMENSIONS IN METRES

LEVELS IN METRES

SCALE AT A1 (841X594mm)


1:5000


DRAWING No.

CNEB-JAC-HGN-P1_S1A-SK-C-0007

REV.

P01

 **Ringway Jacobs**
Integrated expertise

 **Essex County Council**

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Forward Plan reference number: FP/300/11/23

Report title: Enabling older people, adults with disabilities and those with dementia to access meaningful day-time opportunities	
Report to: Cabinet	
Report author: Councillor John Spence, Cabinet Member for Adult Social Care and ICS Integration	
Date: 16 January 2024	For: Decision
Enquiries to: Moira McGrath – Director: Commissioning Adult Social Care Moira.mcgrath@essex.gov.uk or Dale Evans, Head of Strategic Commissioning and Policy Dale.evans@essex.gov.uk	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Within Everyone's Essex, Essex County Council committed to addressing and, where possible, improving the lives of all our residents. This includes those adults who, through a variety of factors, such as age, disability or chronic illness such as dementia, are at risk of becoming socially isolated and not leading independent lives.
- 1.2 The Day Opportunities programme is one initiative that helps tackle social isolation, supports our families and carers with their caring responsibilities and helps to prevent our adults requiring further care and support. It has run for many years and is now being reviewed to ensure it enables our adults to live independent and meaningful lives, is attractive to both younger and older adults, and offers value for money. While that process will be complete in 2024, implementation will take many months, given the property issues involved.
- 1.3 The purpose of this report is to seek approval to extend three adult social care transport contracts and to procure six new contracts, to provide transport services for eligible Adult Social Care clients to and from our day centres.

2. Recommendations

2.1 Agree

- a) to exercise the contractual right to extend three adult social care transport contracts listed in paragraph 3.10 of the report for 24 months from 1 August 2024, to provide transport services for eligible Adult Social Care clients, at the existing costs, subject to agreement of the contractor if necessary.
- b) that if any of these contracts cannot be extended then those services will be re-tendered in the same manner as set out in paragraph 2.2 below.

- 2.2 Agree to procure six new adult social care transport contracts for a period of three years from 1 August 2024, with an option to extend for a further two years to provide transport services for eligible Adult Social Care clients. The services will be procured on a 90% price, 10% quality split via the Council's Dynamic Purchasing System (DPS) following a single sealed bid process.
- 2.3 Note that the total value of the decisions in paragraph 2.1 and 2.2 over the lifetime of the contract or extension is £5.7m over the respective terms recommended in 2.1 and 2.2, based on forecast spend at current activity levels and routes.
- 2.4 Agree that the Executive Director for Adult Social Care may award the contracts following completion of the competitive procurement process, provided the cost of the contracts can be accommodated within the Adults Social Care budget.

3 Background and Proposal

- 3.1 The Council has a statutory responsibility under the Care Act 2014 to ensure that adult social care clients who meet the eligibility criteria can access the support or services they need. We therefore need to provide transport. These services are therefore critical to ensure that people can access the services they need to live a good and meaningful life.
- 3.2 These services may allow people to access any non-residential or home-based services, including day opportunities, work experience and employment support and opportunities.
- 3.3 Sometimes these services are provided to reduce the need for unpaid carers to help people get to and from social care services.
- 3.4 The Council has ten current transport contracts with commercial operators for eligible adults. Nine of those will expire in July 2024. Generally these contracts are with operators of minibuses or licensed private hire vehicles, with appropriate adaptations for passengers with a disability.
- 3.5 Adult Social Care is also developing thinking around its day opportunities model which is expected to emerge in 2025 but will take time to implement and embed. These transport contracts are critical to enabling Adults to access day opportunities and will need to flex to accommodate any changes in provision.
- 3.6 Given the impending expiry of the current contracts we need to put arrangements in place from August 2024.

What Adults Have Told Us

- 3.7 The Council has undertaken satisfaction surveys with social care passengers to understand their experience of current transport services and they told us that their experience was a positive one, with 92% of passengers happy with the

service they received, 96% feeling that services were punctual and 100% feeling safe.

Market Engagement

- 3.8 Following recent market and stakeholder engagement sessions, a number of risks have been identified in relation to the stability of the transport market. These risks include cost pressures caused by inflation, a driver shortage and availability of vehicles. The transport industry has not seen activity return to pre-covid levels. This creates a risk that operators will exit the market.
- 3.9 We will seek to reduce the impact of retendering on our customers by providing information to tenderers about how each contract is currently being delivered. We will allow contractors to sell any spare capacity or use existing public transport routes where this can appropriately be done.

Contracts

- 3.10 Three contracts have an option for extension for a further two years on the existing contract terms. These are highlighted in the table below:

Contracts with option to extend for two years		
Route	Route Description (all cluster contracts)	Passengers
CA0002	Colchester and Tendring	46
CA0004	West Essex, including transport to settings in Hertfordshire and London	41
DA0001	Rochford	14

- 3.11 Extending these contracts would mean that the services would continue to be operated by the current contractor at the existing operating pricing matrix.
- 3.12 It is proposed to exercise the options to extend these contracts as this offers value for money, with the price paid being at or below what we would expect to achieve from a competitive process. This approach also reduces the risk disruption to the service for passengers whilst we review and start the implementation of our day opportunities model. These contracts can flex up or down in terms of volumes dependant on the outcome and roll out of the newly emerging day opportunity model.
- 3.13 Contracts can only be extended on the current terms and with the agreement of the contractor. It is considered likely that operators will agree to extend but that is not inevitable. If a contract can't be extended we propose to launch a competitive procurement for a replacement contractor.
- 3.14 Six contracts will end on 30 June 2024 and cannot be extended, either because we need to change things or because there isn't an extension clause. These are highlighted in the table below:

Contracts with no option to extend or where material change is required		
Route	Location	Passengers
CA0001	Castle Point	81
CA0003	To settings in Southend on Sea	29
CA0005	Basildon	30
CA0006	Braintree, to locations in Suffolk and Cambridgeshire	5
CA0007	Chelmsford and Maldon	35
CA0008	Brentwood	3

- 3.15 These services will need to be retendered. It is recommended that a new contract for these services is tendered via the Council's Dynamic Purchasing System (DPS). Use of the DPS is recommended because operators will have pre-agreed to terms and conditions which can be used to drive improvements in quality and performance.
- 3.16 It is proposed to procure six new contracts each of which will replace one of the expiring contracts. We are proposing to maintain these geographical splits as there are few operators who could provide services across the whole of the area where we need them to be provided, whereas there are more operators in local areas, meaning that continuing to divide our requirement for services in this way is likely to lead to more competition for the work and thus a better price.
- 3.17 Contracts will be awarded for a period of three years with the option to extend for a maximum of two years, making five years in total. Whilst we are reviewing day opportunities and our requirements may significantly change from 2025, we believe we will need these services until at least 2017 and procuring a three year contract will allow a transitional period for any new services to take effect. The new contracts can flex up or down to reflect changes in volume meaning that we will not be paying for capacity we don't need.

Price, Quality and Social value

- 3.18 It is proposed that these procurements will be tendered through the council's Dynamic Purchasing System (DPS) using evaluation criteria based on 90% price, 10% quality weighting.
- 3.19 Operators are not permitted to join the DPS until they have satisfied mandatory requirements including safeguarding checks and environmental standards. These procurements will be open to all existing operators on the DPS, ensuring competition and focus on price.
- 3.20 The quality evaluation model will assess each operator's ability to mobilise effectively, ensuring they are meeting the key requirements highlighted by passengers and the quality of management systems they have in place to ensure compliance with contractual obligations.
- 3.21 To improve the quality of the service work has been completed to improve the specification that bidders will respond to and the terms and conditions within the

contracts. These changes are in response to feedback received from passengers and frontline practitioners and include:

- 3.21.1 Picking up referrals in a more timely manner
 - 3.21.2 Ensuring the service starts within 10 days of referral or quicker
 - 3.21.3 Offering a door-to-door service to improve safety for passengers
 - 3.21.4 Increasing safety requirements specifications for new vehicles
 - 3.21.5 Increased reporting requirements to provide further assurance regarding quality of delivery
- 3.22 At point of admission to the DPS, operators also committed to deliver 'social value' pledges and to support carbon reduction. Social value pledges become active and are measured and reported to the council when an operator delivers a cumulative spend of over £100k through contracts awarded via the DPS. A Carbon Reduction Plan also formed part of the requirement, and this is reviewed on an annual basis through the contract management process.

Integrated Transport

- 3.23 Although these services substantially transport adult social care passengers, it is sometimes possible to use these services to transport children from home to school and therefore some of the costs highlighted in this paper will be met from the home to school transport budget or Children and Families budgets. Oversight and co-ordination of adults and children's transport is provided by the council's Integrated Passenger Transport Unit to ensure we maximise value across transport contracts and services.
- 3.24 Some people who live in Essex but are close to the borders of other local authority areas attend day opportunities outside Essex, for example Suffolk or Cambridgeshire. ECC has a duty to ensure they can access this support. This is why the Council commissions transport which takes people to locations in other local authority areas.
- 3.25 In looking at these contracts, officers always look to ensure that any potential join-ups with transport contracts in other services are fully explored.

4 Links to our Strategic Ambitions

- 4.1 This report links to the following aims in Everyone's Essex
- **Healthy lifestyles** - helping people to overcome social isolation,
 - **Promoting independence** - supporting access to employment and meaningful activities,
 - **Levelling up outcomes for families** - healthy, active and productive lifestyles,

- **Transport and built environment** - We will deliver a step change in sustainable travel across the county.

4.2 Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030:

- Contribute to reducing congestion and carbon emissions through the promotion of group travel as an alternative to private travel via car or taxi if appropriate to meet our adults travel needs.
- Requirements for contractors to minimise mileage through efficient routing reducing carbon emissions through reducing unnecessary road miles.
- A ULEZ (Ultra Low Emission Zone) standard vehicle requirement of 70% of a Private Hire Vehicle Operator's fleet used on ECC contracts (not including wheelchair accessible vehicles) will be added to the specification to reduce air pollution related to ECC contract activity.
- continuing to encourage registration of these services with the Traffic Commissioner will enable the wider community to access services.

5 Options

5.1 **Option 1: Where contractual conditions allow, extend contracts at 0% increase to the current daily rate, tender those where this approach cannot be achieved and those identified as requiring tender (recommended).**

5.1.1 Three contracts have an option available to extend for a further two years. If the option is exercised, these services will continue to be operated by the current contractor (subject to agreement) at the existing contract cost.

5.1.2 The reasons for concluding that extension of the three contracts is recommended are as follows:

- The contract(s) were procured openly through a tender process in 2022 and the costs are still considered to be appropriate given the nature and complexity of the services delivered and they can be extended at the current cost for a further two years.
- This will reduce the risk of disruption for vulnerable passengers.
- An extension will provide greater flexibility for the Council to consider more efficient and effective models of delivery in the medium to longer term such as combining passengers or routes whilst day opportunities are defining and implementing their delivery model.

5.1.3 A further six contracts will require to be tendered because either:

- There is no option to extend.
- here are material changes to the requirement of the service.
- There are opportunities to gain better value for money through a procurement.

5.1.4 Where a tender process is necessary; the procurement will be undertaken via the Council's dynamic purchasing system using a single sealed bid. Contracts will be awarded for a period of up to a maximum of three years, with the option to extend for up to a further two years.

5.1.5 Option 1 is the recommended option because it minimises disruption for eligible adults, offers good value for the council and is permitted under the terms of the existing contract.

5.2 Option 2: Tender all contracts (not recommended).

5.2.1 The Council has statutory and policy-based obligations to provide transport for pupils meeting the eligibility criteria.

5.2.2 To tender all contracts may increase costs to the Council and cause unnecessary disruption to eligible adults and day opportunity providers.

5.2.3 Contracts were previously awarded through a competitive tender process with the option to extend. An extension for a year is based on current places remaining in place for the entirety of the extension period.

5.2.4 There is a significant resource implication to procuring all contracts that could not be met by the existing team without having significant impacts for other priorities.

5.2.5 There is an increased risk of poor mobilisation due to the volume of change at a single point in time.

5.2.6 This option is therefore not recommended.

5.3 Option 3: Do nothing (not recommended)

5.3.1 Under the Care Act (2014), the Council has a statutory duty to provide transport arrangements for ASC clients who meet the eligibility criteria.

5.3.2 In the event of there being no organised arrangements in place, transport placements would likely need to be made by spot purchase arrangements. This may not be possible without additional administrative arrangements in place to manage each individual request and journey arrangement. This option may present a considerable risk of exceeding the ASC budget for transport, as spot purchase placements are likely to be higher than costs via contractual arrangements. This could also lead to more use of transporting single people negating the positive environmental impacts of these services.

5.3.3 This option is therefore not recommended.

6 Issues for consideration

6.1 Financial implications

6.1.1 The table below shows the impact on each portfolio of this decision using passenger numbers as detailed in paragraphs 3.10 and 3.14.

Hired Transport				Annual Estimation including assumed inflation £000	No. of years of new contracts for Governance	Total for Decision £000
Contract Type	Portfolio	Routes associated currently	Current Annual Estimation £000			
Routes to retender	Adult Social care & NHS Integration	6	966	1,072	3	3,216
	Highways, Infrastructure and Sustainable Transport	3	138	153		459
	Children's Services and Early Years	2	11	12		36
Routes to extend	Adult Social care & NHS Integration	3	813	813	2	1,626
	Highways, Infrastructure and Sustainable Transport	1	205	205		410
Total	Adult Social care & NHS Integration		1,779	1,885		4,842
	Highways, Infrastructure and Sustainable Transport		343	358		869
	Children's Services and Early Years		11	12		36
Grand Total			2,133	2,255		5,747

6.1.2 The Council's draft Medium Term Resource Strategy (MTRS) includes a budget of **£1.9m** for 2024/25 and **£2m** per annum thereafter for *all* ASC externally hired transport, inclusive of a value of inflation for those contracts being retendered. This budget covers the 9 routes included in this report plus an additional route not included in this decision as it has 18 months of the contract left to run. The estimated budget allocation for the 9 contracts in this decision is **£1.9m** per annum. The Home to School Transport draft budget is also sufficient for the estimated **£358,000** element of these routes based on current client information. As mentioned in paragraph 3.23, Children and Families may also use these routes where the Integrated Passenger Transport Unit (IPTU) deem appropriate, based on clients and location of travel, and these numbers may fluctuate depending on placements and need and will be charged to the relevant service budget.

6.1.3 The proposed procurement approach to extend 3 contracts by 24 months will be delivered with no increase to the price matrices. The remaining 6 contracts will go out to tender for the reasons set out in 5.1.3. The price evaluation is set at 90% to support gaining best value from these contracts. The modelled price assumption in 6.1.1 above is that the cost of these contracts will be contained

within the draft budget for 2024/25 and 2025/26 based on procurement intelligence of this market, assuming cohort size and needs remain static.

6.1.4 Figures in the table in 6.1.1 are on the basis that these routes continue to operate or are re-procured on an exact like for like basis, with all routes running for 253 network days, with the same clients throughout the year, and with no in year price escalation. There have been increased volumes in 2023/24 which have impacted the budget, it is these increased volumes that have been used to model the contract costs in this decision and the draft budget therefore mitigating some of the risk of increased pressure over and above that set out in 6.1.1. The actual cost of these contracts will be continually monitored as part of monthly budgetary control.

6.1.5 There remains some risk around total cost of transport due to the factors that are affecting the service, as set out below:

- Changing passenger numbers for the contract years
- New transport requirements for new adults within the system
- The current trend of increasing complexity of need within the Adult with Disabilities population
- Ongoing industry pressures due to driver shortages causing increased fiscal pressure on contract delivery
- Inability to re-procure and/or extend contracts at 0% inflation given the inflationary economic environment

These risks are ongoing within the transport service and are not specific to this decision. The table below shows sensitivity analysis and the potential impact on the total cost if the contract spend were increased by various percentages.

Hired Transport		
Extended/Retendered Contracts	Total for Decision	Variance to Decision
	£	Total
		£
Current volumes and route dynamics cost base (in 6.1.1)	5,747	-
Increase of 5% in overall cost base	6,034	287
Increase of 10% in overall cost base	6,322	575
Increase of 15% in overall cost base	6,609	862

6.1.6 Exact client and route comparison may not be possible at tender evaluation to compare the costs modelled here and those presented at bidding stage as more up to date client information is presented to route operators to enable them to quote more accurately for those clients known at the time of tender. The actual cost of these contracts will be continually monitored as part of the monthly budgetary control process and if costs start to escalate above budget the wider Adult Social Care budget will be considered as part of a budget recovery process that may include accessing grant funding from reserve if required.

6.2 Legal implications

6.2.1 The proposals for extending contracts is permitted by an extension clause in the contract. The proposals for procuring new contracts, including the use of quality, is permitted under the rules for the dynamic procurement system that we have procured.

6.2.2 Therefore the actions in this report are in accordance with the Public Contracts Regulations 2015.

7 Equality and Diversity Considerations

7.2 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.3 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.4 The Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8 List of Appendices

Appendix A – Equalities Comprehensive Impact Assessment

9 List of Background papers

None

Report title: Decisions taken by or in consultation with Cabinet Members	
Report author: Secretary to the Cabinet	
Date: 16 th January 2024	For: Information
Enquiries to: Emma Tombs, Democratic Services Manager, 03330 322709	
County Divisions affected: All Essex	

The following decisions have been taken by or in consultation with Cabinet Members since the last meeting of the Cabinet:

Leader of the Council

- FP/315/12/23** Beaulieu Park Station: Works to A12 Slip Road – draw down from Reserves and Indemnity to National Highways
- FP/322/12/23** Provision of Enterprise Resource Platform Modules for Essex Cares Limited

Deputy Leader & Cabinet Member for Levelling Up and the Economy

- FP/329/01/24** Local Community Fund: Third round of funding proposals

Cabinet Member for Education Excellence, Life Long Learning and Employability

- FP/307/12/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 445
- FP/308/12/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 446
- FP/309/12/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 447
- FP/310/12/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 448
- FP/311/12/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 449

The Chancellor of Essex

FP/317/12/23	Variations of Agreements for Lease relating to Hawthorns and Sir Geoff Hurst Free schools, Former St Peters College, Fox Crescent, Chelmsford CM1 2BL
FP/318/12/23	Drawdown from Waste Reserve: Provision of property advice in relation to Courtauld Road
FP/319/12/23	Goodman, Ely and Magnet House (GEMs) Transformation Project
FP/320/12/23	Drawdown from Waste Reserve: Circular Economy Resources
FP/324/12/23	Land acquisition for potential new primary school at Radwinter Road, Saffron Walden
FP/326/12/23	Review of ECC's Spans of Control and Layers of Management (Phase II) – Drawdown from Reserves
FP/327/12/23	Excess Death Management Procurement

Children's Services and Early Years

FP/316/12/23	The Annual Re-opening of the Framework for the Provision of External Foster Care Services
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The Arts, Heritage and Culture

FP/325/12/23	Procurement for Body Removal and Body Storage
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Cabinet Member for Highways Maintenance and Sustainable Transport

FP/267/10/23*	Supporting Local Bus Services 2024 onwards – outcome of consultation and next steps
FP/334/01/24	Proposed 'No Waiting at Any Time' Restrictions, Gleneagles Way, and B1137 The Street, Hatfield Peverel, in the District of Braintree

Planning a Growing Economy

FP/321/12/23	Statement of Community Involvement – update
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*Key Decisions	1
Urgent (exempt from call-in)	0
Urgent (exempt from Forward Plan)	0