



Essex County Council

## Summons

To all Members of Essex County Council

You are hereby summoned to attend the meeting of the County Council to be held as shown below to deal with the business set out in the Agenda.

10:00	Tuesday, 13 February 2024	Council Chamber, County Hall, Chelmsford, CM1 1QH
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Gavin Jones  
Chief Executive

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**Officer Support to the Council:**

Sophie Campion, Senior Democratic Services Officer

Telephone: 03330131642

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**Prayers** The meeting will be preceded by Prayers led by Reverend Zena Smith, Minister at the Benfleet Methodist Church.

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## **Essex County Council and Committees Information**

All Council and Committee Meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972. If there is exempted business, it will be clearly marked as an Exempt Item on the agenda and members of the public and any representatives of the media will be asked to leave the meeting room for that item.

The agenda is available on the [Essex County Council website](#) and by then following the links from [Running the Council](#) or you can go directly to the [Meetings Calendar](#) to see what is happening this month.

### **Attendance at meetings**

Most meetings are held at County Hall, Chelmsford, CM1 1LX. [A map and directions to County Hall can be found on our website.](#)

### **Access to the meeting and reasonable adjustments**

County Hall is accessible via ramped access to the building for people with physical disabilities. The Council Chamber and Committee Rooms are accessible by lift and are located on the first and second floors of County Hall.

Induction loop facilities are available in most Meeting Rooms. Specialist headsets are available from Reception.

With sufficient notice, documents can be made available in alternative formats, for further information about this or about the meeting in general please contact the named officer on the agenda pack or email [democratic.services@essex.gov.uk](mailto:democratic.services@essex.gov.uk)

### **Livestreaming of meetings**

In the interests of improving access to the Council's meetings, most meetings will be livestreamed on the [ECC Democracy YouTube Channel](#). Recordings of the meetings

once they have finished are also available on the Channel.

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## Minutes of the meeting of the Full Council, held in the Council Chamber at County Hall, Chelmsford on Tuesday, 12 December 2023.

**Present:** Chairman: Cllr Jillian Reeves  
Vice-Chairman: Cllr Ray Gooding

Cllr Barry Aspinell	Cllr Carlo Guglielmi	Cllr Chris Pond
Cllr Tony Ball	Cllr Dave Harris	Cllr Pat Reid
Cllr Lewis Barber	Cllr Anthony Hedley	Cllr Stephen Robinson
Cllr Susan Barker	Cllr Ivan Henderson	Cllr Peter Schwier
Cllr Kevin Bentley	Cllr Jeff Henry	Cllr Lee Scordis
Cllr Dave Blackwell	Cllr Michael Hoy	Cllr Lee Scott
Cllr Lynette Bowers-Flint	Cllr Sam Kane	Cllr Laureen Shaw
Cllr Malcom Buckley	Cllr David King	Cllr Andrew Sheldon
Cllr Graham Butland	Cllr Dan Land	Cllr Chris Siddall
Cllr Mark Cory	Cllr Sue Lissimore	Cllr Mick Skeels
Cllr Simon Crow	Cllr Derrick Louis	Cllr Kerry Smith
Cllr Tom Cunningham	Cllr Luke Mackenzie	Cllr Clive Souter
Cllr Jude Deakin	Cllr Mike Mackrory	Cllr John Spence
Cllr Mark Durham	Cllr Bob Massey	Cllr Wendy Stamp
Cllr Beverley Egan	Cllr Aidan McGurran	Cllr Mike Steel
Cllr Jane Fleming	Cllr Jaymey McIvor	Cllr Mike Steptoe
Cllr Martin Foley	Cllr Louise McKinlay	Cllr Marshall Vance
Cllr Paul Gadd	Cllr Anthony McQuiggan	Cllr Lesley Wagland
Cllr Mike Garnett	Cllr Dr Richard Moore	Cllr Chris Whitbread
Cllr Marie Goldman	Cllr Mark Platt	Cllr Holly Whitbread
	Cllr Ross Playle	

**Not present but attended the meeting online (these members did not vote on any items):**

Cllr Alan Goggin                      Cllr Paul Thorogood

### Chairman's Welcome and Introduction

The Chairman informed those present that the meeting would be broadcast live over the internet by way of the [ECC Democracy YouTube Channel](#).

The opening remarks, together with the broadcast of the entire meeting may be found on the [ECC Democracy YouTube Channel](#).

## **Prayers**

The meeting was preceded by prayers led by Reverend Zena Smith, Minister of the Benfleet Methodist Church.

**Councillor Jillian Reeves formally opened the meeting.**

### **1. Apologies for Absence**

Apologies for absence were received on behalf of Cllr John Jowers, Cllr Andy Wiles, Cllr Ian Grundy, Cllr Eddie Johnson, Cllr Michael Hardware, Cllr June Lumley, Cllr James Newport, Cllr Peter May and Cllr Paul Honeywood.

### **2. Declarations of Interest**

Members were reminded by the Chairman of the need to declare any interests and to do so immediately or at the start of the consideration of any relevant item of business.

### **3. Confirmation of the minutes of the meeting of Council held on 17 October 2023**

#### **Resolved:**

That the minutes of the meeting held on 17 October 2023 be approved as a correct record and signed by the Chairman.

### **4. Public Speakers**

There were none.

### **5. Chairman's Announcements and Communications**

#### **Members**

The Chairman acknowledged that a few members could not be at the meeting because they were recovering from operations, unwell or were currently in hospital, on behalf of Council the Chairman wished them a speedy recovery and looked forward to seeing them in the Chamber again very soon.

#### **Boundary Review**

The Chairman drew attention to the email notifying members that the Local Government Boundary Commission for England had published its draft recommendations for the future divisions of this council. This was the first

review for almost 20 years. The draft proposals were out for public consultation until 19 February 2024. The proposals could be found on the Commission's website. Members were advised to speak to their Group Representative or officers should they have any questions. There was an all member briefing scheduled for 19 December, members were encouraged to attend if they could or watch the recording back if they were unavailable. Members were advised that if they wished to make any submissions for consideration or inclusion in the Essex County Council (ECC) response, to please make these by no later than 2pm on 12 January to Paul Turner, Director, Legal and Assurance and Joanna Boaler, Head of Democracy and Transparency or in advance of that deadline to their Group Representative.

### **Safer Essex Roads Partnerships Vision Zero Pledge**

Members had the opportunity to sign the Vision Zero pledge that aimed to reduce deaths on Essex roads to zero after the meeting or at a later date. The public and organisations were asked to sign it on the Safer Essex Roads website.

### **Death of Former County Councillor Richard Wallace**

The Chairman informed members of the death of former County Councillor Richard Wallace on 5 December 2023.

Richard was the Member for Stansted between 1997 and 2005 and had served on numerous committees including as Chairman on the Environment and Transport and Planning and Enterprise Committees.

The Chairman and Vice-Chairman paid tribute to Richard and at the Chairman's invitation, members stood in silent remembrance.

### **Awards**

The Chairman informed members that two awards were won at the 2023 Essex Housing Awards in November, one for climate action and one on meeting housing need. At the invitation of the Chairman Cllr Lee Scott, Cabinet Member for Planning a Growing Economy spoke on the Housing Need award and Cllr Peter Schwier, Cabinet Member for Planning a Growing Economy on the climate action award.

The Chairman invited Cllr Lee Scott, Cabinet Member for Planning a Growing Economy to speak on the Essex Careers Magazine, which had been highly commended in the Excellence in Construction Skills category.

The Chairman informed members that ECC won twice at the Social Worker of the Year Awards 2023. The Mental Health and Wellbeing Team won the Team of the Year Adult Social Care category and Christina Addenbrooke won the Supporting Children in Education Award. At the invitation of the Chairman, Cllr John Spence, Cabinet Member for Health, Adult Social Care and ICS Integration spoke on the Team of the year award and Cllr Beverley

Egan, Cabinet Member for Children's Services and Early Years spoke on the Supporting Children in Education award.

The Chairman informed members that the Public Sector Organisation of the Year Award had been won at the Association of Project Management Awards. At the invitation of the Chairman, Cllr Kevin Bentley, Leader of the Council spoke on this award.

The Chairman announced that Emma Hunter, Senior Democratic Services Officer had been awarded Learner of the Year at the Association of Democratic Service Officers Awards in November. At the invitation of the Chairman, Cllr Louise McKinlay, Deputy Leader and Cabinet Member for Levelling Up and Economy spoke on this award.

The Chairman congratulated the Procurement team who had won an award for social value through procurement at the Public Sector Finance Awards. At the invitation of the Chairman, Cllr Chris Whitbread, The Chancellor of Essex spoke on this award.

The Chairman informed members that the Sustainable Transport Team had received the Community Engagement of the Year category at the Team Modeshift Sustainable Travel Awards for the All Roads Lead from Home project. At the invitation of the Chairman, Cllr Tom Cunningham, Cabinet Member for Highways, Infrastructure and Sustainable Transport spoke on this award.

The Chairman announced that the team that support individuals with learning disabilities had also won an award. At the invitation of the Chairman, Cllr John Spence, Cabinet Member for Health, Adult Social Care and ICS Integration spoke on this award.

The Chairman invited Cllr Mark Durham, Cabinet Member for The Arts, Heritage and Culture to speak on Essex Libraries' achievement of being awarded Sanctuary Status.

The Chairman passed on congratulation to all of the individuals and teams who had won awards since the last meeting of Council.

## **6. Petitions**

The Chairman invited Cllr Chris Pond to present a petition from the academic staff and students of the University of Essex Loughton Campus concerning a safe (zebra) crossing of the A1168 Rectory Lane. Cllr Tom Cunningham, Cabinet Member for Highways, Infrastructure and Sustainable Transport, responded to receive the petition.

## **7. Executive Statements**

There was no Executive Statement.

## 8. Motions

### 1. Reducing speed limits on residential roads

Moved by Cllr Dave Harris and seconded by Cllr Lee Scordis.

‘Essex County Council notes that:

More than half of all accident casualties occur on roads with 30mph limits, and a pedestrian is seven times more likely to die if they are hit by a vehicle travelling at 30 mph than they are at 20mph, a figure that rises to ten times more likely if the pedestrian is over the age of 60.

Reducing speed limits on residential roads has been found to significantly reduce air pollution and improve health outcomes.

Over 28 million people now live in local authorities in the UK which have adopted or are adopting a default speed limit of 20mph on residential roads.

Essex County Council therefore resolves to:

- call upon the leader to implement a Council-wide 20mph speed limit on residential roads as soon as is practically possible. Establishing 20mph limits in roads with schools should be treated as a priority. This measure should be comprehensive and cover all residential roads unless there are specific exceptions which would make this inappropriate.
- set up an all-party working group to oversee the implementation of the policy and to seek to advise the executive on roads where the lower speed limit may not be appropriate and identify if other enforcement measures could be introduced in these areas. The views of residents should be sought to establish what measures would be regarded as most desirable’.

Having been put to the meeting the motion was **lost**.

### 2. Adult and Children’s Social Care, Recognition and Reform

Moved by Cllr Jane Fleming and seconded by Cllr Jaymey McIvor.

‘This council commends all its officers and staff across Adult and Children’s Social Care for their achievements in 2023, as measured by outcomes for our residents, customer satisfaction levels, the Ofsted Report on Children’s Services, and national recognition.

However, This Council recognises that:



- There is always more to do and scope for improvement
- The levels and complexity of demand are increasing
- We must be prepared for the new CQC regime and social care reforms

This Council therefore commits to continuing innovation and calls on all members of the council to work on these initiatives, from scrutinising and challenging whilst understanding the continuing need for change.

This Council also calls on the Government to:

- Confirm the dates for the implementation of previously announced Social Care reforms and to ensure that resources commensurate with this timetable are put in place, in order for the complex planning and development to progress.
- Explore reforms to the privately-owned children's social care sector, to ensure it provides excellent value for money, whilst maintaining high standards of provision.'

Having been put to the meeting the motion was **carried**.

### **3. Central government constriction of local democracy**

Moved by Cllr Paul Gadd and seconded by Cllr Chris Pond.

'Council notes the requests made by Kent and Hampshire County Councils in November 2022 that Central Government should start to fund councils properly. Council also notes the statements made by those councils that:

*"We have experienced more than 12 years of national austerity and cuts to our core budgets. Inflation continues to grow, along with demand for services such as social care for vulnerable adults and children. We are also constrained by outdated laws created in the 1940s and 1960s and have no autonomy to be able to introduce initiatives for some local services to help generate our own revenue. As a result, our budgets are now at breaking point. We have gone as far as we can to close the budget gaps we have faced to date, and there is nowhere left to go in future without severely impacting some of the most vulnerable people in our society."*

Essex County Council has faced and continues to face the same pressures of greatly reduced Government funding, high inflation, and restrictions on income.

Council notes the statements made by Cllr Whitbread on 8 November 2023 confirming the financial pressures Essex County Council is under.

As well as the issue of reduced Government funding, the extra money we can raise from council tax and business rates is significantly below inflation each year. This is not just a medium-term problem that can be fixed with more one-off handouts to keep the sector limping along, it needs fundamental change.

We have a responsibility to the residents of Essex to do everything possible to protect the future of their vital local services such as the maintenance of our roads and footpaths, the running and maintenance of our schools and libraries as well as adult and children's social care. ECC urges the Government to take steps to address the financial challenges faced by local authorities, and to halt the long-term decline in council service provision.

Therefore, Council supports the requests made by the county councils of Kent and Hampshire to Government to fund local authorities properly.'

It was moved by Cllr Andrew Sheldon and seconded by Cllr Chris Whitbread that the motion be amended to read:

'This Council notes the requests made of Government by Kent and Hampshire County Councils in November 2022 for:

1. Annual increases in funding that match the growth in adults and children's social care services or legislative change to reduce the demands on the service
2. Full funding of the Social Care Funding Reforms and Special Educational Needs growth, both of which are new burdens imposed by Government
3. Freedoms and flexibilities around council tax setting and charging for services
4. Legislative change that can help local government help itself.

Essex County Council has faced and continues to face many of the same pressures as Kent, Hampshire and other councils, including high inflation and increasing demand.

Council notes the statements made by Cllr Whitbread on 8 November 2023 confirming the financial pressures Essex County Council is under.

We have a responsibility to the residents of Essex to do everything possible to protect the future of their vital local services such as the maintenance of our roads and footpaths, the supporting and

maintaining of our schools and libraries as well as adult and children's social care.

This is not just a medium-term problem that can be fixed with more one off handouts; it needs fundamental change.

This Council therefore welcomes that:

1. ECC has a strong track record of successfully transforming its services to meet these challenges and launched the latest phase of Transformation earlier this year.
2. The Leader of Council who is also Senior Vice Chair of the LGA, consistently lobbies Government to provide appropriate support to Local Government and recently met with the Secretary of State for the Department for Levelling Up, Housing and Communities and also the Chancellor of the Exchequer.'

The amendment moved by Cllr Andrew Sheldon and seconded by Cllr Chris Whitbread was put to the meeting and was **carried** and became the substantive motion.

Having been put to the meeting the motion was **carried**.

## 9. Council Issues

At the invitation of the Chairman, Cllr Kevin Bentley presented the report and it having been moved by Cllr Kevin Bentley and seconded by Cllr Louise McKinlay it was

### **Resolved:**

#### **1. Update of Constitution: Protocol for Member/Officer Relations (part 25)**

Members agreed the revised protocol for inclusion in the Constitution (attached as Appendix A to the minutes).

#### **2. Call-in arrangements and Deputy Cabinet Members**

Agreed to:

- (a) the insertion of a new paragraph 18.16 into the Constitution as follows:

*18.16 No Deputy to a Cabinet Member should attend a meeting of a Policy and Scrutiny Committee as a member of that Committee during consideration of a call-in, regardless of whether the call-in relates to the portfolio covered by the Deputy Cabinet Member.*

- (b) Renumbering the current paragraphs 18.16 - 18.22 as 18.17- 18.23

(c) Updating cross-references in part 18 of the constitution.

## 10. Cabinet Issues

At the invitation of the Chairman, Cllr Kevin Bentley presented the report and it having been moved by Cllr Kevin Bentley and seconded by Cllr Louise McKinlay it was

### **Resolved:**

To receive the minutes of the Cabinet meetings held on 10 October and 14 November 2023.

## 11. Essex Climate Action Annual Reports for 2021/22 and 2022/23 presented for a formal update to all members

At the invitation of the Chairman, Cllr Peter Schwier presented the report and it having been moved by Cllr Peter Schwier and seconded by Cllr Bob Massey it was

### **Resolved:**

To note the Essex Climate Action Annual reports for 2021/22 and 2022/23.

## 12. Oral Questions of the Leader, Cabinet Member, chairman of a committee or the representative of the Essex Police, Fire and Crime Panel.

*The oral questions and answers as part of the broadcast of the meeting may be found on the [ECC Democracy YouTube Channel](#).*

The questions asked were:

<b>Question asked by:</b>	<b>Question asked to:</b>	<b>Subject of the question:</b>
Cllr Aidan McGurran	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Scheme for reporting footway defects
Cllr Aidan McGurran	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Replacing bus shelters
Cllr Wendy Stamp	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Speed limit reduction on B1010 at Althorne.
Cllr Wendy Stamp	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Flooding caused by blocked highway drains in the Southminster division.

<b>Question asked by:</b>	<b>Question asked to:</b>	<b>Subject of the question:</b>
Cllr Marie Goldman	Deputy Leader and Cabinet Member for Levelling Up and the Economy	Repairs to streetlights and night safety.
Cllr Marie Goldman	Cabinet Member for Highways, Infrastructure and Sustainable Transport	The condition of footways in Essex
Cllr Ivan Henderson	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Disrepair of streetlights in Harwich Quay area.
Cllr Ivan Henderson	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Accidents on A120 between Ramsey and Horsley Cross
Cllr Mike Mackrory	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Abandoned warning signs following highway works.
Cllr Dave Harris	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Clearing vegetation from highways
Cllr Dave Harris	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Member led pothole scheme.
Cllr Chris Pond	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Salt bins in Loughton
Cllr Carlo Guglielmi	Cabinet Member for Planning a Growing Economy	Local plans, planning application - Section 106
Cllr Jaymey MacIvor	Leader	Energy companies and emergency heating repairs
Cllr Lee Scordis	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Condition of footways in central Colchester
Cllr Kerry Smith	Leader	Devolution
Cllr Lewis Barber	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Concern about disruption caused by National Highways works to the A12 in Stanway
Cllr Barry Aspinell	Cabinet Member for Highways, Infrastructure and Sustainable Transport	Replying to correspondence

### 13. Closure of Meeting

The meeting closed at 12:57pm.

A recording of the meeting is available as [a video on YouTube](#).

**Chairman**

## **Protocol for Member/Officer Relations**

### **25.1 Introduction**

It is important that there should be a close working relationship between a Cabinet Member and the Chief Executive, Corporate Leadership Team, and Senior Officers. However, such relationships should never be allowed to become so close, or appear to be so close, as to give the impression that the relationship may impact upon any Officer's ability to deal impartially with that Member or other Members and party groups.

It is important that dealings between Members and Officers should observe normal standards of courtesy.

This can be summed up as 'friendly, but not friends'.

Members and Officers must not seek to take unfair advantage of their position.

This protocol seeks to set out the standards that the County Council expects Members and Officers to follow. Whilst the Protocol cannot be comprehensive it sets out guidance on some of the key issues that arise in those relationships.

The Protocol reflects the principles underlying the respective Codes of Conduct, which apply to Members and Officers and the Principles of Public Life.

The shared objective of these codes is to enhance and maintain the integrity of local government, therefore demanding very high standards of personal conduct.

### **25.2 Member Conduct**

The principles of public life are set out elsewhere in the constitution and set out the general principles govern the conduct of Members. More detailed rules are set out in the Code of Conduct.

### **25.3 Reports to Cabinet**

In accordance with the Constitution, the Leader of the Council is responsible for the Cabinet agenda and most items submitted to Cabinet will be in the name of the relevant Cabinet Member. However, there will be occasions when the Chief Executive, a Statutory Officer or a member of the Corporate Leadership Team will need to submit a report to Cabinet (for example, by Statutory Officers in the discharge of their legal duties). The named author is fully responsible for the contents of any report submitted in their name.

### **25.4 Decision Making**

Decision making by the Council is regulated by law. Courts are generally concerned to see that a decision is properly made and has been taken:

- by someone who was authorised to make it
- following an appropriate process; and
- taking account of all relevant information

Other than this the courts will normally respect the decision taken by the council as Parliament has given the local authority the right to make the decision. Any failure to follow the above when making a decision could lead to the decision being quashed or in some circumstances an injunction being granted or damages being awarded against the council.

Decisions may only be taken by an individual or group of individuals authorised by the law or the constitution to take a decision. If a decision is taken by the wrong person/body or in the wrong way it may be invalid or vulnerable to being overturned by a court at a later date. Cabinet Members may only take valid decisions by a properly recorded decision after considering a report including legal and financial advice.

The Cabinet, Committees and Council may only take decisions at a properly constituted meeting.

Outside formal decisions, Members may express a view about how a policy may be implemented but Members and Officers must remember that unless a Member has made a formal decision it is Officers who have taken the actual decisions and who are accountable for them.

All Members and Senior Officers must understand the parameters of the authority they exercise and recognise that acting outside those parameters leaves the authority open to legal liability and/or public criticism. For Members, such actions may amount to a breach of the Code of Conduct and for Officers, may lead to disciplinary proceedings.

When Members take decisions, they are accountable for the decisions they make, but Officers are accountable for the information they provide to Members and for the advice upon which the decision is based. Paragraph 25.4.4 deals with Officer advice.

If the Chief Executive and/or the Monitoring Officer consider that a decision is unlawful or in breach of existing Council policy or procedure, they will refer the matter back to the relevant Cabinet Member asking them to reconsider. Ultimately, and in a case of serious disagreement, the Monitoring Officer is under a legal duty to report any likely breach of the law to a meeting of the full Cabinet.

#### **25.4.1 Cabinet Members' role in decision making**



Individually, Cabinet Members may take decisions in accordance with those functions delegated to them, as set out in Part 3 of this Constitution and, with Officer advice, may express a strategic view as to the implementation of those decisions.

All formal decisions must be properly recorded, noting which Officers have provided advice in the taking of the decision. The decision must then be published unless the decision is exempt for publication for some lawful reason.

Any views expressed by Members should be to an Officer of appropriate seniority and they must not direct junior employees to take a particular approach.

It is the responsibility of the Chief Executive and these Senior Officers to manage the implementation of policy.

Cabinet Members may take decisions on the resourcing of Council services and on the purchase of goods or services provided they are within their delegated authority and in accordance with the budget and policy framework.

The management of such allocated resources and how they will be applied is a matter for the Chief Executive, Corporate Leadership Team members or Senior Officers subject to any policy or budgetary constraints imposed by the Council or Cabinet.

#### **25.4.2 Deputy Cabinet Members etc**

Deputy Cabinet Members or Members who are undertaking project or other work on behalf of Cabinet Members, have no formal decision making power and any formal decision must be made by the Cabinet or Cabinet Member in the usual way. They may ask – but not require - Officers to take certain action, although they should discuss any significant request with the sponsoring Cabinet Member.

#### **25.4.3 Officer Advice**

Formal decisions taken by the Council, by Committees, by the Cabinet or by any Cabinet Member must be based on advice and information provided by Officers. That advice will normally be recorded in writing in a report presented to the decision maker.

A Cabinet Member must always have the advice of the Monitoring Officer and Section 151 Officer when taking decisions.

Members are entitled to decide whether they require additional advice from the relevant service areas in respect of the particular issue to be addressed, provided that they have enough information to take a proper decision. The

Cabinet Member must give Officers adequate opportunity to provide them with the advice on the issue prior to them taking the decision.

## **25.5 Chairmen of Committees**

Chairmen of Committees do not have authority to take executive decisions or direct staff, but can expect Officers to work with them in discharging the Committee's business. For example the Chairman may give their views concerning the agenda, actions to be taken in preparing the agenda and action to be taken as a result of Committee decisions. Officers will work with the Chairman to give effect to the Chairman's requirements.

If there is a situation where the Chairman wishes something to be done and an Officer does not feel able to act then the Chairman should raise the matter with the Chief Executive, a Corporate Leadership Team member or Director.

## **25.6 Officers**

Officers are responsible for the management of the Authority and ensuring the implementation of agreed policies.

Where Members give strategic direction in the exercise of their delegated authority, the Officer(s) directed is/are responsible for ensuring the prompt actioning of those instructions and should keep the Member updated as to progress in the carrying out of the necessary work.

Officers should always seek to assist any Members of the Council, but they may not go beyond the bounds of the authority given to them by their Senior Manager.

Officers should be aware of rules governing access to information set out in part 4 of the Constitution and within the operation of those rules, ensure that Members are properly informed about information to which they have a right of access. Officers should not use professional expertise to discourage or intimidate Members from pursuing lines of inquiry.

Officers must comply with the formally expressed policy of the Authority and must not allow their own personal or political opinions to interfere with their work.

## **25.7 Members' Influence**

Members who are not acting within their portfolio or on something commissioned by a Cabinet Member may raise issues with Officers and make suggestions in relation to them.

Those Members should not however expect Officers to have to implement suggestions made as individual Members have no decision making power in these circumstances.

Members should not seek to influence Officers below the level of Head of Service.

Members may not ask Officers to change their decision.

## **25.8 Raising Concerns**

Any Member who has a concern about the conduct or performance of an Officer, should tell the Chief Executive, a Corporate Leadership Team member or a Director about their concern. That Officer will decide what action to take. It should be noted, that if the concern relates to a failing in the Officer's performance, the Council's normal processes will be followed and in most cases, it will initially be appropriate for this to be dealt with by means of a discussion between a Senior Manager and the Officer concerned.

If an Officer is concerned about the conduct of a Member, they should report such concern to their Head of Service, the Chief Executive or Monitoring Officer. If an Officer is concerned about another Officer, that concern should be referred to a relevant Senior Manager, not to a Member, in accordance with the terms of the Whistleblowing policy.

## **25.9 Members' role in recruitment**

Matters relating to the creation of a post, the appointment, conditions of service and dismissal of the Chief Executive, a member of the Corporate Leadership Team and any Officer directly reporting to them are matters for the Senior Management Employment Committee, as set out in Article 8 of the Constitution.

Matters relating to the creation of a post, the appointment, conditions of service and dismissal of posts below this level are for the Chief Executive. Members may not be involved in decision making, but they may for certain roles provide advice to the interview panel (N.B. Members will be involved with the appointment of political assistants if the council employs such persons).

Members must respect the fact that Officers act for the Council as a whole and must be politically neutral. The relationship between a Member and an Officer should not be so close as to call into question the Officer's political impartiality.

## **25.10 Officer Advice and Support to Political Groups**

There is statutory recognition for registered political groups and it is common practice for such groups to give preliminary consideration to matters of Council business in advance of such matters being considered by the relevant Council decision-making body. Officers may properly be called upon to support and contribute to such deliberations by political groups.

The support provided by Officers can take many forms, ranging from a briefing meeting with a Cabinet Member or Chairman or an individual Member (either jointly or individually) prior to a meeting, to a presentation to a group meeting. Whilst in practice such Officer support is likely to be in most demand from whichever party group is for the time being in control of the Council, such support is available to all registered political groups.

In providing Officer advice to Political groups, Members and Officers shall have regard to the following.

- (i) Officer support in these circumstances must not extend beyond providing information and advice in relation to matters of Council business. Officers must not be involved in advising on matters of party business. Officers should not normally be present at meetings, or parts of meetings, when matters of party business are to be discussed.
- (ii) Group meetings are not empowered to make decisions on behalf of the Council. Conclusions reached at such meetings are not Council decisions and should not be considered as such.
- (iii) Where Officers provide information and advice to a group meeting in relation to a matter of Council business, they will still need to provide all necessary information and advice to the decision maker when a formal decision is taken.
- (iv) The attendance of any Officers at a political group meeting does not confer any status on that meeting – it is still a political group.

Where an Officer attends a political group meeting they should not normally be expected to provide advice unless everyone present is an Officer or Member of the Council. Others are not bound by the Member Code of Conduct (in particular, the provisions concerning the declaration of interests and confidentiality) and for this and other reasons Officers may not be able to provide the same level of information and advice as they would to a Members only meeting.

Officers must respect the confidentiality of any political group discussions at which they are present and should not relay the content of any such discussion to a Member who is not a member of that political group.

Any particular cases of difficulty or uncertainty relating to Officer advice to party groups should be raised with the Chief Executive who will discuss them with the Leader of the relevant group.

Council resources (e.g. IT facilities, stationery, typing, printing, photocopying, transport, etc.) are provided to Members strictly to assist them in discharging their role as Members of the Council. Resources must therefore only be used on Council business. They should never be used in connection with party

political or campaigning activity or for private party purposes or for purposes not directly related to Council business.

### **25.11 Members Access to Information and Council Documents**

Members may approach any Council Service and ask them to provide them with such information, explanation and advice (about the Service's functions) as they may reasonably need in order to assist them in discharging their role as Members of the Council. This can range from a request for general information about some aspect of a Service's activities to requests for specific information on behalf of a Constituent. Such approaches should normally be directed to the Head of Service or another Senior Officer of the Service concerned.

The legal right of Members to inspect Council documents is covered partly by statute and partly by the common law 'need to know'. These are summarised in the Access to Information Procedure Rules contained within part 4 of the Constitution (part19).

Further and more detailed advice regarding Members' rights to inspect Council documents may be obtained from the Monitoring Officer.

Officers should ensure that they keep Members informed in relation to information regarding their division. Members are in many cases the first point of contact in the communities which they represent. It is therefore vital that County Members are informed about significant developments regarding their electoral division, before other groups and always before the press.

### **25.12 Correspondence**

Correspondence between an individual Member and an Officer should not normally be copied (by the Officer) to any other Member. Where it is necessary to copy the correspondence to another Member, this should be made clear to the original Member. In other words, a system of 'blind carbon copies' (bcc) should not be used.

Official letters on behalf of the Council are normally to be sent out under the name of the appropriate Officer, rather than under the name of a Member.

Sometimes it is appropriate for a letter to be sent from a Member (eg representations to a Government Minister or another politician), but this should be the exception rather than the norm. Letters which, for example, create obligations or give instructions on behalf of the Council should never be sent out under the name of the Member.

The Monitoring Officer should be asked for advice on significant letters which may create legal obligations or give rise to a 'legitimate expectation'.

### **25.13 Involvement of Local Members**

Whenever a public meeting is organised by the Council to consider a local issue, all the Members representing the areas affected should, as a matter of course, be invited to attend the meeting. Similarly, whenever the Council consults the public on a local issue, the local Members should be notified at the outset.

**Agenda item 8a**

<b>Report title:</b> Everyone's Essex Annual Plan and Budget 2024/25 – Part 1: Section 151 Officer's Report	
<b>Report to:</b> Council	
<b>Report author:</b> Nicole Wood, Executive Director for Corporate Services	
<b>Date:</b> 13 February 2024	<b>For:</b> Discussion
<b>Enquiries to:</b> Nicole Wood, Executive Director for Corporate Services email <a href="mailto:Nicole.wood@essex.gov.uk">Nicole.wood@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

**1. Purpose of the Report**

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

**2. Recommendations**

- 2.1 To note this report before making a decision on the recommendations on the budget and capital programme.

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

- 3.1 I have examined the budget proposals and, whilst the spending and service delivery proposals are challenging, they are achievable given the political and management track record and current plans to implement the changes. The resources available to the Council are being targeted to achieve the strategic aims outlined in Everyone's Essex.
- 3.2 The Council has a good track record on financial management and delivering savings and continues to work to deliver its required savings in 2023/24 of £36m against a £1.1bn budget.
- 3.3 The level of reserves is appropriate but requires regular monitoring given the risks and volatility of demand, prices, and inflation. We will continue to report fully each quarter to Cabinet on the reserves position.
- 3.4 The recommended 2024/25 revenue budget and the capital programme are included elsewhere on the agenda. Whilst the budget shown for 2024/25 is

balanced and robust, there remains a gap between our estimated spend and assumed funding from 2025/26 and onwards.

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

## **4 Background**

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

## **5 Current Financial Context**

- 5.1 The Council continues to operate in a climate of uncertainty and volatility. Inflation has begun to reduce, although is still double the Bank of England target rate, while interest rates are at their highest level since 2008. Additionally, we continue to see the impact of the pandemic on our spend and activity.
- 5.2 Social Care and Health portfolios represent £1.1bn of gross spend (64% of total budget) – the Health, Adult Social Care and ICS Integration portfolio alone



represents £905m gross or 51% of the budget<sup>1</sup>. During 2023/24 we are experiencing pressure on both Adult's and Children's Services, as well as on Home to School Transport. The care market continues to struggle with capacity, and there is still uncertainty around the timing and financial impact of potential care reform. We are experiencing pressures on Children's Services despite significant investment in the budget this year. There is rising demand for placements and increasing costs, driven in part by lack of sufficiency in the market, with similar issues being faced across the country. £5m was set aside in the Children's Risk reserve as part of 2023/24 budget setting in order to mitigate any further growth in Children's cost pressure, however the scale of pressure being experienced has exceeded that sum; a demonstration of the importance of a prudent reserves strategy to manage exceptional costs in these volatile economic times. High levels of inflation have continued to cause pressure across budgets in 2023/24 (£16m reported as at Quarter 3) which is driven by increasing social care costs.

- 5.3 For 2024/25 and beyond, it is not possible to precisely forecast demand patterns as we continue to see different trends compared to pre-pandemic, and a volatile macroeconomic environment. We are experiencing increased demand and price pressure, coupled with inflation running higher than the Bank of England target, and National Living Wage (NLW) growing at 9.8%. It is important that the trends on service demands are closely monitored through the coming year. Retaining appropriate levels of reserves to provide for exceptional demand and price increases is critical to the financial sustainability of the Council.
- 5.4 Going forward, we expect inflation pressure to recede during 2024/25, and the Medium Term Resource Strategy (MTRS) has been set in accordance with the inflationary position set out by the Bank of England with a return to levels around the target rate of 2% from 2025/26. Interest rates are expected to continue at levels much higher than we have experienced over the previous 15 years and this has been factored into our cost of borrowing for the capital programme.
- 5.5 The 2024/25 budget is based on anticipated income from both council tax and business rates based on the final returns submitted by the district councils. The districts were allowed by law to amend these returns until the 31<sup>st</sup> January 2024. Since the Cabinet meeting in January 2024, there has been a net increase in the Council's funding of £137,000 over that used by the Cabinet to calculate the budget recommendations. Brentwood and Colchester Councils have not submitted a final NNDR1 return at the time the report needed to be finalised. For these two billing authorities, the budget is based on the latest NNDR budget return submitted in December 2023. Should the returns not be received in time to be dealt with at the meeting, the budgetary impact will be reported and dealt with in the First Quarter Report to Cabinet in July.

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<sup>1</sup> Excluding Dedicated Schools grant which is 'passed through' to schools.

- 5.6 Council Tax and Business Rates income account for 92% of the Council's net funding streams (excluding specific grants). Central government has announced several changes to business rate reliefs, due to come into effect in 2024/25, such as the splitting of the small and standard business rate multiplier, requiring substantial changes to the way both business rates income and the Section 31 compensation grant for reliefs are calculated (explanation of risk set out in Section 12.11).

## **6 Revenue Budget**

- 6.1 If it accepts the recommendations in the budget report, the Council would plan to spend £2.5bn in 2024/25 (including schools). After income, this equates to a net expenditure budget of £1.1bn (£1,148.0m), an increase of £61.0m, (5.6%) on 2023/24.
- 6.2 The total expenditure pressures on the budget for 2024/25 are £100m and the material pressures are outlined as below:
- 6.3 Recurring costs include:
- £42m (9.8%) social care inflation, including the impact of increases to National Living Wage
  - £31m of demographic pressure, most significantly impacting service demand across Children's Services £18m (14.5%) and Home to School Transport £11m (30.4%)
  - £17m (5%) pay inflation
  - £11m (2.5%) impact of "adult client activity" where packages of care end and may be replaced with more costly packages due to changes in need.
- 6.4 In addition to the known pressures reflected in the budget there are a series of risks that are being managed through the reserves strategy (see section 11 for details on reserves). Some of the risks include:
- Inflation, interest rate risk and borrowing risk on the capital programme
  - Fragility of our funding position given the national economic outlook and inherent uncertainty on funding beyond 2024/25
  - Demand and price pressures in Children's Social Care and Home to School Transport.
- 6.5 Resource has also been set aside through the reserves strategy to enable additional strategic choices, including:
- New investments in strategic priorities to deliver Everyone's Essex, including levelling up, skills and climate action
  - Meeting the future cost of our ambitious Whole Council Transformation programme.
- 6.6 The combination of these pressures most significantly impacts the Health, Adult Social Care and ICS Integration portfolio and the Children's Services and Early

Years portfolio with net growth (before savings) of £46m (10.5%) and £16m (13%) respectively.

- 6.7 The budget assumes £32m of savings to balance the 2024/25 position. Of these £27m are recurrent and £5m are one-off savings. The savings include continuation of the Meaningful Lives Matter Programme supporting adults with learning difficulties, which is now in its fourth year; the ongoing Connect Programme that will continue to ensure the most appropriate support is offered to older people going into and leaving hospital, making better use of technology solutions in provision of care; making more efficient use of our buildings; making better use of technology and digital across the Council and reviewing staffing costs, including management cost and layers.

## 7 Funding and Taxation

### Taxation

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

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

- 7.2 The draft referendum principles published by the Department for Levelling Up, Housing and Communities would require a referendum only if council tax is increased by 5% or more in 2024/25. This 5% is comprised of a 'core council tax' element and an 'adult social care precept'. Government has set the referendum cap for the core council tax element at 3%. The Council is proposing to increase core council tax by 2.99%. This increase alone will yield an additional **£24.2m** in 2024/25.
- 7.3 In addition, local authorities with social care responsibilities can increase council tax by up to 2%, if the money raised is spent on adult social care, through the 'adult social care precept'. It is proposed the full adult social care precept of 2% is raised, yielding a further **£16.1m**. It is critically important that the Council is able to sustainably raise the tax income in the base budget, to fund the major ongoing cost pressures across the adult social care budget as outlined in section 6.6.
- 7.4 Council tax collection has remained relatively resilient during 2023/24 and the short-term outlook remains robust, with a slight decrease forecast in the

collection rate of 0.4%, based on the latest data provided by the billing authorities. Several districts have indicated that the impact of the cost of living crisis and economic downturn is beginning to affect some household's ability to pay their council tax bills. However, these districts have also suggested that this will be a short-term issue, and based on the latest budget returns provided by the district councils of Essex, the long-term outlook is that collection rates will increase in 2024/25 and the taxbase will continue to grow. To provide some mitigation for any shortfall in tax collection, a balance of £26.2m is being held in the collection fund risk reserve, which would provide some support for any future reduction to the tax base. The collection fund reserve is 0.62% of the total local tax collection forecast over the medium-term to 2027/28.

- 7.5 The taxbase for 2024/25 is 557,153 Band D equivalent properties, which is a 1.12% increase from 2023/24. This brings in a total budgeted council tax of **£848.3m**. There has been a 0.98% increase in households across the county, and a 0.94% decrease in Band D equivalent households claiming Local Council Tax Support (LCTS), where their household income is below a certain threshold. At present around 9% of households do not pay the full amount of council tax, with 4% exempt in full, and 5% paying a substantially reduced rate due to their means or status.
- 7.6 It is estimated Non-Domestic rates for 2024/25 will yield **£193.9m**. Rates are underpinned through grants from government to pay for the reliefs provided to businesses announced in the Chancellor's Autumn Statement. Central government announced the continuation of business rate relief and financial support for local businesses in 2024/25 and the business rate multiplier for properties with a rateable value of greater than £51,000 will be increased by 6.62% from 1 April 2024. Businesses in the retail, hospitality, and leisure sectors will receive a 75% reduction in their rates paid in 2024/25. The government also announced the continued freeze of the small business rates multiplier for the next financial year.
- 7.7 It is understood that Local authorities will be fully compensated for the business rate relief policies, and therefore the Council is forecasting an increase in the Section 31 Grant Compensation from £40.8m in 2023/24 to £47.2m in 2024/25. This approach does create inherent risk in the sustainability of the Council's business rate base once reliefs end. The majority of reliefs provided to businesses are currently due to end on the 1 April 2025.

### **Government Grants**

- 7.8 The Provisional Local Government Finance Settlement from Central Government provided new information and confirmed announcements made in the 2023 Autumn Statement, in particular announcements in relation to changes to business rates. However, there is still considerable uncertainty for local government funding as we have no certainty post 2024/25. The Services grant will continue into 2024/25, but was significantly reduced for the second

consecutive year. The Council will receive £1.1m in 2024/25, which is an 84% or £6m reduction in funding compared to 2023/24.

- 7.9 The Provisional Settlement also confirmed the continuation of the Revenue Support Grant (RSG) of £22.7m, an increase in-line with September Consumer Price Index (CPI) inflation. The medium term resource strategy assumes that RSG will continue to grow at the assumed rate of inflation, however there is no formal confirmation from government of funding from 2025/26 onwards.
- 7.10 The uncertain funding position makes it more complicated to plan for the long-term. We expect to receive £320m of specific government grants in 2024/25 excluding grants passported to schools. These grants are only guaranteed to 31 March 2025. Without certainty of multi-year agreements, we need to plan on a broad range of funding assumptions.
- 7.11 Original allocations for the social care grant were confirmed in the Provisional Settlement. Following this, it was also announced that a further £500m of grant funding would be made available to support expenditure on social care services. This brings the total expected growth in the social care grant to £27.9m. Confirmation of the additional amounts that the Council will receive in 2024/25 will be confirmed upon the release of Final Settlement. Combined with the yield from the adult social care precept (£16.1m), funding for social care in 2024/25 has increased by £44.0m. This has enabled the Council's increased investment in social care given the pressures faced, where the combined Adult's and Children's Social Care net expenditure budgets have increased by £39m to £601m and notable investment of £23.3m to the Adults Investment reserve to support work on business plan delivery and market strategy development and implementation, and £12.3m to an 'Early intervention and Prevention' holding account, which will be held pending decisions on use of the funding in line with the terms and conditions of the grant.

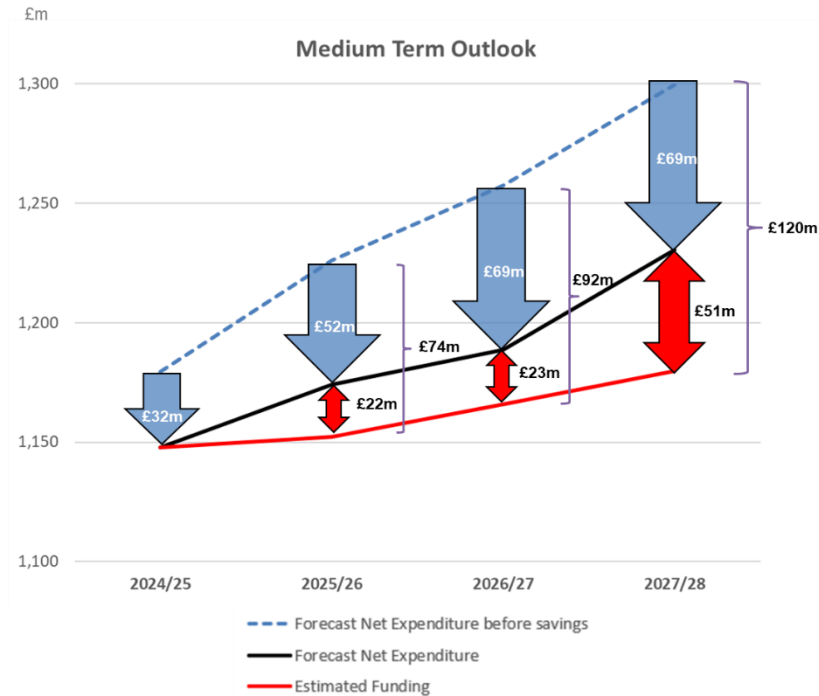
## **Other**

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

## **8 Financial Strategy**

- 8.1 This report proposes a balanced budget for 2024/25. There is reliance on one-off savings and technical adjustments of over £7m to close the budget gap, resulting in a structural deficit of £7m or 0.6% which will need to be permanently resolved in future years. It is the opinion of the S151 Officer that whilst this is an acceptable level of risk, it will need to be appropriately managed through the 2025/26 budget.

- 8.2 The medium range scenario for future years indicates a gap between the Council's expected funding streams and the Council's expenditure. After delivering 100% of all existing planned savings, the gap is expected to be £22m in 2025/26 rising to £51m by 2027/28, before further tax rises. The outlook for the authority is set out below, however this mid-range scenario will change given the context of no government funding certainty post 2024/25, uncertainty around cost of care reforms, a volatile macroeconomic environment and unforeseen events notably demand and price pressures.



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

## 9 Capital Programme and Treasury Management

- 9.1 The Council will invest considerable sums through the capital programme over the next four years. The capital programme aspirations will deliver a range of schemes to maintain, enhance and deliver new public assets, such as investment in a new railway station at Chelmsford's Beaulieu Park and the Chelmsford North-Eastern Bypass and Colchester/Tendring A120-A133 link road and rapid transit scheme, as well as highways maintenance and providing new school places. The capital programme also includes schemes to help

deliver revenue savings, such as the Essex Housing Programme to redevelop redundant Council sites. To the extent that the Council must borrow to pay for this investment, it will incur borrowing costs which must be funded from the revenue budget.

- 9.2 The revenue costs of borrowing to finance the capital programme will rise from 9.6% of the net budget in 2024/25, to 11% by 2027/28. There is inherent risk of cost escalation due to inflation and slippage, as well as higher borrowing costs should base rates rise or decline at a slower rate than the assumptions built into the MTRS. However, it is key the Council continues to look to manage within the budgeted cost envelope of the capital programme, through reprioritisation and rescoping, to ensure that there is no further increase in the capital programme budget to 2027/28 and to control levels of debt.
- 9.3 Whilst the Council can determine its own programmes for capital investment that are central to the delivery of quality public services, it must be satisfied, and able to demonstrate, that these programmes are affordable, prudent, and sustainable. In doing so, the Council must have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities (the Prudential Code) and the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (Treasury Management Code). Recently government have launched a call for views in relation to exploring and developing additional capital flexibilities and a final consultation on changes to minimum revenue provision regulations and statutory guidance. Outcomes of these may impact our future capital investment programmes.
- 9.4 The Prudential and Treasury Management Codes require the Council to produce a Capital and Treasury Management Strategy which explains how the Council takes capital expenditure, investment, and treasury management decisions and how it takes account of stewardship, value for money, prudence, sustainability, and affordability. The full strategy is shown in Appendix A, Annex 3 and the Corporate Policy and Scrutiny committee was consulted on this document in December 2022 for 2023/24 – the strategy for 2024/25 is consistent with that applied in 2023/24. The Executive Director for Corporate Services is required to report explicitly on the affordability and risk associated with this strategy.
- 9.5 In order to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability, the Capital and Treasury Management Strategy:
- Sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
  - Provides an overview of the governance process for approval and monitoring of capital expenditure. These processes are well established and

have been highly effective in recent years in ensuring the delivery of the Council's capital investment plans.

- Provides a projection of the Council's capital financing requirement, how this will be funded and repaid.
- Sets out the Council's borrowing strategy and explains how the Council will discharge its duty to make prudent revenue provision for the repayment of debt.

- 9.6 The Capital and Treasury Management Strategy, and the indicators provided in Appendix A Annexes 3A and 3B, show that the capital financing requirement, external borrowing levels and costs of borrowing are all on an upward trajectory. This reflects the substantial level of capital investment being undertaken by the Council. A focus of some of the capital programme is upon 'invest to save' initiatives and upon economic regeneration. Hence, the increases in borrowing, and the costs associated with this borrowing, may be partly mitigated by revenue savings and additional income generation (e.g. additional housing and businesses providing tax revenues).
- 9.7 In the longer-term, it will not be possible to sustain this level of capital investment without the greater achievement of savings, generation of income and increased funding.
- 9.8 The Council's approach to treasury management investment activities is set out in Appendix A (Annex 3 page 108) and includes the criteria for determining how and where funds will be invested to ensure that the principal sums are safeguarded from loss and that sufficient liquidity is maintained to ensure that funds are available when needed. The treasury management investment strategy proposed for 2024/25 is consistent with that applied in previous years.
- 9.9 The Council has a good track record with regard to its treasury investment activity, adhering to statutory guidance by giving priority to security and liquidity over yield. In addition, Internal Audit has consistently issued 'good' assurance opinions on the management of these activities, confirming that internal controls are in place and adhered to.
- 9.10 The Council's policies, objectives, and approach to risk management of its treasury management activities is set out in the Strategy, alongside the knowledge and skills available to the Council, and provides confirmation that these are commensurate with the Council's risk appetite.
- 9.11 The Capital and Treasury Management Strategy also provides an overview of the Council's current approach to other investment activities.
- 9.12 All other investment activities entered into so far have been subject to approval in accordance with the Council's governance framework for decision making and giving due regard to risk and proportionality.
- 9.13 The distinct, but inter-related, elements of the Capital and Treasury Management Strategy collectively demonstrate that the Council's capital



expenditure and investment decisions properly take account of stewardship, value for money, prudence, sustainability and affordability, by setting out the long-term context in which capital expenditure and investment decisions are made, and by having due consideration to both risk and reward and impact on the achievement of priority outcomes.

## **10 Dedicated Schools Grant (DSG)**

- 10.1 The DSG is part of the Council's budget and is made up of four blocks: Schools, High Needs, Early Years and Central School Services. The Schools Block is passported directly to schools and is managed by schools. A significant proportion of the Early Years Block is passported to early years providers. The High Needs and Central School Services blocks are managed by the Council.
- 10.2 Total funding for 2024/25 increases by £95.9m; the Schools Block increases £31.9m, the High Needs Block increases £12.7m, the Early Years Block increases £51m and the Central School Services Block increases £328,000.
- 10.3 This includes the Mainstream Schools Additional grant that was announced in the Autumn statement 2022 and the Early Years Supplementary Grant announced in the 2023 Spring Budget which have now been baselined in the DSG allocations for 2024/25.
- 10.4 The increase in funding will keep the High Needs Block with a surplus balance for 2024/25, however the demand for Education, Health and Care Plans continues to increase cost pressures which is placing significant risk on the block. It is currently forecast that the High Needs Block will fall into deficit in 2025/26. Given the volatility and complexity of need and should funding from central government continue not to keep pace with spend, there is a real risk that the deficit could arise earlier. It should also be noted that the statutory override for the DSG finishes 31 March 2026 and so from that point on DSG deficits will no longer be separated from the authority's wider accounts. At this point we are not making any provision in reserves for the potential medium to long-term implications.
- 10.5 The Department for Education (DfE) has stated that with the increase in funding to the High Needs Block it expects local authorities to only request transfers from the Schools Block in exceptional circumstances. The Council has not made any requests for 2024/25. Should the increase in funding in future years not be sufficient the Council will request a transfer from the Schools Block.
- 10.6 It should be noted that the increased demand for special educational needs and disabilities also impacts on Non DSG services, namely, Education Psychologists, Home to School Transport, Special Education Operation Teams and Transitions.

## 11 Reserves

- 11.1 Reserves are defined in Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992. This requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating their budget requirement.
- 11.2 Reserves play an essential part in the financial strategy and provide a cushion against the significant risks the Council faces, and a source of funding for business cases to change the way services are provided and achieve future savings. The continued provision of adequate reserves is essential in medium-term planning. Without these, it may be necessary to take remedial urgent action in-year to mitigate challenges that arise, which could lead to longer-term consequences.
- 11.3 We define our reserves in two ways:
- **Restricted reserves** – reserves where the authority to commit the funds rests elsewhere (e.g. amounts held on behalf of schools and partnerships) and those held for managing cyclical spending or long-term commitments (e.g. those associated with long-term contracts such as Private Finance Initiative (PFI) and waste). These total £215m.
  - **Unrestricted reserves** – reserves earmarked to support the medium to longer-term plans of the Council (e.g. those earmarked to enable it to transform and invest to save); and contingent reserves (amounts that are available to the Council to meet contingent expenditure). These total £286m.

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

- 11.4 During 2024/25, £115m is expected to be drawn down from unrestricted reserves – a significant proportion of this (£24m) is from the Everyone's Essex Reserve to deliver initiatives associated with the strategic priorities of the Everyone's Essex plan. This will include positive Climate Change activities, supporting the Levelling Up agenda, Economic Recovery and Heritage and Arts investments. Additionally, it is anticipated that there will be calls on the Transformation Reserve (£25m) and Technology and Digitisation Reserve (£18m) to finance investment in innovation and ongoing change across the Council.
- 11.5 Within the budget, plans are in place for net contributions of £94m to reserves in 2024/25. The largest contributions are to the Adults Investment Reserve (£23m), Transformation Reserve (£19m), Technology and Digitisation Reserve (£14m), Everyone's Essex Reserve (£13m) and Early Intervention and Prevention holding account (£12m).

- 11.6 By 2027/28 it is anticipated that the balance of unrestricted reserves will have reduced to £188m (a reduction of £98m or 34%). The reduction mainly relates to the Transformation Reserve (£46m) to meet costs associated with the Whole Council Transformation programme, and the Everyone's Essex Reserve (£34m) as it is utilised to fund strategic priorities.
- 11.7 Whilst the level of unrestricted reserves may be enough to cover the funding gaps in the medium-term, as set out earlier in this report, the authority's record on financial management and delivery of savings is such that it is highly unlikely that this level of usage of reserves would be required to fund the gap. It should also be noted that each of the reserves we hold is to meet specific costs or mitigate specific risks – such a significant call on reserves to fund the gap would be a risk to the financial sustainability of the Council.
- 11.8 The authority also has a General Balance, which is an un-ringfenced reserve set aside to allow the Council to deal with unexpected events or costs at short notice. The general reserve balance is held at 6% of net revenue budget in recognition of the level of risk associated with the pressures the Authority may face. The balance is £68m, which is enough to fund the Council's activities for 22 days.

## **12 Risks**

- 12.1 There are several risks associated with the budget:
- 12.2 Ongoing inflation risk and the emergence of new burdens could contribute to the non-delivery of savings in 2024/25 with a knock-on impact in 2025/26. There is also the risk that plans cannot be developed in-time to fully offset or mitigate these challenges. Officers carry out a delivery risk assessment before the budget is set to test the readiness to deliver the savings as planned in the budget. At this stage, 56% (£17.8m) have a high level of confidence, with 42% (£13.5m) medium risk and 2% (£455,000) of savings have a high level of delivery risk. This is a higher level of delivery confidence to that at this point last year.
- 12.3 The one-year provisional local government financial settlement for 2024/25 does not provide any information on funding allocations from 2025/26 onwards. Additionally, there is no confirmation of whether the Social Care grant, Services grant, and other grants announced in the provisional settlement will continue beyond 2024/25. If these grants were to be discontinued, or if the Council's allocation were to reduce, this would have a considerable adverse impact on the Council's funding position.
- 12.4 The emergence of new unfunded burdens in social care and other areas of the organisation that are currently unknown could create financial pressures. The Council will need to remain vigilant in identifying these pressures and develop plans to mitigate or resolve these pressures as they emerge.

- 12.5 Pressures in the Adult Social Care market have continued to increase steadily and are challenging the capacity of the market to meet demand, resulting in a destabilised market, with a heightened risk of provider failure. Despite the award of additional monies as set out in section 7.11, the funding made available remains lower than the required growth in the resources for Adult Social Care between 2023/24 and 2024/25 (£36m). Furthermore, it is unclear whether these funding streams will continue beyond 2024/25, and what additional demand pressures the Council will be experiencing by that point, creating a high risk of additional cost pressures impacting the Council. Whilst this is predominantly focussed on the Adult Social Care market, there is a risk other markets may begin to be impacted.
- 12.6 This year as set out in our regular financial reporting to Cabinet, we have seen significant cost pressures emerge across support to younger people, including Children's Social Care and Home to School Transport. We are seeing increases in demand, however significant cost pressure is as a result of increasing prices far in excess of our original assumptions, particularly in social care, where there are issues with market sufficiency. These are issues being seen nationally, and the proposed budget for 2024/25 in these two areas will grow by £40m, however if we continue to see unprecedented growth beyond our latest forecast this will create a risk to the 2024/25 budget.
- 12.7 Ultimately the extent and management of social care demand is a significant risk given that people are living longer, may have greater care needs, and the Council is experiencing more complex cases within both Adult's and Children's Services. However, these areas are monitored closely to allow action to be taken at the earliest opportunity to manage this risk position. The Council has a good record of managing this risk as is evident from the financial review reports provided to Cabinet during the year.
- 12.8 There are assumptions included in the budget for an increase in the National Living Wage, however any change to this by government will have a significant financial impact on the budget, because there will be increased demand for rate increases from contractors. The precise profile of these increases over the medium-term are unknown, however, increases will likely be strongly correlated with inflation, and therefore, if inflation remains higher than assumed, this will potentially create a financial pressure for the Council.
- 12.9 There is a growing risk that the UK may fall into a recession in the new year. Allied with the ongoing cost of living crisis, despite existing government support, it will likely put residents and local businesses under increased financial pressure.
- 12.10 Although the districts are not yet forecasting a reduction in the adjusted tax base, there is a risk that residents could prioritise paying essential bills over taxes, and that businesses will be unable to continue operating in existing premises when the bulk of National Non-Domestic Rates (NNDR) reliefs end.

Many have been extended until 1<sup>st</sup> April 2025, including the large discounts for retail, hospitality, and leisure sectors and the continued freezing of the small business rates multiplier. However, others have been discontinued, such as the decision to uplift the standard business rates multiplier by September 2023 CPI.

- 12.11 The decision to de-couple the small and standard multipliers has required many billing authorities to make urgent and quick changes to their internal financial systems. There is a risk that these urgent changes to both reliefs and processes could impact on the accuracy of budget forecasts provided by the districts and it increases the risk the NNDR1 returns could be inaccurate or erroneous, as many of the financial systems used to complete these reports were only in place for a short period of time before the 31<sup>st</sup> January 2024 deadline. Any variances to budget throughout the 2024/25 financial year will impact the collection fund in 2025/26, which could result in future funding pressures.
- 12.12 The extension of business rate reliefs, particularly to the Retail, Hospitality, and Leisure sector, means we will not know the full impact of these rate freezes until 2025/26 onwards at the earliest. Many businesses would have received significantly discounted rates for five years and it is unclear whether businesses will be able to afford full payment when the reliefs end. More strain will be placed on billing authority collection teams and if overall collection rates fall, it will adversely impact our funding budgets.
- 12.13 Furthermore, although it is necessary to increase council tax by 4.99%, to ensure frontline services are appropriately funded and to achieve a balanced budget in 2024/25, the increase in council tax to be paid by residents does raise the risk that households may not be able to afford to pay their bills in future years. This might impact on the collection rate and the overall in-year collection of the council tax precept. While the billing authorities will be required to pay a precept to ECC in 2024/25, based on the budget set before the statutory deadline, any adverse impact to the collection rate in 2024/25 will reduce collection fund balances in 2025/26. There are various schemes available to residents with low-incomes or are struggling financially, such as the Hardship Fund and Local Council Tax Support schemes, however this risk will still need to be closely monitored throughout 2024/25 to determine if collection rates remain resilient.
- 12.14 No centralised council tax support packages have been announced by central government to date for the 2024/25 financial year. As there remains continued pressure on local households, driven by the cost of living crisis, high interest rates, and the ongoing economic downturn, there is a risk that households will continue to face financial hardships and be at risk of not paying their council tax bills. The Hardship Fund remains in place via the Council Tax Sharing Agreement in 2024/25, however, if a large number of households cannot afford to pay their bills, this will also have an adverse impact of local tax collection and ECC's available funding over the medium-term. While this has not yet impacted on funding budgets for 2024/25, we have seen a slight reduction to the forecast

council tax collection rate in 2023/24, and therefore continuation of this economic challenge would increase this risk.

- 12.15 The rate of inflation continues to fall (latest CPI of 4%, December 2023), however, is not forecast to fall to the Bank of England's (BoE) 2% target until 2025. The Council has based its cost assumptions over the medium-term on the BoE's inflation projections, and therefore if high inflation continues for longer than expected, this will create financial pressure on the cost of delivering services and paying the Council's employees.
- 12.16 Further potential increases, or a reduction slower than currently forecasted to the BoE's base interest rate may create cost pressures for the Council, particularly in relation to borrowing for the capital programme. The sharp increases in interest rates during recent months have been accounted for in the Council's financing assumptions, however, if the BoE were to raise interest rates by more than expected, this will put greater financial pressure on the revenue cost of borrowing and the Council's financial position. This will continue to be monitored both for short-term impact, and potential medium-term scenarios.
- 12.17 Finally, there is the potential for a negative impact on fees and charges budgets as a result of an economic downturn. For context, the fees and charges budget for 2024/25 is £152m.

### **13 Control environment**

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

Council. The self-assessment concluded all 68 areas were fully met, however a three point action plan is underway to support continuous improvement in delivering against the Financial Management Code.

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

**Agenda item 8b**

<b>Report title:</b> Everyone's Essex Annual Plan and Budget 2024/25 – Part 2: Budget and Plan	
<b>Report to:</b> Council	
<b>Report author:</b> Councillor Christopher Whitbread, Chancellor of Essex and Cabinet Member with responsibility for Finance and Councillor Louise McKinlay, Deputy Leader and Cabinet Member for Levelling Up, Communities and Business Engagement	
<b>Date:</b> 13 February 2024	<b>For:</b> Decision
<b>Enquiries to:</b> Nicole Wood, Executive Director for Corporate Services ( <a href="mailto:Nicole.Wood@essex.gov.uk">Nicole.Wood@essex.gov.uk</a> ), with respect to the budget or Richard Puleston, Director, Policy ( <a href="mailto:Richard.Puleston@essex.gov.uk">Richard.Puleston@essex.gov.uk</a> ) with respect to the annual plan.	
<b>County Divisions affected:</b> All Essex	

**1 Everyone's Essex**

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

**2 Purpose of the Report**

- 2.1 The report presents information to enable Council to consider and approve the Everyone's Essex Annual Plan and Budget 2024/25 including the revenue budget, capital programme, financial strategy, capital strategy, treasury management strategy and set the County Council's precept. In doing so, the report of the Section 151 (S151) Officer on the robustness of the 2024/25 budget and adequacy of reserves, included elsewhere on this agenda, should be considered.
- 2.2 The Annual Plan publishes the Council's plans for 2024/25, highlighting actions upon which the Council will focus. It also includes a section on performance detailing how the Council will measure performance against the organisational aims and the outcomes the Council expects to see following the implementation of those actions.
- 2.3 The statutory process for setting the budget is that a budget is recommended to the Council made by or on behalf of the Leader. On 16 January 2024 the



Cabinet made recommendations to the Council, but the Cabinet Member with responsibility for Finance was authorised to amend those recommendations in the light of any revised information, for example relating to council tax bases or actual council tax receipts collected by billing authorities.

- 2.4 The recommendations from the Cabinet, as amended by the Cabinet Member with responsibility for Finance, are set out in section 3. The changes to the recommended budget since the Cabinet meeting are explained in section 4. Importantly the proposed overall precept level and therefore the proposed level of council tax, are the same as originally recommended by the Cabinet. The recommended changes to the Annual Plan and Budget simply add in performance information in annex 2 of Appendix A to this report.
- 2.5 In addition, the statutory deadlines for the final information from the billing authorities was 31 January 2024. This report incorporates information that was available at the time the report needed to be finalised. At this time, the information from all districts other than Brentwood and Colchester councils was available.
- 2.6 Detail of the final settlement was received on the afternoon of Monday 5 February when the Council agenda was required to be published, but there has not been enough time to incorporate the changes in this report. The impact of the announcement is being assessed and will be reflected in an addendum to be circulated before the meeting. This will also include the impact of the outstanding district returns.

### **3 Decision Areas and Recommendations**

#### **Everyone's Essex Annual Plan and Revenue Budget**

- 3.1 That the Everyone's Essex Annual Plan and budget be approved in the form appended to this report (Appendix A).
- 3.2 That the net cost of services to be set at **£1,148.0million (m)** for 2024/25 – Appendix A (page 30).
- 3.3 That the net revenue budget requirement to be set at **£1,073.4m** (net cost of services less general government grants) for 2024/25 – Appendix A (page 34).
- 3.4 That the total council tax funding requirement be set at **£848.3m** for 2024/25 – Appendix A (page 34).
- 3.5 That Essex County Council's element of the council tax be increased by 4.99% comprising of a 2.99% increase in general council tax and 2.0% adult social care precept. This would result in the Essex County Council element of the council tax being **£1,522.53** for a Band D property in 2024/25. A full list of bands is as follows:

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

- 3.6 Full Council approve the Essex County Council element of the council tax for each category of dwelling and the precepts on each of the council tax billing authorities for 2024/25, together with the final tax base, as set out in the table below:

<b>Billing Authority</b>	<b>2024/25</b>	<b>2024/25</b>
	<b>Final Tax Base</b>	<b>Gross precept</b>
	<b>Band D Equivalent</b>	<b>£</b>
Basildon	61,444	93,550,942
Braintree	56,914	86,653,272
Brentwood	34,141	51,980,848
Castle Point	31,417	47,833,325
Chelmsford	71,536	108,916,086
Colchester	66,132	100,687,953
Epping Forest	55,617	84,679,464
Harlow	28,753	43,777,305
Maldon	26,400	40,195,066
Rochford	33,010	50,258,715
Tendring	51,866	78,967,540
Uttlesford	39,921	60,782,092
<b>Total for ECC</b>	<b>557,153</b>	<b>848,282,613</b>

- 3.7 That the proposed total schools budget be set at **£720.6m** for 2024/25 which will be funded by the Dedicated Schools Grant, Pupil Premium Grant, Universal Free School Meals Grant, Teachers Pay and Pension Grants, PE and Sports Premium Grant, Sixth Form Grant, COVID-19 Recovery Premium Grant, Pupil Premium Plus Post 16 Grant, YPLA Funding Grant, NPQ Targeted Support Grant and Senior Mental Health Lead Training Grant. The majority of this will be passed through to maintained schools.

- 3.8 That the underlying balance on the General Balance be set at **£68.1m** as at 1 April 2024 (Appendix A, Annex 1, page 62).
- 3.9 That the capital payments guideline be set at **£320.1m** for 2024/25 (Appendix A, page 33)
- 3.10 That for the purposes of section 52ZB of the Local Government Finance Act 1992 the Council formally determines that the increase in council tax is not such as to trigger a referendum.

### **Strategic Performance Measures**

- 3.11 That the strategic performance measures as set out in Annex 2 (Appendix A) be approved, noting that Annex 2 was not in the information submitted to Cabinet.

### **Capital Strategy:**

- 3.12 That the 2024/25 to 2027/28 Prudential Indicators and limits, together with updated limits for 2023/24 as set out in Annexes 3A and 3B of the Capital Strategy (Appendix A, pages 110-114), be approved. This includes an authorised limit for external debt of **£1,373m** for the 2024/25 financial year, which defines the maximum amount of external borrowing by the Council, and represents the statutory limit determined under section 3(1) of the Local Government Act 2003.
- 3.13 That the Treasury Management Strategy for 2024/25 be approved, comprising:
  - a. Borrowing strategy, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 92).
  - b. Treasury management investments strategy, as set out in Annex 3 and Annex 3D of the Capital Strategy (Appendix A, Annex 3, page 102).
  - c. Indicative strategy for commercial investment activities, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 105).
- 3.14 That the policy for making a prudent level of revenue provision for the repayment of debt, (the Minimum Revenue Provision policy) as set out in Annex 3C of the Capital Strategy (Appendix A, Annex 3, page 115), be approved.
- 3.15 That the revised Treasury Management Policy Statement (Appendix A, Annex 3, page 121) and Treasury Management Practices (Appendix A, Annex 3, page 122), which set out the policies, objectives, and approach to treasury management, are adopted.

## Pay Policy Statement

- 3.16 That the Council adopts the Pay Policy Statement for 2024/25 as set out in Appendix C.

## 4 Changes since the Cabinet Meeting

- 4.1 The changes to the recommendations since the Cabinet meeting have been made to reflect updated information from the billing authorities. They are required to provide a final estimate of the council tax base, the deficit/surplus from the prior year, the performance of the local discount scheme and the National Non-Domestic Rates (NNDR) income on 31 January 2024. The recommendations in this report reflect the information received at the time the report needed to be produced. There may be further changes to this information. The recommendations made by Cabinet were based upon estimates of these figures, before receipt of the final submissions from the billing authorities. In addition, there have been changes in the amount of income anticipated to be received from central government.
- 4.2 Since the report that was approved at Cabinet, on 24 January 2024 the government announced additional social care funding amounting to £500m. It is estimated (based on prior apportionments) that the Council's share will be £12.3m, however the actual allocation will not be known until the impact of the final settlement is assessed. Any change resulting from confirmation of the actual final allocation will be set out in an addendum report which will be circulated to members and published on the website as soon as it is available.
- 4.3 As a result of the new information received by the Council, there have been the following changes:
- The anticipated income from non-domestic rates (NNDR) has **reduced by £35,000**
  - NNDR collection fund surplus has **increased by £5,000**
  - **Increase** in Benefit of Business Rate Pooling of **£686,000**
  - **Reduction** in Section 31 grants of **£519,000**
  - Increase in specific grants within the Children's Services and Early Years portfolio of **£12.3m**
  - It is proposed to create an 'Early intervention and Prevention holding account' and the **£12.3m** additional social care grant appropriated to it. Given the late notification of this additional funding, this will be held temporarily pending decisions on use of the funding in line with the terms and conditions of the grant. This decision is likely to be taken by the Cabinet.
- 4.4 Brentwood and Colchester Councils have not submitted a final NNDR1 return. For these two billing authorities, the budget is based on the latest NNDR budget return submitted in December 2023. It is not clear as to the materiality of the impact of these outstanding returns. Should the returns not be received in time

to be dealt with at the meeting, the budgetary impact will be reported and dealt with in the First Quarter Report to Cabinet in July.

- 4.5 The net impact of the changes in 4.3 is an increase in the Council's funding of **£137,000** over that used by the Cabinet to calculate the budget recommendations. This will be appropriated to the Everyone's Essex Reserve. There is no change to the proposed increase in council tax to that recommended by the Cabinet at its meeting in January 2024.
- 4.6 The table below shows the recommendations made by the Cabinet and the revised recommendation to Council made by the Cabinet Member responsible for Finance:

	Cabinet Jan-24 £m	Council Feb-24 £m	Movement £m
Council Tax Requirement	(848.3)	(848.3)	-
Revenue Support Grant	(22.7)	(22.7)	-
Non-Domestic Rates	(193.2)	(193.9)	(0.7)
Non-Domestic Rates Collection Fund Deficit	(1.4)	(1.3)	0.1
General Government Grants	(75.1)	(74.6)	0.5
Council Tax Collection Fund (Surplus)/ Deficit	(7.2)	(7.2)	-
Net cost of services	1,147.9	1,148.0	0.1
Surplus / (Deficit)	-	-	

- 4.7 Annex 2 to Appendix A 'Performance' did not feature in the information submitted to Cabinet as content was still being finalised. This is now ready and the Chancellor for Essex and Cabinet Member with responsibility for Finance has recommended it to the Council. However, it does not form part of the Everyone's Essex Plan and it just sets performance targets.

## 5 Statement of the Executive Director Corporate Services (S151 Officer)

- 5.1 The Executive Director for Corporate Services is the Chief Finance Officer appointed under section 151 of the Local Government Act 1972 and is therefore the Chief Financial Officer for regulatory and statutory purposes.
- 5.2 The report by the Executive Director for Corporate Services (S151 Officer) on the robustness of the estimates, reserves and capital strategy is set out in the separate report elsewhere on this agenda.

## 6 Other Issues

- 6.1 The findings of the ECIA carried out are included at Appendix B of this report.

- 6.2 The review of the fees and charges schedule is an annual process with fees and charges being agreed by officers or by the relevant Cabinet Member. The proposed fees and charges for the 2024/25 budget are published on the Council's website. These are provided for information only and none of the recommendations in this report ask the Cabinet to set these fees and charges. [www.essex.gov.uk/spending-and-council-tax/finance-and-spending-breakdowns](http://www.essex.gov.uk/spending-and-council-tax/finance-and-spending-breakdowns)

## **7 Relevance to the Council's Everyone's Essex Strategy and Plan**

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

## **8 Internal and External Consultation**

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

### **Essex-wide issues and resident concerns**

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

### **Commitment priorities**

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

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

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

### **Spending decisions**

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

8.5 In response to the key messages, the Council is investing an additional **£47m** in portfolio budgets for 2024/25 (**£61m** including other operating costs). The most significant part of the budget is spent on health and social care services (64% of gross expenditure, excluding dedicated schools grant (DSG)). The Council is also continuing to invest in the maintenance of roads and footways, children's services, economic regeneration and waste.

8.6 A briefing on the budget for members of the Corporate Policy and Scrutiny Committee was held on 25 January 2024.

## **9 Legal Implications (Monitoring Officer)**

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

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

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



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

- 9.9 Section 106 of the Local Government Finance Act 1992 restricts any member of the Council from voting on the budget or council tax requirement if they owe any amount of council tax to any local authority which has been outstanding for more than two months. If this applies to a member and they attend a meeting at which the council tax requirement is to be set they must declare this fact and they cannot vote. It is an offence to vote or to fail to make this declaration.
- 9.10 Section 52ZB of the Local Government Finance Act 1992 requires the Council, when setting council tax, to determine whether or not the increase is 'excessive'. An increase is excessive unless it is within parameters determined by the Secretary of State. If an increase is 'excessive' it can only be implemented if supported by a referendum.
- 9.11 The Secretary of State took the decision on what is an 'excessive' increase for 2024/25 on 5 February 2024.
- 9.12 The principles for 2024/25 published by the Secretary of State in January 2024 state that for the Council any increase of 3% or more (excluding the 'social care precept') would be defined by the then Secretary of State as 'excessive'.
- 9.13 In addition, social care authorities are permitted to levy a 'social care precept' of 2% or less. There is no legal requirement for the money raised to be used for adult social care services, but the Secretary of State has previously indicated that he will ask local authorities how they have spent the money. If an authority is unable to demonstrate usage for social care purposes, he may restrict that authority's ability to raise council tax in future years.
- 9.14 This means that the proposed increase of 4.99% would not therefore trigger a referendum.
- 9.15 With respect to the Annual Plan, once this is approved by full Council it becomes part of the county council's policy framework which means that neither the Leader nor the Cabinet may take a decision which is contrary to it. Annex 2 to appendix 1 of the plan does not form part of the policy framework.

## **10 Staffing and Other Resource Implications**

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

## **11 Equalities Comprehensive Impact Assessment**

- 11.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 11.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. In addition, marital status is a relevant protected characteristic for 9.1(a).
- 11.3 The equality implications have been assessed as part of the budget setting process as detailed in Appendix B. Equality impact assessments will be carried out before any decision is taken to change any services in response to the budget or otherwise - please see paragraphs 6.1 and 9.7 of this report for further information.

## **12 List of Appendices**

**Appendix A – Essex County Council Annual Plan 2024/25**

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

**Appendix C – Pay Policy Statement**

**Appendix D – Budget Consultation Report**

# Everyone's Essex Annual Plan and Budget

2024/2025



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

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## Foreword by the Leader

Essex is an extraordinary county. It is one of the best places to live, work and play in the country. As the leader of the County Council, it is a privilege and an honour to serve our residents, support our communities, and help secure our future prosperity. My colleagues and I are proud of what we have achieved over the life of this Council so far and confident that the priorities we have put in place for the next twelve months, as set out in this plan, will stand us in good stead for the future.

But we are also realistic. We are entering the final full year of this current Council against a backdrop of some of the most challenging times that local government has ever faced. New financial pressures caused by the need to support the recovery from Covid, the cost of living crisis, the war in Ukraine, the energy cost spike, and unprecedented inflation levels have all landed on top of existing challenges to reform and reshape our services and respond to huge increases in demand from those who need our help most.

It would be easy under these circumstances to think that just managing to balance the budget is an achievement and it would be tempting to park ambition for another day. But we will never leave hope and aspiration for tomorrow. That is not the Essex way. I firmly believe that we only repay the trust the Essex people have placed in us by helping to improve lives, release opportunity, and build more prosperous communities. To enable us to do that, over the next twelve months we are focused on five key themes.

Firstly, financial competence. All public services are hard pressed. Since 2012, local government has seen a 40% reduction in funding whilst also addressing increasing demand pressures on our services. The County Council has saved in the region of £750m over that period whilst continuing to protect front line services and invest in our roads and infrastructure to support economic growth. We have only been able to do that because of the sensible and prudent decisions we have taken in the management and deployment of the County Council's budget.

Second, we care. As a County Council we are responsible for looking after, supporting and keeping safe and secure some of the most vulnerable members of our communities. We take that responsibility very seriously. I am proud that we have some of the very best social care services in the country and we will continue to invest in the people and technology that will enable everyone in this extraordinary county to live the lives they choose, as independently as possible.

Third, we are on your side. We know that many of you are struggling through a cost of living crisis and the challenges that high levels of inflation can bring. That is why we created a £50m cost of living programme and have invested in summer clubs so that thousands of young people could participate in holiday activities and get a hot meal out of school term times. And we have continued to invest in the services that you value – no libraries have been closed in Essex

during this administration – unlike many other places; and we continue to improve our country parks and other green spaces which you have told us make such a difference to your well-being.

Fourth, we are proud of Essex. Many councillors, myself included, have lived and worked in this extraordinary County for most of our lives. We take the stewardship of Essex very seriously. Over the next year we want to work closely with communities to help you express the pride in your neighbourhoods that you feel and to fix some of the things that bug you. We will invest through this budget in the physical appearance of our communities, taking trouble over the small things that make a difference to our daily lives. We also want to celebrate the rich cultural and artistic heritage of the county which sometimes gets overlooked.

Finally, trust. We prize this above everything else. After all, it is your council, your money, your children and parents, your parks, your libraries, your schools, your roads and streets that we look after. They belong to you. Our job is to make sure that we manage them well today and leave them in a better place tomorrow so that future generations can enjoy and benefit from them as we have done. We will not always get everything right. No person or organisation can do that. But we will always be transparent and open with our residents and taxpayers.

So while no one will make light of the very challenging circumstances in which this budget has been set, I am proud that it protects our key services: no libraries will be closed in this county, during this administration; we have invested more in our roads in every single year of this Council period; and we will continue to ensure that our social care services are amongst the best in the country.

But not only will we take care of today's challenges, we are also investing for the long term: that is why we have focused on levelling up to ensure that opportunity is spread to all parts of the county and that is why we have built a coalition for change and renewed economic ambition across Greater Essex's businesses, universities and local authorities. It is why we have invested in the construction of a new railway station at Beaulieu Park – the first publicly built new station on the Great Eastern Main Line for 100 years; in the planting of 125,000 trees in the county bringing the total since the start of this Council period to half a million - ten times the number of trees in Epping Forest; in expanding the provision of care-tech – enabling thousands of people to live more independent lives; and in innovation across our children's services, building on our status as one of the best children's services authorities in the country.

Our budget and Annual Plan contains more than 100 commitments that we will deliver over the next twelve months. Not only supporting people today, but laying the foundations for a stronger tomorrow. That is the Essex way. Ambition and delivery, tempered by realism, underpinned by the pride we share in this extraordinary county, and backed by a clear and sustainable financial plan.

## **Everyone's Essex Strategic Aims – What we will deliver in 2024/25**

Aim 1: Strong, inclusive and sustainable economy

Aim 2: High quality environment

Aim 3: Health, wellbeing and independence for all ages

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

## Aim 1: Strong, Inclusive and Sustainable Economy

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



9. We will progress construction and sales on four new housing schemes, through Essex Housing, our housing development arm. When completed, we anticipate that these schemes will provide 168 private homes, six affordable homes and two new community assets.
10. We will complete a review of our 255 operational properties and our office estate for maximum efficiency and to minimise future costs. We will explore opportunities to release land and buildings to enable regeneration and growth in places, working with partners across the county. We will also continue to progress the disposal of assets that we no longer need to provide funding for our capital programme. We will continue to work with the Shire Hall Charitable Trust to develop plans for the Shire Hall in Chelmsford and develop detailed proposals for County Hall based on our own requirements and wider redevelopment options.
11. We will collaborate with partners to unlock the full potential of Freeport East at the proposed Bathside Bay development at Harwich Port. This is anticipated to generate an additional £500 million investment for the local economy over five years and lead to the creation of over 3,000 new jobs. This is a unique and unprecedented opportunity to provide high-quality employment and an economic boost for residents of Tendring and Essex.
12. We will continue our work and co-investment with South Essex Councils (SEC) and the newly formed North Essex Councils (NEC), to deliver ambitious programmes for a strong, sustainable and inclusive economy. Closer collaboration on services will provide more effective use of public money. The joint committee of SEC will support economic development, including South Essex Advanced Technical Skills (SEATS) training for careers in engineering, digital and logistics, creating opportunities with employers. Delivering the North Essex Economic Board Action Plan, with NEC, will provide a joined up inward investment offer linked to our Extraordinary Essex work, develop the Young Entrepreneurs programme in north Essex, and jointly promote the visitor economy.
13. In line with government policy, we will integrate functions provided by the South East Local Enterprise Partnership (SELEP) back into Essex, to help deliver our ambitions for economic growth. This will include ensuring a strong voice for business in decision making through new Greater Essex business board arrangements.
14. We will deliver a new approach to client relationships with 100 businesses, strengthening relationships with business intermediaries, establishing new business support programmes and continuing to deliver the Ambitious Women in Essex network. This will create and safeguard over 550 jobs and builds on our work to establish the Essex Community Business Pledge.
15. We will support the growth of Essex businesses in key industry sectors, by working with partners to implement our Sector Development Delivery programme and with business intermediary bodies. This will allow us to create the conditions for over 40,000 new jobs in the county by 2040.
16. We will continue to work with Greater Essex public and private sector partners to develop opportunities that will make our region stand out and compete as a great location for inward investment, a high-skilled workforce, tourism and students. In the initial year we will secure 25 new inward investment leads, attract 100 jobs and help retain 50 jobs through business retention activity.
17. We will support Visit Essex and coordinate activity with the new Greater Essex Inward Investment and Place Promotion Partnership. We will work to develop Visit Essex's role as the formal Local Visitor Economy Partnership body for Visit England. We expect this to achieve £11 million extra spend in the Essex visitor economy, support 540 visitor economy businesses, create 190 jobs and win 165 million media impressions.

18. We expect to award £125,000 grant funding to cultural organisations through the third round of our Arts and Cultural Fund. Successful organisations will receive funding between £2,500 to £30,000, depending on the size and nature of the project. This will help them deliver exhibitions, events and activities in 2024/25 to engage communities and benefit residents.
19. We will continue to promote Essex as an attractive location for production companies to use for filming through the Essex Film Office, working with city, district and borough councils to provide a countywide service.
20. We will deliver a new Cultural Ambassadors programme, enlisting the help of cultural role-models to front a campaign that champions the county's creative and cultural sector and rich cultural heritage.
21. We will continue to build the economic conditions in Essex to maximise the benefits of the transition to a green economy. This will include additional support for Essex businesses to access green grants and support to innovate, as well as development of a green skills action plan and collaboration in the Tending Future Skills Programme, which is supported by £340,000 investment.
22. We will continue to work to deliver major levelling up regeneration plans in priority places across Essex, using funding from government. In Clacton-on-Sea, the £20 million Clacton Hub will create a new library, Adult Community Learning facilities, and introduce the Centre for Coastal Communities to the town. Our Levelling Up Partnership with government and Long Term Plan for Towns funding will deliver £40 million of additional investment in Clacton. In Harwich, a fully refurbished library will be created in the town, with the reintroduction of Adult Community Learning to the library, and in Dovercourt new public realm works will improve the town centre. In Colchester, we will support the delivery of the City Centre masterplan, including Towns Fund projects and the St Botolph's Circus scheme, which seek to regenerate this important gateway to the city for all users.
23. We will begin to realise the potential of the Essex Renewal Fund by seeking suitable acquisitions to support good jobs, future growth and investment, green growth and levelling up the economy. Over the next 20 years, the fund aims to invest over £100 million, supporting 1,500 jobs and bringing to market enough land to deliver 1,000 new homes.
24. We will work with city, district and borough council partners to use the planning system to generate developer funding for local infrastructure, skills and community development, including Nationally Significant Infrastructure Projects. We will support two district councils to introduce the Community Infrastructure Levy in 2024/25 to access over £50 million from a new source of developer funding, which is flexible in how and what it can be used for, including investment in infrastructure and levelling up priorities.
25. We will commission a new Voluntary and Community Sector (VCS) Infrastructure Provider to deliver a quality assured, digital self-serve Universal Support Offer to the sector. Supported by other targeted VCS infrastructure support, to places and communities of greatest need, this investment will build capacity and strength in the sector to contribute to our ambitions to level up the county and reduce inequalities.
26. We will help families to get online and stay online, by raising awareness of affordable social tariffs for households who receive benefits and promoting other digital affordability offers to residents. We will work with voluntary and community organisations across Essex and in our levelling up areas to share information to save

residents money and prevent them from becoming digitally excluded. Ahead of the digital phone network switchover in 2025, we will develop digital infrastructure to increase high-speed connectivity and increase digital inclusion across Essex, including:

- a countywide awareness campaign, focussing on digitally excluded residents and businesses
- exploring alternative technologies that will reach more remote areas
- establishing a device recycling programme to increase digital inclusion and reuse digital devices, to support our new waste strategy and a circular economy

## Aim 2: High Quality Environment

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

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

18. We will deliver a range of activities to encourage and support partners and communities to take climate action themselves, including:

- holding spring and autumn climate conferences for all Essex local authorities and other partners
- Climate Czar visits to Essex businesses
- face-to-face advice and support at community climate events
- continuing to promote and develop the Carbon Cutting Essex app
- bringing the content in our climate advice packs up to date with the latest information
- providing support to Community Energy groups
- rolling out new school sustainability kits

19. We will launch the new Local Nature Recovery Strategy for Greater Essex for public consultation and develop the first actions. The final strategy will set out the ambition for a greener, healthier Essex with space for wildlife and people, describing how we can deliver 30% of Essex as natural green infrastructure by 2030. Increasing green infrastructure captures carbon, reduces flood risk, overheating and soil degradation, while supporting pollinators crucial to farming. Increasing green space for public access also benefits physical and mental health.
20. We will make £4.5 million available to deliver 7 major capital flood programme schemes to protect 187 properties, seeking match funding from the Environment Agency.
21. We will continue to deliver our 5-year programme to map all the Essex County Council managed trees on the public highway, alongside newly planted street trees under the Essex Forest initiative. This will include identifying sites for new trees on our highways.
22. We will continue to deliver the Essex Forest Initiative, with a target to plant a further 125,000 trees in 2024/25. This will bring the total number of trees planted since 2020 to 490,000, by the end of the financial year. We will seek additional grant funding to support delivery of the initiative from external funds, such as Urban Tree Challenge.
23. We will continue to develop the Essex Climate Focus Area, which pilots and accelerates climate action across the Blackwater and River Colne Catchment areas. We will do this in partnership with the district and borough councils, the North Essex Farm Cluster, local parishes, the four Net Zero Innovation Futures estates, the three Nature Plan parishes and others. We will promote the Climate Focus Area with a full communications campaign, including website, case studies and blogs.
24. We will develop a new Essex Water Strategy to set out a series of recommendations to tackle water scarcity and water quality across Essex, building upon the regional water strategy work undertaken by Water Resources East. This will help residents and businesses to understand the importance of reducing their own water usage and ways to do so.

25. We will work to establish two more sections of the King Charles III England Coast Path, a long distance coastal path that follows the coastline of England. Once formally opened, this will bring the total number of completed sections in Essex to six, with another three sections subject to approval by government.
26. We will deliver key initiatives to increase biodiversity, reduce climate impact and improve health and wellbeing through access to quality open space, including:
- maintaining Green Flag Award status across seven Country Parks and welcome over 900,000 visitors again in 2024/25
  - seeking further Countryside Stewardship funding to enhance the management of natural environments our Country Parks
  - beginning to deliver a Biodiversity Net Gain scheme in East Mersea, Colchester
  - seeking external funding for the following sites: Belhus Woods Country Park, Hadleigh Country Park (Hadleigh Downs), Thorndon Country Park and Weald Country Park
27. We will publish a biodiversity report to communicate the positive actions we are taking to improve the environment for nature to thrive in Essex. This will build on our existing Tree Strategy and brings together the policies and actions that are necessary to comply with the Government's new Biodiversity Duty for councils.

## Aim 3: Health Wellbeing and Independence for All Ages

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



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

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

29. Our Move With Us programme will engage young people in finding an activity that is right for them and that they enjoy. Within a year, we will see a 1% increase in children classed as active and will raise awareness through proactive and targeted communications to engage an additional 100,000 young people in Essex. We will increase the number of activities for children and young people on our activity finder by at least 10% and will coordinate a programme for over 100 young people to become Move With Us Ambassadors, who will encourage their peers to participate.
30. Essex Pedal Power will give out 4,000 new bikes to residents in the levelling up areas of Clacton, Harwich, Colchester, Basildon and Canvey Island, which will positively impact on health, active travel, carbon reduction and community cohesion. In Harlow, a new Essex Pedal Power scheme will be supported by Sport England's Place Expansion programme. We will explore all investment opportunities for the sustainability of Essex Pedal Power in future years.
31. We will fund new projects through The Public Health Accelerator Bids (PHAB) £7.5 million grant programme, to help people in Essex to live a healthy life. Projects will be expected to make a difference to the lives of many vulnerable residents and reduce health inequalities across Essex. Covering an initial three-year period, funded projects will lay the foundations for the achievement of longer-term health outcomes that will support all residents to live a healthy life and achieve their full potential.
32. We will make sure all residents have access to essential resources and support to prevent them from becoming socially isolated, by offering effective information and signposting in our libraries. Maintaining libraries as inclusive and welcoming spaces will help us to foster healthier and more connected communities across Essex.

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

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

5. We will continue to develop activities that enhance the personal development and informal education of young people across Essex. We will work with voluntary sector partners to create new youth provision for young people while supporting young carers and their families. Activities will include Duke of Edinburgh, Young Carers, Plan B and Hospital Projects.
6. We will continue to help children and families to access education, by promoting and monitoring attendance. We will support those families who choose to educate their children at home with monitoring and positive challenge. We will work directly with schools through the Attendance Specialist Team to identify concerns about absence at the earliest opportunity, as part of the Government's nationwide absence portal which captures daily and real time attendance data.
7. We will deliver the Harlow Futures programme, working with headteachers and community partners, to address high levels of need among children and young people related to Social Emotional and Mental Health, those Not in Education, Employment or Training and those who have not reached their expected reading age. Programmes will include:
  - Trauma Perceptive Practice training (TPP) for teachers, which has been shown to improve emotional resilience and behaviour
  - RISE programme to support primary age children with social, emotional and mental health and wellbeing
  - PATHS programme to support secondary age pupils with social, emotional and mental health and wellbeing
8. We will provide training to schools and early years settings that have committed to increase the number of children attaining a Good Level of Development at the Early Years Foundation Stage. We will work with a specialist training provider, ELKLAN, to support Early Years settings in Canvey Island to work towards Communication Friendly accreditation, giving staff knowledge and skills to support children with speech, language and communication needs.
9. We will help to improve children's life chances in Colchester, by launching a Communication Hub that serves as a model of best practice for the wider school community within the district. We will also implement the Let's Talk programme in Colchester which prioritises social, emotional and mental health needs.
10. We will continue reducing educational inequality in Tendring through our Tendring Levelling Up programme. We will launch a Communications Hub and train Communication Champions in the district. We will support schools by offering Emotional Literacy Support Assistance training and running a Home School Liaison pilot which will promote the regular and punctual attendance of all students.
11. We will implement the Essex Education Inclusion Strategy across the education sector, as the first stage of our Education Transformation Programme. Our priority will be to undertake inclusion reviews in as many schools as possible, to track the impact of the Inclusion Framework and to pilot the Ready to Regulate training programme.
12. We will continue to prioritise improvement across all Special Educational Need and Disability (SEND) services through the Co-ordination and Oversight Groups. The SEND Partnership Board will oversee this work and we will work closely with the Essex Family Forum, early years settings, schools, colleges and health partners. We will also lead a new piece of work to support the sustainability of the High Needs Block, which funds the SEND system in Essex.

13. Essex Music Service will continue to lead on the development of a Greater Essex Music Hub. This will provide the capacity to help 90% of schools in Essex to deliver music education, reduce the cost of music education for young people from disadvantaged backgrounds and allow us to bring together Essex Music Hub partners to provide inspirational experiences and opportunities for our young people.
14. We will continue to provide a strong offer that supports literacy in Essex libraries. Libraries will continue to seek to enhance their offer through outreach and partnership working particularly in areas of greatest need. We will leverage libraries expertise in promoting reading for pleasure, working with education and other services to build vital skills that significantly impact a child's future opportunities and overall well-being.
15. We will transform the ground floor of Colchester Library into an Imagination and Literacy Centre, supported by Arts Council England funding. This will focus on science, art and technology and provide interactive learning and a play space for children and their families.
16. We will continue to work across children and family services in a way which focuses on continuous self-evaluation and improvement, using opportunities to review what we do and identify ways to evolve or innovate. We will use our Children's Transformation Board to pilot new ways of working, aiming to deliver improved outcomes in a cost-effective way. We will use learning gained from evaluating our transformation projects to inform the future development of our service offer and the wider Whole Council Transformation Programme. This year we will explore the role that digital technology can play in enabling us to achieve our ambitions.
17. We will continue to work with partners to deliver a range of accessible support for families, helping them to address their needs and reducing demand on our statutory services. This includes:
  - achieving the full potential of our Supporting Families Programme
  - continuing to invest in the Family Innovation Fund
  - maximising the potential of contracts, such as the Essex Child and Family Wellbeing Service
  - improving the accessibility of online resources, such as the Local Offer website and Essex Directory of Services
  - delivering externally grant funded parenting support
18. We will pilot the implementation of a Multi-Disciplinary Team (MDT) in South Essex based on the successful evaluation of our MDT in Tendring. We will evaluate the pilot to identify if the same positive impacts that were achieved in North Essex can be replicated in the South, focused on reducing the number of children going into care and on the re-establishment of links between families and community resources.
19. We will work across our services, with partners and communities, to ensure an effective response to those arriving in Essex from other countries, including families and young people who arrive independently. We will meet our statutory duties and ensure new arrivals are welcomed, informed of local community resources and engaged in local health and education providers. Separated migrant children will receive a service from our Arrivals Team that will consider all of their needs and provide a wraparound service to aid their settlement.

20. We will refresh our Domestic Abuse Commissioning Strategy to ensure we maintain a robust approach to delivering on our statutory duties for victims and survivors. We will ensure this work is informed by our domestic abuse discovery research, to support the redesign of an improved offer for victims, survivors and perpetrators in future.
21. We will coordinate a strategic and joined-up response to community safety priorities across Essex, Southend and Thurrock through Safer Essex. This will include work to stop violence against women and girls (including domestic abuse) through education and training, creating safer public spaces and providing support to victims. We will support initiatives to reduce reoffending, aiming to improve outcomes for offenders as well as protect victims and strengthen public confidence. Working with city, district and borough councils, we will fulfil our statutory Community Safety Partnership responsibilities.
22. We will deliver on our core functions to support and promote the welfare of children who are at risk of harm. This includes working with families to support children staying safely at home and, when necessary, placing them in high quality care settings suitable to their needs. We will work with system partners to remain alert to the variety of issues impacting on children, young people and families today and will consider how we can develop our services to reflect these and to respond to growing demand.
23. We will use the findings from our Outstanding Ofsted inspection of Children's Services to inform how we embed and share excellent practice and continue to provide cost effective and high-quality care for those who need it. In response to the report's recommendation, we will seek to improve practice related to separated migrant children to ensure they are being provided with consistent and trauma informed care that meets their individual needs.
24. We will continue to improve the sufficiency of placements for children in care through our programmes of work under the governance of the Children's Transformation Board and as part of the Whole Council Transformation Programme. We will achieve this by continuing to strengthen support aimed at diverting children and young people from care, by further expanding the availability of in-house foster placements and by continuing to deliver our ambitious programme to increase residential provision in Essex. This will involve improving our relationship with the market, improving the way we commission placements and developing our own in-house residential homes.
25. We will deliver our Co-Parenting Strategy and Children in Care and Leaving Care Partnership Strategy, working through our Children in Care Partnership Board to maximise the potential of the Essex system to deliver improved outcomes for this priority group. Our actions will be driven by the voices of children and young people in care and leaving care; we will incorporate opportunities to listen to children and young people into everything we do.
26. We will continue to engage with changes to the national policy agenda for children, families and education, including the reform strategy for children's social care and the transformation of SEND and alternative provision. We will make use of opportunities to shape developments so that they reflect the voice of children and young people and advocate for a more robust national response to the growing external pressures faced by local authorities. We will engage with piloting and trailblazing to ensure that solutions reflect on the ground experience, including providing support to the National Workload Action Group and piloting the new early careers framework for social workers.
27. We will continue to ensure we are effectively responding to an increase in diversity in our population and the over-presentation of some groups who come into contact with children's services by further embedding our commitment to anti-racist practice. Under the governance of the Children's Transformation Board, we will continue

to implement our Anti-Racist Practice Strategy impacting on our service users, staff and partners. We will provide spaces to surface and explore relevant issues and to influence the practice of others across the system.

28. We will recommission our advocacy service, led by the voices and experiences of children and young people, to provide an effective and accessible offer of support, ensuring those who use our services have their views heard and complaints are effectively acknowledged and responded to.
29. We will use our position as an Outstanding provider of Children's Services to influence the development of practice nationally by continuing our successful role as a Sector Led Improvement Partner, by consolidating our commercial offer including our children in care books and thinking tools, and by piloting the Essex Solution Focused Centre. We will maximise the commercial visibility of this activity by developing an online presence to promote our achievements and the opportunities of partnering with Essex.
30. We will work with partners to address the growing pressures around children's mental health, by improving emotional wellbeing and expanding the availability of early help. This will include deepening and furthering the impact of Trauma Perceptive Practice and designated mental health leads in schools and supporting school mental health teams. We will also engage with health partners to address the lack of capacity in acute and crisis provision and will work to strengthen the provision and oversight of Mental Health Act (MHA) Section 117 aftercare support.
31. We will coordinate our response to tackling child criminal exploitation with our partners, including the Violence and Vulnerability Unit and Essex Police, to better understand the changing landscape of criminal exploitation and its impact on children, young people and their families. Making best use of evidence and the voice of our communities we will support continuous practice developments, leading to new approaches to prevention and targeted intervention, and ensure we are providing an effective response to the new Serious Violence Duty.
32. We will work with under-represented and disadvantaged groups to support their progression towards learning opportunities. We will widen participation in priority areas by working in partnership with families, community groups and training providers. Adult Community Learning engagement officers based in Canvey, Harwich and Braintree will support family learning and delivery of training in adult numeracy via the Multiply programme and progression to English, Maths, Digital Skills and English for Speakers of Other Languages (ESOL).
33. We will create an improved customer experience for those who use our services, by implementing streamlined digital platforms, user-friendly interfaces, and efficient service delivery processes. We will continue to place a special focus on providing an equal and accessible services for those who need us most, promoting inclusivity and social equality. We will continue to explore opportunities to use automation technology, where it will improve the customer experience, increase our efficiency and reduce costs.



## Resources

### Financial Strategy 2024/25 – 2027/28

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

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

The budget sets out the financial resources that we have available to deliver our statutory requirements, political priorities and the Annual Plan and therefore achieve the Everyone’s Essex Strategic Aims. In 2024/25, we will spend a gross budget (including schools) of **£2,508m**, which, after taking income and specific grants into account, amounts to a net cost of services of **£1,148m**, some £61m or 6% more than originally budgeted in 2023/24 (after adjusting for differing accounting treatment of Social Care Grant from 2024/25), and invest **£320m** in our capital programme. This budget is underpinned by a financial strategy to ensure that we can continue to live within our means, whilst also continuing to deliver essential services to residents and keep council tax as low as possible.

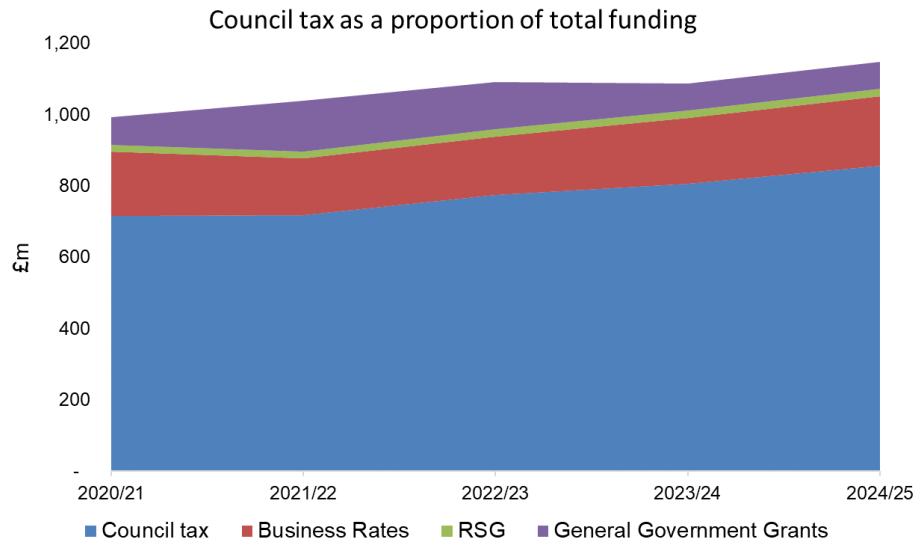
We have a strong record of sound financial management, and over the last four years have generated savings to taxpayers of **£175m**. A further **£32m** of new savings are forecast to be delivered by the end of 2024/25 (**3%** of net budget). The planned savings are focused around continuation of existing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

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

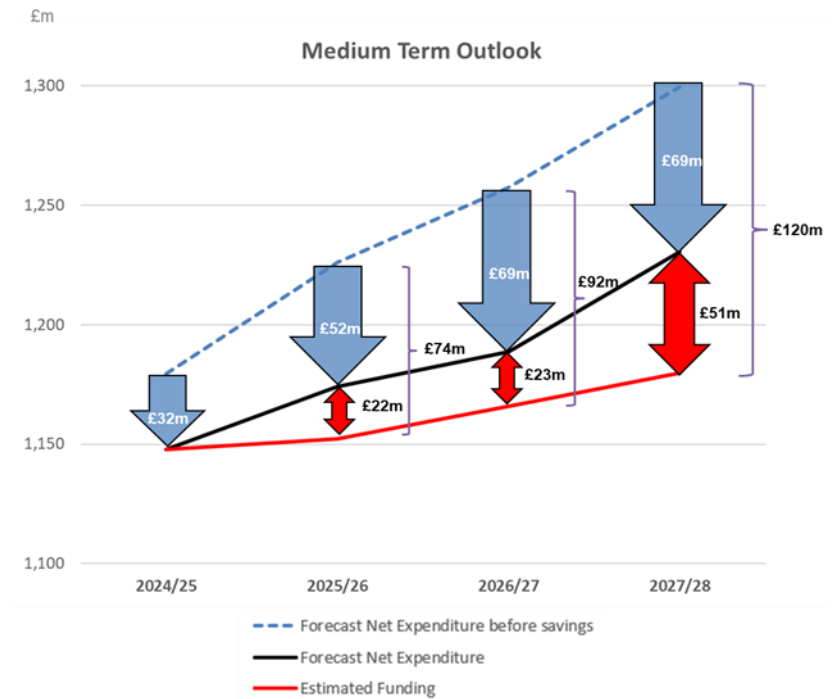
additional £97.7m in total was announced across the individual elements. There was only a one-year funding announcement for all grants. The Provisional Settlement also confirmed the continuation of Revenue Support Grant (RSG) of £22.7m.

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

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



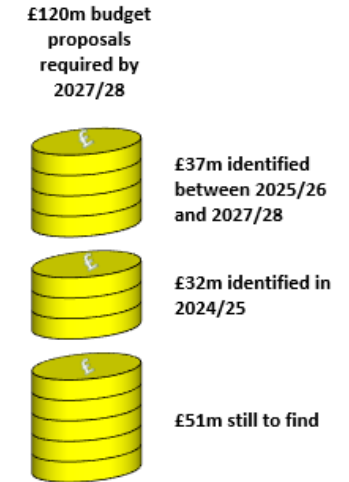
Net expenditure of **£1,148m** is funded by council tax, business rates, Revenue Support Grant and General Government Grants. Income from council tax is the largest funding stream at **£855m** and will make up **75%** of our funding in 2024/25.



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

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

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



## Capital

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

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

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

The approach to the development of the capital programme is:

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

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

We continue delivery of further significant packages of highway works such as improvements to the M11 Junction 8, Army and Navy Sustainable Transport Package and the A127 / A130 Fairglens Interchange and continue to work closely with the Department for Transport, National Highways and other third parties to secure funding for developing our longer-term pipeline covering the next 10 to 15 years, providing greater opportunities to leverage external funding and enabling greater outcomes for Essex.

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

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

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

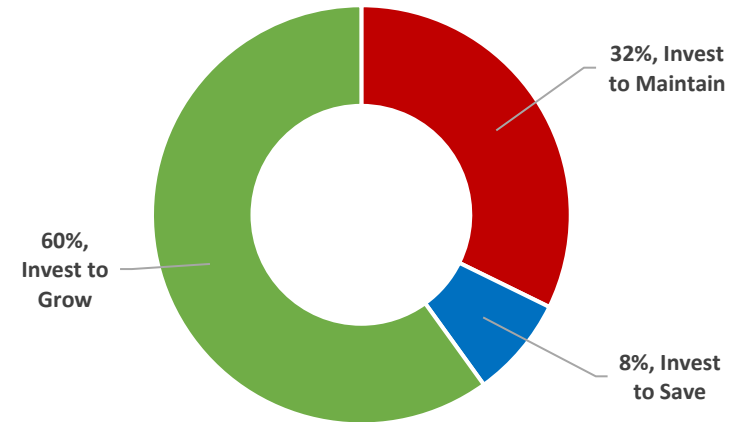
Our collaboration with Essex Schools has seen our special school places increase and has continued with the delivery of new sites for our pupil referral units (PRUs). This continues to represent a step change in the provision and helps to reduce distances children with Special Educational Needs and Disabilities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

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

The 2024/25 programme can be analysed as follows:

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

**Capital Programme 2024/25 £320m**



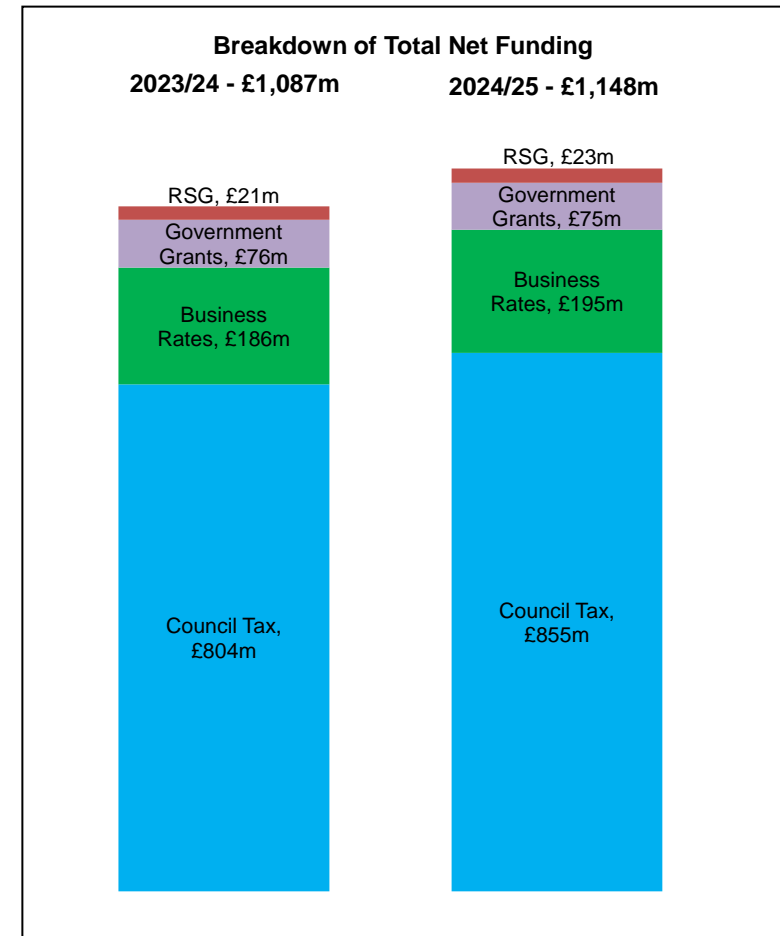
## 2024/25 Revenue Overview

Despite the financial challenges facing local government, the budget for 2024/25 is increasing. Gross expenditure to be incurred in the delivery of Council services in 2024/25 is **£2,508m**. After taking income and specific grants into account, the net cost of services amounts to **£1,148m**, which is an increase of **£61m** or 6% over 2023/24.

### Budget breakdown

	2023/24 £m	2024/25 £m
<b>Gross Expenditure</b>	2,293.9	2,507.5
<i>Deduct:</i>		
Income	(297.0)	(318.5)
Specific Government Grants (excluding DSG)*	(308.2)	(363.3)
Specific Government Grants (DSG)	(601.7)	(677.7)
<b>Subtotal: Net Cost of Services</b>	<b>1,087.0</b>	<b>1,148.0</b>
<i>Deduct:</i>		
Council Tax Requirement	(799.0)	(848.3)
Revenue Support Grant (RSG)	(21.3)	(22.7)
Non-Domestic Rates	(184.4)	(193.9)
Non-Domestic Rates Collection Fund Surplus	(1.1)	(1.3)
General Government Grants*	(75.8)	(74.6)
Council Tax Collection Fund Surplus	(5.4)	(7.2)
<b>Subtotal: Total Funding</b>	<b>(1,087.0)</b>	<b>(1,148.0)</b>
<b>Balanced budget</b>	<b>0.0</b>	<b>0.0</b>

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





## Income

Within the budget, income of **£318.5m** is expected in 2024/25, an increase of **£21.5m** when compared to 2023/24. The breakdown of income streams by portfolio is shown on page 32.

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

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

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

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

## Specific Government Grants

The budget also includes over **£1bn** of specific government grants, the most significant are the Dedicated Schools Grant (**£678m**), the majority of which is passed through to schools, the Social Care Grant (**£118m**), which is ring-fenced for Adults and Children, and Public Health grant (**£69m**), which is ring-fenced to public health activity.

## Revenue Budget Summary

2022/23		2023/24	2023/24		2024/25			
Actuals	Original Budget	Latest Budget			Gross			Total Net
£000	£000	£000	Portfolio		Expenditure	Income	Specific Grants	Expenditure
					£000	£000	£000	£000
149,788	119,617	122,749	Children’s Services and Early Years		367,101	(11,292)	(223,628)	132,181
84,031	94,467	93,427	Climate Czar, Environment, Waste Reduction and Recycling		94,032	(4,905)	(98)	89,029
26,372	19,050	27,272	Education Excellence, Life Long Learning and Employability		625,701	(29,178)	(577,123)	19,400
479,355	441,992	450,898	Health, Adult Social Care and ICS Integration		881,395	(180,833)	(231,734)	468,828
117,027	120,829	123,811	Highways, Infrastructure and Sustainable Transport		148,970	(20,668)	(6,236)	122,066
2,070	2,136	2,227	Leader		2,050			2,050
6,355	5,147	6,400	Levelling Up, Communities and Business Engagement		7,864	(2,432)	(92)	5,340
9,220	6,184	10,745	Planning a Growing Economy		13,599	(5,219)	(31)	8,349
26,450	23,825	27,587	The Arts, Heritage and Culture		42,930	(14,089)	(2,068)	26,774
11,046	8,974	7,248	The Chancellor of Essex		16,824	(1,948)		14,876
76,306	134,507	88,352	Other Operating Costs		173,496	(24,686)		148,811
1,948	1,970	2,046	Leader RSSS		1,900			1,900
6,716	6,558	6,859	Levelling Up, Communities and Business Engagement RSSS		7,229	(559)		6,670
998	1,140	1,122	Planning a Growing Economy RSSS		1,155			1,155
96,901	100,638	114,837	The Chancellor of Essex RSSS		123,291	(22,709)		100,582
1,094,582	1,087,035	1,085,581			2,507,537	(318,517)	(1,041,010)	1,148,011

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

## 2024/25 Capital Programme Overview

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

### Financed By:

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

## Council Tax Requirement

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

### Statutory disclosure requirement

	£
Net cost of Services	1,148,011,006
General Government Grants *	(74,599,197)
<b>Budget requirement</b>	<b>1,073,411,809</b>
Less funding available:	
Revenue Support Grant	22,694,035
Non-Domestic Rates	193,862,488
Non-Domestic Rates Collection Fund Surplus	1,372,302
Council Tax Collection fund surplus	7,200,371
	<b>225,129,196</b>
<b>Council tax requirement</b>	<b>848,282,613</b>
Tax base (Band D equivalent properties)	557,153.30
Band D council tax	1,522.53

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

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

\* General Government Grants includes £23m PFI grants, £47m Business Rates Compensation Grant, and £1m Services Grant

# Annex 1: Revenue and Capital Budgets

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

### Revenue Budget

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Income Specific Grants Expenditure
					£000	£000 £000 £000
<b>Childrens Services</b>						
11,186	12,501	12,518	Children's Services and Early Years		14,500	(1,142) (1,093) 12,266
16,250	18,368	18,583	Childrens Family Support		22,088	(14) 22,074
35,041	30,858	33,759	Childrens Fieldwork		40,626	(1,399) (5,030) 34,197
69,225	38,709	38,851	Children Looked After		99,204	(55,630) 43,574
7,223	7,459	7,285	Childrens Strategic Management and Development		13,751	(1,388) (4,806) 7,557
(895)	359	359	<b>Domestic Violence</b>		3,715	(830) (2,670) 215
7,113	7,073	7,073	<b>Early Years and Childcare</b>		13,597	(5,606) 7,991
2,034	2,008	2,008	<b>Emotional Wellbeing and Mental Health Service</b>		2,015	(7) 2,008
1,770	1,994	2,003	<b>Youth Offending Service</b>		4,908	(752) (2,060) 2,096
1,243	689	712	<b>Early Years - non DSG</b>		760	(155) 605
(401)	(401)	(401)	<b>Early Years - DSG</b>		151,937	(152,338) (401)
<b>149,788</b>	<b>119,617</b>	<b>122,749</b>	<b>Total Children's Services and Early Years</b>		<b>367,101</b>	<b>(11,292) (223,628) 132,181</b>

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

### Capital Programme

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

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

### Revenue Budget

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



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

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

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

### Revenue Budget

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

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

### Capital Programme

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

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

### Revenue Budget

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

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

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

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

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

### Capital Programme

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

## Highways, Infrastructure and Sustainable Transport (Cllr Tom Cunningham)

### Revenue Budget

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

## Highways, Infrastructure and Sustainable Transport (Cllr Tom Cunningham)

### Capital Programme

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

## Highways, Infrastructure and Sustainable Transport (Cllr Tom Cunningham)

### Capital Programme (cont.)

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



## Leader (Cllr Kevin Bentley)

### Revenue Budget

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

**Leader (Cllr Kevin Bentley)****Capital Programme**

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

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

### Revenue Budget

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

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

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

### Capital Programme

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

## Planning a Growing Economy (Cllr Lee Scott)

### Revenue Budget

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

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

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

## Planning a Growing Economy (Cllr Lee Scott)

### Capital Programme

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

## The Arts, Heritage and Culture (Cllr Mark Durham)

### Revenue Budget

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

## The Arts, Heritage and Culture (Cllr Mark Durham)

### Capital Programme

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



## The Chancellor of Essex (Cllr Christopher Whitbread)

### Revenue Budget

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

## The Chancellor of Essex (Cllr Christopher Whitbread)

### Capital Budget

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

## Other Operating costs

The revenue budget in 2024/25 is **£149m**. The expenditure includes the net appropriations to reserves and restricted funds as described in the Reserves section (starting on page 61) of **£94m** and the costs of financing the capital programme of **£72m**.

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

Appendix A Annual Plan 2024/25

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Income Specific Grants Expenditure
					£000	£000 £000 £000
<b>Approps To/(From) Reserves and Restricted Use Funds (i)</b>						
(11,342)	(10,052)	(10,747)	A130 PFI Reserve			(5,156) (5,156)
(1,660)		(2,062)	Adult Social Care Risk			-
(247)		(28)	Adults Digital Programme			-
(2,916)	21,567	17,677	Adults Investment Reserve	23,262		23,262
4,027	9,925	(1,326)	Ambition Fund Reserve			-
855		63	Building Schools for the Future			-
(75)			Bursary for Trainee Carers			-
6,000	1,000	1,000	Capital Receipts Pump Priming	1,000		1,000
(271)	(152)	(152)	Carbon Reduction Reserve			(190) (190)
(9,705)		(5,388)	Carry Forwards Reserve			-
	5,000	5,000	Childrens Risk	6,200		6,200
			Childrens Sustainability Reserve	4,570		4,570
(1,177)		(934)	Childrens Transformation Reserve			-
434		(452)	Clacton PFI Reserve			-
9,497	9,114	9,114	Collection Fund Risk Reserve			-
(189)	(650)	(650)	Commercial Investment in Essex Places Reserve			(590) (590)
(98)	350	204	Community Initiatives Fund	350		350
(14,495)		(11,004)	Covid Equalisation			-
(619)		(719)	Debden PFI Reserve			-
			Early Intervention and Prevention Holding Account	12,332		12,332
5,663	4,000	3,991	Emergency	4,000		4,000
(1,265)		(2,152)	Essex Climate Change Commission			-

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

Appendix A Annual Plan 2024/25

2022/23	2023/24	2023/24			2024/25	
Actuals	Original Budget	Latest Budget			Gross	Total Net
£000	£000	£000			Expenditure	Income Specific Grants Expenditure
					£000	£000 £000 £000
<b>Approps To/(From) Reserves and Restricted Use Funds (i)</b>						
(2,286)	2,000	(5,087)	Everyones Essex		13,128	13,128
982	10,338	10,182	General Risk Reserve			-
7,094		(9,497)	Grant Equalisation Reserves			-
(7)			Health and Safety Reserve			-
3,000			Highways Reserve			-
4,865			Insurance Reserve			-
(109)			Partnership Reserves			-
(340)		(28)	Property Investment			-
492	500	500	Quadrennial Elections Reserve		500	500
(96)		(181)	Renewal Fund Reserve			-
24,055	7,463	16,603	Reserve For Future Capital Funding		4,074	4,074
(5,508)			Schools Reserves			-
8,479	5,000	1,616	Technology and Digitisation		13,598	13,598
(304)	(304)	(300)	Trading Activities Reserves			(300)
10,375	11,820	5,921	Transformation Reserve		18,820	18,820
(281)	(9,884)	(287)	Waste Reserve			(2,000)
<b>32,826</b>	<b>67,034</b>	<b>20,879</b>			<b>101,834</b>	<b>(8,236) - 93,598</b>
<b>76,306</b>	<b>134,507</b>	<b>88,352</b>	<b>Total Other Operating Costs</b>		<b>173,496</b>	<b>(24,686) - 148,811</b>

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

## Trading Activities

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

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

## Reserves

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

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

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

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

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

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

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

**Reserves**

			Budgeted	2024/25		2025/26	2026/27	2027/28
	Balance at 1	Balance at 1	(Contributions)	Assumed	Closing			
	April 2023	April 2024	/ Withdrawals	usage	balance			
	£000	£000	£000	£000	£000	£000	£000	£000
General Balance	(68,096)	(68,092)	-	-	(68,092)	(68,092)	(68,092)	(68,092)
Reserves earmarked for future use								
Adults Digital Programme	(28)	0	-	-	0	0	0	0
Adult Social Care Risk	(12,561)	(9,724)	-	806	(8,918)	(8,112)	(7,304)	(7,304)
Adults Investment Reserve	(9,802)	(9,802)	(23,262)	23,262	(9,802)	(9,692)	(9,691)	(9,691)
Ambition Fund	(10,551)	(6,874)	-	3,576	(3,297)	-	-	-
Bursary for trainee carers	(263)	-	-	-	-	-	-	-
Capital Receipts Pump Priming	(10,034)	(10,534)	(1,000)	500	(11,034)	(11,534)	(12,034)	(12,534)
Carbon Reduction and Energy Risk	(711)	(559)	190	-	(369)	(369)	(369)	(369)
Carry Forward	(15,039)	(0)	-	-	(0)	(0)	(0)	(0)
Childrens Risk	-	-	(6,200)	6,200	-	-	-	-
Childrens Sustainability	-	-	(4,570)	-	(4,570)	(4,570)	(4,570)	(4,570)
Childrens Transformation	(6,010)	(2,658)	-	1,039	(1,619)	(1,225)	(1,225)	(1,225)
Collection Fund Risk	(17,084)	(26,198)	-	-	(26,198)	(26,198)	(26,198)	(26,198)
Commercial Investment in Essex Places	(15,469)	(14,596)	590	410	(13,596)	(12,396)	(10,896)	(9,396)
Community Initiatives Fund	(277)	(277)	(350)	350	(277)	(277)	(277)	(277)
EES Pensions	(4,000)	(4,000)	-	-	(4,000)	(4,000)	(4,000)	(4,000)
Emergency	(23,227)	(23,227)	(4,000)	4,000	(23,227)	(23,227)	(23,227)	(23,227)
Emergency Planning	(300)	(300)	-	-	(300)	(300)	(300)	(300)
Equalities Fund Reserve	(261)	(261)	-	-	(261)	(261)	(261)	(261)
Essex Climate Change Commission	(3,067)	(849)	-	686	(163)	0	0	0
Essex Crime and Police	(73)	(73)	-	-	(73)	(73)	(73)	(73)
Everyones Essex	(44,987)	(33,821)	(13,128)	24,021	(22,928)	(742)	(393)	0



**Reserves**

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

**Restricted Funds**

			Budgeted	2024/25		2025/26	2026/27	2027/28
	Balance at 1	Balance at 1	(Contributions)	Assumed	Closing			
	April 2023	April 2024	/ Withdrawals	usage	balance			
	£000	£000	£000	£000	£000	£000	£000	£000
Long Term Contractual Commitment								
PFI Reserves								
A130 PFI	(17,324)	(6,577)	5,156	-	(1,420)	0	(367)	(2,939)
Building Schools for the Future PFI	(2,122)	(2,952)	-	(798)	(3,750)	(3,750)	(3,750)	(3,750)
Clacton Secondary Schools' PFI	(1,409)	(1,226)	-	83	(1,143)	(1,131)	(1,131)	(1,131)
Debden School PFI	(1,154)	(392)	-	80	(312)	(192)	(192)	(192)
Waste Reserve	(114,589)	(113,795)	2,000	5,058	(106,737)	(101,159)	(90,743)	(75,547)
Covid equalisation Reserve	(26,273)	(2,974)	-	2,201	(773)	(0)	(0)	(0)
Early Intervention and Prevention Holding Account	-	-	(12,333)	12,333	-	-	-	-
Grant Equalisation Reserve	(43,933)	(38,896)	-	-	(38,896)	(38,896)	(38,896)	(38,896)
Trading Activities	(1,729)	(1,728)	300	(300)	(1,728)	(1,728)	(1,728)	(1,728)
Partnerships and Third Party	(2,267)	(2,267)	-	-	(2,267)	(2,267)	(2,267)	(2,267)
Schools	(43,704)	(43,704)	-	-	(43,704)	(43,704)	(43,704)	(43,704)

# Annex 2

## Performance

## Introduction

Outlined below are the measures that we will use to assess whether we are meeting the ambitions set out in Everyone's Essex over the next year.

Our approach to performance recognises that there are different types of performance measures: broadly they are:

- Contextual measures – these capture high-level, real-world outcomes that reflect ECC's ambition for Essex residents and communities. Securing change in these measures may require long-term changes in local social and economic conditions – while ECC has a role in influencing these changes, no single agency can directly effect outcomes.
- Strategic measures - these measures are identified as critical to delivery in the coming year to make progress towards our ambitions for Essex. These are limited in number to provide clarity and focus for strategic discussions. These are reviewed regularly by senior managers and cabinet members, and published via scrutiny to ensure that there is visibility of progress.
- Functional measures – there are a large number of measures that we monitor on an ongoing basis to judge the effectiveness and the value for money of our services. These are primarily used by the service to assure itself of the effectiveness of delivery.

The measures outlined in this report are largely the strategic measures critical to supporting the achievement of Everyone's Essex.

The measures are kept under review to ensure that they continue to be relevant in the context of current priorities, funding and national regulatory regimes (which sometimes change the definitions of existing measures or mandate the collection of new measures). Where measures have changed as a result of those issues, they have been highlighted in the report.

## STRATEGIC MEASURES: STRONG, INCLUSIVE & SUSTAINABLE ECONOMY

GOOD JOBS	LEVELLING UP THE ECONOMY	INFRASTRUCTURE	FUTURE GROWTH AND INVESTMENT	GREEN GROWTH
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Strategic Performance Measures:	Baseline*	2022/23 Outturn	Targets	
			2023/24	2024/25
Number of people benefiting from ECC skills and employability programmes.	N/A	4,373	5,325	Increase (updated target pending investment)
Jobs created a) directly through ECC programmes; and b) indirectly through ECC investments. <i>Amended: Part B of this measure to be removed</i>	a) N/A	1,304	550 (pending investment)	550 (pending investment)
Infrastructure investment secured from developers (via S106). <i>Amended: From 23/24 reporting will still be reported quarterly, but on a rolling 4 quarter average, providing an annual target.</i>	£9.6m	5.6m (quarter)	38m (annual)	38m (annual)
New homes delivered (via Essex Housing and ECC Independent Living programme).	N/A	0	0	64

\*Baseline as at March 2021 unless otherwise stated

Strategic Performance Measures: REMOVED	Baseline*	2022/23 Outturn	Comment
Investment secured from third parties to fund local regeneration programmes.	N/A	119.6m	This measure is proposed to be replaced with one that considers how the funds are spent. This is currently in development, but is not finalised for use in this document

## STRATEGIC MEASURES: HIGH QUALITY ENVIRONMENT

NET ZERO	TRANSPORT AND BUILT ENVIRONMENT	MINIMISE WASTE	LEVELLING UP THE ENVIRONMENT	GREEN COMMUNITIES
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Strategic Performance Measures	Baseline*	2022/23 (Outturn)	Targets	
			2023/24	2024/25
ECC's carbon rating (based on Carbon Disclosure Project)	B (2020)	A	A	A
% of ECC electricity from renewable sources (GWh) <i>Amended: Shift to oversight of on-site generated electricity</i>	N/A	100% completed (Sep – 22)	100% (39% onsite)	
Retrofit in Low Income Households	N/A	93	547	External funding dependent
Replacement LED streetlights	N/A	28,439	32,476	Completed
Sections of coastal path completed <i>Amended: Project extended; new target established for 2024/25</i>	N/A	4	5	6
Number of National Flood Management Schemes delivered. <i>Amended: To focus on the number of properties benefitting from scheme, replacing number of schemes</i>	-	6 (119 properties)	215 properties.	24/25 schemes being finalised Feb 24
Number of trees planted by Essex Forest initiative.	38,305 (2020/21)	100,624	100,000 (40 Hectares)	375,000 between 2020/21-2024/25
Total household waste collected per household (kg)	1,055kg (2020/21)	1,058kg (21/22)	1,100kg	1,100kg

\*Baseline as at March 2021 unless otherwise stated

Appendix A Annual Plan 2024/25

Strategic Performance Measures	Baseline*	2022/23 (Outturn)	Targets	
Percentage of household waste sent for reuse, recycling or composting	51.8% (2020/21)	50.7% (21/22)	50%	50.0%
Percentage of: a) A roads where maintenance should be considered, b) B and C roads where maintenance should be considered	-	3% 2021/22	None currently	
	-	2% 2021/22		

\*Baseline as at March 2021 unless otherwise stated

## STRATEGIC MEASURES: HEALTH WELLBEING & INDEPENDENCE FOR ALL AGES

LEVELLING UP HEALTH	HEALTHY LIFESTYLES	PROMOTING INDEPENDENCE	PLACE-BASED WORKING	CARERS
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Strategic Performance Measures	Baseline*	2022/23 (Outturn)	Targets	
			2023/24	2024/25
Percentage / number of target population who took up an NHS Health Check in the quarter. <i>Amended: To % of target population who took up an NHS Health Check in the quarter</i>	4,394 (Q1 2021/22)	40,548 (42.4%)	48,000 (50%)	50%
Number Receiving Weight Management Support (YTD) <i>Amended: To monitor the % of people with successful outcomes from weight management programmes</i>	-	29,270	Current performance is 62%	
Number of adult social care users in receipt of care technology	N/A	5,987	8,100	TBC
Number of adults with LD known to social services in paid employment	323	540	391	Updated metric expected
Number of adults with LD known to social services who secure new employment	N/A	279 (cumulative)	144	TBC
% adults known to secondary mental health services in paid employment.	15.6%	7.40%	7.0%	TBC

\*Baseline as at March 2021 unless otherwise stated



Strategic Performance Measures	Baseline*	2022/23 (Outturn)	Targets	
The proportion of adults in contact with secondary mental health services living independently, with or without support	-	18.5%	15.8%	Updated metric expected (definition changed, impacting on comparability of original baseline and outturn)
The percentage of adults who are self-caring post reablement on discharge from hospital	48%	44.8%	52.0%	Updated metric expected (changing national definitions)
The proportion of carers who stated they were 'extremely' or 'very' satisfied with social services	34.9%	33.0% (Jun 22)	TBC	Survey completed bi-annually

\*Baseline as at March 2021 unless otherwise stated

Strategic Performance Measures: NEW	Baseline (2022/23)	Targets	
		2023/24	2024/25
Sexual Health service: Percentage of patients offered access to service within 48 Hours	100%	100%	100%
Prevalence of overweight (including obesity) – Reception (children aged 4-5 years). Year 6 (children aged 10-11 years)	21.9% 34.7% (2021/22)	21.9% 34.7%	21.9% 34.7%
Number of older adults (65+) admitted to permanent residential care following an assessment or review (per 100,000 population) (past 12 months)	349.3	538.5	538.5

Strategic Performance Measures: NEW	Baseline (2022/23)	Targets	
		2023/24	2024/25
Number of working age adults (18-64) admitted to permanent residential care following an assessment or review (per 100,000 population) (past 12 months)	6.9	13.9	13.9

Strategic Performance Measures: REMOVED	Baseline*	2022/23 (Outturn)	Comment
<i>Percentage of physically active adults</i>	67.6% (2019/20)	65.2% (2020/21)	Proposed to remove as a strategic measure but continue to monitor as a contextual measure, as the measure provides intelligence on progress towards wider outcomes.
<i>Percentage of residents who report being lonely</i>	-	4.43%	Measure no longer used routinely as part of Essex's PHWB business plan.
<i>Non re-presentation to treatment within 6 months of successful completion - Opiates/Non-opiates /Alcohol</i>	Opiates: 80.5% Non-Opiate: 96.6% Alcohol: 97.2% (Q4)	Opiates: 81.3% Non-Opiate: 96.6% Alcohol: 95.8% (Dec 22)	Part of Essex's PHWB performance framework and monitored at service level.
<i>% schools in Essex participating in the 'Daily Mile' initiative</i>	67% (Jun 22)	70.3% (Mar 23)	TBC

\*Baseline as at March 2021 unless otherwise stated

Strategic Performance Measures: REMOVED	Baseline*	2022/23 (Outturn)	Comment
<i>% of adults with a learning disability that transition into adult social care in residential care</i>	17.6%	0%	Measures on adults and older people entering residential care proposed to replace this indicator.
<i>Percentage of older people (aged 65+) who received reablement/rehabilitation services after hospital discharge</i>	2.9%	5.4% (Mar 23)	TBC.

\*Baseline as at March 2021 unless otherwise stated

## STRATEGIC MEASURES: A GOOD PLACE FOR CHILDREN AND FAMILIES TO GROW

EDUCATION OUTCOMES	LEVELLING UP OUTCOMES FOR FAMILIES	FAMILY RESILIENCE AND STABILITY	SAFETY	OUTCOMES FOR VULNERABLE CHILDREN
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Strategic Performance Measures	Baseline*	2022/23 (Outturn)	Targets	
			2023/24	2024/25
% of families with successful intervention (Family Solutions)	84%	84%	86%	86%
The number of children known to social care per 10,000	196.9 (2019/20)	189.6	Threshold: (190 - 210)	Threshold: (190 - 210)
The number of children subject to Children in Need plans per 10,000	46.5 (June'21)	50.1	Threshold: (47.3 - 63.1)	Threshold: (47.3 - 63.1)
The number of children subject to child protection plans per 10,000	21.3 (June'21)	21.7	Threshold: (17.3 - 20.5)	Threshold: (17.3 - 20.5)
The number of looked after children per 10,000	33.8 (June'21)	36.7	Threshold: (34.7 - 39.4)	Threshold: (34.7 - 39.4)

\*Baseline as at March 2021 unless otherwise stated

Appendix A Annual Plan 2024/25

Strategic Performance Measures	Baseline*	2022/23 (Outturn)	Targets	
			2023/24	2024/25
Percentage of Ethnically Diverse CYP across the statutory social care system:	23.5% (open to social care) 22.5% (CIC); and 25% (CP Plans) (July'21)	21.9% 27.0% 12.5%	No thresholds are set for these measures, but they are monitored as part of the Council's commitment to anti-racist practice to understand and address overrepresentation and support practice improvements.	
Percentage of those supported by youth offending services who reoffend within 12 months	32%	-	32%	32%
Average number offences per re-offender in 12 months	3.1	3.53 (2021)	3.1	3.1
Percentage of a) eligible 2-year-olds and b) all 3- and 4-year-olds, accessing funding for childcare in a setting rated at least good by Ofsted.	a) 96.6% b) 95.2% (2020/21)	A) 97.2% B) 95.4%	a) 98.1% b) 96.7%	a) 99.1% b) 97.7%
% children and young people attending a school judged at least good by Ofsted (Primary and Secondary schools)	86%	86.5%	86%	88%

\*Baseline as at March 2021 unless otherwise stated

Appendix A Annual Plan 2024/25

Strategic Performance Measures	Baseline*	2022/23 (Outturn)	Targets	
			2023/24	2024/25
New a) primary and b) secondary school places created. <i>Amended: For this measure to include new Special and PRU places created.</i>	N/A	a) 450 b) 350 c) 0	a) 340 b) 0 c) 0	a) 1485 b) 270 c) TBC
Percentage of 16–18-year-olds who are NEET/unknown (Dec/Jan/Feb average).	4.3 (2020/21)	5.2	4.5	4.0

\*Baseline as at March 2021 unless otherwise stated

Strategic Performance Measures: NEW	Baseline (2022/23)	Targets	
		2023/24	2024/25
Number of children eligible for Early Years placement funding Number of placements available within Early Years settings	3,413 30,339	-	-
Number of children being Electively Home Educated (EHE)	3,103 (1.3% cohort)	1.2% of cohort (2500)	1.01% of cohort (2104)
Number of children currently Missing Education (CME)	478	0	0

Appendix A Annual Plan 2024/25

Strategic Performance Measures: NEW	Baseline (2022/23)	Targets	
		2023/24	2024/25
Attendance - % attendance rate, % Persistently Absent (PA) and % Severely Absent (SA)	96% (2022/23 academic year)	96% Severely Absent & Persistently Absent: <4%	96% Severely Absent & Persistently Absent: <4%

Strategic Performance Measures: REMOVED	Baseline*	2022/23 (Outturn)	Comment
Percentage of: a) schools and b) settings fully engaged in Trauma Perceptive Practice	N/A	a) 80% b) 13%	Reporting on this measure will continue locally but is being de-escalated to allow for reporting on other priority areas.
% of CYP who do not enter the care system following D-Bit intervention	78%	N/A	Currently tracking this within the service. No longer need to monitor this as part of strategic indicator set.

\*Baseline as at March 2021 unless otherwise stated

## STRATEGIC MEASURES: SERVICE EXCELLENCE

Strategic Performance Measures	Baseline*	2022/23 (Outturn)	Targets	
			2023/24	2024/25
Collection rate of Council Tax achieved for the year.	96% (2020/21)	97.1%	98%	98%
Deliver social value through procurement and practice to increase availability of entry level jobs. <i>Amended: To report on the % of social value delivered through ECC contracts</i>	N/A	1,596 (Dec 22)	30%	30%

Strategic Performance Measures: REMOVED	Baseline*	2022/23 (Outturn)	Comment
<i>IMPOWER Council Productivity Ranking</i>	7	7 (2021)	<i>IMPOWER no longer producing their Productivity Ranking</i>
<i>Percentage of websites that have had full accessibility audit</i>	N/A	4 (Mar 22)	<i>New measures will be developed as part of the transformation programme</i>
<i>Percentage of users rating their online experience as 5/5 (satisfied)</i>	N/A	34.2% (Dec-21)	<i>No longer collected. New measures will be developed as part of the transformation programme</i>
<i>Total number of websites</i>	91	88 (Sep-21)	<i>Programme was overtaken by the internet and intranet upgrade work</i>

\*Baseline as at March 2021 unless otherwise stated



## **Annex 3**

# **Capital and Treasury Management Strategy**

# CAPITAL AND TREASURY MANAGEMENT STRATEGY

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

- **Capital expenditure**

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

- **Capital financing and borrowing**

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

- **Treasury management investments**

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

- **Other investments**

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

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

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

- **Knowledge and skills**

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

Further details are provided in the following sections.

# CAPITAL EXPENDITURE

## Capitalisation policies

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

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

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

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

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

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

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

## Governance

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

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

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

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

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

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

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

Executive Directors will ensure that:

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

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

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

## Capital Expenditure Plans

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

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

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

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

# CAPITAL FINANCING REQUIREMENT AND BORROWING

## Context

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

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

Explanatory comments are provided in the following paragraphs.

## Capital Financing Requirement

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

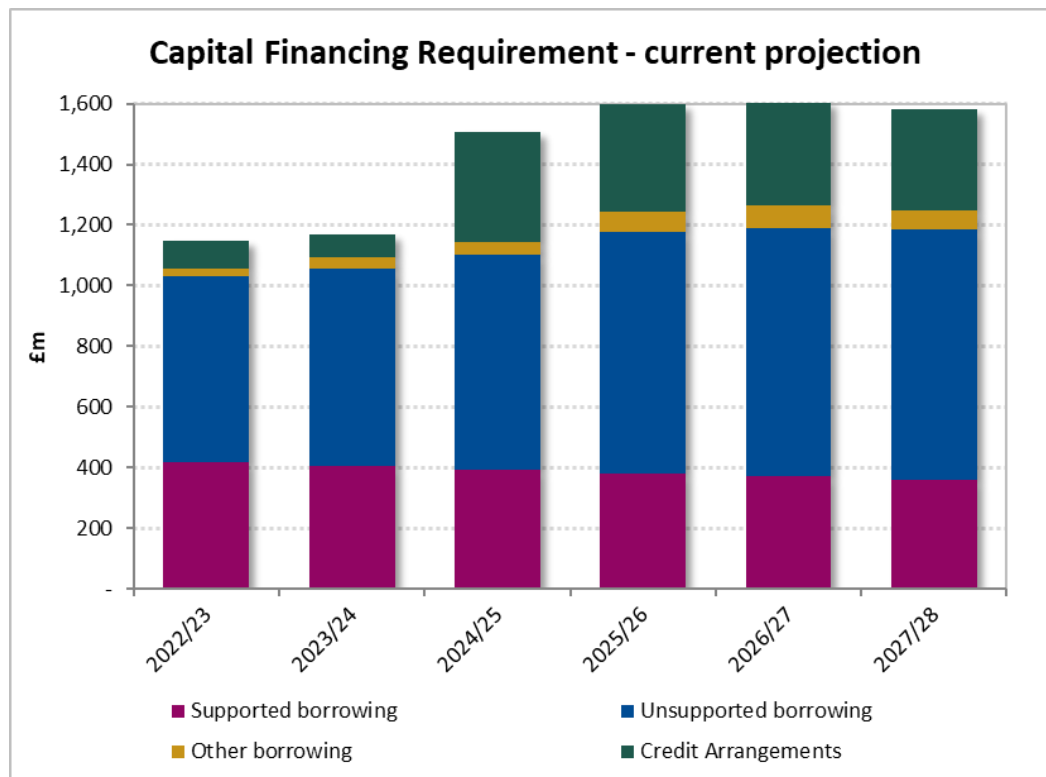
The actual Capital Financing Requirement (CFR) for 2022/23 is derived from the Council's Balance Sheet for 2022/23. It provides a measure of the amount of capital expenditure that the Council has already spent that has yet to be funded from cash resources.

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

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

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

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

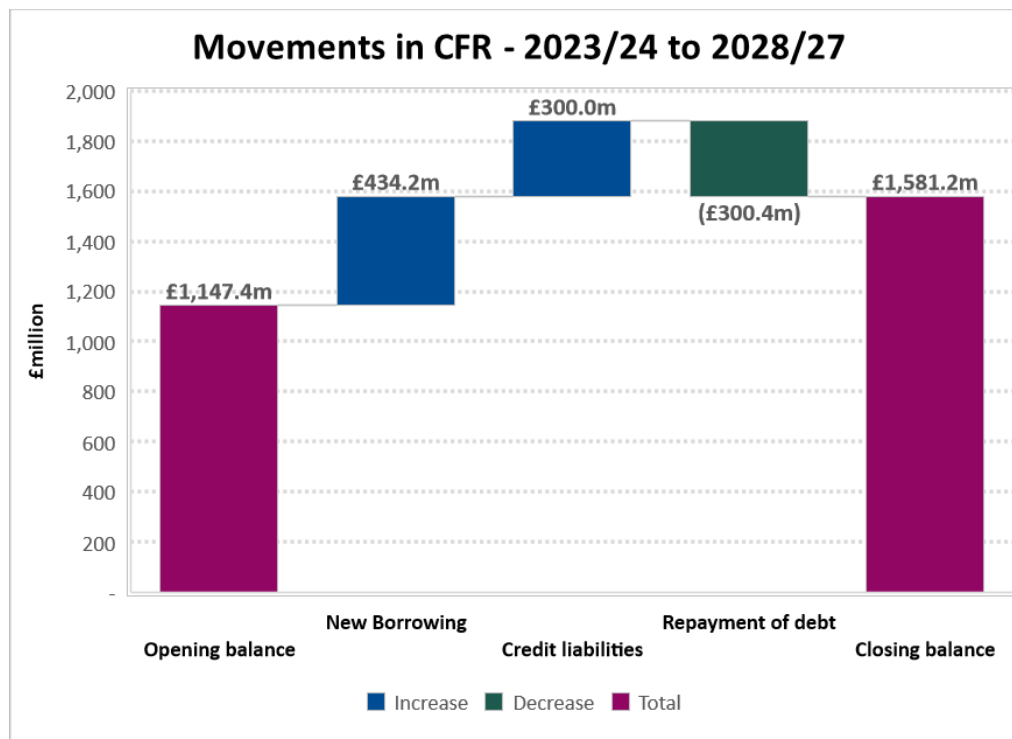




The forward projections of the CFR incorporate the Council's plans to:

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

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



There is also a substantial increase in credit arrangements in 2024/25, reflecting the estimated impact of adopting **International Financial Reporting Standard 16 Leases (IFRS 16)** in that year, which is a requirement of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. IFRS 16 increases the CFR because it will now be necessary to capitalise the operating leases the Council enters into, and because uplifts in finance and operating lease rentals based on rates or indices will now be treated as increases in the deemed cost of the leased assets. Although adoption of IFRS 16 will have a substantial impact on the Council's CFR, capitalisation of the leases does not change the costs to the Council of these arrangements.

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

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

### **Revenue Provision for the repayment of debt policy**

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

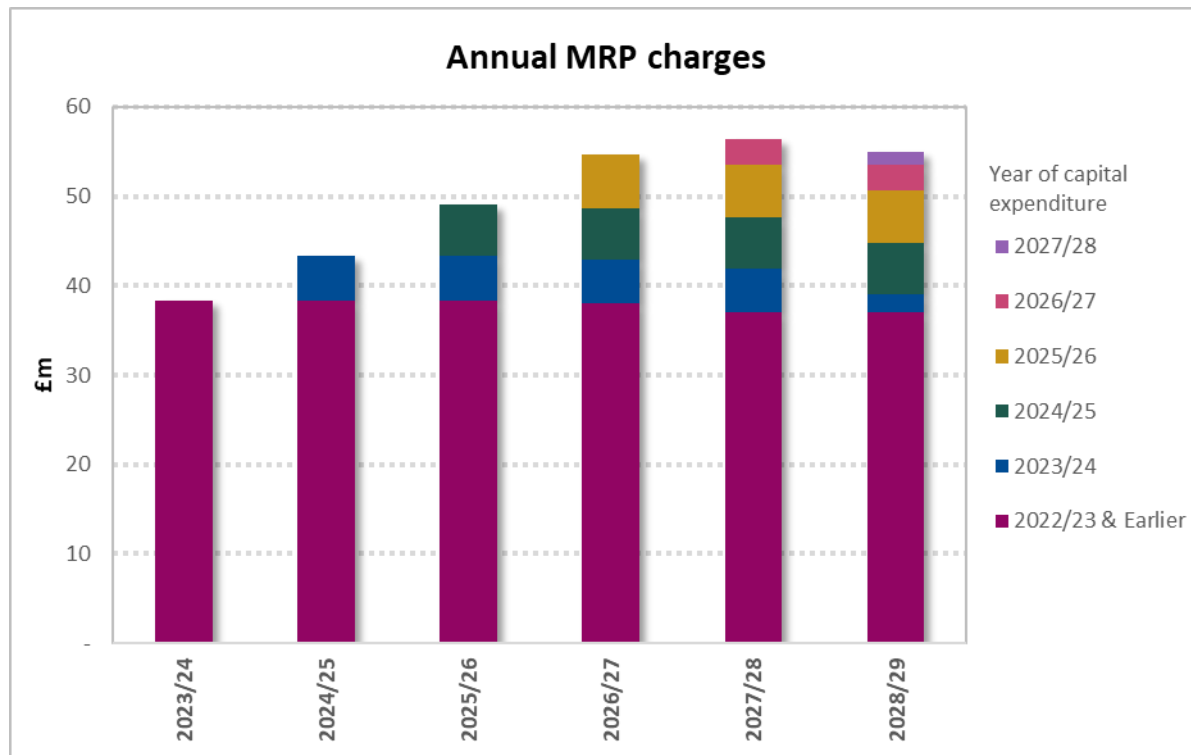
Statutory guidance requires MRP to be provided annually on a prudent basis, and interprets 'prudent' to mean that:

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

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

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

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



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

## External Borrowing Limits

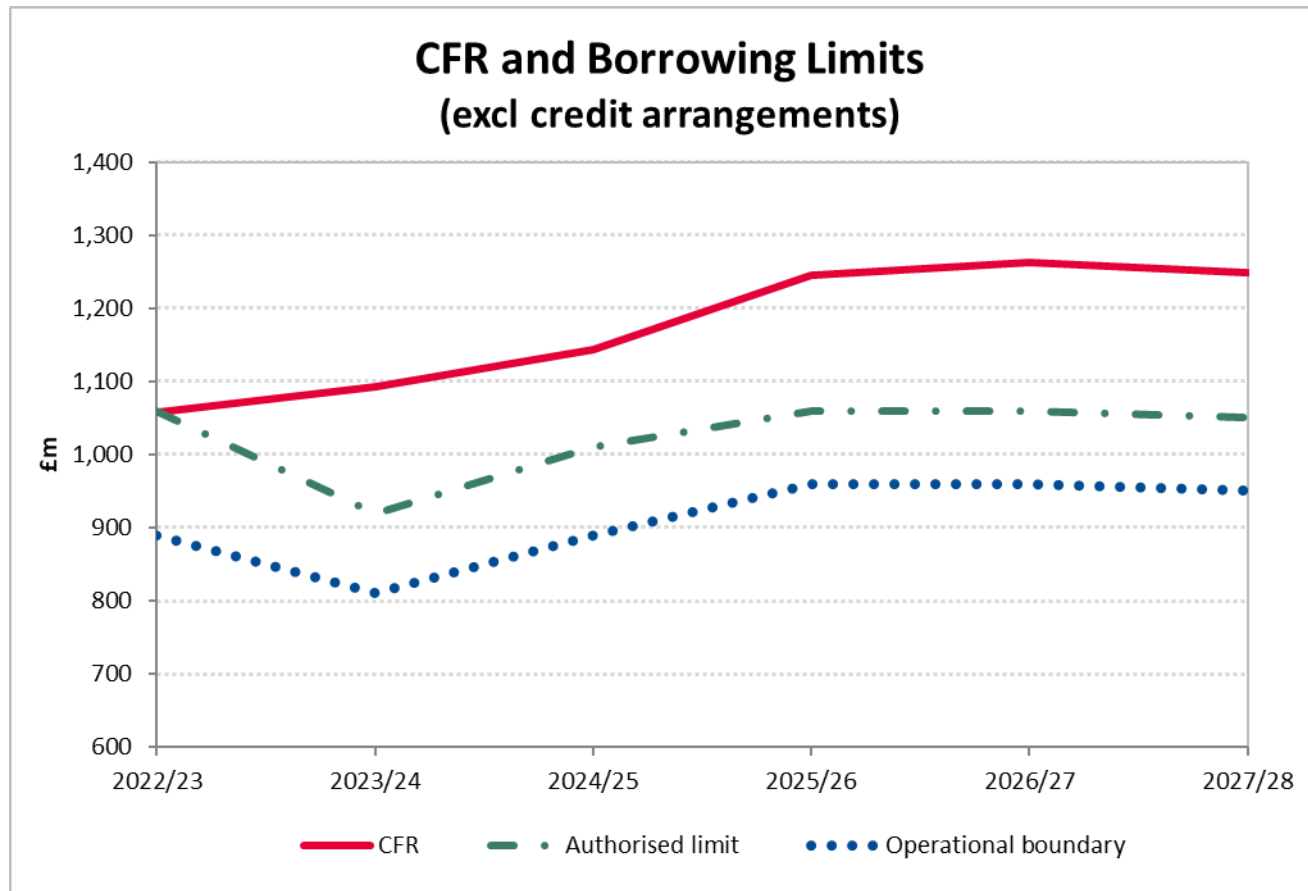
The Council is only permitted to borrow externally (including via credit arrangements) up to the level implied by its Capital Financing Requirement (CFR). However, the Council must not borrow if there is no identified need for it; neither can it borrow to invest for the primary purpose of generating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

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

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

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

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



## Borrowing Strategy

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

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

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

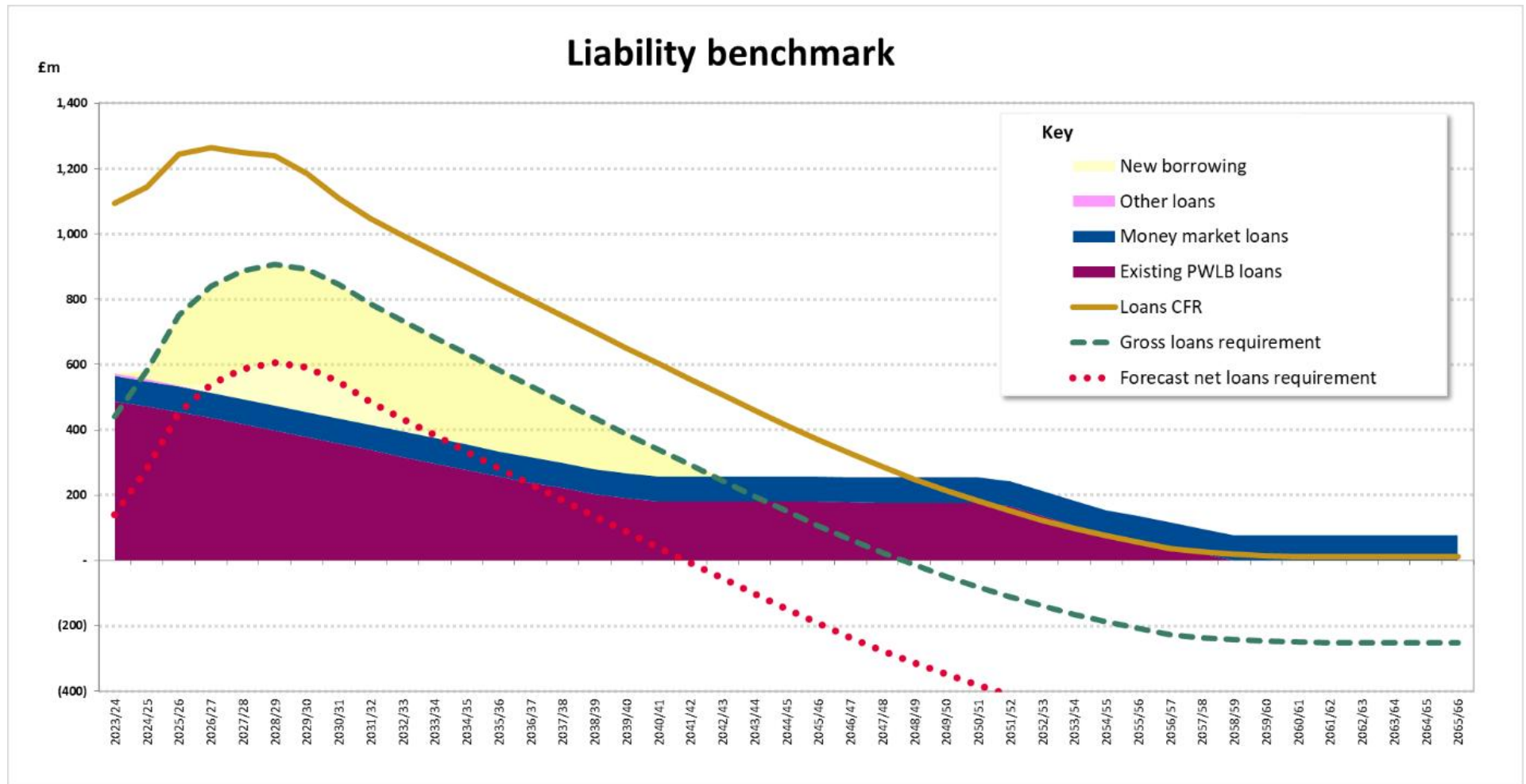
The Council will externalise its borrowing when it needs to do so to ensure that it has sufficient liquidity to meet its day-to-day cashflow requirements.

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

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

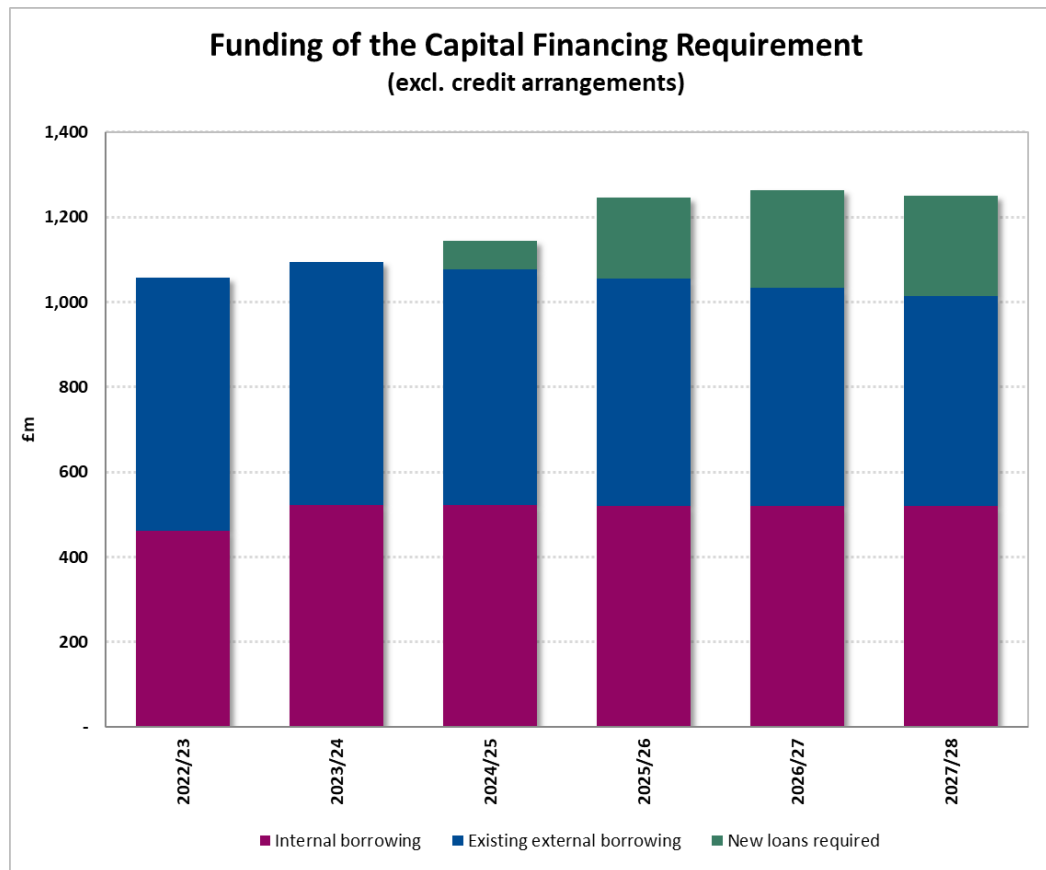
- **Existing loan debt outstanding.**
- **Loans Capital Financing Requirement** (Capital Financing Requirement excluding any part related to credit arrangements).
- **Net loans requirement** (forecast of the Council's loan debt, net of investments).
- **Gross loan debt** (forecast of the gross debt required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

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



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

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





That is, it shows how much it is expected will be funded from internal borrowing and how external borrowing is likely to increase. This translates into the following forecasts of long-term external borrowing over the current planning horizon:

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

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

- When the funds are required to meet the Council's expected cash flows and to provide liquidity; and

- Within the parameters established by the **authorised limit** and **operational boundary** for external debt (as set out within **Annex 3A**).

### **Prospects for interest rates**

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

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

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

### **Maturity structure of borrowing**

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

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

## Interest rate exposure

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

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

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

## Performance indicators

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

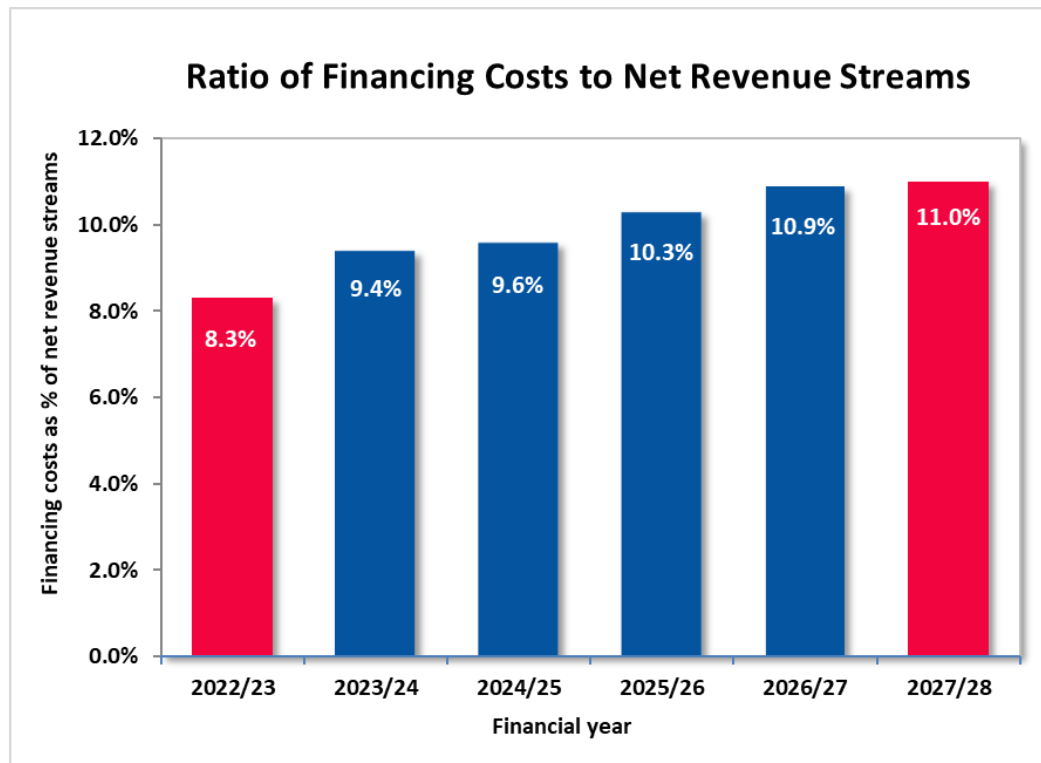
Short-term borrowing will be assessed against the Sterling Overnight Index Average (SONIA) which is published by the Bank of England. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling from other financial institutions and other institutional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

## Ratio of financing costs to net revenue streams

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

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

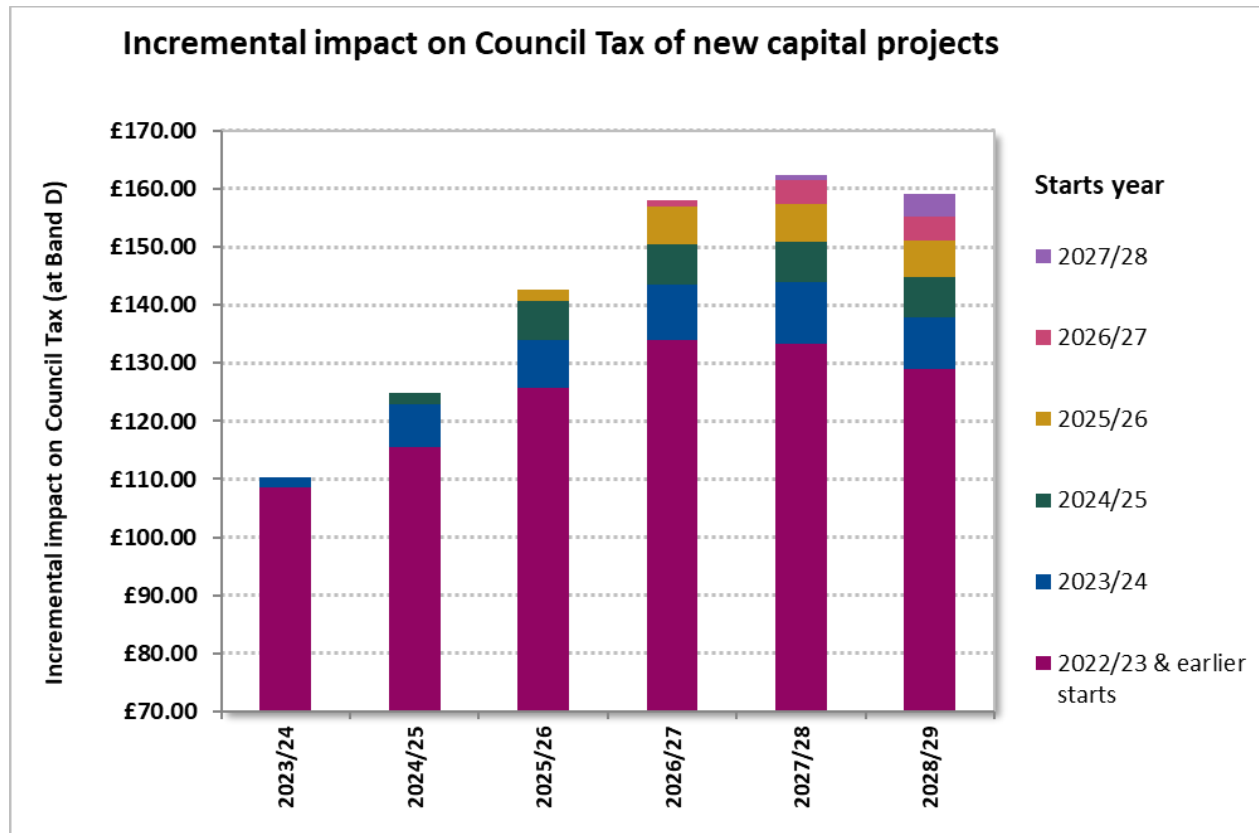
The trend in this ratio over this period is illustrated in the adjacent graph. This shows that the proportion of the revenue budget that is required to fund borrowing costs is expected to increase from **8.3%** in 2022/23 to **11.0%** by 2027/28.



## Incremental impact upon Council Tax

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

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



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

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

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

# TREASURY MANAGEMENT INVESTMENTS

## Introduction

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

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

## Outlook for interest rates

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

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

## Investment projections

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

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

## **Investment strategy**

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

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

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

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

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

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



## **Interest rate exposure**

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

## **Liquidity**

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

## **Environmental, Social and Governance issues**

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

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

## **Performance**

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

## **Treasury Management advisors**

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

## **Support to subsidiaries and partnerships**

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

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

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

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

# OTHER INVESTMENTS

## Introduction

Other investments are those made or held:

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

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

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

## Investment properties

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

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

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

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

## Shareholdings

### Medtech Accelerator Ltd

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

### Harlow Investment Fund

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

## Loans to local enterprises and third parties

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

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

## Loans to subsidiaries of the Council

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

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

# TREASURY MANAGEMENT POLICY STATEMENT AND TREASURY MANAGEMENT PRACTICES

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

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

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

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

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

# KNOWLEDGE AND SKILLS

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

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

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

- **Providing training and technical guidance**

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

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

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

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

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

## ANNEX 3A - PRUDENTIAL INDICATORS

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



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

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

## ANNEX 3B - TREASURY MANAGEMENT SUMMARY

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

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

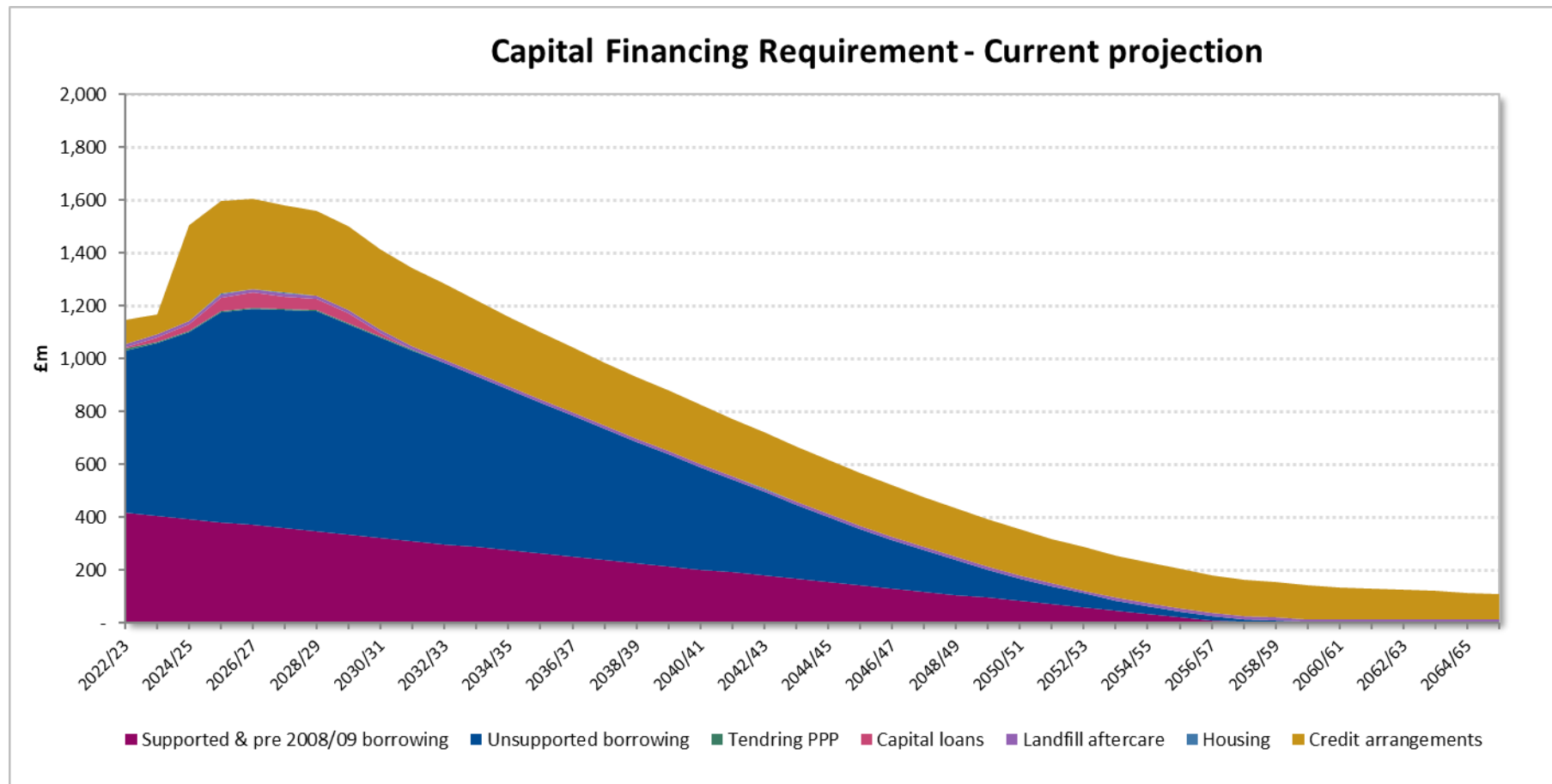
## ANNEX 3C – REVENUE PROVISION FOR THE REPAYMENT OF DEBT POLICY

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

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

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

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



## ANNEX 3D - COUNTERPARTY CRITERIA FOR INVESTMENTS

### 1. Context

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

### 2. Banks and building societies

The Council will invest funds with:

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

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

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

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

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

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

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

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

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

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

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

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

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

### **4. Money Market Funds**

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



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

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

## **5. UK Government**

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

## **6. Other local authorities**

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

## **7. Monetary limits applying to investments**

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

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

## Monetary limits

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

### Notes:

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

## ANNEX 3E – TREASURY MANAGEMENT POLICY STATEMENT

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

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

## **ANNEX 3F – TREASURY MANAGEMENT PRACTICES**

### **TMP 1 - Risk Management**

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

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

#### **[1] Credit and counterparty risk management**

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

#### **[2] Liquidity risk management**

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

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

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

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

### **[4] Refinancing risk management**

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

### **[5] Legal and regulatory risk management**

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

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

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

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

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

### **[7] Price risk management**

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

## **TMP 2 - Performance measurement**

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

## **TMP 3 - Decision-making and analysis**

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

## **TMP 4 - Approved instruments, methods and techniques**

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

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

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

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

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

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

### **TMP 6 - Reporting requirements and management information arrangements**

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

As a minimum:

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

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

### **TMP 7 - Budgeting and accounting arrangements**

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

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

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

### **TMP 8 - Cash and cash flow management**

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

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

### **TMP 9 - Money laundering**

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

### **TMP 10 - Training and qualifications**

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

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



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

### **TMP 11 - Use of external service providers**

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

### **TMP 12 - Corporate governance**

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

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

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

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

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

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

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

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

### **1. Overview**

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

## **2. Identified high level cumulative equality impact**

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

## **3. Mitigating actions which will be considered**

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

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

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

#### **4. Strategic focus on Equality, Diversity and Inclusion**

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

They are:

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

#### **5. Policy and Governance Context**

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

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

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

## **6. Portfolio Impacts Overview**

### Children's Services and Early Years

- 6.1 Children's Services and Early Years purpose is to protect children and young people from neglect and abuse, and to promote their development and wellbeing. The Council will continue to work with partners to provide a wide range of early help, family support and social work interventions, to help families improve their lives and support children to overcome early childhood trauma, look forward to a brighter future and achieve their aspirations. As Corporate Parents, the Council will do its best to see that this happens for children in care and care leavers.
- 6.2 To do this well and get best value for money, the Council aims to be at the forefront of best practice. It will always learn from the most forward-thinking innovations and positive developments in the social work profession, as well as from the children, young people and families the Council works with.
- 6.3 The portfolio has identified budget savings proposals of **£1.7m** for 2024/25 (1.3% of net budget).

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

#### Climate Czar, Environment, Waste Reduction and Recycling

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

#### Education Excellence, Life Long Learning and Employability

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

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

#### Health, Adult Social Care and ICS Integration

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



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

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

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

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

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

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

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

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

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

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

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

### Highways Maintenance and Sustainable Transport

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

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

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

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

### Leader

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

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

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

### Levelling Up, Communities and Business Engagement

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

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

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

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

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

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

### The Arts, Heritage and Culture

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

### The Chancellor of Essex

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

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

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

# Essex County Council Pay Policy Statement 2024/25

## 1. Introduction

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

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

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

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

Those outside the scope of the Essex Pay Policy include:

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

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

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

## 3. Determination of Salary

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

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

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

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

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

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

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

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

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

#### 4. Appointment of Chief Officers

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

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

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

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

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

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

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

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

#### 6. Pay Progression for Chief Officers and Deputy Chief Officers

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

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

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



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

## 7. Other Allowances/Payments

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

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

## 8. Definition of Lowest and Highest Paid Employees

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

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

## 9. Pay Ratios

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

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

## 10. Publication of Pay Data

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

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

## 11. Governance

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

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

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

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

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

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

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

## 12. Termination of Employment of Chief Officers

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

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

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

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

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



# Budget Consultation Report 2024/25

Chief Executive's office  
December 2023

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# Introduction

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

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

We wanted to hear your views about:

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

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

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

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

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

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

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

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

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

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

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

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

### **Interpreting the data within the consultation**

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

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

# Key Conclusions

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



## Executive summary

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

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

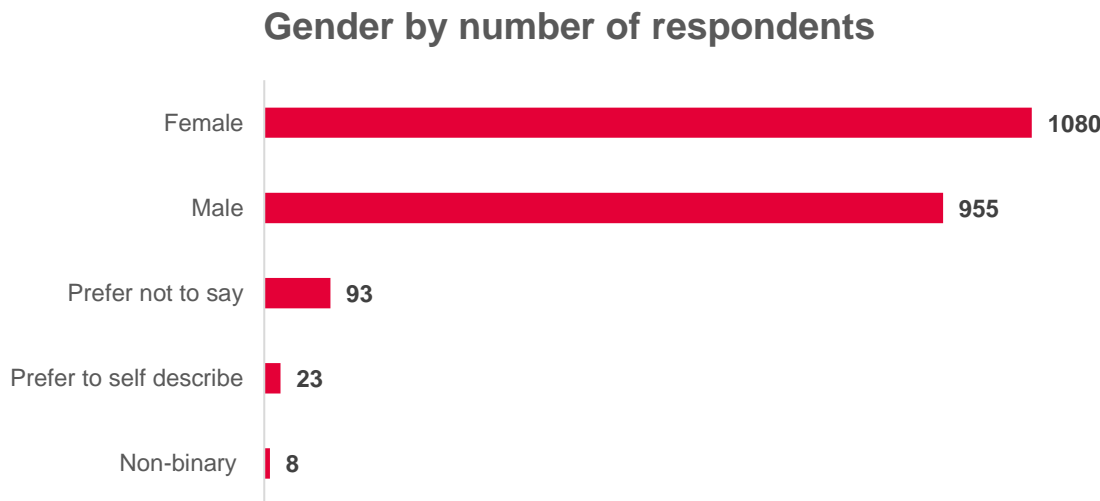
More detailed analysis can be found in the detailed section below.

# Who gave their views

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

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

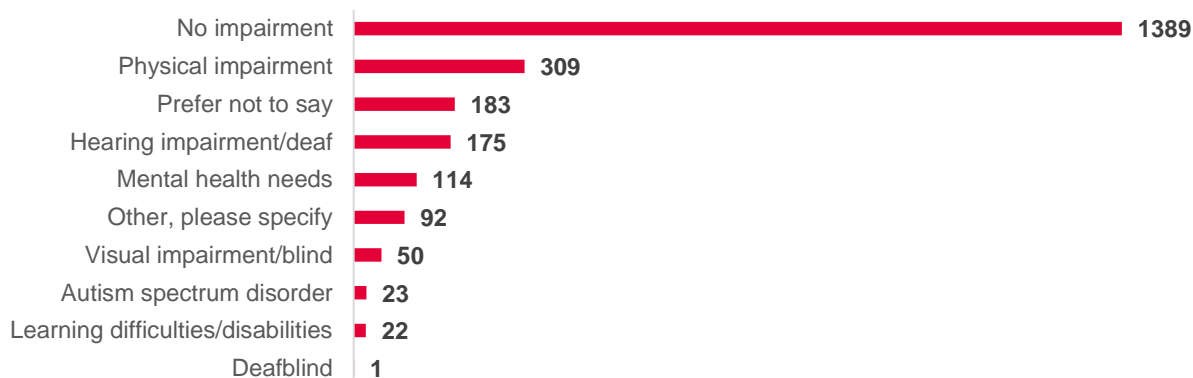
Of the respondents that declared their gender **50.02%** of respondents were **Female**, **44.23%** were **Male**, **4.31%** preferred not to say, **1.07%** Preferred to self-describe and **<1%** were Non-binary.



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

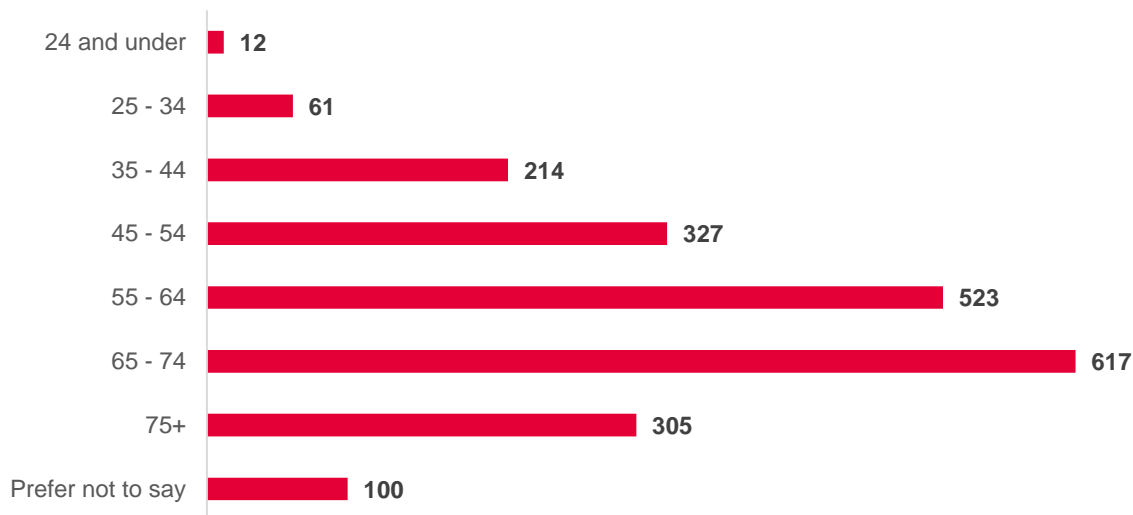
Respondents were asked to select all impairments that may apply to there own personal circumstance.

### Impairment by number of respondents



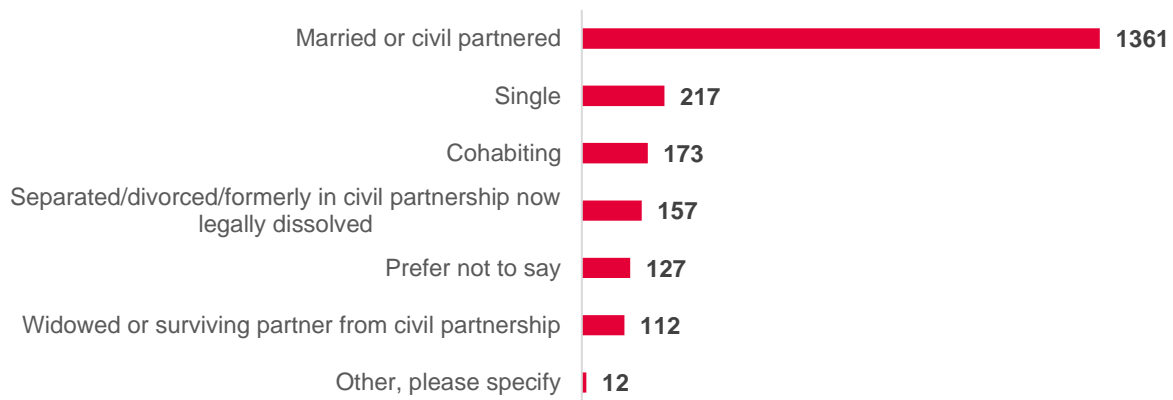
**28.58%** were aged between **65 – 74**, **24.22%** of respondents were aged **55 - 64**, **15.15%** were aged between **45 – 54**, **14.13%** were aged **75+**, **9.91%** were aged **35 - 44**, **2.83%** were aged **25 - 34** years old, **0.55%** were **24 and under** and **4.63%** of respondents **preferred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

### Number of Respondents by Age group



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

## Marital status of respondents



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

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

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

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

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





# Detailed findings - Residents

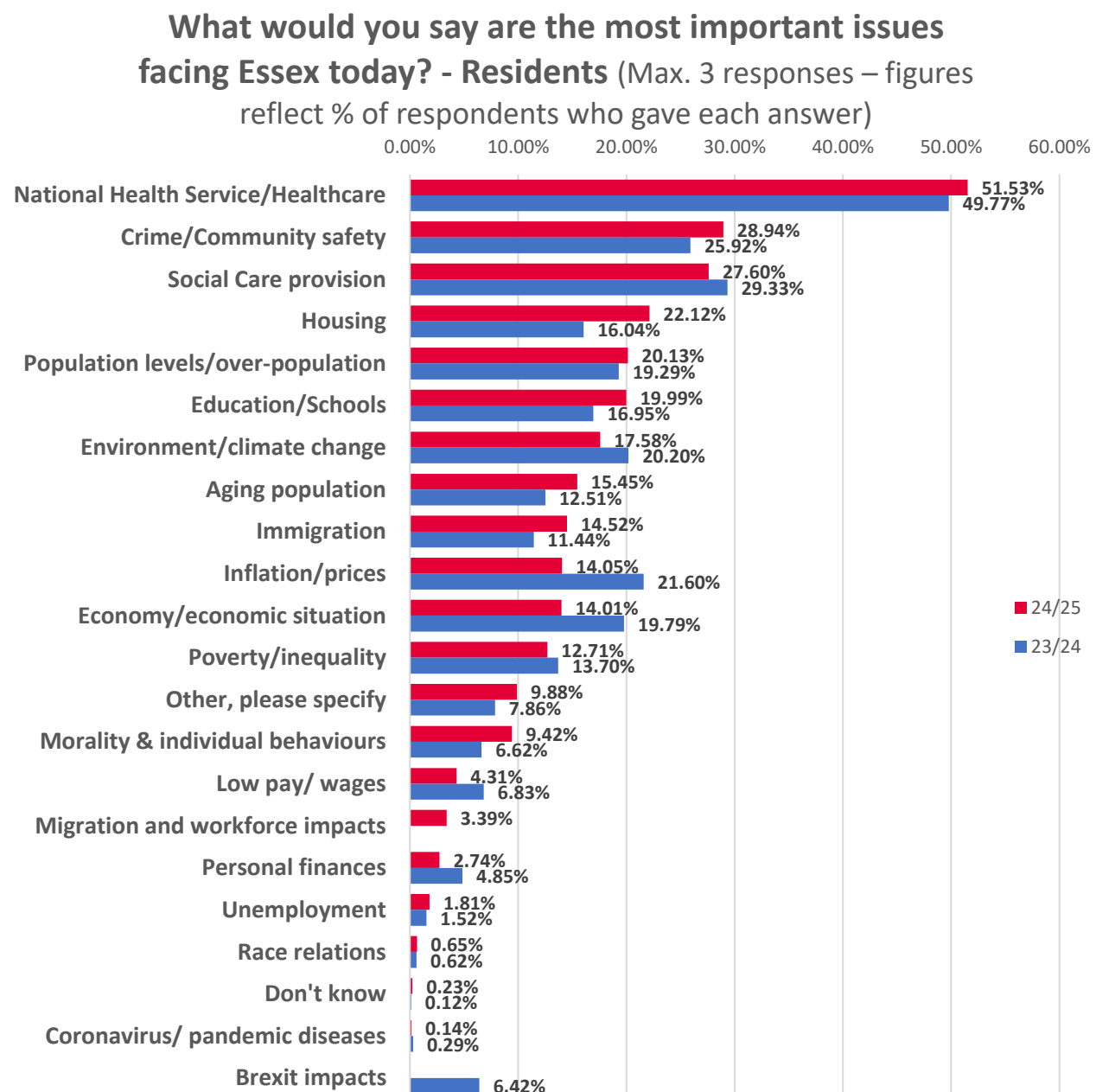
# Detailed findings - Residents

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

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

*The question asked for respondents to select their top 3 issues*

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





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

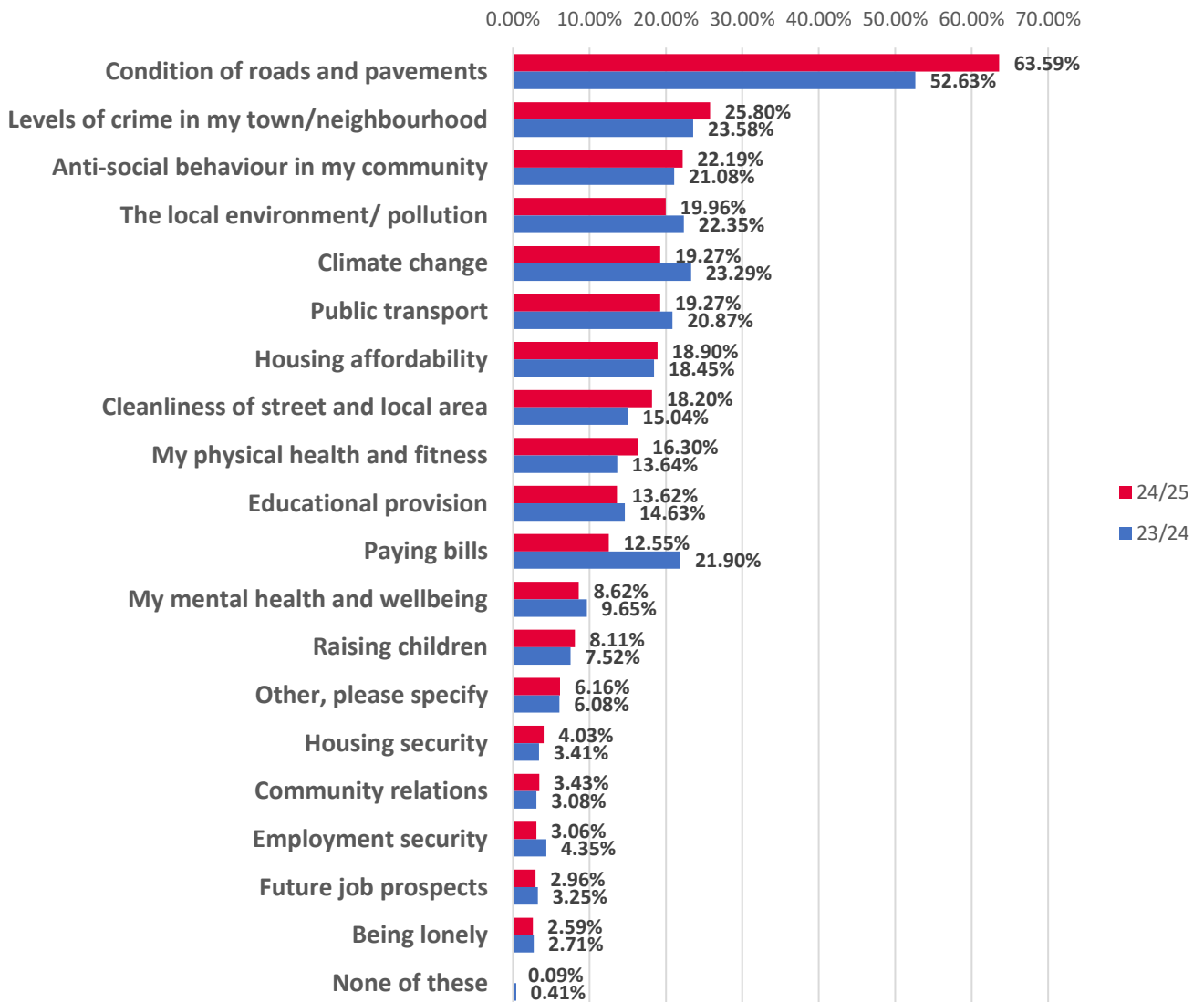
<b><i>Option</i></b>	<b><i>Total</i></b>	<b><i>Percentage</i></b>
Roads/traffic	101	47.41%
Infrastructure	28	13.14%
Public transport	20	9.39%
Pressure from housing developments	12	5.63%
Mental health	8	3.76%
Environment/climate change	5	2.35%
National Health Service/Healthcare	4	1.88%
Crime/Community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

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

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

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

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



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

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

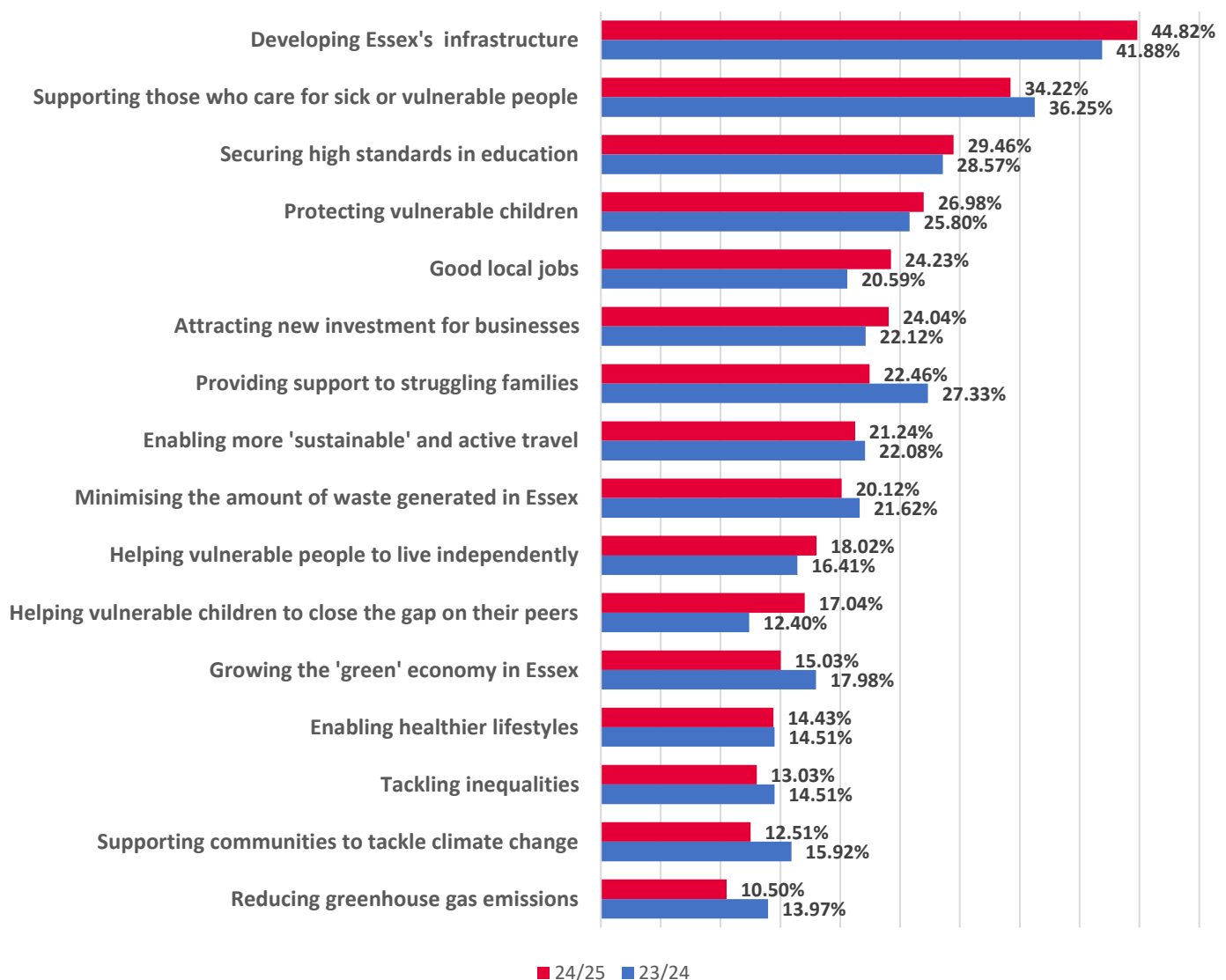
The consultation asked respondents to choose up to 4 commitments that they felt the council should prioritise for immediate action from the following.

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

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

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

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



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

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

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

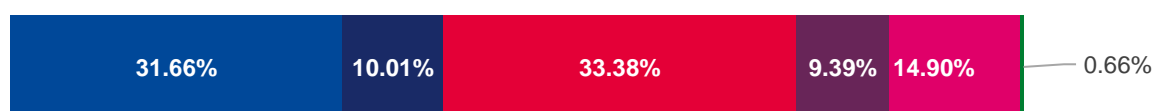
## Views on how Essex County Council should allocate resources

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

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

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

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



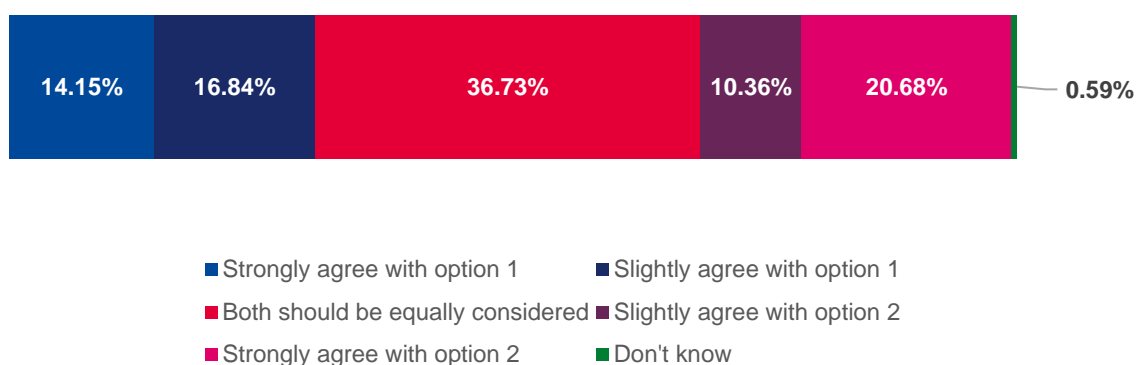
■ Strongly agree with option 1      ■ Slightly agree with option 1  
■ Both should be equally considered      ■ Slightly agree with option 2  
■ Strongly agree with option 2      ■ Don't know

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

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

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

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

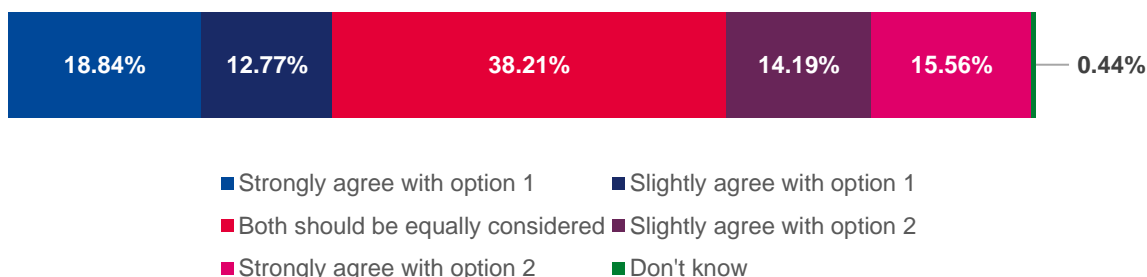


**...ECC should prioritise spending on meeting the needs of the people today VS  
...ECC should prioritise spending on projects that will increase opportunities over the long term.**

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



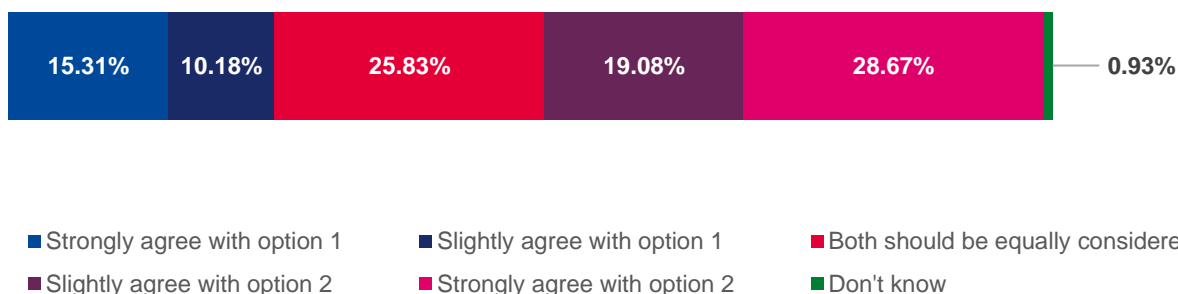
*ECC should prioritise spending on meeting the needs of the people today vs ...ECC should prioritise spending on projects that will increase opportunities over the long term.*



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

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

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

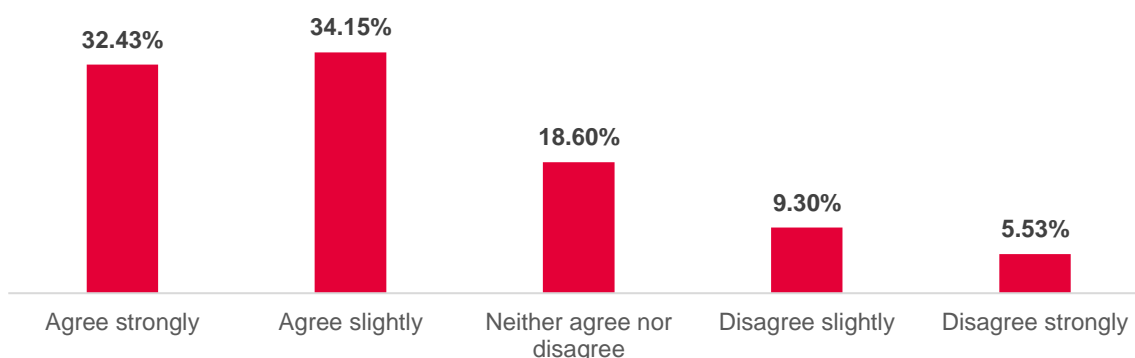


The consultation asked respondents how strongly do you agree or disagree that Essex County Council should do each of the following when faced with financial pressures?

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

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

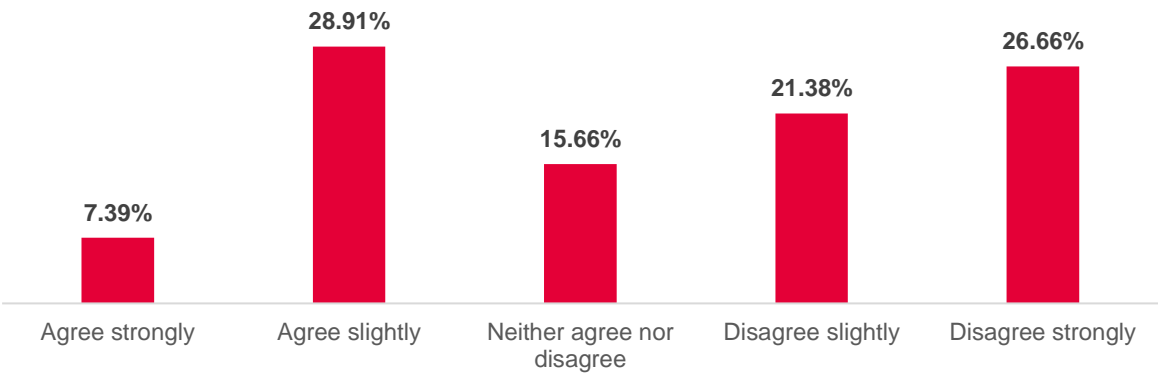
## Streamline services so that we can deliver the same outcome



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

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

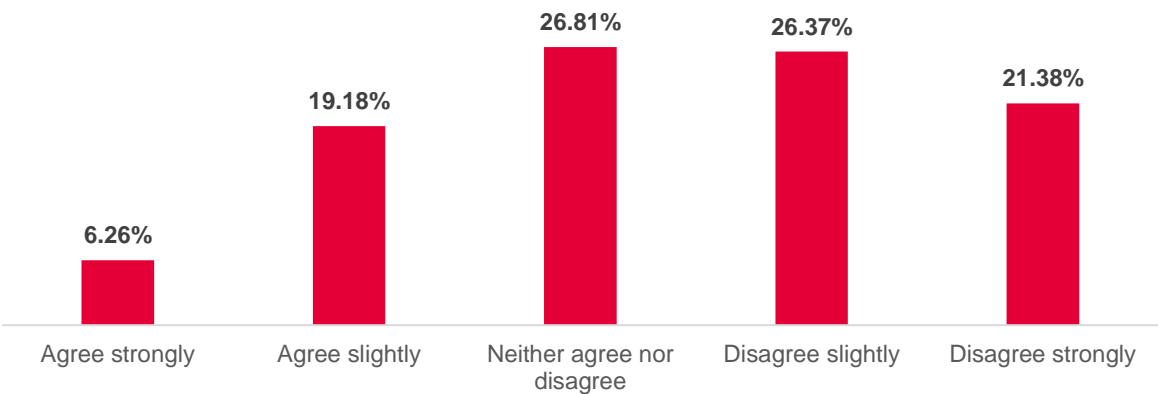
## Introduce charges for some services which are currently free/subsidised



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

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

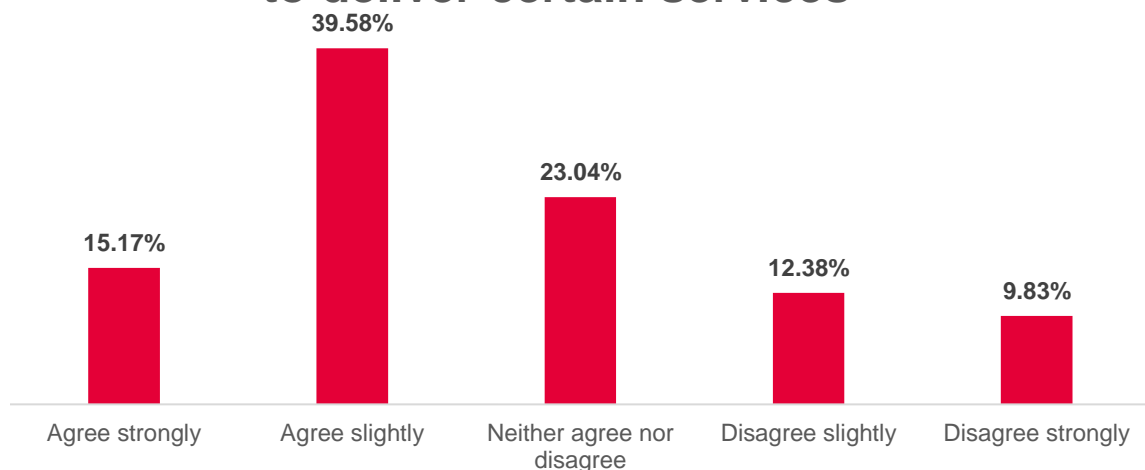
## Reduce or stop delivering some services to protect others



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

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

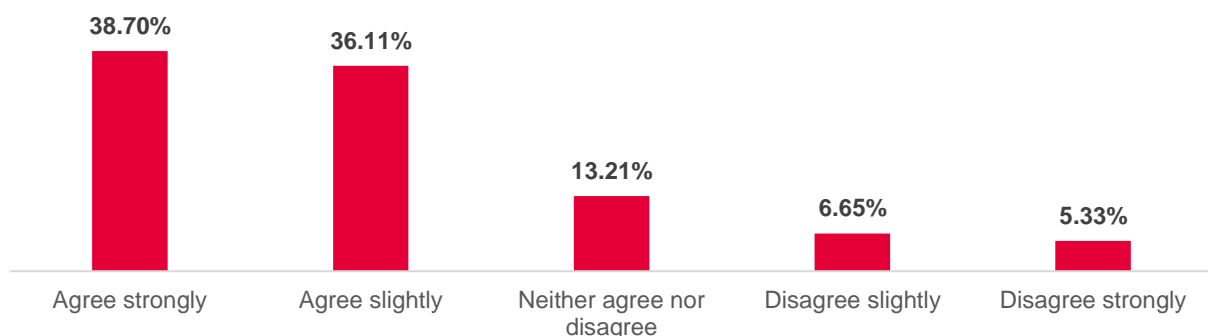
## Encourage local people and communities to deliver certain services



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

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

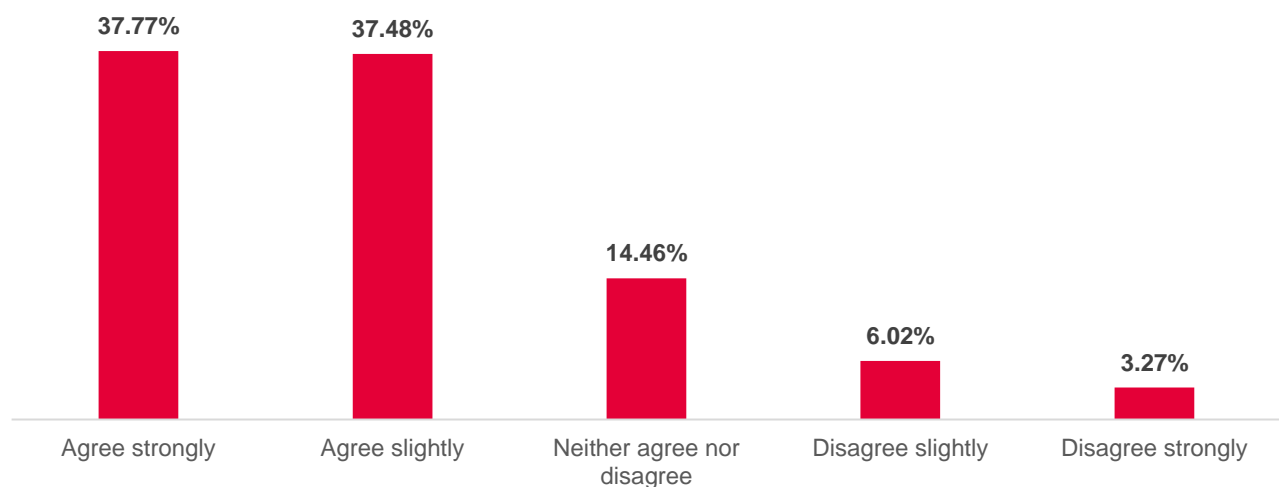
## Help people to help themselves more so they have less reliance on publicly funded services



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

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

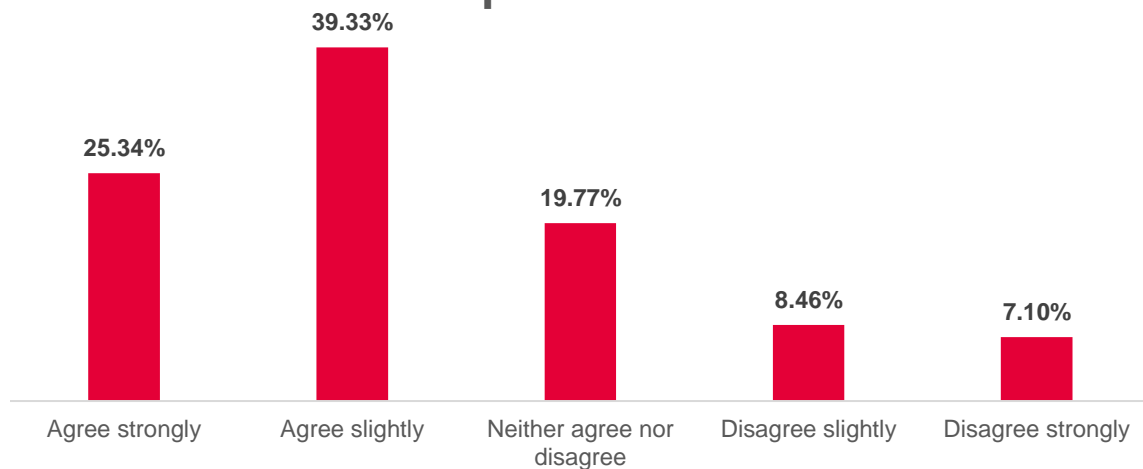
**Prioritise spending to protect services for the most vulnerable and those without choice**



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

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

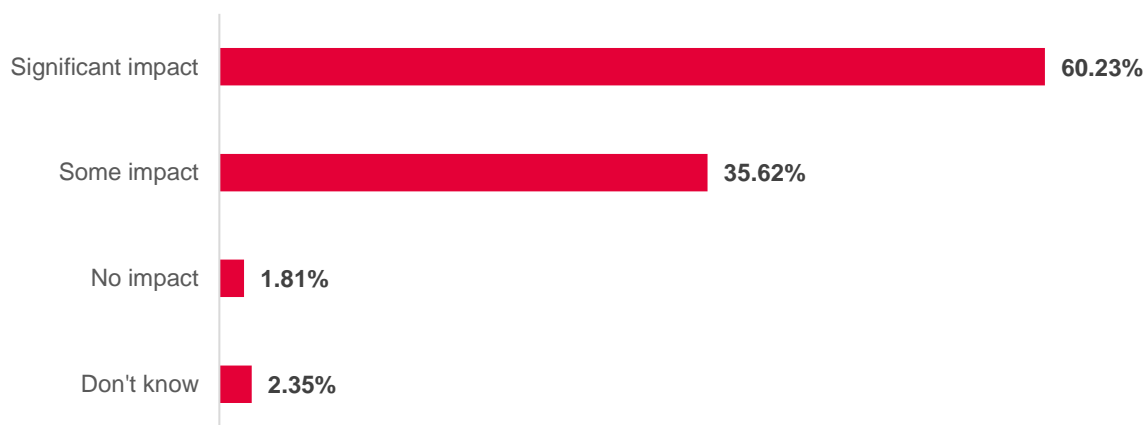
## Use / partner with other organisational bodies to provide services



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

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

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



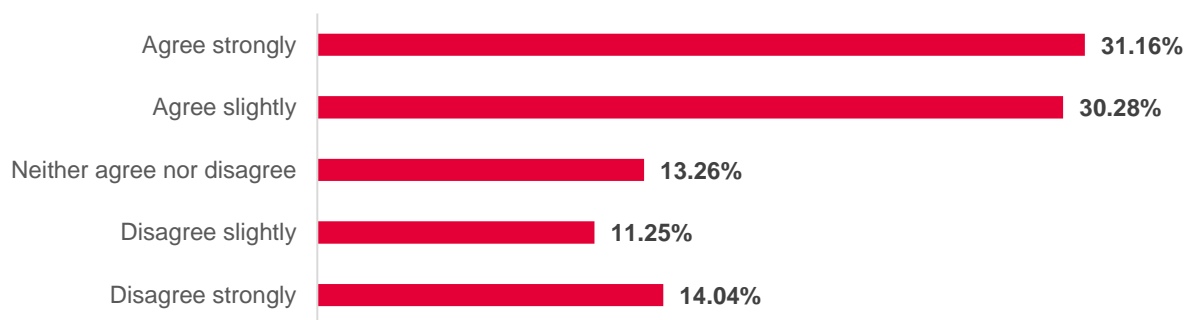
## Increase in Council tax

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

**1<sup>st</sup> statement - ...only when opportunities to streamline services have been exhausted**

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

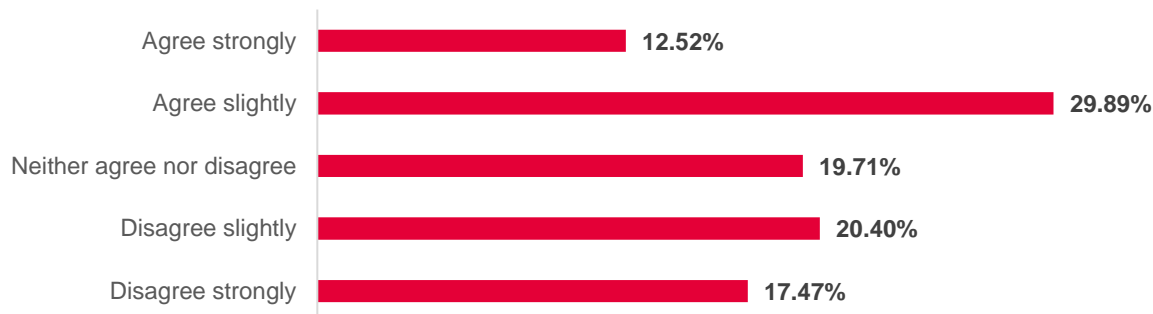
### Increase in council tax only when opportunities to streamline has been exhausted



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

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

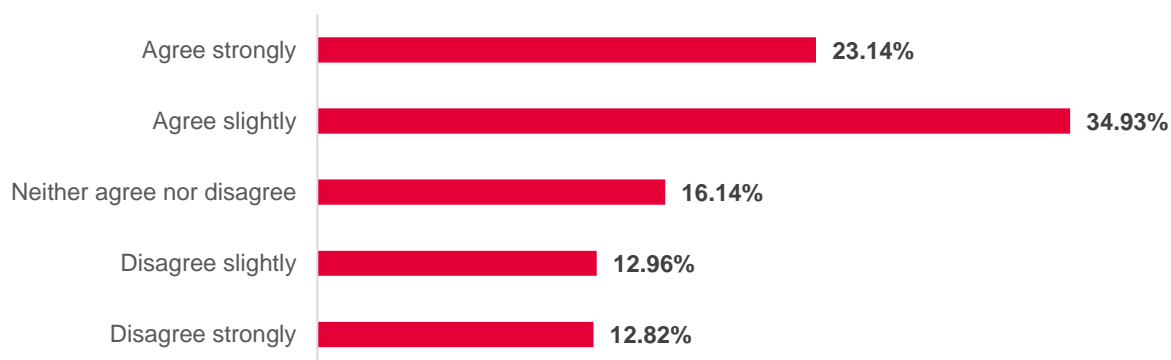
## Increase in council tax as an alternative to imposing/increasing fees and charges for services



### **3<sup>rd</sup> statement - ...when the only alternative is to stop delivering some services**

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

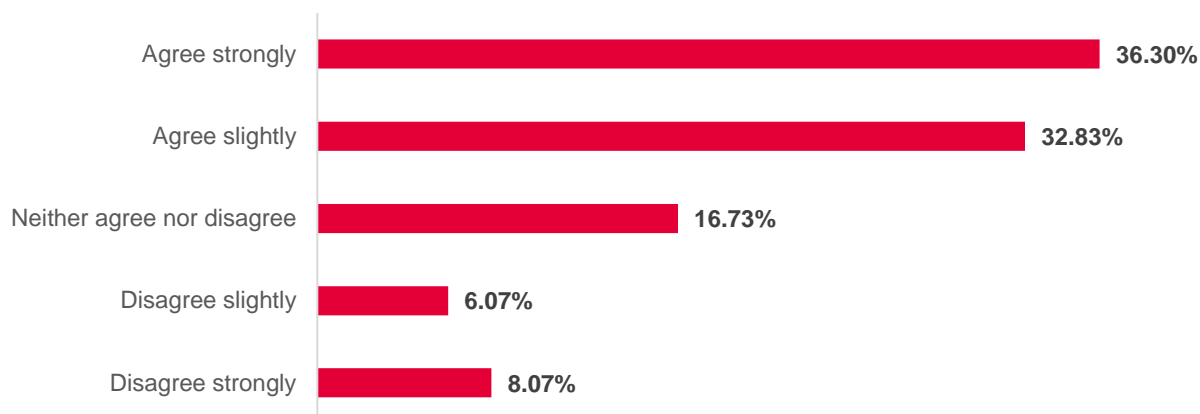
## Increase council tax when the only alternative is to stop delivering some services



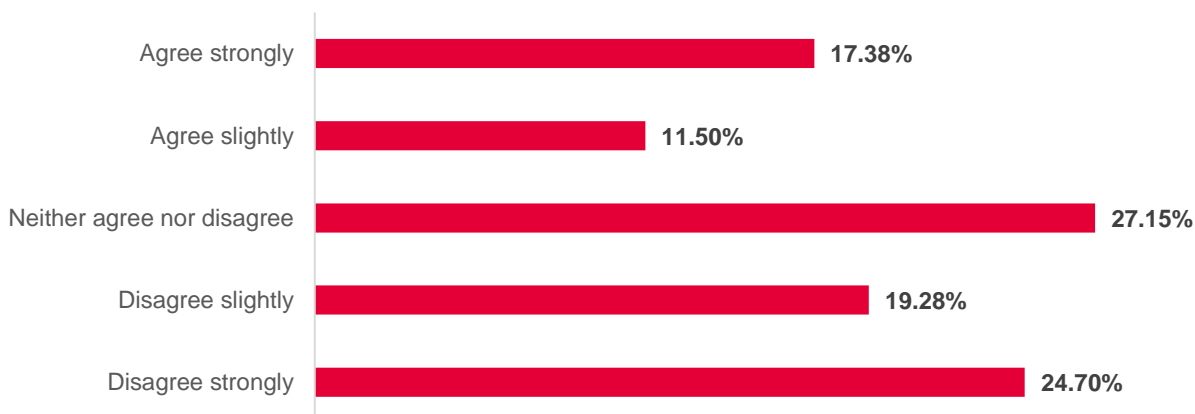


**4<sup>th</sup> statement - ...to protect services for the most vulnerable and those without choice**

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

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

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

**Increase in council tax under no circumstances**

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

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

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

## Any other comments

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

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

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

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

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



# Detailed findings – Businesses in Essex

# Detailed findings – Businesses in Essex

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

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

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

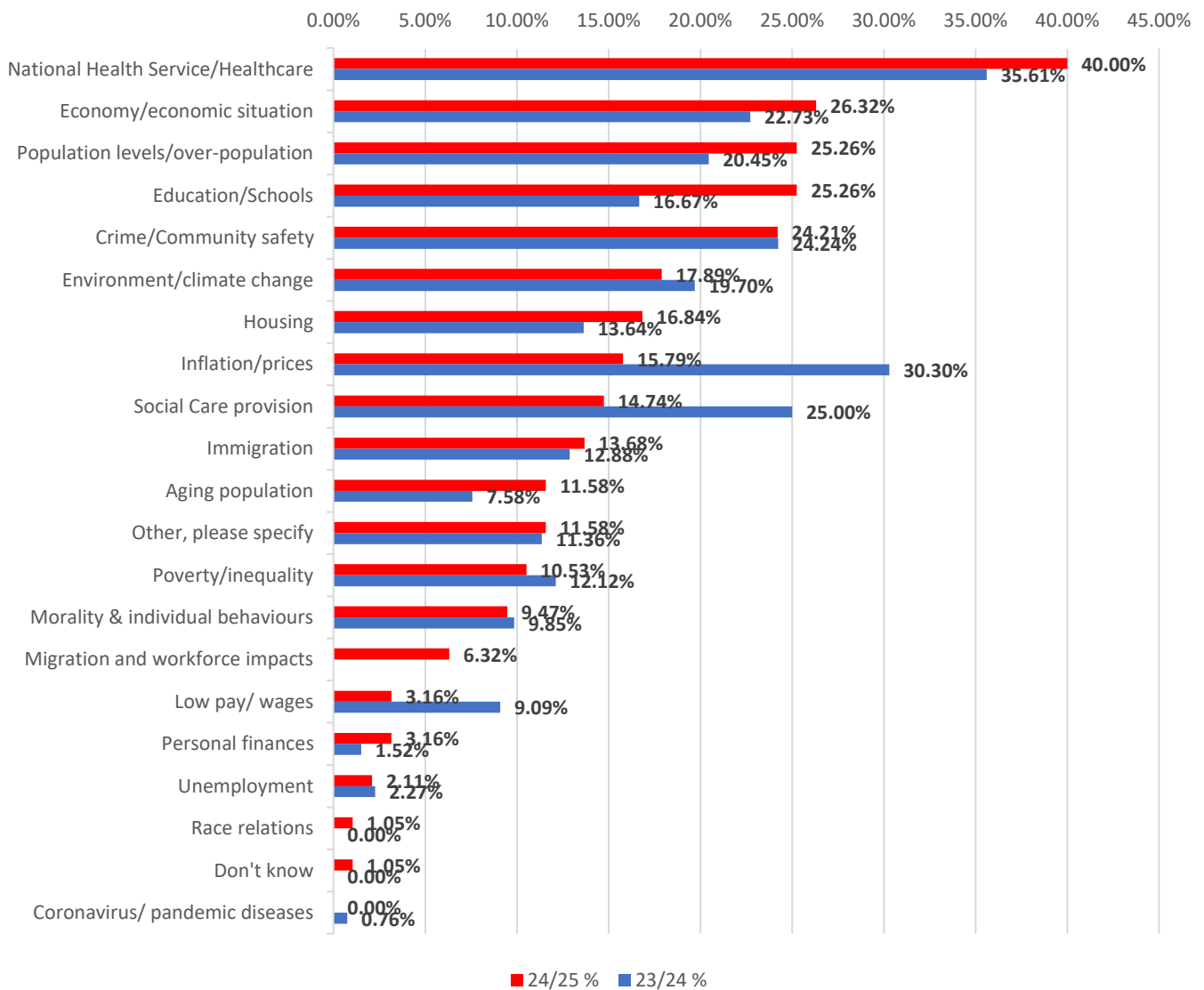
**The consultation asked businesses about the most important issues facing Essex today.**

*The question asked for businesses to select their top 3 issues*

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



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





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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Views on how Essex County Council should allocate resources.

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

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

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

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



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

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

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

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



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

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

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

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



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

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

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

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



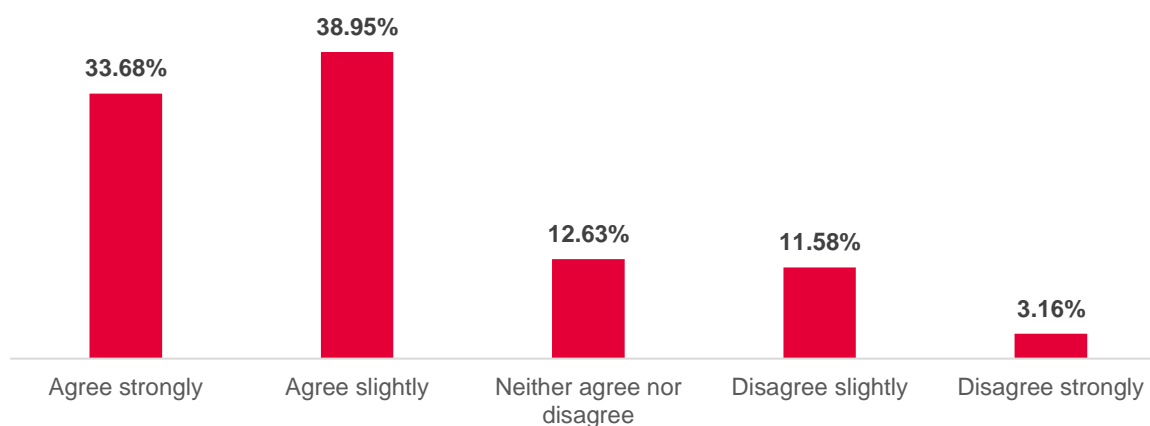
■ Strongly agree with option 1      ■ Slightly agree with option 1  
 ■ Both should be equally considered   ■ Slightly agree with option 2  
 ■ Strongly agree with option 2      ■ Don't know

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

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

***Out of the 95 Businesses to this question, 33.68% (n=32) Agreed Strongly, 38.95% (n=37) Agreed Slightly, 12.63% (n=12) Neither Agreed nor Disagreed, 11.58% (n=11) Disagreed slightly and 3.16% Disagreed strongly (n=3).***

### **Streamline services so that we can deliver the same outcome**

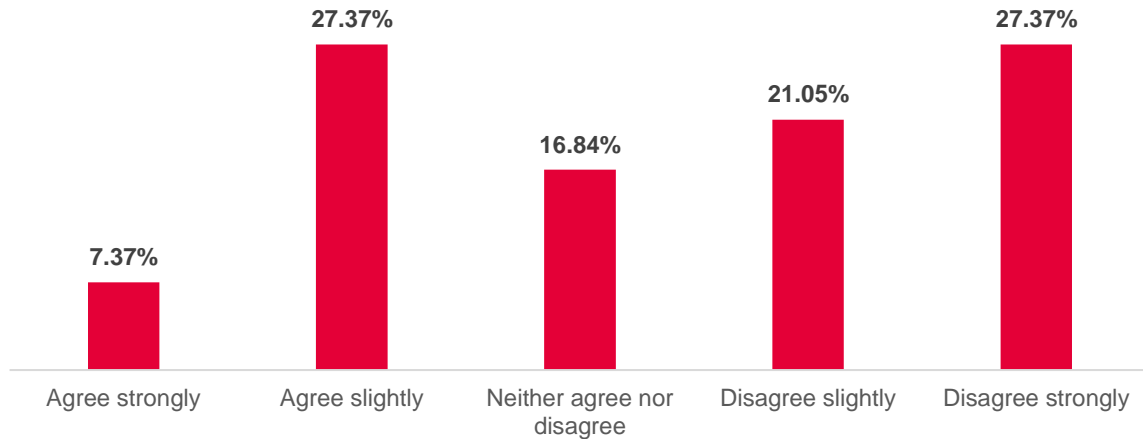


***Financial pressure - Introduce charges for some services which are currently free/subsidised***

***Out of the 95 Businesses to this question, 7.37% (n=7) Agreed Strongly, 27.37% (n=26) Agreed Slightly, 16.84% (n=16) Neither Agreed nor Disagreed, 21.05% (n=20) Disagreed slightly and 27.37% Disagreed strongly (n=26).***



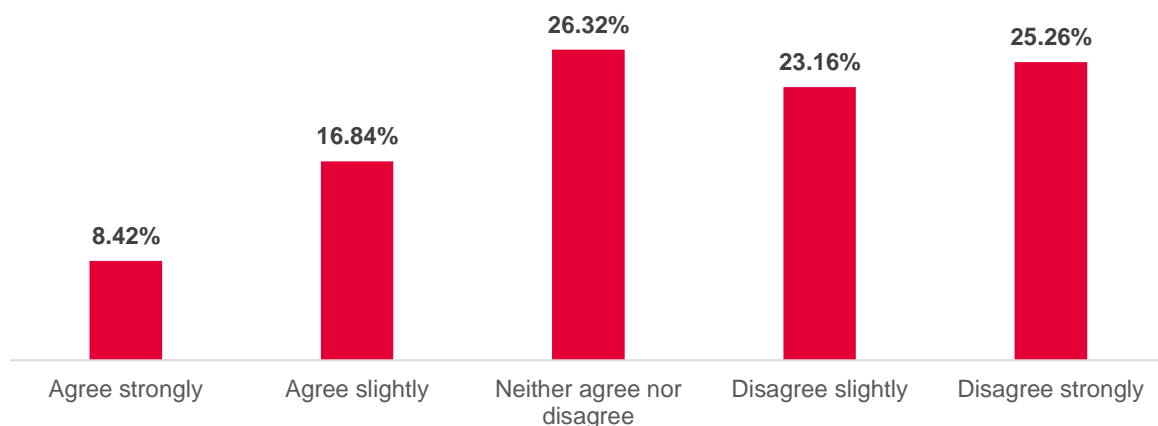
## Introduce charges for some services which are currently free/subsidised



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

Out of the 95 Businesses to this question, **8.42% (n=8) Agreed Strongly, 16.84% (n=16) Agreed Slightly, 26.32% (n=25) Neither Agreed nor Disagreed, 23.16% (n=22) Disagreed slightly and 25.26% Disagreed strongly (n=24).**

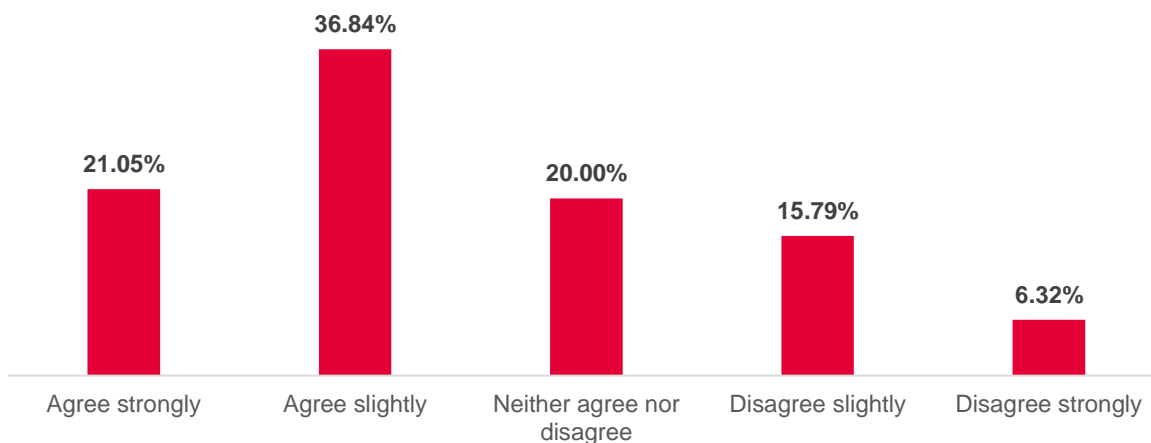
## Reduce or stop delivering some services to protect others



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

Out of the 95 Businesses to this question, **21.05% (n=20) Agreed Strongly, 436.84% (n=35) Agreed Slightly, 20.00% (n=19) Neither Agreed nor Disagreed, 15.79% (n=15) Disagreed slightly and 6.32% Disagreed strongly (n=6).**

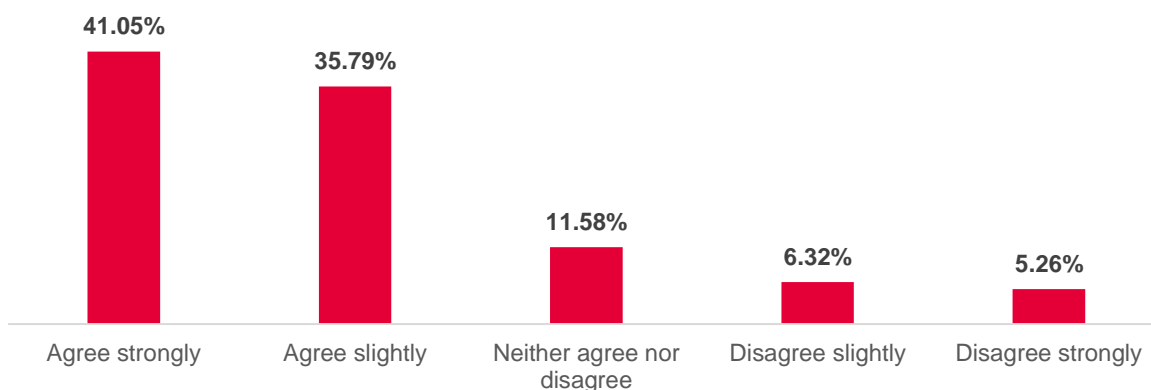
## Encourage local people and communities to deliver certain services



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

Out of the 95 Businesses to this question, **41.05% (n=39) Agreed Strongly**, **35.79% (n=34) Agreed Slightly**, **11.58% (n=11) Neither Agreed nor Disagreed**, **6.32% (n=6) Disagreed slightly** and **5.26% Disagreed strongly (n=5)**.

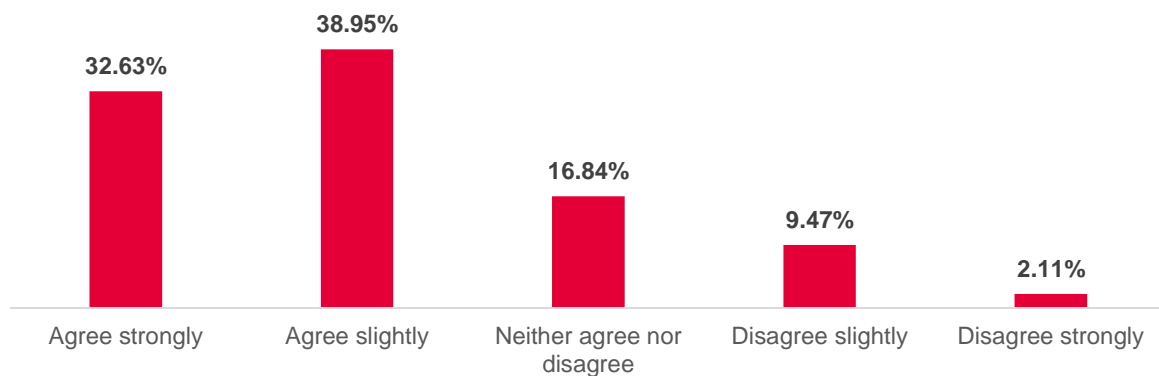
## Help people to help themselves more so they have less reliance on publicly funded services



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

Out of the 95 Businesses to this question, **32.63% (n=31) Agreed Strongly**, **38.95% (n=37) Agreed Slightly**, **16.84% (n=16) Neither Agreed nor Disagreed**, **9.47% (n=9) Disagreed slightly** and **2.11% Disagreed strongly (n=2)**.

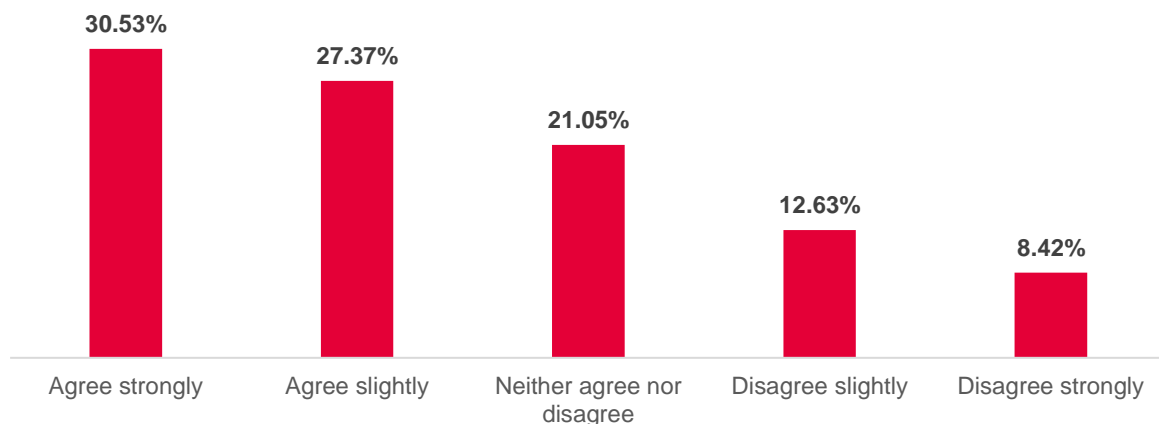
### Prioritise spending to protect services for the most vulnerable and those without choice



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

Out of the 95 Businesses to this question, **30.53% (n=29) Agreed Strongly**, **27.37% (n=26) Agreed Slightly**, **21.05% (n=20) Neither Agreed nor Disagreed**, **12.63% (n=12) Disagreed slightly** and **8.42% Disagreed strongly (n=8)**.

### Use / partner with other organisational bodies to provide services

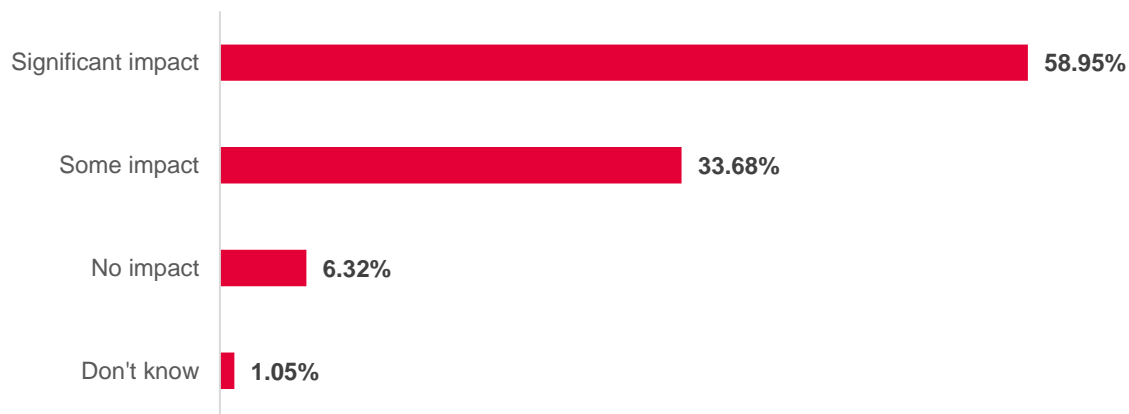


## Impact of inflation and cost of living

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

*Out of the 95 businesses to answer this question, 58.95% (n=56) Significant impact, 33.68% (n=32) some impact, 6.32% (n=6) No impact, and 1.05% Don't know (n=1).*

### Inflation and Current cost of living situation impacting on ECC finances



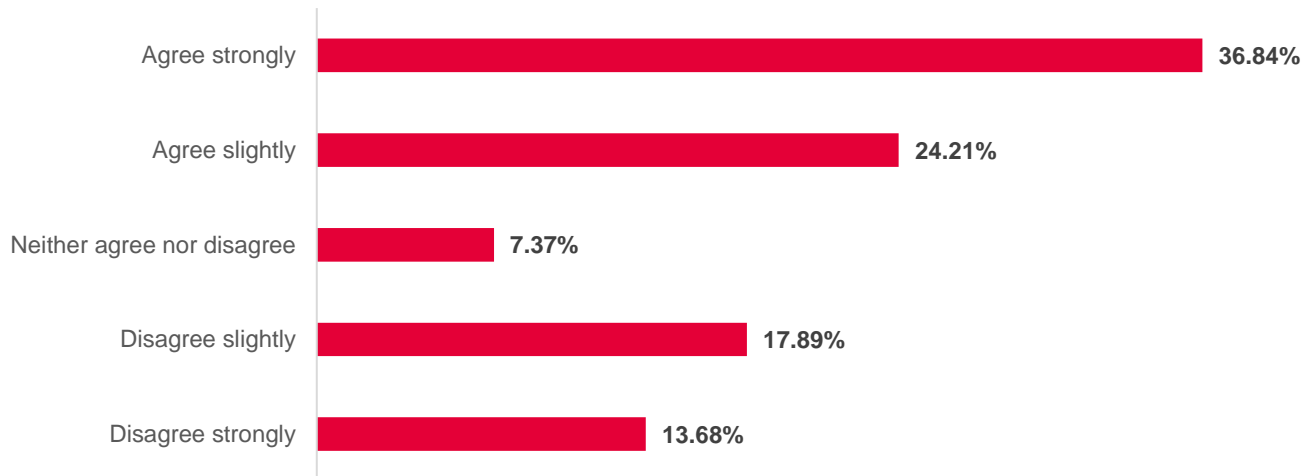
## Increase in council tax

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

**1<sup>st</sup> statement - ...only when opportunities to streamline services have been exhausted**

*Out of the 95 businesses to answer this question, 36.84% (n=35) Agreed Strongly, 24.21% (n=23) Agreed Slightly, 7.37% (n=7) Neither Agreed nor Disagreed, 17.89% (n=17) Disagreed slightly and 13.68% Disagreed strongly (n=13).*

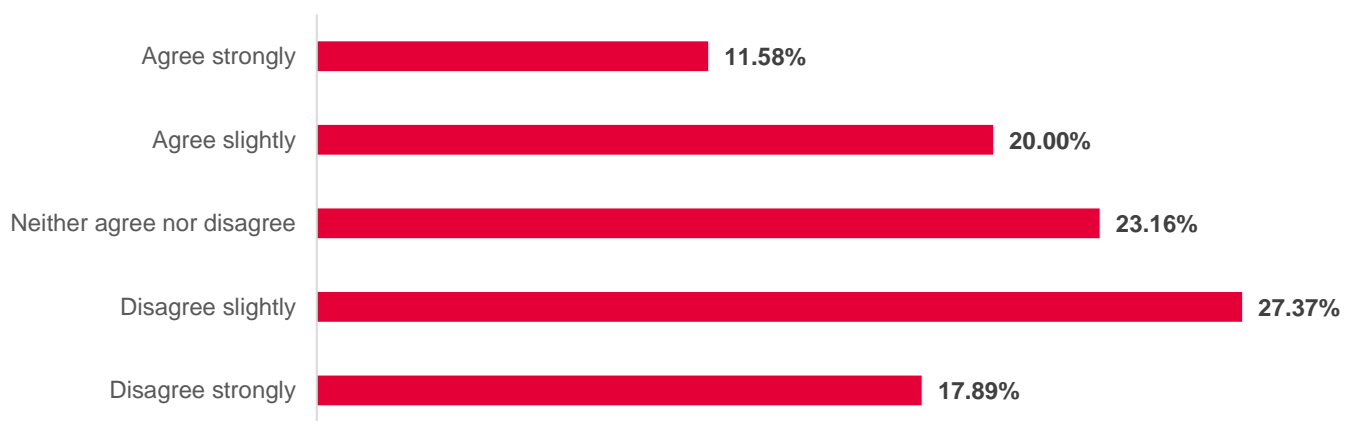
## Increase in council tax only when opportunities to streamline services have been exhausted



### **2<sup>nd</sup> statement - ...as an alternative to imposing/ increasing fees and charges for services**

Out of the 95 businesses to answer this question, **11.58% (n=11) Agreed Strongly, 20.00% (n=19) Agreed Slightly, 23.16% (n=22) Neither Agreed nor Disagreed, 27.37% (n=26) Disagreed slightly and 17.89% Disagreed strongly (n=17).**

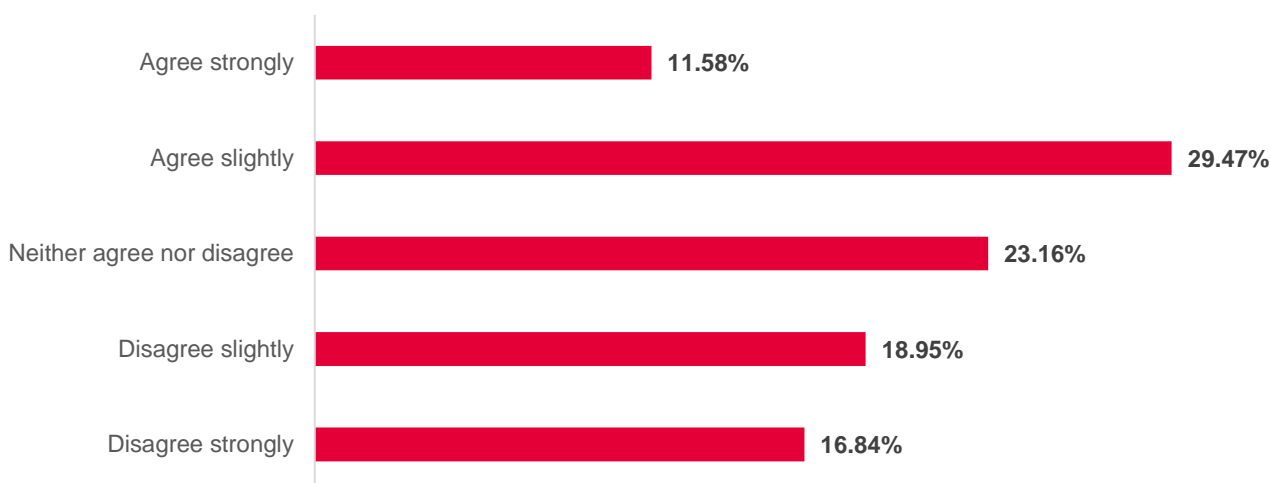
## Increase in council tax as an alternative to imposing/increasing fees and charges for services



### **3<sup>rd</sup> statement - ...when the only alternative is to stop delivering some services**

Out of the 95 businesses to answer this question, **11.58 % (n=11) Agreed Strongly, 29.47% (n=28) Agreed Slightly, 23.16% (n=22) Neither Agreed nor Disagreed, 18.95% (n=18) Disagreed slightly and 16.84% Disagreed strongly (n=16).**

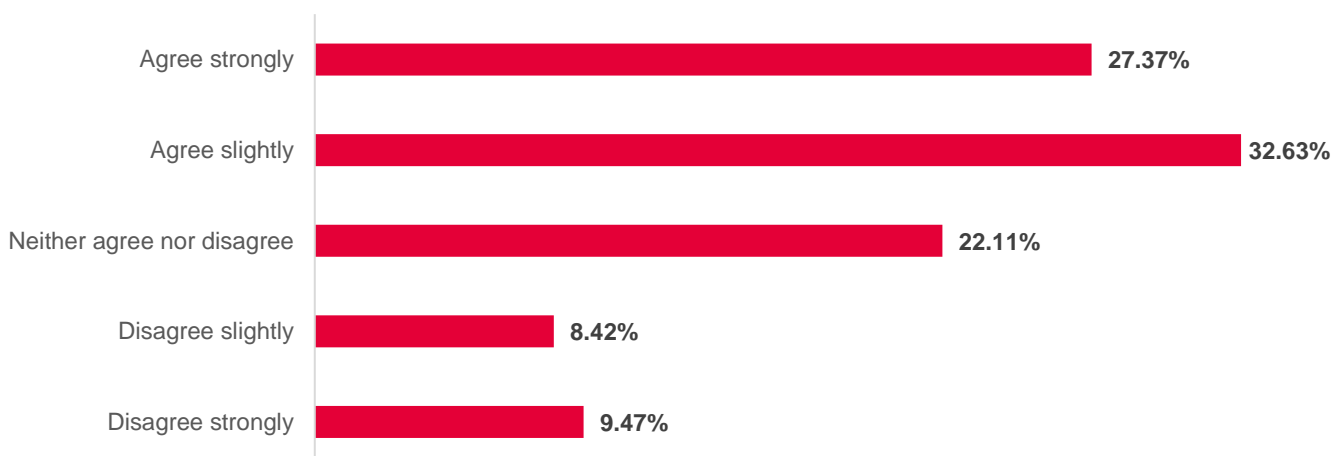
#### **Increase council tax when the only alternative is to stop delivering some services**



### **4<sup>th</sup> statement - ...to protect services for the most vulnerable and those without choice**

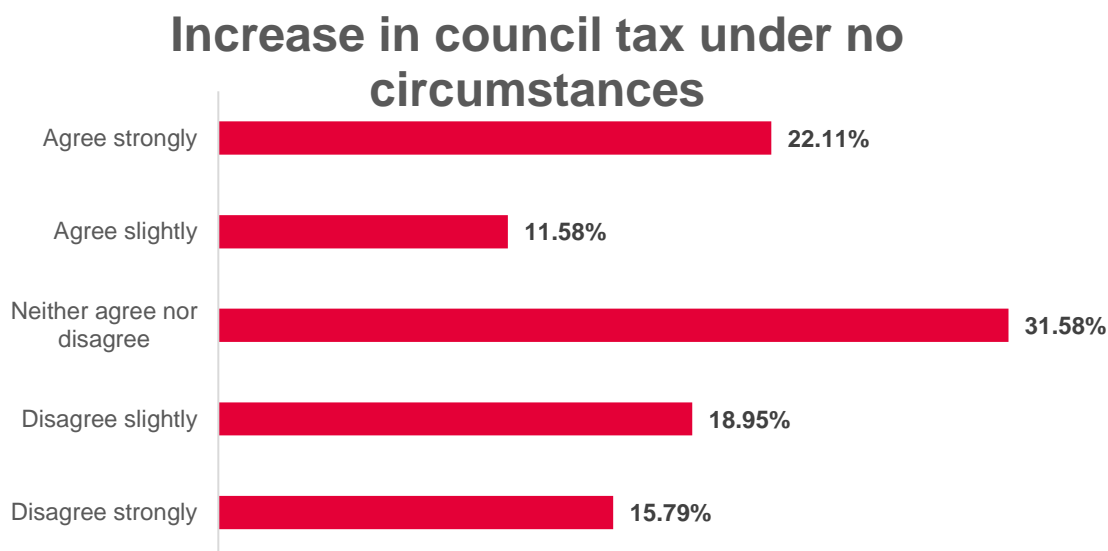
Out of the 95 businesses to answer this question, **27.37% (n=26) Agreed Strongly, 32.63% (n=31) Agreed Slightly, 22.11% (n=21) Neither Agreed nor Disagreed, 8.42% (n=8) Disagreed slightly and 9.47% Disagreed strongly (n=9).**

#### **Increase council tax to protect the most vulnerable and those without choice**



**5<sup>th</sup> statement - ...under no circumstances**

Out of the 95 businesses to answer this question, **22.11% (n=21) Agreed Strongly**, **11.58% (n=11) Agreed Slightly**, **31.58% (n=30) Neither Agreed nor Disagreed**, **18.95% (n=18) Disagreed slightly** and **15.79% Disagreed strongly (n=15)**.



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

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

<b>Theme</b>	<b>Total</b>	<b>Percentage</b>
Prioritise efficiency/ eliminate wasteful spending	5	38.46%
Do not increase Council Tax	2	15.38%
Increase Council Tax for the wealthiest	1	7.70%
Improve transparency around budget/ spend	1	7.70%
Streamline ECC staff/ salaries/ benefits	1	7.70%
Review outsourced contracts	1	7.70%
Reduce Council Tax	1	7.70%
ECC to deliver all services/ avoid partnerships	1	7.70%
Other	2	15.38%

## Any other comments

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

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

<b>Theme</b>	<b>Total</b>	<b>Percentage</b>
Prioritise council efficiency / eliminate wasteful spending / streamline staff / stop working from home	11	12.36%
Listen to the concerns/needs of residents/businesses	8	8.99%
Improve road maintenance	6	6.74%
Review outsourcing to private companies	4	4.49%
Attract industries/businesses to the area	3	3.37%
Concentrate on the basics/ essentials	3	3.37%
Avoid vanity or fashionable projects	2	2.25%
Budget needs to be communicated better	2	2.25%
Consider council tax increase	2	2.25%
Improve roadside and pavement maintenance	2	2.25%
Invest in high streets	2	2.25%
No increase in Council Tax	2	2.25%
Tackle issues with housing	2	2.25%
Action on environmental issues	1	1.12%
Become more entrepreneurial/ business-minded	1	1.12%
Budget review needed	1	1.12%
Don't cut services	1	1.12%
Don't know	1	1.12%
Focus on leisure, culture and tourism	1	1.12%
Focus on reducing crime	1	1.12%
Help families in need	1	1.12%
Improve health and wellbeing	1	1.12%
Improve social care services	1	1.12%
Improve individuals' self-reliance	1	1.12%
Improve youth services	1	1.12%
Improve police presence	1	1.12%
Invest in childcare and education for children	1	1.12%
Invest in public transport	1	1.12%
Invest in sustainable travel	1	1.12%
More support needed from national government	1	1.12%
None/ nothing	1	1.12%
Prioritise value for money	1	1.12%
Prioritise vulnerable people/ households	1	1.12%



Review council owned buildings	1	1.12%
Share service delivery with district and boroughs	1	1.12%
Share service delivery with local groups, voluntary sector, charities, NGOs	1	1.12%
Spend budget fairly across county	1	1.12%
Stop duplication of services	1	1.12%
Streamline ECC management team	1	1.12%
Support employment, work skills and adult education	1	1.12%
Take a long-term/ joined-up view	1	1.12%
Other comments	12	13.48%

# Appendix

## Appendix A – Consultation Questionnaire

## Everyone's Essex – Let's talk Budget Consultation 2024/25

### INTRO

We want Essex to be the best local authority in the country – as judged by the people, the businesses, and the communities we support and serve. To achieve this, we need to be honest and open. We need the honesty to admit that we don't have all the answers when it comes to tackling complex problems. And we need to be open to new ideas and approaches – ensuring the services we provide and the investments we make are developed with our communities.

### NEW PAGE

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

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

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

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

### NEW PAGE – SKIP TO SURVEY OR OPTION TO READ ON

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

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

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

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

- You can help shape how we respond to the current uncertainty and to the pressures we face. Please click the >> button below to play your part.

## NEW PAGE

### SINGLE CODE/ ASK ALL

#### Q1a – Responding\_as...

##### Are you completing the survey as a...?

- Resident 1
- Business owner 2
- Resident and business owner 3
- Other [specify] 4

### RESTRICTED MULTICODE/ ASK ALL/ OPTIONAL/ LIMIT TO 3 RESPONSES/ RANDOMISE

#### Q1 – Important Issues

What would you say are the most important issues facing Essex today? (please select up to three responses)

- Coronavirus/ pandemic diseases (1)
- Economy/economic situation (2)
- Migration and workforce impacts (3)
- National Health Service/Healthcare (4)
- Social Care provision (5)
- Race relations (6)
- Poverty/inequality (7)
- Environment/climate change (8)
- Unemployment (9)
- Population levels/over-population (10)
- Immigration (11)
- Education/Schools (12)
- Crime/Community safety (13)
- Morality & individual behaviours (14)
- Housing (15)
- Aging population (16)
- Low pay/ wages (17)
- Inflation/prices (18)
- Personal finances (19)
- Other \_\_\_\_\_ (20)

**RESTRICTED MULTICODE/ ASK ALL/ LIMIT TO 3 RESPONSES/ RANDOMISE****Q2 – QConcerns****Which of the following are you concerned about? (please select up to three responses)**

- |   |  |
|---|--|
| <input type="checkbox"/> My physical health and fitness (1) | <input type="checkbox"/> Levels of crime in my town/neighbourhood (12) |
| <input type="checkbox"/> My mental health and wellbeing (2) | <input type="checkbox"/> Anti-social behaviour in my community (13)    |
| <input type="checkbox"/> Being lonely (3)                   | <input type="checkbox"/> The local environment/ pollution (14)         |
| <input type="checkbox"/> Climate change (4)                 | <input type="checkbox"/> Cleanliness of street and local area (15)     |
| <input type="checkbox"/> Housing security (5)               | <input type="checkbox"/> Condition of roads and pavements (16)         |
| <input type="checkbox"/> Housing affordability (6)          | <input type="checkbox"/> Community relations (17)                      |
| <input type="checkbox"/> Employment security (7)            | <input type="checkbox"/> Public transport (18)                         |
| <input type="checkbox"/> Future job prospects (8)           | <input type="checkbox"/> Other _____ (19)                              |
| <input type="checkbox"/> Paying bills (9)                   | <input type="radio"/> None of these (20)                               |
| <input type="checkbox"/> Educational provision (10)         |  |
| <input type="checkbox"/> Raising children (11)              |  |

**RESTRICTED MULTICODE/ ASK ALL/ OPTIONAL/ LIMIT TO 4 RESPONSES/ RANDOMISE****Q3 – QPriorities**

**Essex County Council has set out a range of commitments that it will deliver over the next four years. Which of these should the council prioritise for immediate action? (Please select up to four responses).**

Good local jobs	<input type="checkbox"/>	Tackling inequalities	<input type="checkbox"/>	Developing Essex's infrastructure	<input type="checkbox"/>	Attracting new investment for businesses	<input type="checkbox"/>
-----------------	--------------------------	-----------------------	--------------------------	-----------------------------------	--------------------------	--	--------------------------

Growing the 'green' economy in Essex	<input type="checkbox"/>	Reducing greenhouse gas emissions	<input type="checkbox"/>	Enabling more 'sustainable' and active travel	<input type="checkbox"/>	Minimising the amount of waste generated in Essex	<input type="checkbox"/>
Supporting communities to tackle climate change	<input type="checkbox"/>	Enabling healthier lifestyles	<input type="checkbox"/>	Helping vulnerable people to live independently	<input type="checkbox"/>	Supporting those who care for sick or vulnerable people	<input type="checkbox"/>
Securing high standards in education	<input type="checkbox"/>	Providing support to struggling families	<input type="checkbox"/>	Protecting vulnerable children	<input type="checkbox"/>	Helping vulnerable children to close the gap on their peers	<input type="checkbox"/>

## OPEN/ IF Q3 &lt;&gt; BLANK/ OPTIONAL

## Q4 – QReasonsForPriorities

Please let us know why you believe these areas should be prioritised

Open text box

## HORIZONTAL SINGLE CODE/ ASK ALL/ SHOW ONE PAIR PER SCREEN, DON'T KNOW FOR ALL

## Q5 – QSpendingAllocation

Considering how Essex County Council allocates spending, do you feel...

	Strongly agree		Both should be equally considered		Strongly agree	
...ECC should prioritise services that benefit the majority of residents and taxpayers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	...ECC should prioritise services that focus on those with the greatest needs
...ECC should target its services towards struggling neighbourhoods, towns or cities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	...ECC should provide services that are available in all communities across Essex
...ECC should prioritise spending on meeting the needs of people today	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	...ECC should prioritise spending on projects that will increase opportunities over the long-term.
...Decisions on how to spend money in Essex should consider the county as a whole	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	...Decisions on how to spend money should be taken as close to local communities as possible

**GRID/ SINGLE CODE HORIZONTALLY/ ASK ALL****Q6 – QFinancialPressures**

How strongly do you agree or disagree that Essex County Council should do each of the following when faced with financial pressures? (Select one per statement)

	Agree strongly (1)	Agree slightly (2)	Neither agree nor disagree (3)	Disagree slightly (4)	Disagree strongly (5)
Streamline services so that we can deliver the same outcomes (1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Introduce charges for some services which are currently free/subsidised (2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduce or stop delivering some services to protect others (3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encourage local people and communities to deliver certain services (4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Help people to help themselves more so they have less reliance on publicly funded services (5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prioritise spending to protect services for the most vulnerable and those without choice (6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use / partner with other organisational bodies to provide services (7)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SINGLE / ASK ALL****Q7a – QMacroeconomic\_impact**

To what extent do you think inflation, interest rates and the current cost of living situation will have an impact on Essex County Council's finances?

- Significant impact 1
- Some impact 2
- No impact 3
- Don't know 4

**GRID / ASK ALL****Q7 – QCouncilTax**

To what extent do you agree or disagree with the following statements?

ECC should consider increases in council tax...

	Agree strongly (1)	Agree slightly (2)	Neither agree nor disagree (3)	Disagree slightly (4)	Disagree strongly (5)
...only when opportunities to streamline services have been exhausted (1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...as an alternative to imposing/ increasing fees and charges for services (2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...when the only alternative is to stop delivering some services (3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...to protect services for the most vulnerable and those without choice (4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...under no circumstances (5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

☐ Other (8) \_\_\_\_\_

**OPEN/ ASK ALL/ OPTIONAL****Q8 – QOtherComments**

If you have any other comments about the ECC budget or how we might do things differently, please tell us below

Open text box



**ABOUT YOU****ASK ALL**

In order to ensure the continued development of our Diversity and Equality practices, everyone that we work with is asked to complete the information below. You are not obliged to answer any of the questions, but the more information you supply, the more effective our monitoring will be. If you choose not to answer questions, it will not affect your participation. The information you supply below is confidential and will be used solely for monitoring purposes.

**SINGLE/ ASK ALL****QID – QAgeGroup**

**What age group do you belong to?**

- |   |    |
|---|----|
| <input type="radio"/> Under 16          | 1  |
| <input type="radio"/> 16-17             | 2  |
| <input type="radio"/> 18-24             | 3  |
| <input type="radio"/> 25-34             | 4  |
| <input type="radio"/> 35-44             | 5  |
| <input type="radio"/> 45-54             | 6  |
| <input type="radio"/> 55-64             | 7  |
| <input type="radio"/> 65-74             | 8  |
| <input type="radio"/> 75-84             | 9  |
| <input type="radio"/> 85-94             | 10 |
| <input type="radio"/> 95+               | 11 |
| <input type="radio"/> Prefer not to say | 12 |

**SINGLE/ ASK ALL****QID – QGender**

**To which gender do you most identify?**

- |  |   |
|--|---|
| <input type="radio"/> Male                         | 1 |
| <input type="radio"/> Female                       | 2 |
| <input type="radio"/> Non-binary                   | 3 |
| <input type="radio"/> Prefer to self-describe_____ | 4 |
| <input type="radio"/> Prefer not to say            | 5 |

**SINGLE/ ASK ALL**

**QID – QMaritalStatus**

**What is your marital status?**

- |  |   |
|--|---|
| <input type="radio"/> Single   | 1 |
| <input type="radio"/> Cohabiting   | 2 |
| <input type="radio"/> Married or civil partnered   | 3 |
| <input type="radio"/> Separated/divorced/formerly in civil partnership now legally dissolved | 4 |
| <input type="radio"/> Widowed or surviving partner from civil partnership                    | 5 |
| <input type="radio"/> Other _____  | 6 |
| <input type="radio"/> Prefer not to say (7)  |   |

**SINGLE/ ASK ALL**

**QID – QDistrictStatus**

**What is the district you live in?**

- ☐ Basildon
- ☐ Braintree
- ☐ Brentwood
- ☐ Castle Point
- ☐ Chelmsford
- ☐ Colchester
- ☐ Epping Forest
- ☐ Harlow
- ☐ Maldon
- ☐ Rochford
- ☐ Tendring
- ☐ Uttlesford
- ☐ Other .....
- ☐ Prefer not to say

**SINGLE/ ASK ALL**

**QID – QEthnicity**

**To which of these ethnic groups do you consider you belong?**

- **White**
  - ☐ English/Welsh/Scottish/Northern Irish/British
  - ☐ Irish
  - ☐ Gypsy/Irish Traveller
  - ☐ Any other white background, please describe
- **Mixed/multiple ethnic origins**
  - ☐ White and Black Caribbean
  - ☐ White and Black African
  - ☐ White and Asian
  - ☐ Any other Mixed/Multiple ethnic background, please describe
- **Asian/Asian British**
  - ☐ Indian
  - ☐ Pakistani
  - ☐ Bangladeshi

- Chinese
  - Any other Asian background, please describe
- **Black/African/Caribbean/Black British**
  - African
  - Caribbean
  - Any other Black/African/Caribbean background, please describe
- **Other ethnic group**
  - Arab
  - Any other ethnic group, please describe \_\_\_\_\_
- **Prefer not to say**

## MULTI/ ASK ALL

### QID – QDisability

**Do you consider yourself to have a health condition, disability, or impairment? Please tick all that apply.**

- |   |    |
|---|----|
| <input type="checkbox"/> No impairment                      | 1  |
| <input type="checkbox"/> Hearing impairment/deaf            | 2  |
| <input type="checkbox"/> Visual impairment/blind            | 3  |
| <input type="checkbox"/> Deafblind                          | 4  |
| <input type="checkbox"/> Mental health needs                | 5  |
| <input type="checkbox"/> Physical impairment                | 6  |
| <input type="checkbox"/> Learning difficulties/disabilities | 7  |
| <input type="checkbox"/> Autism spectrum disorder           | 8  |
| <input type="checkbox"/> Other (please specify) _____       | 9  |
| <input type="radio"/> Prefer not to say                     | 10 |

## SINGLE/ ASK ALL

### QID – QDistrict

**What is your current employment status? Please tick all that apply.**

- |   |    |
|---|----|
| <input type="radio"/> Employed full-time  | 1  |
| <input type="radio"/> Employed part-time  | 2  |
| <input type="radio"/> Self-employed   | 3  |
| <input type="radio"/> Employed on flexible/zero hours contract                          | 4  |
| <input type="radio"/> Business owner  | 5  |
| <input type="radio"/> In full-time education or training (e.g. college, apprenticeship) | 6  |
| <input type="radio"/> Not currently employed  | 7  |
| <input type="radio"/> Volunteering  | 8  |
| <input type="radio"/> Retired   | 9  |
| <input type="radio"/> Other (please state) _____  | 10 |
| <input type="radio"/> Prefer not to say   | 11 |

## NEW PAGE/ SHOW TO NON-ERP MEMBERS

### NEXT STEPS

Essex County Council undertakes research on a wide range of issues through its residents' panel. We would love for you to be involved. This is an opportunity for you to tell us your views about the issues that matter to you.

There's a quarterly prize draw for all new joiners where you can win a prize of up to £100!

If you would like to join the residents' panel, please register via the link below

[LINK FOR CONSULTATION PANEL REGISTRATION].

Thank you for your time today.

## NEW PAGE/ SHOW TO ERP MEMBERS

### NEXT STEPS

We really appreciate your participation in this consultation survey and for being a member of the Essex Residents' panel. We'd love all Essex residents to join our panel and get involved as well.

If there is anyone else you know who lives in Essex, please share this link with them and encourage them to join. It is their opportunity to tell us their views about the issues that matter to them.

And, don't forget, there's a quarterly prize draw for all new joiners where they can win a prize of up to £100!

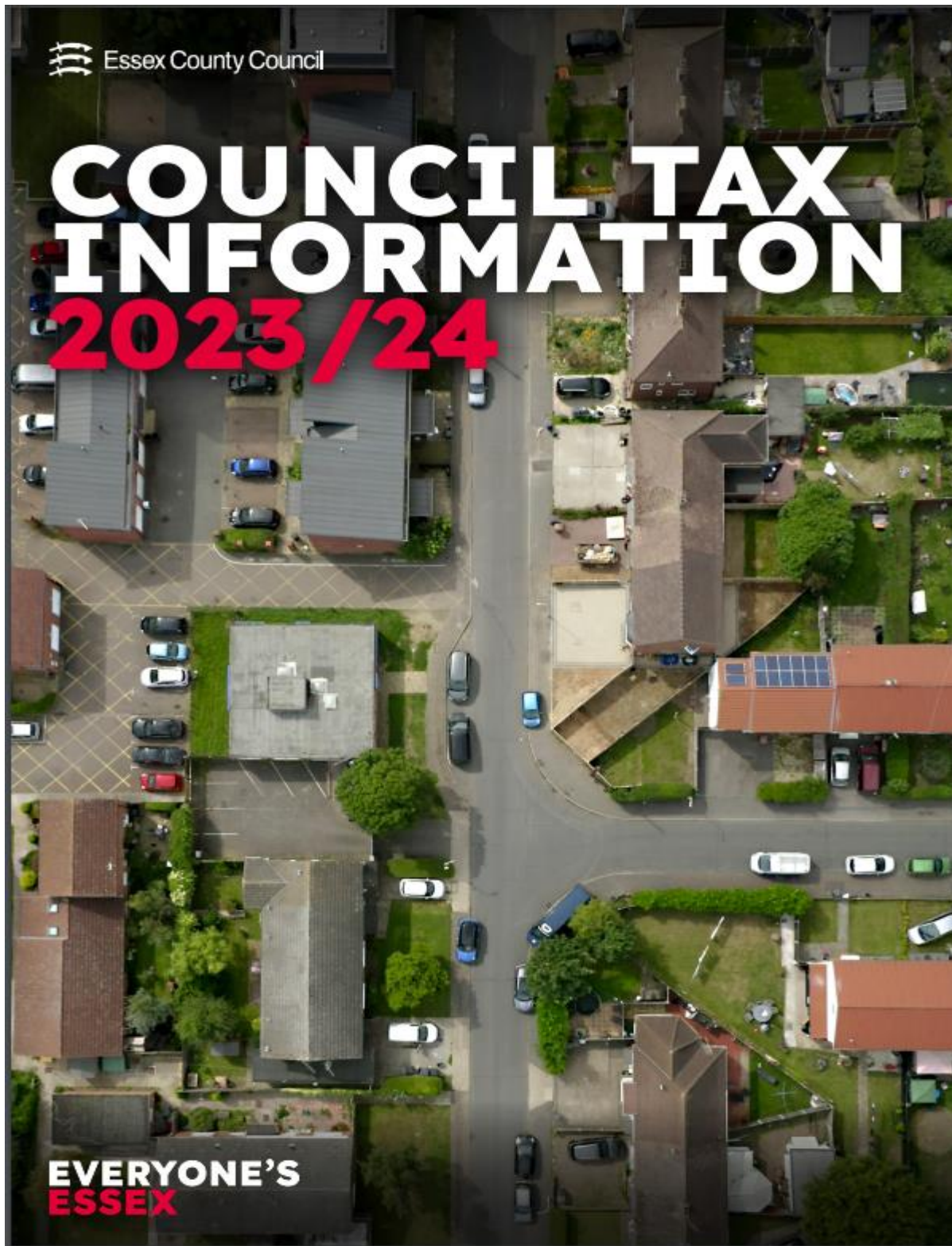
[LINK FOR REFER A FRIEND PANEL REGISTRATION].

You can share the link with a friend or family member or someone else in your household. The only requirement is that they are 18 or over and live in Essex.

Thank you for your time today.

E

## Appendix B – Essex County Council - Council Tax Information



[https://www.essex.gov.uk/sites/default/files/migration\\_data/files/assets.ctfassets.net/knkzaf64jx5x/NYX3NiI06oRdU4qUtTUnX/95cc724b47849c7cba923ddd9175014f/Council\\_Tax\\_Leaflet\\_2023-2024.pdf](https://www.essex.gov.uk/sites/default/files/migration_data/files/assets.ctfassets.net/knkzaf64jx5x/NYX3NiI06oRdU4qUtTUnX/95cc724b47849c7cba923ddd9175014f/Council_Tax_Leaflet_2023-2024.pdf)

**This information is issued by:**

Research and Citizen Insight team

Essex County Council

**Contact us:**

[Consultations@essex.gov.uk](mailto:Consultations@essex.gov.uk)

[www.essex.gov.uk](http://www.essex.gov.uk)

The information contained in this document can be translated, and/or made available in alternative formats, on request.

Published January 2024.

## Report to Council on Social Media Issues

Report by the Leader of the Council

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Enquiries to Paul Turner, Director, Legal and Assurance or Gavin Jones, Chief Executive

Given the concerns expressed about the Council's use of social media to amplify messages and about other spending, it was originally intended that this matter would be referred to the Corporate Policy and Scrutiny Committee to look at these issues in more detail and, if appropriate, make recommendations. However, the leaders of the Labour and Liberal Democrat groups have made it clear that their view is that this should be referred to the Audit, Governance and Standards Committee. In the interests of seeking cross party support, the recommendation below has been put forward which reflects the concerns raised by councillors.

The Council has sought to be transparent and has already published as much information as possible about the transactions. The information that the Council holds to answer many of the questions has been voluntarily published.

The Audit, Governance and Standards Committee does not normally carry out investigations and it will therefore need to decide how it responds to the request, should it be approved by Council.

### Recommendation

This Council, given the media interest and public disquiet and being ever mindful of the need to spend taxpayers money wisely, requests an urgent investigation by the Audit, Governance and Standards Committee into the circumstances in which Essex County Council engaged Mr Simon Harris in contracts and payments amounting to £493,000 to provide social media posts from June 2020 until April 2023. The Audit, Governance and Standards Committee to pay particular regard to the following:

By what selection process was Mr Harris initially awarded these contracts, who made the decision and what background checks were made given his reputation as a comedian and prankster?

What precisely were these contracts awarded for, who signed them off, what due diligence was carried out and what value for money was carried out before further contracts or payments were awarded?

Were declarations of interest correctly recorded by those directly authorising the payments?

Why wasn't the in house ECC Communications Team given the additional resource to carry out the work by Mr Harris given that it was for a corporate public health awareness messaging campaign?



What analysis of the viewing data is available, considering the average view of a typical Facebook page is three seconds, and in particular Mr Harris's Facebook coverage in Essex? The Committee should consider use of an Independent data analyst to be engaged as a witness to the committee to verify how meaningful published reach data is.

It has been reported that serious concerns were raised in 2021, why did payments continue until 2023?

What is the usual budget for social media and how much has been spent on social media since April 2023?

Does the Audit, Governance and Standards Committee consider this expenditure to be value for money, and if so, how?

What learning so far has been taken and what changes made or are being explored in procurement processes?

## Agenda item 11

<b>Report title:</b> Annual Report of the External Auditor for Financial Year 2020/2021	
<b>Report to:</b> Council	
<b>Report author:</b> Nicole Wood, Executive Director, Corporate Services	
<b>Date of meeting:</b> 13 February 2024	<b>For:</b> Approval
<b>Enquiries to</b> Nicole Wood, Executive Director, Corporate Services email <a href="mailto:nicole.wood@essex.gov.uk">nicole.wood@essex.gov.uk</a> or Christine Golding, Chief Accountant email <a href="mailto:christine.golding@essex.gov.uk">christine.golding@essex.gov.uk</a>	
<b>Divisions affected:</b> All Essex	

### 1. Purpose of report

- 1.1 The purpose of this report is to present the External Auditor's Annual Report for the 2020/21 financial year. The Report provides a summary of the key issues arising from the audit of the Council's financial statements for the financial year ending 31 March 2021, and commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. The Report was considered by the Audit, Governance and Standards Committee on **25 January 2024**.

### 2. Recommendations

- 2.1 That Council notes the Auditor's Annual Report appended to this report.

### 3. Background and proposals

- 3.1 The detailed findings from the audit work performed by the appointed auditor, BDO LLP, in relation to the financial statements for year ending 31 March 2021 were set out in the **Audit Completion Report** for the Council, which was presented to the **Audit, Governance and Standards Committee** on **25 January 2024**.
- 3.2 The purpose of the **Auditor's Annual Report** (as appended) is to communicate key issues arising from the audit work for 2020/21. In particular, the report includes commentary on the Council's arrangements for securing value for money (economy, efficiency and effectiveness) in the use of resources.

- 3.3 In previous years, the external auditor was required to issue a binary opinion on the Council's value for money arrangements. However, with effect from 2020/21, the external auditor is instead required to provide commentary on the arrangements. The external auditor is required to adhere to the reporting criteria specified in guidance issued by the National Audit Office (NAO) in relation to value for money:
- **Financial sustainability** - planning and managing resources to ensure the Council can continue to deliver its services.
  - **Governance** - informed decisions and properly managing risks.
  - **Improving economy, efficiency and effectiveness** – using information about costs and performance to improve the way the Council manages and delivers its services.
- 3.4 BDO LLP report that they did **not identify any significant weaknesses** in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources, having regard to the criteria specified by the NAO.
- 3.5 BDO LLP have provided a summary of their views on the Council's arrangements, and highlighted areas that may warrant focus in future periods. BDO LLP have **not raised any statutory recommendations** on the Council's value for money arrangements.
- 3.6 In relation to **financial sustainability**, BDO conclude that the Council has demonstrated arrangements to plan and manage resources, especially in difficult and uncertain times. BDO will continue to monitor the Council's financial position and financial sustainability though, to ensure it remains able to set a balanced budget, manage its financial resources and deliver services as expected.
- 3.7 In relation to **governance**, BDO conclude that they have not identified any significant weaknesses in this area but note that the number of 'Limited Assurance' Internal Audit opinions should be closely monitored to ensure the control environment is not weakening.
- 3.8 Finally, in relation to **improving economy, efficiency and effectiveness**, BDO conclude that the Council has demonstrated that it has arrangements in place to ensure that it effectively uses information about its costs and performance to improve the way it manages and delivers its services. BDO considers the arrangements around the complaints process and Essex Countywide Traveller Unit (ECTU) as areas of focus for improvement and continued monitoring.

- 3.9 Although BDO have no formal recommendations to make, they have noted several recommendations for improvement in relation to the South-East Local Enterprise Partnership (SELEP). Management responses to these recommendations have been provided to BDO and are included in the Auditor's Annual Report. BDO acknowledge that all the recommendations had already been addressed though, and that no further action is needed.

#### **4. Why the Auditor's Annual Report is being presented to full Council**

- 4.1 The Auditor's Annual Report was considered by the **Audit, Governance and Standards Committee** on **25 January 2024** in compliance with the Committee's remit to receive, consider and comment on reports issued by the External Auditor.
- 4.2 A review into the audit of local government accounts undertaken by **Sir Tony Redmond** in 2020 recommended that the Auditor's Annual Report should be reported to a meeting of the Council too, to ensure that all councillors are aware of any issues raised by the external auditor and have an opportunity to raise any issues or concerns they may have.
- 4.3 This report is presented to the Council in compliance with this recommendation.

#### **5. Policy context and Outcomes Framework**

- 5.1 The Auditor's Annual Report communicates the key matters related to the audit of the Council for the 2020/21 financial year. As such, this report relates to the Council's financial health and financial standing rather than to specific policies or outcomes.

#### **6. Financial Implications**

- 6.1 There are no specific financial implications associated with this report. However, the Council incurred significant additional costs because of the prolonged nature of the 2020/21 audit. It was necessary to retain ongoing access to the TCS corporate finance system (which was in place throughout 2020/21) beyond the go-live date for the new 'My Oracle' corporate system. In total, the costs of retaining access of the TCS system amounted to **£424,000**. The Council no longer needs access to the TCS system, and so can end the extended support contract with Fujitsu at the end of February 2024.

- 6.2 The audit completion reports for the Council and Essex Pension Fund provide an updated assessment of the audit fees payable to the external auditor for the year. In relation to the audit of the Council, BDO indicate that additional fees are likely. The audit fees will be subject to further discussion with BDO but will ultimately need to be approved by Public Sector Auditor Appointments Ltd, as the auditor appointing body.

## **7. Legal Implications**

- 7.1 This report forms part of the statutory external assurance framework regulated by the Local Audit and Accountability Act 2014.

## **8. Staffing and other resource implications**

- 8.1 There are no staffing or other resource implications associated with this report.

## **9. Equality and Diversity implications**

- 9.1 There are no equality and diversity implications associated with this report.

## **10. List of appendices**

- 10.1 Auditor's Annual Report for the year ended 31 March 2021.

## **11. List of Background Papers**

- 11.1 None



# Essex County Council

Auditor's Annual Report: Year ended 31 March 2021

Report to the Audit, Governance and Standards Committee

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# Welcome

## Executive Summary

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- **Executive summary**
- Purpose and responsibilities
- Financial statements
- Value for Money

This Auditor's Annual Report provides a summary of the key issues arising from our audit of Essex County Council (the 'Council') for the year ended 31 March 2021.

### Financial statements

We issued an unqualified opinion on the Council's Statement of Accounts on 31 January 2024, including a separate opinion on the Essex Pension Fund elements on that same date.

### Value for money

We have not identified any significant weaknesses in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources having regard to the specified criteria in the Code.

### Other reporting

We did not consider it necessary to use our auditor powers or report on other matters.



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Senior Manager

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# Purpose and responsibilities

## Executive summary

- Table Of Contents
- Executive summary
- **Purpose and responsibilities**
- Financial statements
- Value for Money

### Purpose of the Auditor's Annual Report

This Auditor's Annual Report summarises the key issues arising from the work that we have carried out in respect of the year ended 31 March 2021.

It is addressed to the Council but is also intended to communicate the key findings we have identified to key external stakeholders and members of the public.

### Responsibilities of the Council

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that public money is safeguarded and properly accounted for.

The Council is also responsible for preparing and publishing its financial statements, annual report and governance statement.

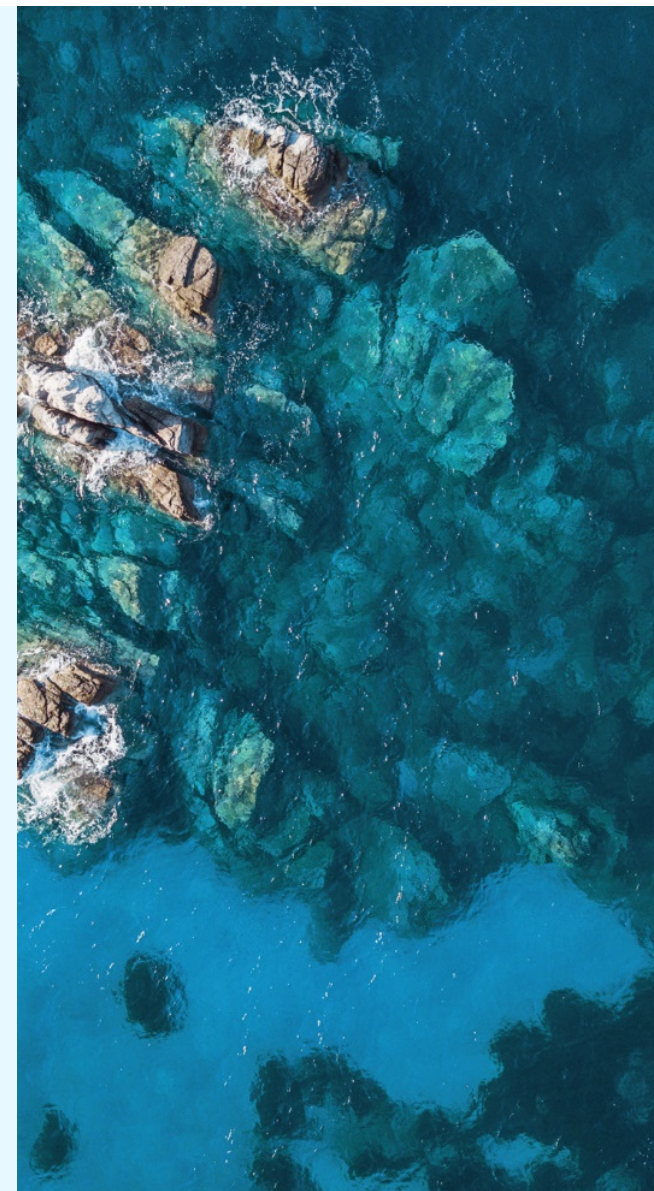
### Responsibilities of auditors

Our responsibility is to plan and carry out an audit that meets the requirements of the National Audit Office's (NAO's) Code of Audit Practice – April 2020 (the 'Code').

Under the Code, we are required to review and report on:

- Whether the financial statements give a true and fair view of the financial position of the Council and of its income and expenditure for the year and have been properly prepared in accordance with the relevant legislation;
- Whether the other information published together with the financial statements is consistent with the financial statements;

- Whether the governance statement complies with the guidance issued;
- Whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; and
- Where appropriate, any use of statutory powers.



# Financial statements

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### Audit conclusion

We issued an unqualified opinion on the Council's Statement of Accounts on 31 January 2024, including a separate opinion on the Essex Pension Fund elements on that same date.

An unqualified audit opinion means that we consider that the financial statements give a true and fair view of the financial position and its expenditure and income for the year.

We reported findings to the 25 January 2024 Audit, Governance and Standards Committee (alongside this draft report).

### Significant deficiencies in controls

We did not identify any significant control deficiencies during the audit of the financial statements.

### Audit differences

The audit identified no material misstatements.

We identified three audit adjustments (one brought forward from 2019/20 and two identified in 2020/21) that, if posted, would increase the surplus on the provision of services for the year by £10.081 million. Management did not adjust the financial statements for these items as the impact was not material.

# Value for Money

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### Scope

We are required to review and report on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where we identify significant weaknesses in these arrangements, we are required to report this in the auditor's report included in the financial statements and to make recommendations for improvement in the Auditor's Annual Report.

### Specified criteria

The NAO has issued guidance for auditors to report against three specified reporting criteria:

- Financial sustainability - planning and managing resources to ensure the Council can continue to deliver its services;
- Governance - informed decisions and properly managing risks; and
- Improving economy, efficiency and effectiveness - using information about costs and performance to improve the way the Council manages and delivers its services.

The NAO guidance also includes a number of further areas for review within each criteria to allow the auditor to assess those arrangements.

### Risk assessment

Our planning stage risk assessment identified two areas of potential significant weakness, as follows:

- Medium Term Financial Planning
- SELEP governance arrangements in connection with the Council's role as Accountable Body for the Partnership

These were the primary areas of more detailed consideration.

### Context of Covid-19

The Council's arrangements for 2020/21 were in the context of the response to the Covid-19 pandemic. To varying degrees of intensity, but for the whole period, the Council has been, as with other local authorities, at the 'front line' of the national response to the Covid-19 pandemic, requiring changes both to short term governance arrangements and medium-term planning, presenting significant financial and operational challenges.

### Audit conclusion

Against the risk areas considered above, and our review of other areas, ***we have not identified any significant weaknesses in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources*** having regard to the specified criteria in the Code.

While we have not raised any recommendations, related to significant weaknesses, we have included as part of each section a summary of our views on the arrangements as they currently stand, being areas that may warrant focus in future periods.

We have also included three "other" recommendations for improvement related to SELEP governance arrangements.







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### Auditor's commentary on arrangements

#### Areas reviewed

- *How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them*
- *How the body plans to bridge its funding gaps and identifies achievable savings*
- *How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities*
- *How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system*
- *How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans*

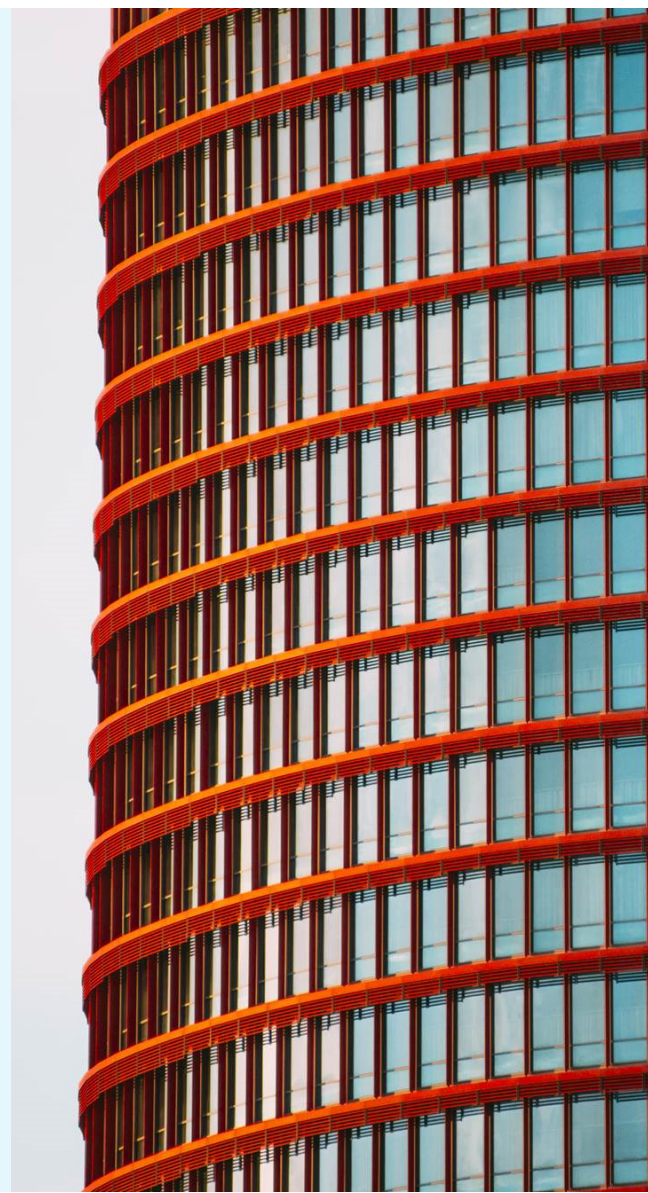
The Council has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its statutory and strategic priorities in the medium term, including the integration of major capital projects into the medium-term planning arrangements.

### **1. How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them**

Due to the Covid-19 pandemic, nationwide, local authorities experienced loss of income and increased costs resulting in unprecedented financial pressures. In recognition of the financial pressures, the Council received several grants from the Government.

Included in the Organisation Plan 2020/21 was the Financial Strategy for 2020/21 - 2023/24, Revenue Budget 2020/21, Capital Budget 2020/21 and level of Reserves. Recognising the challenging financial situation, the Financial Strategy was to ensure that the Council continued to live within its means but at the same time continued to deliver essential services to residents and keep council tax as low as possible.

The medium-term strategy assumed the continuation of the Revenue Support Grant (RSG) at the predicted 2020/21 level of £19m, and the continuation of the new social care grants. The strategy noted the uncertainty of the long-term funding position and the difficulty in planning longer term. In the Section 151 Officer's Report it was stated that the 2020/21 budget includes inflationary pressures (including National Living Wage) of £23m, other service pressures totalling £64m and one-off investment of £22m. This is offset by additional funding of £51m resulting in a net pressure of £58m. Bridging of the funding gap is discussed below.





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In their Budgetary Control and Financial Management Report 2020/21, Internal Audit (IA) noted that additional forward looks have already been presented to Corporate Leadership Team (CLT) on refreshing medium term scenario planning, and a Covid pressures forecast for 2021/22 and beyond has been completed and presented to CLT and Political Leadership Team (PLT) with corresponding recommendations. IA also noted that there has also been a requirement to report monthly to the (then) Ministry of Housing, Communities and Local Government (MHCLG) on the extent of the pressures and income losses faced by the Council as a result of Covid, including a forward forecast for 2021/22.

Whilst acknowledging the challenging financial situation, we have also seen that the Council has a positive approach to the challenge, stating that it is also an opportunity to question how services are currently provided and, where necessary, redesign.

**Against this risk, we have not identified any significant weaknesses.**

### **2. How the body plans to bridge its funding gaps and identifies achievable savings**

Documented in the Section 151 Officer Report presented at the Full Council Meeting on 11 February 2020, the 2020/21 budget assumed £58m (6% of net budget) of savings and increased income to balance the 2020/21 budget. These included contract efficiencies, back-office savings through process efficiency, service redesign and use of technology, increasing

income from fees and charges and commercial activity and development of our fostering service to increase the use of internal foster carers to minimise dependence on the external market. The capital programme will also have elements which result in cash savings or reduced costs reducing the burden on taxpayers.

In their Meaningful Lives Matter (MLM) - Adult Social Care review 2020/21, IA noted that management and oversight of the agreed savings targets and the progress against these targets monthly is transparent with clear indication of changes between deliverable and undeliverable savings.

In the Financial Strategy for 2020/21 - 2023/24 it was stated that, based on the latest intelligence on demand for services, inflation, and likely funding levels, the Council forecast a budget gap of £14m in 2021/22 increasing to a significant gap of £71m in 2023/24. The Council identified the most significant driver of the gap to be inflation, followed by demographic growth, new burdens and other cost pressures, including financing of the capital programme.

Although it was stated that some progress had been made towards balancing the budget over the medium-term (in the form of identified savings in 2021/22, 2022/23 and 2023/24), as the Council itself has recognised, there is a significant challenge ahead and it is essential for the Council to continue to focus on financial sustainability and to identify and establish options for addressing the growing budget gap.

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From our review of meeting minutes, we have seen that the funding gap was included in the written questions by a Councillor to the Cabinet member of Finance at the Full Council Meeting on 13 October 2020 relating to what representations the ECC has made to government for more funding to meet the extra cost pressures. Included in the response it was stated that ECC has been updating MHCLG (referred to earlier) on its COVID-19 related financial impacts monthly in addition to responding to the Comprehensive Spending Review and the ECC has highlighted projected 2021/22 funding shortfalls and cost pressures to Essex MPs and civil servant.

For 2020/21, the Council reported a provisional outturn of £11.482m (1.3%) underspend against its balanced budget. Balanced budgets were set for 2021/22 and 2022/23 with £46m (4% of net budget) and £36m (3% of net budget) of savings respectively. For 2021/22 and 2022/23, the Council has reported provisional outturns of £15.622m (1.7%) underspend and £11.742m (1.2%) underspend respectively.

A balanced budget was also set for 2023/24, and a balanced budget is proposed for 2024/25.

**Against the overall risk of bridging funding gaps, we have not identified any significant weaknesses.**

### ***3. How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities***

The Section 151 Officer Report presented at the Full Council Meeting on 11 February 2020, explains that the budget is a financial plan of the Organisation Strategy and forms part of the annual Organisation Plan.

From our review we have seen that the Organisation Plan and Budget 2020/21 presented to the Full Council at the February 2020 meeting for approval sets out ECC's four Strategic Aims. Under the "Resources" section is the Financial Strategy 2020/21 to 2023/24 which states that the budget sets out the financial resources available to deliver the Council's statutory requirements, political priorities and the Organisation Plan and therefore achieve the Organisation Strategy.

Also included is the 2020/21 Revenue Budget and Capital Programme, both of which are further categorised by each Strategic Aim and then by Councillor portfolio. This clearly demonstrates that the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities.

**Against this risk, we have not identified any significant weaknesses**





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### *4. How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system*

The Capital Programme is included in the Organisation Plan 2020/21 presented to the Full Council for approval (mentioned above), discussed in the S151 Officer Report, together with a Capital and Treasury Management Strategy. The Capital Programme for 2020/21 is apportioned into three investment types namely: Invest to Maintain, Invest to Save/Generate Return and Invest to Grow.

We note that during 2020/21, IA performed a Strategic Workforce Planning Review which obtained a "Good" Assurance opinion, the highest level of assurance achievable.

### *5. How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans*

In terms of identification and management of risks to financial resilience, we have seen that risks associated with the 2020/21 budget were highlighted in the Section 151 Officer Report. These risks included the extent and management of social care demand, National Living Wage inflationary pressure and the assumption of the full delivery of £58m budget proposals. It was noted that Officers carry out a delivery risk assessment before the budget is set to test the readiness to deliver the savings.

The Council has considered other measures such as slowing down or stopping spending, increasing income elsewhere or moving funds around the organisation to reduce the financial effect of the risks.

The Section 151 Officer Report also states that Reserves play an important part in the Council's financial strategy being an important part of risk management and resilience. The Council has specific reserves as well as a General Balance, which is an un-ringfenced reserve set aside to allow the Council to deal with unexpected events or costs at short notice.

The creation of four new earmarked reserves was approved by Cabinet on 19 January 2021. One of these new reserves was the Covid Equalisation Reserve, the purpose of which is to set aside funding received from government for exceptional one-off costs related to the COVID-19 pandemic. Funding will be placed here until decisions are made on its utilisation. This reserve will also be used for where funding is returned to reserves where COVID-19 costs have been lower than originally anticipated for decisions taken.

Another arrangement is the management of financial sustainability impacting risks included in the Risk Register (e.g. Resurgence of Covid-19 and Market Collapse) which are managed through the risk management processes

described under the Governance section.







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### Financial Sustainability - Conclusion

**We have not identified any significant weaknesses in this area.**

The Council has demonstrated arrangements to plan and manage resources, especially in difficult and uncertain times. However, we would highlight the trending increase of the budget gap forecast to a significant gap of £119m forecast for 2025/26 included in the Annual Plan 2022/23.

We note that the Financial Strategy 2023/24 - 2026/27 included in the Annual Plan 2023/24 reflects a budget gap forecast of £75m in 2026/27. Although this indicates the gap is starting to reduce, the gap is still considered significant and financial challenges continue to exist.

We will, therefore, continue to monitor the Council's financial position and financial sustainability to ensure it remains able to set a balanced budget, manage its financial resources and deliver services as expected.







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## Auditor’s commentary on arrangements

### Areas reviewed

- *How the body monitors and assesses risk, and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud*
- *How the body approaches and carries out its annual budget setting process*
- *How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting requirements; and ensures corrective action is taken where needed*
- *How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency*
- *How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour*

For 2020/21, the Council has had the arrangements we would expect to see to enable it to make informed decisions and properly manage its risks.

### *6. How the body monitors and assesses risk, and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud*

As expected, the purpose of the Council’s Audit, Governance and Standards (AGS) Committee includes responsibilities around corporate governance and risk management, internal audit and approval and monitoring the effectiveness of strategies for anti-fraud and corruption.

Internal Audit (IA) performed a Risk Management review during 2020/21. The purpose of the review was to provide reasonable assurance as to the adequacy and effectiveness of the key controls relating to the Council’s risk management methodology. The fieldwork also sought to consider the impact of Covid-19 on these arrangements. A “Satisfactory” Assurance opinion was issued.

Arrangements in place, as noted by IA, included a Risk Management Strategy and supporting Risk Management Toolkit which closely align to the Council’s Organisation Strategy, clearly defined roles and responsibilities for risk management, processes embedded to facilitate review, challenge, approval and reporting of risk registers at various levels of management, including Political/Corporate Leadership Teams (PLT/CLT), Functional Leadership Teams (FLT) and Senior Management Team (SMT) levels.

It was also noted that a specific Covid-19 risk register was compiled and subject to regular review and monitoring.





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The Council's IA function is a key element of the Council's assurance framework and reports functionally to the AGS Committee. In March 2020, the 2020/21 risk-based IA and Counter Fraud Plan was reviewed and agreed in principle by the AGS Committee. However due to the Covid-19 pandemic, in July 2020 a revised plan, deferring, removing or adding reviews (e.g. Remote Working Resilience was added), was presented and approved by the AGS Committee, to ensure appropriate focus of IA and counter fraud activity.

IA's overall Annual Opinion for 2020/21 is "Satisfactory" meaning *"Although there are some weaknesses which may put the individual system, process or service objectives at risk of achievement, there is an overall satisfactory system of internal control, appropriately designed to meet the Council's objectives; and controls are generally being applied consistently."* While this is the same opinion as the previous year, the number of "Limited" Assurance opinions for individual reviews has increased. In agreement with IA, we consider this an area for close monitoring to ensure the control environment is not weakening.

From our review and attendance at AGS Committee meetings we have also seen that the AGS Committee receives IA and Counter Fraud Progress Reports and there is also a clear focus on tracking of IA recommendations.

In terms of arrangements to prevent and detect fraud, we have seen that the Council has a Counter Fraud Team who work alongside IA. The Counter Fraud Team are responsible for detecting and investigating a range of fraud matters that impact the Council including those committed by residents, staff and contractors.

The counter fraud activities also include a programme of data analysis and data matching work. In March 2020, ECC subscribed to the National Fraud Initiative (NFI) Fraud Hub to enhance the national data matching in place at the time and the mandatory NFI data matching exercise was completed in October 2020. During the year the Counter Fraud team saw the addition of a Data and Intelligence Specialist.

Due to the Covid-19 pandemic, the Counter Fraud team has seen an increase in the number of suspicious grant claims and has worked with the Council's procurement team in this area.

Other arrangements we have seen is the Counter Fraud and Corruption Strategy, which was reviewed during the year following the publication of a new national strategy entitled 'Fighting Fraud and Corruption Locally, and the Whistleblowing Policy. During 2020/21, IA performed a Whistleblowing audit to review the effectiveness of the Council's whistleblowing policies, procedures and associated control frameworks. A "Satisfactory" Assurance opinion was issued with 3 moderate and 2 low priority issues identified. However, we have noted that one of the medium priority issues related to lack of ease locating the policy on the Council's website at the time and as at the date of review, this appears to be an existing issue i.e. performing a search for "whistleblowing" returned one result for "Modern slavery and human trafficking statement". We support IA's recommendation to improve ease of locating this policy.

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**Against this risk, we have not identified any significant weaknesses.**







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### *7. How the body approaches and carries out its annual budget setting process*

As stated in the Constitution, the Council decides the overall policies and sets the budget for each year by setting the Budget and the Policy Framework within which all executive decisions are made. The functions of the Full Council include, approve or adopt the Policy Framework and the Budget. The Budget and Policy Framework Procedure Rules are detailed in the Constitution.

As per the Terms of Reference (TOR) the Cabinet is responsible for exercising all Executive Functions, which specifically include leading the preparation of the Council's policies, statutory plans, strategies and budget. Cabinet Procedure Rules included in Part 4 of the Constitution state that all reports to the Cabinet from any Member of the Cabinet or an officer on proposals relating to the Budget and the Policy Framework, must contain details of the nature and extent of consultation with stakeholders and relevant Overview and Scrutiny Committees, and the outcome of that consultation.

The Council is required to set a balanced budget. Our review of meeting minutes and papers evidenced that at the Full Council meeting on 11th February 2020, the Council received the Report on the Budget 2020/21 that was in two parts:

- Part 1 - the Section 151 Officer's report: Set out the Section 151 (S151) Officer's statement on the adequacy of reserves, robustness of the 2020/21 revenue budget, as well as the Financial Strategy and the Capital and Treasury Management Strategy (discussed earlier under

the Financial Sustainability section)

- Part 2 - the Organisational Plan and Budget 2020/21: To present information to enable Full Council to consider and approve the Organisation Plan and Budget 2020/21 including the revenue budget, capital programme, financial strategy and the Council's council tax precept. This included recommendations from the Cabinet and changes since the Cabinet meeting.

A balanced budget was set for 2020/21. A budget consultation process had also taken place, where the consultation was opened to the public in November 2019 and closed in December 2019 and the key messages, together with the full report of the budget consultation were provided.

Equality implications had been assessed as part of the budget setting process and included in the papers provided.

Various motions were put forward and voting took place. It was resolved that the Section 151 Officer's statement be noted, the Organisation Plan be approved, and various budgets set such as the net revenue budget requirement to be set at £913.6m.

**Against this risk, we have not identified any significant weaknesses.**

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### *8. How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting requirements; and ensures corrective action is taken where needed*

IA performed a Budgetary Control and Financial Management Review as part of the 2020/21 Annual Plan. The purpose of the review was to assess the robustness of the Council's budgetary control and financial management and provide assurance over the timeliness and effectiveness of recovery plans and change control on benefits, savings plans and income, especially considering Covid-19. A "Good" Assurance opinion (the highest level of assurance) was issued.

IA noted that the Council had maximised central government aid and continued to provide monthly financial performance information (including additional fortnightly reporting on the latest Covid financial position) during the year to senior management and Members. In addition, the IA report noted that prior to Covid-19, an initial gap analysis was undertaken on compliance with the CIPFA Financial Management Code when the service provided a test-run of the draft requirements for CIPFA. This had identified some areas of non-compliance, but they were not deemed material. IA raised a low-risk recommendation to complete and monitor the action plan to evidence compliance with the CIPFA Financial Management Code from the 2021/22 financial year.

### *9. How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency*

The Council has a Constitution which is available on the website, the purpose of which is to provide a framework which, amongst other things, enables decisions to be taken efficiently and effectively in line with the Council's Budget and Policy Framework and creates a powerful and effective means of holding decision-makers to public account. Article 5 of the Constitution details decision making responsibilities, principles such as "due consultation and the taking of professional advice from officers", decision types, decision making by the Full Council, Cabinet, Overview and Scrutiny Committees, other Committees and Sub-Committees, and Council bodies acting as Tribunals.

The Council has four Overview and Scrutiny Committees, as follows:

- Corporate Policy and Scrutiny Committee (CPSC)
- Health Overview Policy and Scrutiny Committee (HOPSC)
- People and Families Policy and Scrutiny Committee (PAFPSC)
- Place Services and Economic Growth Policy and Scrutiny Committee (PSEG)







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These committees have a dual role covering policy development of the Council and the Cabinet, as well as the review of the Council's and Cabinet's decisions and can "call-in" decisions by a Cabinet member. Members of the public are welcome to attend any scrutiny committee public meeting.

We have seen that the Annual Overview & Scrutiny Report 2020/21 by the Scrutiny Board Chairman was presented at the Full Council meeting on 25 May 2021 and outlined each committee's work performed during the year and provided examples of the work carried out to deliver the ECC's four strategic aims.

The CPSC reviews the overall strategic direction, policies and priorities of the Cabinet and Council including the budget strategy, financial resources, equality and diversity issues, procurement and the Council's transformation programme. From our review of the CPSC meeting minutes we noted that "Questions from the public" was an agenda item, financial overviews were received during the year, procurement related items were discussed, members were invited to ask questions and key points were raised e.g. with respect to the 2021/22 Budget, Members noted that, in future, it would be preferable for the budget to come to scrutiny earlier in the process. We did not come across any "call-in" decisions.

In 2020/21, it was resolved at the AGS Committee meeting to appoint an independent

member of the AGS Committee in line with best practice recommended by Sir Tony Redmond in his report 'Independent review into the oversight of local audit and the transparency of local authority financial reporting'.

During the pandemic, we saw meetings continued but were conducted remotely such as those for the AGS Committee, Full Council, Cabinet and CPSC.

**Against this risk we have not identified any significant weaknesses.**

***10. How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour***

As stated in the Constitution, the Council has adopted the Nolan Principles - The seven principles of public life to be applied by all Members namely: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership.

We have seen that the Council has a Member's Code of Conduct and an Officer's Code of Conduct in place. Both adopt the Nolan principles. The Monitoring Officer has a statutory responsibility for the implementation of the Code of Conduct and has a specific delegation to receive and manage the determination of complaints of failure by Members to comply with the Code of Conduct.

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At the AGS Committee meeting on 22 March 2021, the Council's Monitoring Officer presented a paper to the Committee regarding the Local Government Association (LGA) model of code of conduct, regulating the standards of behaviour expected of councillors, which was published in 2020.

The Monitoring Officer informed the members that the paragraphs relating to the Declarations of Interest were not workable and most councils were not proposing to adopt it unless their current code was worse. It was resolved that the Committee would continue to monitor the evolving picture but did not recommend adoption of the LGA code at that time.

We have seen that registers of interests and Gifts and Hospitality are published on the Council's website under individual Councillor profiles. Also, from our review of meeting minutes we found declarations of interest were included as an agenda item for meetings of the AGS Committee, Full Council, Cabinet and CPSC and the AGS Committee received the annual review of the Member Gifts and Hospitality register April 2020 - May 2021 at the June 2021 meeting.

**Against this risk, we have not identified any significant weaknesses.**

### Governance - Conclusion

We have not identified any significant weaknesses in this area and seen that the Council adapted to conducting meetings remotely during the height of the pandemic.

We have noted that the number of "Limited Assurance" IA opinions should be closely monitored to ensure the control environment is not weakening.





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### *Risk-based work in respect of SELEP governance arrangements*

Various concerns relating to the governance of the South East Local Enterprise Partnership (SELEP) have been brought to our attention by individuals outside of the Council, in particular in relation to the use of funding in East Sussex. As Essex County Council is the Accountable Body for this partnership, there is a risk that the Council may not have put in place adequate overall governance arrangements, within the remit as Accountable Body, to support effective decision making by SELEP.

### *Work performed*

We carried out the following planned audit procedures:

- Reviewed the Council's responses to Freedom of Information requests and complaints in relation to SELEP
- Reviewed Internal Audit's reports on SELEP
- Reviewed documentation on SELEP's website and further documentation provided in response to our queries
- Reviewed the business cases, audit declarations from East Sussex County Council (ESCC) and reporting for a sample of three East Sussex projects (North Bexhill Access Road, Queensway Gateway Road, Priory Quarter phase 3 - Havelock Place)
- Held discussions with the external auditor of East Sussex County Council to align our understanding of the arrangements in place between the two councils
- Met with officers from the Department for Levelling Up, Housing and Communities (DLUHC) who requested a meeting with us.

### *Results*

The SELEP Assurance Framework, updated in June 2022, sets out its overall objectives, governance structure, roles and responsibilities and how it makes its decisions and manages its programmes. A diagram of the key elements of the governance structure has been extracted from the Assurance Framework and is shown on the following page.

Key accountabilities within this framework are:

- Strategic Board of Directors of SELEP Ltd - overseeing the outcomes of the programme of projects
- Joint Committee or Accountability Board, represented by three County Councils (including Essex County Council) and three unitary authorities in the SELEP area - approving investments, ensuring that due process has taken place before any investments are made and overseeing the delivery of projects (underpinned by an Accountability Board Agreement)
- Accountable Body, Essex County Council - overseeing governance arrangements; providing the finance function to SELEP Ltd; receiving, holding and distributing public funds (as grants or loans); providing technical legal and financial advice
- Investment panel - prioritisation of projects, based on assessments by Independent Technical Evaluators, and finalisation of business cases for funding approvals by the Accountability Board
- Federated Boards for each of the six authorities - recommending prioritised projects and overseeing projects in their area.



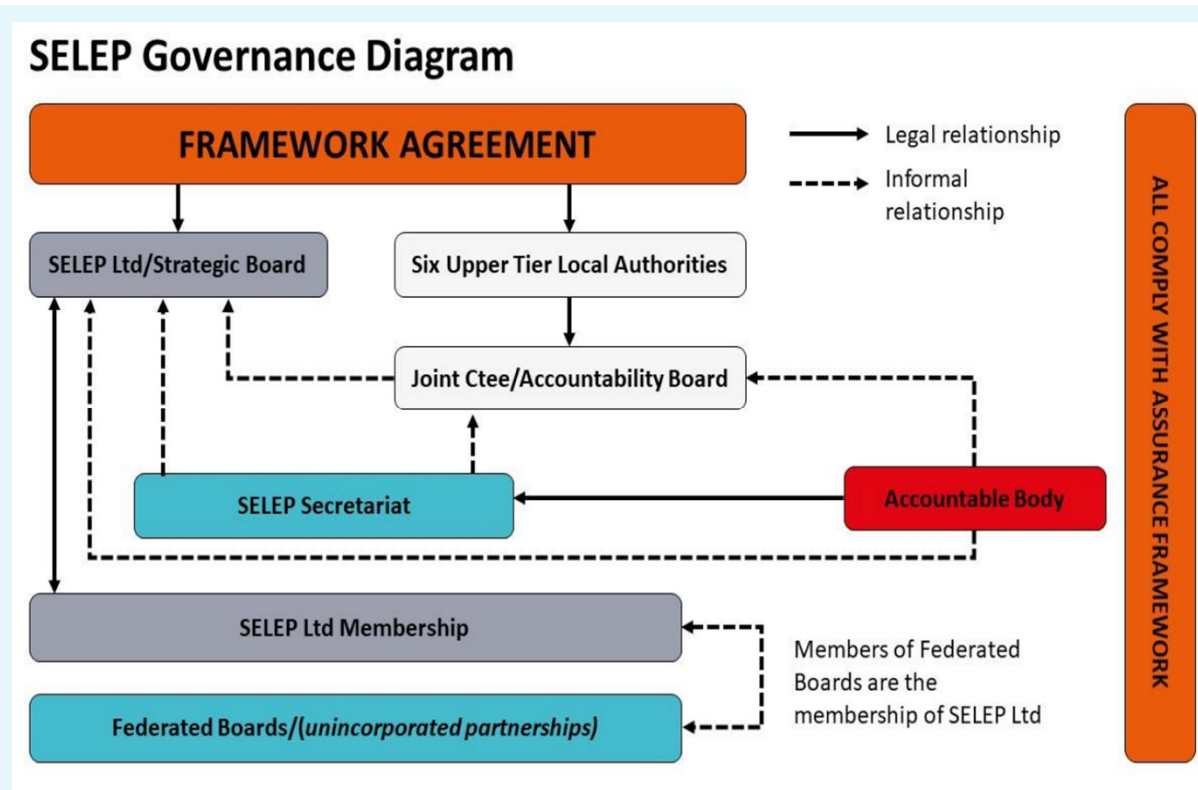




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We are satisfied that the above governance framework accords with the requirements of the Government's National Local Growth Assurance Framework, published in January 2019 and updated in September 2021.







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Our walkthrough of the governance arrangements in respect of three projects confirmed the following key processes/controls to be in place:

*Local Growth Fund (LGF) - North Bexhill Access Road project (NBAR) and the Queensway Gateway Road project (QGR):*

- Comprehensive business cases in place for each of these two projects
- Independent technical evaluations provided by Steer (trading as Steer Davis Gleave at the time) before the investments were approved
- Service Level Agreements (SLAs) in place between the Council and ESCC for each project, that include clear expectations in relation to the information required from scheme partners and delivery agents, ownership of responsibilities and provisions for the protection of public funds (e.g. arrangements to suspend or claw back funding in the event of non-delivery or mismanagement)
- Contracts in place between ESCC and third- party delivery agents (e.g. SeaChange Sussex), that include the provisions in the SLAs between the Council and ESCC, including arrangements for withholding or suspending of funding in the event of non-delivery.
- ESCC provides quarterly delivery reports
- Progress on project delivery reported to each meeting of the Accountability Board (which is based on the reporting from ESCC for these projects)
- Year end declarations received from ESCC's S151 officer, for each relevant year, to confirm that appropriate checks and investigations have been

carried out and the Local Growth Fund spent by ESCC complies with the LGF Grant Determination Letter from central Government and the SLA between ESCC and the Council, with details of amounts spent.

*Growing Places Fund (GPF) - Priory Quarter phase 3 - Havelock Place):*

- Comprehensive business cases in place
- The GPF was originally allocated in 2012, before the publication of the first National Assurance Framework, and therefore the due diligence processes for GPF were to be determined locally between accountable bodies and LEPs.
- For SELEP GPF projects, the sponsoring upper tier authority was required to fund an appraisal of the business case and for Priory Quarter this was undertaken by Genecon; this appraisal was then reviewed by Shared Intelligence on behalf of SELEP
- The GPF was awarded under a Credit Agreement rather than an SLA
- The project is complete and the output delivered; the loan has been fully repaid and the Loan Register reflects this.

We note that in February 2022, Internal audit reported an assurance level of 'Good' from its review of the robustness of SELEP's governance over decision making, project delivery and financial / risk management processes in 2021/22. This followed previous assurance ratings of 'Good' from their reviews of SELEP arrangements in 2020/21 and 2019/20 and 'Adequate' assurance ratings for 2018/29 and 2017/18.





# Governance

## Informed decisions and properly managing risks

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Our review of the governance arrangements has not identified any significant weaknesses although we have identified scope for improvement in the following areas:

### *Due diligence procedures*

One of the key elements of the independent technical evaluation or business case appraisal process is consideration of the commercial case. This relates to how the preferred option will result in a viable procurement and well-structured deal, including contractual terms and risk transfer. However, from our review of the documentation received for the sampled business cases, it is not clear what due diligence processes over suppliers have been carried out, including conflicts of interest checks.

The Council, as Accountable Body, obtains this assurance from ESCC's s151 officer's sign-off of the business case. However, in our view the Council should also ensure that there is sufficient information on the due diligence checks in the documentation reviewed by the Investment Panel and the Accountability Board, to support the audit trail underpinning the Board's decision making.

### *Delivery reporting to the Accountability Board*

Our review of the agendas and papers from the Accountability Board meetings shows that thorough updates on the progress of projects are reported. However, we noted that the reports are very detailed and there is a risk that areas of major concern (e.g. significant delays in completing some projects) may be lost in the detail. This may undermine the Accountability Board's ability to focus on and challenge the key issues arising.

### *Measurement of project outputs*

We note that the business cases for the sample

projects reviewed included projections on the number of jobs expected to be generated from the project. Reports to the Accountability Board in November 2021 indicated a number of significant shortfalls, for example:

- North Queensgate Road - No jobs delivered against 865 in business case - Whilst the project for the new road junction was delivered, the job creation was dependent on the development of an expected business park that the new junction would open up, and delays in this meant that the relevant data was not available.
- Bexhill Business Mall - 98 jobs delivered against 299 in business case - Whilst the project for the new building was delivered, the building was sold and it was not possible to obtain data regarding job creation by the business mall.

Where job creation is a prominent feature of project business cases (as is the case for the sample projects we reviewed), the Council (as the Accountable Body) should ensure that the business cases clearly set out the basis for the assumptions made, mechanisms by which jobs will be created (as direct outputs from the project or indirect outputs that are dependent on further activities outside of the SELEP project) and how delivery will be measured.

### *Conclusion*

Overall, based on the work carried out, we are satisfied that there are adequate arrangements in place for the Council, as the Accountable Body for SELEP, to exercise its role of legal accountability for the funding streams and responsibility for overseeing the proper administration of financial affairs relating to the public funds.





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### Auditor's commentary on arrangements

#### Areas reviewed

- *How financial and performance information has been used to assess performance to identify areas for improvement*
- *How the body evaluates the services it provides to assess performance and identify areas for improvement*
- *How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve*
- *How the body ensures that the commission or procurement of services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits*

For 2020/21, the Council has had the arrangements we would expect to see to enable it to make informed decisions and properly manage its risks.

The 'Which Councils are Best?' 2019 report published by Impower on 13th November 2019 examined outcome productivity - the value that councils achieve for every pound that they invest. ECC was ranked in the Top 10 Most Productive Councils in England 2018 and 2019, indicating the Council has a good track record of spending their money most effectively, based on the Impower Index.

### 11. How financial and performance information has been used to assess performance to identify areas for improvement

The ECC Organisation Plan 2020/21, presented to the Full Council at the Council Meeting on 11th February 2020, outlines for each sub-category of each Strategic Aim, The Challenge, Major achievements in the year i.e. 2019/20, Key areas of focus for the Council over the next year i.e. 2020/21. For example, a key focus area for 2020/21 under the Strategic Aim Transform the Council to achieve more with less was to deliver £58m of savings and efficiencies (mentioned under Financial Sustainability). This focus area relates to the Sub-category: Limit cost and drive growth in revenue; Develop the capability, performance and engagement of our people; Re-imagine how residents' needs can be met in a digital world.

We have seen that the Essex County Council Organisation Plan 2020/21, also provides detail on how the Council intends to measure the progress it makes towards the achievement of the strategic aims. For each of the four strategic aims it sets out the key measures and milestones on which the Council will focus attention and on which assessments of progress, performance and impact will be based.





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For example, for the Strategic Aim: Transform the Council to achieve more with less, measures include:

- Income generated from sales, fees and charges - Target for 2020/21: £39.2m
- Social value achieved through procurement and workforce practices - Target for 2020/21: To be set in Summer 2020
- Workforce productivity - based on indices that quantify the effectiveness and efficiency of our workforce - Target 2020/21: To be set in July 2020. It was also proposed to develop this measure further within 2020/21 to include measures of supplier productivity.

We note that some of the targets had not been set at the time and were noted to be set later during the year e.g. July 2020.

We have seen that in their 2020/21 Meaningful Lives Matter (MLM) - Adult Social Care (ASC) review, IA noted that in November 2018, ALT agreed a three-year transformation programme (MLM) following a review which identified ASC costs were higher than comparator local authorities and did not fully meet or measure people's desired outcomes and future expectations.

As stated in their report, the MLM programme is a key contributor in delivering the Council's strategic priorities of helping people get the best start and age well and transforming the Council to achieve more with less.

The purpose of the IA review was to assess whether there is effective oversight of the delivery of the MLM workstreams, and in particular where required savings / outcomes / intended benefits in 2020/21 can still be achieved in light of the Covid 19 pandemic and where unable to be achieved, the mitigating actions are adequate. A "Satisfactory" Assurance opinion was given with IA determining that arrangements, including those related to management information (focussing on six agreed outcomes), were found to be effectively designed with good oversight, accountability, and frequent and timely reporting to the relevant Group/ Board.

Although a specific Management Information / Key Performance Indicators review was included in the IA Annual Audit Plan for 2020/21, it was delayed due to Covid-19. It was however noted in the status that the Business Intelligence specialist was providing support in this area to Adult Social Care.

**Against this risk, we have not identified any significant weaknesses.**







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### *12. How the body evaluates the services it provides to assess performance and identify areas for improvement*

The Council has a Complaints process in place which we consider key to an organisation's arrangements for assessing performance and identifying areas of improvement. A citizen's right, as set out in the Constitution, is the ability to make complaints. We have seen that the Council has a "Complaints and compliments" section on the website with links to provide feedback, complaints, compliments and ask a question. The Complaints and Representations Policy is also published on the website and sets out the definitions for complaints, comments and compliments, the procedures to be followed and how these representations will be handled.

From the LGSC Ombudsman Annual Letter 2021, we note that ECC is performing below the average for similar authorities for the % "Complaints upheld" and % "Satisfactory remedies provided by the authority". Also, ECC scored 98% "Compliance with Ombudsman Recommendations", with the Ombudsman stating it is rare to score below 100% and those complaints where it failed to comply, should be scrutinised and learning identified. We therefore consider this an area for improvement on which the Council should focus.

During 2020/21, we have seen that IA performed a Quality Assurance Framework (QAF) Review. The purpose of this review was to independently evaluate the robustness and effectiveness of the QAF in meeting its aims and objectives and in

supporting Adult Social Care (ASC) to continuously improve. An overall "Satisfactory" Assurance opinion was issued. IA noted that the audit highlighted several areas where the service was performing well, for example, the QAF is fit for purpose, clearly defined, well communicated and consistently applied and results of the quality audits are reported consistently and regularly. Arrangements identified by IA included outcomes of quality audits are recorded and captured in monthly reports distributed to quadrants and quarterly reports submitted to the Adult Leadership Team (ALT). IA identified a moderate rated issue to enhance these reports. IA also noted that the QAF was evolving over time and that the QAF and associated tools are being redesigned to meet the longer-term vision.

Following a joint inspection in 2019 conducted by the CQC and OFSTED to judge the effectiveness of the Essex area in implementing the disability and special educational needs reforms as set out in the Children and Families Act 2014, a Written Statement of Action was required because of areas of weakness in the local area's practice.

The local authority and the area's CCG groups, with joint responsibility, submitted the statement to Ofsted. In April 2020 the CQC and Ofsted responded that the statement of action was deemed to be fit for purpose in setting out how the area will tackle the significant areas of weakness identified and noted, amongst other things, that activities and milestones were spread out appropriately over the next two years, particularly in relation to joint commissioning.





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The People and Families Policy and Scrutiny Committee (PFPSC) exercises the scrutiny function on matters relating to children and young people, families, education, adult social care, special needs and safeguarding. During 2020/21 we have seen updates on the actions for improvement have been provided to the PFPSC demonstrating arrangements in place to ensure improvements are made. The Ofsted/CQC re-visit inspection performed in May 2022 determined that sufficient progress had been made in addressing all the significant weaknesses identified at the initial inspection.

**Against this risk, we have not identified any significant weaknesses.**

***13. How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve***

The South East Local Enterprise Partnership (SELEP) is one of 38 LEPs across the country. It was formed in 2011 as a partnership between businesses, local authorities and the education sector. Its aim is to enable economic growth and job creation in the local area and covers an area encompassing the local authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock. Essex County Council is the Accountable Body for SELEP.

As part of the IA activity during 2020/21, IA performed a review of the SELEP, the purpose of which was to assess the robustness of governance over decision making, project delivery and

financial/risk management processes. A "Good" Assurance opinion was issued. Per IA's review, the SELEP Assurance Framework set out the governance systems and processes necessary to effectively manage the delegated funding from HM Government and ensure SELEP's business is conducted transparently. In addition, Governance arrangements were in line with national requirements and that decision-making remained transparent within 2020/21. The audit concluded that the Council's and SELEP's processes to record and reconcile spend were satisfactory.

The previous section set out the context, focus, findings and conclusions of some additional risk-based work in respect of SELEP governance arrangements put in place by the Council in its role as Accountable Body for the Partnership.

The Better Care Fund (BCF) programme supports local systems to deliver the integration of health and social care in a way that supports person-centred care, sustainability and better outcomes. During 2020/21, IA also performed a BCF review. The purpose of this review was to evaluate the arrangements in place to help prevent or manage to reasonable levels, the risk events and consequences of the Council's accountable body role in delivering the Essex BCF Plan for 2020/21. A "Good" Assurance opinion was issued, and no recommendations were raised. IA noted that as a direct impact of Covid-19, there had been a

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variety of some of the standard operational practices in relation to the BCF and that the Council also had to agree to some deeds of variation to the BCF to reflect urgent Covid-19 funding.





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Essex Countywide Traveller Unit (ECTU) is an Essex County Council (ECC) Partnership arrangement between other local Councils, Essex Fire and Rescue Service and Essex Police, who each pay an annual contribution to ECC. During 2020/21, IA performed an ECTU review, the purpose of which was to assess whether the ECTU Service is effectively managing traveller sites across Essex and achieving wider service outcomes. A "Limited" Assurance opinion was issued with 2 major and 5 moderate issues raised. Along with our comment concerning the number of IA "Limited" Assurance opinions, this is considered an area for improvement and continued monitoring.

Arrangements surrounding stakeholder engagement include the "Consultations in Essex" portal also known as Citizen Space e.g. the budget consultation process discussed under budget setting. In addition, other arrangements include the Communications and Marketing Strategy posted on the website, and a Petitions process. Our review of meeting minutes evidenced "Receipt of petitions" as an Agenda item at Full Council Meetings. Questions from the public are also addressed at both Full Council and Cabinet meetings. These arrangements demonstrate clear engagement of the public as a key stakeholder.

**Against this risk, we have not identified any significant weaknesses.**

***14. How the body ensures that the commission or procurement of services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits***

Article 12 of the Council's Constitution states that all those undertaking procurement activity for or on behalf of the Council are required to act in the best interests of the Council and with high standards of probity. In addition, all contracts being entered into by the Council must comply with the Council's Procurement Rules.

We have seen that IA provide assurance over procurement arrangements with IA Annual Plans featuring procurement related reviews. During 2020/21, IA reviews included Procurement - Request for Quotes Process ("Satisfactory" Assurance opinion issued), a Highways Contract Review (High level assurance piece of work) and Supplier Resilience Review.

A Contract Management Review was also included in the IA Annual Plan 2020/21 but due to services emergency Covid response, was carried forward to 2021/22. We confirmed that this review was performed in 2021/22 where a "Satisfactory" Assurance opinion was issued.





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Also, early in the year the Cabinet approved the establishment of a four-year Provider Framework for Supported Living Care for Adults with Disabilities. The paper presented to the Cabinet noted that at that time the Council had different arrangements for each Supported Living scheme, which had caused issues around consistency of hourly paid rates, quality selection criteria and performance management.

Notable points from the paper, which we consider key to the arrangements included:

- The framework would amongst other things, ensure quality of providers;
- All providers will need a CQC rating of 'Good' or 'Outstanding' at the time of the tender or subsequent re-opening. Providers already on the framework that receive a CQC rating below this level will be obliged to complete an action plan before any further framework placement can be made with them;
- Through the life of the framework the providers will be required to provide key performance indicators that will allow the Council to review their performance against the terms of the contract; and
- Providers on the Framework would have to meet the Council's quality standards and application requirements through KPIs and performance monitoring, thus improving outcomes for Adults.

### Improving economy, efficiency and effectiveness - Overall conclusion

During 2020/21, the Council has been actioning the required improvements in respect of SEND arrangements. Given the timing of our review, we note that a CQC/Ofsted re-visit inspection was performed in May 2022, which determined that sufficient progress had been made in addressing all the notable weaknesses identified.

The Council has demonstrated that it has arrangements in place to ensure that it effectively uses information about its costs and performance to improve the way it manages and delivers its services.

We consider the arrangements around the complaints process and Essex Countywide Traveller Unit (ECTU) as areas of focus for improvement and continued monitoring.





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We have concluded throughout the report that the Council has appropriate arrangements in place and that we have not identified any significant weaknesses in relation to arrangements in any of the 3 criteria, Financial sustainability, Governance and Improving economy, efficiency and effectiveness. As such, we do not have any formal recommendations to raise.

However, we have noted a number of recommendations for improvement of certain arrangements.

Issue	Recommendation	Management response	Responsibility	Due date
<p><i>SELEP: Due diligence procedures</i></p> <p>One of the key elements of the independent technical evaluation or business case appraisal process is consideration of the commercial case. This relates to how the preferred option will result in a viable procurement and well-structured deal, including contractual terms and risk transfer. However, from our review of the documentation received for the sampled business cases, it is not clear what due diligence processes over suppliers have been carried out in the evaluation, including conflicts of interest checks.</p>	<p>The Council, as Accountable Body, should ensure that there is sufficient information on the due diligence checks in the documentation reviewed by the Investment Panel and the Accountability Board, to support the audit trail underpinning the Board's decision making.</p>	<p>Due diligence checks over suppliers used to deliver business cases is the responsibility of the Upper Tier Local Authority that is sponsoring the business case and receiving any respective funding allocations. The Section 151 officer of the Local Authority is required to sign-off any business case that is submitted to ensure accuracy of the information presented and the Accountabilities to assure that funding is applied in line with the agreed business case, including financial due diligence, is transferred within the respective funding agreements in place - this position continues to be monitored by ECC in its Accountable Body role through the requirement for reporting and annual s151 sign-off received from the Section 151 officer from the respective Local Authority.</p>	N/A	N/A

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Issue	Recommendation	Management response	Responsibility	Due date
<p><b>SELEP: Delivery reporting to the Accountability Board</b></p> <p>Our review of the agendas and papers from the Accountability Board meetings shows that thorough updates on the progress of projects are reported. However, we noted that the reports are very detailed and there is a risk that areas of major concern (e.g. significant delays in completing some projects) may be lost in the detail. This may undermine the Accountability Board's ability to focus on and challenge the key issues arising.</p>	<p>The Council should consider alternative report formats, in conjunction with their target audience, that more clearly highlight key/critical issues.</p>	<p>The current update reports to the Board do incorporate a clear risk assessment and progress since the previous meeting.</p> <p>Additionally, high risk projects are reported on separately to ensure that they receive appropriate time and focus at the respective Board meetings.</p> <p>The Board papers are supported at the meetings by a presentation to highlight the key delivery updates and risks; often these presentations to the Board include an update both from the Sponsoring upper tier local authority with responsibility for assuring delivery and by SELEP.</p> <p>All meetings are also supported by a representative of the Section 151 and Monitoring Officer of the Accountable Body who can also highlight any additional areas of concern where required.</p>	N/A	N/A

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Issue	Recommendation	Management response	Responsibility	Due date
<p><i>SELEP: Measurement of project outputs</i></p> <p>We note that the business cases for the sample projects reviewed included projections on the number of jobs expected to be generated from the project.</p> <p>However, the ability to track delivery against these projections was unclear.</p>	<p>Where job creation is a prominent feature of project business cases, the Council (as the Accountable Body) should ensure that the business cases clearly set out the basis for the assumptions made, mechanisms by which jobs will be created and how delivery will be measured.</p>	<p>All recent business cases include a requirement for the completion of a monitoring and evaluation plan and baseline report; where there has been data gaps in some of the much older projects, the Council (as the Accountable Body) has ensured that the SELEP team have worked with partners to establish the baseline reports; monitoring and evaluation reporting is a requirement in the funding agreements for completion in line with the Process set out in the SELEP Assurance Framework - this information is reported to the SELEP Accountability Boards, including where there may be gaps in the reporting to ensure that this is also being monitored.</p> <p>As the SELEP is planning to close, final position statements re monitoring and evaluation are planned to be presented to the February 2024 meeting of the Accountability Board, to support the transition of this requirement to the Upper Tier Local Authority Partners with expected oversight from DLUHC from April 2024.</p>	N/A	N/A

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## **Local Government Act 1972, Section 85**

### **Approval of reason for non-attendance at meetings**

#### **1. Councillor Andrew Wiles**

Section 85 of the Local Government Act 1972 states that a member of a local authority who fails throughout a period of six consecutive months from the date of his or her last attendance to attend any meeting of the authority automatically ceases to be a member of the authority, unless the failure to attend was due to some reason approved by the authority before the expiry of the six-month period.

Councillor Wiles last attended a meeting on 19 October 2023. He has been unwell for several months and is not expected to be well enough to attend meetings before a period of six months has elapsed. At the request of the Conservative Group, the Council's permission is sought to approve the reason for Councillor Wiles's continued absence from meetings.

#### **2. Recommendation:**

That, in accordance with section 85 of the Local Government Act 1972, the Council approve Councillor Andrew Wiles's non-attendance at meetings due to reasons of ill-health.

# The Leader's Report of Cabinet Issues

This report is

- a) to note the list of any decisions that have been taken as urgent key decisions, not on the forward plan or non-key decisions exempt from call-in on the grounds of urgency since the last meeting of Council on 12 December 2023, which is shown at as appendix 1 to the report ; and
- b) to receive the minutes of the Cabinet meetings held on 19 December 2023 and 16 January 2024 attached as appendix 2.

## **Recommendation:**

That the list of urgent decisions taken and the minutes of the Cabinet meetings held on 19 December 2023 and 16 January 2024 be received.

## Urgent Decisions

### Part 1: Key decisions taken with less than 28 days prior notice.

The following decision was taken after giving five clear days' notice to the Chairman of the Corporate Policy and Scrutiny Committee because it was not practicable to give the full 28 days' notice. The notice to the Chairman was also published on the Council's website.

DATE PUBLISHED	CABINET MEMBER	TITLE OF DECISION	REFERENCE NUMBER
-	-	-	-

### Part 2: Decisions Exempt from Call-in

The following decisions were taken which were either not key decisions or where prior notice was given, but the Chairman of the Corporate Policy and Scrutiny Committee agreed that it was in the best interests of the Council for the decision to be implemented urgently and the decision was therefore exempted from call-in.

DATE PUBLISHED	CABINET MEMBER	TITLE OF DECISION	REFERENCE NUMBER
14 December 2023	Leader	Beaulieu Park Station: Works to A12 Slip Road – draw down from Reserves and Indemnity to National Highways	FP/315/12/23

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

### **Present:**

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

Cllrs Carlo Guglielmi, Derrick Louis, Mark Platt and Holly Whitbread were also present. Cllrs Alan Goggin, Ivan Henderson, Mike Mackrory, Chris Pond and Wendy Stamp attended remotely via Zoom.

### **1. Membership, Apologies, Substitutions and Declarations of Interest**

The report of Membership, Apologies and Declarations was received, and the following were noted:

1. Membership of the Cabinet was as set out in the report.
2. Apologies for absence were received from Cllr Kevin Bentley, Leader of the Council and Cllr David King, Deputy Leader of the Liberal Democrat Group.
3. There were no declarations of interest.

### **2. Minutes: 14 November 2023**

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

### **3. Questions from the Public**

None.



**Variation in the Order of Business**

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

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

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

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

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

**Resolved:**

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

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

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

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

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

**Resolved:**

**Agreed:**

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

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

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

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

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

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

**Resolved:**

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

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

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

The report was noted.

**8. Date of next meeting**

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

**9. Urgent business**

None.

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

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**Chairman**  
**16 January 2024**

## **Minutes of a meeting of the Cabinet held in the Council Chamber at County Hall, Chelmsford at 10.15am on Tuesday 16 January 2024**

### **Present:**

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

Cllrs Susan Barker, Graham Butland, Alan Goggin, Carlo Guglielmi, Ivan Henderson, Derrick Louis, Mike Mackrory, Bob Massey, Mark Platt, Andrew Sheldon, Clive Souter and Holly Whitbread were also present. Cllrs David King and Lynette Bowers-Flint attended remotely via Zoom.

### **1. Membership, Apologies, Substitutions and Declarations of Interest**

The report of Membership, Apologies and Declarations was received, and the following were noted:

1. Membership of the Cabinet was as set out in the report.
2. Apologies for absence had been received from Cllr Chris Pond, Leader of the Non-aligned Group
3. There were no declarations of interest.

### **2. Minutes: 19 December 2023**

The Minutes of the previous meeting, held on 19 December 2023, were approved as a correct record and signed by the Chairman.

### **3. Questions from the Public**

None.

#### **4. 2023-24 Financial Overview as at the Third Quarter Stage (FP/037/02/23)**

The Cabinet received a report setting out the current forecast financial position of Essex County Council's (ECC) revenue and capital budgets as at the third quarter stage of the 2023/24 financial year.

The Chancellor of Essex, supported by the Cabinet Members for Adult Social Care and ICS Integration, the Arts, Heritage and Culture and Education Excellence, Lifelong Learning and Employability, responded to questions from Cllr Ivan Henderson. These concerned reasons for staff recruitment challenges in Youth Services and the cumulative impact of delayed implementation of staffing savings on the £32m savings budgeted for that area in 2024/25.

The Cabinet Member for Adult Social Care, Health and ICS Integration undertook to provide a written response to Cllr Henderson on the rate of increase in demand relating to mental health issues in young people and the likely reasons for this.

#### **Resolved:**

1. To draw down funds from reserves as follows:
  - i. £1.6m from the Adults Investment Reserve to the Health, Adult Social Care and ICS Integration portfolio relating to Health and Social Care Reform (£732,000 and various project expenditure, details of which can be found in section 5 (section 5.5.vi))
  - ii. £960,000 from the Transformation Reserve to the Health, Adult Social Care and ICS Integration Portfolio relating to the Health and Social Care Reform Cabinet Member Action FP/421/05/22, previously approved, but now time lapsed (session 5.5.vi)
  - iii. £946,000 from the Reserve for Future Capital Funding to the Health, Adult Social Care and ICS Integration portfolio relating to Independent Living Older People Housing Schemes capital costs transferring to revenue (section 5.1.vi)
  - iv. £500,000 from the Covid Equalisation Reserve to the Children's Services and Early Years portfolio in relation to the increased complexity and additional demand of mental health issues relating to young people (section 5.1.iii)
  - v. £161,000 from the Ambition Fund Reserve to the Levelling Up, Communities and Business Engagement RSSS portfolio relating to the Just About Managing project to cover the costs associated with the Working Families Initiative, previously approved in FP/011/03/21, but now time lapsed (section 5.14.iii)

- vi. £117,000 from the Community Initiatives Reserve to the Levelling Up, Communities and Business Engagement RSSS portfolio to fund payments to community groups that have been awarded small grants (section 5.14.iii)
- vii. £77,000 from the Waste Reserve to the Climate Czar, Environment, Waste Reduction and Recycling portfolio towards the Mechanical and Biological Treatment Facility (MBT) legal costs (section 5.2.iii)
- viii. £58,000 from the Capital Receipts Pump Priming Reserve to the Chancellor of Essex RSSS portfolio to fund costs on vacant properties pending transformation/sale (section 5.16.ii)
- ix. £24,000 from the Transformation Reserve to the Planning a Growing Economy portfolio relating to the Cabinet Member Action FP/687/04/20 Supporting Community Infrastructure Levy Uptake across Essex, previously approved, but now time elapsed (section 5.9.iii)
- x. £17,000 from the Technology and Digitisation Reserve to the Chancellor of Essex RSSS portfolio relating to My Oracle Support (section 5.16.ii)

2. To appropriate funds to reserves as follows:

- i. £1.5m to the Technology and Digitisation Reserve from the Chancellor of Essex RSSS portfolio to appropriate funds, for use in 2024/25, to deliver the Network and Voice Programme (£1m) and to offset pressures in 2024/25 within the Technology service (£550,000) (section 5.16.ii):
- ii. £444,000 to the Commercial Investment in Essex Places Reserve from the Planning a Growing Economy portfolio relating to an under spend within the Essex Renewal Fund (decision FP/245/12/21), due to delays, for use in 2024/25 (section 5.9.iii)
- iii. £370,000 to the Waste Reserve from the Climate Czar, Environment, Waste Reduction and Recycling portfolio to appropriate unused funds to the reserve for future use (section 5.2.iii)
- iv. £319,000 to the Everyone's Essex Reserve from the Planning a Growing Economy portfolio, returning funding for use in 2024/25, relating to FP/426/06/22 Delivering Digital Essex, due to delays in the project (£239,000) and FP/247/12/21 Environment and Climate Action Programme funding not required this year (£80,000) (section 5.9.iii)
- v. £26,000 to the Reserve for Future Capital Funding from the Climate Czar, Environment, Waste Reduction and Recycling portfolio to fund capital expenditure incurred in the purchase of a cherry picker (section 5.2.iii)

3. To approve the following adjustments:

- i. Reprofile and repurpose part of the allocations within the Carry Forward Reserve relating to the Corporate, Chief Executive's Office and People and Transformation functions, following a review of the reserve, as follows:
  - £450,000 to the Chancellor of Essex RSSS portfolio, for use in 2024/25, supporting delivery of Whole Council Transformation (WCT)
  - £436,000 to the Chancellor of Essex RSSS portfolio, for use in 2024/25, for P2P resource for income collection to reduce outstanding debts – 8x full time equivalents (FTE) (repurpose)
  - £205,000 to the Levelling up, Communities and Business Engagement RSSS portfolio, for use in 2024/25, to support priorities in the delivery of performance and business intelligence (reprofiling)
  - £153,000 to the Levelling Up, Communities and Business Engagement RSSS portfolio, for use in 2024/25, relating to fixed term contracts within Partnership and Equality (reprofiling)
  - £150,000 to the Levelling Up, Communities and Business Engagement RSSS portfolio, for use in 2024/25, relating to training resources and 2 fixed term Data Analysts (reprofiling)
  - £100,000 to the Chancellor of Essex RSSS portfolio, for use in 2024/25, for Decision-Making training for Officers within Legal (repurpose)
  - £100,000 to the Chancellor of Essex RSSS portfolio, for use in 2024/25, to support energy savings in Finance (repurpose)
  - £100,000 to the Chancellor of Essex RSSS portfolio, for use in 2024/25, to support efficiency savings in Technology Services (repurpose)
- ii. Adjust the original approved profile of spend of the following decisions taken by the Cabinet Member in order to reflect the current anticipated spend:
  - FP/406/05/22 Procurement of Social Care Case Management Platform, to reprofile £5.2m into 2024/25 and £3.6m into 2025/26.
  - FP/474/07/22 Voice and Data Network Services, to reprofile £1.9m into 2024/25 and £953,000 into 2025/26.



- FP/421/05/22 Health and Care Act 2022 – Adult Social Care Reforms to reprofile £2.8m into 2024/25

iii. Amend the capital budget as shown in Appendices C (i) and C (ii) which allows for capital slippage of £33.5m from 2023/24 plus £22.8m from 2024/25 across 2025/26 (£14.5m), 2026/27 (£21.4m), 2027/28 (£5m) and 2028/29 (£15.4m). A reduction to the capital programme of £4.7m and an addition to the capital programme of £4m. Furthermore, move advanced works totalling £23.3m (£14.6m into 2023/24, £3.9m into 2025/26 and £4.8m into 2026/27), with £13.7m from 2024/25 and £9.6m from 2027/28 (see section 7.2).

**5a Everyone's Essex Annual Plan and Budget 2024-25 – Part 1: S151 Officer's Report (FP/038/02/23)**

(This item was considered in conjunction with the report recorded at minute 5b below.)

The Cabinet received a report setting out the Section 151 (S151) Officer's statement on the adequacy of reserves, robustness of the 2024/25 revenue budget, the medium-term financial outlook, Financial Strategy, and the Capital and Treasury Management Strategy.

The Cabinet was asked to consider and note the report before making recommendations to Full Council on the revenue budget and capital programme, included within the Annual Plan (Minute 5b below refers).

**Resolved:**

To note the report.

**5b Everyone's Essex Annual Plan and Budget 2024-25 – Part 2: Budget and Plan (FP/038/02/23)**

(This item was considered in conjunction with the report recorded at minute 5a above.)

Cabinet was requested to recommend to the Council that it adopt the Everyone's Essex Annual Plan and Budget 2024/25 including the revenue budget, capital programme, financial strategy, capital strategy and treasury management strategy. In so doing, the Cabinet was asked to consider the report of the Section 151 (S151) Officer on the robustness of the 2024/25 Budget and adequacy of reserves, included elsewhere on the agenda (Minute 5a above refers).

In receiving the report, Councillors thanked officers for their work in preparing the budget and providing briefings to members.

The Chancellor of Essex, supported by the Leader of the Council and other Cabinet Members, responded to questions from Cllrs David King, Ivan Henderson and Mike Mackrory:

- Although the mid-term projection showed an increasing budget gap, this was based on the current position with no account of potential future changes. The Council's long-standing strategy of addressing all budget gaps would continue.
- The Chancellor of Essex was confident that reserves were being set at an appropriate level.
- There would be a continued focus on conducting highways repairs as well and as quickly as possible, taking the views of residents into account concerning priorities. The Cabinet Member for Highways, Infrastructure and Sustainable Transport stated that additional funding for maintenance had been included in the Capital Programme. Monies were reclaimed from contractors in the case of failed repairs.
- A new recruitment strategy, together with the introduction of a more attractive reward package, was resulting in the appointment of additional foster carers, making it easier to gain an idea of future numbers.
- References to a saving of £100k in School Crossing Patrols reflected a realistic assessment of vacancy numbers, arising from ongoing recruitment challenges, rather than a reduction in the number of posts.
- The £100k income generation target for Children's Services and Early Years would be achieved through charging for commercial activity.
- A planned redesign of the library staffing structure would involve a rationalisation of the existing, complex arrangements.

**Resolved:**

**Everyone's Essex Annual Plan and Revenue Budget**

**Agreed to recommend to Full Council:**

1. That the Everyone's Essex Annual Plan and budget be approved in the form appended to report FP/038/02/23 (Appendix A).
2. That the net cost of services to be set at **£1,147.9 million (m)** for 2024-25 – Appendix A (page 28).
3. That the net revenue budget requirement be set at **£1,072.8m** (net cost of services less general government grants) for 2024/25 - Appendix A (page 32).

4. That the total council tax funding requirement be **£848.3m** for 2024/25 – Appendix A (page 32).
5. That Essex County Council's element of the council tax be increased by 4.99% comprising a 2.99% increase in general council tax and 2.0% adult social care precept. This would result in the Essex County Council element of the council tax being **£1,522.53** for a Band D property in 2024/25. A list of bands is as follows:

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

6. That the proposed total schools budget be set at **£720.6m** for 2024/25 which will be funded by the Dedicated Schools Grant, Pupil Premium Grant, Universal Free School Meals Grant, Teachers Pay and Pension Grants, PE and Sports Premium Grant, Sixth Form Grant, COVID-19 Recovery Premium Grant, Pupil Premium Plus Post 16 Grant, YPLA Funding Grant, NPQ Targeted Support Grant and Senior Mental Health Lead Training Grant. The majority of this will be passed through to maintained schools.
7. That the underlying balance on the General Balance be set at **£68.1m** as at 1 April 2024 (Appendix A, Annex 1, page 60).
8. That the capital payments guideline be set at **£320.1m** for 2024/25 and that the Executive Director for Corporate Services, in consultation with the Cabinet Member for Finance, be authorised to make, subject to compliance with financial regulations, adjustments to the phasing of payments between years (should they consider that to be appropriate) as the capital programme is finalised, and to report any impact on the Prudential Indicators at the subsequent quarterly review to Cabinet in July 2024. Any requests to change the prudential borrowing indicators would be brought back before Full Council.

**Agreed:**

9. That the Cabinet Member with responsibility for Finance, in consultation with the Executive Director for Corporate Services, may adjust the recommendations to Full Council upon receipt of:
  - (a) the final tax base and forecast business rates receipts for 2024/25 from the billing authorities (due by 31 January 2024)
  - (b) the final Local Government Finance Settlement from Government (expected early February 2024)
10. That the report by the Executive Director for Corporate Services (S151 Officer) on the robustness of the estimates, reserves and capital strategy be considered and noted (see the separate item on this agenda – minute 5a above refers).

**Agreed to make the following recommendations to Full Council in relation to the Capital Strategy:**

11. That the 2024/25 to 2027/28 Prudential Indicators and limits, together with updated limits for 2023/24 as set out in Annexes 3A and 3B of the Capital Strategy (Appendix A, pages 95-99) be approved. This includes an authorised limit for external debt of **£1,373m** for the 2024/25 financial year, which defines the maximum amount of external borrowing by the Council, and represents the statutory limit determined under section 3(1) of the Local Government Act 2003.
12. That the Treasury Management Strategy for 2024/25 be approved, comprising:
  - a. Borrowing strategy, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 77)
  - b. Treasury management investments strategy, as set out in Annex 3 and Annex 3D of the Capital Strategy (Appendix A, Annex 3, page 87)
  - c. Indicative strategy for commercial investment activities, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 90)
13. That the policy for making a prudent level of revenue provision for the repayment of debt, (the Minimum Revenue Provision policy) as set out in Annex 3C of the Capital Strategy (Appendix A, Annex 3, page 100), be approved.
14. That the revised Treasury Management Policy Statement (Appendix A, Annex 3, page 106) and Treasury Management Practices (Appendix A, Annex 3, page 107), which set out the policies, objectives, and approach to treasury management, are adopted.

**Agreed to make the following recommendation to Full Council in relation to the Pay Policy Statement:**

15. Recommend that the Council adopts the Pay Policy Statement for 2023/24 as set out in Appendix C to report FP/038/02/23).

**Agreed to note:**

16. The medium term (2025/26 to 2027/28) revenue issues facing the Council as set out in the report (Appendix A, page 21); at present there is not a balanced budget from 2025/26 and further action will be necessary to identify plans and savings to ensure financial sustainability. The position is based on the best intelligence available today in respect of future funding, price rises and demand. However, in the absence of a government funding settlement beyond 2024/25 and the inherent uncertainty in the macro-economy, where we continue to see high inflation and high interest rates, the financial outlook is volatile.
17. That the recommendations in this report present a balanced budget for 2024/25. The Council's plans for 2025/26 to 2027/28 are not sufficiently firm as to allow for a balanced budget to be set. Further opportunities for improving income and funding, plus greater efficiencies, will need to be secured in the medium term which will be achieved by a focus on prioritisation and outcomes-based commissioning and transformation.
18. That the council tax charge calculation is based on a Band D equivalent tax base of **557,153** properties (see Appendix A, page 32).
19. That the Capital Strategy, which is presented as Annex 3 in Appendix A, sets out the long-term context in which capital expenditure and treasury management investment decisions are made by the Council and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. It comprises a number of distinct, but inter-related, elements as follows:
- **Capital expenditure** – this provides an overview of the governance process for approval and monitoring of capital expenditure, including the Council's policies on capitalisation, and an overview of its capital expenditure and financing plans.
  - **Capital financing** requirement and borrowing – this provides a projection of the Council's capital financing requirement, how this will be funded and repaid, sets out the Council's borrowing strategy and explains how the Council will discharge its duty to make prudent revenue provision for the repayment of debt.
  - **Treasury management investments** – this explains the Council's approach to treasury management investment activities, including the

criteria for determining how and where funds will be invested to ensure that the principal sums are safeguarded from loss and that sufficient liquidity is maintained to ensure that funds are available when needed.

- **Other investments** – this provides an overview of the Council's intended approach to investment activities, including processes, due diligence and defines the Council's risk appetite in respect of these, including proportionality in respect of overall resources.

## **6. Chelmsford North East Bypass Section 1a – Procurement of a Design and Build Contract (FP/284/11/23)**

Cabinet's approval was sought to procure a contractor to construct Section 1A of the Chelmsford North East Bypass through a Design and Build Contract.

The Leader of the Council responded to questions by Cllr Mike Mackrory:

- A written reply would be provided concerning the potential need for compulsory purchase of land.
- The current position on the draw down of funding from Chelmsford City Council in relation to the Conveyor Bridge would be investigated with a view to speeding up the process if possible.
- Discussions with Homes England were ongoing regarding the possibility of programme slippage impacting on the Council's ability to meet the funding deadline.
- The Leader was comfortable with the current level of risk associated with the project and would inform Members were this to change.

### **Resolved:**

1. Agreed to launch a competitive procurement for the Chelmsford North East Bypass main works design and build contract using a mini-competition on the Major Works Category of the Framework created by the Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust.
2. Agreed that the tender evaluation criteria to be used in the procurement will a 60/40 price/quality split with 5% of the quality score assessing social value and 5% assessing climate impact to the extent that they are consistent with the most economically advantageous tender.
3. Agreed that the Cabinet Member for Highways, Infrastructure and Sustainable Transport is authorised to award a design and build contract following completion of the procurement process and subject to the budgetary parameters set out within paragraphs 6.1.3 and 6.1.4 of report FP/284/11/23.

4. Agreed the revised capital spend and funding profile as set out in section 6.1.3 of report FP/284/11/23.

**7. Enabling Older People, adults with disabilities and those with dementia to access meaningful day-time opportunities (FP/300/11/23)**

The Cabinet's approval was sought to extend three adult social care transport contracts and to procure six new contracts, to provide transport services for eligible Adult Social Care clients to and from day centres.

Responding to questions by Cllr Mike Mackrory, the Cabinet Member for Adult Social Care, Health and ICS Integration noted a typographical error in paragraph 3.17 of the report and advised that, were the cost of the procurement to be higher than expected, additional funds would be identified from within the Adult Social Care budget. Additionally, a 0% allowance for inflation referenced in paragraph 6.1.5 reflected that it was not possible to predict rates with any accuracy during the current financial climate.

**Resolved:**

1. Agreed
  - a. To exercise the contractual right to extend the three adult social care transport contracts listed in paragraph 3.10 of report FP/300/11/23 for 24 months from 1 August 2024, to provide transport services for eligible Adult Social Care clients, at the existing costs, subject to agreement of the contractor if necessary.
  - b. That if any of these contracts cannot be extended, then those services will be re-tendered in the same manner as set out in Resolution 2 below.
2. Agreed to procure six new adult social care transport contracts for a period of three years from 1 August 2024, with an option to extend for a further two years, to provide transport services for eligible Adult Social Care clients. The services will be procured on a 90% price, 10% quality split via the Council's Dynamic Purchasing System (DPS) following a sealed bid process.
3. Noted that the total value of the decisions set out in Resolutions 1 and 2, above over the lifetime of the contract or extension, is £5.7m over the respective terms recommended in those Resolutions, based on forecast spend at current activity levels and routes.
4. Agreed that the Executive Director for Adult Social Care may award the contracts following completion of the competitive procurement process, provided the cost of the contracts can be accommodated within the Adult Social Care budget.

**8. Decisions taken by or in consultation with Cabinet Members  
(FP/306/12/23)**

The report was noted.

**9. Date of next meeting**

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

**10. Urgent business**

None.

There being no further business, the meeting closed at 11.23am.

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**Chairman  
27 February 2024**