

CABINET

10:00	Tuesday, 20 June 2017	Committee Room 1, County Hall, Chelmsford, CM1 1QH
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Quorum: 3

Membership

Councillor David Finch
Councillor Kevin Bentley

Councillor Susan Barker
Councillor Ray Gooding
Councillor Ian Grundy
Councillor Sue Lissimore
Councillor Dick Madden
Councillor Louise McKinlay
Councillor John Spence
Councillor Simon Walsh

Cabinet Member responsibility

Leader of the Council (Chairman)
Deputy Leader and Economic Growth, Skills,
Infrastructure and the Digital Economy
(Vice-Chairman)
Culture, Communities and Customer
Education
Highways
Housing, Property and Planning
Children and Families
Resources
Health and Adult Social Care
Environment and Waste

**For information about the meeting please ask for:
Judith Dignum (Secretary to the Cabinet)
03330134579 / Judith.dignum@essex.gov.uk**



Essex County Council

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Part 1

(During consideration of these items the meeting is likely to be open to the press and public)

		Pages
1	Apologies for Absence	
2	Minutes: 23 May 2017	7 - 8
3	Declarations of Interest To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct	
4	Questions from the Public A period of up to 15 minutes will be allowed for members of the public to ask questions or make representations on any item on the agenda for this meeting. On arrival, and before the start of the meeting, please register with the Committee Officer.	
5	Essex Organisation Strategy (FP/806/04/17)	9 - 36
6	2016-17 Provisional Outturn Report (FP/742/02/17)	37 - 80
7	Supported Living Scheme in Braintree (FP/836/05/17) The Equalities Impact Assessment is available online .	81 - 90

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|-----------|--|------------------|
| 8 | <p>Waste Local Plan</p> <p>The following six appendices are important and must be considered in conjunction with the report. For reasons of economy, they have been published online only.</p> <p>Appendix 1: Inspector's Report on the Waste Local Plan</p> <p>Appendix 2: Modifications Consultation - Schedule of All Representations</p> <p>Appendix 3: Modifications Consultation - Comments of the Waste Planning Authorities</p> <p>Appendix 4: Waste Local Plan Schedule of Modifications (as approved by Cabinet in December 2016 and subject to public consultation in Jan-Feb 2017)</p> <p>Appendix 5: Equality Impact Assessment</p> <p>Appendix 6: Further Minor Modifications</p> | 91 - 98 |
| 9 | <p>Review of Falls Service (FP779/03/17)</p> <p>The Equality Impact Assessment is available online.</p> | 99 - 106 |
| 10 | <p>Cabinet Decisions Report (FP/826/05/17)</p> | 107 - 108 |
| 11 | <p>Date of Next Meeting</p> <p>To note that the next meeting of the Cabinet will take place on Tuesday 18 July 2017 at 10:00am.</p> | |
| 12 | <p>Urgent Business</p> <p>To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.</p> | |

Exempt Items

(During consideration of these items the meeting is not likely to be open to the press and public)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

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Urgent Exempt Business

To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.

Minutes of the meeting of the Cabinet, held in Committee Room 1 County Hall, Chelmsford, CM1 1QH on Tuesday, 23 May 2017

Present:

Name	Cabinet Member Responsibility
Councillor David Finch	Leader of the Council (Chairman)
Councillor Kevin Bentley	Deputy Leader and Economic Growth, Skills, Infrastructure and the Digital Economy (Vice-Chairman)
Councillor Susan Barker	Culture, Communities and Culture
Councillor Ray Gooding	Education
Councillor Ian Grundy	Highways
Councillor Sue Lissimore	Housing, Property and Planning
Councillor Dick Madden	Children and Families
Councillor John Spence	Health and Adult Social Care

Councillors J Aldridge (Chairman of Essex County Council), T Ball, J Beavis, I Henderson, S Hillier, M Mackrory, Dr R Moore and C Pond also attended.

1 **Manchester Arena Attack**

The meeting commenced with one minute's silence in memory of the victims of the terror attack on Manchester Arena the previous evening. The Leader, on behalf of the Council, expressed condolences to the relatives of those killed in the attack, and sympathy to those who had been injured.

2 **Apologies for Absence**

Apologies for absence were received from Councillors Louise McKinlay (Cabinet Member for Resources) and Simon Walsh (Cabinet Member for Environment and Waste).

3 **Minutes**

The minutes of the meeting of the Cabinet held on 21 March 2017 were agreed as a correct record and signed by the Chairman.

4 **Declarations of Interest**

The Chairman reminded Members to declare any interests now or at the point during the meeting at which they arose.

5 **Questions from the Public**

None.

6 Installation of LED Street Lighting Phase 3 (FP/811/04/17)

The Cabinet considered a proposal to convert 23,284 High Wattage part night street lights to LED technology.

The following information was provided in response to questions by Councillors Henderson, Mackrory and Pond (on behalf of Councillor James Abbott):

- The Cabinet Member for Highways was confident that the proposal by Ringway Jacobs represented good value for money.
- Once Phase 3 of the project had been completed, a high proportion of street lights in the County would have been converted to LED. Although in general it would be desirable to convert all the remaining street lights in due course, the level of financial savings was linked to the level of usage of the individual lights. Taking this into account, a review would be undertaken to identify which, if any, of the remaining lights would benefit from conversion.
- It was noted that any redundant lighting columns should be removed before conversion.
- The Cabinet Member for Highways undertook to provide a response to Councillor Pond outside the meeting clarifying whether consideration had been given to using a warmer tone of LED light, and whether it was possible for lights close to residential properties to be dimmed as the night progressed.
- The Leader of the Council confirmed that he was satisfied that previous decisions taken by the Cabinet in respect of part night lighting had represented the most appropriate course of action at the time. A move to LED lighting was now beneficial in view of improvements to the available technology.

Resolved:

1. That up to £9.1m as a new entry to the published Capital Programme for the third phase of LED streetlight implementation can be spent on the installation of LED lighting units on the basis of the savings projections contained in report FP/811/17.
2. That the work be commissioned directly from Ringway Jacobs Limited in accordance with the long term highways partnership agreement.
3. That authority be delegated to the Director, Highways and Transportation to agree the technical specification and to issue an order to Ringway Jacobs to complete installation.

Chairman

Report title: Essex Organisation Strategy	
Report to: Cabinet	
Report author: Gavin Jones, Chief Executive	
Date: 20 June 2017	For: Decision
Enquiries to: Gavin Jones, Chief Executive	
County Divisions affected: All Essex	

1. Purpose of Report

- 1.1. To ask the Cabinet to recommend that the Council adopts the Essex Organisation Strategy and to articulate its development process.

2. Recommendations

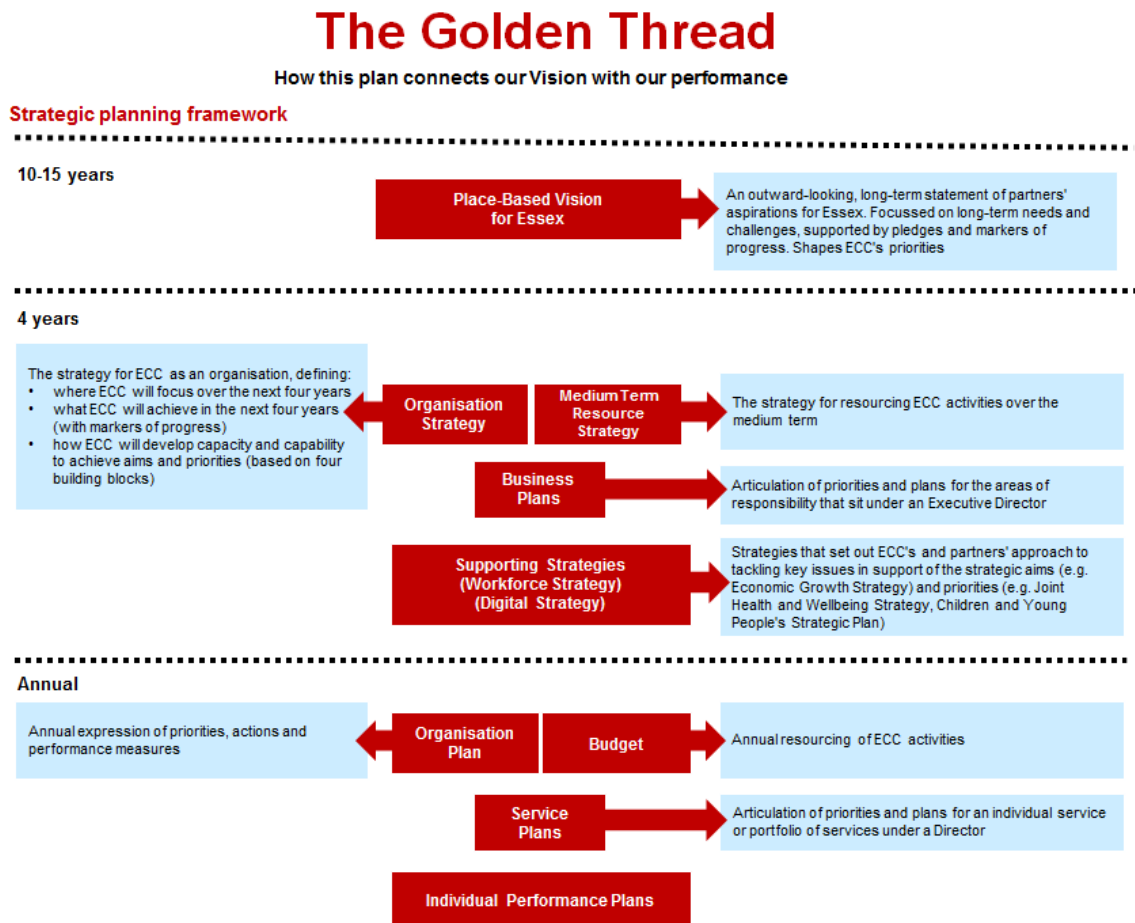
- 2.1. That the Organisation Strategy be recommended for adoption by Council in the form at Appendix 1.

3. Background and proposal

- 3.1.1. In the Chief Executive's 100 day report, it was identified that there was a need for a long-term strategy that would help the organisation to focus on and prioritise the things that matter most to our residents and communities. It was recognised that a clear set of priorities enables an organisation like the Council to plan ahead.
- 3.1.2. The types of challenges that both our residents and our organisation now face will not be solved in the short term: planning for an ageing population, moving towards a focus on early intervention and prevention, and building new homes and communities, require plans that extend beyond annual planning and budgetary cycles. The report committed to the development of a four year Organisation Strategy which would set out how the organisation would work and what it would seek to achieve over the next four years.
- 3.1.3. The Strategy was developed in parallel to discussions with partners on the development of a Vision for the county of Essex. That Vision is still in development but every effort has been made to shape the Organisation Strategy in the light of the emerging Vision for Essex. This is so that the organisation's priorities are firmly embedded in an appreciation of our long-term aspirations for the county.
- 3.1.4. The Organisation Strategy will underpin business and corporate planning and will provide a clearer strategic narrative for the whole organisation to follow and a 'golden thread' that connects our strategic priorities to the emerging

long-term Vision for Essex 2035 as well as to business and individual employee performance plans (see Figure 1).

Figure 1. The Strategic Planning Framework



3.2. Developing the Strategy

3.2.1. The Organisation Strategy is designed to:

- Define the organisation's priorities and areas of focus to inform allocation of its resources; and
- Define clear objectives and the actions needed to achieve them.

3.2.2. A wide range of people from across the organisation have played an active role in the development of the Strategy.

3.2.3. Early engagement work was focused on establishing the principles that would shape the Strategy and ensuring employees were fully engaged in its development from the outset to create a sense of ownership across the organisation.

- 3.2.4. The need for culture change, the importance of digital, innovation and collaborative working across the organisation were all identified at this stage as key to transforming the Council, improving outcomes for residents and managing significant budget pressures.
- 3.2.5. A series of workshops were held at the end of last year that were attended by around 300 employees to consider what issues and challenges residents of Essex were facing and what should be done to address them. These sessions were supported with insight and analysis on six themes that included both social, environmental and financial issues and data.
- 3.2.6. The outputs of these workshops were used to inform the drafting of the Strategy. Key Officers and Councillors have been given regular updates for input and review.
- 3.2.7. In addition to this, all Members were invited to attend a Scrutiny Committee meeting to engage in the development of the strategy and to review the final draft ahead of the Cabinet Meeting.

3.3. The Essex Organisation Strategy: Content and Structure

- 3.3.1. The Organisation Strategy clarifies our objectives. It sets out what we should achieve and how we should achieve it over the next four years. It connects the emerging 20 year Essex-wide vision, through our four strategic aims for ECC, to guide functional leadership teams' four year business plans. Activity in the business plans will be brought together each year in the Organisation Plan in order to create a policy context for the budgeting process.
- 3.3.2. The main audience for the document is ECC councillors and employees, although it will also be published more widely.
- 3.3.3. The four strategic aims are:
- Enable inclusive economic growth
 - Help people to get the best start and age well
 - Help to create great places to grow up, live and work
 - Transform the Council to achieve more with less
- 3.3.4. Under the four main aims sit 12 strategic priorities; down from the 40 in the previous commissioning strategies. Figure 2 provides more detail on these priorities.

Figure 2 – The Organisation Strategy on a page



3.3.5. The Strategy supports our business needs and new organisation design principles. In addition to supporting prioritisation, the Strategy helps ECC save money. About half the activities that make up the Strategy are directly tied to either reducing expenditure or increasing income.

3.3.6. It also promotes collaboration – there is a strong focus on working better with partner organisations, and the Strategy is also framed to support our ambition to join up our activity across ECC.

3.3.7. It also recognises that the role of the County Council is changing and that we need to put a greater emphasis on digital transformation to build new relationships with our communities and to help them, where appropriate, to help themselves.

4. Next steps, success measures and business planning

4.1.1. Measurable ambitions for the strategic aims and priorities in the Strategy will be developed over the summer, in parallel to the development of the Medium Term Resources Strategy and budget, and included as part of the scheduled

review and refresh of the Strategy that forms part of the overall business planning process. A schedule for this is included in appendix two.

- 4.1.2. Cabinet is asked to recommend that the full Council adopts the Strategy at its meeting on 11 July 2017 in line with the approval process in the Council's Constitution.

5. Issues for consideration

None

5.1 Financial implications

The Organisation Strategy provides the framework for setting the budget. Delivery of the Strategy will therefore be set out clearly each year within the budget presented to Council in February and within the constraints of the resources available.

5.2 Legal implications

The adoption of the Strategy by full Council means that neither Cabinet nor Cabinet Members – nor officers acting on their behalf – are able to take a decision which is contrary to the Strategy – any proposed decision contrary to the Strategy would take effect as a recommendation, leaving full Council to make the decision.

6.0 Equality and Diversity implications

- 6.1 The Public Sector Equality Duty applies to the Council when it makes decisions.

The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

- 6.3 Although the equality impact assessment indicates that the vast majority of impact is likely to be positive, it is too early to assess the overall impact of proposals in this report as individual equality impact assessments will need to be undertaken as project proposals to deliver the strategic aims set out within the Strategy begin to develop.

6.4 The overall aim of the Strategy is to improve outcomes for the residents of Essex. The intention of the Strategy is to develop the resilience of communities, improve health outcomes, give residents the best start in life and foster inclusive economic growth across Essex - growth that will benefit everybody. Whilst it is intended that all Essex residents will benefit from the general principles of the Strategy, individual equality impact assessments will be needed on significant decisions under the Strategy to determine whether any adverse impact on protected characteristics exists and, if so, whether it will need to be mitigated against.

6. List of appendices

1. Draft Essex Organisation Strategy
2. Strategic Planning Cycle
3. Equality Impact Assessment

7. List of Background papers

- 100 days report
- Horizon scanning trend analysis
- Medium Term Resources Strategy

Appendix One – Draft Essex Organisation Strategy

Essex Organisation Strategy

2017-21

Foreword

This document sets out Essex County Council's Organisation Strategy for the four year period 2017-21.

Essex is a great county, from metropolitan towns inside the M25 to coastal villages looking out to Suffolk. We have vibrant urban centres, international ports and airports, universities and world class firms, alongside beautiful rural countryside and the longest coastline in England.

At Essex County Council we are passionate about better lives for people in Essex. We believe prosperity is the best route to achieve that - so people can help each other, and themselves. We are also ready to step in - to protect vulnerable children, to help care for older people, and to support our economy to flourish.

As a public body it is important that we spend taxpayers' money wisely, on the issues that matter to our residents. To offset reductions in government funding, we must constantly manage demand, reshape and reimagine services and look for opportunities to generate income. It is also important that we work tirelessly to secure investment into the county that can help make Essex an even better place to live and work.

Our role is changing. The digital revolution opens up new opportunities for how services are delivered and how residents access information and choices. Increasingly our job is to create opportunities for people and communities to choose and act themselves, rather than to simply deliver services over which the public has no say.

This Organisation Strategy sets out our areas of focus over the next four years. It articulates how we will achieve better outcomes for Essex and secure the ambitions set out in the Vision for Essex.

To do that, we will need to change the way we work as an organisation. Our ambition, at the end of this period is for Essex to be the best local authority in the country – because that is what the people of Essex deserve.



Cllr David Finch, Leader



Gavin Jones, Chief Executive

Essex Organisation Strategy

Our Strategic Aims

Enable inclusive economic growth

Help people get the best start and age well

Help create great places to grow up, live and work

Transform the council to achieve more with less

Our Strategic Priorities

1. Help people in Essex to prosper by increasing their skills
2. Enable Essex to attract and grow large firms in high growth industries
3. Target economic development to areas of opportunity

1. Help keep vulnerable children safer and enable to them fulfill their potential
2. Enable more vulnerable adults to live independent of social care
3. Improve the health of people in Essex

1. Help to secure stronger, safer and more neighbourly communities
2. Help secure sustainable development and protect the environment
3. Facilitate growing communities and new homes

1. Limit cost and drive growth in revenue
2. Develop our people's capability, performance and engagement
3. Re-imagine how residents' needs can be met in a digital world

Our Organisational Building Blocks

Our people are our most important asset. We will be demanding a lot from our employees over the next few years as we shift the culture and have the best employees in local government.

Our transformation will be underpinned by securing the benefits of **digital approaches** to service & outcome improvements. We will use digital to rethink current provision and fundamentally re-imagine what we do and how we do it.

Commissioning is a key capability for the organisation. Our redesign process has focused on ensuring that commissioning as a capability is built in to our DNA.

ECC is embedded in one of the most complex public policy systems in the country. We have a large number of **partners** who are critical to our ability to secure key outcomes.

Strategic Aim - Enable Inclusive Economic Growth

Faster economic growth will improve not only the living standards of people in Essex but also their health and wellbeing, opportunities and life chances. Securing economic prosperity is the best means of helping people help themselves; and an inclusive economy is one where the benefits of growth are shared by all. In 2015 Essex contributed over £31bn to the national economy, and has international gateways in Stansted and Southend Airports and Harwich Port as well as major economic engines in Chelmsford City, Harlow, Basildon, and Colchester. We host some of the world's best companies, creating world-leading technologies including Raytheon, E2V and Arrow as well as being the best place in the UK to start a new business with an average of 235 start-ups for each £1bn of GVA (gross value added) – a rate that is higher than London's.

We also have a strong SME market and Essex is well-known as one of the most entrepreneurial counties in the UK. However, we must strive to grow our economy in order to meet the aspirations and aims of the future. We have had a growth rate of 0.9% a year over the last decade and while growth is good this currently sits below the UK average. The gap between our wealthiest and most deprived places is too wide, with economic inactivity remaining particularly high in Tendring (26.5%) and Maldon (25.1%) compared to Essex as a whole (19.8%). Ninety-four per cent of schools in Essex have an Ofsted rating of 'good' or 'outstanding' and progress has been made in raising qualification levels, but only 29% of residents have at least a level 4 qualification compared to 37% for the rest of the UK. We are working with our education colleagues to ensure this level is increased and opportunities in growth sectors are offered, particularly in the digital economy, STEM and Care. Longer term the lack of appropriate skills for a digitally driven economy will only widen this gap. Already we are seeing how the internet is changing industries; delivering a new type of competition, which provides both opportunities and challenges to the jobs market. Over the next 20 years it is estimated that artificial intelligence will take 35% of existing jobs leading to a longer term impact on the job market.

There is enormous untapped opportunity in the economy of Essex and an entrepreneurial spirit that is hard-wired in to our DNA – which is why we can be confident in asserting an overarching ambition not only to accelerate the pace of growth in the economy compared to similar areas but also to ensure that the growth we do achieve benefits local people and places.

Strategic Priorities

We have set three Strategic Priorities for this strategic aim: increasing skills levels; attracting large firms in high growth industries; and targeting economic growth to areas of opportunity.

1. Helping people in Essex to prosper by increasing their skills

While the number of well qualified people in Essex has increased, the workforce is less well qualified than the UK as a whole, and there is a mismatch between the courses offered to learners after the age of 16, and the skills our employers need, especially in the growing technology sector.

2. Enabling Essex to attract and grow large firms in high growth industries

We need to attract larger firms based here, given the size of our economy, and not enough firms in the sectors that are growing fastest nationally. Many of our roads are congested at rush hour and commuters to London travel on crowded trains, making some people in Essex wary of further development.

3. Targeting economic development to areas of opportunity

Essex has significant untapped economic potential compared to the rest of the South East. We need to focus our economic activity on those areas with significant development opportunities whilst at the same time making sure that we secure the benefits of economic growth for local people.

Strategic Aim - Enable Inclusive Economic Growth

Priority One	To do this we will:
Help people in Essex prosper by increasing their skills	1. Offer children good economic prospects, by providing an outstanding education in Essex, in particular for disadvantaged children and in lower performing places
	2. Improve the skills of young people and adults in occupations Essex firms require, by ensuring skills providers reflect local employers' needs now and in the future
	3. Raise the aspirations of young people for careers in growth sectors by ensuring better career information, advice and guidance is available to them
Priority Two	To do this we will:
Enable Essex to attract and grow large firms in high growth industries	1. Attract new large firms, and improve Essex's reputation beyond the county by providing an outstanding investment offer
	2. Enable Essex firms in high-growth sectors to consolidate and expand, by providing advice and increasing business space
	3. Support trade, by better connecting key economic centres, especially along major transport corridors, and helping people to travel by public transport, bike and on foot
	4. Increase the number of businesses with access to good broadband by rolling out the broad band programme
Priority Three	To do this we will:
Target economic development to areas of opportunity	1. Optimise the potential for economic growth, by targeting places with strong development opportunities
	2. Optimise the benefit of economic growth for Essex residents, by linking new investment to areas with lower employment
	3. Deliver economic growth in partnership, by building strong relationships with partners in opportunity areas

Strategic Aim - Helping people get the Best Start and Age Well

Essex County Council has a critical role to safeguard and support the most vulnerable people in the county. Our focus is on ensuring that children get the best start in life, and that everyone can enjoy health and well-being and is enabled to fulfil their potential.

One fifth of Essex's population (20%) is over 65 and this is projected to increase to almost one third (32%) by 2030. With demand for services growing faster than income, especially in adult social care, we need to help people to help themselves and make the best choices. We will work with communities and the NHS to achieve this change. Technology offers significant opportunities for residents to manage their own care more effectively. From monitoring at home, to online social networks facilitating care support, ECC and partners will ensure that services are designed to always take advantage of the benefits technology brings.

Essex County Council also has a critical role to play in safeguarding and supporting the most vulnerable people in the county and currently supports over 6,500 children and young people, including 1,000 who are in care and 17,000 adults with social care needs. We want to ensure that the most vulnerable children and young people are supported to have every opportunity of achieving the same social, educational, health and economic outcomes as their peers.

While the overall life expectancy in Essex for both men and women is higher than the England average, there is a significant gap (7.2 years for men and 5.5 years for women) between our wealthiest and most deprived places. Our focus is on ensuring that everyone can enjoy health and well-being and is able to prosper.

We will never compromise on our paramount responsibilities to keep vulnerable children safer and enable them to fulfil their full potential and to ensure that as people enter old age they can live the lives that they choose for themselves.

Strategic Priorities

We have set three Strategic Priorities for this strategic aim: keeping vulnerable children safer and helping them to fulfil their potential; enabling vulnerable adults to live independent of social care; improving the health of the people of Essex.

1. Help keep vulnerable children safer and enable them to fulfill their potential

The council's innovative approach has helped make it safer for children to live at home, reducing the number of children who live in care. We face new challenges that include dealing with sexual exploitation and gangs but it is our priority to improve outcomes for the most vulnerable children, young people and families in Essex.

2. Enable more vulnerable adults to live independent of social care

Essex has a growing and ageing population and demand for care is growing. But 13% of over 65s are in work and this figure is increasing. Satisfaction with adult social care is rising but is lower than our peers.

3. Improve the health of the population

Life expectancy is higher than national averages but varies by geography and is lower for vulnerable and socially excluded groups due to deprivation. Lifestyle choices can exacerbate these inequalities. Avoidable deaths from heart disease and mental health remain key issues. Obesity, diabetes and dementia are growing problems.

Strategic Aim - Helping people get the Best Start and Age Well

Priority One	To do this we will:
Help keep vulnerable children safer and enable them to fulfill their potential	1. Protect the most vulnerable - including through tackling sexual exploitation, domestic abuse, youth violence and e-safety - by strengthening safeguarding across the children's partnership and putting things right when they go wrong
	2. Close the gap in outcomes for the most vulnerable children, young people and families by improving school attendance and attainment, embedding national programmes of reform and increasing access to preventive health care as well as support for emotional well-being and mental health
	3. Build resilience by providing practical advice that enables children, young people and families to make positive choices and resolve their own difficulties before accessing services
	4. Achieve better outcomes by innovating, collaborating with partners and using our resources efficiently to increase our collective focus on the needs of young people through early help and the mobilisation of community assets, and an increased focus on young people's needs through the Community Grant Programme
	5. Help children, young people and families achieve better outcomes by developing a well-trained and supported workforce across the system, with the right culture and capability to deliver effective interventions.
Priority Two	To do this we will:
Enable more vulnerable adults to live independent of social care	1. Reduce the need for hospital admissions or formal care services, by delivering community based solutions
	2. Support elderly people and those with learning disabilities to live independently by working with the market and community to make sure there are high quality solutions available and providing extra care where needed
	3. Fully engage service users and carers in the design and delivery of our support offer, by coproducing it with them where possible
	4. Support people to support themselves, where appropriate, by innovating, including through digital and community solutions
	5. Ensure that people can plan for, source and pay for their care, by accessing information and digital infrastructure

Priority Three	To do this we will:
Improve the health of people in Essex	1. Reduce health inequalities and improve levels of health, by reducing economic inequality between more affluent and deprived communities
	2. Give all children the best chance of an outstanding education, by offering targeted parenting and school readiness initiatives
	3. Enable people to make healthier choices, by facilitating community programmes and enabling access to good, appropriate health and dental care services for children in care
	4. Improve mental health and the life chances of people with mental health issues, by prevention, early intervention and enabling better lifestyle choices, social inclusion and economic opportunities
	5. Help people live longer, by ensuring that targeted health checks and health programmes are available to those most at risk of heart disease, stroke and diabetes

Strategic Aim - Helping to create great places to grow up, live and work

Essex is a county of immense contrasts with a combination of rural, urban and coastal communities. It has a total population of 1.44 million and a series of large urban settlements, however, at almost 1,500 square miles in size, almost three quarters (72%) of the county is considered to be rural. Over a third of the population in Essex (36%) call these rural areas home. Residents enjoy a high quality of life in the county and 82% have indicated that they are either 'very satisfied' or 'fairly satisfied' with their local area. But they are also concerned about the pace of change and the character of development that the county will need to accommodate – 136,000 new homes over the next twenty years - and don't want to see the characteristics of the county that they cherish compromised by these changes. Great places are the products of their people and communities, supported by good public services and private enterprise. City, district and borough councils, and the emergency services in Essex, have important roles to play in shaping our communities as places to live. But we are also keen to work with the thousands of voluntary and community groups we have across Essex to make sure that they can continue to play a key role in supporting the communities they serve.

People live their lives in places. We recognise the key role we have to play in ensuring that our communities are safe, neighbourly, and linked to opportunities. That is why, in addressing our housing challenge, our key concern is the quality of the communities that will be created, not just the number of houses that will be built – ensuring that house building is led by the needs of the economy and always supported by the provision of social infrastructure.

Strategic Priorities

We have set three Strategic Priorities for this strategic aim: helping to secure stronger, safer and more neighbourly communities; helping to secure sustainable development; and protecting the environment.

1. Helping to secure stronger, safer and more neighbourly communities

Individuals, families and communities are the best guardians of their own interests. Where it is appropriate to do so, we should support communities to help themselves by seeking to foster and build community capacity and capability. But we also recognise that there are times when public services need to step in – we will continue to work with communities and partners to address crime and the fear of crime.

2. Helping to secure sustainable development and protect the environment

Essex is 72% rural with 350 miles of coastline. Resident satisfaction with Essex as a place to live is high. Housing growth needs to be linked to economic growth and supported by appropriate infrastructure to ensure jobs are available and communities are sustainable. Essex also has areas of flood risk that need protecting.

3. Facilitating growing communities and new homes

Essex's residents recognise the importance of high quality homes. As a county, we need a flexible housing market that reflects changing needs and affordability at various stages of life. At the same time our residents value the diversity of the county's landscape and question what the consequences of housing growth will do to the county they love. Essex will need to build 136,000 new homes over the next 20 years. That is an increase of 24% on the existing housing stock. We are committed to facilitating that housing growth and we will do so, working with partners, in such a way that the characteristics of the county that we cherish are protected and enhanced not undermined. We are not just building new homes, we are building communities.

Strategic Aim - Helping to create great places to grow up, live and work

Priority One	To do this we will:
Help to secure stronger, safer and more neighbourly communities	1. Realise the strength of our communities, by enabling residents to develop their independence
	2. Enable local communities to identify their own local issues and tackle them, by using their own assets
	3. Improve the well-being of residents, by working with the voluntary and community sector to address local social issues
	4. Make communities in Essex safer, in particular for our most vulnerable residents, by working collaboratively with partners
	5. Address discrimination wherever we find it, by taking action to tackle the root causes of disadvantage across Essex

Priority Two	To do this we will:
Help to secure sustainable development and protect the environment.	1. Reduce the impact of flooding, by working with local communities to increase their resilience to flooding
	2. Improve the quality of life for Essex residents, by continuing to improve our open green space and making the most of the Essex countryside for the wider benefit of all
	3. Reduce the environmental impact and cost to the taxpayer of dealing with waste, by operating efficient waste management services and working effectively with partners and communities
	4. Improve the image of the county, by enhancing our cultural offer and promoting the very best of Essex
	5. Reduce carbon emissions and energy costs for the public and businesses, by developing new strategies that promote clean growth and affordable energy
Priority Three	To do this we will:
Facilitate growing communities and new homes	1. Protect and enhance the quality of places, by promoting high quality, forward-thinking design of communities and homes
	2. Deliver new homes, by working with partners to develop new settlements on garden community principles, and releasing public land
	3. Deliver sustainable new communities, by effectively identifying and securing sufficient investment in infrastructure for new development
	4. Ensure growing communities are sustainable, by offering quality opportunities for work and leisure that people can access, alongside new homes

Strategic Aim - Transform the Council to achieve more with less

To deliver our priorities and maximise our positive contribution to the lives of people and businesses in Essex we need to continue to develop as a proactive, efficient and effective organisation.

Over the last five years we have saved £597million and during the course of this Corporate Strategy we will need to identify a further £186million through savings or income generation. Given the commitments we have made in the Strategy, that means we will need to think very differently about how we operate. We will need to be more innovative, more open to risk and risk mitigation, more entrepreneurial and more commercially-minded than ever before. But we are building on a solid platform for change. Almost three-quarters (72%) of our residents are open to new technological innovations and over half (57%) of all Essex households are prepared to contact ECC through online channels. To deliver our priorities and maximise our positive contribution to the lives of people and businesses in Essex we need to seize the opportunity that new digital technologies provide to both lower costs and improve customer experience. We are fortunate to have some of the best public employees in the country.

Just as our County is changing, so too must the organisation that serves it. We are already a long way down that path – having run local government’s largest transformation programme. But the pace will accelerate during the life of this Strategy. We will invest in our employees to make sure they can drive the transformation our communities need and we will embrace the opportunities created by new technology to make Essex County Council the leading local authority for digital transformation in the country.

Strategic Priorities

We have set three Strategic Priorities for this strategic aim: limiting cost and driving growth in revenue; developing the capability, performance and engagement of our people; re-imagining how residents’ needs can be met in a digital world.

1. Limiting cost and driving growth in revenue

During the course of this Organisation Strategy, the County Council will transition to becoming more or less fully self-financing – through Council Tax and possible changes to Business Rates retention. That means we must continue to ensure that we operate as efficiently as possible and maximise the value of every pound of taxpayers’ money that we spend whilst seeking out new opportunities to grow our income streams.

2. Developing the capability, performance and engagement of our people

We employ approximately 7500 people. They are our greatest asset. All public services are at heart people services. We are building an organisation that values doing the right thing for the people we serve above everything else. And we will continue to invest in our people to make sure they have the skills and capabilities to serve the people of Essex as they deserve.

3. Re-imagine how residents’ needs can be met in a digital world

The digital revolution is transforming the way we live our lives. Over the next decade artificial intelligence and big data will reshape the possibilities that are open to us. Right now we are living through an age when products are dissolving into services, and services are being recreated on shared platforms. We must reimagine our role and the services that we enable, to better meet people’s needs and expectations in the internet age.

Strategic Aim - Transform the Council to achieve more with less

Priority One	To do this we will:
Limit cost and drive growth in revenue	1. Maximise income for us and the districts, by facilitating appropriate housing and business growth to create sustainable communities
	2. Optimise revenue from services, by charging appropriately and realising commercial benefit
	3. Drive out inefficiency, by reducing costs, increasing productivity including through lean methods and better tools for sharing, collaboration and flexible working
	4. Get maximum value out of every pound of tax payers' money spent in Essex, by working collaboratively with partners
	5. Reduce the financial burden on tax payers and enhance facilities, by the targeted use of capital investment
Priority Two	To do this we will:
Develop the capability, performance and engagement of our people	1. Promote high performance and new, effective ways of working across the organisation and with partners, by driving a shift in our culture
	2. Better understand and develop the skills and capabilities the organisation needs, by working with employees and partners in the private and community sectors
	3. Ensure everyone understands how their work contributes to the delivery of our mission and operating strategies, by engaging appropriately
	4. Enable employees to work effectively and feel valued, by providing a good working environment and fit for purpose tools
	5. Have the right people in place to meet changing requirements, by understanding the people we have and the people we need
	6. Have staff who understand the need for and deliver change, by creating a highly engaged and forward thinking workforce
Priority Three	To do this we will:
Re-imagine how residents' needs can be met in a digital world	1. Deliver successful services designed around the user, by providing appropriate access to information as an enabler
	2. Design services in collaboration with partners, driven by the needs of users
	3. Drive cheaper, better, faster service delivery, by embracing technology
	4. Use digital as the engine to drive whole system change, by building digital skills into our core capability in our workforce

Making it Happen: Building Blocks

This Organisation Strategy represents the most ambitious and comprehensive statement of our medium-term priorities that the County Council has published. It is based on a realistic assessment of where we currently are, the challenges we face, and the opportunities we must seize.

Everything we are seeking to achieve in this Organisation Strategy is built on four key building blocks and it is important that this Strategy is understood in relation to these key elements. They are covered in the Strategy – but to recap.

Building Block	Why It's Important	Key Strategy Linkage	Content	Date For Agreement
People	We are a people business. Our people are our most important asset. We will be demanding a lot from our employees over the next few years as we shift the culture in the ways described in this Strategy and it is important that we make the investment that will be required to ensure we can continue to secure the best employees in local government.	Workforce Strategy	The Workforce Strategy will transform the way in which we work, to enable us to achieve our strategic priorities. It will clearly define and prioritise our approach to building the critical people capabilities and culture the organisation needs. It will set out our framework for attracting, retaining and developing talent, and the way our people are led, engaged and deployed.	November 2017
Digital	Our transformation will be underpinned by securing the benefits of digital approaches to service and outcome improvements. We will use digital not just to rethink current provision but to fundamentally re-imagine what we do and how we do it.	Digital Strategy	The digital strategy will not only set out the areas of focus and the capabilities we will need as an organisation but also the principles that will underpin how we work. Those principles are set out below.	July 2017
Commissioning	Commissioning is a key capability for the organisation. Our redesign process has focused on ensuring that commissioning as a capability is built in to our DNA. We will not be able to secure the aspirations set out in this Strategy if we do not get right our approach to commissioning.	Re-imagining Commissioning Report	The Re-imagining Commissioning Report will help us re-think our approach to commissioning and how the organisation, with partners, can equip itself to be a truly great commissioner for the outcomes our communities need.	September 2017

Partners	ECC is not an island entire to itself. We operate in one of the most complex public policy systems in the country. We have a large number of partners who are critical to our ability to secure the outcomes set out in this Strategy. It is therefore important that we have an agreed sense of where we need to go with our key partners.	Vision	We have many strategies agreed with our partners but the one that sets out comprehensively our collective sense of long-term ambition is the Vision for Essex. The Vision for Essex sets out our long-term aspirations for the County to 2035.	September 2017
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Principles that will drive our approach to Transformation

Derived from the Government's Digital Service and enshrined in our Digital Strategy, the following principles will drive our approach to change and service-based transformation.

Digital Principles	
Start with the user	<ul style="list-style-type: none"> • Understand user need • Make users succeed first time • Encourage everyone to use digital • Ensure a consistent online user experience • Test end to end service
Deliver agile projects	<ul style="list-style-type: none"> • Use agile methods • Have a multidisciplinary team • Iterate and improve frequently • Do ongoing research
Manage performance	<ul style="list-style-type: none"> • Identify performance indicators • Collect performance data • Report performance data • Test with Cabinet lead
Run excellent systems	<ul style="list-style-type: none"> • Use open standards and common platforms • Make all new source code open • Understand security and privacy issues • Evaluate tools and systems • Make a plan for being offline

Making it Happen: Assessing our Impact



Strategic Planning Framework and the Golden Thread

Through the publication of this Organisation Strategy we are strengthening our business planning framework. The Organisation Strategy is driven by the Vision – what is it that we, with partners, want to achieve for Essex over the long-term. Our specific contribution to that is set out in the Organisation Strategy. Each of the County Council’s functions will then plan out in detail what they will do to give effect to the commitments in our Organisation Strategy. A detailed plan will be derived from those business plans every year so that we are clear about what our key priorities are for the next twelve months. Each service might well develop its own plans setting out how it will contribute to the achievement of these key outcomes. And ultimately every individual in the organisation, through their individual performance plans, should be able to link their daily work back to the organisation’s strategic aims and priorities and ultimately to the Vision for Essex.

Measuring Success

Success statements for the Organisation Strategy are being developed through the Business Plan process alongside our medium-term resource planning. These statements will be translated in to measures and targets. On an annual basis those measures and targets will be published as part of our Organisation Plan and we will report on our success in delivering against the targets in an Annual Report.

Appendix Two – Strategic Planning Cycle

4 Year Strategic Planning Cycle				
Date	Year 1	Year 2	Year 3	Year 4
Apr	Org Strategy informally agreed and Business Plan development continues Financial expectations agreed	Business Plans annual review and refresh Financial expectations refreshed	Business Plans annual review and refresh Financial expectations refreshed	Business Plans annual review and refresh Financial expectations refreshed
May	County Elections			
Jun	New Cabinet agrees Org Strategy (including reference to existing MTRS) CMB agrees Business Plans			
Jul	New Council agrees Org Strategy setting the agreed priorities First draft of next years budget, MTRS & capital programme Organisation Plan development begins			
Aug				
Sep				Begin development of new Org Strategy which will drive Budgets from Year 2 of cycle
Oct	Business Plans half year review Service changes/savings options reviewed Updated draft Budget , MTRS & capital programme Refreshed Organisation Plan	Business Plans half year review Service changes/savings options reviewed Updated draft Budget , MTRS & capital programme Refreshed Organisation Plan	Business Plans half year review Service changes/savings options reviewed Updated draft Budget , MTRS & capital programme Refreshed Organisation Plan	Business Plans half year review Service changes/savings options reviewed Updated draft Budget , MTRS & capital programme Refreshed Organisation Plan
Nov				
Dec	Final draft Budget for next year, MTRS , capital programme & and Organisation Plan for Year 2 reviewed	Final draft Budget for next year, MTRS , capital programme & and Organisation Plan for Year 3 reviewed	Final draft Budget for next year, MTRS , capital programme & and Organisation Plan for Year 4 reviewed	Final draft Budget for next year, MTRS , capital programme & and Organisation Plan for Year 1 reviewed (based on existing Org Strategy)
Jan	Political sign off on Budget , MTRS , Capital programme and council tax agreed	Political sign off on Budget , MTRS , Capital programme and council tax agreed	Political sign off on Budget , MTRS , Capital programme and council tax agreed	Political sign off on Budget , MTRS , Capital programme and council tax agreed
Feb	Council agrees Budget , MTRS , Capital programme and Organisation Plan for Yr 2	Council agrees Budget , MTRS , Capital programme and Organisation Plan for Yr 3	Council agrees Budget , MTRS , Capital programme and Organisation Plan for Yr 4	Council agrees Budget , MTRS , Capital programme and Organisation Plan for Yr 1 (based on existing Org Strategy)
Mar	Annual Strategic Review and horizon scan on performance and issues	Annual Strategic Review and horizon scan on performance and issues	Annual Strategic Review and horizon scan on performance and issues	New Business Plans development starts

Appendix three – Equality Impact Assessment

Equality Impact Assessment

Context

- Under s.149 of the Equality Act 2010, when making decisions, Essex County Council must have regard to the Public Sector Equality Duty, i.e. have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act;
 - advancing equality of opportunity between people who share a protected characteristic and those who do not; and
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
- The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief

- sex/gender
 - sexual orientation
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
 4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
 5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy.
 6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
 7. The EqIA will be published [online](#):
 8. All **Cabinet Member Actions, Chief Officer Actions, Key Decisions** and **Cabinet Reports must be** accompanied by an EqIA.
 9. For further information, refer to the EqIA guidance for staff.
 10. For advice, contact:
 Shammi Jalota shammi.jalota@essex.gov.uk
 Head of Equality and Diversity
 Corporate Law & Assurance
 Tel 0330 134592 or 07740 901114

Section 1: Identifying details
Your function, service area and team: Corporate Development, Corporate Strategy, Strategy Team
If you are submitting this EqIA on behalf of another function, service area or team, specify the originating function, service area or team: NA
Title of policy or decision: Essex Organisation Strategy
Officer completing the EqIA: Petra Crees Tel: 0333 013 6161 Email: petra.crees@essex.gov.uk
Date of completing the assessment: 5th June 2017

Section 2: Policy to be analysed

Is this a new policy (or decision) or a change to an existing policy, practice or project?

This is a new policy.

Describe the main aims, objectives and purpose of the policy (or decision):

The Essex Organisation Strategy sets out how the organisation will work and what it will achieve over the next four years. It defines the organisation's priorities and areas of focus.

What outcome(s) are you hoping to achieve (i.e. decommissioning or commissioning a service)?

The outcomes are our four strategic aims:

1. Enable inclusive economic growth
2. Help people to get the best start and age well
3. Help to create great places to grow up, live and work
4. Transform the council to achieve more with less

Does or will the policy or decision affect:

- service users
- employees
- the wider community or groups of people, particularly where there are areas of known inequalities?

All of the above

Will the policy or decision influence how organisations operate?

Yes, through changing how we commission and fund service delivery with partner organisations and community and voluntary groups.

Will the policy or decision involve substantial changes in resources?

The Strategy will be used to inform resource allocation across the authority in a joined up business planning and budgetary process. This year is a transition year and a fully joined up budgetary and planning process will commence from 2018/19.

Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?

The Strategy defines the corporate outcomes for the next four years and will shape decision-making and resource allocation. Once agreed it will be used to drive Functional Business Plans owned by each of the Executive Directors, service plans and individual employee supporting success objectives in a simplified business

planning process that strengthens the golden thread through the organisation.

Other strategies that will be influenced by the Organisation Strategy are the Workforce Strategy, Digital Strategy and Re-imagining Commissioning Report.

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	<p>What does the information tell you about those groups identified?</p> <p>The following links will provide a socio-economic analysis of the groups likely to be affected by the delivery of the Organisation Strategy. Whilst high level it is likely that one or more protected characteristics will be impacted upon during the life cycle of the Strategy concerned.</p> <ol style="list-style-type: none">1. Effective and efficient organisation2. Sowing the seeds for future success3. An unbalanced age4. Changing demand for skills5. Lifestyle related diseases6. Recurrent care7. The London effect8. Infrastructure and economic growth
3.2	<p>Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?</p> <p>Although individual/community groups have not been consulted in relation to the Organisation Strategy, it has been influenced by the Essex Vision which has been developed with extensive engagement with Essex residents, businesses, partner organisations and voluntary groups. This report contains detailed information on who was consulted and included young people, the voluntary sector and businesses.</p>
3.3	<p>If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary. Please include any reasonable adjustments, e.g. accessible formats, you will provide as part of the consultation process for disabled</p>

¹ Data sources within EEC. Refer to Essex Insight: <http://www.essexinsight.org.uk/mainmenu.aspx?cookieCheck=true> with links to JSNA and 2011 Census.

	<p>people:</p> <p>See 3.2 As part of the launch of the Strategy a range of accessible methods will be used for engaging with the public. For example, we will ensure that standard wording is used to encourage those with accessible needs to access the strategy according to their needs. The Strategy is a framework; decisions arising from this framework will be fully consulted on in accordance with due process.</p>
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Section 4: Impact of policy or decision		
Use this section to assess any potential impact on equality groups based on what you now know.		
Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	Positive - Different parts of the Strategy have a specific focus on particular age groups where appropriate but the overall balance of the Strategy does not favour one age group over another. For example, there are focuses on young people in respect of safety and education, adults for skills retraining and housing and the elderly in respect of care and support.	H
Disability – learning disability	Positive – The Strategy specifically acknowledges the needs of people with learning disabilities	H
Disability – mental health issues	Positive – Mental Health needs are recognised in several places in the Strategy both specifically and generally as part of our aim to improve the health of residents in Essex.	H
Disability – physical impairment	Positive – Whilst physical impairment is not mentioned specifically, it does form part of the aims around improving health and supporting people to live independently	M
Disability – sensory impairment (visual, hearing and deafblind)	Positive – Whilst sensory impairment is not mentioned specifically, it does form part of the aims around improving health and supporting people to live independently	M

Gender/Sex	Neutral – there is nothing in the Strategy that would impact disproportionately in respect of gender/sex	L
Gender reassignment	Neutral – there is nothing in the Strategy that would impact disproportionately in respect of gender	L
Marriage/civil partnership	Neutral – there is nothing in the Strategy that would impact disproportionately in respect of marriage/civil partnership	L
Pregnancy/maternity	Neutral – there is nothing in the Strategy that would impact disproportionately in respect of pregnancy/maternity	L
Race	Neutral – there is nothing in the Strategy that would impact disproportionately in respect of race	L
Religion/belief	Neutral – there is nothing in the Strategy that would impact disproportionately in respect of religion/belief	L
Sexual orientation	Neutral – there is nothing in the Strategy that would impact disproportionately in respect of sexual orientation	L
Cross-cutting themes		
Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Socio-economic	Positive – the overall aim of the Strategy is to improve outcomes for the residents of Essex. It looks specifically at improving the resilience of communities, improving health outcomes and life chances/economic prospects.	H
Environmental, eg housing, transport links/rural isolation	Positive – The Strategy offers a balance between required development and protecting the environment and access to green spaces. It seeks to improve transport links and infrastructure and enable residents to move more freely around the county	H

Section 5: Conclusion			
		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Report title	2016/17 PROVISIONAL OUTTURN REPORT <i>The purpose of this report is to present and provide commentary on the provisional outturn position for 2016/17 prior to formal closure of the accounts.</i>	
Report to:	Cabinet	
Report author	Margaret Lee, Executive Director for Corporate and Customer Services	
Date:	20 June 2017	For: Decision
Enquiries to	Margaret Lee, Executive Director for Corporate and Customer Services e-mail: Margaret.Lee@essex.gov.uk Tel. No: 03330 134558	
County Divisions affected:	All Essex	

1. Purpose of Report

- 1.1 The purpose of this report is to present and provide commentary on the provisional outturn position for 2016/17 prior to formal closure of the accounts.
- 1.2 The report sets out an over spend on revenue of **£3.785m**, after adjusting for proposals to carry under spends forward for use in 2017/18 and other reserve movements. This is a slight improvement (**£503,000**) on the position reported at the Third Quarter stage (**£4.288m**).
- 1.3 The report also shows an over spend on capital of **£1.435m** against the final approved budget of **£224.614m**.
- 1.4 Ernst and Young, Essex County Council's external auditor, will carry out their audit of the Council's 2016/17 Statement of Accounts during the summer, and it is possible that changes may be made to the Accounts during this period which may alter the position presented within this report. The results of the external audit will be reported to the Audit Committee on 18 September 2017, at which stage that Committee is expected to approve the 2016/17 Statement of Accounts for publication. The Statement of Accounts will be published on the Council's website.

2. Recommendations

2.1 It is recommended that:

- 2.1.1 **£3.785m** is withdrawn from the General Balance to offset the underlying over spend on the Revenue Budget.
- 2.1.2 Approval is given to allocate under spends between portfolios (as set out within the 'Transfers of under / over spends between Portfolios' column of **Appendix B**).
- 2.1.3 **£6.635m** is appropriated to the Carry Forwards earmarked revenue reserve in respect of requests to utilise 2016/17 under spends in 2017/18 (as set out in the 'under spends to be carried forward into 2017/18' column of **Appendix B**).
- 2.1.4 **£6.635m** is released from the Carry Forwards Reserve in 2017/18 for the purposes detailed in **Appendix C** (utilisation of these amounts will be subject to rigorous challenge throughout 2017/18, with any under spends being either returned to the General Balance, or re-directed for another purpose).
- 2.1.5 The following amounts are appropriated to / from restricted and other revenue reserves:

	Appropriations to reserves £000	Appropriations from reserves £000	
Restricted Funds			
PFI - Building Schools for the Future	394	-	
PFI- Clacton Secondary Schools	5	-	
PFI- Debden School	25	-	
Waste Reserve	1,388	-	
Schools	-	(4,635)	
Trading Activities	527	(600)	
Sub total - Restricted Funds	2,339	(5,235)	(2,896)
Future Capital Funding	1,226	-	1,226
Other revenue reserves			
Capital Receipts Pump Priming	143	-	
Community Initiatives		(782)	
Transformation	1,840	(1,232)	
Sub total - Other revenue reserves	1,983	(2,014)	(31)
Net Total	5,548	(7,249)	(1,701)

Note: **Appendix G** sets out the position on the restricted and other revenue reserves as at 31st March 2017 after incorporating the above proposals.

- 2.1.6 Capital payment budgets, and associated capital financing, of **£9.790m** are re-profiled into subsequent financial years, in respect of slippage in schemes (as shown in the 'Slippage' column of **Appendix F**).
- 2.1.7 Capital payment budgets, and associated capital financing, of **£10.069m** are brought forward from 2017/18 in respect of schemes that have progressed ahead of schedule (as shown in the 'Advanced works' column of **Appendix F**).
- 2.1.8 Portfolios' 2016/17 capital payments budgets are reduced by **£19.987m** (as shown in the 'Reductions' column of **Appendix F**), with increases of **£21.144m** to other schemes (as shown in the 'Additions' column of **Appendix F**), to reflect achieved activity in 2016/17.
- 2.1.9 The financing of capital payments in 2016/17 is approved on the basis set out within **Appendix E** to this report.

3. Executive summary

3.1 Overview

- 3.1.1 Through careful financial planning and control, at the end of 2016/17 Essex County Council's finances remain robust, investing across the County to help create more jobs for Essex people, providing care and support for people who need our help, achieving success with the increasing independence programme for working age adults and keeping council tax low to protect local taxpayers.
- 3.1.2 The following paragraphs provide an overview of the provisional outturn positions on the Revenue Budget, Trading Activity accounts, the Capital Programme, Reserves and Balances and investment and borrowing activity.

3.2 Revenue

- 3.2.1 At year end, there is an over spend on revenue of **£3.785m**, after adjusting for proposals to carry forward under spends for use in 2017/18 and other reserve movements. This is driven by **£6.146m** on service expenditure and offset by additional grant funding and Business Rates of **£2.361m**. This over spend represents less than **0.5%** of the net expenditure.
- 3.2.2 There is an over spend of **£8.059m** on Adults Social Care (before carry forward requests and reserve adjustments), which is primarily due to higher than predicted activity in both Older People care and support and the Transitions service due to projected savings in the Transitions service not being delivered; and to supporting a greater number of young people than expected.
- 3.2.3 This position represents an improvement of **£503,000** on the position reported at Third Quarter stage (**£4.288m**).
- 3.2.4 This position will result in an impact in 2017/18 of **£2.7m**. This impact is being addressed through the Adult Social Care Sustainability Programme, which has been put in place to address pressures within Adult Social Care.
- 3.2.5 It is proposed that the over spend of **£3.785m** is funded by a withdrawal from the General Balance. This withdrawal brings the General Balance marginally below the level assumed when the 2017/18 budget was set (see **Appendix H**). Therefore, whilst the General Balance will be available to help mitigate the impact of reduced funding in future years, continued caution is necessary in view of future financial risks associated with public spending reforms.
- 3.2.6 Before any carry forward requests (see paragraph **3.2.7** below) and reserve movements are reflected, there was an under spend of **£5.784m** (**£1.149m** under spend including the Dedicated Schools Budget). This reflects:
- A net under spend by portfolios, excluding the Dedicated Schools Budget, of **£507,000** (**£4.128m** including the Dedicated Schools budget) related to higher

than predicted activity within Adult Social Care, offset by income from fees, charges and specific government grants and under spends due to staffing vacancies.

- A balance on the Emergency Contingency (**£3.388m**) which, due to a benign winter, was not needed to support services' expenditure in 2016/17.
- A net over spend of **£471,000** as a result of securing additional external borrowing during 2016/17 and not receiving the budgeted dividend, largely offset by additional investment returns and reduced capital financing costs.
- The receipt of higher than budgeted general government grants, collection fund surpluses and income from non domestic rates as a consequence of entering into a pooling arrangement with district councils this year (**£2.361m**).

3.2.7 Specific proposals are contained within this report to appropriate **£6.635m** into the Carry Forwards reserve for use in 2017/18 (as detailed in **Appendix C**) and to withdraw a **£1.701m** (net) from Restricted Funds, the Capital Financing reserve and various other revenue reserves (see paragraph 3.5 for further detail).

3.2.8 **Appendix A** provides a summary, by portfolio, of the provisional outturn on the Revenue Budget, and **Appendix B** summarises the mitigations proposed. Proposals for utilising the 'carry forwards' reserve in 2017/18 are summarised in **Appendix C**.

3.2.9 Commentary on the provisional outturn position for each portfolio is provided in **Section 4** of the report.

3.3 Trading activities

3.3.1 The Council's trading activities have collectively achieved a net surplus for the year of **£3.822m**, which is below the final approved financial target for a surplus of **£4.582m**. This is mainly due to:

- Essex Legal Services falling short of their financial target due to the need to make provision in respect of a Court of Protection decision around the rate at which service may should be charged in respect of Deputyships.
- EES for Schools incurring additional costs related to development of the target tracker software, a restructuring of the service and generating lower income from consultancy work.
- Smarte East repaying contributions made by other local authorities as part of the process of closing this trading activity.

3.3.2 The trading activities have appropriated **£5.394m** (net) into the County Revenue Account, which is **£73,000** more than budgeted.

3.3.3 As a result of trading performance during 2016/17, and appropriations into the General Fund, the trading activities have collectively reduced their revenue reserves by **£1.191m** during 2016/17.

- 3.3.4 Further comments on the trading activities' performance are provided in **Section 5** of the report and a summary of the provisional outturn position for the Council's trading activities is provided in **Appendix D**.

3.4 Capital

- 3.4.1 Capital delivery has improved for 2016/17, achieving 90% delivery compared to the original budget. Considerable effort has been put into delivering the capital programme over the past two years. This has seen the level of the capital programme increase alongside its successful delivery.
- 3.4.2 The original budget for the capital programme was **£251.907m**. During the year this has been revised to allow for revisions to project delivery plans. The final approved capital programme budget amounted to **£224.614m**. Actual capital expenditure amounted to **£226.049m**, resulting in an over spend of **£1.435m**.
- 3.4.3 During 2016/17 over **600** schemes were undertaken. Our residents have benefited from, and will continue to benefit from, a wide range of new investment including:
- **2,900** new pupil places created through school and academy expansions, including **11** completed school expansions and the opening of one new school, Camulos Academy.
 - **70** new units of accommodation to enable vulnerable individuals to enjoy greater independent living.
 - Permanent care for **12** children enabled or extended by carrying out adaptations to carers properties.
 - In relation to the Broadband extension programmes, BT enabled **159** cabinets, giving **19,879** premises access to Superfast speeds for the first time. These numbers include the end of contract one, and the start of contract two. Also, Gigaclear enabled **2,025** premises to their Ultrafast service.
 - Go-Live of the Transforming Corporate System (TCS).
- 3.4.4 Approval is sought to:
- Re-profile capital payment budgets of **£9.790m** from 2016/17 and into 2017/18, as a consequence of slippage in schemes;
 - Bring capital payment budgets of **£10.069m** forward in respect of schemes that have progressed ahead of schedule; and
 - Realign scheme and payment approvals to reflect actual activity in 2016/17 – this results in payment approvals for some schemes being reduced by **£19.987m**, with increases of **£21.144m** to a number of other schemes.
- 3.4.5 **Appendix E** provides a comparison of approved and forecast outturn capital payments by portfolio and **Appendix F** summarises the proposed variance plan.

Commentary on the provisional outturn position for each portfolio is provided in **Section 6** of the report.

3.5 Reserves and balances

- 3.5.1** The final approved budget for 2016/17 included provision for appropriations to or from various revenue reserves and restricted funds, and assumed a contribution to the General Balance. Proposals are presented throughout this report which further impact on the Council's reserves and balances. These proposals are included in recommendations 2.1.3 and 2.1.5, and are explained in the following paragraphs.

Restricted funds

3.5.2 Private Finance Initiative (PFI) Reserves

It is proposed that the following appropriations are made into reserves held in relation to these contracts, as follows:

- Building Schools for the Future - **£394,000** contribution
- Clacton Secondary Schools - **£5,000** contribution
- Debden School - **£25,000** contribution

These appropriations are consistent with the overall PFI model and plans for each contract.

3.5.3 Waste Reserve

It is proposed that **£1.388m** is appropriated into this reserve, to be applied to meet cost pressures in 2017/18 and per the Joint Working Agreement with Southend in relation to the Waste Infrastructure Grant.

3.5.4 Schools

Approval is sought to withdraw **£4.635m** from the Schools' reserve, in line with additional spending against the 'individual schools budget' in 2016/17 (see paragraph 4.6.1 for further details). The Schools' reserve is ring-fenced for use by schools.

3.5.5 Trading activities

It is proposed that **£73,000** is appropriated into the General Fund by the Essex Legal Services trading account as part repayment of supplementary funding provided in 2015/16.

Capital funding

3.5.6 Future Capital Funding Reserve

It is proposed that **£1.226m** is appropriated into this reserve for the following purposes:

- **£346,000** to fund expenditure on the Transforming Corporate Systems project originally anticipated to be funded from the Revenue budget, but the actual work was 'capital' in nature (to be funded by an under spend by the Finance, Traded Services, Housing and Planning portfolio).
- **£782,000** to fund the capital cost of various community initiative projects, to be funded by a corresponding withdrawal from the Community Initiatives Reserve.
- **£98,000** to fund the capital cost of the Social Care Case Management system, to be funded by a corresponding withdrawal from the Transformation Reserve.

Other reserves

3.5.7 Capital Receipts Pump Priming Reserve

Approval is sought to appropriate **£143,000** into this reserve to finance future costs necessary to secure future capital receipts.

3.5.8 Carry Forwards

It is proposed that **£6.635m** is appropriated into the 'carry forwards' reserve in respect of revenue budget under spends that it is proposed are carried forward for use in 2017/18.

The proposals for utilising this Reserve in 2017/18 are set out in **Appendix C** of this report and are primarily in respect of approved projects for which the spending profile has changed.

3.5.9 Community Initiatives Reserve

It is proposed that **£782,000** is withdrawn from the Community Initiatives Reserve to fund the capital cost of various community initiative projects; this appropriation will be offset by a corresponding appropriation into the Reserve for Future Capital Funding.

3.5.10 Transformation Reserve

It is proposed that **£608,000** is appropriated into the Transformation Reserve, comprising unspent project funding of **£1.840m**, partly offset by requests to withdraw **£1.232m** to fund redundancy costs and to fund capital costs of the Social Care Case Management System.

3.5.11 Appendix G shows the position on the restricted funds and revenue reserves, assuming the above proposals are accepted. These reserves represent funds set aside for specific policy purposes and contingencies, and are necessary to

ensure the Council's continued financial resilience to future financial challenges and known pressures.

3.5.12 Appendix H summarises the position on the General Balance at 31st March 2017. At 1 April 2017, the General Balance stands at **£55.299m**, which is **£3.917m** less than assumed when the 2017/18 budget was set. The remaining balance is sufficient to fund **22** days of operating expenditure.

3.6 Prudential indicators and treasury management

3.6.1 Activities remained within the boundaries established by the approved prudential indicators and treasury management strategy during the year.

3.6.2 A return of **0.79%** was achieved on sums invested during the year. This compares favourably with the bank Base Rate of **0.5%**, and the London Interbank Bid (LIBID) rate, which has averaged at **0.20%** over the same period.

3.6.3 External loans totalling **£163m** were secured in 2016/17; this was the first time it has been necessary to undertake external borrowing since 2010/11, as was planned and agreed in the 2016/17 budget. **£121m** of the external borrowing undertaken during 2016/17 was secured against the borrowing requirement anticipated for 2017/18 to secure loans at the low interest rates available.

3.6.4 The pool rate of interest on long term loans held by the Council was **3.91%** as at 31st March 2017 (which compared with **4.26%** as at 31st March 2016).

3.6.5 Summaries of the Prudential Indicators and investment and borrowing levels are provided in **Appendix I** and **Appendix J** respectively.

4. Portfolio commentary - Revenue

Commentary on portfolios' revenue outturn positions is provided in the following paragraphs.

4.1 Adults Social Care - £8.059m (2.0%) over spend

4.1.1 The provisional outturn of **£413.032m** was **2.0%** in excess of the final approved budget of **£404.973m**:

Policy Line	Latest Budget £000	Provisional Outturn £000	Variance £000
Access Assessment and Care Management	33,632	32,905	-727
Care and Support	338,853	350,644	11,791
Other Social Care	2,161	2,014	-147
Service Management Costs	16,984	13,828	-3,156

Policy Line	Latest Budget £000	Provisional Outturn £000	Variance £000
Social Fund	1,010	1,010	-
Corporate and Democratic Core	211	215	4
Support to Carers	-	1	1
Housing Related Support	12,122	12,415	294
Grand Total	404,973	413,032	8,059

4.1.2 The main budget variances are explained in the following paragraphs.

4.1.3 Access Assessment & Care Management - £727,000 under spend

The variance was due to unfilled vacancies across Adult Operations teams, mainly due to the challenges the service experiences attracting suitably qualified and experienced social workers.

4.1.4 Care and Support – £11.791m over spend

• **Older People - £12.399m over spend**

Domiciliary Care, which was over spent by **£9.1m** (after allowing for an under spend on Reablement):

- Activity was higher than budgeted by an average of 7,726 hours per week. For 2017/18 the Council agreed to progress a Sustainable Futures approach to social work practice and will also operate a fully operational Reablement Contract to reduce demand.
- Pressures in the market resulted in an increase in more expensive spot usage. In 2017/18 the Live at Home framework and other sourcing initiatives are intended to help stabilise the market and reduce spot usage;
- Additional non-residential income of **£723,000**, a consequence of the increased activity partially offset the Domiciliary Care overspend;
- Additional **£388,000** contribution from the Better Care Fund (BCF) after it was agreed with partners that Provision of Social Care funding under spends would be used towards pressures on over 85s domiciliary care. The Council agreed to make a corresponding additional contribution to the Better Care Fund in 2017/18, and a carry forward request has therefore been made for this purpose.

Residential Care: which was over spent by **£3.524m**:

- On average there have been 378 service users per week higher than budgeted resulting in an over spend of **£8.893m**;
- Overspend on nursing placements of **£166,000**;
- Partly offset by a corresponding increase in residential income, from those liable to contribute to their own care, of **£4.650m**.
- The higher number of residential placements and resulting over spend is due, in part, to delays in delivery of initiatives, including independent living

and depression planned to reduce the number of Older People requiring residential care, in favour of domiciliary care support. This allows individuals to maintain independence and support can be provided at a lower cost.

- Residential Reablement under spent by **£718,000** as a consequence of underutilisation of the contract which partially offsets this overspend

Other Services: which was over spent by **£112,000**:

- **£674,000** under spend on Meals on Wheels – as a consequence of the cessation of the service from October 2016;
- **£431,000** under spend on Day Care as a consequence of lower than budgeted activity;
- **£383,000** under spend on Respite Care as a consequence of lower than budgeted activity;
- **£1.6m** over spend on Community Equipment – as a consequence of non-delivery of contract efficiencies

- **Physical and sensory impairment - £1.269m under spend**

The key drivers for the under spend are:

- Residential Care **£874,000** as a result of lower than budgeted activity;
- Lower activity and price in respite care **£549,000**;
- Additional income relating to due recovery of Continuing Health Care where NHS fund our packages **£809,000**;
- Offset by over spends on Domiciliary care **£638,000** as a result of increasing hours of Domiciliary care at a higher cost; and
- Pressure on Nursing Care **£306,000** as a result of higher activity earlier in the year at a higher weekly price.

- **Learning disabilities - £713,000 over spend**

The key drivers for the under spend are:

- **£3.101m** over spend on Transitions, mainly due to non-delivery of the 2016/17 savings plan (**£3.0m**), which was an increase in both client volumes and the cost of packages. The spend represents an increase when compared to 2015/16 due to price and volume, and also a change in protocol with more clients now receiving a Transitions Service, rather than entering Working Age Adults.
- Over spend on domiciliary care of **£4.5m** as a result of higher than budgeted activity.

These are offset by:

- Under spend on Personal Budgets **£4.7m** as a result of lower average weekly cost per package;

- Reduced transport costs **£618,000**.
- A recovery of Continuing Health Care **£1m** where the NHS fund our packages.
- **£487,000** under spend on the internal hostels as a result of under occupancy during the year.

4.1.5 Housing related Support - **£294,000 over spend**

This over spend was primarily due to a delay in delivering the savings associated with the Recommissioning of HRS funded schemes for Young People.

4.1.6 Service Management Costs - **£3.156m under spend**

This variance resulted from:

- **£964,000** under spend within Safeguarding due to the challenges faced recruiting assessors to complete assessments;
- **£940,000** under spend on Adult Operations management costs.
- Specific project budgets of **£1.3m** were under spent in 2016/17 due to slippage in delivery.

4.1.7 Approval is sought to the following actions as a consequence of the provisional outturn position for 2016/17:

- Appropriate **£538,000** into the Carry Forwards Reserve for the following purposes:
 - **£388,000** of protection of social care funding to be utilised within the Better Care Fund in 2017/18; and
 - **£150,000** Quality Improvement funding to continue on-going work with care providers during 2017/18.
- Appropriate **£1.304m** into the Transformation Reserve in respect of slippage in projects, as follows:
 - **£463,000** for the Health and Social Integration project;
 - **£455,000** for the Increasing Independence project;
 - **£218,000** for the Social Care Income project;
 - **£102,000** for the Older People Programme project;
 - **£27,000** for the Care Act project; and
 - **£39,000** for the Day Opportunities Research.

These amounts will be withdrawn in 2017/18 to fund the continuation of work on these projects.

- Return a further **£40,000** to the Transformation Reserve in respect of funding previously allocated for restructuring costs that is no longer required;
- To withdraw **£56,000** from the Transformation Reserve to cover additional planned project costs.

4.2 Children and Families - £1.127m (1.0%) under spend

4.2.1 The provisional outturn of **£113.358m** was **1.0%** below the final approved budget of **£114.485m**. The main budget variances are explained in the following paragraphs.

4.2.2 Children in Care - £625,000 over spend

This over spend resulted from an increase in the number of children in care with complex needs requiring placement, together with higher than expected legal fees, some of which related to judicial reviews for asylum seekers.

4.2.3 Children's Fieldwork - £644,000 under spend

This under spend was mainly due to a lower number of direct payments made for children with disabilities, combined with lower spend on families who either have no recourse to public funds or supervised contact, which reflects a lower number of families needing to claim under this status, and so reducing demand on social work practice.

4.2.4 Children's Service Management - £1.545m under spend

This under spend was due to:

- **Multi Systemic Therapy (MST) - £640,000 under spend**

MST is a capped fixed price contract due to end in 2019/20. Payments for this contract are front loaded, with a tariff that then reduces once 45,000 care days have been saved, which has been achieved in 2016/17 and so therefore offsets in part, the overspend reported in 2015/16. The profile of care days saved (and cost avoidance on care placements) is difficult to predict and whilst similar levels to the previous year, the under spend purely reflects a lower payment required for each care day saved.

- **Staff vacancies - £500,000 under spend**

This under spend resulted from slippage in recruitment, or difficulties in filling vacant posts.

- **Service management costs - £296,000 under spend**

This under spend resulted from a review of the recharging of service management costs between the Children and Families and the Adult Social Care portfolios.

4.2.5 Early Years and Childcare - £405,000 overspend

The over spend resulted from the 4Children charity going into administration and a consequent decision to pay the sub-contractor (Action for Children) at a higher cost.

- 4.2.6 Approval is sought to appropriate **£37,000** into the Carry Forwards Reserve in respect of the costs associated with the Regional Adoption Agency project.

4.3 Corporate and Communities - **£2,000 under spend**

- 4.3.1 The provisional outturn of **£17.580m** was consistent with the final approved budget of **£17.582m**.

- 4.3.2 A number of budgets there were under spent, as follows:

- **Communities - £183,000 under spend**

This primarily resulted from slippage in the Community Prototypes project.

- **Coroners - £169,000 under spend**

This under spend resulted from lower than anticipated activity and vacant posts in the service.

- **Trading Standards - £135,000 under spend**

This under spend was due to staffing vacancies and operational efficiencies.

- 4.3.3 The under spends referred to above were largely offset by over spends on staffing within the Library Service, which resulted in an over spend of **£447,000**. A net withdrawal of **£120,000** from the Transformation Reserve is proposed in respect of Libraries' Community Hubs and In Person Projects.

- 4.3.4 Approval is sought to the following actions:

- Appropriate **£170,000** into the Carry Forward reserve in relation to the Community Prototypes project.
- Withdraw **£138,000** from the Transformation reserve to the Libraries budget in relation to costs for Community Hubs projects.
- Appropriate **£18,000** into the Transformation reserve in relation to unspent funds on the In Person project.

4.4 Digital innovation, IT and Customer Services - **£303,000 (14.7%) under spend**

- 4.4.1 The provisional outturn of **£1.761m** was **14.7%** lower than the final approved budget of **£2.064m**.

- 4.4.2 The under spend resulted from staff vacancies within Customer Services and Member Enquiries, and the recharge of salary costs of the Director of Customer Services to Information Technology Services.

- 4.4.3 Approval is sought to withdraw **£39,000** from the Transformation Reserve to fund the costs of restructuring Customer Services' management.

4.5 Economic Growth, Infrastructure and Partnerships - £863,000 (12.9%) under spend

- 4.5.1 The provisional outturn of **£5.837m** was **12.9%** lower than the final approved budget of **£6.700m**.
- 4.5.2 The under spend predominantly related to Economic Regeneration and Skills.
- 4.5.3 The Economic Regeneration under spend was due to an increased staff recharge to projects (funded from the Transformation Reserve) and to vacant senior management posts that were not recruited to in the financial year.
- 4.5.4 The Skills under spend was due to savings plans within the Apprentice Hub being implemented in 2016/17, a year ahead of schedule, and lower costs as a consequence of apprentices leaving their apprenticeships early.
- 4.5.5 Approval is sought to:
- Appropriate **£269,000** into the Carry Forwards reserve, **£256,000** of which relates to the Employment & Skills Board, with the remainder (**£13,000**) requested for the Building Heroes grant.
 - Withdraw **£109,000** from the Transformation Reserve to cover costs related to Phase 1 of the Organisation redesign.

4.6 Education and Lifelong Learning

Dedicated Schools Budget - £4.635m over spend

- 4.6.1 This over spend represented the net position against the 'individual schools budget', and was due to Free Early Years Education Entitlement and increased demand for high needs placements. Schools utilised funds they had previously set aside in the Schools Reserve, which is ring fenced for their use, to offset the over spend.
- 4.6.2 For other elements of the Dedicated Schools Grant, grant was applied in line with actual spending (with any unspent grant being carried forward as a 'receipt in advance' for use in 2017/18 or subsequent years). The balance of unapplied grant as at 31st March 2017 is **£3.341m** and is primarily earmarked for the SEND capital investment project.

Non-Dedicated Schools Budget - £772,000 (1.6%) over spend

- 4.6.3 The provisional outturn of **£48.628m** was **1.6%** higher than the final approved budget of **£47.856m**. The main budget variances were as follows:
- **Home to school and college transport - £1.764m over spend**
The over spend primarily related to an increase in the number of pupils with SEND requiring transport.

- **Premature Retirement costs - £215,000 under spend**

This under spend arose due to fewer schools making claims for redundancy costs.

- **Special Educational Needs - £176,000 under spend**

The under spend arose from full utilisation of the SEND Reform Grant and staffing vacancies.

- **School Crossing Patrols - £136,000 under spend**

The under spend was due to staffing vacancies within the school crossing patrol service.

- **Planning and Provision Management Team - £245,000 under spend**

The under spend relates to two vacant posts and a reduction in training costs.

- **Early Years - £110,000 over spend**

This over spend was primarily due to legal costs that were slightly offset by staffing vacancies and increased income from the provision of training.

4.6.4 Approval is sought to the following actions:

- Appropriate unspent PFI credits of **£394,000** into the Building Schools for the Future PFI Reserve;
- Appropriate unspent PFI credits of **£5,000** to the Clacton Secondary Schools PFI Reserve;
- Appropriate unspent PFI credits of **£25,000** to the Debden Park PFI Reserve;
- Appropriate **£58,000** to the carry forwards reserve to deliver the Electronic Information Business System (**£33,000**), Outstanding Teaching and Learner Assessment within Adult Community Learning (**£20,000**) and to deliver the Transport Integration Project (**£5,000**); and
- Withdraw **£74,000** from the Transformation Reserve to fund organisation redesign restructuring costs.

4.7 Environment and Waste - £1.243m (1.6%) under spend

4.7.1 The provisional outturn of **£76.965m** was **1.6%** lower than the final approved budget of **£78.208m**. The main budget variances are explained in the following paragraphs.

4.7.2 Waste Management Services - £1.389m under spend

The under spend was due to a reduction in the volumes of waste, coupled with reduced gate fee prices and staffing vacancies.

4.7.3 Leisure - £315,000 over spend

This is due to an under recovery of income for a variety of reasons, including weather during the key summer months being poor impacting on visitor numbers using the attractions. Work is on-going to improve and widen the service offer, including marketing the attractions, to encourage new customers to our green spaces in 2017/18.

4.7.4 Other - £170,000 under spend

This under spend was predominantly due to the Planning and Environment service obtaining external funding from the Environment Agency for part of the Property Level Protection scheme, enabling the service to deliver planned activity at lower net cost.

4.7.5 Approval is sought to the following actions:

- Appropriate **£2.205m** to the Waste Reserve for further development of the long term Waste strategy and, partly offsetting this proposal, to withdraw **£816,000** from the same reserve in relation to the Waste infrastructure Credits that are shared with Southend Council as per the Joint Working Agreement.
- Appropriate **£15,000** to the Carry Forwards Reserve to enable completion of the Flood Project in 2017/18.

4.8 Finance, Traded Services, Housing and Planning - £539,000 (2.4%) under spend

4.8.1 The provisional outturn of **£22.183m** was **2.4%** lower than the final approved budget of **£22.722m**. The main reasons for the under spending are explained in the following paragraphs.

4.8.2 Council Tax Sharing Scheme – £513,000 over spend

The final outturn reflected additional payments made to District Councils, in accordance with the Council Tax Sharing Scheme, in respect of increased Council Tax collected. The Council will achieve a net gain of **£1.7m**, as a consequence of additional Council Tax income, in future years.

4.8.3 Other Central Services to the Public - £1.318m under spend

This under spend primarily resulted from National Living Wage (NLW) requirements across the Council being lower than anticipated (by **£1.5m**). An amount of money was set aside for the first year of operation of the NLW and this was held centrally, only released when the commercial ramifications from providers was known. This has been adjusted for in the 2017/18 budget.

4.8.4 Environmental Planning - £278,000 under spend

The under spend arose as a consequence of staffing vacancies and other savings.

4.8.5 Heritage and Cultural Services - £222,000 over spend

This has resulted from an under recovery of income from the provision of archive and education services.

4.8.6 Strategic Spatial Planning - £143,000 under spend

The under spend resulted from staff vacancies and delays in recruiting the additional resource required to support the delivery of new local plans.

4.8.7 Traded Strategy - £204,000 over spend

This has resulted from an under recovery of income due to a shortfall in external income against the original business plan.

4.8.8 Outdoor Education - £161,000 over spend

This is due to an under recovery of income (14%), due to lower than expected seasonal income across the centres.

4.8.9 Approval is sought to:

- Withdraw **£19,000** from the Transformation Reserve for the Heritage, Culture and Arts project.
- Appropriate **£30,000** into the Carry Forwards Reserve for the Council Tax Sharing Scheme.

4.9 Health - £760,000 (3.4%) under spend

4.9.1 The provisional outturn of **£21.761m** is **3.48%** lower than the final approved budget of **£22.521m**. The under spend is predominantly due to Adult Mental Health, but there is no evidence to suggest that the Mental Health social care needs of the Essex population have not been met as a result of this under spend.

4.9.2 **£221,000** of the under spend on Adult Mental Health relates to day care, where the cost of packages was lower than budgeted. Throughout the year commissioners have explored alternative ways to support recovery in mental health, and these solutions, often co-produced, have resulted in more effective short term spending.

4.9.3 A further **£351,000** of the under spend related to the Intensive Enablement contract, where two sites were not available; this missing provision was instead provided via domiciliary care.

4.9.4 £203,000 under spend due to a delay in recruitment to the new Care and Assessment Team (CAT) focussed on early intervention. Mitigations have prevented any detriment of service provision.

- 4.9.5 Approval is sought to appropriate **£84,000** to the Transformation reserve, to return budget for the Mental Health Transformation project which is no longer required.

4.10 Highways and Transport - £256,000 (0.3%) under spend

- 4.10.1 The provisional net revenue outturn of **£76.172m** was lower than the final approved budget of **£76.428m**. The main budget variances are explained in the following paragraphs.

4.10.2 Support Services - £404,000 over spend

The over spend is due to a lower level of recharges made to other Highways policy lines for overhead support services, offset by contra under spends for roads and footways, traffic management and asset management.

4.10.3 Road Safety - £340,000 overspend

The over spend relates to a shortfall in funds anticipated from the Essex Safer roads partnership.

4.10.4 Street Lighting - £680,000 over spend

The over spend was due to a delay in LED rollout and increases in energy costs (**£1.086m**), partly offset by lower maintenance and staff related costs.

4.10.5 Passenger Transport - £1.066m over spend

The over spend is due to combination of higher local bus operator costs and lower bus fare income receipts **£1.625m**, resulting from lower number of passenger journeys, as well as a shortfall in season ticket income **£294,000**. This is partially offset by Concessionary fares contract costs **£709,000** and lower service operating costs, **£146,000**.

4.10.6 Roads and Footways - £787,000 under spend

This reflects lower excess payments due to a reduced number of insurance claims **£140,000** and a reduction in staff and operating expenditure **£647,000**.

4.10.7 Asset Management Planning - £549,000 under spend

The under spend relates to delays in staff recruitment in the asset management team and a corresponding reduction in overhead costs.

4.10.8 Traffic Management Act - £1.186m under spend

The under spend relates to an increase in permit income receipts, this is offset by additional costs across other highways policy lines (most notably Support Services).

~~4.10.1~~ Approval is sought to appropriate **£300,000** into the Carry Forwards Reserve for the following purposes:

- **£150,000** for the relocation costs of Road Safety staff and equipment to the new Heybridge Depot.
- **£150,000** for the Enforcement Pilot project to support flood alleviation of roads and footways.

4.11 Leader - £881,000 (9.7%) under spend

4.11.1 The provisional outturn of **£8.179m** is **9.7%** lower than the final approved budget of **£9.060m**.

4.11.2 This under spend was due to:

- A reduced commitment from the Innovation Fund (**£500,000**) which was set up for staff and the public to present innovative ways to tackle problems faced by the County, to provide reward and seed funding;
- An under spend on Olympic Sports & Delivery (**£139,000**), primarily as a result of a lower than expected levy payment to Lee Valley Regional Park; and
- An under spend of **£191,000** on Initiatives and Partnerships, due to the lower commitments to Essex Initiatives.

~~4.11.3~~ Approval is sought to appropriate **£196,000** into the Carry Forwards reserve for the following purposes:

- **£37,000** for Human Resources, to fund the Trialling Behavioural Insights project;
- **£100,000** for innovation fund projects agreed in 2016/17; and
- **£59,000** to enable the Active Essex team at Hadleigh Park to reduce their requirement for Council funding.

4.12 Recharged Strategic Support Services

Corporate and Communities

4.12.1 Business Support – £614,000 (7.2%) under spend

The provisional outturn of **£7.907m** was **7.2%** lower than the final approved budget of **£8.521m**. The under spend was primarily due to a high level of staffing vacancies within the service.

Approval is sought to appropriate **£10,000** to the Carry Forward reserve to fund project expenditure in 2017/18.

4.12.2 Car Provision Scheme - £93,000 (186%) under spend

The under spend mainly resulted from the receipt of a refund from a supplier.

~~4.12.3~~ Human Resources - £311,000 (7.2%) under spend

The provisional outturn of **£4.001m** was **7.2%** lower than the final approved budget of **£4.312m**.

The under spend mainly related to project funding for phase one of the new organisational redesign, and to initiatives intended to support implementation of the new structure which will be later than planned.

Approval is sought to appropriate **£317,000** into the Carry Forwards reserve for the following purposes:

- **£277,000** for culture and capability initiatives work delayed due to Organisation redesign work; and
- **£40,000** for the Wellbeing service to support additional costs in 2017/18 for external Occupational Health Physicians to cover vacancies.

Digital Innovation, IT and Customer Services

4.12.4 Customer Services - £315,000 (14.6%) under spend

The provisional outturn of **£1.843m** was **14.6%** lower than the final approved budget of **£2.158m**. The under spend was primarily due to vacancies and the recharge of salary costs for the Director of Customer Services to Information Services.

4.12.5 Information Services - £391,000 (2.1%) over spend

The provisional outturn of **£19.008m** was **2.1%** higher than the final approved budget of **£18.617m**.

The over spend mainly related to the Digital Foundations project (**£615,000**), which is an ongoing Information Technology Service's investment programme required to look at new technologies, collaboration and transition to 'cloud', for which a draw down from the Transformation reserve is requested.

Information Technology Services (ITS) was **£133,000** under spent, mainly as a consequence of vacancy and contract savings. ITS projects showed an under spend of **£110,000** for which carry forward requests are made below.

Approval is sought to the following actions:

- Withdraw **£635,000** from the Transformation reserve for the following purposes:
 - **£616,000** for the Digital Foundations project; and
 - **£19,000** for Digital Channels.
- Appropriate **£110,000** into the Carry Forwards reserve for the following purposes:
 - **£72,000** for the Social Care Case Management system, to enable completion of this project in 2017/18;
 - **£38,000** for Superfast Broadband.

Finance, Traded Services, Housing and Planning

4.12.6 Capital Programme Implementation and Delivery - £161,000 (11.4%) under spend

The provisional outturn of **£1.257m** was **11.4%** lower than the final approved budget of **£1.418m**. The under spend was primarily due to a delay in asbestos surveys in schools as a result in being unable to shut down their heating systems over the Autumn and Winter periods. Works are to conclude over the summer term.

Approval is sought to appropriate **£87,000** into the Carry Forwards Reserve to fund the cost of asbestos surveys in 2017/18.

4.12.7 Finance - £2.466m (17.2%) under spend

The provisional outturn of **£11.868m** was **17.2%** lower than the final approved budget of **£14.334m**. The under spend was the net result of the following:

- Pooling of under spends of **£1.649m** identified earlier in the year to offset over spends anticipated across the Corporate and Customer Services function in 2017/18.
- Under spends on projects amounting to **£765,000**, which primarily resulted from phasing of Transforming Corporate Systems (TCS) (**£731,000**), part of which is requested to be carried forward.
- Increased recharges to projects, including external partnerships, which resulted in an under spend of **£272,000**.
- Holding vacancies, pending a potential restructure within Corporate Law, which resulted in an under spend of **£115,000**.
- An over spend of **£408,000** within Corporate Operations due to additional staffing costs and non-delivery of TCS savings.

Approval is sought to the following actions:

- Appropriate **£3.742m** into the Carry Forwards Reserve for the following purposes:
 - **£3.562m** to support the delivery of the Support Services Project savings in 2017/18;
 - **£20,000** to support the ongoing costs of Communications projects in 2017/18;
 - **£160,000** for Financial Services (for the transitioning of the Funding and Investment Team, to support and advise on a property investment vehicle and to provide finance and procurement capacity for the Service Placement Team).
- Appropriate **£387,000** into the Transformation Reserve to fund delays in the TCS project (**£384,000**) and to return **£3,000** of unused Future of Essex Support Services' project funding.
- Appropriate **£346,000** into the Reserve for Future Capital Funding to provide capital financing for future TCS capital costs; and

4.12.8 Insurance Cost Recovery Account - £1.455m (28.2%) over spend

The provisional outturn of **£6.619m** was **28.2%** higher than the final approved budget of **£5.164m**. The over spend was mainly due to higher than anticipated claim settlements in 2016/17.

4.12.9 Procurement - £187,000 (3.4%) under spend

The provisional outturn of **£5.265m** was **3.4%** lower than the final approved budget of **£5.452m**. The under spend as mainly due to staffing.

Approval is sought to appropriate **£148,000** into the Carry Forwards reserve for Support Directory, PB-19 contract, Short Term Care in the Community Contract, Passenger Transport DPS interface with TCS and to fund extended backfill of seconded posts to the Service Placement Team.

Leader

~~4.12.10~~ Communications and Customer Relations - £88,000 (3.1%) over spend

The provisional outturn of **£2.891m** was **3.1%** higher than the final approved budget of **£2.803m**. The over spend was primarily due to final costs associated with the Atrium Redesign project being higher than anticipated.

~~4.12.11~~ Democratic Services - £270,000 (21.1%) under spend

The provisional outturn of **£1.008m** was **21.1%** lower than the final approved budget of **£1.278m**. The under spend primarily resulted from the write back of a provision related to a prior year tax enquiry that was no longer required, an under spend on consultancy and the receipt of additional income from schools appeals.

~~4.12.12~~ Equality and Diversity - £11,000 (7.6%) under spend

The provisional outturn of **£134,000** was **7.6%** lower than the final approved budget of **£145,000**.

~~4.12.13~~ Performance and Commissioning Support - £187,000 (3.7%) under spend

The provisional outturn of **£4.903m** was **3.7%** lower than the final approved budget of **£5.090m**. The net under spend was primarily due to:

- Slippage in projects (**£183,000** under spend);
- Achieving efficiencies on surveys and scaling back scheduled work (**£121,000** under spend).
- Restructuring costs (**£63,000** over spend);
- A shortfall of income arising from the non-commissioning of work through contract (**£54,000** over spend).

Approval is sought to the following actions:

- Appropriate **£40,000** into the Carry Forwards Reserve for the Day Opportunities co-design work in relation to Citizen Insight (**£31,000**) and to support Census updates now delayed to the summer of 2017 (**£9,000**);
- Withdraw **£63,000** from the Transformation Reserve to fund organisation redesign costs.

4.12.11 Property and Facilities Management - £664,000 (4.3%) under spend

The provisional outturn of **£14.741m** was **4.3%** lower than the final approved budget of **£15.405m**.

The under spend mainly resulted from:

- Slippage in the Property Transformation project (**£452,000**); and
- Savings in the Capital Receipts team (**£143,000**).

Approval is sought to the following actions:

- Appropriate **£452,000** to the Carry Forwards reserve for the completion of the Property Transformation project in 2017/18; and
- Appropriate **£143,000** into the Capital Pump Priming reserve, this being the under spend by the Capital Receipts team.

4.12.12 Transformation Support Unit - £16,000 (0.3%) under spent

The provisional outturn of **£5.331m** is **0.3%** lower than the final approved budget of **£5.347m**.

Approval is sought to the following actions:

- Appropriate **£116,000** into the Carry Forwards reserve for the following purposes:
 - **£61,000** for the Digital Strategy project in 2017/18;
 - **£55,000** for general project funding required in 2017/18;
- Appropriate **£7,000** into the Transformation reserve for unrequired project funding.

4.13 Other Operating Costs (interest, capital financing and dividends) - £472,000 over spend (1.1%)

4.13.1 The net over spend of **£472,000** was the result of securing additional external borrowing during 2016/17 and not receiving the budgeted dividend, largely offset by additional investment returns and reduced capital financing costs.

5. Commentary for Trading Activities

5.1 EES for Schools

5.1.1 Although the Service generated a net surplus of **£2.237m**, this was **£1.086m** less than the approved financial target for the year of **£3.323m**. The shortfall resulted from increased expenditure on the development of the Target Tracker software **£500,000**, lower than anticipated income from Education Consultancy of **£334,000** due to fewer schools commissioning support as a consequence of funding cuts, and a provision for the Target Tracker and Sales and Marketing restructure of **£256,000**.

5.1.2 **£3.132m** of the trading activity's accumulated reserves were appropriated into the General Fund. After this appropriation, the accumulated revenue reserves stood at **£1.025m** at 31st March 2017.

5.2 Music Services

5.2.1 Music Services achieved a net surplus of **£2,000**. **£27,000** was appropriated to General Fund, leaving revenue reserves of **£103,000**.

5.3 School Staffing Insurance Scheme

5.3.1 This scheme enables schools to mitigate the cost of employing supply teachers to cover for the unexpected or prolonged absence of their teaching staff.

5.3.2 The trading activity incurred a deficit of **£60,000** in 2016/17, as a result in an increase in the level of benefits paid out for claims, coupled with more than anticipated number of claimants. The trading activity had sufficient revenue reserves to fund the additional costs. The revenue reserves stood at **£913,000** at 31st March 2017.

5.4 Essex Legal Services

5.4.1 Overall, Essex Legal Services, including Deputyships, achieved a net surplus of **£1.588m** in 2016/17 against a budgeted surplus of **£1.262m**.

5.4.2 Legal Services achieved a surplus of **£1.086m**, largely as a consequence of a provision of **£670,000** made in 2015/16 for a legal matter that was not subsequently required and by generating additional income from the provision of legal services.

- 5.4.3 The surplus achieved by Legal Services was partly offset by an under recovery of income of **£828,000** by Deputyships. Following advice from Counsel, as a result of an unrelated but similar Court of Protection decision around the charging of solicitor rates versus public authority rates to service users, Deputyships revised their charging rates to public authority rates.

5.5 Library Services

- 5.5.1 Library Services achieved a net surplus of **£30,000** against a budgeted surplus of **£73,000**.
- 5.5.2 **£480,000** of the Trading Activity's revenue reserves were appropriated into the General Fund, leaving a balance of **£34,000** in the trading activity's revenue reserves. The Service is no longer operating as a trading activity in the Council's accounts.

5.6 Place Services

- 5.6.1 Place Services achieved a net surplus of **£106,000** (which compares favourably with a budgeted surplus of **£52,000**) due to the receipt of income from the provision of services delivered ahead of schedule, **£44,000** of which was appropriated into the General Fund.
- 5.6.2 The trading activity's revenue reserves stood at **£398,000** as at 31st March 2017.

5.7 Information Services Infrastructure

- 5.7.1 The trading activity achieved a net surplus of **£37,000**. This was added to the service's revenue reserves, which stood at **£437,000** as at 31st March 2017.

5.8 Smarte East

- 5.8.1 The trading activity incurred a deficit of **£114,000**, largely as a consequence of repaying contributions to other authorities as the service goes through process of closure following the expiry of the framework agreement. The trading activity's revenue reserves stood at **£143,000** as at 31st March 2017.

6. Portfolio commentary – Capital

- 6.1 The Capital Programme is a significant priority for the Council and is fundamental to the Council achieving its aspiration to re-shape how it delivers services as well as helping to unlock revenue savings and efficiencies to secure ongoing financial sustainability. During 2016/17 the Council approved a significant capital programme of investment and delivered close to 90%.

6.2 By the end of the year, the capital programme had been able to accelerate its delivery programme which enabled an additional **£1.435m** to be delivered on top of the approved budget of **£224.614m**. This accelerated delivery enabled several school expansions to progress ahead of schedule, and some highways maintenance projects to be brought forward from 2017/18.

6.3 Commentary on the provisional outturn position is provided in the following paragraphs.

6.4 Adult Social Care – £1.6m (33%) under spend

6.4.1 The provisional outturn of **£3.3m** was **£1.6m** less than the final approved budget of **£4.9m**. The majority of this underspend related to slippage on the following programmes:

- **Independent Living (Adults with Disabilities)** - two schemes for which delays in surveys and planning resulted in slippage of **£322,000**.
- **Independent Living (Older People)** - the Ashley House Walton scheme experienced a 4-6 week delay in utility connections which unfortunately meant that the final milestone payment of **£893,000** will fall into 2017/18. The **Coppins Court** scheme experienced planning delays causing a further **£575,000** of slippage.

This is partly offset by:

- The late purchase of Counting House Lane for the Independent Living AWD programme at **£282,000**, which is requested to be advanced; and
- **£68,000** relating to two Adult Social Care Apps, fully funded by the Department of Health.

6.4.2 Approval is sought for the following actions:

- To add scheme and payment approvals of **£68,000** for two Adult Social Care Apps, fully funded by the Department of Health;
- To reduce scheme and payment approvals by **£14,000** in relation to the Ninefields scheme, where this amount of expenditure was reclassified as revenue.
- To re-profile payment approvals of **£1.974m** into 2017/18 in relation to slippage in the Independent Living programmes;
- To bring forward payment approvals from 2017/18 of **£324,000** for the Counting House Lane and Hostel feasibility studies.

6.5 Children and Families – £115,000 (48%) over spend

6.5.1 The provisional outturn of **£125,000** was **£115,000** less than the final approved budget of **£241,000**.

- 6.5.2 The under spend related to the Adopters/Foster Carers Adaptions programme. Although twelve successful family applications were completed, the programme was subject to both demand and cost variations as individual family adaptations can cover a wide range of solutions. As the service already has scheme and payment approvals for further projects in 2017/18 it is intended to reduce the scheme and payment approvals for 2016/17 by the amount of the 2016/17 under spend (**£115,000**).

6.6 Corporate and Communities – £58,000 (24.2%) over spend

- 6.6.1 The provisional outturn of **£298,000** was **24.2%** higher than the final approved budget of **£240,000**.
- 6.6.2 The over spend mainly related to the Basildon Library project. Approval is sought for a budget addition of **£133,000**.
- 6.6.3 Approval is also sought to the following actions:
- To add scheme and payment approvals of **£1,000** in relation to the Silver End library project;
 - To reduce scheme and payment approvals by **£37,000** for the Basildon Library and by **£3,000** for Libraries' registration rooms. Both of these schemes are complete and the provisional final costs were lower than anticipated.
 - To re-profile payment approvals of **£36,000** into 2017/18 in relation to slippage in the Libraries Radio Frequency Identification project.

6.7 Digital Innovation, IT and Customer Services - £424,000 (11.4%) under spend

- 6.7.1 The provisional outturn of **£3.279m** was **11.4%** lower than the final approved budget of **£3.703m**.
- 6.7.2 On the basis of the provisional outturn position, approval is sought to the following actions:
- To re-profile scheme and payment approvals of **£359,000** (**£285,000** for the Digital foundations project and **£74,000** for Social Care Case Management) into 2017/18 to reflect on going works on those programmes which it was not possible to complete as previously scheduled in 2016/17;
 - To reduce the scheme and payment approvals by **£65,000** in relation to the Next Generations Network project where costs in 2016/17 were less than anticipated.

6.8 Economic Growth, Infrastructure and Partnerships – £957,000 (8.8%) under spend

- 6.8.1 The provisional outturn of **£9.887m** was **8.8%** less than the final approved budget of **£10.844m**.

6.8.2 The main reason for the under spend was slippage in the Harlow Medtech project of **£500,000**.

6.8.3 On the basis of the provisional outturn position, approval is sought for the following action:

- To re-profile payment guidelines of **£1.9m** into later years in relation to slippage in schemes (i.e. **£1.111m** on Broadband UK (BDUK) is to be re-profiled into 2020/21);
- To bring forward payment approvals from 2017/18 and into 2016/17 of **£898,000** in respect of schemes that progressed ahead of schedule.

6.9 Education and Lifelong Learning – £2.536m (5%) over spend

6.9.1 The provisional outturn of **£53.964m** exceeded the budget of **£51.427m** by **£2.537m**.

6.9.2 Pleasingly, this resulted from several school expansion schemes progressing ahead of schedule.

6.9.3 By successfully delivering a number of educational schemes during 2016/17, **2,900** new pupil places were created through **11** completed school expansions and the opening of one new school, Camulos Academy.

6.9.4 On the basis of the provisional outturn position, approval is sought to the following actions:

- To add scheme and payment approvals of **£4.729m** to the 2016/17 Capital Programme to realign budgets between individual capital projects;
- To reduce scheme and payment approvals by **£4.793m** to realign budgets between individual capital projects;
- To re-profile payment approvals of **£1.834m** into 2017/18 as a consequence of slippage in schemes;
- To bring forward payment approvals of **£4.439m** from 2017/18 in respect of schemes that progressed ahead of schedule.

6.10 Environment and Waste – £582,000 (8.7%) under spent

6.10.1 The provisional outturn of **£6.1m** was **8.7%** lower than the final approved budget of **£6.7m**.

6.10.2 The under spend mainly related to Waste and Recycling projects, including the Leachate project where further investigation is needed into the best solution.

~~6.10.3~~ Approval is sought to the following actions:

- To add scheme and payment approvals of **£782,000** to the 2016/17 capital programme (to be funded from the Community Initiatives Reserve);

- To reduce scheme and payment approvals by **£569,000**; £275,000 is to be transferred to the Highways Transport Portfolio in respect of their successful bid to the Flood Management Community Flood Improvement Fund. The remaining £294,000 is to be removed from the programme in relation to savings achieved on project delivery.
- To re-profile payment approvals of **£818,000** from 2016/17 and into 2017/18 in respect of slippage in schemes such as the Leachate project;
- To bring forward payment approvals of **£22,000** from 2017/18 and into 2016/17 in respect of the Flood Management project which was progressed ahead of schedule.

6.11 Finance, Traded Services, Housing and Planning – £356,000 (10%) over spend

6.11.1 The provisional outturn of **£3.867m** was **10.1%** higher than the final approved budget of **£3.511m**.

6.11.2 Approval is sought to the following actions:

- To increase the scheme and payment approvals by **£371,000** for the following purposes:
 - **£346,000** for the Transforming Corporate Systems project, where additional work was required in relation to go-live functionality. This will be funded from the Reserve for Future Capital Funding, on the basis of an additional revenue contribution to this reserve.
 - **£25,000** for Public Art (Colchester High Street Public Art).
- To re-profile payment approvals of **£34,000** from 2016/17 and into 2017/18 for the following projects:
 - **£32,000** for the Housing Project, primarily relating to Maldon Friary where further archaeological investigation is necessary before construction work can commence.
 - **£2,000** in relation to slippage in another Public Art project.
- To bring payment approvals of **£19,000** forwards from 2017/18 and into 2016/17 in relation to Norton Road, Rocheway and Moulsham Lodge.

6.12 Highways and Transport – £2.2m (2%) over spend

6.12.1 The provisional outturn of **£137.6m** is **1.6%** higher than the final approved budget of **£135.5m**.

6.12.2 The major component being Highways and Transportation Delivery, which was **£2.2m** over spent due to over programming and bringing forward works budgeted to happen in 2017/18 in areas such as Roads and Footways Maintenance.

6.13.1 Approval is sought to the following actions:

- To add scheme and payment approvals of **£15m** to the 2016/17 capital programme, to largely be financed from the reduction in scheme and payment approvals of **£14.4m** to realign budgets between individual capital projects in areas such as Highways Maintenance and Advanced Scheme Design;
- To re-profile payment approvals of **£2.8m** from 2016/17 and into 2017/18 in respect of slippage in schemes; and
- To bring payment approvals of **£4.2m** forward from 2017/18 to 2016/17 in respect of schemes that progressed ahead of schedule.

6.13 Leader – £7,000 (0.1%) over spend

6.13.1 The provisional outturn of **£7.541m** was **0.1%** higher than the final approved budget of **£7.534m**.

6.13.2 Approval is sought to the following actions:

- To add scheme and payment approvals of **£55,000** to the 2016/17 capital programme in respect of the Hadleigh Farm legacy project;
- Re-profile payment approvals of **£48,000** from 2016/17 and into 2017/18 for ongoing work not complete on Property schemes; and
- To make other minor adjustments related to various Property transformation schemes (i.e. to add scheme and payment approvals of **£33,000**, offset by reductions (savings) of **£33,000**).

7. Policy context

7.1 This report provides an assessment of the financial position of the Council at the end of the 2016/17 financial year and, as such, provides a financial representation of the Corporate Plan. The budget and corporate plan were approved in February 2016.

8. Financial implications

8.1 All actions proposed within this report are within available funding and are considered by the Section 151 Officer as appropriate for dealing with the budget variances at year end.

9. Legal implications

9.1 The Council is responsible for setting the budget each year at the Budget and Council Tax meeting. Once agreed, the Executive then has to implement the policy framework within that budget. The Executive cannot change the budget set by Council other than in accordance with Financial Regulations and the Constitution.

10. Staffing and other resource implications

10.1 There are no staffing or other resource implications associated with this report.

11. Equality and diversity implications

11.1 There are no equality and diversity or other resource implications associated with this report.

12. Appendices

Appendix A – Revenue Outturn Summary

Appendix B – Revenue Variance Plan

Appendix C – Overview of revenue carry forward requests

Appendix D – Trading Activities

Appendix E – Capital payments and financing summary

Appendix F – Capital Variance Plan (Summary)

Appendix G – Restricted use and other revenue reserves

Appendix H – General Balance

Appendix I - Prudential Indicators

Appendix J – Treasury Management

Appendix A – Revenue Outturn Summary

2015/16		2016/17					RAG status
Actual		Original	Final	Provisional	Variance		
		Budget	Budget	Outturn			
£000		£000	£000	£000	£000	%	
382,048	Adults Social Care	392,403	404,973	413,032	8,059	2.0%	🔴
117,394	Children and Families	115,724	114,485	113,358	(1,127)	(1.0%)	🟡
13,877	Corporate and Communities	13,415	17,582	17,580	(2)	-	🟢
6,454	Digital, Innovation, IT & Customer Services	2,491	2,064	1,761	(303)	(14.7%)	🟡
1,969	Economic Growth, Infrastructure & Partnerships	5,610	6,700	5,837	(863)	(12.9%)	🟡
	Education and Lifelong Learning						
2,357	Dedicated Schools Budget	(3,063)	189	4,824	4,635	2452.4%	🔴
49,311	Non Dedicated Schools Budget	48,958	47,856	48,628	772	1.6%	🔴
75,666	Environment and Waste	78,067	78,208	76,965	(1,243)	(1.6%)	🟡
22,305	Finance, Traded Services, Housing & Planning	25,084	22,722	22,180	(542)	(2.4%)	🟡
29,239	Health	23,549	22,521	21,761	(760)	(3.4%)	🟡
86,308	Highways and Transport	76,633	76,428	76,172	(256)	(0.3%)	🟢
4,327	Leader	6,825	9,060	8,179	(881)	(9.7%)	🟡
	Recharged Support Services						
	Corporate & Communities						
9,012	Business Support	10,103	8,521	7,907	(614)	(7.2%)	🟡
-	Car Provision Scheme	(25)	50	(43)	(93)	(186.0%)	🟡
5,491	Human Resources	4,695	4,312	4,001	(311)	(7.2%)	🟡
	Digital, Innovation, IT & Customer Services						
1,812	Customer Services	2,068	2,158	1,843	(315)	(14.6%)	🟡
22,053	Information Services	15,998	18,617	19,008	391	2.1%	🟡
	Finance, Traded Services, Housing & Planning						
1,301	Capital Programme Implementation and Delivery	1,369	1,418	1,257	(161)	(11.4%)	🟡
13,861	Finance	11,034	14,334	11,868	(2,466)	(17.2%)	🟡
4,431	Insurance Cost Recovery Account	4,829	5,164	6,619	1,455	28.2%	🔴
4,675	Procurement	4,504	5,452	5,265	(187)	(3.4%)	🟢
	Leader						
2,636	Communications and Customer Relations	2,548	2,803	2,891	88	3.1%	🟡
1,350	Democratic Services and Governance	1,393	1,278	1,008	(270)	(21.1%)	🟡
128	Equality and Diversity	154	145	134	(11)	(7.6%)	🟡
5,157	Performance and Commissioning Support	4,960	5,090	4,903	(187)	(3.7%)	🟢
22,424	Property and Facilities Management Service	19,110	15,433	14,769	(664)	(4.3%)	🟡
5,536	Transformation Support Unit	2,748	5,347	5,331	(16)	(0.3%)	🟢
891,123	Net cost of services (Portfolios)	871,184	892,910	897,038	4,128	0.5%	🔴
	Other operating costs						
-	Emergency Contingency	4,000	3,388	-	(3,388)	(100.0%)	🟡
38,788	Interest, capital financing and dividends	42,009	41,405	41,877	472	1.1%	🟡
	Appropriations to/(from) restricted funds and other revenue reserves						
(3,620)	Carry Forwards reserve	-	(9,057)	(2,422)	6,635	(73.3%)	🔴
988	Restricted funds	31	1,515	(1,381)	(2,896)	(191.2%)	🟡
3,935	Capital financing	3,699	5,676	6,902	1,226	21.6%	🔴
(18,828)	Other revenue reserves	13,903	277	246	(31)	(11.2%)	🟡
912,386	Net expenditure	934,826	936,114	942,260	6,146	0.7%	🔴
(60,663)	General government grant	(54,050)	(54,050)	(55,496)	(1,446)	2.7%	🟡
20,631	General Balance - contribution / (withdrawal)	(19,359)	(20,647)	(24,432)	(3,785)	18.3%	🟡
872,354	Budget Requirement	861,417	861,417	862,332	915	0.1%	🔴
	Financed by						
(160,774)	Revenue Support Grant	(117,938)	(117,938)	(117,938)	-	-	🟢
(160,219)	National non-domestic rates	(161,938)	(161,938)	(162,853)	(915)	0.6%	🟡
(539,138)	Council tax precept	(570,201)	(570,201)	(570,201)	-	-	🟢
(12,223)	Collection fund surpluses	(11,340)	(11,340)	(11,340)	-	-	🟢
(872,354)	Total Financing	(861,417)	(861,417)	(862,332)	(915)	0.1%	🟡

Key

- ◆ Over spend equal to, or greater than, £500,000 or 5% of the Budget
- Over spend of less than £500,000 or 5% of the Budget OR under spend equal to, or greater than, £500,000 or 5% of the Budget
- Under spend of less than £500,000 or 5% of the Budget

Appendix B – Revenue Variance Plan

	Provisional Outturn Variance (Under) / Over spend	Proposed mitigating actions				Total of mitigating actions
		Transfers of under / over spends between portfolios	Under spends to be carried forward into 2017/18	Appropriations to/(from) other reserves	Underlying under / (over) spends	
	£000	£000	£000	£000	£000	£000
Adults Social Care	8,059	(193)	538	1,288	(9,692)	(8,059)
Children & Families	(1,127)	(216)	37	-	1,306	1,127
Corporate and Communities	(2)	(47)	170	(121)	-	2
Digital, Innovation, IT and Customer Services	(303)	342	-	(39)	-	303
Economic Growth, Waste and Recycling	(863)	563	269	(109)	140	863
Education and Lifelong Learning						
Dedicated Schools Budget	4,635	-	-	(4,635)	-	(4,635)
Non Dedicated Schools Budget	772	76	58	350	(1,256)	(772)
Environment and Waste	(1,243)	(160)	15	1,388	-	1,243
Finance, Traded Services, Housing & Planning	(542)	127	30	(19)	404	542
Health	(760)	676	-	84	-	760
Highways and Transport	(256)	(773)	300	-	729	256
Leader	(881)	(4)	196	-	689	881
Recharged Support Services						
Corporate and Communities						
Business Support	(614)	604	10	-	-	614
Car Provision Scheme	(93)	93	-	-	-	93
Human Resources	(311)	(6)	317	-	-	311
Digital, Innovation, IT & Customer Services						
Customer Services	(315)	315	-	-	-	315
Information Services	391	134	110	(635)	-	(391)
Finance, Traded Services, Housing & Planning						
Capital Programme Implementation and Delivery	(161)	74	87	-	-	161
Finance	(2,466)	(2,009)	3,742	733	-	2,466
Insurance Cost Recovery Account	1,455	-	-	-	(1,455)	(1,455)
Procurement	(187)	39	148	-	-	187
Leader						
Communications and Customer Relations	88	(88)	-	-	-	(88)
Democratic Services and Governance	(270)	270	-	-	-	270
Equality and Diversity	(11)	11	-	-	-	11
Performance and Commissioning Support	(187)	210	40	(63)	-	187
Property and Facilities Management Service	(664)	69	452	143	-	664
Transformation Support Unit	(16)	(107)	116	7	-	16
Net cost of services (Portfolios)	4,128	-	6,635	(1,628)	(9,135)	(4,128)
Other operating costs						
Interest, capital financing and dividends	472	-	-	-	(472)	(472)
Emergency contingency	(3,388)	-	-	-	3,388	3,388
Appropriations to / from restricted funds and other revenue reserves						
Restricted funds	(2,896)	-	-	2,823	73	2,896
Capital financing	1,226	-	-	(1,226)	-	(1,226)
Other revenue reserves						
Carry Forwards reserve	6,635	-	(6,635)	-	-	(6,635)
Transformation Reserve	608	-	-	(608)	-	(608)
Other reserves	(639)	-	-	639	-	639
General government grant	(1,446)	-	-	-	1,446	1,446
Financing	(915)	-	-	-	915	915
Net expenditure	3,785	-	-	-	(3,785)	(3,785)
General Balance	(3,785)	-	-	-	3,785	3,785
Net Total	-	-	-	-	-	-

Appendix C – Overview of revenue carry forward requests

	Total £000
Re-phasing of spending	
Better Care Fund and Health and Social Care spend	388
Strategy and Communications	100
Infrastructure delivery	87
Communications Projects	20
Other	-
Sub total - Re-phasing of spending	595
Approved Transformation projects	
Social Care Case Management	72
Digital Strategy	61
Superfast Broadband	38
Electronic Information Services	33
Transport Integration Project	5
Other	-
Sub total - Approved Transformation Projects	209
Under spends requested for another purpose	
Corporate Services - Delivery of Support Services Project savings	3,562
Estate projects	452
Leadership and Talent	277
Employment and Skills Board funding	256
Community Resilience - Prototypes work	170
Financial Services	160
Highways - Heybridge depot	150
Highways Enforcement Pilot	150
Quality Improvement	150
Other	504
Sub total - Under spends requested for another purpose	5,831
Net Total	6,635

Appendix D – Trading Activities

2015/16		2016/17				
Actual		Original Budget	Final Budget	Provisional Outturn	Variance	Variance
£000		£000	£000	£000	£000	%
(43,308)	Income	(44,393)	(43,756)	(42,585)	1,171	(2.7%)
39,442	Expenditure	37,633	39,174	38,763	(411)	(1.0%)
-	Financing Items	-	-	-	-	-
(3,866)	(Surplus)/Deficit	(6,760)	(4,582)	(3,822)	760	(16.6%)
4,456	Appropriations	6,482	4,942	5,011	69	1.4%
590	Net (increase) / decrease in revenue reserves	(278)	360	1,189	829	230.3%
Analysis of net (increase) / decrease in Trading Activites reserves						
727	Essex Education Services	(200)	(200)	895	1,095	(547.5%)
(23)	Music Services	(1)	(1)	29	30	(3000.0%)
203	School staffing insurance scheme	-	157	60	(97)	(61.8%)
(206)	Library Services	(73)	407	450	43	10.6%
(13)	Smarte East	(3)	(3)	114	117	(3900.0%)
239	Essex Legal Services	-	-	(259)	(259)	-
(192)	Information Services infrastructure	-	-	(37)	(37)	-
(145)	Place Services	(1)	-	(63)	(63)	-
590	Net (increase) / decrease in revenue reserves	(278)	360	1,189	829	230.3%

2015/16		2016/17	
Closing Balance		Opening Balance	Closing Balance
£000		£000	£000
(4,564)	Total Reserves Balance	(4,564)	(3,373)

Appendix E – Capital payments and financing summary

	Original Approval	Final Approval	Actual	Variance
	£000	£000	£000	£000
Adult Social Care	3,778	4,900	3,303	(1,597)
Children and Families	365	241	125	(116)
Corporate and Communities	456	240	298	58
Digital Innovation IT & Customer Services	3,858	3,703	3,279	(424)
Deputy Leader and Economic Growth, Infrastructure and	14,339	10,844	9,887	(957)
Education and Lifelong Learning	63,836	51,427	53,964	2,537
Environment and Waste	5,303	6,728	6,146	(582)
Finance, Commercial, Traded Services, Housing and Planning	1,768	3,511	3,867	356
Highways and Transport	149,466	135,486	137,639	2,153
Leader	8,738	7,534	7,541	7
Total payments to be financed	251,907	224,614	226,049	1,435
Financed by				
Unsupported borrowing	113,998	74,583	61,610	(12,973)
Grants and contributions	110,920	116,570	121,841	5,271
Capital receipts	15,000	24,189	27,755	3,566
Earmarked reserves	-			
Reserve for future capital funding	11,989	9,272	14,843	5,571
Total financing	251,907	224,614	226,049	1,435

Appendix F – Capital Variance Plan (Summary)

	Slippage	2016/17			2016/17 Changes	2017/18 Changes
		Additions	Reductions	Advanced Works		
	£000	£000	£000	£000	£000	£000
Adult Social Care	(1,974)	68	(14)	324	(1,596)	1,650
Children and Families	-	-	(115)	-	(115)	-
Corporate & Communities	(36)	134	(40)	-	58	36
Digital Innovation, IT & Customer	(359)	-	(65)	-	(424)	359
Deputy Leader, Economic Growth, Infrastructure and Education and Lifelong Learning	(1,855)	-	-	898	(957)	(153)
Local Authority Controlled	(1,843)	4,669	(4,557)	4,350	2,619	(2,506)
Schools Controlled	-	60	(234)	89	(85)	(89)
Environment and Waste	(817)	782	(568)	22	(581)	795
Finance, Commercial, Traded Services, Housing and Planning	(34)	371	-	19	356	15
Highways & Transport	(2,824)	14,972	(14,361)	4,367	2,154	(1,543)
Leader	(48)	88	(33)	-	7	48
Total payments to be financed	(9,790)	21,144	(19,987)	10,069	1,435	(1,389)
Financed by						
Unsupported borrowing					(12,973)	
Grants and contributions					5,271	
Capital receipts					3,566	
Reserve for future capital funding					5,571	
Total financing					1,435	

Appendix G – Restricted use and other revenue reserves

Restricted use funds					
	Balance at 1 April 2016	2016/17 movements			Balance at 31 March 2017 as at
	£000	Contributions to reserves £000	Withdrawals from reserves £000	Net Movement £000	£000
Restricted use					
Grants equalisation reserve	10,039	4,052	(2,964)	1,088	11,127
PFI equalisation reserves					
A130 PFI	52,102	101	(3,294)	(3,193)	48,909
Clacton secondary schools' PFI	3,180	969	(724)	245	3,425
Debden PFI	4,154	348	(84)	264	4,418
Building Schools for the Future PFI	2,495	397	(1,347)	(950)	1,545
Waste reserve	79,620	11,270	-	11,270	90,890
Schools	51,938	5,854	(10,488)	(4,634)	47,304
Partnerships	1,495	418	(373)	45	1,540
Trading activities	4,562	359	(1,548)	(1,189)	3,373
	209,585	23,768	(20,822)	2,946	212,531

Future Capital Funding and other revenue reserves					
	Balance at 1 April 2016	2016/17 movements			Balance at 31 March 2017 as at
	£000	Contributions to reserves £000	Withdrawals from reserves £000	Net Movement £000	£000
Future capital funding	11,748	8,155	(14,843)	(6,688)	5,060
Other revenue reserves					
Capital receipts pump priming	2,671	1,143	(1,057)	86	2,757
Carbon Reduction reserve	3,172	529	(717)	(188)	2,984
Carry Forwards Reserve	9,057	6,635	(9,057)	(2,422)	6,635
Collection Fund investment risk reserve	1,412	-	-	-	1,412
Community Initiatives Reserve	2,512	1,500	(1,915)	(415)	2,097
Insurance	8,356	-	-	-	8,356
Innovation	966	1,000	(105)	895	1,861
Pension Fund Deficit reserve	2,414	-	(1,574)	(1,574)	840
Transformation	31,699	22,603	(21,561)	1,042	32,741
Other reserves	1,850	575	(175)	400	2,250
	64,109	33,985	(36,161)	(2,176)	61,933

Appendix H – General Balance

	£000
Actual Balance 31 March 2016	79,731
2016/17 Original Budget withdrawal	(19,359)
Actual Balance 1 April 2016	60,372
Subsequent movements	(1,288)
Budgeted balance at 31st March 2017	59,084
2016/17 Provisional Outturn proposals	(3,785)
Actual balance at 31 March 2017	55,299
2017/18 budgeted withdrawal	-
Actual balance at 1 April 2017	55,299

Appendix I - Prudential Indicators

		Approved Indicator	Provisional Outturn
1 Affordability			
Incremental impact on Council Tax of 2016/17 and earlier years' 'starts'	£	£92.65	£91.56
Ratio of financing costs to net revenue streams (excl. gen. govnt. grant)	%	7.5%	7.6%
Ratio of financing costs to net revenue streams (incl. gen. govnt. grants)	%	7.1%	7.1%
2 Prudence		<i>Net borrowing is well within the medium term forecast of the Capital Financing Requirement.</i>	
Net borrowing and Capital Financing Requirement			
3 Capital Expenditure			
Capital expenditure	£m	252	226
Capital Financing Requirement (<i>excluding credit arrangements</i>)	£m	1,086	901
4 External Debt			
Authorised limit (borrowing only)	£m	660	N/A
Operational boundary (borrowing only)	£m	480	N/A
Actual external borrowing (maximum level of debt during year)	£m	N/A	514
5 Treasury Management			
Interest rate exposures			
Upper limit for exposure to fixed rates			
Net exposure	£m	660	393
Debt		100.0%	100.0%
Investments		100.0%	72.1%
Upper limit for exposure to variable rates			
Net exposure	£m	198	(70)
Debt		30.0%	3.5%
Investments		100.0%	56.8%
Maturity structure of borrowing (upper limit)			
Under 12 months	%	40.0%	0.7%
12 months & within 24 months	%	40.0%	1.0%
24 months & within 5 years	%	60.0%	3.8%
5 years & within 10 years	%	60.0%	9.5%
10 years & within 25 years	%	65.0%	26.4%
25 years & within 40 years	%	70.0%	23.4%
40 years & within 50 years	%	50.0%	11.7%
50 years & above	%	22.0%	15.0%
Total sums invested for more than 364 days			
Authorised limit	£m	50	N/A
Actual sums invested (maximum position during year)	£m	N/A	11
6 Summary			
<i>All Treasury Management activities have been undertaken in accordance with approved policies and procedures.</i>			
<i>External debt is within prudent and sustainable limits.</i>			
<i>Credit arrangements have been undertaken within approved indicators</i>			
<i>Maturity Structure of borrowing: maturity dates for market loans are based on the next review date, not the final maturity date.</i>			

Appendix J – Treasury Management

TREASURY MANAGEMENT - 2016/17						
	Actual Balance 1 April £000	Movements			Balance at 31 March £000	Interest payable / (earned) to date £000
		Raised	Repaid	Net movement £000		
		£000	£000			
Borrowing						
Long Term	353,636	163,000	(3,462)	159,538	513,174	2,678
Temporary	2,668	-	(2,668)	(2,668)	-	1
	356,304	163,000	(6,130)	156,870	513,174	2,679
Investments						
Long Term	(3,500)	(7,500)	-	(7,500)	(11,000)	(20)
Temporary	(213,800)	(89,524)	-	(89,524)	(303,324)	(401)
	(217,300)	(97,024)	-	(97,024)	(314,324)	(421)
Net indebtedness	139,004	65,976	(6,130)	59,846	198,850	2,258
Borrowing						
Average long term borrowing over period to date (£000)						456,429
Opening pool rate at 1 April 2016						4.28%
Weighted average rate of interest on new loans secured to date						2.82%
Average pool rate for year						3.91%
Investments						
Average daily cash balance over period to date (£000)						332,872
Average interest earned over period						0.79%
Benchmark rate - average 7 day LIBID rate						0.20%

Report title: Procurement of Care, Support and Housing Management for a Supported Living Scheme in Braintree	
Report to: Cabinet	
Report author: Nick Presmeg, Director of Adult Social Care	
Date: 20 June 2017	For: Decision
Enquiries to: Phil Brown, Interim Head of Commissioning - Vulnerable People	
County Divisions affected: All Essex	

1. Purpose of Report

- 1.1. To seek approval to procure a contract for the care, support and housing management for a supported living scheme in Braintree for ten adults with learning disabilities and behaviours that can challenge. If approved the contract would commence on the 1st November 2017 and be for a contract length of five years, with the potential to extend for a further 2 years.

2. Recommendations

- 2.1. Agree to the procurement of the care, support and housing management for a supported living scheme in Braintree, with a maximum contract length of five years and with a maximum contract value of £9.5 million with the potential to extend for 2 years at the cost of £3.3million.
- 2.2. Subject to the award of the construction contract under a separate decision, authorise the Director for Adult Social Care to award the contract to the successful bidder following the completion of the procurement process.
- 2.3. Agree to the disposal of the scheme by lease on terms authorised by the Director, Business Operations in conformity with the terms set out in this report.

3. Summary of issue

- 3.1. The review that followed the abuse at Winterbourne View Hospital in South Gloucestershire identified that there were still a number of adults with learning disabilities and / or autism inappropriately placed in long term hospital placements. The subsequent Concordat published in 2013 placed clear responsibilities on Local Authorities and Clinical Commissioning Groups to develop community services to reduce the numbers of people with learning disabilities and/ or autism placed in hospital.
- 3.2. The Association of Directors of Adult Social Services, Local Government Association, and NHS England published a national plan entitled “Building the Right Support” in October 2015 to implement the recommendations of the

Winterbourne View Concordat. The plan involved the creation of local “Transforming Care” partnerships and included clear targets for reducing the number of people in hospital. For the Essex, Southend and Thurrock partnership which includes the seven Clinical Commissioning Groups and three Local Authorities, the target is a reduction from 73 people with learning disabilities and / or autism placed in hospital to 46 by March 2019.

- 3.3. In response to both the Concordat and “Building the Right Support”, Essex County Council purchased two properties situated next to each other in Braintree to provide housing for ten adults with learning disabilities /and or autism with behaviours that can be challenging following a key decision taken on 29 March 2016. The properties will provide housing for six people leaving hospital and four people currently in residential care settings who without the right support would be at risk of being admitted to hospital.
- 3.4. The purchase and adaptation of the properties is estimated to cost a total of £3.4 million. The contribution from ECC to the costs of purchasing and adapting the properties is estimated to be £1.85 million. NHS England has contributed £1.16 million and the Department of Health has contributed £0.4million to the total costs of the scheme. A further key decision report will be presented to request approval to procure the works contractor once detailed costings are available. It is anticipated that the required adaptations are due to be completed between January and March 2018.
- 3.5. The people who will be living at the scheme will require high levels of specialist support due to the complexity of their needs. The adaptations to the property include Assistive Technology to minimise the requirements for on-going staff. However even with the deployment of this technology, staffing levels are likely to be at least one member of staff on duty at any one time for each person, with additional staff available if needed.
- 3.6. The proposed procurement will ensure that the scheme provides best value – both by ensuring that the selected provider has the appropriate skills and competencies to support these complex individuals and help them to progress to become as independent as possible; and that the best price for their care and support is secured by the council.
- 3.7. In addition to the procurement of a contract for the care and support for the proposed residents, the Council will expect tenderers to work with an organisation to manage the buildings. To ensure a strong relationship between the care and support provider and the housing management organisation, it is proposed that the tender invites partnership bids between care and support providers and housing management organisations.
- 3.8. The Council is seeking to create a framework agreement for supported living schemes, which will be presented in a separate report. The future framework will be aligned with this scheme, but the timing of the procurement of the framework agreement mean that it is not possible to procure the care for this scheme via the framework.

4. Options

- 4.1. In agreeing to contribute capital to the costs of purchasing and adapting the properties the Council had already considered a number of options including placing these people in residential care. The accommodation costs to the Council (excluding the cost of providing the care and support) of specialist residential placements can be as much as £500 per person per week. In supported living, the scheme will be open to those receiving housing benefits so the accommodation costs would be met via housing benefit and other welfare benefits. Therefore the Council has already determined that a supported living model would offer better value than residential care as this scheme will deliver a best value solution compared to other ways of purchasing care and support for potential residents.
- 4.2. A number of options were considered to secure the care, support and housing management for this scheme. These included:
- Option 1: Purchasing the care and support for each person separately using the current purchasing arrangements for Supported Living; and leasing the properties to a housing management organisation as part of a separate process;
 - Option 2: Procuring the care and support for the scheme as a whole but undertaking a separate process to select a housing management organisation;
 - Option 3: Procuring the care and support and the housing for the scheme together by inviting bids from care and support providers who can partner with housing organisations.
- 4.3. Option 1 is not recommended because it does not offer the economies of scale of Options 2 and 3. There is currently not enough specialist providers operating in Essex for people with this complexity of need and Option 1 is not attractive enough to stimulate the development of our existing providers or to attract new providers into the area.
- 4.4. Option 2 and Option 3 provide the economy of scale to achieve better value than Option 1 and would be more attractive to providers. This would stimulate the development of our existing providers or provide sufficient volume to attract new providers into the area.
- 4.5. Option 3 is recommended because it would deliver a closer working relationship between the care and support provider and the housing management organisation than Option 2. In a scheme where the risk of environmental damage is high it is critical that the housing provider and care provider work in partnership to reduce environmental damage and ensure quick response times when damage is occurred to prevent the need for readmission to hospital.

- 4.6. Option 3 would still provide security for the people living there. ECC's lease agreement with the housing management organisation would ensure that if the care and support provider was not meeting its contractual requirements and needed to be changed, the people living there would not be at risk of losing their tenancies, as well as provisions that the residents could not be evicted without agreement from ECC. Any residents in the scheme at the end of the contract will continue to remain in the scheme, as the contract length gives ECC the option to re-procure the services to ensure best value.

Proposed Approach – Procurement

- 4.7. It is proposed to award the contract for a period of five years with the potential to extend for a further two years through a single stage open procurement process.
- 4.8. The contract will require a number of hours of support. The contract will not guarantee any volume of care – instead the hours will be variable so as to be sufficient to meet the individual support plan for each person. ECC will provide indicative volumes to allow prospective providers to propose an hourly rate through the tender process. The indicative volumes range from 234 to 266 hours per day.
- 4.9. It is proposed that only tenders that meet the minimum quality criteria (as set out in the procurement documents) will be fully evaluated. This will ensure that only providers demonstrating they can deliver the service to the required quality standard will be formally evaluated. This will allow ECC to focus on the 'added value' criteria in the evaluation of the tender response, as the minimum quality standard will have already been addressed. It is proposed that the tenders from providers that pass the minimum quality standard will be evaluated as follows:
- 70% Price – bidders will be given information about indicative volumes and the standards expected in terms of skills and capabilities, and asked to submit an hourly rate based on this information.
 - 30% Quality – bidders will be required to submit technical responses in light of the procurement documents, including the specification, and these responses will be scored.
- 4.10. It is proposed that the contract will be awarded to the most economically advantageous tender scoring highest following an evaluation of 70% price and 30% quality, having met the minimum quality criteria.
- 4.11. The timescales for the mobilisation and implementation of this service are as follows. The service mobilisation and implementation is dependent on the building works being completed so may be subject to change if there are any delays to the building work.

Activity	Timescale
Contract award	November 2017

Service mobilisation	December to January 2017
Service go live – phased implementation as people move in over 3 months	January to March 2017
Scheme fully operational	April 2018 onwards

- 4.12. TUPE regulations will not apply. People will be either moving into the service from a hospital or residential placement and this service is not similar enough for TUPE to apply.

Proposed Approach – Service Delivery

- 4.13. The care and support provider will provide social care support to ten people living in their own flats in a supported living scheme in Thistley Green Road, Braintree.
- 4.14. This support will be detailed in each person's individual support plan but is likely to include support with personal care, accessing the community, and helping the person to manage their own behaviour through understanding potential triggers and developing strategies to manage these. The support will also ensure that any potential risks arising from the person's behaviour are managed safely.
- 4.15. The care and support provider will work alongside the local specialist learning disability and mental health services, and ECC's Complex Behaviour and Behaviour Advice Team to deliver the support described in each person's support plan.
- 4.16. The care and support provider will also work with people to develop their independence. Some of the people living at the scheme will have spent considerable periods of their lives living in hospital environments and as a result will have lost many of their daily living skills. It is envisaged that people may need less support as these skills are regained.
- 4.17. The selected care and support provider will therefore have to demonstrate proven competencies and capabilities in supporting people with this complexity of need. This will include a commitment to implementing Positive Behaviour Support across the service; a commitment to recruiting and training staff with the required skills; and a track record of safely managing risk within community based settings.
- 4.18. The housing management organisation will take a lease of the properties which ends at the same time as the care contract. The organisation will be responsible for maintaining the buildings and supporting people to pay their rents through housing benefit. The housing management organisation will enter into tenancy agreements with the residents. Where the resident lacks the mental capacity to sign the tenancy agreement, the agreement will be signed by someone authorised by law to act on their behalf.

- 4.19. The housing management organisation will lease the buildings from ECC, with ECC retaining nomination rights. The housing provider will receive all their income from housing benefit payments. The housing provider will pay ECC rent based on the housing benefit income minus the costs of maintaining the building and any associated management charges for the scheme which will be set out in the contract.
- 4.20. The scheme will contribute to the following outcomes.
- People in Essex enjoy good health and wellbeing.
 - People in Essex live in safe communities and are protected from harm.
 - People in Essex can live independently and exercise control over their lives.
- 4.21. It is expected that the care and support team would need to begin mobilisation from November 2017, working alongside the clients and current support staff, to ensure a successful transition for the residents to start a staggered move in scheduled for January 2018.

5. Issues for consideration

5.1. Financial implications

- 5.1.1. The proposed contract is expected to have an estimated revenue cost of between £6.7m and £8.2m over the five years of the contract. A range has been used to take account of the potential variation in the hours of support and the hourly rate required for supporting highly complex individuals.
- 5.1.2. The expected highest contract costs per year, based on an assumed phased occupation over the three months from April 2018, are shown in the table below:

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	5 Yr Contract value
	£000	£000	£000	£000	£000	£000	£000
Care Costs	-	1,476	1,670	1,670	1,670	1,670	8,156
Transition Costs	31	50					81
	31	1,526	1,670	1,670	1,670	1,670	8,237

- 5.1.3. The revenue costs detailed above are based on an assumed profile of occupation of these units any slippage in this will impact the profile of expenditure.
- 5.1.4. Six of these units will be occupied by individuals who are part of the cohort of clients who fall within the Transforming Care Programme, which looks to discharge patients from long term hospital placements into the community.
- 5.1.5. The funding for these placements is expected to be via transfer of funds from Health. The remaining care packages will be funded from within the existing Learning Disabilities domiciliary care budgets.

- 5.1.6. In addition to the core costs included in the contract, it is assumed that each client will require a 12 week transitional arrangement to facilitate the move from their existing provision. It is anticipated the total cost of this transition will be approximately £81,000.
- 5.1.7. The following table summarises the total funding requirement in each financial year based on the highest contract cost.

	2017/18	2018/19	2019/20 Onwards
	£000	£000	£000
Transforming care package costs	-	843	979
Non Transforming Care package costs	-	633	691
One off - Transitional costs	31	50	-
Total annual contract cost	31	1,526	1,670
Health funding transfer	0	(843)	(979)
Costs to be funded by ECC	31	683	691

- 5.1.8. Health have provided a capital contribution of £1.6m (total capital cost £3.4m) towards the purchase and refurbishment of these properties from the Transforming Care transition fund – if the properties were not to be used for the Transforming Care cohort it is likely that return of this funding would be sought.
- 5.1.9. If alternative provision in the community were to be sought for this cohort of clients, based on packages recently commissioned for clients of similar complexity, the expected cost would be, on average, £250,000 per client compared to an estimated highest cost per client of this procurement of £167,000.
- 5.1.10. Under the guidelines for funding transfer, provided for Transforming Care Partnerships, a dowry arrangement should apply for those who had been in an in-patient setting for over five years at 1st April 2016. This requires transfer of funding from Health to the Local Authority equivalent to the value of each individuals Health placement or their new community package, whichever is lower. All six NHS patients would be eligible for the payment of a dowry which would apply for the lifetime of the client.
- 5.1.11. Although it is expected that the funding from Health should transfer on discharge of the patients, negotiations with Health, regarding these transfers and including provision for managing inflationary pressures, are still on-going as part of the locally defined Transforming Care Partnership arrangements. As such it should be noted that there is currently no legal agreements in place to facilitate the funding transfer and in discharging these patients into these units there is a financial risk to ECC if these transfers do not take place for which there is currently no mitigation.
- 5.1.12. No specific provision has been built into the MTRS in respect of the six people being discharged from Hospital, given the expectation that they will be funded by the transfer from Health. It is anticipated that the remaining

four units will be filled by clients who are already in receipt of a Social Care funded package with an assumption that their Supported Living package will not be in excess of their existing package funding.

- 5.1.13. If the national Transforming Care Programme was not being undertaken, under current arrangements, the totality of the cost of a community package for any patient discharged from hospital would be borne by ECC as part of business as usual, and met from the funding built into the budget for demographic growth.
- 5.1.14. The property will be leased to the provider for the life of the contract. It is expected that all unit tenants will be eligible to claim housing benefit and will make rental payments to the provider. The provider will hold these funds to contribute towards the property management costs. The provider will be expected to pay any surplus, as at 31st March each year, to ECC. The provider will bear the risk of any deficit. Revenue running costs for the properties will be managed by the provider and met by clients.
- 5.1.15. The contract for care services will not guarantee the provider a minimum number of care hours and will be at a fixed hourly rate for the life of the contract.
- 5.1.16. The costs associated with both establishing the contract and its management will be met from within existing staffing budget resources.
- 5.1.17. The viability of the housing will depend on the continued availability of housing benefit at the levels needed to maintain the viability of the scheme. This is subject to regulatory change and is currently under review by central government. Should housing benefit be withdrawn or significantly reduced then schemes could become financially unviable for the provider. This could affect the level of participation in this procurement, jeopardising the success of the contract and adversely impacting future MTRS savings.

5.2. Legal Implications

- 5.2.1 ECC has the power under the Local Government Act 1972 to acquire land and power under the Local Authorities (Land) Act 1963 to develop land for the improvement or development of its area. The aim of this scheme relate principally to ensuring that housing is available to meet the needs of Essex residents.
- 5.2.2 ECC has a duty under section 2 of the Care Act 2014 to provide or arrange for the provision of services, facilities or resources, or take other steps, which it considers will contribute towards preventing or delaying the development of adults in the area of needs for care and support, and reduce the needs for care and support of adults in its area. By procuring the services set out in this report, ECC will be taking steps to discharge its statutory duty under the Care Act 2014.
- 5.2.3 The procurement of these services are required to be conducted in accordance with the Public Contracts Regulations 2015. The proposed

procurement, as set out in this report, to conduct a procurement that is open, is in compliance with the Regulations.

- 5.3.4 The scheme is classified as domiciliary care by the Care Quality Commission (“CQC”), whilst the scheme itself would not have to be registered with the CQC, the provider is required to be registered as a domiciliary care provider with the CQC. If regulatory change occurs during the term of the contract, the provider will be required to comply with these changes.

6. Equality and Diversity Implications

- 6.1. The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc on the grounds of a protected characteristic unlawful
 - b) (b)Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - c) (c)Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that ‘marriage and civil partnership’ is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 6.3. The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

7. List of appendices

Equality Impact Assessment

8. List of Background papers

None

Report title: Approval of the Essex and Southend on Sea Replacement Waste Local Plan as modified by the Inspector and thereafter to recommend adoption of the Plan by full Council.	
Report to: Cabinet	
Report author: Dominic Collins, Director, Economic Growth and Localities	
Date: 20 June 2017	For: Decision
Enquiries to: Alethea Evans, Principal Planner alethea.evans@essex.gov.uk , 03330 136 439.	
County Divisions affected: All Essex	

1. Purpose of Report

- 1.1. To seek Cabinet's approval for the modifications to the Essex Replacement Waste Local Plan (RWLP, referred to as 'the Plan' throughout this report) which have been recommended by the Inspector appointed by the Secretary of State to examine the Plan. The Inspector has stated in her draft report that these modifications are necessary in order to make the Plan sound and legally compliant.
- 1.2. Cabinet are also asked to recommend the adoption of the Waste Local Plan by full Council in July 2017.
- 1.3. Cabinet should note that this report has been prepared on the basis of the Inspector's draft recommendations. The final report has been delayed by the general election. It is anticipated that we will receive the final report before the Cabinet meeting on 20 June, but if this is not the case Cabinet will be asked to agree that the Cabinet Member for Housing, Property and Planning may amend the recommended draft plan to reflect any differences between the Inspector's Draft Report and her final report.

2. Recommendations

- 2.1 That Cabinet recommends that full Council adopts as the Essex Replacement Waste Local Plan the version approved by Council in 2016 as amended by;
 - (a) the main modifications recommended by the Inspector in her report (attached at Appendix 1);
 - (b) The minor modifications supported by Cabinet in 2016 (attached at appendix 4); and
 - (c) The further minor modification (attached at appendix 6).

3. Summary of issue

- 3.1 Essex County Council and Southend-on-Sea Borough Council have jointly prepared a Replacement Waste Local Plan. In February 2016, both Councils approved the Pre Submission version of the Plan for public consultation and subsequent submission to the Secretary of State for Examination.
- 3.2 The extant Local Plan was adopted in 2001 and is considered to be out of date and must be replaced. ECC has a statutory responsibility to plan for future waste management capacity from a land use perspective, and it is fulfilling this responsibility by preparing the replacement Plan to support the achievement of sustainable development within the County until 2032.
- 3.3 In June 2016, the Plan was submitted to the Secretary of State who appointed a Planning Inspector to undertake the formal examination process. The Inspector conducted hearing sessions over a two week period in September and October 2016.
- 3.4 During the hearing sessions the Inspector identified a number of modifications were needed to ensure the Plan was sound, legally compliant and suitable for adoption by the Councils.
- 3.5 In December 2016, Cabinet supported the modifications identified by the Inspector and authorised a period of public consultation on them, which took place between 5 January and 16 February 2017.
- 3.6 The Inspector has considered the Replacement Waste Local Plan, all comments submitted during the examination process including the consultation on the modifications and issued her draft final report (Appendix 1). The final report is expected to be received very soon (as set out in paragraph 1.3 above). Her draft report concludes that the plan is legally compliant and is sound if it is adopted with main modifications.
- 3.7 Assuming the final report is similar to the draft report, the Plan is therefore capable of adoption by Essex County Council and Southend-on-Sea Borough Council. Once adopted, the Plan will replace the existing Waste Local Plan (2001) and will provide the framework to determine planning applications for waste development.

4. Outcomes from Public Consultation on Modifications

- 4.1 The public consultation on the modifications received a total of 553 responses from 372 separate organisations/individuals. The Inspector requested that all responses be submitted to her for consideration and also requested these be supported by comments on the responses from Essex and Southend-on-Sea Borough Councils. Two documents (Appendix 2 and 3 of this report) were supplied to the Inspector on 20 March 2017.
- 4.2 Arguably the most significant of the modifications proposed the allocation of an additional site, Dollyman's Farm, Basildon. The consultation period was the first

opportunity for consultees to comment on this new proposed allocation as the site was only included in the Plan through the examination process.

- 4.3 A large number of comments from parish councils, local residents, businesses and organisations objected to the allocation of Dollyman's Farm for inert waste landfill. These are set out in Appendix 2, but in summary the main reasons for objection the green belt status of the site, concerns about impacts on public accessibility, pollution risks - particularly to the local streams and onwards to the River Crouch, and traffic impacts.
- 4.4 In preparing the Council's comments for the Inspector (Appendix 3), the issues raised were carefully considered and conclusions drawn regarding the possible need for additional amendments to the Plan. It was considered that the only potential further change from the modifications consulted upon could stem from the points raised in relation to Dollyman's Farm by Natural England. All other matters raised have been addressed earlier in the examination process or are capable of being addressed through any future planning application process.
- 4.5 Natural England expressed the opinion that a Habitats Regulations Assessment (HRA) is required to support the allocation and that the restoration approaches should fit with the Northern Thames Basin National Character Area. The Authorities completed the HRA, and engaged in further discussion with Natural England regarding the conclusions and implications for the site allocation. The conclusions of the HRA support the allocation of the site subject to additional amendments to the Development Principles set out in the plan. These amendments were confirmed to the Inspector (Appendix 3) and form part of an additional modification to the Plan set out in section 5 below. This has not been the subject of consultation but the Inspector does not consider that public consultation is required on these points, which represent further constraints on the development of this site.

Public consultation

- 4.6 Public consultation on the Replacement Waste Local Plan has been carried out in line with the adopted Statement of Community Involvement at every stage.

Timetable and Adoption

It was envisaged in Essex County Council's [Minerals and Waste Development Scheme](#) (2015) that the adoption of Plan would be possible in December 2016, however it is now proposed to adopt at the July council meeting.

5. Inspector's Recommendations

- 5.1 The Inspector has considered the Replacement Waste Local Plan along with all comments submitted during the examination process, including the consultation on the modifications, and issued her draft final report (Appendix 3).
- 5.2 The Inspector's Report confirms that the Plan provides an appropriate basis for waste planning within Essex and Southend-on-Sea, and is therefore sound and

legally compliant, provided that a number of main modifications are made to it. These modifications are included as Appendix 1 and 2 of the Inspectors Report.

5.3 The modifications were all supported by Cabinet in December 2016, however three of these modifications have been subject to additional change by the Inspector, in response to the public consultation as follows:

- **MM13- Policy 10:** As a result of comments from Natural England received during the public consultation in Jan- Feb 2017, the Inspector has recommended that Policy 10 criterion b) is further reworded to clarify the relevant considerations with respect of water quantity and quality in relation to planning applications for waste management. This wording differs only slightly to that supported by Cabinet although it clarifies the importance of maintaining the quantity as well as quality. The Inspector considered that the further modification is necessary to satisfy the adequate protection of water resources in terms of quantity as well as quality.

Policy 10 criterion b (amended wording as subject to public consultation in January 2017)	Policy 10 criterion b (as recommended by Inspector's Report)
b) the quality of water within water bodies, with particular regard to: <ul style="list-style-type: none"> • preventing the deterioration of their existing status; or • failure to achieve the objective of 'good status', and • the quantity of water for resource purposes within water bodies' 	b) water resources, with particular regard to: <ul style="list-style-type: none"> - the quantity of water within water bodies: <ul style="list-style-type: none"> • preventing the deterioration of their existing status; or • failure to achieve the objective of 'good status', and - the quantity of water for resource purposes within water bodies

- **MM21- Sunnymead, Elmstead and Heath Farm Site allocation:** As a result of comments from Historic England received during the public consultation in early 2017, the Inspector has recommended that the development principle supporting allocation of this site be further modified in relation to references to ensure the protection of the historic environment. The wording recommended by the Inspector differs only slightly from that supported by Cabinet in 2016, and ensures consistency with the adopted Minerals Local Plan, which recognises the potential existence of multi period archaeological deposits – not just from the Palaeolithic period.

Text to follow Table 19- Sunnymead, Elmstead and Heath Farm- Specific issues and opportunities (as subject to consultation in January 2017)	Text to follow Table 19- Sunnymead, Elmstead and Heath Farm- Specific issues and Opportunities (as recommended in the Inspector's Report)
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An archaeological desk based assessment would be required to investigate the gravels to establish their potential for Palaeolithic remains and trial trench evaluation will be required, along with a mitigation strategy, to form part of the Environmental Statement.	An archaeological desk based assessment would be required to investigate the gravels to establish their potential for archaeological remains and trial trench evaluation will be required, along with a mitigation strategy, to form part of the Environmental Statement.
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- **MM23- Dollyman's Farm site allocation:** As a result of comments received from Natural England received during the public consultation in early 2017, the Inspector has recommended that the development principles supporting this allocation should be further modified in relation to the protection of ecology and local amenity matters. Although this wording has not been previously considered by Cabinet, it is recommended by the Inspector to ensure the Plan is sound:

New development principles:

- The proposal should demonstrate that there would not be an adverse effect on a European site through HRA. Such an assessment should include consideration of functionally linked land, and must demonstrate no adverse effects on the integrity of any international site. Evidence will change over time regarding the preferences of species such as the Dark-bellied Brent Geese, so appropriate foraging distances should be reviewed as part of any HRA.
- Chichester Hall Brook requires protection, for example through an appropriate buffer of at least 15m and through the assessment of potential hydrological impacts with appropriate protection.
- Restoration of the site through this allocation provides the significant opportunity for biodiversity, landscape, visual enhancement and historic asset preservation. Careful consideration of the environmental impacts of the waste development will be necessary as part of a planning application with proportionate levels of mitigation to be established. Specifically, the WPA would seek the overall landscape improvement of the site, with the final restoration and long-term aftercare to be beneficial to the Green Belt and biodiversity with particular reference to habitat creation in line with the Northern Thames Basin National Character Area.

Minor modifications

- 5.4 In addition to the 26 main modifications considered by and supported by Cabinet in December 2016 and as further modified as above by the Inspector, a number of minor modifications were supported by Cabinet in December 2016. All modifications can be viewed appendix 4. The minor modifications address minor matters of consistency, typographical errors and updates to supporting text. These were also subject to public consultation in Jan- Feb 2017. The consultation responses are set out in appendix 2 and the Council's response to those responses are set out in appendix 3. With the exception of the representation from Magnox/Nuclear

Decommissioning Authority, no changes to these minor modifications are proposed as a result of any public comments.

- 5.5 Magnox/NDA responded to the public consultation in early 2017 to confirm their support for the modifications as a whole but requested that references to Radioactive Waste in the Plan be updated to refer to the latest published UK Strategies covering such waste as published in 2016. The current references are based on older Strategies and the update proposed by Magnox would ensure the Plan is up to date and includes up to date information. The further modifications proposed are set out in full at the end of this report – as Appendix 6.
- 5.6 The Inspector cannot make recommendations in respect of these minor modifications, as they are not modifications that she considered necessary to ensure the soundness and lawfulness of the Plan. As these have been supported by Cabinet and remain relevant, if the Plan is recommended for adoption, it is recommended that these should be incorporated into the final version. With reference to the additional proposed minor modifications outlined above, it is recommended that cabinet support these as set out.

6. Options

- 6.1 In considering the options relating to the future of the Replacement Waste Local Plan:
1. Cabinet could choose to support the conclusions of the Inspectors Report, and recommend to full Council that the Plan be adopted with both the main modifications set out in the Inspectors Report and the minor modifications supported by Cabinet in December 2016 (the preferred option as recommended in this report). This option is the best way to ensure the waste planning decisions made in the County reflect up to date policy and strategy and support sustainable development pursued by district/borough planning authorities.
 2. Cabinet could choose not to support the conclusions of the Inspector's Report and recommend to full Council not to adopt the Plan. The Council would then need to decide on an alternative approach to preparing a Waste Local Plan, revisiting existing evidence and undertaking potentially significant additional public consultation. Such a process would likely result in a delay measured in years. This option also risks penalties for the Councils levied by the government for the absence of an up to date Local Plan.
 3. Cabinet could choose not to do anything - work on the Replacement Waste Local Plan would cease and the joint planning authorities would be forced to rely on national planning policy and guidance in making planning decisions in future. This option also risks penalties for the Councils levied by the government for the absence of an up to date Local Plan. This option would not lead to the adoption of a locally derived Waste Local Plan.
- 6.2 This report recommends that Cabinet supports the conclusions of the Inspector's Report, and recommend to full Council that the Plan be adopted - Option 1. It is

clearly advantageous for ECC to have a new Waste Local Plan in place as soon as possible. This would avoid the risk of new planning applications for development being considered without an up to date Plan – one of the consequences being a lack of certainty regarding where new waste development will take place in the county in the future, and whether such development is indeed required in the Plan area.

7. Issues for consideration

Financial implications

- 7.1 The Replacement Waste Local Plan is a statutory requirement and there is currently adequate budgetary provision for the production of the final version of the Plan through to adoption. The Plan provides the framework for ECC to determine planning applications for waste development and as such, there are no additional financial implications.

Legal implications

- 7.2 Given that the inspector has issued main modifications the Council may only adopt the plan with those main modifications unless it successfully applies to the Court to quash the Inspector's report. Since the Cabinet has already considered most of the main modifications and decided to support them, it appears unlikely that the Cabinet will wish to make such an application.

8. Equality and Diversity implications

- 8.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc on the grounds of a protected characteristic unlawful;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 8.3 The Public Sector Equality Duty is a relevant factor in making this decision but given that the main modifications mainly relate to a need to better reflect the evidence supporting the Plan and also national policy/guidance it is not considered that the recommendation to approve the modifications will have any further adverse impact on the five protected characteristics already detailed with the Plan's main Equalities Impact Assessment.

- 8.4 The Plan itself was subject to a full EqlA as part of the Pre-Submission approval process and found that five equality groups could be adversely impacted. Mitigating actions for each of these adverse impacts are detailed within this EqlA and assessment of the Plan as supported by the Inspector's Report does not lead to any changes to these conclusions.

9. List of appendices

Appendix 1: Inspector's Report on the Waste Local Plan (attached as separate document).

Appendix 2: [Modifications Consultation Schedule of All Representations](#)

Appendix 3: [Modifications Consultation Comments of the Waste Planning Authorities](#)

Appendix 4: [Waste Local Plan Schedule of Modifications](#) – as approved by Cabinet in December 2016 and subject to public consultation in Jan-Feb 2017)

Appendix 5: [Equality Impact Assessment](#)

Appendix 6- Further Minor Modification

10. List of Background Papers

1. Draft [Waste Local Plan](#) (as approved by full council in Feb 2016 and subject to public consultation in March- April 2016)

Report title: Review of Falls Service Provision against Public Health Grant	
Report to: Cabinet	
Report author: Mike Gogarty, Director Public Health, Wellbeing and Communities	
Date: 23 May 2017	For: Decision
Enquiries to: Maggie Pacini, Public Health Consultant maggie.pacini@essex.gov.uk	
County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 Falls prevention is a non-mandatory public health service. This report seeks authority to decommission the Falls Prevention Service across Essex as a result of a reduction in public health grant receivable from the Department of Health. The report outlines steps that will be undertaken with the providers and NHS partners over the duration of the notice period to mitigate the impact of this decision.

2. Recommendations

- 2.1 Agree to decommission the falls prevention service as soon as possible.

3. Summary of issue - Background to the falls service

- 3.1 Local authorities took over responsibility for delivery of public health outcomes on 1 April 2013, at which time historical allocations for public health spending from Primary Care Trusts (PCTs) were transferred to the local authority. An indicative value for falls prevention was transferred to ECC, based on PCT service provision at the time (Total £800,000, comprising of: Brentwood & Basildon: £0, Castle Point and Rochford: £60,000, Mid: £277,000, North East: £517,000 and West: £0).
- 3.2 As will be seen from the allocations, falls prevention service provision across Essex was variable. Recognising the potential of falls prevention as an invest to save early intervention opportunity to relieve pressures in acute health and social care, ECC enhanced the 'inherited' service offer by increasing investment by an additional £1.44m per annum from 2014/15. The additional investment was to:
- Procure services in the CCG areas of Brentwood and Basildon, Castle Point and Rochford and West Essex;
 - Supplement existing services in Mid Essex; and
 - Facilitate work towards an integrated service to benefit health and social care.

In areas outside dedicated falls prevention services have been funded from core NHS funding.

- 3.3 From 2014 to date ECC have commissioned a locality based falls prevention service, designed and operating within the specified NICE guidance for “Falls prevention: early intervention in health care settings”.
- 3.4 The falls prevention service operates as a short term intervention which carries out some assessments and provides advice and signposts to other services. People do not receive these services for long periods of time. Under the current contractual arrangements provider interventions must provide or refer to the following elements:
- Information and publicity programme
 - Screening / risk identification
 - Multifactorial falls risk assessment
 - NICE guidance compliant multi-factorial Intervention, including (but not exclusive to): strength and balance exercise programmes, (i.e. FaME/ Otago / postural stability) and home hazard and safety intervention (including follow up).
 - Medication Reviews
 - Vision testing
 - Prescribing (post fracture osteoporosis treatment)
 - Onward referral.
 - Treatment plan preparation
- 3.5 Activity expectations across the five CCG areas were originally 3,000 per locality, with the exception of North East, which maintained previous activity as a result of a historic larger contract value. From 1 April 2016, each locality was moved to a fair shares allocation with a change to its budget and activity allocations.

4. Public Health funding position

- 4.1 Public health activity in Essex is funded by the Public Health Grant received from government. This grant is being reduced over time; by 2019/20 the Public Health Grant will be £10.6m lower than 2014/15 (excluding the 0-5 grant introduced in stages from 2015/16). A number of public health services are ‘mandated’, which means that the Council is required to provide them.
- 4.2 Increased efficiencies introduced mainly through re-commissioning and re-contracting have mitigated the effect of the £5.2m reduction in grant since 2014/15, however a further £5.4m reduction in grant needs to be absorbed by 2019/20.
- 4.3 Benchmarking indicates that most ECC public health services are already delivered at a lower cost per head of population than in comparable councils. The majority of the public health grant is expended on ‘face to face’ patient services which the County Council is required to provide by law. There is therefore very limited opportunity to find savings elsewhere from public health activity.
- 4.4 While they can be of benefit, falls services are not a mandatory public health service. In many neighbouring areas these services are still funded by core NHS funding eg Hertfordshire and Suffolk or through the Better Care fund (in Thurrock). Southend on Sea does not fund falls services.

5. Current Contractual Position and Implications

- 5.1 The Council directly commissions the service in Castle Point and Rochford and is an associate commissioner as part of a larger NHS contract in North East Essex. Elsewhere in the county services are provided under agreements with the CCGs under section 75 of the National Health Service Act 2006. The CCGs then make arrangements with the provider. The current contractual position including annual cost and contract duration is provided in the table 1 below.

Table 1: Contract analysis

CCG geography	Contract Type	Provider	Contract Term	Early Termination Notice	Annual Value (£000)
Mid Essex CCG	S75	PROVIDE	2016 - 2021 (5 years)	6 Months	450
NE CCG	Associate commissioner to NEECCG Care Closer to Home	ACE	2016 - 2023 (7 years)	12 Months	548
WEST CCG	S75	SEPT	2016 - 2021 (5 years)	6 Months	413
B/B CCG	S75	NELFT	2016 - 2021 (5 years)	12 Months	412
CP & R CCG	Lead commissioner (direct contract)	NELFT	2017 - 2021 (4 years)	6 Months	375
					2,198

- 5.2 To support service redesign work towards improved integration of falls prevention across health, ECC and Mid, West and Brentwood & Basildon CCGs signed S75 agreements for falls prevention commencing 1 April 2016. Castle Point and Rochford required an additional year to cement their CCG strategic direction around integration, therefore the S75 agreement was agreed with a planned implementation date of 1 April 2017. Early termination notices across the four areas with active S75 agreements are between 6-12 months. In Castle Point and Rochford there is a direct contract between ECC and the provider.
- 5.3 There is a particular issue in the North East area where ECC have commissioned the service as part of the Care Closer to Home community contract between the CCG and Anglia Community Enterprise. This may mean that the Council is liable for provider redundancy costs that accrue in this area through early termination.
- 5.4 In Mid Essex and West Essex there is a difference between the length of notice between the Section 75 agreements with West and Mid (6 months) and the

notice periods the CCGs have with the Provider locally (12 months). This means that while ECC could terminate at 6 months' notice the CCG would be faced with a cost pressure should the provider insist on hold the CCG to the full notice.

- 5.5 These proposals are not made lightly but rather out of financial necessity. Without additional funding ECC has no alternative but to decommission services. There is an 'invest to save' figure of £816,000 in our plans due to avoided falls through the service. Over performance to date on other aspects of the public health invest to save plans, notably stopping strokes through better management of atrial fibrillation (a heart irregularity) will mitigate this.
- 5.6 These proposals have implications for CCGs and NHS providers; the falls prevention service is considered to deliver demand management benefits for CCGs. The wider health benefits of these preventative services will be lost, as will the longer term demand reduction benefits to social care. We are seeking to minimise the impact through pathway redesign and alternative mechanisms.
- 5.7 We are actively working with providers, voluntary sector partners and CCGs to look at alternative community led approaches to preventing falls that make use of alternative provision of falls prevention interventions. Some activity within the falls prevention NICE guidance compliant multi-factorial Intervention already occurs as part of other existing NHS and social care pathways and would continue; see Box 1.

Box 1: Mapping of providers of falls prevention interventions

Intervention	Current provision	Future provision
Screening	The following agencies refer and therefore can be assumed to screen: Ambulance service, falls assessment clinics , care coordinators, careline, Medicine for elderly clinics/other secondary care eg A&E, fracture clinics, day centre staff, community nurses, GP, OTs, PTs, rehabilitation services, social care workers including domiciliary care workers, reablement services, sheltered housing services, CVS, self referral	Ambulance service, care coordinators, careline, Medicine for elderly clinics/other secondary care eg A&E, fracture clinics, day centre staff, community nurses, GP, OTs, PTs, rehabilitation services, social care workers including domiciliary care workers, reablement services, sheltered housing services, CVS, self referral
Risk assessment	Most clinical or social care services eg GP, OT, PTs, community nurses, social care workers, falls assessment team	GP, OT, PTs, community nurses, social care workers,
Home hazard assessment	Most clinical or social care services eg GP, OT, PTs, community nurses, social care workers, reablement services, district councils, fire service, falls prevention team	GP, OT, PTs, community nurses, social care workers, reablement services, district councils, fire service,
Home improvements	Community nurses, social care workers, reablement services, district councils, handy man services, falls prevention team	Community nurses, social care workers, reablement services, district councils, handy man services,
Equipment	Community nurses, social care workers, reablement services, falls	Community nurses, social care workers, reablement

	prevention team.	services,
Vision Assessment	Opticians, falls prevention services	Opticians
Medicines review	GPs, Pharmacists, falls prevention services	GPs, Pharmacists
Strength & Balance / postural stability	Falls prevention services , some VCS for less structured/follow on activities	some VCS for less structured/follow on activities

5.8 For example the service includes medication reviews, prescribing and vision assessments which are already funded by the NHS through general practice, pharmacy and opticians. Other elements of the service, such as home equipment assessments are already funded by NHS and social care under frailty assessment services. The recommended intervention without obvious alternative provision is the strength and balance training / postural stability and we will work with the voluntary sector to extend the access provided by these groups to complementary interventions such as seated exercise.

5.9 We plan to minimise the impact of decommissioning the service through alignment of the falls prevention agenda with existing community resilience work streams, and adopting a community asset approach in line with the new ways of working outlined in the PH strategic approach. Box 2 outlines our vision for integrated falls prevention under this model.

Box 2

Now

- Patient finally admits to the GP that they have fallen (likely several times before GP informed especially if unwitnessed falls).
- The GP should screen for risk – simple tools available but essentially key questions on history of falls, how many medications, certain risk conditions eg stroke, any problems with balance and visual assessment of ability to get out of chair. If low risk, then advice and guidance.
- If high risk the GP could do full assessment (depends on local situation wrt frailty assessments etc) or refer onto the falls team for assessment.
- The falls team would assess the patient and devise a care plan to address the key risk factors (the assessment and interventions focus on the core list given in the paper)
- The falls prevention team may have vision assessment and medicines review 'in house' or may simply advise the patient to go to opticians/GP (with responsibility to check that patient has done as advised)
- If home hazards or equipment needs identified then service can draw on equipment store directly eg grab rails or engages with partners about more significant improvements eg ramps
- The falls service should offer either group or 1:1 (maybe home based) strength and balance or postural stability instruction (S&B or PSI approved programmes)
- May or may not include identification and management of osteoporosis; most would refer back to general practice wrt primary and secondary management of osteoporosis (NICE guidance)
- The falls service may refer on for other identified risks eg podiatry, continence, dietary. If there are other underlying conditions that are cause of falls eg postural hypotension or CVD, then check with eg GP that patient is under appropriate care
- Once falls prevention plan is delivered patient would be discharged from the service

Possible future model

1. GP would risk stratify its frail elderly population and pro actively manage their care
2. Commissioned population segmentation and care management offered to high risk group and rising risk group which would include assessment of falls risk within more holistic assessment of health and care needs
3. Identified at-risk populations will have care coordinator who acts on care plan and coordinates all required services
4. GP offers medicines review and osteoporosis management as required
5. Patient accesses high street optician for comprehensive vision assessment not simply prescription check
6. Home hazard and equipment need as previous model
7. Patient accesses strength and balance training eg seated exercise through the community through social prescribing
8. Referral onto other services as identified eg podiatry, continence
9. Once care plan is delivered the patient is discharged from care planning approach

- 5.10 An Essex wide workshop is scheduled for the 19th June to progress the redesign process; this will start the process of locality based redesign work. Preparatory interviews are happening with the CCGs and providers to map what is available in each locality.
- 5.11 Regardless of the funding situation this is an opportune time to review delivery with a view to reducing duplication and promoting greater integration of provision and commissioning responsibilities as was always intended with the S75 approach.
- 5.12 We will continue to work with CCGs and local providers to explore opportunities during contract notice periods to accelerate decommissioning with redeployment of staff where possible to new and existing vacancies. This will help staff find new positions, shorten the period of uncertainty for them, minimise redundancies and optimise savings.

6. Options

6.1 Option 1

Status quo: Continue commissioning of falls service, £2.2m savings will have to be found elsewhere in ECC.

6.2 Option 2

Decommission falls service, as soon as contract notice periods.

Since contract notice periods are of variable length, decommissioning sequence would be Mid, West and Castle Point & Rochford (6 months' notice), followed by Basildon and Brentwood CCG and North East Essex (12 months' notice). Savings in 2018/19 will be reduced by any redundancy costs in North East Essex which ECC may be contractually liable for in the event of early termination.

Mid and West Essex will need to negotiate with their providers to terminate this element of provision after 6 months or continue to provide the service for 6

months and we will work with them and providers to understand potential impact and flexibility around these contracts

Table 2: Analysis of options

Year		£000	
		Option 1	Option 2
2017/18	Part year contract savings	0	413
	In-year savings	0	413
2018/19	Part year contract savings	0	2,038
	Maximum redundancy cost	0	(900)
	In-year savings	0	1,138
2019/20 onwards	Full year contract savings	0	2,198

NB: Part year savings as detailed are contingent upon notice being served on 1 June 2017.

- 6.3 **Option 2 is the recommended option.** This allows savings to be achieved to help manage the public health grant pressures.

7. Issues for consideration

7.1 Financial implications

- 7.1.1 The Public Health Grant is reducing over time; £5.4m of savings need to be found in the period 2017/18 to 2019/20 to meet the reduction in Public Health Grant over the same period.
- 7.1.2 Decommissioning the falls service as recommended (option 2) will make a significant contribution to the savings challenge of the next 3 years. If this service is not decommissioned, the decommissioning or reduction of other public health services will have to be considered if the Public Health service is to operate within the grant funding envelope.
- 7.1.3 Due to the notice periods required to terminate, the full year benefit of £2.2m will not be realised until 2019/20.
- 7.1.4 The Public Health Grant is however ring-fenced and any annual underspend (or overspend) is carried forward into the subsequent year.
- 7.1.5 If option 2 is approved, the carry forward into the 2018/19 financial year will be used to mitigate any in-year shortfall in the savings requirement arising from reduced in-year contract savings and one-off redundancy costs associated with the North East Essex contract in 2018/19.

7.2 Legal implications

- 7.2.1 The recommended option will involve termination of current contracts in accordance with their terms. The Council will need to consider liability for termination costs as it may have some liability under the legacy NHS contract in North East Essex. Any early termination costs would be lower than the cost of continuing with the contract.
- 7.2.2 The Council has not consulted providers or CCGs on the impact of termination but it will be exercising contractual rights under agreements which they have voluntarily entered into with the Council. CCGs will be able to negotiate with providers to mitigate the impact on the provider and the CCG.
- 7.2.3 The Council has not consulted with the public on the impact of termination. The service offers a short term intervention to patients and existing patients will be managed under the exit period. New demand for services will be managed under the mitigation plans outlined in paragraph 5.7.

8 Equality and Diversity implications

- 8.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 8.3 The equality impact assessment indicates that the proposal in this report will have an adverse impact on older people, women and disabled as these are all risk factors for falls. There are mitigating actions (see paragraph 5.7) which are being explored which will reduce the impact of the decommissioning. Some parts of the service will remain available within core NHS funding.

9 List of Appendices

- 9.1 Equality Impact Assessment

10 List of Background papers

- Section 75 agreements (sample version)
- Contracts

Report title: Decisions taken by or in consultation with Cabinet Members	
Report author: Secretary to the Cabinet	
Date: 20 June 2017	For: Information
Enquiries to: Judith Dignum, Judith.dignum@essex.gov.uk / 033301 34579	
County Divisions affected: All Essex	

The following decisions have been taken by or in consultation with Cabinet Members since the last meeting of the Cabinet:

Leader of the Council

- *FP/781/03/17** Chelmsford Local Plan – Preferred Options Consultation Document (Regulation 18), March 2017
- FP/839/05/17** Appointments to the Cabinet and Delegations of Executive Functions
- FP/840/05/17** Getting Around in Essex: Award of New Local Bus Network (Part 2) including Maldon services

Cabinet Member for Education

- FP/827/05/17** Early Years and Childcare Grants Panel Recommendations
- FP/828/05/17** Appointment of School Governors by Essex LA Schedule 422
- FP/844/05/17** Proposed expansions of Lexden Springs School and Oak View School and the provision of boarding accommodation at Glenwood School

Cabinet Member for Environment and Waste

- FP/829/05/17** Proposed Price Increases for Essex Outdoors Activities
- FP/838/05/17** Charges for Disposal of Commercial Food Waste

Cabinet Member for Resources

- FP/845/06/17** Drawdown from Transformation Reserve: Building the ECC Digital Team
- FP/846/06/17** Total Transport Drawdown from Reserves

*** Key Decisions**

