

# Essex County Council

## Revenue Budget 2016/17

### Capital Programme 2016/17



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# Executive Summary

Essex County Council (the Council) has an outstanding track record of delivering value to its tax-paying residents. A constant focus on strategic outcomes and financial prudence, underpinned by innovation and efficiency, has yielded strong dividends and enabled the Council to minimise the tax burden on households throughout a period when real terms incomes were not increasing. The Council is determined to continue building on that platform.

The Council now faces an enormous financial challenge due to austerity driven reductions in public sector funding, compounded by the introduction of the National Living Wage and an increasing demand for its services (social care in particular). The Council must continue to manage every single penny in a responsible and frugal way, to ensure its resources are spent wisely and with ruthless priority given to front line delivery of services.

Whilst the Council is subject to reductions in its funding, it still can command significant resources to fund critical services – for example social care, education, roads, waste disposal, libraries and infrastructure - for the benefit of its wide range of customers. The report recommends a gross expenditure budget of **£1,766m** in 2016/17, with a net cost of services of **£927m**. This represents a similar level of spending as in 2015/16, despite the loss of **£57m** of Central Government grant between the two years.

Despite these challenges, the Council is able to present a balanced budget for approval, but this relies on **£24m** of one

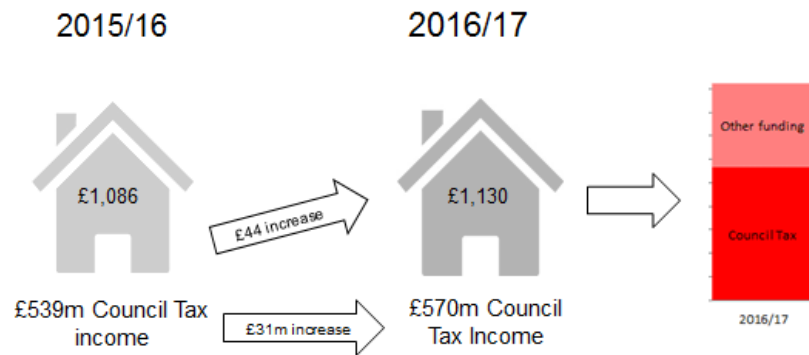
off resources to support the underlying position. This means there is unprecedented pressure on our revenue budget for the following year, 2017/18.

As a result of Central Government fiscal policy, the amount of grant funding that will be provided to the Council in 2016/17 is **£57m** (or **33%**) less than that provided for 2015/16.

The Council has managed to freeze council tax for the last 5 years, by achieving savings and efficiencies in the back office and transforming the way the Council delivers services. The Council has delivered over **£521m** of such savings in the last 6 years. The Council will continue on this ambitious plan to drive out inefficiency and reduce costs, and the Council has plans to deliver a further **£76m** of savings next year.

The increasing demand for social care has been recognised by Central Government, by the introduction of the Social Care Precept, which allows Councils with Social Care responsibilities to increase council tax by an additional **2%** to mitigate some of this pressure. This only partly meets the Social Care pressures facing the Council, which are in excess of **£40m**. The increasing pressures and reductions in Government funding have meant the Council has had to make the tough decision to increase council tax by **1.99%**, and to levy the Government's social care precept of **2%**.

These increases taken together along with increases to the council tax base, equate to an additional **£31m** of resources. The council tax for a band D property will be **£1,130.13**; **this is an increase of under 84p per household per week.**

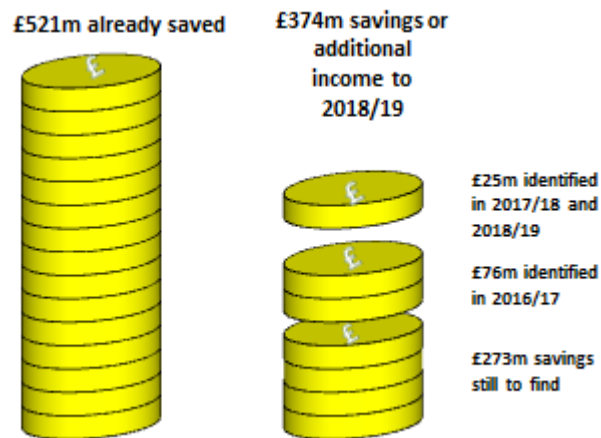


The Council recognises the merit of individual policies such as the National Living Wage and the provision of extra support for economically weaker regions, but the concern must continue to be to maximise overall benefit for Essex residents. To this end, the Council will intensify its planning for the longer term, anticipating demographic trends and facilitating economic growth; introducing commercialisation where appropriate and streamlining internal processes. The vision of Greater Essex remains undimmed, as does the Council's commitment to the provision of strong services and great value.

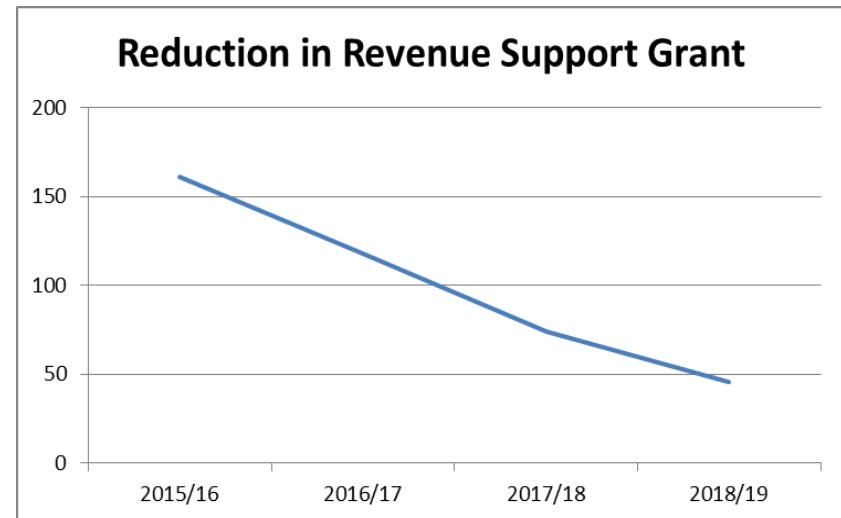
# Financial Strategy 2016/17 – 2018/19

This budget is underpinned by a financial strategy to ensure the financial sustainability of the Council and to deliver essential services to residents, whilst keeping council tax as low as possible.

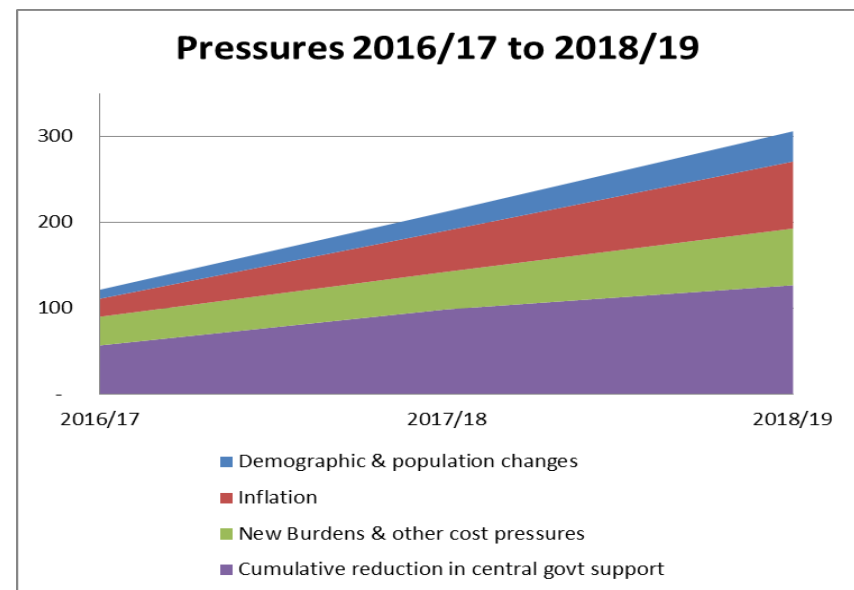
Over the last 6 years the Council has saved over **£521m**, and is budgeted to save a further **£76m** by the end of 2016/17. The Council has a proven track record of delivering considerable savings and strong financial management.



However the challenge does not end in 2016/17; every year for the next four years the Government is cutting grant to the Council and there are also very significant pressures to manage.



As well as reductions in Central Government funding, there are other significant pressures to deal with including inflation, increasing demand and new legislation.



After all identified savings plans have been implemented, there remains a gap of **£172m** by 2018/19 as shown below. Work will continue during 2016/17 to identify options to close this funding gap.

	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m
Net cost of services	926.6	927.5	965.6	1018.8
Funding	(926.6)	(927.5)	(864.8)	(847.1)
<b>Gap</b>	<b>0.0</b>	<b>0.0</b>	<b>100.8</b>	<b>171.7</b>

The total savings still to find over the medium term period is **£273m**, along with the savings already proposed, equates to total savings of **£374m**.

## Capital

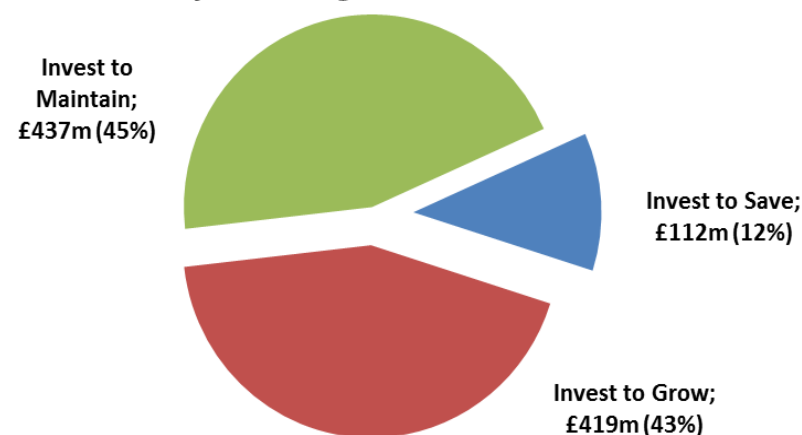
The capital programme presented is fully developed for 2016/17, and provides the current view of a programme for 2017/18 and 2018/19. At this stage, these later years can only be delivered to the extent indicated, once there is clarity on the revenue savings programmes for the same years which not only balance the budgets for these years but will also finance any borrowing costs of the capital programmes going forward.

The overall vision for the capital programme is to have a diverse portfolio of activity that delivers the greatest value for money within the affordable financial envelope, with elements that generate income and growth, drive savings and ensure the quality of infrastructure, for the benefit of Essex residents. This is all underpinned by the needs of the people and businesses of Essex and the corporate outcomes and devolution aspirations.

The capital strategy to deliver this vision is:

- Building and maintaining a diverse rolling 3 year capital programme which is agile and responds to residents' needs, such as providing new accommodation for vulnerable people and improving the County's flood defences.
- Ensuring activity is prioritised accordingly, with robust delivery plans in place, enabling delivery on time and at value, for example ensuring every child has a place at school and maintaining the road network.
- Ensuring external funding is leveraged which will maximise the financial envelope available for capital projects, such as funding for road improvements which reduce congestion and unlock housing and jobs growth.

## ECC 3 year Programme 2016 - 2019 £m



The total of the 2016/17 programme and the current view of the next two years 2017/18 and 2018/19 is **£968m**. This can be analysed as follows:

Invest to Grow totals **£419m** and includes areas where the Council is expanding its capacity, for example, economic growth schemes in infrastructure and highways, and creating new school places to meet additional demand from demographic changes and new housing developments.

Invest to Maintain totals **£437m** and includes areas where the Council is maintaining (but extending the life of) its current assets, for example highways capital maintenance.

Invest to Save totals **£112m** and includes areas where the Council is investing to generate a return or saving, for example special educational needs, accommodation for vulnerable people, and the Essex Housing Programme.

# 2016/17 Overview

Gross expenditure to be incurred in the delivery of Council services in 2016/17 is **£1,766m**. After taking income and specific grants into account, the net costs of services amounts to **£927m**, a similar level to 2015/16.

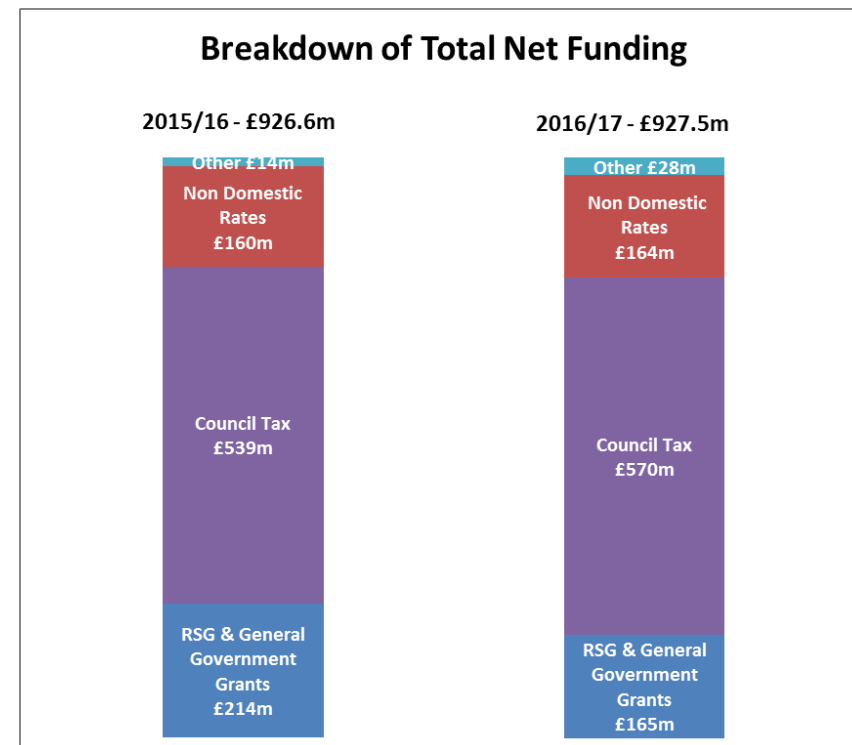
## Budget Breakdown

	2015/16 £m	2016/17 £m
<b>Gross Expenditure</b>	<b>1,778.8</b>	<b>1,766.3</b>
Deduct:		
Income	(176.6)	(186.3)
Specific Government Grants (excluding DSG)	(112.5)	(113.3)
Specific Government Grants (DSG)	(563.1)	(539.2)
<b>Subtotal: Net Cost of Services</b>	<b>926.6</b>	<b>927.5</b>
Deduct:		
Council Tax Requirement	(539.1)	(570.2)
Revenue Support Grant	(160.8)	(117.9)
Non-Domestic Rates	(161.2)	(164.3)
Non-Domestic Rates Deficit *	1.5	2.8
General Government Grants	(52.8)	(47.1)
Withdrawal from General Balance	(3.5)	(19.4)
Council Tax Collection Fund Surplus *	(10.7)	(11.4)
<b>Subtotal: Total Funding</b>	<b>(926.6)</b>	<b>(927.5)</b>
<b>Surplus/ (Deficit)/ Balanced budget</b>	<b>0.0</b>	<b>0.0</b>

\* Estimate of the variation of actual council tax and non-domestic rates revenue 2015/16 compared to that budgeted (technical adjustment)

A summary of the revenue budget and capital programme by portfolio is shown on pages 10 and 11.

## Where Essex County Council money comes from



## Income

Within the budget, income of **£186m** is expected in 2016/17, an increase of **£10m** when compared to 2015/16.

### Breakdown of Income Streams

	2015/16 £m	2016/17 £m
Fees and Charges	(108.5)	(119.8)
Contributions from Other Bodies	(28.7)	(21.7)
Interest Receivable	(0.9)	(0.7)
Rents and Lettings	(3.5)	(4.0)
Sales	(2.0)	(1.8)
Other Income:		
Appropriations Income *	(23.0)	(24.2)
Income Recharge	(2.7)	(7.4)
Other Recharges	(6.1)	(5.4)
Capital Grants	(0.1)	(0.1)
Dividends from Companies	(1.0)	(1.0)
External Income Other Accounts	0.0	(0.2)
<b>TOTAL</b>	<b>(176.6)</b>	<b>(186.3)</b>

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

Over **60%** of this income is derived from fees and charges; of this the majority is raised from means tested charges for adult social care.

### Specific Government Grants

The budget also includes **£653m** of specific government grants, the most significant of which are Dedicated Schools Grant (**£539m**), and Public Health grant (**£66m**).

## Capital Programme

The Capital Programme for 2016/17 is **£251m**, and will deliver a range of schemes to enhance, maintain and deliver new assets such as superfast broadband, support to colleges in Harlow and Colchester for new training facilities, starting work on building new primary and secondary schools at Beaulieu Park in Chelmsford and New Hall in Harlow, delivering new specialist teaching provision in Benfleet and a package of highways maintenance and road congestion busting schemes countywide.

Despite the challenges faced, the proposed programme for 2016/17 is a **5%** increase on the programme forecast to be delivered in 2015/16.

## Revenue Budget Summary

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
397,117	400,036	404,268	Adult Social Care	493,252	(78,633)	(543)	414,075
124,573	115,691	115,461	Children and Families	125,778	(2,197)	(6,037)	117,544
(7,240)	818	8,688	Communities and Healthy Living	69,509	(135)	(68,643)	731
16,044	12,886	12,935	Corporate Services	17,739	(5,361)	(25)	12,354
73,027	82,249	80,724	Deputy Leader, Economic Growth, Waste and Recycling	84,505	(3,675)	(0)	80,830
45,378	46,557	48,247	Education and Lifelong Learning	645,055	(23,091)	(576,617)	45,347
15,788	20,704	21,252	Finance	25,937	(1,433)	(366)	24,137
70,712	50,730	57,117	Infrastructure and Highways Delivery	59,418	(12,092)	(211)	47,115
6,001	7,392	9,361	Leader	8,388	(369)	(0)	8,019
38,100	37,782	39,151	Transport, Planning and Environment	50,048	(14,385)	(119)	35,543
50,424	60,639	22,357	Other Operating Costs	82,305	(26,037)		56,268
80,240	68,462	80,162	Corporate Services RSSS	74,077	(9,916)		64,161
19,945	18,452	21,784	Finance RSSS	25,995	(8,763)		17,232
(7)		(0)	Infrastructure and Highways Delivery RSSS	0	(0)		(0)
4,155	4,204	4,398	Leader RSSS	4,318	(223)		4,095
<b>934,256</b>	<b>926,602</b>	<b>925,903</b>		<b>1,766,324</b>	<b>(186,310)</b>	<b>(652,562)</b>	<b>927,452</b>

## Capital Programme Summary

2014/15 Actuals £'000	2015/16 Latest Budget £'000	Portfolio	2016/17 Budget £'000	2017/18 Aspiration £'000	2018/19 Aspiration £'000
2,675	1,274	Adult Social Care	3,609	11,913	14,640
230	477	Children and Families	250	50	
105		Communities and Healthy Living			
16,577	10,521	Corporate Services	11,113	8,000	4,000
18,259	15,246	Deputy Leader, Economic Growth and Waste & Recycling	15,462	17,304	11,468
48,908	66,284	Education & Lifelong Learning	76,086	133,490	161,044
4,779	5,628	Finance	1,170	2,976	9,672
98,059	130,410	Infrastructure & Highways Delivery	137,299	169,338	163,317
500	390	Leader	1,302		
6,586	7,610	Transport, Planning and Environment	4,229	5,400	5,000
<b>196,678</b>	<b>237,840</b>	<b>Capital programme</b>	<b>250,520</b>	<b>348,471</b>	<b>369,141</b>
<b>Financing Summary</b>					
2014/15 £'000	2015/16 £'000	Financing	2016/17 £'000	2017/18 £'000	2018/19 £'000
99,634	122,671	Grants	104,275	107,861	123,014
30,437	10,409	Capital receipts	15,000	12,000	
9,538	7,917	Contributions	12,942	26,040	8,255
22,069	13,494	Reserves	11,989	19,666	8,169
35,000	83,349	Borrowing	106,314	182,904	229,703
<b>196,678</b>	<b>237,840</b>	<b>Total</b>	<b>250,520</b>	<b>348,471</b>	<b>369,141</b>

## Dedicated Schools Grant

Schools' expenditure, predominantly funded through the Dedicated Schools Grant (DSG), lies largely outside of the Council's control. DSG is split into 3 notional blocks, being the Schools Block, High Needs Block and Early Years Block

The estimated School Funding Settlement for 2016/17 is shown in the table. The final DSG allocation for 2016/17 will be determined after the January 2016 Pupil Census.

The Pupil Premium for 2016/17 remains at **£2.545bn** nationally. Resources will be delivered to schools on the basis of the number of 4 to 15 year olds who are currently or have been in the last six years entitled to a free school meal, or for looked after children or are pupils from a military background.

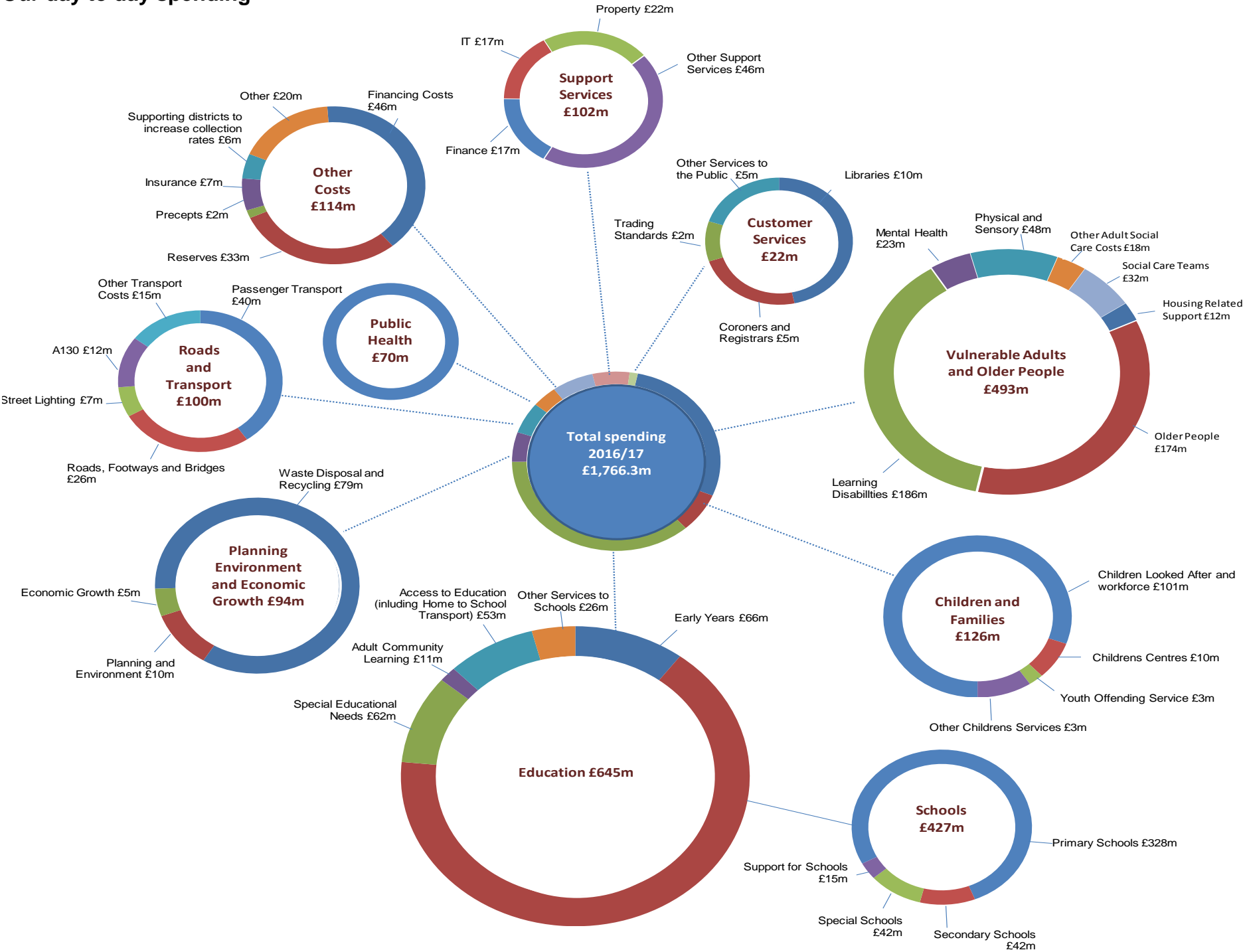
The per pupil rate for primary school pupils entitled to a free school meal remains at **£1,320** in 2016/17. The per pupil rate for secondary school pupils entitled to a free school meal remains at **£935** in 2016/17. The per pupil rate for looked after children remains at **£1,900** per pupil and the per pupil rate for children from a military background remains at **£300** in 2016/17. The DfE will undertake a wholesale review of DSG funding in 2016/17 including proposals for a National Funding Formula for schools.

The Government is reviewing the role of Local Authorities in schools and is going to redefine the statutory duties of Local Authorities. A consultation will be launched in the spring term.

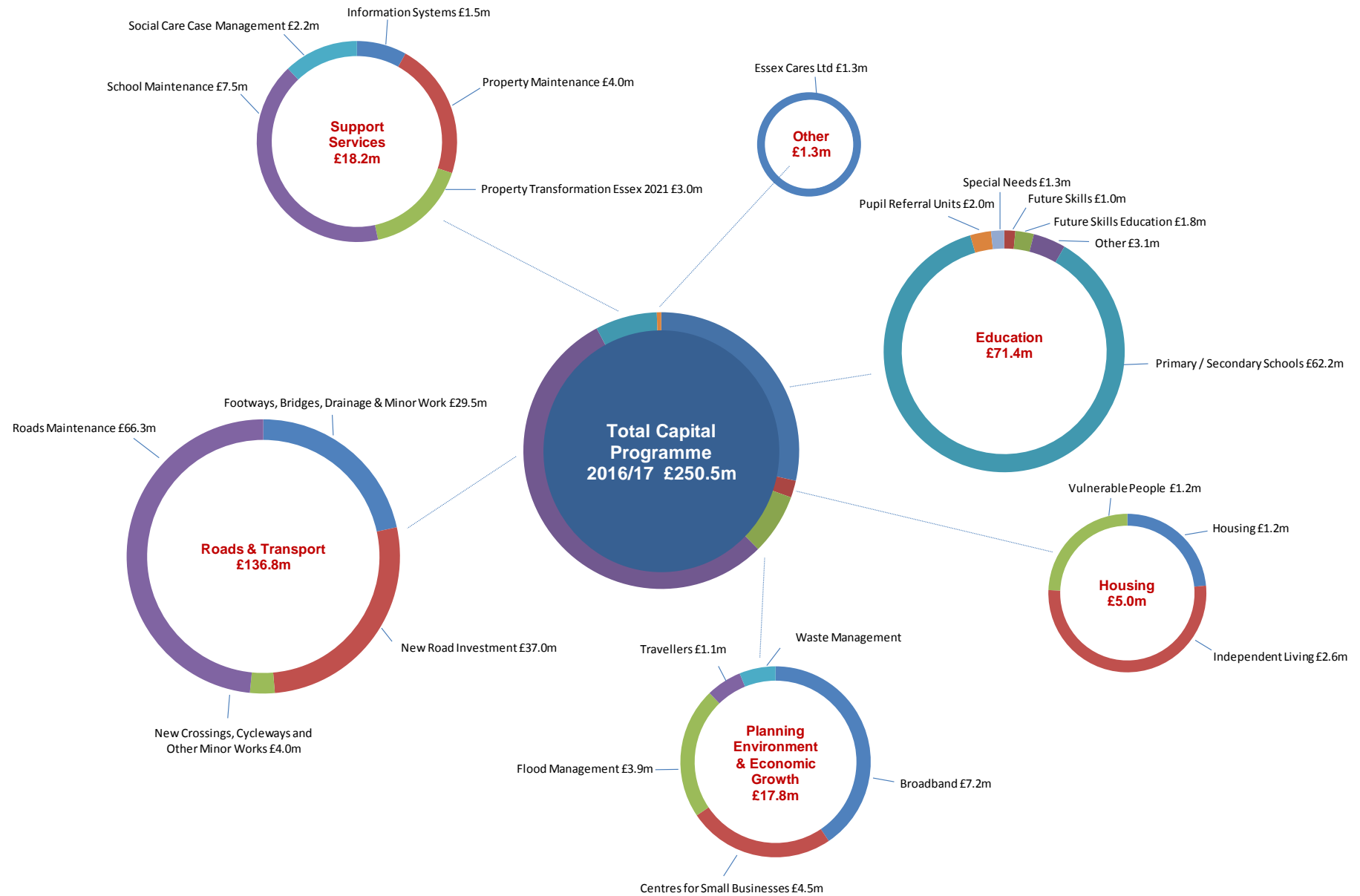
Year	Gross DSG £'000	Academies Deductions £'000	DSG remaining with the Council £'000
<b>2015-16 (updated DSG)</b>			
School's Block	805,450	*(426,201)	379,249
High Needs Block	116,898	*(11,490)	105,408
Early years Block	54,550	0	54,550
<b>TOTAL</b>	<b>976,898</b>	<b>(437,691)</b>	<b>539,207</b>
<b>2016-17 (estimate)</b>			
School's Block	805,450	*(426,201)	379,249
High Needs Block	116,898	*(11,490)	105,408
Early years Block	54,550	0	54,550
<b>TOTAL</b>	<b>976,898</b>	<b>(437,691)</b>	<b>539,207</b>

\* the Academies deduction is based on the number of schools that have transferred to Academy status. Numbers change as more schools transfer.

Our day to day spending



## Our capital investment programme



## 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 to the £

£	2016/17
Net cost of Services	927,451,878
General Government Grants	(47,089,568)
Withdrawal from general balance	(19,359,228)
<b>Budget requirement</b>	<b>861,003,082</b>
Less funding available:	
RSG	117,938,175
NDR	164,316,519
NDR Surplus/(Deficit)	(2,792,490)
Council Tax Collection fund surplus	11,339,753
	<b>290,801,957</b>
<b>Council tax requirement</b>	<b>570,201,124</b>
Tax base	504,545
(Band D equivalent properties)	
Band D council tax	1,130.13

The Band D council tax charge is **£1,130.13**. The provisional council tax charge by band is set out in the following table. This represents an increase of under **84p** per week.

### Provisional council tax charge by band

Council Tax Band	2015/16 £	2016/17 £
<b>Band A</b>	724.50	753.42
<b>Band B</b>	845.25	878.99
<b>Band C</b>	966.00	1,004.56
<b>Band D</b>	<b>1,086.75</b>	<b>1,130.13</b>
<b>Band E</b>	1,328.25	1,381.27
<b>Band F</b>	1,569.75	1,632.41
<b>Band G</b>	1,811.25	1,883.55
<b>Band H</b>	2,173.50	2,260.26

# Strategic Direction

As previously stated, the Council's vision for Greater Essex remains undiminished despite the financial challenges that the Council faces. Therefore, the Council is planning a major programme of work (Essex 2021) that will have a significant impact on the way in which it provides services to the people of Essex:

The **Essex 2021** business case sets out the following goals:

Essex's public services, businesses, voluntary and community groups, communities, families and residents take pride in their county and in their **identity**. They share a **collective commitment** to improve their lives, their communities and their county.

Their collective effort helps to ensure:

- **Public services that are sustainable, affordable and fit for the future** - the Council will build on its record of sound financial management and ensuring it is a low tax Council. The Council will ensure that residents can access the support they need whilst ensuring value for money
- **First class education for children in Essex** - early years and education outcomes are among the best and all children and young people can attend a good or outstanding school
- **Outstanding care for vulnerable people** - ensuring that all people in Essex remain safe, are protected from harm and can live independently wherever possible, exercising control over their own lives

- **Our county remains an economic engine-room** - on course to become the fastest growing economy outside London, supported by multi-million pound investments in infrastructure, and a workforce with the skills to meet the needs of business and fulfil their own aspirations
- **People have a greater say and play a greater role** - people take greater responsibility for their own lives, for their families and for the wellbeing of their neighbourhoods. They make choices that enable them to lead safe, healthy, prosperous and fulfilling lives.

**To achieve this, Essex public services need to work better together.**

The Council will be a slimmer and more streamlined organisation, working seamlessly with partners to:

- ensure that those in need can access the information and support they need through technology and from trusted local providers; and
- direct **investment** into the prosperity of towns and cities, securing inclusive growth ensuring that **Essex thrives**: a place where businesses can flourish and people can fulfil their ambitions.

**But the Council needs to shift expectations too:**

- In 2021 fewer people will depend on tax funded services
- But those who do will demand greater choice, greater autonomy and a personalised experience. Their demands are shaped by their experience as consumers, their access to

open information and the role of technology in all areas of their lives.

## Housing

Essex faces a number of housing challenges. It is estimated that Essex has a shortage of 35,000 – 50,000 homes. There are also issues of affordability and the types of housing available. These drivers demand that the Council moves from a traditionally passive approach to that of active facilitator.

The Council will act as an enabler and facilitator with other Essex councils and other partners to improve housing supply and to ensure that the right type of housing is built to meet the needs of the changing population.

The Council's policy is to support major housing proposals only where there is commensurate infrastructure. While the Council does not have primary responsibility for housing - this lies with City, District, Borough and Unitary Councils - it has a contribution to make in determining where such developments should be, how they are best supported and how obstacles can be removed.

Our strategy will be delivered through:

- Major strategic developments which will build new homes for families near to key economic growth areas to support employment and that will help to attract inward investment
- Public sector land projects where the Council will work with other Essex councils and partners to accelerate the disposal and/or the development of public land. The Council has identified well over 100 sites for

consideration. A specific Memorandum of Understanding has been agreed with Essex Police to consider their estate within this work. Public-private partnerships may be explored in order to deliver homes more cheaply and speedily. Much of this public sector land is brownfield and in town centres; it will be a goal of the Council to support local partners as they aim to regenerate to increase prosperity, attract investment and provide new homes in urban centres

- Independent living units – the Council's capital programme will provide funding towards a housing strategy that targets building new homes for older persons and vulnerable working age adults to enable them to live independently. This investment therefore has the twin goals of improving citizen's lives while reducing council costs.

The Council is investing **£43m** in its housing programme over the next 3 years. The return on the Council's investment is expected to be significant, not only from a financial point of view, but also by providing better quality care and enabling vulnerable people to live independently; and by providing more affordable housing that is designed to meet needs, lifestyle choices and future aspirations.

Our housing strategy will include plans to take advantage of the greater powers being transferred from Central Government to local government as part of the devolution agenda to access investment, to increase the supply and housing choice across Essex.

## Health and Social Care Integration

Both health and local government sectors in Essex are facing an extremely challenging financial environment. Even allowing for currently planned cost improvements, the greater Essex health system is projecting a deficit of **£283m** by 2018/19.

Health and social care integration is a major factor in managing demand and can deliver both financial benefits and better value. In the Comprehensive Spending Review, Central Government set out a requirement for all areas to have integration plans by 2017, and for those plans to be implemented by 2020. Locally, the aim of the Essex plans is to:

- prevent unnecessary admissions and readmissions to hospital, particularly by supporting older people in their homes
- support better patient case management, by linking care records to identify those most at risk and help them stay healthier longer
- move treatment to lower cost settings, including GP surgeries and people's homes
- reduce contracting costs and overheads through integrated commissioning at a strategic level.

Over recent years a range of projects have been taken forward with the health systems and these programmes of work are expected to deliver **£42m** of savings to the Council each year by 2017/18.

In 2015/16 the Better Care Fund was launched pooling **£100m+** of health and social care resources between the

Council and the five Clinical Commissioning Groups (CCGs), to support the delivery of shared health and social care objectives, including the reduction of hospital admissions. The Better Care Fund has in many ways provided a formal foundation to take local integration work forward, and the government wants to go further, faster to deliver joined up care. Central Government is making available a further **£1.5 billion** nationally for local government through the Better Care Fund. These funds will start to be released to Essex in 2018/19 rising to the full amount in 2019/20. However, this funding does not start soon enough to help the very significant pressures hitting the Essex social care system, particularly over the next two financial years.

The pressures on the Essex health and social care sector are widely known, but the Council is determined to work with its partners to ensure success.

## Portfolio: Adult Social Care

Total Revenue Budget: £414m

Total Capital Budget: £4m

The Adult Social Care budget for 2016/17 is **£414m** which is an increase of **£10m** on the 2015/16 budget. Adult Social Care has delivered strong outcomes for its customers: significantly reducing waiting lists for assessments and reviews, increasing investment in helping vulnerable adults learn or re-learn the skills they need for daily living which may have been lost through deterioration in health – this is known as Reablement, and reducing the number of older people admissions into long term nursing care. There has also been a significant fall in the number of working age adults admitted to residential care and a move into the community via the Increasing Independence strategy.

**£334m (81%)** is used in the provision of packages of care and support for vulnerable adults. This can be in the form of residential care, care in the individuals own home, in the community or via a cash payment. Services are provided to those assessed as having eligible care needs and **£32m** is spent on the provision of the assessment and care management service.

Social care services are statutorily defined under the Health and Social Care Act. One significant new duty introduced under the Care Act in April 2015 was that Carers have a right to support and services for the first time.

## Key Facts:

- 17,750 care packages delivered to vulnerable adults each year
- 5,300 residential placements
- 178,000 hours of domiciliary care per week

The Older People population is expected to grow by **9%** in the next ten years. **£5m** has been added to the budget for 2016/17 to cover anticipated demographic pressures. The care market is also under significant pressure from an increasing population and price increases. There is a need to maximise savings through joining up services with health partners and through working closely with the care providers to develop services which focus on early intervention, enablement (to ensure vulnerable adults can maintain as independent as possible life in the community) and rehabilitation to reduce the need for long term care.

In 2016/17, savings of **£45m** will be delivered by the portfolio. Over the next three years **£53m** of savings are currently planned to be delivered across adult social care, some of which are outlined below:

- Increasing Independence Programme for Working Age Adults is expected to deliver **£11m** through enabling people to move away from life-long dependency on services towards an independent life accessing everyday life activities
- The Older People's programme targets **£10m** savings through a joint commissioning approach to the adults intermediate care pathway to considerably increase planned contact and avoid emergency access to social care and health services.

This allows people to regain independence and thereby reduce their on-going care needs

- Public Health will save **£5m** through investing in initiatives such as falls and stroke prevention which will result in a reduced demand for services
- Changes to the Charging Policy to generate **£4m** of additional Income (agreed by December 2015 Cabinet)
- Community Equipment Retail pathway will save **£3m** moving the Council away from delivering a managed service for simple equipment, and instead enable residents to make their own equipment choices in high street shops
- Housing Related Support services will save **£2m** from Older People sheltered accommodation and community alarms.

The Mental Health budget for 2016/17 is **£21m** and will provide services for 750 clients.

The Housing Related Support budget for 2016/17 of **£12m** will support prevention services for a wide range of customer groups from ages 16 to over 65's.

Over the next 3 years the Council aspires to invest **£30m** of capital in the development of accommodation to meet the needs of its most vulnerable residents, of which **£4m** will be spent in 2016/17. The priority is to ensure that residents remain independent for as long as possible within accommodation that is fit for purpose and thereby improve the lives of residents. Without this intervention residents may have no alternative other than to enter residential care which is at significant cost to both the resident and the Council. This

intervention will deliver significant savings to the Council and ensure the quality of life for residents is improved.

The Council aims to deliver approximately **60** specialist housing schemes for vulnerable people over the next 3 to 5 years, which will result in approximately **360** units of additional accommodation at affordable rent in priority areas.

The Council aspires to increase the number of Independent Living units available for elderly residents by **2,500** by 2022, which will be available as either social/affordable rented units or owner occupier units. Around **700** units are already in development leaving a target number of **1,800** to be delivered over the next 7 years.

## Revenue Budget Summary

### Adult Social Care

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
			<b>Access Assessment &amp; Care Management</b>				
8,617	9,654	6,457	Countywide Teams	4,717	(4)		4,713
2,995	4,218	5,981	Mid Teams	7,083	(45)		7,038
3,721	5,004	5,728	North East Teams	6,075	(26)		6,050
4,028	5,980	7,617	South Teams	8,578	0		8,578
4			South West Teams				
1,884	3,051	4,099	West Teams	5,197			5,197
			<b>Care &amp; Support</b>				
168,059	174,589	171,930	Learning Disabilities	186,124	(8,575)		177,549
115,399	104,401	106,688	Older People	174,552	(63,198)		111,354
39,580	42,047	42,111	Physical & Sensory Impairment	49,026	(3,496)	(43)	45,487
			<b>Corporate &amp; Democratic Core</b>				
255		216	Corporate & Democratic Core	211			211
			<b>Housing Related Support</b>				
18,919	12,546	12,546	Programme Costs	12,158			12,158
			<b>Mental Health</b>				
6,384	6,165	6,166	i Access Assessment & Care Management	6,288			6,288
13,084	13,733	13,910	Care & Support	16,215	(2,023)		14,192
94	121	120	Third Sector	647	(536)		111
			<b>Other Social Care</b>				
32	0	(2)	Essex Vulnerable Adults	515	(515)		0
2,761	2,936	3,106	Third Sector Funding	3,492		(350)	3,142
			<b>Service Management Costs</b>				
12,441	15,593	15,996	Service Management Costs	12,374	(215)	(150)	12,009
			<b>Social Fund</b>				
(1,140)		1,600	Social Fund	(0)			(0)
<b>397,117</b>	<b>400,036</b>	<b>404,268</b>	<b>Net Cost of Services</b>	<b>493,252</b>	<b>(78,633)</b>	<b>(543)</b>	<b>414,075</b>

## Capital Programme Summary

### Adult Social Care

2014/15 Actuals £'000	2015/16 Latest Budget £'000		2016/17 Budget £'000	2017/18 Aspiration £'000	2018/19 Aspiration £'000
		<b>Blocks</b>			
910	475	Accommodation for Vulnerable People	1,215	4,415	8,160
	170	Adaptations	240		
1,765	492	Independent Living	1,904	7,248	6,480
		Feasibility - Adult Social Care	250	250	
	137	Schemes completed in 2015/16 or earlier			
<b>2,675</b>	<b>1,274</b>	<b>Total Blocks</b>	<b>3,609</b>	<b>11,913</b>	<b>14,640</b>
<b>2,675</b>	<b>1,274</b>	<b>Total Adult Social Care</b>	<b>3,609</b>	<b>11,913</b>	<b>14,640</b>

## Portfolio: Children and Families

Total Revenue Budget: £118m

Total Capital Budget: £250,000

The Children and Families budget for 2016/17 is **£118m**; this represents an increase on the 2015/16 budget of **£2m**. The Looked after Children Strategy has successfully reduced the number of children in care to a now stable **1,010**. This is a significant achievement where Essex continues to buck the national trend and has one of the lowest children in care per 1,000 population ratio in England. The focus is on supporting families through relationship based social work to parents and children in ways that keep them safe. Also to invest in innovative and effective early help solutions that has also enabled the service to be recognised as 'good' across all judgements by Ofsted.

But this area faces significant challenges, in particular for Children looked after, due to:

- Increase in the placement of young people with complex needs, which are often at a higher cost
- Significant work has been undertaken to promote the Council's Internal Foster Carer scheme which has seen an increase for this placement type. Without local foster carers children would have to be placed far away from family and friends in other regions or in other types of care settings, such as residential care homes

## Key Facts:

- Ofsted rating of "good" across all judgements
- 1,010 looked after children
- Providing 75 children's centres (main and delivery)

- Significant increase in Special Guardianship Orders. These orders often allow a child to remain in touch with their birth family and are for children who may not be suitable for adoption, for instance due to their age, but who would still benefit from a stable placement with a long term carer.

Activities include supporting **3,500** children and young people in care or with an agreed plan; providing children's centres; providing family centres that give specialist intervention and parenting programmes; and over **430** social workers providing frontline needs based fieldwork support to all children and young people referred to the Council.

The Looked After Children Strategy has been successful in reducing Children in Care numbers by **34%** from 2012 to November 2015. The 2016/17 budget has been predicated on this number remaining stable throughout the year. The successful delivery of this strategy has enabled cost reduction (as the average annual cost of a child in care is approximately **£65,000**) but as the number of children in care has reached a plateau, the focus of the strategy is to ensure numbers do not rise and that the right placement is made for the right time period.

Delivering against this strategy has enabled the service to continue to invest in innovative, early intervention solutions. These include the Divisional Based Intervention Teams which

use highly intensive sessions with children with turbulent circumstances to significantly reduce the number of teenagers coming into care and increasing the scope of the Family Solutions programme that works holistically with disadvantaged families with multiple difficulties.

The Council also invests with partners to support the reduction of domestic abuse, **£2m** will be spent and will deliver programmes which will enable the Council and its partners to develop service offers that provide support and assistance to victims and help them and their families improve their lives.

The budget for 2016/17 reflects a mixture of the inflationary and demand pressure on the external fostering and residential placements seen throughout 2015/16. This is being partially mitigated through savings totalling **£2m**, relating to the better management of staffing demand, closer scrutiny of commercial costs and a further continuation of the early intervention programmes to guarantee the right outcome for every child in need.

In 2016/17, **£250,000** will be spent on **6** adaptation projects to enable adopters, special guardians and foster carers to meet the needs of vulnerable children by keeping sibling groups together. This includes caring for children with complex health needs in a family context.

## Revenue Budget Summary

### Children and Families

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
			<b>Childrens Services Non DSG</b>				
			<b>Childrens Services</b>				
58,747	53,239	53,220	Children Looked After	57,746	(195)	(365)	57,186
41,844	40,159	40,021	Childrens Fieldwork	43,468	(1,028)	(2,764)	39,677
3,864	4,794	4,539	Childrens Service Management	3,802	0	(127)	3,676
97	0	66	Clacton Joint Service Centres	82			82
244	230	230	Corporate & Democratic Core	230			230
2,344	2,474	2,351	<b>Child And Adolescent Mental Health Services</b>	1,821	0		1,821
9,936	9,776	9,802	<b>Children Centres</b>	9,546			9,546
			<b>Other Childrens Services</b>				
1,899	655	585	i Domestic Violence	119			119
31	192	212	Essex Local Childrens Safeguarding Board	465	(255)		210
2,781	2,702	2,963	Other Social Care	5,270	(192)	(1,567)	3,510
2,787	1,470	1,474	<b>Youth Offending Service</b>	3,230	(527)	(1,215)	1,489
<b>124,573</b>	<b>115,691</b>	<b>115,461</b>	<b>Net Cost of Services</b>	<b>125,778</b>	<b>(2,197)</b>	<b>(6,037)</b>	<b>117,544</b>

- i From 15/16 £1.6m of Domestic Violence spend is reported within the Communities and Healthy Living portfolio as it is funded through Public Health grant

## Capital Programme Summary

### Children and Families

2014/15 Actuals £'000	2015/16 Latest Budget £'000		2016/17 Budget £'000	2017/18 Aspiration £'000	2018/19 Aspiration £'000
		<b>Blocks</b>			
78	382	Adaptations	200		
		Feasibility - Child & Families	50	50	
152	95	Schemes completed in 2015/16 or earlier			
<b>230</b>	<b>477</b>	<b>Total Blocks</b>	<b>250</b>	<b>50</b>	
<b>230</b>	<b>477</b>	<b>Total Children and Families</b>	<b>250</b>	<b>50</b>	

## Portfolio: Communities and Healthy Living

Total Revenue Budget:  
**£731,000**

The gross expenditure budget for 2016/17 is **£70m**. Predominantly this activity is funded through Public Health and other grants giving a net budget of **£0.7m** for 2016/17 funded through Council resources.

The Public Health Grant is a specific ring-fenced grant received from the Department of Health to support the delivery of Public Health services in Essex. The grant and expenditure budgets now include **£22m** for the Healthy Child Programme for the early life stages (0 – 5). This service was previously the responsibility of the NHS and commissioned via NHS England, but responsibility for the future commissioning transferred to the Council from October 2015 under the Health and Social Care Act 2012.

The rest of the budget includes **£8m** provision for sexual health services, **£12m** in relation to substance misuse, **£4m** for health programme for children aged 5-19 and **£2m** for the new Lifestyle Service which combines the previous health trainers and smoking cessation services into a single integrated service. The service also provides support to carers and other projects which reduce demand for social care.

## Key Facts:

- 5,465 to quit smoking at four weeks
- 50,000 Health Checks for those aged 40-74

During 2015/16 significant savings were achieved in response to the requirement from Government to deliver **£4m** of in-year funding reductions in Public Health. The 2016/17 budget sees a continuation of these funding reductions and additional funding reductions of **£2m** following the Comprehensive Spending Review.

## Revenue Budget Summary

### Communities and Healthy Living

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
231	271	391	Community Resilience	279			279
452	452	452	Health Watch	780		(328)	452
(7,937)	(62)	7,703	Public Health	68,450	(135)	(68,315)	
15	157	142	Carers Strategy	0			0
(7,240)	818	8,688	Net Cost of Services	69,509	(135)	(68,643)	731

## Capital Programme Summary

### Communities and Healthy Living

2014/15 Actuals £'000	2015/16 Latest Budget £'000		2016/17 Budget £'000	2017/18 Aspiration £'000	2018/19 Aspiration £'000
		<b>Blocks</b>			
105		Schemes completed in 2015/16 or earlier			
<b>105</b>		<b>Total Blocks</b>			
<b>105</b>		<b>Total Communities and Healthy Living</b>			

## Portfolio: Transport, Planning and Environment

Total Revenue Budget: £36m

Total Capital Budget: £4m

The 2016/17 budget of **£36m**, a decrease of **£4m** from 2015/16, encompasses a multitude of services with Passenger Transport being by far the largest service. The total budget contains a wide range of service provision which affects many aspects of life in Essex, including:

- Passenger Transport **£30m**; primarily to fund the concessionary fares travel scheme (providing free bus travel to concessionary pass holders) and support local bus services
- Development Management **£2m**; this includes Flood Management, Infrastructure Planning Team and Development Control
- Lee Valley Regional Park and Hadleigh Castle, including the cycling facility at Hadleigh Castle which has been bought into public use after the 2012 Olympics **£2m**
- Responding to environmental strategic planning issues that are likely to have an impact across Essex **£1m**

## Key Facts:

- 8 country parks & visitors centres
- Maintain former Olympics sites
- 50,000 properties are at risk of flooding.
- Additional 48,000 properties are at risk from tidal flooding
- 16 million concessionary pass passenger journeys each year

There are a variety of savings programmes in place which have contributed to the reduction in budget. These include:

- Optimising the Council's operations functions such as Planning, Flood Management and Energy resilience
- Attracting additional income of **£300,000** across the Country Parks through the provision of new attractions such as the Stick Man trail at Weald Country Park and the Sky Ropes course at Great Notley Discovery centre.

The Flood Prevention Capital Programme of **£3m** aims to minimise the harm caused by flooding and reduce the level of flood risk to circa **18,750** properties over the 3 year programme. Examples of work might include installing flood doors on eligible individual properties, creating soakaways, building embankments to hold flood water back and making space for water by increasing pond and wetland areas.

## Revenue Budget Summary

### Transport, Planning and Environment

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
1,453	316	288	<b>Community Initiatives Fund</b>	294			294
1,580	1,629	2,241	<b>Development Management</b>	2,042	(186)	(3)	1,853
630	881	881	<b>Environmental Planning</b>	1,219	(303)		916
269	295	314	<b>Environmental Strategy</b>	288	(10)		277
350	239	370	<b>Historic Environment</b>	286			286
			<b>Leisure</b>				
75	75	83	i Contributions To Other Bodies	86			86
525	(257)	(35)	Country Parks	1,882	(2,253)	(51)	(422)
(41)	70	(53)	Cressing Temple	84	(247)		(162)
	0		Marsh Farm				
			<b>Olympics &amp; Sport Development</b>				
74	82	191	Hadleigh Castle Country Park	166	(91)		75
1,531	1,578	1,549	Lee Valley Park - Precept	1,520			1,520
30,065	30,946	31,258	<b>Passenger Transport</b>	40,266	(10,658)	(65)	29,543
168	177	174	<b>Rural Issues</b>	178			178
463	859	1,108	<b>Service Management</b>	685	(67)		618
823	833	728	<b>Sustainable Development</b>	415	0		415
136	59	53	<b>Travellers</b>	636	(571)		65
<b>38,100</b>	<b>37,782</b>	<b>39,151</b>	<b>Net Cost of Services</b>	<b>50,048</b>	<b>(14,385)</b>	<b>(119)</b>	<b>35,543</b>

i Contributions to external bodies including Woodland Trust

## Capital Programme Summary

### Transport, Planning and Environment

2014/15 Actuals £'000	2015/16 Latest Budget £'000		2016/17 Budget £'000	2017/18 Aspiration £'000	2018/19 Aspiration £'000
		<b>Named schemes</b>			
		Fernhill Traveller Site (Harlow)	680		
		Gypsy & Traveller transit site	400	400	
5,184	4,876	Schemes completed in 2015/16 or earlier			
<b>5,184</b>	<b>4,876</b>	<b>Total Named Schemes</b>	<b>1,080</b>	<b>400</b>	
		<b>Blocks</b>			
	1,500	Flood Management	3,125	5,000	5,000
109	212	Passenger Transport	24		
1,293	1,022	Schemes completed in 2015/16 or earlier			
<b>1,402</b>	<b>2,734</b>	<b>Total Blocks</b>	<b>3,149</b>	<b>5,000</b>	<b>5,000</b>
<b>6,586</b>	<b>7,610</b>	<b>Total Transport, Planning and Environment</b>	<b>4,229</b>	<b>5,400</b>	<b>5,000</b>

## Portfolio: Deputy Leader, Economic Growth, Waste and Recycling

Total Revenue Budget: £81m

Total Capital Budget: £15m

The 2016/17 revenue budget is **£81m** and covers a range of highly visible services and functions across the county including the statutory responsibility as the Waste Disposal Authority and services to support future economic growth.

Waste Management **£77m** is required to fund increasing waste volumes and support the full operation of the Mechanical Biological Treatment (MBT) waste plant, Tovi Eco Park at Courtauld Road and the suite of waste transfer stations. The volume of waste is a key pressure for the Council, as housing growth across the County and continued economic recovery are driving up waste volumes, which in turn puts a growth pressure of **£1m** on the budget. As a critical service for the Council and with the anticipation some years ago of costs fluctuating year on year, a Waste Reserve was established to smooth year on year increases in cost and reduce the impact on the council tax. There is therefore a withdrawal from the reserve included in the 2016/17 budget.

Economic Growth, **£4m**, aims to deliver transformational growth through increasing access to work, job creation, stimulating export routes and opportunities, supporting

## Key Facts:

- 749,000 tonnes of waste disposed of in 2015/16
- 539 apprenticeships supported
- 1,500 jobs created/retained with Inward Investment assistance
- 30,254 additional properties enabled for superfast broadband leading to 95% coverage

business growth and ensuring Essex is an attractive location for investment.

The Council has delivered the following key achievements:

- All Statutory duties as the Waste Disposal Authority
- Completion of the build and commenced commissioning operations of the new MBT facility to treat residual waste
- Two transfer stations completed so that all five stations are now fully operational
- Superfast Broadband rollout across Essex continued with the Rural Challenge phase of the project underway earlier than anticipated
- Developing Waste Minimisation Strategy which looks to reduce the amount of waste created in Essex.

The revenue budget reflects increased tonnage (**2%**), haulage and waste treatment costs. These are partially offset by saving and opportunities:

- Optimising asset infrastructure across the waste portfolio
- Managing the disposal of waste types that are not classified as household waste and are expensive to dispose of (e.g. DIY waste)
- It is the Council's ambition to reach a figure of **60%** (currently **51.4%**) of household recycling and composting by 2020 by actively promoting waste minimisation and management processes such as re-use, recycling and aided, in part by the delivery of the MBT plant, as published in the Joint Municipal Waste Strategy (JMWS) on the Essex County Council website
- The Waste Service will continue to work with partners on influencing public behaviour in order to reduce overall volumes of waste by educating and influencing communities on waste minimisation
- There are a range of other savings which will primarily be achieved through efficiencies in process and increased income generation through economic growth activities.

The capital investment for 2016/17 of **£15m** focuses primarily on schemes that will enhance economic growth and the prosperity of businesses and residents, creating jobs and supporting skills development. It provides the infrastructure to support large scale commercial development including the installation of a Superfast broadband network.

The main projects are Superfast broadband which will support the delivery of 95% coverage across the county, and support for two Innovation Centres, MedTech in Harlow and the University of Essex in Colchester. These centres are aimed at

supporting small and medium size businesses to grow and develop providing flexible space and access to technology. The capital programme is also supporting projects for further education colleges that will deliver skills centres focussed on the teaching of science, technology, engineering and maths. All these projects support Essex's key economic growth sectors and provide a strong platform for sustainable economic growth across the county.

## Revenue Budget Summary

### Deputy Leader, Economic Growth, Waste and Recycling

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
1,468	1,886	1,865	<b>Economic Regeneration</b>	1,917	(415)		1,502
248	225	224	<b>International Trade</b>	347	(141)		206
692	595	672	<b>Inward Investment</b>	399			399
(3)	344	(1)	<b>Management &amp; Support Services</b>	(93)	(67)		(160)
1,803	2,108	3,305	<b>Skills</b>	2,127	(4)		2,122
258	211	209	<b>Tourism</b>	244	(182)		63
			<b>Waste Management</b>				
9,808	11,788	11,789	Civic Amenity Service	11,503	0		11,503
1,453	4,011	4,011	Courtauld Rd Waste Treatment	2,914	0		2,914
81	110	110	Exceptional Waste	113			113
405	(125)	(125)	Landfill Aftercare	373	0		373
23,159	22,955	22,955	Recycling Initiatives	23,528			23,528
877	379	379	Tipping Away Payments	252			252
(1,817)	(2,013)	(2,013)	Trade Waste Income		(2,276)		(2,276)
31,799	37,295	35,295	Waste Disposal	39,596	(285)		39,311
2,015	1,709	1,052	Waste Management & Support Services	1,185	(42)		1,144
781	770	996	Waste Strategy	102	(265)		(163)
<b>73,027</b>	<b>82,249</b>	<b>80,724</b>	<b>Net Cost of Services</b>	<b>84,505</b>	<b>(3,675)</b>	<b>-</b>	<b>80,830</b>

## Capital Programme Summary

### Deputy Leader, Economic Growth and Waste & Recycling

2014/15	2015/16		2016/17	2017/18	2018/19
Actuals	Latest Budget		Budget	Aspiration	Aspiration
£'000	£'000		£'000	£'000	£'000
		<b>Named schemes</b>			
		Basildon Craylands	400	900	900
	125	Braintree schemes	375	250	
		Further Education Colleges Training facilities		3,500	3,500
3,349	5,949	Essex Next Generation Access (BDUK)	7,237	2,795	4,168
		University of Essex Innovation Centre	1,750	2,000	
33	21	Waste & Recycling Schemes	1,098	1,883	
14,697	4,609	Schemes completed in 2015/16 or earlier			
<b>18,079</b>	<b>10,704</b>	<b>Total Named Schemes</b>	<b>10,860</b>	<b>11,328</b>	<b>8,568</b>
		<b>Economic Growth Fund</b>			
		Basildon Town Centre College	1,000		
		Chelmsford City Flood Prevention	850		
		Hadleigh Town Centre		1,000	1,000
		Harwich Innovation Centre	350		
		Panfield Lane		1,000	1,000
	222	Harlow College & Colchester Institute Training facilities	1,777	951	
		Witham Enterprise Centre		900	900
	3,000	Economic Growth Fund	625	2,125	
180	1,320	Schemes completed in 2015/16 or earlier			
<b>180</b>	<b>4,542</b>	<b>Total Economic Growth Fund (ICS)</b>	<b>4,602</b>	<b>5,976</b>	<b>2,900</b>
<b>18,259</b>	<b>15,246</b>	<b>Total Deputy Leader, Economic Growth and Waste &amp; Recycling</b>	<b>15,462</b>	<b>17,304</b>	<b>11,468</b>

## Portfolio: Education and Lifelong Learning

Total Revenue Budget: £45m

Total Capital Budget: £76m

This budget includes the funding for schools which is wholly funded by the Dedicated Schools Grant (DSG) and amounts to **£539m**. A further **£11m** is funded by the Education Services Grant, and a DSG contribution of **£3m** to central costs (including the Pupil Premium). The remaining balance of **£45m** is funded by the Council's own funding sources.

The main use of the budget funded by Council sources are the costs of providing home to school transport for approximately **15,000** of the **190,000** pupils in Essex Schools next year at **£24m**; overseeing the assessment and monitoring the quality of provision for children and young people with a special educational need **£5m**; and **£6m** for a variety of school improvement services aimed at ensuring there are sufficient school places and that standards are raised in schools across the county

However these large areas of expenditure mask a series of high profile activities that are also delivered. These include the provision of Princes Trust courses, National Citizen Service programmes within Youth Services and Adult Community Learning where the Council is one of the largest providers of adult learning in Essex, supporting in the region of **22,000** people annually.

## Key Facts:

- Primary school pupils achieving level 4 or above in reading, writing and maths is 81% (increased by 2%)
- 7% increase in primary schools judged by Ofsted as good or better.
- Secondary pupils achieving 5 GCSEs A\* to C is 57.6% (which is 1.4% higher than national average)
- 81% of Secondary Schools are judged by Ofsted as good or better.
- Over 2,000 new school places will be created enabled by the investment in 2016/17

The DSG of **£539m** in 2016/17 is a ring-fenced grant from the Department for Education, of which the majority is passed through to schools and the remainder kept by the Council to fund education support services to all schools across Essex. The 2016/17 DSG budget is due to be presented to Schools Forum.

The Education Services Grant of **£11m** is a grant provided by government to help fund local Council services to schools. The Government announced in the comprehensive spending review a national **£600m** cut (approximately **75%**). A consultation will be held in 2016. The grant will be subject to in year reductions as schools convert to academies which could increase in 2016/17 linked to the Education and Adoption Bill.

Over the next 3 years over **£6m** of savings are currently planned to be delivered across Education and Lifelong Learning, some of which are outlined below:

- Transforming Education Services is expected to deliver **£3m** focussing on the delivery of services to schools which is expected to reduce as more schools convert to academies
- Home to School Transport is expected to deliver **£1m** of savings through implementation of the agreed Education Transport Policy changes.

Over the next 3 years the Council is currently proposing to invest **£371m** capital in schools, both to create new places to meet increasing demand and maintaining the quality of the assets. The Essex schools admission round for 2015 resulted in **93%** of parents being offered their first or second preference of secondary school. The 2016/17 capital allocation of **£76m** is expected to deliver new early years, primary and secondary school places throughout Essex and ensure schools are fit for purpose and safe for children. Initially over **2,000** primary school places are due to be delivered in 2016/17. This includes the construction of a new Primary School in North Colchester which will provide 420 additional primary school places. Further schemes will seek to improve and expand the number of Special School Education places in response to parental consultation, which will create a diversity of provision which meets a full range of family preferences as well as to increase the availability of early years childcare. Capital investment of over **£50m** in special education needs accommodation is being made over the next 3 years in partnership with the Schools Forum, which will result in the creation of new special school places. Through this capital investment the Council will not only meet statutory requirements and enhance the life of assets, it will more importantly improve the educational standards and outcomes for young people.

## Revenue Budget Summary

### Education and Lifelong Learning

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
<b>Education &amp; Life Learning DSG</b>							
(517,478)	(504,070)	(482,749)	Dedicated Schools Grant			(483,526)	(483,526)
378	84	116	Early Years Contingency	(0)			(0)
50,530	52,233	54,805	Education for Under Fives	63,728			63,728
248	251	74	Ethnic Minorities and Bi-Lingual Learners	0			0
180	2,900	2,900	i Prudential Borrowing	2,961			2,961
(28,173)	374	(11,669)	ii Pupil Premium Grant	0		0	0
480,629	450,791	439,785	Schools Budget	427,498	(1,089)	(14,782)	411,628
1,770	1,770	1,770	Service Management	1,770			1,770
49,281	51,803	50,928	Special Educational Needs	56,331	(244)	(238)	55,849
(38,947)	(59,048)	(55,473)	Under Fives Dsg			(55,473)	(55,473)
<b>Education &amp; Life Learning Non DSG</b>							
30,524	29,226	29,400	iii Access To Education	40,506	(11,853)	(0)	28,653
1,317	29	86	Adult Community Learning	10,501	(3,022)	(8,176)	(697)
2,338	2,863	2,836	Education for Under Fives	2,371	(171)		2,200
3,457	1,694	1,025	iv Services to Children	6,561	(4,287)	(1,504)	769
4,703	4,833	4,025	Improving School Standards	9,652	(1,697)	(1,750)	6,205
			Special Educational Needs and Additional				
5,535	7,312	5,787	Educational Needs Service	5,384	(50)		5,335
10,758	10,450	10,450	Special Educational Needs School Transport	12,795	(194)		12,601
(16,194)	(11,642)	(10,433)	Education Services Grant Funding	(0)		(11,128)	(11,128)
644	646	646	Sports Development	542	46	77	664
3,968	4,058	4,008	Strategic Management	4,338	(530)		3,808
(90)		(70)	Young Person Learner Agency (YPLA) Funding	118		(118)	(0)
<b>45,378</b>	<b>46,557</b>	<b>48,247</b>	<b>Net Cost of Services</b>	<b>645,055</b>	<b>(23,091)</b>	<b>(576,617)</b>	<b>45,347</b>

i Borrowing costs for some capital projects in schools

ii Funding for Pupil's from deprived backgrounds (reported within the Schools budget from 2016/17)

iii Budget for Home to school transport, planning and admissions

iv Includes Youth Services

## Capital Programme Summary

### Education and Lifelong Learning

2014/15	2015/16		2016/17	2017/18	2018/19
Actuals	Latest Budget		Budget	Aspiration	Aspiration
£'000	£'000		£'000	£'000	£'000
		<b>Named schemes</b>			
		Adult Community Learning IS	58		
	400	Beaulieu Park Primary	700	6,938	952
		Beaulieu Park Secondary	1,000	7,870	17,477
339	1,097	Glenwood Relocation	11,364	3,934	
8	149	Harlow New Hall Farm School	7,346	1,640	
2,752	3,812	John Ray Infant & Junior School	242		
		Smiths Farm Primary School	253	2,735	3,951
8,555	9,321	Schemes completed in 2015/16 or earlier			
<b>11,654</b>	<b>14,779</b>	<b>Total Named Schemes</b>	<b>20,963</b>	<b>23,117</b>	<b>22,380</b>
		<b>Basic Need</b>			
17,287	37,016	Basic Need	36,288	47,586	47,567
<b>17,287</b>	<b>37,016</b>	<b>Total Basic Need</b>	<b>36,288</b>	<b>47,586</b>	<b>47,567</b>
		<b>Blocks</b>			
9,894	7,871	Capitalised Maintenance Programme	7,500	7,500	7,500
986	1,362	Early Years	2,419	1,147	1,370
1,146	14	Other School Schemes	122		
		Pupil Referral Unit	2,000	13,000	10,000
		Relocatable Replacement	200	800	1,000
		School capacity (housing developments)	587	14,290	43,827

## Capital Programme Summary

### Education and Lifelong Learning (cont'd)

2014/15 Actuals £'000	2015/16 Latest Budget £'000		2016/17 Budget £'000	2017/18 Aspiration £'000	2018/19 Aspiration £'000
		Schools Feasibility - 5 Year Plan	700	700	
		Special Education Needs / Disabilities ECC Programme	700	6,000	8,300
		Special Education Needs / Disabilities Schools Forum	1,252	17,000	17,000
2,369	804	Temporary Accommodation	855	750	500
3,320	2,158	Schemes completed in 2015/16 or earlier			
<b>17,715</b>	<b>12,209</b>	<b>Total Blocks</b>	<b>16,335</b>	<b>61,187</b>	<b>89,497</b>
		School Balances (outside ECC control)			
2,144	1,941	Devolved Formula Capital	2,500	1,600	1,600
108	339	School Cash Balances			
<b>2,252</b>	<b>2,280</b>	<b>Total school balances (outside ECC control)</b>	<b>2,500</b>	<b>1,600</b>	<b>1,600</b>
<b>48,908</b>	<b>66,284</b>	<b>Total Education &amp; Lifelong Learning</b>	<b>76,086</b>	<b>133,490</b>	<b>161,044</b>

## Portfolio: Infrastructure and Highways Delivery

Total Revenue Budget: £47m

Total Capital Budget: £137m

The 2016/17 budget is **£184m** comprising **£47m** of revenue funding and **£137m** of capital funding. This is a net overall decrease of **£3m** when compared to the 2015/16 budget of **£187m** comprising **£57m** revenue and **£130m** of capital (the revenue budget for 2015/16 included a number of one-off items that are not in the 2016/17 budget).

This investment ensures a safe highways network, probably the Council's most visible universal function. This affects everybody, every day, and is high on the issues that the public are most concerned about. An accessible, well maintained, free-flowing highways network is also a critical enabler for the economic growth of the county and the ongoing prosperity of its residents and businesses.

The level of investment, on top of additional commitments in recent years, has seen the standard of the priority road network improve steadily to the point where by the end of 2015 Essex was ranked as one of the very best highways authorities in the country in terms of network condition. The majority of the highways service is delivered through the strategic partnership with industry experts Ringway Jacobs which is recognised as one of the most innovative and progressive delivery arrangements nationally.

## Key Facts:

- 5,100 miles of road maintained
- 1,500 bridges and other highway structures
- 4,000 miles of public rights of way
- 120,000 street lights

The investment in the priority road network which has seen such excellent improvements in condition in recent years will be followed up by a renewed focus on the local road network and non-carriageway assets (bridges etc.) over the coming few years with the intention of realising similar improvements in condition.

The improved standards have been delivered against a backdrop of increasing financial pressures; the combined revenue and capital budget of **£184m** for 2016/17 not only allows for the delivery of a comprehensive maintenance and improvement regime but is also containing cost pressures in areas such as street lighting energy inflation and general inflation. These pressures are being mitigated by an ongoing efficiency and savings programme including reduced street energy consumption from the LED replacement programme and focus on maximising income opportunities. A total of **£4m** of savings are planned for 2016/17.

In addition to the routine maintenance activity, there are a number of projects currently ongoing that are improving infrastructure for residents and businesses and delivering better value for money over the long term; primary examples are the Jaywick road investment scheme which will deliver significant improvements to the road network in that area and the LED lighting programme which will see a major part of the

lighting network converted to state of the art LED technology over the next two years.

The Council will maintain and improve highway infrastructure to support economic growth and work with the South East Local Enterprise Partnership (SELEP) to secure funding to enhance highways and transport infrastructure.

The Council will also continue delivery of the following schemes which are the first tranche of Local Growth Fund (LGF) schemes that will drive economic benefits and facilitate housing growth:

- Harlow A414 (pinch point) schemes
- Maldon to Chelmsford Route Based Strategy
- Beaulieu Park station
- Basildon Integrated Transport Package
- Harlow enterprise zone.

These projects are part of the overall LGF programme which has been accepted by Government and will be allocated to Essex through the SELEP during the year.

## Revenue Budget Summary

### Infrastructure and Highways Delivery

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
<b>Highways And Transportation</b>							
1,151	1,000	1,886	Asset Management Planning	763			763
2,024	1,819	1,878	Bridges	1,215			1,215
2,491	3,839	3,644	Congestion	7,512	(4,781)		2,731
576	468	141	Corporate And Democratic Core	141			141
11,256	10,697	12,650	i Ongoing Operator Payments for A130 PFI	11,697			11,697
1,065	1,122	1,122	Localism	1,144			1,144
2,362	2,141	2,483	Public Rights Of Way	2,364	(85)		2,279
1,849	1,308	1,738	Road Safety	1,827	(607)	(211)	1,009
35,890	17,176	22,488	Roads And Footways	15,725	0		15,725
7,416	8,225	7,448	Street Lighting	6,842	(274)		6,568
58	0	(1,898)	Support Services	2,944	(2,402)		543
(319)	(1,443)	(1,184)	Traffic Management Act	2,428	(3,811)		(1,383)
2,155	1,786	2,076	Transportation Planning	2,195	(132)		2,063
2,738	2,593	2,646	Winter Service	2,620			2,620
<b>70,712</b>	<b>50,730</b>	<b>57,117</b>		<b>59,418</b>	<b>(12,092)</b>	<b>(211)</b>	<b>47,115</b>
(7)		(0)	Highways and Transportation Recharged Strategic Support Services	0	(0)		(0)
(7)	-	(0)			(0)		(0)
<b>70,704</b>	<b>50,730</b>	<b>57,117</b>	<b>Net Cost of Services</b>	<b>59,418</b>	<b>(12,092)</b>	<b>(211)</b>	<b>47,115</b>

i PFI = Private Finance Initiative - a means of funding large scale capital projects

## Capital Programme Summary

### Infrastructure & Highways Delivery

2014/15 Actuals £'000	2015/16 Latest Budget £'000		2016/17 Budget £'000	2017/18 Aspiration £'000	2018/19 Aspiration £'000
		<b>Economic Growth Transport</b>			
	3,900	Economic Growth - Transport	4,400	2,750	9,150
	1,748	A127 Capacity Enhancements; Road safety and network resilience package	2,600	2,000	400
	1,310	A414 Maldon - Chelmsford Route Based Strategy	2,596		
	1,776	Basildon Integrated Transport Package	2,514	2,267	2,267
	100	Beaulieu Park Station	1,840	1,250	1,250
45	10,413	Harlow Enterprise Zone	10,610		
		Chelmsford Growth Area Scheme	500	5,250	5,250
		Economic Growth - Transport R3		45,000	45,000
	9,853	Schemes completed in 2015/16 or earlier			
<b>45</b>	<b>29,100</b>	<b>Total Economic Growth - Transport</b>	<b>25,060</b>	<b>58,517</b>	<b>63,317</b>
		<b>Named Schemes</b>			
		A120 Harwich Road Roundabout	350		
	2,000	A120 Route Consultation	3,000		
6	50	A130 Bypass Improvements	50		
	2,443	Chelmsford North Eastern Bypass		2,557	
		Increase on Street Pay & Display Parking		500	
5	3,008	Jaywick Road Investment	1,987		
		LED Rollout	4,518	4,720	
		Pitsea Flyover	500	3,000	
17	12	Roscommon Way	10		
24,520	8,548	Schemes completed in 2015/16 or earlier			
<b>24,548</b>	<b>16,061</b>	<b>Total Named Schemes</b>	<b>10,415</b>	<b>10,777</b>	

## Capital Programme Summary

### Infrastructure & Highways Delivery (cont'd)

2014/15 Actuals £'000	2015/16 Latest Budget £'000		2016/17 Budget £'000	2017/18 Aspiration £'000	2018/19 Aspiration £'000
		<b>Blocks</b>			
3,822	2,129	Advanced Scheme Design	5,000	5,000	5,000
564	550	Depot infrastructure	1,333		
611	24,506	Non-carriageway assets	25,011	25,011	25,000
<b>4,997</b>	<b>27,185</b>	<b>Total Blocks</b>	<b>31,344</b>	<b>30,011</b>	<b>30,000</b>
		<b>Highways Maintenance and Small Scheme Delivery</b>			
		Devolving Minor Works / Responsibility and Managing Demand	150		
60,426	48,171	Highways Infrastructure	66,258	66,033	66,000
7,323	7,696	Local Highways Panels	4,000	4,000	4,000
1	36	Private Street works	72		
719	2,161	Schemes completed in 2015/16 or earlier			
<b>68,469</b>	<b>58,064</b>	<b>Total Highways Maintenance and Small Scheme Delivery</b>	<b>70,480</b>	<b>70,033</b>	<b>70,000</b>
<b>98,059</b>	<b>130,410</b>	<b>Total Infrastructure &amp; Highways Delivery</b>	<b>137,299</b>	<b>169,338</b>	<b>163,317</b>

## Portfolio: Leader

Total Revenue Budget: £12m

Total Capital Budget: £1m

The combined 2016/17 budget covers **£8m** in the main portfolio and **£4m** for recharged strategic support services. Most of these support services are overheads supporting all services across the organisation and are recharged out. The combined budget includes assumed delivery of **£1m** of savings.

The most significant proportion of this budget (**25%**) is the undertaking of policy arrangements including corporate policy, place policy, contributions and subscriptions work of **£3m**. This spend includes:

- Strategy support to the management of the organisation, including elected Members
- The Council's subscriptions to a number of public sector groups and associations, such as the Local Government Association (LGA) and the County Council Network (CCN)
- The Council's publication budgets for items such as bus timetables.

The second largest area of cost is internal and external communications work at **£3m** including communications support for employees, externally-facing campaigns to support the achievement of Essex's commissioning outcomes, and marketing and media support.

## Key Facts:

- 75 Members of the Council
- Over 20,000 complaints were dealt with by Trading Standards

Trading Standards has a budget of **£2m** and is responsible for the delivery of a huge range of activities – all designed to support legitimate business activity, create a level playing field and protect consumers. It works closely with other trading standards services both within the eastern region (under the East of England Trading Standards Authority partnership) and nationally sharing intelligence and working in partnership on cross border issues, and also with other public sector bodies in Essex. The service uses an intelligence led approach to swiftly and effectively tackle rogue traders and businesses that cause most detriment to consumers. It protects the economic interests of Essex residents (particularly the more vulnerable members of the community) and ensures that they are equipped to make good buying decisions.

Also within the budget are the allowances and support arrangements provided to elected Members of the Council of **£2m** for the year. This is a reduction of **£131,000** since 2015/16.

The capital investment for 2016/17 of **£1m** relates to the ECL (formerly Essex Cares Ltd) Information Technology investment programme, delivering new applications that will enable provision of an improved service to its Customers via Contact Management. It will also increase utilisation and efficiencies of employees via an integrated system. The **£1m** will be recovered from ECL.

## Revenue Budget Summary

### Leader

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
			<b>Democratic Core</b>				
666	<b>830</b>	742	Corporate Management	798			798
40	<b>55</b>	55	Democratic Representation	58			58
1,896	<b>1,876</b>	1,900	<b>Members Support</b>	1,769			1,769
			<b>Other</b>				
202	<b>262</b>	261	Contributions & Subscriptions	261			261
10	<b>500</b>	376	Essex Initiatives	250			250
			<b>Corporate and Place Policy</b>				
0		1,395	Place Policy	1,187	0		1,187
1,090	<b>1,895</b>	2,631	Corporate Policy	1,806	(5)	(0)	1,800
35		30	<b>Support Services</b>	(25)			(25)
2,062	1,975	1,970	<b>Trading Standards</b>	2,284	(364)		1,921
<b>6,001</b>	<b>7,392</b>	<b>9,361</b>		<b>8,388</b>	<b>(369)</b>	<b>(0)</b>	<b>8,019</b>
			<b>Comms And Customer Relations</b>	2,554	(6)		2,548
2,611	2,533	2,708	<b>Democratic Services</b>	1,609	(216)		1,393
1,466	1,527	1,546	<b>Equality And Diversity</b>	155	(1)		154
77	144	144					
<b>4,155</b>	<b>4,204</b>	<b>4,398</b>		<b>4,318</b>	<b>(223)</b>		<b>4,095</b>
<b>10,156</b>	<b>11,596</b>	<b>13,759</b>	<b>Net Cost of Services</b>	<b>12,706</b>	<b>(592)</b>	<b>(0)</b>	<b>12,114</b>

## Capital Programme Summary

### Leader

2014/15 Actuals £'000	2015/16 Latest Budget £'000		2016/17 Budget £'000	2017/18 Aspiration £'000	2018/19 Aspiration £'000
		<b>Named schemes</b>			
500	390	i Investment in care provision subsidiary company (ECL)	1,302		
		Schemes completed in 2015/16 or earlier			
<b>500</b>	<b>390</b>	<b>Total Named Schemes</b>	<b>1,302</b>		
<b>500</b>	<b>390</b>	<b>Total Leader</b>	<b>1,302</b>		

i Borrowing costs are to funded by ECL

## Portfolio: Corporate Services

Total Revenue Budget: £77m

Total Capital Budget: £11m

The budget covers the support services of the Council excluding Finance, Audit and Governance and those included in the Leader portfolio (see previous section). Functions included are Business Support, Commercial Services, Commissioning & Performance, Property Services, Information Services, Human Resources and Programme Management. These support services are overheads attributable to the whole organisation and are allocated out on a recharge basis. The portfolio also includes Customer Services which includes libraries, coroner's courts and registrars.

The combined 2016/17 budget covers **£12m** in the main portfolio and **£64m** for recharged strategic support services. The combined budget includes assumed delivery of **£7m** of savings.

A substantial part of the portfolio (**25%**) relates to Property costs of **£19m**, both operating costs and routine maintenance. The Council has a major facilities management contract with Mitie to provide most of this service with a very small client team retained in-house. The Property Transformation project continues and will go in to its third phase during 2016/17 with **£2m** of savings assigned to Property across this and other projects.

## Key Facts:

- 275,000 active library members, with 9 million annual visitors across 74 libraries and 10 mobile libraries
- 671,000 annual customer interactions through the Customer Services Centre.
- 323 number of properties

The second largest area of cost for this portfolio is Information Services **£16m**, which support the costs of the Council's telephony and computer hardware, software and infrastructure. The major project currently underway to implement a new, fully integrated set of corporate systems over the next couple of years is expected to deliver cost savings from this service and Human Resources totalling **£729,000** in 2016/17 as well as further savings in remaining years and other portfolios. The implementation of the new Social Care Case Management system will also generate further savings totalling **£750,000**. The IS Delivery Programme will conclude in 2016/17 with the roll out of the remaining systems and training to be completed.

Business Support costs **£10m**, which incorporates personal support to senior managers and members; staff who plan and book meetings, events and courses; direct call handling; financial processes and data input. This is after a significant Business Support Transformation project that completed in 2015/16, one year early, and removed **£5m** of budget by reducing the total number of positions required. Business Support have a further **£314,000** of related savings in this year.

The Libraries and Information Service budget is **£9m**, the service is part way through a significant transformation

programme with **£593,000** saved in 2015/16 and a further **£594,000** to be saved in 2016/17. 2016/17 will see co-location of some Registration services within libraries as the Council moves towards a community hub model.

Customer Services and Member Enquiries budgets (**£4m**) are responsible for maintaining an array of ways in which residents and customers can contact the Council. Customer Services is half way through a two year programme to explore and implement positive changes to customer experience through better use of online and digital services.

The portfolio is also responsible for managing the County's Coroners Service at **£3m** and the Registration Service.

Corporate Services spends **£5m** on commissioning delivery, insight and performance, and this includes the cost of performance monitoring across the Council as well as all of the delivery of the commissioning activity initiated by commissioners.

Commercial spends **£5m** and is responsible for both procurement and contract management functions and primarily supports commissioners as they implement new contract arrangements.

Support services will look different in the future. An exercise has previously taken place to review all aspects of current provision, with the ambition of support services being equal to the best in class and that the future model is lean, agile and flexible. There are savings associated with this in the future budget years.

The capital investment for 2016/17 of **£11m** (**£23m** over the whole 3 year programme) focuses on the Council's property portfolio and ensuring that IT infrastructure is fit for purpose.

The Council plans to spend **£4m** in 2016/17 on maintaining the essential building fabric, replacement of assets, and maintenance of mechanical and electrical services to meet the legislative standards, comply with health and safety regulations, preserve asset value and maintain business continuity.

Property Transformation Essex 2021 is a project that will continue to make more efficient and effective multi-functional use of the Council's property assets and begin the process of moving towards 'One Essex Estate' which is the joint ownership and management of property assets across the public sector in Essex. The Council will spend **£3m** in 2016/17 on this project.

To be able to work productively and in a flexible manner, have access to up to date information on the care records of vulnerable children and adults the Council is investing **£4m** in IT infrastructure. Essex residents will benefit from a seamless, joined up service where real time information is available to support discussions.

## Revenue Budget Summary

### Corporate Services

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
3,092	2,170	2,075	<b>Coroners' Courts</b>	3,408	(902)		2,507
2,125	2,366	2,204	<b>Customer Services and Member Enquiries</b>	2,234			2,234
607	626	613	<b>Emergency Planning</b>	543	0		543
			<b>Libraries &amp; Information Service</b>				
	34	34	Libraries Service Management	34			34
8,865	7,034	7,247	Library Operational Services	7,891	(820)		7,071
2,015	1,952	2,050	Library Resources	2,481	(584)	(25)	1,872
			<b>Property Assets</b>				
40			Shared Use Buildings				
	(0)	(1)	Surplus & Managed Properties	(0)		0	
(621)	(1,177)	(1,373)	<b>Registrars Office</b>	1,774	(3,056)		(1,281)
			<b>Support Services</b>				
(23)			Commercial Services			(0)	(0)
(2)	10		Commissioning Support	0			0
(120)	(197)	53	<b>Traded Strategy</b>	(699)			(699)
67	69	33	<b>Vehicle Lease Management</b>	75			75
<b>16,044</b>	<b>12,886</b>	<b>12,935</b>		<b>17,739</b>	<b>(5,361)</b>	<b>(25)</b>	<b>12,354</b>
10,174	12,436	10,470	<b>Business Support</b>	10,103			10,103
25	(25)	(26)	<b>Car Provision Scheme</b>	3,411	(3,436)		(25)
5,356	4,946	5,116	<b>Commercial</b>	4,602	(99)		4,504
3,286	3,349	3,374	<b>Commissioning Support</b>	5,041	(81)		4,960
1,695	1,787	2,587	<b>Customer Services</b>	2,491	(423)		2,068
6,675	4,514	5,854	<b>Human Resources</b>	6,036	(1,341)		4,695
20,361	16,754	22,603	<b>Information Services</b>	16,826	(828)		15,998
2,151	2,164	2,164	<b>Performance</b>	(0)	(0)		(0)
24,298	19,464	22,470	<b>Property and Facilities Management</b>	22,457	(3,347)		19,110
6,220	3,072	5,550	<b>Transformation Support Unit</b>	3,109	(362)		2,748
<b>80,240</b>	<b>68,462</b>	<b>80,162</b>		<b>74,077</b>	<b>(9,916)</b>		<b>64,161</b>
<b>96,284</b>	<b>81,348</b>	<b>93,096</b>	<b>Net Cost of Services</b>	<b>91,817</b>	<b>(15,277)</b>	<b>(25)</b>	<b>76,515</b>

## Capital Programme Summary

### Corporate Services

2014/15 Actuals £'000	2015/16 Latest Budget £'000		2016/17 Budget £'000	2017/18 Aspiration £'000	2018/19 Aspiration £'000
		<b>Named schemes</b>			
1,651	2,783	IS Delivery Programme	1,340	1,000	
524	342	Next Generation Networks	122		
		Property Transformation Essex 2021	3,000	3,000	
271		Radio Frequency Identification Rollout in Libraries	456		
935	1,147	Social Care Case Management	2,195		
8,896	1,033	Schemes completed in 2015/16 or earlier			
<b>12,277</b>	<b>5,305</b>	<b>Total Named Schemes</b>	<b>7,113</b>	<b>4,000</b>	
		<b>Blocks</b>			
3,781	5,216	Capitalised Building Maintenance	4,000	4,000	4,000
519		Schemes completed in 2015/16 or earlier			
<b>4,300</b>	<b>5,216</b>	<b>Total Blocks</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
<b>16,577</b>	<b>10,521</b>	<b>Total Corporate Services</b>	<b>11,113</b>	<b>8,000</b>	<b>4,000</b>

## Portfolio: Finance

Total Revenue Budget: **£41m**

Total Capital Budget: **£1m**

The budget for 2016/17 totals **£41m** (**£24m** in this portfolio, which includes responsibility for housing, heritage, culture and arts and a further **£17m** recharged strategic support services), funding many of the financial management and administration of the Council. These support services are overheads attributable to the whole organisation and are allocated out on a recharge basis.

A significant proportion of this budget **£11m (27%)** is used to deliver the Council's financial responsibilities, many of which are statutory. These include Internal and External Audit, Financial Services, Debt Collection, Invoice Payments, Payroll, Treasury Management, Risk and Health and Safety. Work is continuing on the implementation of a new, fully integrated set of corporate systems. This project is aimed at improving customer service and the efficiency of processes in order to release time and deliver cost savings from this portfolio, **£404,000** of which are in 2016/17.

The Council is part of an innovative partnership with Districts to maximise council tax income. The Council Tax Sharing Scheme amounts to **£6m**.

The Insurance Cost Recovery Account (**£5m**) is used to meet the cost of insurance premiums and the level of payments expected to be made for the areas that the Council self-insures.

## Key Facts:

- Pay approximately 250,000 invoices a year
- Pay 45,000 employees per month (across 490 organisations)

**£2m** is for precepts that the Council is required to pay to the Environment Agency to support Flood Defence arrangements and to the Kent and Essex Sea Fisheries to manage, regulate, develop and protect the fisheries around the County's coastline. These are statutory services and the amounts are calculated based on the Local Authority approved council tax base.

The Capital Programme implementation team supports the delivery of the ambitious capital programme.

The capital investment for 2016/17 of **£1m (£14m** over the 3 year programme) is for the Essex Housing Strategy. Essex Housing works with partners to increase the supply of general and specialist accommodation in Essex, with the aim of maximising the number of vulnerable people who are able to live independently for longer, as well as increasing the volume of housing available which is affordable and meets the needs of the Essex population.

The Council's Heritage Culture and the Arts has evolved to include responsibility for several heritage sites, the Essex Records Office and a grant making programme to arts organisations/artists. The Council will be considering how to optimise this activity in the light of the financial constraints.

## Revenue Budget Summary

### Finance

2014/15 actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
			<b>Central Services To The Public</b>				
3,292	5,450	5,389	Council Tax Sharing Scheme	5,825			5,825
8,890	12,254	11,941	Other Services	15,891	(698)	(256)	14,937
1,431	1,176	1,160	<b>Heritage And Cultural Service</b>	1,670	(735)	(111)	825
406		971	<b>Housing</b>	683			683
			<b>Precepts</b>				
1,385	1,429	1,402	Environmental Agency	1,471			1,471
384	395	388	Kent & Essex Sea Fisheries	396			396
<b>15,788</b>	<b>20,704</b>	<b>21,252</b>		<b>25,937</b>	<b>(1,433)</b>	<b>(366)</b>	<b>24,137</b>
			<b>Capital Programme Imp and Delivery</b>				
1,345	1,645	1,695		1,369			1,369
13,942	12,066	15,603	<b>Finance</b>	17,139	(6,105)		11,034
4,658	4,741	4,486	<b>Insurance Cost Recovery A/C</b>	7,487	(2,658)		4,829
<b>19,945</b>	<b>18,452</b>	<b>21,784</b>		<b>25,995</b>	<b>(8,763)</b>	<b>-</b>	<b>17,232</b>
<b>35,733</b>	<b>39,156</b>	<b>43,035</b>	<b>Net Cost of Services</b>	<b>51,932</b>	<b>(10,196)</b>	<b>(366)</b>	<b>41,369</b>

## Capital Programme Summary

### Finance

2014/15	2015/16		2016/17	2017/18	2018/19
Actuals	Latest Budget		Budget	Aspiration	Aspiration
£'000	£'000		£'000	£'000	£'000
		<b>Named schemes</b>			
4,779	5,310	Schemes completed in 2015/16 or earlier			
<b>4,779</b>	<b>5,310</b>	<b>Total named schemes</b>			
		<b>Blocks</b>			
	318	Essex Housing Programme	1,170	2,976	9,672
	<b>318</b>	<b>Total Blocks</b>	<b>1,170</b>	<b>2,976</b>	<b>9,672</b>
<b>4,779</b>	<b>5,628</b>	<b>Total Finance</b>	<b>1,170</b>	<b>2,976</b>	<b>9,672</b>

## Portfolio: Other Operating Costs

### Total Revenue Budget: £56m

The revenue budget in 2016/17 is **£56m**. The expenditure includes the net appropriations to reserves and restricted use funds as described in the Reserves and Restricted use funds section (page 61) of **£10m**, the costs of financing the capital programme of **£28m** and the provision of the Emergency Contingency at **£4m**.

The provision of the Emergency Contingency budget recognises the risk for unforeseen events such as winter pressures and extreme weather conditions.

The movement since 2015/16 is mainly due to changes in the appropriations and withdrawals from the reserves between the years, in line with changes in the specific liabilities, for example changes in PFI payment profiles.

## Revenue Budget Summary

### Other Operating Costs

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
<b>Approps To/(From) Reserves and Restricted Use Funds</b>							
(1,449)	(1,949)	(3,902)	A130 PFI Reserve		(3,294)		(3,294)
1,320			Building Schools for the Future		(1,346)		(1,346)
400	1,000	450	Capital Receipts Pump Priming	1,000			1,000
114	529	529	Carbon Reduction Reserve	529			529
(2,573)		(12,677)	Carry Forwards Reserve		0		0
188	188	(155)	Clacton PFI Reserve	958			958
5,507	1,412	1,412	Collection Fund Risk Reserve				
(1,000)			Community Resilience Reserve				
	3,750	2,679	Community Initiatives Fund	1,500			1,500
(222)			Consultation Reserve				
(251)	(251)	(251)	Debden PFI Reserve	314	(0)		314
(3,000)			Economic Growth Strategy				
(200)	200	200	Energy Inflation Reserve				
			Essex On-Line Partnership Reserve				
3,000		(3,000)	Flood and Water Management Reserve				
4,770		(11,255)	Grant Equalisation Reserves				
(56)			Health And Safety Reserves				
	1,000	1,000	Innovation Reserve	1,000			1,000
(985)			Insurance Reserve				
(645)		(260)	Partnership Reserves		0		0
(1,012)	(1,574)	(1,574)	Pension Deficit Reserve		(1,574)		(1,574)
500	500	500	Quadrennial Elections Reserve	500			500
(3,294)		(1,068)	Redundancy Reserve				
17,606	1,824	3,878	Reserve For Future Capital Funding	3,699			3,699
2,131			Schools Reserves				
			Tendring PPP	74			74
(3,725)	(4,526)	(5,182)	Trading Activities Reserves		(6,483)		(6,483)
(2,254)	6,089	(7,203)	Transformation Reserves	14,477	(10,977)		3,500
(3,373)	2,471	9,560	Waste Reserve	9,882			9,882
<b>11,495</b>	<b>10,663</b>	<b>(26,319)</b>		<b>33,933</b>	<b>(23,674)</b>		<b>10,259</b>

## Other Operating Costs (cont'd)

2014/15 Actuals £'000	2015/16 Original Budget £'000	2015/16 Latest Budget £'000		2016/17 Gross Expenditure £'000	2016/17 Income £'000	2016/17 Specific Grants £'000	2016/17 Total Net Expenditure £'000
27,065	27,547	26,747	<b>Capital Financing</b>	27,688			27,688
	8,000	7,500	<b>Contingencies</b>	4,000			4,000
	(1,000)	(1,000)	<b>Dividends received</b>		(1,021)		(1,021)
			<b>Interest Payable</b>				
(633)	(600)	(600)	Contributions - Transferred Debt		(530)		(530)
15,224	17,059	17,059	External Interest Payable	16,684			16,684
(97)	(100)	(100)	Loan Charges Grant		(90)		(90)
			<b>Interest Receivable</b>				
(3,108)	(1,961)	(1,961)	External Interest Receivable		(2,197)		(2,197)
478	1,031	1,031	Interest Reallocated		1,474		1,474
<b>38,929</b>	<b>49,976</b>	<b>48,676</b>		<b>48,372</b>	<b>(2,363)</b>		<b>46,008</b>
<b>50,424</b>	<b>60,639</b>	<b>22,357</b>	<b>Net Cost of Services</b>	<b>82,305</b>	<b>(26,037)</b>		<b>56,268</b>

## Trading Activities

Planned Surplus: £7m

For 2016/17, the Trading Activities have a target operating surplus of **£7m**. Some of the areas of growth are:

- EES for Schools (formerly Essex Education Services) continues to grow through the development and launch of software products in the national market, the core of the growth strategy. The customer base increased to **4,300** schools, one in four of all primary schools nationally. EES also has contracts in **20** other countries in particular China.
- EES is the largest traded contributor to county funds, and was a finalist for **4** national awards including the Education Investor Education Business of the Year.
- EES for Schools will grow through continuing sales of its Target Tracker software and also the launch of a new product, SE+

## Key Facts:

- EES customer base - 4,300 schools
- Place Services contracted to deliver botanical services to the Royal Gardens

- Place Services continues to be successful, having secured a contract to provide services to the Royal Gardens and having been commissioned by Historic England to assess aerial photographic evidence for archaeological sites in the area of Bromley and Croydon Boroughs
- ELS (formally Essex Legal Services) will be targeting specific growth in key sectors such as health and Education. The creation of an Alternative Business Structure (ABS) provides an opportunity to increase its customer base.

## Trading Activity Financial Plans

	Revenue reserve 1 April 2016	Income	Expenditure	(Surplus) / deficit	Appropriations		Revenue reserve 31 March 2017
	£000	£000	£000	£000	To County Revenue Account	To Trading Activity reserve	£000
<b>Education &amp; Lifelong Learning</b>							
EES Traded	(2,256)	(14,580)	10,237	(4,343)	(4,143)	(200)	(2,456)
Music Services Traded	(109)	(4,144)	4,031	(113)	(113)	-	(109)
School staffing insurance scheme	(863)	(4,825)	4,825	0	-	-	(863)
<b>Libraries Communities &amp; Planning</b>							
Library Services	(456)	(1,527)	1,454	(73)	-	(73)	(529)
<b>Transformation &amp; Support Services Trading</b>							
Information Services infrastructure	(208)	(6,643)	6,643	0	-	-	(208)
Legal Services	-	(10,939)	8,858	(2,080)	(2,080)	-	-
Place Services	(390)	(1,672)	1,525	(146)	(146)	-	(390)
Smarte East	(254)	(64)	61	(3)	-	(3)	(257)
<b>Total</b>	<b>(4,536)</b>	<b>(44,393)</b>	<b>37,635</b>	<b>(6,759)</b>	<b>(6,483)</b>	<b>(276)</b>	<b>(4,812)</b>

# Reserves and Balances

The Council will continue to face difficult financial times for the foreseeable future, given the reductions in Government funding, increased demand and pressures within social care. However the Council is in good financial health and has a credible base on which to weather such challenges.

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

The Council has 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 contractual liabilities, or are beyond the control of the Council. These are restricted in use and cover items such as 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 now for the first time presented under two headings of 'Restricted Use 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 the associated PFI, and also the PFI contracts for the A130 and various schools. This approach effectively smooths what would be significant year on year increases in budget requirement and contract costs to more manageable levels. As an example, the Council started building the Waste Reserve in 2006/07 and is now reaping the benefits, as spreading the costs of waste disposal across the lifetime of the contract has meant avoidance of what would peak at the equivalent of a **2%** rise in council tax per annum, for this service alone.

The Council also uses these specific cash backed reserves to generate interest receipts and minimise the cost of debt. The Council earns **£1.6m** per annum from investing surplus cash in the market which is included in the budget and funds services. However it saves substantially more by using the reserves to offset what would otherwise be external borrowing costs. The Council has low debt levels compared to other authorities. It has used its reserves to reduce or delay the need to take on new debt, avoiding an estimated **£11m** in debt costs in 2015/16 thereby allowing funds to be used instead for front-line service delivery.

## Restricted Funds

	Balance at	Balance at	Required	Balance at	Estimated closing balances			2017-18	2018-19
	01 April 2015	31 March 2016	to balance	01 April 2016	Budgeted	2016-17	Estimated closing		
	£000	£000	the budget	£000	contributions	Budgeted	balances	£000	£000
			£000		£000	withdrawal	£000		
<b>Long Term Contractual commitment funding</b>									
PFI reserves									
A130 PFI	(55,809)	(51,907)	-	(51,907)	-	3,294	(48,613)	(44,978)	(40,148)
Clacton secondary schools' PFI	(3,833)	(3,678)	-	(3,678)	(958)	-	(4,636)	(4,636)	(4,636)
Building schools for the future PFI	(2,546)	(2,546)	-	(2,546)	-	1,346	(1,200)	(1,200)	(1,200)
Tendring PPP	(422)	(422)	-	(422)	(74)	-	(496)	(496)	(496)
Debden PFI	(4,346)	(4,096)	-	(4,096)	(314)	-	(4,410)	(4,410)	(4,410)
Waste reserve	(57,611)	(66,512)	-	(66,512)	(9,882)	-	(76,394)	(85,694)	(95,653)
<b>Grants equalisation reserve</b>	<b>(18,587)</b>	<b>(7,332)</b>	<b>-</b>	<b>(7,332)</b>	<b>-</b>	<b>-</b>	<b>(7,332)</b>	<b>(7,332)</b>	<b>(7,332)</b>
<b>Trading activities (not available for ECC use)</b>	<b>(5,152)</b>	<b>(4,536)</b>	<b>-</b>	<b>(4,536)</b>	<b>(276)</b>	<b>-</b>	<b>(4,812)</b>	<b>(4,812)</b>	<b>(4,812)</b>
<b>Partnerships (not available for ECC use)</b>	<b>(2,205)</b>	<b>(1,945)</b>	<b>-</b>	<b>(1,945)</b>	<b>-</b>	<b>-</b>	<b>(1,945)</b>	<b>(1,945)</b>	<b>(1,945)</b>
<b>Schools (not available for ECC use)</b>	<b>(53,821)</b>	<b>(53,821)</b>	<b>-</b>	<b>(53,821)</b>	<b>-</b>	<b>-</b>	<b>(53,821)</b>	<b>(53,821)</b>	<b>(53,821)</b>

## Earmarked Reserves

	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Balance at 01 April 2015	Balance at 31 March 2016	Required to balance the budget	Balance at 01 April 2016	Estimated closing balances			2017-18	2018-19
	£000	£000	£000	£000	Budgeted contributions	2016-17 Budgeted withdrawal	Estimated closing balances	£000	£000
<b>General Balance</b>	(59,100)	(79,731)	19,359	(60,372)	-	-	(60,372)	(60,372)	(60,372)
<b>Reserves earmarked for future use</b>									
Capital receipts pump priming	(2,221)	(2,671)	-	(2,671)	(1,000)	-	(3,671)	(4,671)	(5,671)
Carbon Reduction reserve	(3,075)	(3,604)	-	(3,604)	(529)	-	(4,133)	(3,162)	(2,941)
Carry Forwards Reserve	(12,677)	-	-	-	-	-	-	-	-
Collection Fund Investment Risk reserve	(9,772)	-	-	-	-	-	-	-	-
Community Initiatives Fund	-	(2,679)	-	(2,679)	(1,500)	-	(4,179)	(1,179)	(179)
Consultation reserve	(5,674)	-	-	-	-	-	-	-	-
Energy Inflation reserve	(920)	-	-	-	-	-	-	-	-
Essex Transport Reserve	(372)	-	-	-	-	-	-	-	-
Flood and Water Management reserve	(3,000)	-	-	-	-	-	-	-	-
Health and Safety reserve	(207)	(207)	-	(207)	-	-	(207)	(207)	(207)
Insurance	(8,747)	(8,747)	-	(8,747)	-	-	(8,747)	(8,747)	(8,747)
Innovation reserve	-	(1,000)	-	(1,000)	(1,000)	-	(2,000)	(500)	-
Pension Fund Deficit reserve	(3,988)	(2,414)	-	(2,414)	-	1,574	(840)	-	-
Quadrennial Elections reserve	(500)	(1,000)	-	(1,000)	(500)	-	(1,500)	-	(500)
Redundancy reserve	(6,050)	(0)	-	(0)	-	-	-	-	-
Transformation reserve	(28,740)	(13,945)	-	(13,945)	(3,500)	-	(17,445)	(8,537)	(8,537)
<b>Future capital funding</b>									
General	(21,114)	(11,887)	-	(11,887)	(3,699)	-	(15,586)	(3,495)	(3,400)
Bellhouse landfill	(61)	(61)	-	(61)	-	-	(61)	(61)	(61)

