

Everyone's Essex Annual Plan and Budget

2024/2025



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

Contents

1. Everyone's Essex Strategic Aims – What we will deliver in 2024/25
 - a. Aim 1: Strong, inclusive and sustainable economy
 - b. Aim 2: High quality environment
 - c. Aim 3: Health, wellbeing and independence for all ages
 - d. Aim 4: A good place for children and families to grow

2. Resources
 - a. Financial Strategy 2024/25 to 2027/28
 - b. 2024/25 Revenue Budget
 - c. 2024/25 Capital Programme

3. Annex 1: 2024/25 Revenue and Capital budgets
Annex 2: Performance - Section to be added for version to Full Council
Annex 3: Capital and Treasury Management Strategy

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:
- 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.

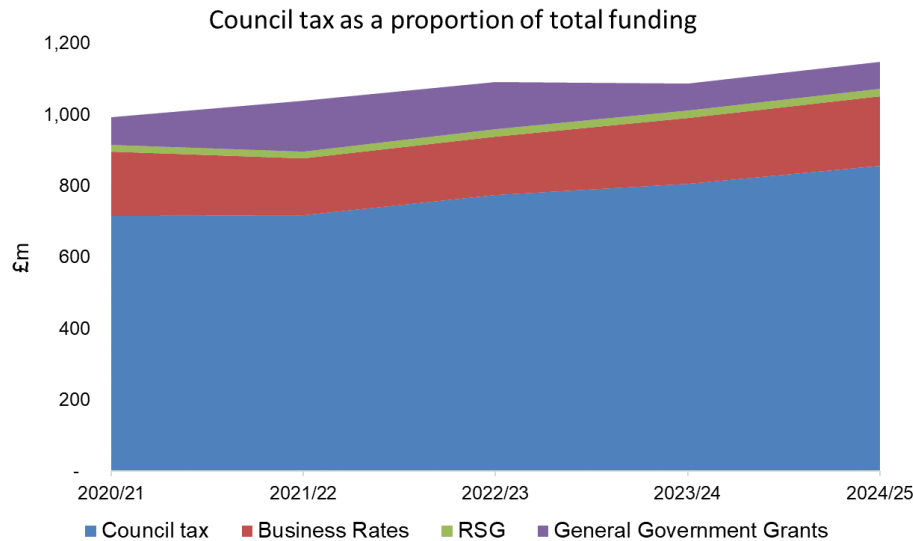
We have a strong record of sound financial management, and over the last four years have generated savings to taxpayers of **£175m**. A further **£32m** of new savings are forecast to be delivered by the end of 2024/25 (**3%** of net budget). The planned savings are focused around continuation of existing 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

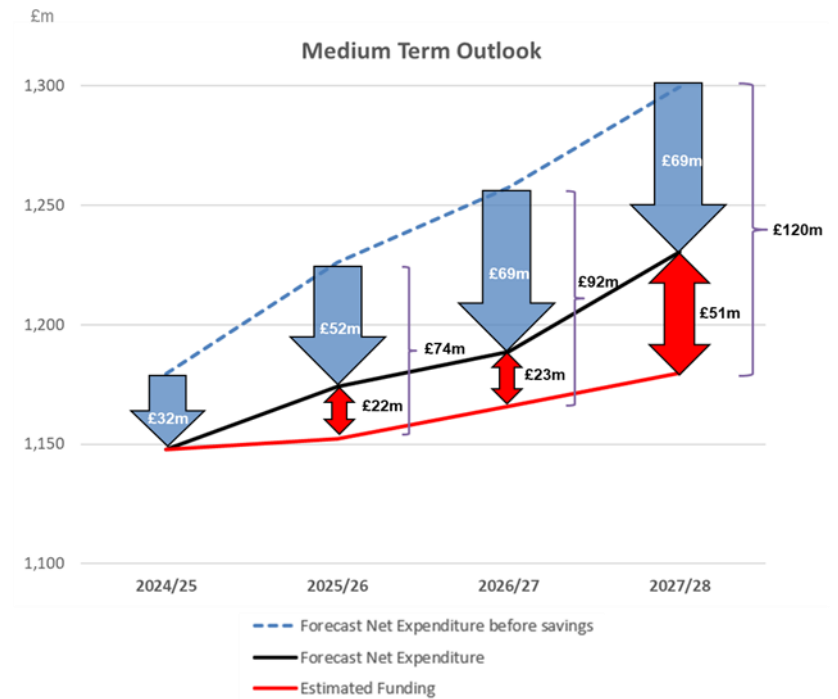
additional £97.7m in total was announced across the individual elements. There was only a one-year funding announcement for all grants. The Provisional Settlement also confirmed the continuation of Revenue Support Grant (RSG) of £22.7m.

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.**



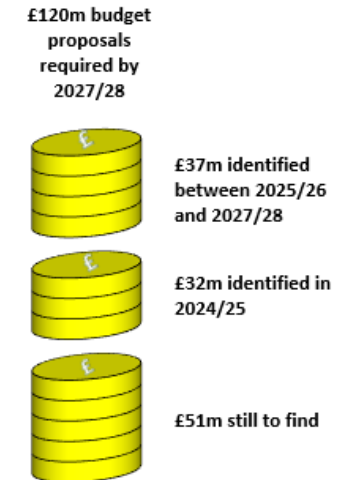
Net expenditure of **£1,148m** is funded by council tax, business rates, Revenue Support Grant and General Government Grants. Income from council tax is the largest funding stream at **£856m** and will make up **75%** of our funding in 2024/25.



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 Fairglen 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.

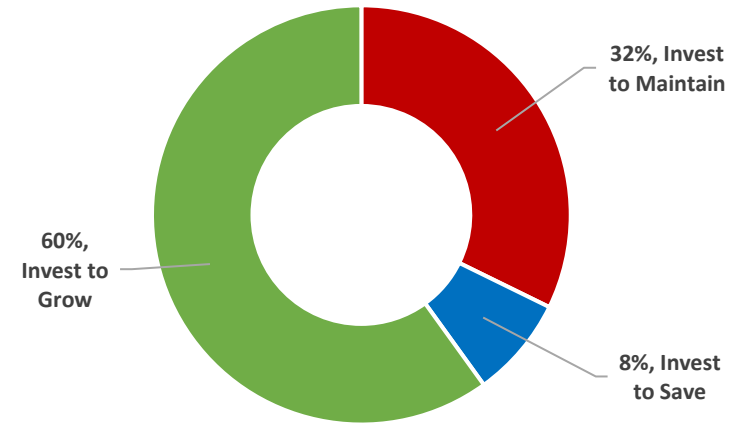
Our collaboration with Essex Schools has seen our special school places increase and has continued with the delivery of new sites for our pupil referral units (PRUs). This continues to represent a step change in the provision and helps to reduce distances children with Special Educational Needs and Disabilities (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



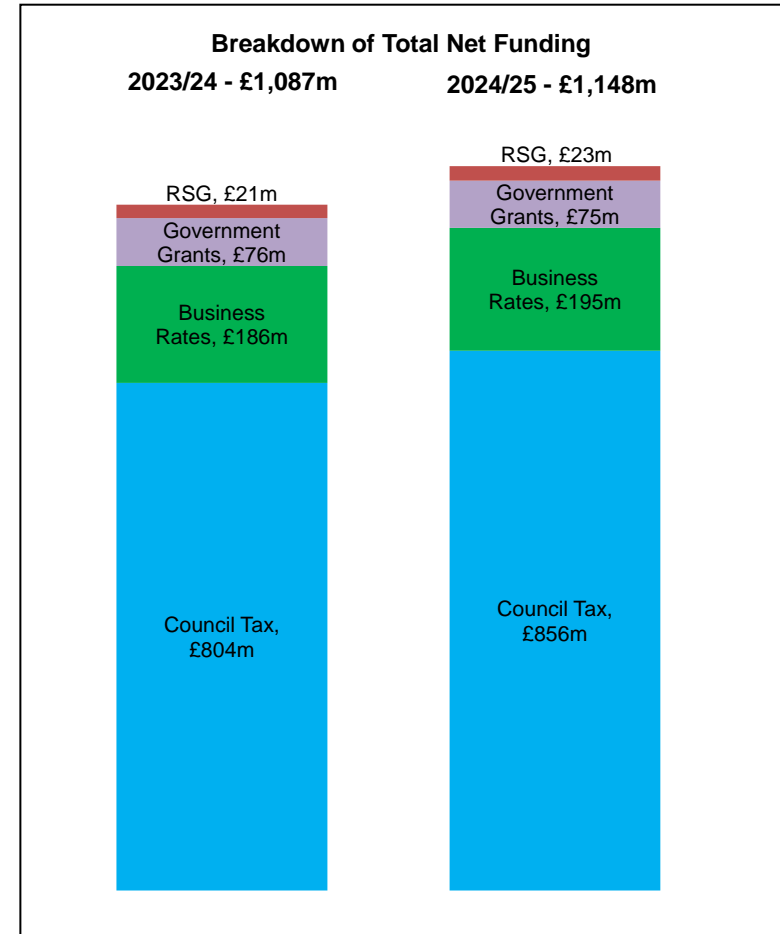
2024/25 Revenue Overview

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

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

Revenue Budget

| 2022/23 Actuals | | | | 2023/24 Original Budget | | | | 2024/25 | | | | | | | |
|---------------------------|----------------|-------------------------|----------------------------------|---------------------------|----------------|-------------------------|----------------------------------|---|----------------|-------------------------|----------------------------------|---------|-----------|-----------|---------|
| Gross Expenditure £000 | Income £000 | Specific Grants £000 | Total Net Expenditure £000 | Gross Expenditure £000 | Income £000 | Specific Grants £000 | Total Net Expenditure £000 | Gross Expenditure £000 | Income £000 | Specific Grants £000 | Total Net Expenditure £000 | | | | |
| 10,977 | | (197) | 10,780 | 11,346 | (60) | | 11,286 | Access Assessment and Care Management | | | | | | | |
| 8,018 | (149) | | 7,870 | 8,835 | (169) | | 8,666 | 11,811 | (60) | | 11,751 | | | | |
| 7,582 | (207) | | 7,375 | 8,721 | (111) | | 8,610 | 9,224 | (176) | | 9,048 | | | | |
| 9,230 | (461) | | 8,768 | 9,818 | (491) | | 9,327 | 9,190 | (116) | | 9,074 | | | | |
| 6,114 | (108) | | 6,006 | 6,754 | (114) | | 6,640 | 10,362 | (512) | | 9,851 | | | | |
| | | | | | | | | 7,093 | (119) | | 6,974 | | | | |
| 242,105 | (20,375) | | 221,731 | 259,064 | (19,132) | (35,292) | 204,640 | Care and Support | | | | | | | |
| 292,251 | (124,945) | (43,759) | 123,547 | 300,254 | (130,473) | (66,327) | 103,454 | 285,739 | (22,606) | (40,671) | 222,461 | | | | |
| 55,405 | (5,008) | | 50,397 | 58,582 | (5,398) | (7,808) | 45,375 | 342,256 | (147,107) | (73,380) | 121,769 | | | | |
| 107 | | | 107 | 256 | | | 256 | 68,739 | (5,537) | (8,999) | 54,204 | | | | |
| 187 | (103) | | 83 | 199 | (73) | | 126 | 268 | | | 268 | | | | |
| 420 | | (328) | 92 | 420 | | (328) | 92 | 211 | (75) | | 136 | | | | |
| 5,065 | | (744) | 4,321 | 4,200 | | | 4,200 | 420 | | (328) | 92 | | | | |
| 25,729 | (2,609) | | 23,120 | 26,004 | (2,345) | (3,485) | 20,174 | 3,591 | | | 3,591 | | | | |
| | | | | | | | | 31,100 | (3,923) | (4,016) | 23,161 | | | | |
| 98 | (131) | | (33) | 324 | (324) | | | Other Social Care | | | | | | | |
| 2,818 | 384 | (470) | 2,732 | 3,414 | | (470) | 2,944 | 322 | (322) | | - | | | | |
| 68,847 | (410) | (73,910) | (5,473) | 69,259 | (185) | (70,643) | (1,569) | 3,689 | | (470) | 3,219 | | | | |
| 38,969 | (8,439) | (12,954) | 17,576 | 41,980 | (6,002) | (18,559) | 17,420 | 71,683 | | (73,252) | (1,569) | | | | |
| 339 | | | 339 | 350 | | | 350 | 25,346 | (280) | (30,618) | (5,552) | | | | |
| 17 | | | 17 | 0 | | | 0 | 350 | | | 350 | | | | |
| | | | | | | | | Support to Carers | | | | | | | |
| | | | | | | | | | | | - | | | | |
| 774,278 | (162,562) | (132,361) | 479,355 | 809,782 | (164,878) | (202,912) | 441,992 | Total Health, Adult Social Care and ICS Integration | | | | 881,395 | (180,833) | (231,734) | 468,828 |

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 | Total Net |
| £000 | £000 | £000 | | | Expenditure | Income Specific Grants Expenditure |
| | | | | | £000 | £000 £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 | (31) 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) (31) 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 | - | - | - | - | - |
| 4,404 | 2,615 | 735 | - | - | - | 735 |
| - | 700 | - | - | - | - | - |
| 5,064 | 3,859 | 735 | - | - | - | 735 |
| | Subtotal Superfast Broadband | | | | | |
| - | 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 | 10,868 | 13,235 | 17,535 | 956 | 42,594 |
| | Subtotal Economic Investment | | | | | |
| 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 | 1,323 | 10,519 | - | - | 11,842 |
| | Subtotal Housing Investment | | | | | |
| 6,032 | 13,361 Essex Housing Loans | 12,320 | 33,803 | 13,914 | 1,608 | 61,645 |
| 6,032 | 13,361 | 12,320 | 33,803 | 13,914 | 1,608 | 61,645 |
| | Subtotal Essex Housing LLP | | | | | |
| 26,043 | 34,799 | 25,245 | 57,557 | 31,449 | 2,564 | 116,815 |
| | Total Planning a Growing Economy | | | | | |

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 | Income | Specific Grants | Total Net |
| £000 | £000 | £000 | | | Expenditure | £000 | £000 | Expenditure |
| | | | | | £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) | | (300) |
| 10,375 | 11,820 | 5,921 | Transformation Reserve | | 18,820 | | | 18,820 |
| (281) | (9,884) | (287) | Waste Reserve | | | (2,000) | | (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 | £000 |
| General Balance | (68,096) | (68,092) | - | - | (68,092) | (68,092) | (68,092) | (68,092) |
| Reserves earmarked for future use | | | | | | | | |
| Adults Digital Programme | (28) | 0 | - | - | 0 | 0 | 0 | 0 |
| Adult Social Care Risk | (12,561) | (9,724) | - | 806 | (8,918) | (8,112) | (7,304) | (7,304) |
| Adults Investment Reserve | (9,802) | (9,802) | (23,262) | 23,262 | (9,802) | (9,692) | (9,691) | (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) | (12,534) |
| Carbon Reduction and Energy Risk | (711) | (559) | 190 | - | (369) | (369) | (369) | (369) |
| Carry Forward | (15,039) | (0) | - | - | (0) | (0) | (0) | (0) |
| Childrens Risk | - | - | (6,200) | 6,200 | - | - | - | - |
| Childrens Sustainability | - | - | (4,570) | - | (4,570) | (4,570) | (4,570) | (4,570) |
| Childrens Transformation | (6,010) | (2,658) | - | 1,039 | (1,619) | (1,225) | (1,225) | (1,225) |
| Collection Fund Risk | (17,084) | (26,198) | - | - | (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) | (9,396) |
| Community Initiatives Fund | (277) | (277) | (350) | 350 | (277) | (277) | (277) | (277) |
| EES Pensions | (4,000) | (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) | (23,227) |
| Emergency Planning | (300) | (300) | - | - | (300) | (300) | (300) | (300) |
| Equalities Fund Reserve | (261) | (261) | - | - | (261) | (261) | (261) | (261) |
| Essex Climate Change Commission | (3,067) | (849) | - | 686 | (163) | 0 | 0 | 0 |
| Essex Crime and Police | (73) | (73) | - | - | (73) | (73) | (73) | (73) |
| Everyones Essex | (44,987) | (33,821) | (12,990) | 23,952 | (22,860) | (742) | (393) | 0 |

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.

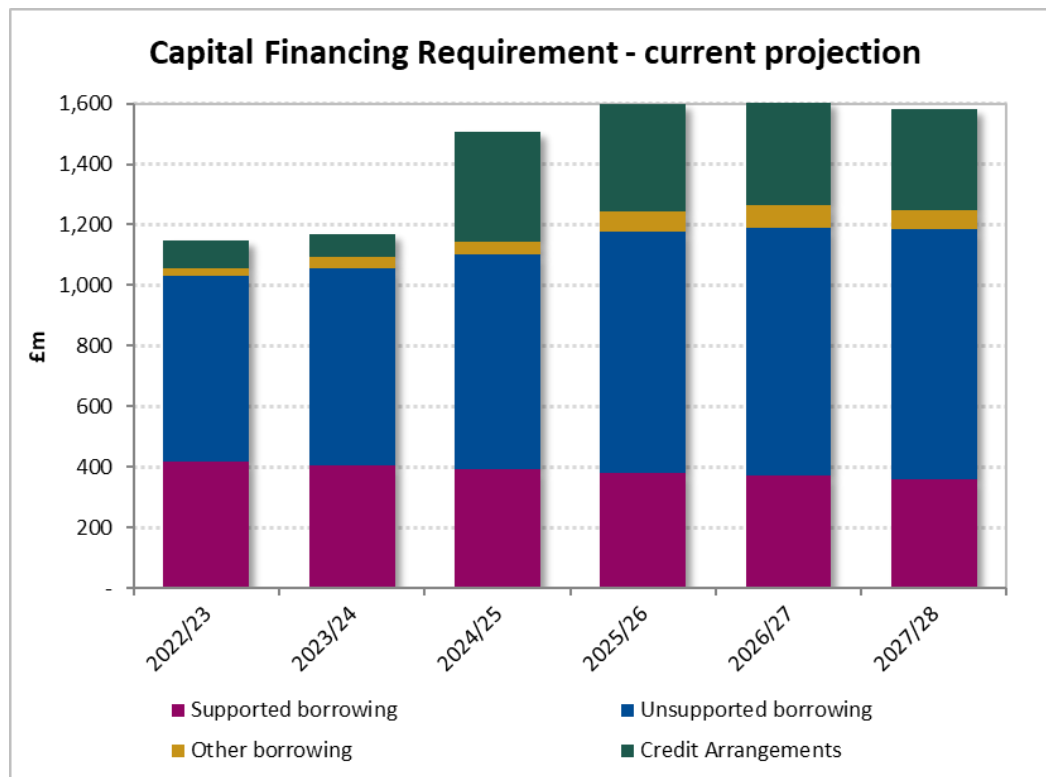
The actual Capital Financing Requirement (CFR) for 2022/23 is derived from the Council's Balance Sheet for 2022/23. It provides a measure of the amount of capital expenditure that the Council has already spent that has yet to be funded from cash resources.

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.

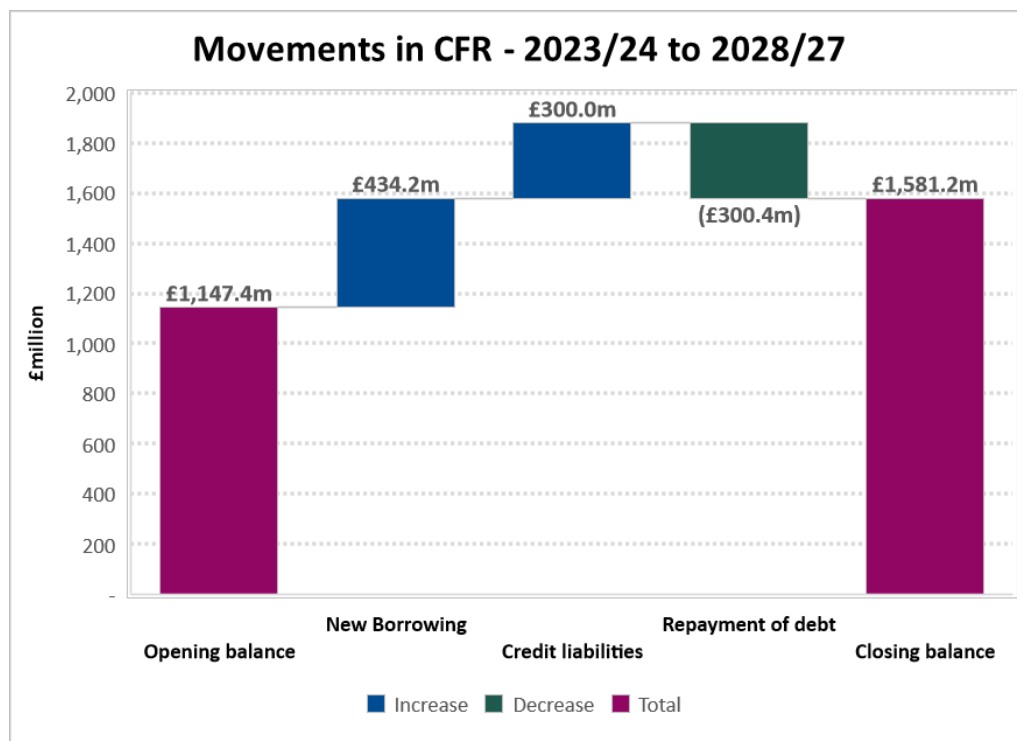
The actual CFR for 2022/23 and forward projections for the current and forthcoming years are illustrated in the graph below:



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.

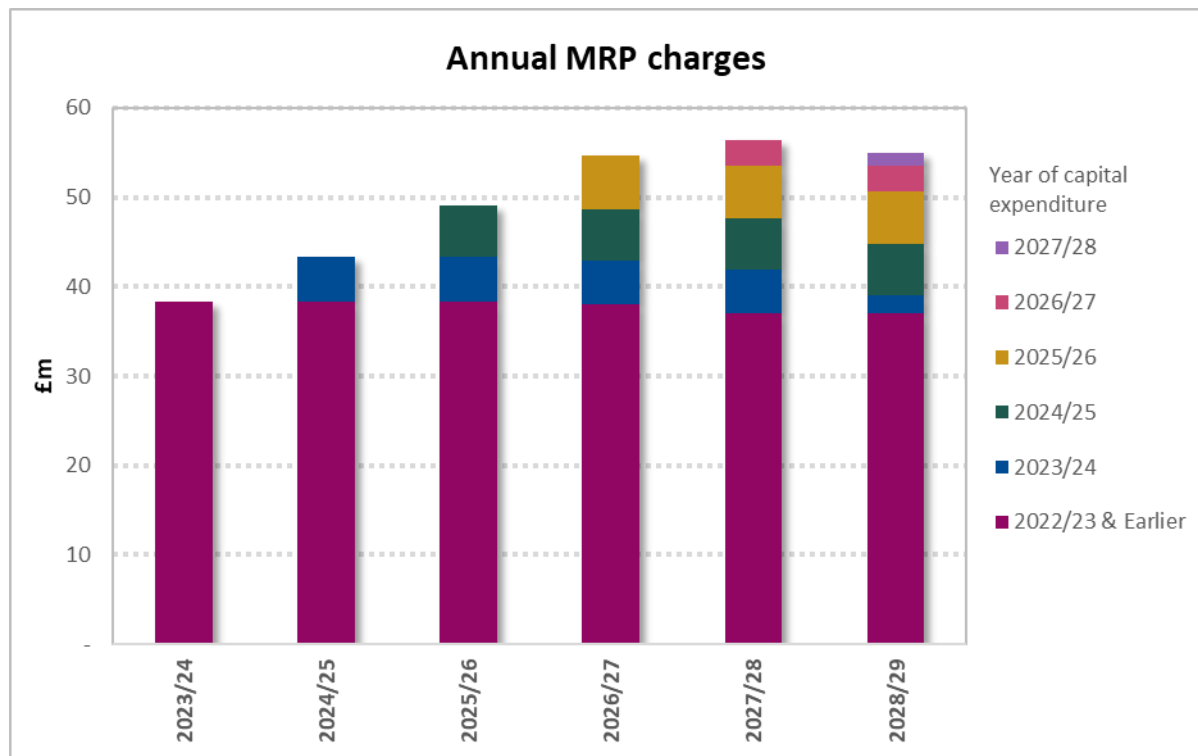
Statutory guidance requires MRP to be provided annually on a prudent basis, and interprets 'prudent' to mean that:

- 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

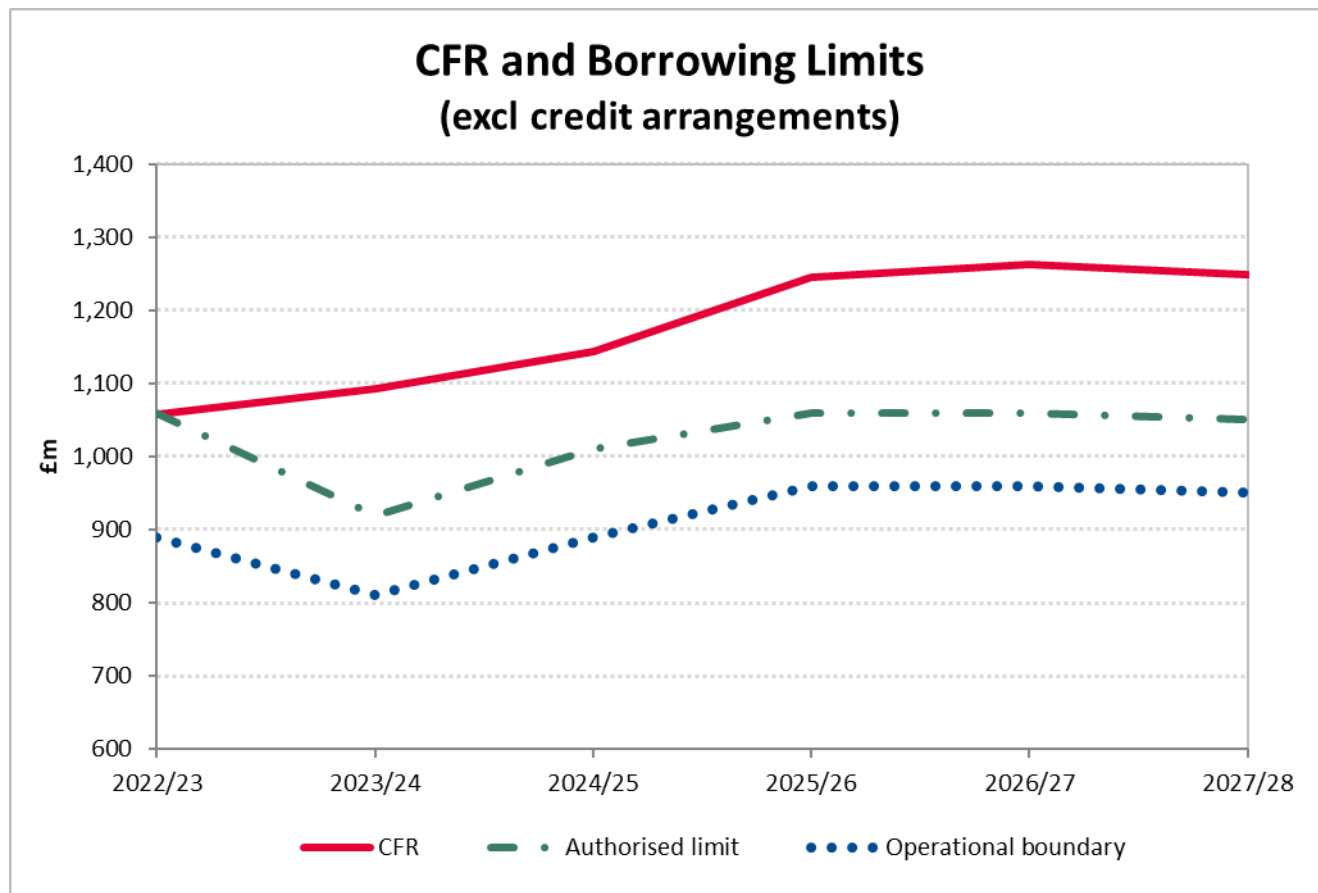
The Council is only permitted to borrow externally (including via credit arrangements) up to the level implied by its Capital Financing Requirement (CFR). However, the Council must not borrow if there is no identified need for it; neither can it borrow to invest for the primary purpose of generating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

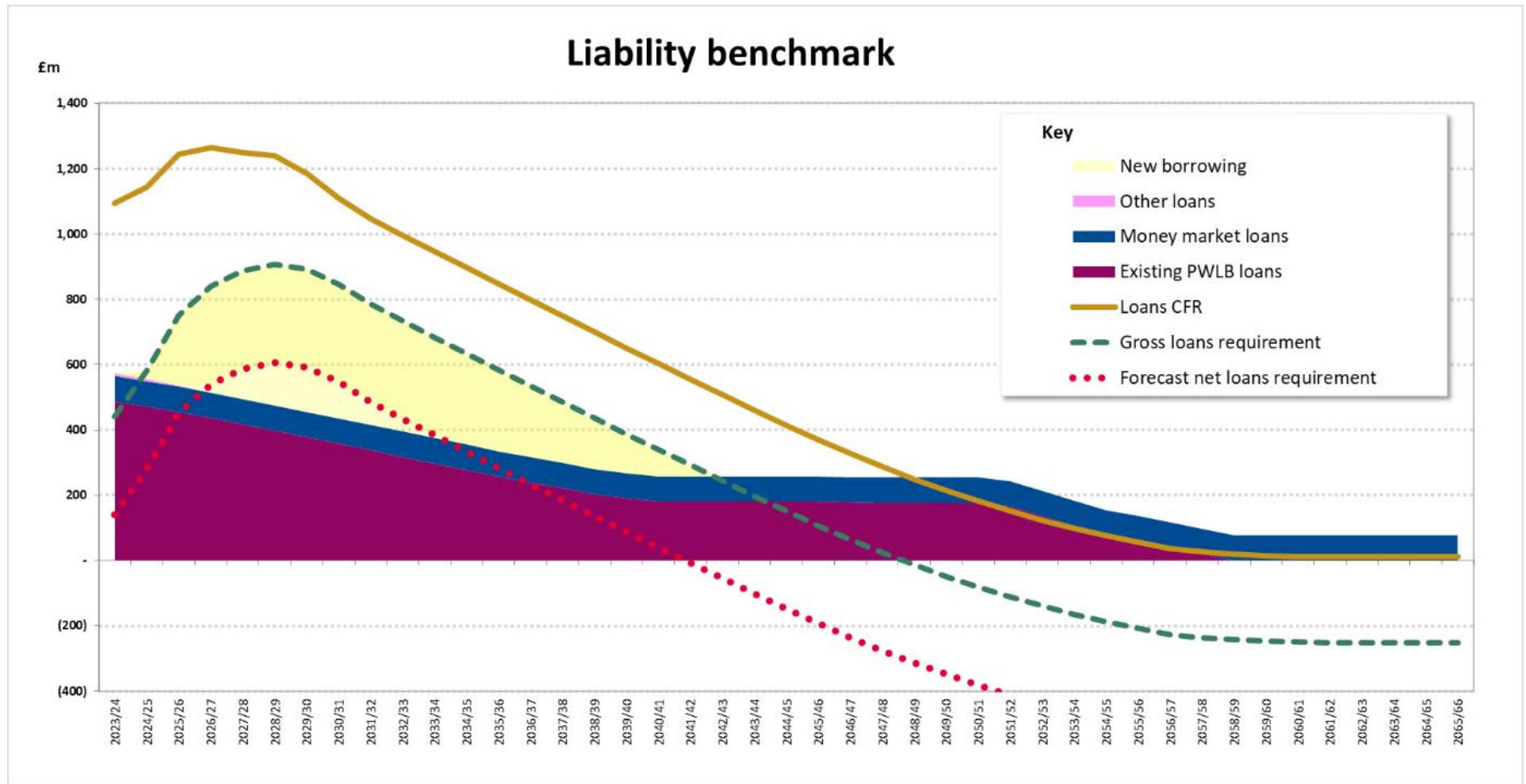
The Council will externalise its borrowing when it needs to do so to ensure that it has sufficient liquidity to meet its day-to-day cashflow requirements.

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:

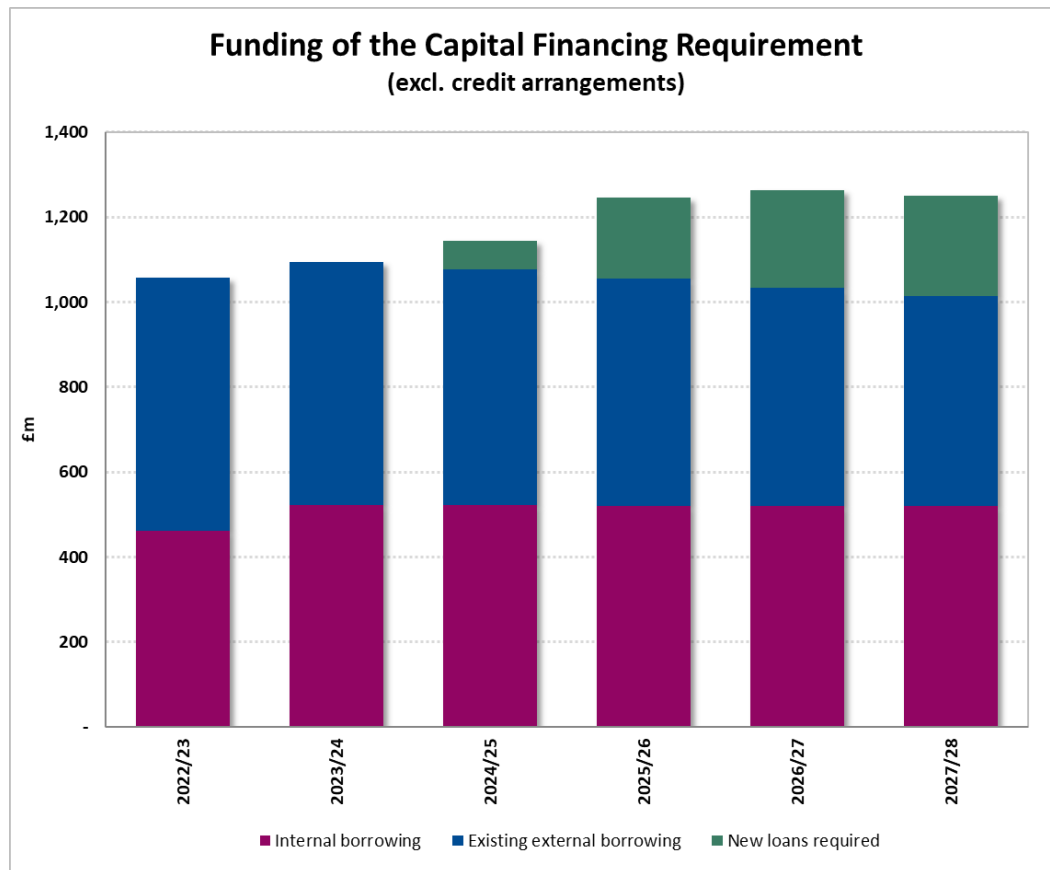
- **Existing loan debt outstanding.**
- **Loans Capital Financing Requirement** (Capital Financing Requirement excluding any part related to credit arrangements).
- **Net loans requirement** (forecast of the Council's loan debt, net of investments).
- **Gross loan debt** (forecast of the gross debt required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

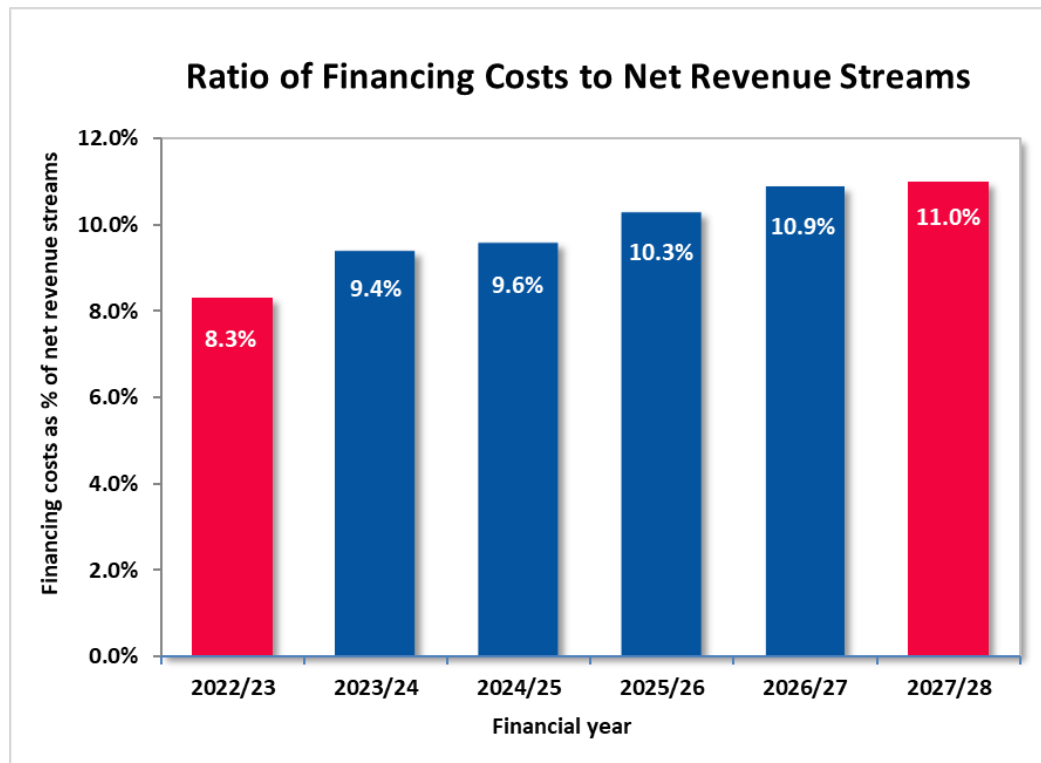
Short-term borrowing will be assessed against the Sterling Overnight Index Average (SONIA) which is published by the Bank of England. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling from other financial institutions and other institutional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

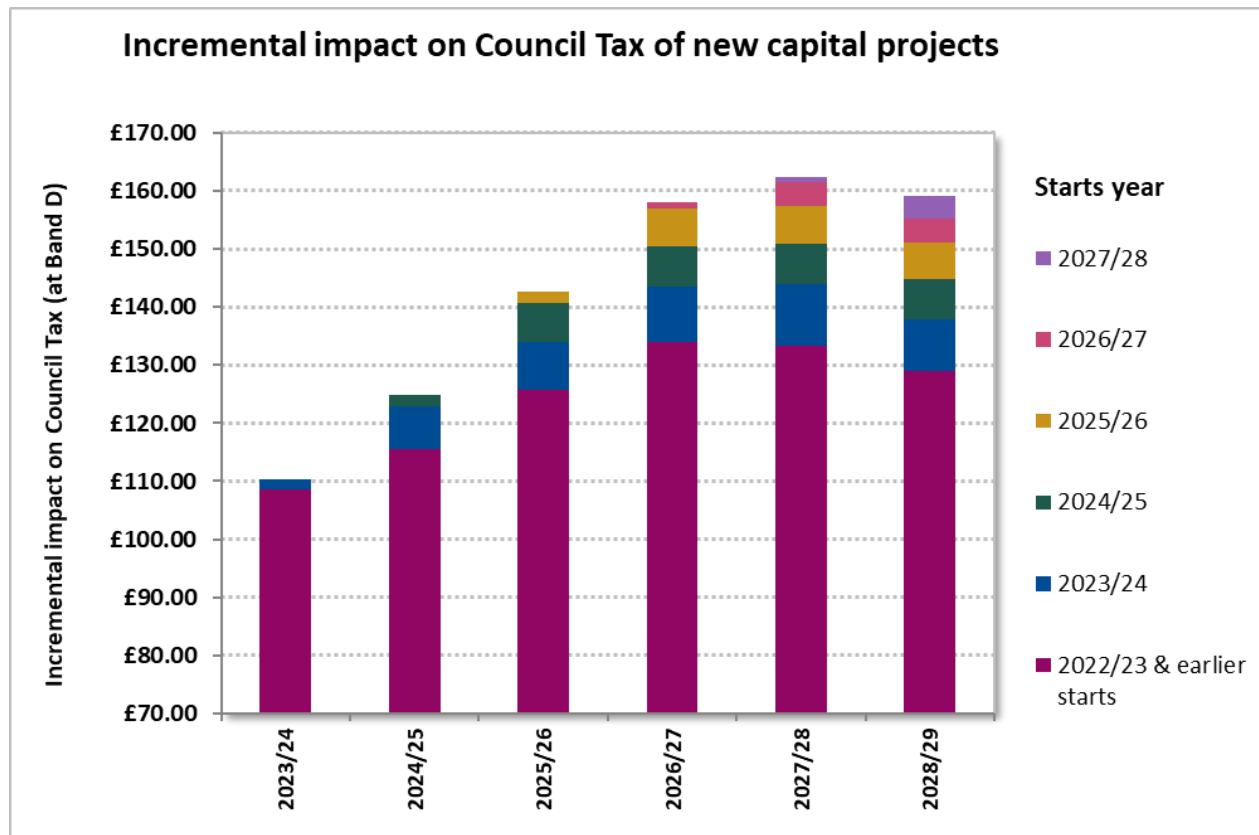
The trend in this ratio over this period is illustrated in the adjacent graph. This shows that the proportion of the revenue budget that is required to fund borrowing costs is expected to increase from **8.3%** in 2022/23 to **11.0%** by 2027/28.



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 | - | - | - | - |

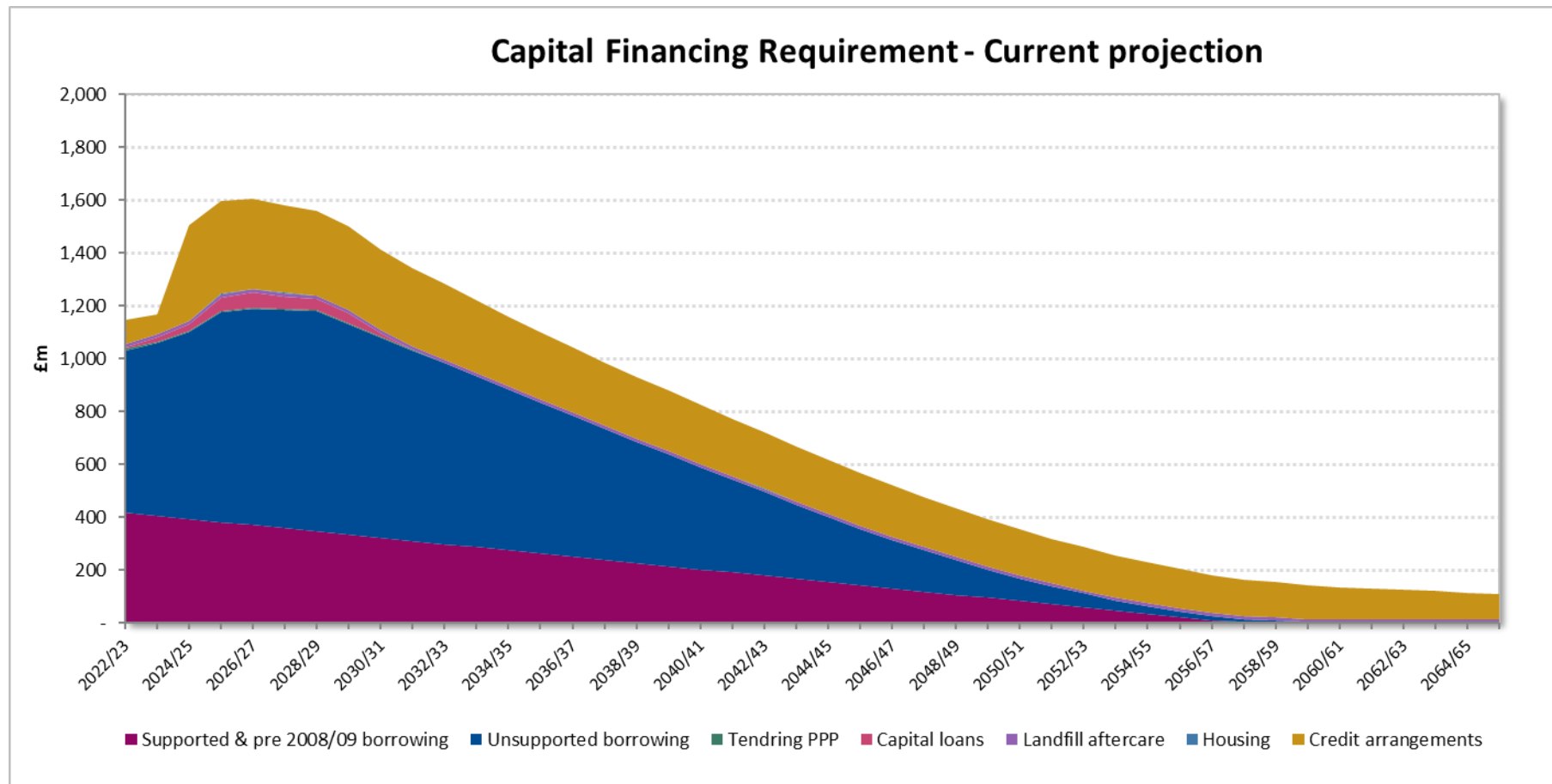
ANNEX 3C – REVENUE PROVISION FOR THE REPAYMENT OF DEBT POLICY

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.