



Essex County Council

Corporate Policy and Scrutiny

13:00	Wednesday, 04 August 2021	Council Chamber County Hall, Chelmsford, CM1 1QH
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For information about the meeting please ask for:

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Pages

Private Pre-Meeting for CPSC Members Only

Please note that there will be a private pre-meeting for committee members on Tuesday 3 August 2021 at 4.00pm via Zoom.

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|----------|---|--------------|
| 1 | Membership, Apologies, Substitutions and Declarations of Interest | 4 - 4 |
| 2 | Appointment of Vice-Chairmen
To appoint two Vice-Chairmen of the Committee. | |
| 3 | Minutes: 2 March 2021
To approve as a correct record the minutes of the meeting held on 2 March 2021. | 5 - 8 |

- | | | |
|-----------|---|----------------|
| 4 | <p>Questions from the Public</p> <p>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.</p> <p>Please note that members of the public wishing to ask a question must email democratic.services@essex.gov.uk by noon on the day before the meeting and that questions must relate to an item on the agenda for the meeting.</p> | |
| 5 | Essex County Council Organisation Strategy | 9 - 12 |
| 6 | <p>Information Bulletin</p> <p>To consider the written information provided for the Committee.</p> | 13 - 37 |
| 7 | Work Programme | 38 - 40 |
| 8 | <p>Date of Next Meeting</p> <p>To note that the next meeting will be held on Thursday 30 September 2021, in County Hall.</p> | |
| 9 | <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> | |
| 10 | <p>Urgent Exempt Business</p> <p>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.</p> | |

Exempt Items

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

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

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

Agenda item 1

Committee: Corporate Policy and Scrutiny Committee

Enquiries to: Graham Hughes, Senior Democratic Services Officer

Membership, Apologies, Substitutions and Declarations of Interest

Recommendations:

To note

1. Membership as shown below
2. Apologies and substitutions
3. Declarations of interest to be made by Members in accordance with the Members' Code of Conduct

Membership (Quorum: 4)

Councillor C Pond	Chairman
Councillor T Cunningham	
Councillor J Fleming	
Councillor P Gadd	
Councillor M Garnett	
Councillor I Henderson	
Councillor S Kane	
Councillor D Land	
Councillor M Mackrory	
Councillor A McQuiggan	
Councillor C Siddall	
Councillor M Steel	
Councillor M Steptoe	
Councillor M Vance	

Minutes of the meeting of the Corporate Policy and Scrutiny Committee, held online, on Tuesday 2 March 2021

In attendance from the committee:

Councillor M Mackrory (Chairman)
Councillor A Turrell
Councillor M Buckley
Councillor G Butland
Councillor M Garnett
Councillor J Young

Councillor V Metcalfe
Councillor M Maddocks
Councillor M Platt
Councillor S Lissimore
Councillor J Abbot

Also in attendance:

Councillor J Reeves
Councillor A Brown

Councillor J Chandler
Councillor P Reid

AGENDA

1. Membership, Apologies, Substitutions and Declarations of Interest

There were no changes to the membership of the committee since the last meeting.

Apologies were received from Cllr John Moran

In a change to the agenda, Cllr Barker was substituted at this meeting by Deputy Cabinet Member for Customer, Communities Culture and Corporate, Cllr Mike Steptoe.

2. Minutes

Members approved as a correct record Minutes of the meeting held on 30 January 2021.

3. Questions from the Public

There were no requests to speak from members of the public.

4. Remote Working and Staff Wellbeing

The panel for this item was:

- Cllr Mike Steptoe, Deputy Cabinet Member for Customer, Communities, Culture and Corporate.
- Pam Parkes, Director of Organisation Development and People (ODP).

Members received report CPSC/04/21 alongside a presentation from the panel. The full papers and presentation can be found [here](#).

Following the presentation members were invited to ask questions and provide feedback to the panel. Key points raised included:

- Low response rate – members were advised that this was likely due to ‘survey fatigue’, but were warned not to assume that all those who didn’t respond were satisfied with current working arrangements.
- Professional development – 44% of respondents answered that remote working arrangements did not adequately allow for continuous professional development. Members were assured that steps were being taken to address this, with learning and development central to any future workforce strategy. ECC is also looking at what leadership looks like in a remote working, digital office environment. ECC operates in a competitive jobs market and needs to have an attractive development offer to attract retain talent.
- Commute savings – this is hard to properly estimate. While most employees are saving money on a daily commute, often costs associated with home-working have increased (electricity, food, heating etc.). ODP is currently exploring the impact of this and will ensure that it feeds into any future workforce strategy. Remote working as a concept has defaulted to ‘home-working’ as a result of the pandemic, but it should encapsulate working wherever is comfortable. This could include satellite offices or community spaces such as libraries wherever appropriate.
- Key takeaways from home-working – ECC carried out significant research prior to, and during the pandemic, so there were few surprises. What’s clear however, is that many people experience remote working differently. Larger families, for example, might have struggled more than individuals or smaller family units who might have been able to adapt more easily. After all, people lived in homes, not offices.
- Return to business as usual – members noted from the presentation that the groundwork was being laid for further changes to ECCs workforce strategy in the future. It was noted that it is unlikely that ECC will return to ‘business as usual’. Members were advised that ODP was currently leading on a ‘ways of working’ programme with exec directors of all functions and workstreams in property, business support, wellbeing etc. creating a new hybrid working methodology tool. This is helping the organisation understand across the what is need to imbed hybrid and remote working into any new workforce strategy. Members were further advised that this is a new normal – if ECC doesn’t do this piece of work, the organisation will simply will not compete in the current jobs market.
- The role of a county councillor – members were advised that an active workstream was in place investigating how the councillor role might change to adapt to new ways of working. A further update would be provided once more is known.
- Working patterns – members were advised that working patterns would not be a ‘one size fits all’ approach across the organisation. Some teams would need to be in at the same time, others could quite happily hot desk amongst other teams. It would be down to individual business need.

- Zoom fatigue – Officers noted concerns around availability and fatigue associated with online meetings. Guidance was in preparation regarding effective meeting etiquette, including procedures around regular breaks and timings. This would be shared with councillors once available. Members also noted feeling compelled to commit to meetings and fill out their diaries more than when meetings were physical. Officers agreed to take this away. It was noted that staff needed to ‘work at home, not sleep at the office’.
- Printing – members raised concerns around the use of printing equipment. It was noted by officers that even before remote working took effect, printing was only really allowed when there was a clear business need. Where there is a clear business need, there would have to be a discussion around how this could be facilitated remotely and this would be incorporated into any new workforce strategy.

ACTION – Members requested a full member briefing to outline current and future plans around remote and satellite working.

The Chairman thanked officers for their attendance and work in preparation for the meeting.

5. Essex Records Office - Update

The panel for this item was:

- o Cllr Mike Steptoe, Deputy Cabinet Member for Customer, Communities, Culture and Corporate
- o Sam Kennedy, Director of Environment and Climate Action and
- o Martin Astell, Essex Records Office Manager.

Members received report CPSC/05/21, alongside a presentation from the panel.

Following the presentation members were invited to ask questions and provide feedback to the panel. Key points raised included:

- Preservation of digital content – this presents a real challenge, but there are ways the ERO go about ensuring that digital records of note are preserved. More difficult with regards to social media, but ERO are learning from other organisations.
- Key challenges – financial challenges are the most pressing. 59.4% of running costs on average are covered per year. This will have taken a considerable hit throughout the pandemic. There are signs that ERO’s digital subscription service have increased over the last year though. This could mean that once things return to some semblance of normality that the EROs income might increase with additional subscription income. The largest source of income is venue hire and registration services which are currently on pause throughout lockdown. Some lost income has also been recovered through government grants, and the ERO was also able to move forward with a few private contracts digitizing records for a fee.
- Digital offer – the ERO launched a new digital offer in 2019/20 which has been really successful. This provided residents with access to a library of

new images and records online. Staff are always working to add further records to this service, but private contracts where there is a potential to generate income will always take priority.

- Marketing – further marketing is in the pipeline for income generating items such as registrations, certifications and the digital subscription service. This does however, draw staff away from work to digitize existing records.
- Budget for purchase of records – there is no dedicated budget, but the ERO receives significant charitable support from the 'Friends of Historic Essex' group to expand its collection of records.
- Fire precautions – ERO operates a gas based fire prevention system to prevent damage to records. Argonite gas is used to reduce the oxygen level within a space to smother a fire before it gets out of control. The gas is not fatal to visitors, but can damage hearing if in close proximity to the pipe system when it ventilates.
- Maintenance of war records – civil defence records are kept at the ERO, but war service records are more likely to be at the imperial war museum or the national archives. The ERO's role is not to duplicate what is available elsewhere, but enhance the current public offer.
- Music collection – members noted that the ERO maintains over 35,000 audio and visual recordings, many of which are specifically historically significant to Essex. The collection is particularly strong in folk and classical music. Essex Sounds is a new service launched to provide digital access to these recordings. The ERO also operates a YouTube and SoundCloud account to allow recordings to be accessed remotely. There are always issues around copyright and permission to broadcast music, but the ERO benefits from being a public body providing an audience to music that is pertinent to Essex and its history. There is also a lot of information and recordings held regarding Essex's oral history, specifically looking at the early Essex accents.
- Duplication and sharing with other records offices/museums – ERO maintains an ethical approach to duplication by not collecting competitively with other public institutions. If the ERO received records that more closely aligned with another authority then they would be provided as a gift.

6. Date of Next Meeting

The next committee activity day is scheduled for the 30 March 2021. Due to the start of the pre-election period it is unlikely that this will go ahead.

7. Urgent Business

There was none received

8. Urgent exempt Business

There was none received

The meetings was formally closed at 12.35

Report title: Essex County Council Organisation Strategy	
Report to: Corporate Policy and Scrutiny Committee	
Report author: Kevin Bentley, Leader Louise McKinlay, Deputy Leader	
Date: 4 August 2021	For: Consideration
Enquiries to: Richard Puleston, Director of Policy Patrick Guthrie, Head of Policy	
County Divisions affected: Not applicable	

1. Introduction

This session will consider the draft Organisation Strategy for 2021-25 and, as part of that, our approach to performance.

2. Action required

The Committee is asked to consider the draft Organisation Strategy for 2021-25 and in particular our approach to measuring performance, so that the views of the committee can be reflected in the development of the final Strategy that will be adopted at Full Council in October.

3. Background

A new Organisation Strategy is needed to replace the current Strategy which applied to the last Council period and is expiring this year. The new administration brought forward its draft Organisation Strategy (called *Everyone's Essex: The Plan for Essex 2021-25*) to Full Council in July. Unlike in previous years, when Council was asked to adopt the Strategy, the administration asked Council to note the Strategy pending a further period of engagement prior to seeking adoption at Full Council in October. This approach reflects the new administration's commitment to being open and collaborative and to building the engagement that is needed to ensure effective delivery of the Strategy.

The strategy embodies the themes that the new administration has set out of:

- **Renewal** – helping our residents, our communities and our businesses to recover and rebuild following the pandemic
- **Equality** – ensuring that growth and renewal benefits all and that everyone in the county has the opportunity to succeed in life
- **Ambition** – ensuring that as a Council we are always reaching for the stars to secure the best outcomes and the best value for money that we possibly can for our residents and businesses

The strategy is anchored around four new strategic priorities:

- A strong, inclusive and sustainable economy
- A high-quality environment
- Health, wellbeing and independence for all ages
- A good place for children and families to grow

Each priority has five commitments (so a total of 20 in total), which are the things that we commit to doing to achieve these priorities over the next four years. These commitments deliberately do not describe everything that the Council does. They are focused on those areas of action that are needed to drive strategic change. This reflects the spirit of the strategy, which is to take action now on the big strategic issues facing us so that Essex and its people can look forward to a bright future.

The strategy also includes sections on:

- **Levelling Up** – because levelling up is a key objective that cuts across all of our strategic priorities and requires collective action across the Council and across partners.
- **How We Will Deliver** – because strategies cannot succeed if they only describe the ends, they also have to be clear about the means. Our strategy therefore sets out how we will work and makes a clear commitment to working in a joined up, collaborative, open-minded and evidence-based way. These ways of working are not “nice to haves”; they are essential if we are to deliver on a set of issues that by their nature are complex and involve all parts of the public sector, businesses, the voluntary and community sector and communities themselves.
- **Service excellence** – because delivering high quality and value for money services is core to our mission as a Council and we never forget that residents pay for, use and in many cases rely on our services to meet essential needs.

Overall, the strategy represents some continuity with what has gone before, but also significant change. There is much more emphasis in this strategy on climate action and sustainability, on modernising our infrastructure, on levelling up, on educational excellence and on transforming care to support independent living. There is also more emphasis on partnership working, building on the excellent partnership work that has taken place during the pandemic to keep services running and to protect our most vulnerable residents. We will deepen our work with partners across the public, private and voluntary sectors and our suppliers. We will also strengthen collaboration with other groups, including the arts and heritage sector, that have an important role to play as well.

The draft strategy does not yet include performance measures, which are being developed over the summer in time for inclusion in the final version of the strategy for adoption at October Full Council. Some Members raised questions at July Full Council about the approach to performance measures. These are addressed in the section on performance below.

Essex County Council Organisation Strategy

We have now started an engagement process with County Councillors, partners and staff to get further input to the strategy ahead of its finalisation and recommendation for adoption at October Full Council. Our approach to engagement is as follows:

County Councillors:

- In addition to this scrutiny session, we will be arranging an all-Members discussion session on the strategy for early September.

Partners:

- We have written out to a wide range of partners across our work to make them aware of our draft strategy and to seek their feedback. We are keen to explore how our strategy aligns with their priorities and how we can work collaboratively together to deliver on our shared priorities.
- We are engaging partners collectively through various partnership board meetings over the coming weeks.
- We are also setting up bilateral meetings with a number of partners, including all of our districts, to enable us to explore these issues fully.

Staff:

- Our aim is to reach right across the organisation, not just senior leaders but also middle managers and frontline staff. This is essential because we want to ensure that the strategy is meaningful for all staff and helps them all to set priorities and do their jobs more effectively.
- We will be setting up a series of workshops across the organisation to get input from staff.
- We will also be getting feedback through the line management chain.

We will include in the papers for October Council a summary of the feedback received from the engagement exercise and how it has been reflected in the final version of the Organisation Strategy and in our ongoing work.

Performance

Our approach to performance recognises that there are different types of performance measures and that they require different approaches:

- **Contextual** – high level real world outcomes that describe the ambition of ECC and its partners for improving the lives of Essex residents. They may be long term or span multiple ECC functions and wider Essex organisations and we may have limited direct influence over these outcomes.
- **Strategic** – measures identified as critical to delivery in the coming year to make progress towards our ambition for Essex. Core measures are limited in number to provide clarity and focus for strategic discussions. Some core measures may be reported annually, but regular updates will be provided for most indicators, and will be chosen on the basis that ECC can influence performance improvement over the coming year.

- **Statutory and operational** – underpinning measures that are collected and reported by functions, but still make a significant contribution to the delivery of our strategic and contextual measures. These include more detailed metrics for our statutory functions and business as usual measures that support functional priorities.

We are in the process of putting together performance measures for the new Organisation Strategy. Work is in progress, led by Cabinet Members, and we will have draft measures developed by around mid-September. These will include a mix of contextual and strategic measures as described above. We want to keep the number of measures as short as possible, whilst ensuring good coverage, as this gives more clarity and therefore aids transparency, accountability and learning. We will be able to share examples of the sorts of measures we have in mind in relation to each of these categories with the Scrutiny Committee.

Once performance measures for the new strategy are agreed, we would be happy to share a quarterly performance report with scrutiny committees that would include a summary of ECC's position on key indicators and the actions agreed by the organisation to address the issues raised.

This would give scrutiny panel members greater visibility of what was being discussed and planned, allowing them to focus the work of their scrutiny committees on these issues should they wish and to feed back into the organisation's performance process.

4. Update and Next Steps

The discussion in the committee will be used to inform the further work on the strategy pending its finalisation for adoption at Full Council in October.

The session will be attended by the Leader of the Council, Cllr Kevin Bentley.

5 List of Appendices

ECC's draft Organisation Strategy: *Everyone's Essex: The Plan for Essex 2021-25*

Report title: Information Bulletin	
Report to: Corporate Policy and Scrutiny Committee	
Report author: Graham Hughes, Senior Democratic Services Officer	
Date: 4 August 2021	For: Information
Enquiries to: graham.hughes@essex.gov.uk	
County Divisions affected: All ECC	

1. Purpose of Report

The Information Bulletin is a document that is made available to the public with the published agenda papers. It can include update information requested by the Committee as well as information that a service considers should be made known to the Committee.

2. Background

This Information Bulletin covers the one following item:

- 2021/22 Financial Overview as at the First Quarter Stage (FP/011/03/21)

Note: This paper is also for consideration by the Cabinet at its meeting on 29 July 2021.

3. Action Required

Members are asked to identify any issues requiring further clarification and/or information. Written updates for any issues identified can be requested for the next meeting.

The paper may also assist with the identification of more focussed lines of enquiry for further scrutiny activity.

The Cabinet Member and/or senior officers can be asked to attend future meetings as required.

4. List of Appendices

- 2021/22 Financial Overview as at the First Quarter Stage (FP/011/03/21)

Report title: 2021/22 Financial Overview as at the First Quarter Stage	
Report to: Cabinet	
Report author: Cllr Christopher Whitbread, Cabinet Member for Finance, Resources and Corporate Affairs	
Date: 29 July 2021	For: Decision
Enquiries to: Nicole Wood, Executive Director, Corporate Services and Adrian Osborne, Head of Strategic Finance and Insight email Adrian.osborne2@essex.gov.uk	
County Divisions affected: All Essex	

1. Purpose of report

- 1.1 The purpose of this report is to set out the current forecast financial position of Essex County Council's (ECC) revenue and capital budgets as at the first quarter stage of the 2021/22 financial year. There is a forecast over spend of **£5.3m** (0.5%) against a net revenue budget of **£1bn**. The overall over spend position is driven largely by a heightened level of risk within Adult Social Care and pressures within Waste Reduction and Recycling.
- 1.2 At this early stage of the financial year there is a significant level of uncertainty and risk around the forecast for 2021/22. In the coming months ECC will continue to face considerable turbulence regarding the real impact of easing of pandemic restrictions, of entering the start of a third wave and of an upcoming winter period managing both COVID-19 and a possible resurgence of flu. All of these factors influence underlying patterns of demand, require careful monitoring and are likely to result in ongoing volatility of forecasting as we move through the year, making it difficult to produce an accurate forecast.
- 1.3 Adult Social Care continues to feel and respond to the significant impact of the COVID 19 pandemic, in particular the consequences of paused work and backlog on teams of reviews and assessments, changing demographics projections and the demand for services. The care market also manages the impact with both resident population plus staff recruitment and retention being key factors. These elements have created a challenge to manage within the service budget, together with uncertainty in the accuracy of future demand predictions.
- 1.4 We have continued to receive funding from Government to meet the substantial COVID-19 costs we are facing, and we currently estimate the funding will cover in full the known direct costs and liabilities we are experiencing from the pandemic.
- 1.5 There is an under spend of **£6.3m** (2%) on capital against the current budget of **£309.1m**. After taking account of budget change requests in this report there will be a residual under spend of **£167,000** (0.05%).

2. Recommendations

Approval is sought for the following:

2.1 To draw down funds from reserves as follows:

- i. **£1.3m** from the Adults Digital Programme Reserve to the Adult Social Care and Health portfolio to fund projects within the digital programme (section 5.1.iv)
- ii. **£1.2m** from the Insurance Reserve to the Finance, Resources and Corporate Affairs RSSS portfolio in respect of recovery of income relating to Highways claims, to meet ECC budget pressures in 2021/22 as planned in February budget setting (section 5.15.iii)
- iii. **£3.7m** from the Covid Equalisation Reserve to the Adult Social Care and Health portfolio to support the COVID Resilience Fund (section 5.1.iv)
- iv. **£2.5m** from the Covid Equalisation Reserve to the Community, Equality, Partnerships and Performance portfolio relating to: Essex Outdoors loss of income (**£2.4m**), additional staff required in Registrations (**£105,000**) and Coroner's inquest backlog (**£35,000**) (section 5.3.ii)
- v. **£1.6m** from the Covid Equalisation Reserve to the Finance, Resources and Corporate Affairs RSSS relating to Delivery and Assurance (**£1.3m**), Transactional services staffing (**£150,000**), staffing re Entry Level Employment (**£149,000**), and People Operations (**£65,000**) (section 5.15.iii)
- vi. **£1.4m** from the Covid Equalisation Reserve to the Community, Equality, Partnerships and Performance RSSS (**£1.3m**) and to the Finance, Resources and Corporate Affairs RSSS portfolio (**£87,000**) relating to Business Support (sections 5.13.iii & 5.15.iii)
- vii. **£441,000** from the Covid Equalisation Reserve to the Highways Maintenance and Sustainable Transport portfolio to cover lost income within Park & Ride services due to the impact of COVID (section 5.9.iv)
- viii. **£1.7m** from the Technology Solutions Reserve to the Finance, Resources and Corporate Affairs RSSS portfolio relating to the Social Care Platform Programme (section 5.15.iii)
- ix. **£1.6m** from the Transformation Reserve to Children's Services and Early Years portfolio to support the 2021/22 budget (section 5.2.ii)

- x. **£903,000** from the Transformation Reserve to the Adult Social Care and Health portfolio; to support the savings programme (**£843,000**) and for the Independent Living Programme (**£60,000**) (section 5.1.iv)
- xi. **£654,000** from the Private Finance Initiatives (PFI) Equalisation Reserves to the Education Excellence, Skills and Training portfolio in relation to Debden PFI (**£389,000**) and Clacton secondary schools PFI (**£265,000**) (section 5.7.iii)
- xii. **£584,000** from the Ambition Fund Reserve to the Community, Equality, Partnerships and Performance RSSS portfolio relating to the Just About Managing project to cover the costs associated with the Working Families Initiative (section 5.13.iii)
- xiii. **£220,000** from the Ambition Fund Reserve to the Adult Social Care and Health portfolio towards funding for Mental Health (section 5.1.iv)
- xiv. **£187,000** from the Covid Equalisation Reserve to the Community, Equality, Partnerships and Performance RSSS (**£44,000**) and Leader RSSS portfolio (**£143,000**) to the Communications and Marketing team for pandemic related media campaigns (sections 5.13.iii & 5.16.ii).
- xv. **£383,000** from the Transformation reserve to the Children's Services and Early Years portfolio to support the Divisional Based Intervention Team within the Children's Sustainability Programme (section 5.2.ii)
- xvi. **£33,000** from the Transformation Reserve to the Finance, Resources and Corporate Affairs RSSS portfolio relating to Technology Services Portfolio project. This was previously approved (FP/387/03/19) but has time lapsed (section 5.15.iii)
- xvii. **£28,000** from the Quadrennial Election Reserve to the Community, Equality, Partnerships and Performance portfolio relating to costs of the May 2021 elections (section 5.3.ii)
- xviii. **£25,000** from the Collection Fund Risk Reserve to the Finance, Resources and Corporate Affairs RSSS portfolio to support analysis of the pandemic impact (section 5.15.iii).
- xix. **£125,000** from the Covid Equalisation Reserve to the Children's Services and Early Years portfolio for the Family Innovation Fund Extra (section 5.2.ii)

2.2 To appropriate funds to reserves as follows:

- i. **£2.5m** to the Children's Transformation Reserve from the Children's Services and Early Years portfolio appropriating the Social Care Grant settlement to the reserve until it is required (section 5.2.ii)

- ii. **£2.3m** to the Waste Reserve from the Waste Reduction and Recycling portfolio due to a lower inflationary increase than budgeted (section 5.11.iii)
- iii. **£1.1m** to the Commercial Investment in Essex Places Reserve from the Finance, Resources and Corporate Affairs RSSS portfolio due to the receipt following the sale of Schools payroll (section 5.15.iii)
- iv. **£6,000** to the Community Initiatives Fund Reserve from Community, Equality, Partnerships and Performance portfolio following receipt of grant, which will be utilised before planned use of reserves (section 5.3.ii).
- v. **£314,000** to the Private Finance Initiatives (PFI) Equalisation Reserves from the Education Excellence, Skills and Training portfolio in relation to Building Schools for the Future (section 5.7.iii)
- vi. **£150,000** to the Technology Solutions Reserve from the Finance, Resources and Corporate Affairs RSSS portfolio to support future years Technology programmes (section 5.15.iii)

2.3 To approve the following adjustments:

- i. Transfer the balance of funds relating to the Children's Sustainability programme, which are currently ringfenced in the Transformation reserve, to the Children's Transformation Reserve. The balance to be moved, after requests in this report, is **£3m**.
- ii. Agree to fund all future requests to withdraw money from reserves against decisions previously taken with respect to providing additional funding to services for COVID related reasons from the COVID Equalisation reserve, rather than the reserve(s) originally agreed.
- iii. Agreement is therefore sought that up to **£16.8m** which has not been drawn down but which was previously authorised to be drawn down from various sources (as set out in **Appendix E**) will now, if required, be drawn down from Covid Equalisation Reserve.
- iv. Vire **£33,000** from the Community, Equality, Partnerships and Performance portfolio to Devolution, Art, Heritage and Culture portfolio to fund an additional post in relation to Brexit within Trading Standards (sections 5.3.ii & 5.4.ii)
- v. Vire **£40,000** from Community, Equality, Partnerships and Performance portfolio to Community, Equality, Partnerships and Performance RSSS portfolio to align delivery of a saving from Strategic Partnerships to Equalities and Diversity (sections 5.3.ii & 5.13.iii)

- vi. Agree that authority is given to draw down up to **£13m** from the Waste Reserve on an incremental basis but that the money may be drawn down in phases as determined by the Executive Director, Corporate Services in consultation with the Cabinet Member for Finance, Resources and Corporate Affairs to resource the resolution of a dispute (including the referring of the dispute to litigation). This reflects the change in post title and structure of the original authorisation FP/655/11/16.
- vii. To create a new Equalities Fund Reserve to set aside resources to support the focus on the people and places where the council can make the biggest difference to improve lives, and to transfer **£10.3m** from the Collection Fund Risk Reserve to this reserve.
- viii. To amend the capital budget as shown in Appendices C (i) and C (ii) which allows for capital slippage of **£21.7m**, capital budget additions of **£15.1m**, capital budget reductions of **£1.5m** and advanced works of **£2m** (see section 7.2).

3. Executive Summary: Revenue

- 3.1 Appendix A summarises the revenue budgets and forecast outturn for each portfolio. There is a full year forecast over spend of **£5.3m (0.5%** against a net budget of **£1bn)**. The overall over spend position is driven by uncertainty and pressure within Adult Social Care and Health, and Waste Reduction and Recycling and specifically:
 - i. Adult Social Care and Health **£4.2m** - There are currently increasing volumes of domiciliary care, increasing levels of referrals to Occupational Therapists and for equipment and reductions in people self-caring following reablement. Face to face assessments are beginning to restart, and we expect to gain more clarity in the upcoming months on the sustained level of demand and the impact this has on financial delivery.
 - ii. Waste Reduction and Recycling **£1.5m** relating to over spends in Integrated Waste Management with non-delivery of 2020/21 savings that have yet to be mitigated.
- 3.2 We continue to face cost pressures and income losses related to COVID-19. There is still considerable uncertainty regarding the real impact of easing of restrictions, of entering the start of a third wave, and of an upcoming winter period managing both COVID-19 and a possible resurgence of flu. All of these factors influence underlying patterns of demand, require careful monitoring and are likely to result in ongoing volatility of forecasting as we move through the year, making it difficult to produce an accurate forecast.
- 3.3 The Council has continued to be proactive in its response to COVID-19 and has been allocated in the region of £50m of funding from Government to support with general and specific COVID-19 pressures in 2021/22. Including

the funds applied to the COVOD Equalisation reserve and specific grants carried forward at Provisional Outturn we have circa £110m available. It is currently anticipated that most of this funding will be fully utilised in 2021/22, based on the known knowns at present. Should the current situation surrounding COVID deteriorate, this funding position will be re-evaluated.

- 3.4 Requests to withdraw £10m to support COVID pressures and income losses are proposed in this report. This is the first tranche of known pressures in 2021/22, and includes £3.7m for the continuation of the COVID Resilience Fund, which reimburses some of the additional costs due to COVID incurred by Adult Social Care providers, and £2.4m for income losses experienced by Essex Outdoors sites due to COVID.
- 3.5 With the Coronavirus Job Retention Scheme extended until 30 September 2021, as set out last year there is still a risk that the 2022/23 Council Tax base will be negatively impacted, which could result in a significant funding reduction for the Council. Unemployment rates of up to 6.5% are forecast for the end of this year and will be monitored closely throughout the year.
- 3.6 The position reported in section 5 is after proposed adjustments in this report, set out in sections 2.1 to 2.3.

4. Executive Summary: Capital

- 4.1 The original capital programme for 2021/22 as set by Full Council in February 2021 was **£290.3m**. The forecast outturn is **£302.8m**, before adjustments proposed within this report. This represents an under spend of **£6.3m** against latest budget of **£309.1m**. After taking account of budget change requests in this report, there is a residual under spend of **£167,000**. More detail is set out in Section 7.
- 4.2 The **£6.3m** under spend in the Capital Programme position relates to the following requests in this report:
- Slippage: £21.7m
 - Additions: £15.1m
 - Reductions: £1.5m
 - Advanced Works: £2m
- 4.3 Appendix C (i) summarises current year forecasts and changes to the Capital Programme for 2021/22 since approval of the original programme in the Budget Report to Council in February 2021. Appendix C (ii) contains the detail of the budget adjustments seeking approval.

5. Revenue Position

5.1 Adult Social Care and Health – £4.2m (1.0%) over spend

- i. Adult Social Care continues to feel and respond to the significant impact of the COVID-19 pandemic. In particular, the consequences of paused work and backlog on teams, of reviews and assessments, changing demographics projections and the demand for services. The care market also manages the impact with both resident population and staff recruitment and retention a factor. These elements have all created both a challenge to manage within the budget set, together with the levels of historical data and intelligence, to enable future forecasting to accurately predict demand.
- ii. Public Health is forecast to spend in line with budget. Within the online position, there are a number of decisions that are expected to be funded by additional 'Contain Management Outbreak' funding ECC has received. At this early stage it is anticipated that all funding will be fully spent, this will continue to be monitored throughout the course of the year.
- iii. Within the overall forecast position reported for Adult Social Care, there are **£1.8m** of savings reflected as not deliverable, due to slippage in the Connect Programme resulting from COVID related delays. There are a number of demand pressures including mental health wellbeing and assessment which have increased over and above the assumptions made when setting the budget. Some of the demand pressures are as a result of placements made on the Hospital Discharge pathway, those over and above the normal placement trend are claimable from Health funding, the current guidance states that any cost associated with placements is capped at 6 weeks for placements made from 1st April to 30th June reducing to 4 weeks for placements made from 1st July to 30th September. At this stage Discharge to Assess processes are expected to continue beyond the end of September but there is no funding associated with this.
- iv. Approval is sought in this report for the following:
 - **£3.7m** from the Covid Equalisation Reserve to support the COVID Resilience Fund with funds contributed to the reserve as per the Provisional Outturn report
 - **£1.3m** draw down from the Adults Digital Programme Reserve to fund projects within the digital programme
 - **£220,000** from the Ambition Fund Reserve towards funding for Mental Health
 - **£843,000** from the Transformation reserve to support the following; **£537,000** MLM savings programme, **£237,000** Choice & Control savings programme and **£69,000** PSI savings programme
 - **£60,000** from the Transformation Reserve for the Independent Living programme

5.2 Children's Services and Early Years:

- **Non DSG - £31,000 (>0.05%) under spend**
- **DSG - £30,000 (7.6%) under spend**

- i. This position reflects budgeted expenditure through the year of potential children in care placements, which may be required due to the pent up demand arising from lockdowns, as evidenced through increased contacts and caseload within the children's social care system. Given the volatility of this spend, should the demand not materialise and there are fewer placements into care, then an opportunity may be realised. The position will be kept under review.
- ii. Approval is sought in this report for the following:
 - **£2.5m** to the Children's Transformation Reserve appropriating the Social Care Grant settlement to the reserve until it is required
 - **£1.6m** from the Transformation Reserve to support the 2021/22 budget
 - **£383,000** from the Transformation reserve to support the Divisional Based Intervention Team within the Children's Sustainability Programme
 - **£125,000** from the Covid Equalisation Reserve earmarked for Family Innovation Fund Extra.

5.3 Community, Equality, Partnerships and Performance - £28,000 (0.1%) under spend

- i. The portfolio reports an under spend of **£28,000** which is attributable to Emergency Planning expecting additional income from Districts. Income relates to support provided by an Emergency Planning and Business Continuity Officer. The remainder of the portfolio is broadly online
- ii. Approval is sought in this report for the following:
 - **£2.5m** from the Covid Equalisation Reserve relating to; Essex Outdoors loss of income (**£2.4m**), additional staff required in Registrations (**£105,000**) and Coroner's inquest backlog (**£35,000**)
 - **£44,000** to be vired to Community, Equality, Partnerships and Performance RSSS to align delivery of a saving from Strategic Partnerships to Equalities and Diversity
 - **£33,000** to be vired to Devolution, Art, Heritage and Culture to fund an additional post in relation to Brexit within Trading Standards
 - **£28,000** from the Quadrennial Election Reserve relating to costs of the May 2021 elections
 - **£6,000** to the Community Initiatives Fund Reserves appropriated to the reserve until expenditure is incurred

5.4 Devolution, Art, Heritage and Culture - £26,000 (0.7%) over spend

- i. There is a small over spend forecast within this portfolio.
- ii. Approval is sought in this report for the following:
 - **£33,000** to be vired from the Community, Equality, Partnerships and Performance portfolio to fund an additional post in relation to Brexit within Trading Standards

5.5 Economic Renewal, Infrastructure and Planning - £16,000 (0.2%) over spend

- i. There is a small over spend forecast within this portfolio.

5.6 Education Excellence, Skills and Training (DSG) - £2.1m under spend

- i. The High Needs Block (HNB) funding was increased by the Government by **£18.2m** (post recoupment) for 2021/22. The HNB was expected to return to a surplus by the end of this financial year, however, after two months, it is forecasting to remain **£1.0m in deficit**.
- ii. The main pressures are:
 - Independent Schools are forecasting a **£2.6m** over spend, a 16.5% increase in expenditure compared to 2020/21. The 2021/22 budget is **£25.0m**, an increase of 23.5% from 2020/21, following expenditure of **£23.7m** resulting in a **£3.4m** over spend last year. Further work is underway within the Children and Families service to review this forecast.
 - Number of Education, Health and Care Plans (EHCP) have risen by 9.5% since January 2020. Although this is less than the national average of 10.4%, this growth is greater than anticipated in the budget
 - Funding for banding changes and new starters in special schools
 - Interim funding solution for Social, Emotional & Mental Health (SEMH) provisions, potential minimum cost **£135,000**
- iii. The Central School Services Block is forecasting an in year **£2.7m** over spend, which is mostly due to **£2.1m** carry forward being transferred to the SEND and PRU capital project as this funding is received for this purpose as part of the historic commitment allocation.

5.7 Education Excellence, Skills and Training - £25,000 (0.1%) over spend

- i. A small forecast over spend of **£25,000** is reported. However Special Educational Needs and Disabilities (SEND) Operations continue to face significant pressures with rising numbers of applications for EHCP. COVID-19 has delayed the assessment process resulting in a backlog, with new cases adding to the pressures, and the potential for an increase in tribunals. This is reported as an unquantified risk.
- ii. The inaugural meeting of the Education Recovery Task Force has taken place, with terms of reference being agreed. The Leader's Budget announcement included **£1.5m** to support this task force's work, including up to **£500,000** to expand the summer holiday scheme to a wider group than just those in receipt of free school meals and to support formal learning catch up. An additional **£500,000** was committed to support children's emotional wellbeing and mental health, with the Task Force being required to assess the impact of the pandemic on children's emotional wellbeing and mental health and determine where best to allocate this funding.

- iii. Approval is sought in this report for:
 - **£654,000** from the PFI Equalisation Reserves for Debden (£389,000) and Clacton (£265,000) PFI schemes
 - **£314,000** returned to the PFI Equalisation reserves for Building Schools for the Future

5.8 Finance, Resources and Corporate Affairs - £3,000 (>0.05%) over spend

- i. The portfolio is reported as broadly online, with a small **£3,000** forecast over spend.

5.9 Highways Maintenance and Sustainable Transport - £11,000 (>0.05%) under spend

- i. The small forecast over spend is attributable to in-year staffing vacancies across policy lines forecast to be filled later in the financial year
- ii. Within the position there are income losses of **£748,000** within Park and Ride as a result of low patronage, due to low consumer confidence as a result of the pandemic. A draw down of **£441,000** will be sought from the Covid Equalisation Reserve to mitigate these losses. Should income levels start to improve as passenger numbers increase following lifting of lockdown restrictions then this will be returned to reserves.
- iii. There have been savings within Passenger Transport of **£700,000** which is mainly due to reaching an agreement with bus operators for Concessionary Fares at a lower cost than anticipated. This is partially offset with pressures of non-delivery of savings of **£334,000**.
- iv. Approval is sought in this report for the following:
 - **£441,000** from the Covid Equalisation Reserve to cover Park & Ride income losses due to the continued impact of restrictions associated with the government roadmap which cannot be recovered from CBSSG (Covid-19 Bus Services Support Grant).

5.10 Leader - £7,000 (0.3%) under spend

- i. The under spend is wholly attributable to Democratic Core, where there are small Chief Executive and Strategy, Insight and Engagement management team staffing under spends. Budgets for people in post were set marginally higher than the costs that are being incurred.

5.11 Waste Reduction and Recycling - £1.5m (1.8%) over spend

- i. The forecast over spend position is due to; **£927,000** pressure as a result of the non-delivery of savings that are in the baseline budget for 2021/22 which have yet to find a mitigation, **£352,000** additional costs of waste transfer stations in the south of county to help support District partners to dispose at a local site, and **£140,000** additional green waste disposal contractual commitments that have arisen as a result of the pandemic.

- ii. As a result of the anticipated inflation and market price increases not materialising following the procurement exercise, **£2.3m** will be returned to reserves.
- iii. Approval is sought in this report for:
 - **£2.3m** to the Waste Reserve as the inflationary increase built in at budget setting in relation to the procurement is not needed as the tender came in lower than had been anticipated.

5.12 Other Operating Costs – on line

- i. It is currently too early to forecast a different economic impact than budgeted on interest rates and capital borrowing, therefore Other Operating Costs is currently forecast as online. However, there is an unquantified opportunity within interest payable/receivable should interest rates and the level of balances held be favourable against budget due to improvements in the economic environment

5.13 Community, Equality, Partnerships and Performance Recharged Strategic Support Services - £111,000 (0.7%) under spend

- i. The under spend of **£111,000** is reported after proposed adjustments. This is attributable to staffing under spends in Democratic Services **£44,000**, Equality and Diversity **£13,000** and Performance, Business Intelligence, Planning and Partnerships **£70,000** driven by vacancies, although recruitment is underway.
- ii. These under spends are partly offset by a **£23,000** under achievement reported in Internal Audit income as the service are awaiting confirmation that some of the external audit work that has previously been undertaken will continue. There is an opportunity that the consultancy budget can under spend to offset this, but this is uncertain at the moment.
- iii. Approval is sought in this report for the following:
 - **£1.3m** from the Covid Equalisation Reserve relating to Business Support
 - **£584,000** from the Ambition Fund Reserve relating to the Just About Managing project to cover the costs associated with the Working Families Initiative
 - **£44,000** from the Covid Equalisation Reserve relating to pandemic related media campaigns
 - **£44,000** to be vired from Community, Equality, Partnerships to align delivery of a saving from Strategic Partnerships to Equalities and Diversity

5.14 Economic Renewal, Infrastructure and Planning Recharged Strategic Support Services - £6,000 (0.5%) under spend

- i. The small forecast under spend is due to a small staffing under spend.

5.15 Finance, Resources and Corporate Affairs Recharged Strategic Support Services - £159,000 (0.2%) under spend

- i. The forecast under spend is due to the forecast vacancy factor across Information Services - **£82,000**. Should the pace of recruitment increase, this favourable variance will be negated. There is a further under spend within Information Services under Information Governance of **£24,000** where recruitment has also been delayed to Information Governance Officer and Apprentice posts. Within Customer Services there is a **£35,000** under spend in this portfolio – however; this is due to an adjustment across cost centres in another portfolio; from a Functional perspective however, Contact Centres position is online.
- ii. There are also a number of smaller favourable variances on staffing across the portfolio.
- iii. Approval is sought in this report for the following:
 - **£1.7m** from the Technology Solutions Reserve relating to the Social Care Platform Programme
 - **£1.6m** from the Covid Equalisation Reserve to the Finance, Resources and Corporate Affairs RSSS relating to the Delivery and Assurance team (**£1.3m**), Transactional services staffing (**£150,000**), staffing re Entry Level Employment (**£149,000**), and the People Operations team (**£65,000**)
 - **£1.2m** from the Insurance Reserve in respect of recovery of income relating to Highways claims, to meet ECC budget pressures in 2021/22, as planned in February budget setting
 - **£1.1m** to the Commercial Investment in Essex Places Reserve due to the Sale of Schools payroll receipt
 - **£150,000** to the Technology Solutions Reserve to support future years Technology programmes
 - **£87,000** from the Covid Equalisation Reserve relating to Business Support
 - **£33,000** from the Transformation Reserve relating to Technology Services Portfolio Project. This was previously approved (FP/387/03/19) but has time lapsed
 - **£25,000** from the Collection Fund Risk Reserve to support the data and analytics team to analyse the impact of the COVID-19 pandemic.

5.16 Leader Recharged Support Services - £71,000 (4.0%) over spend

- i. This position is attributable to a Communications and Customer Relations staffing pressure. There are currently two additional posts in the service, contracted for a period of 6 months; a Communications and Marketing Manager and a Fellow. This over spend is fully offset with under spends in the wider Strategy, Insight and Engagement service. The Fellow position is delivering a key communications workstream focusing on community cohesion and faith.

- ii. Approval is sought in this report for the following:
 - **£143,000** from the Covid Equalisation Reserve relating to the Communications and Marketing team for pandemic related media campaigns

6. Trading Activities

- 6.1 Trading activities as a whole are reporting a surplus of **£304,000** against the budgeted surplus of **£300,000**.
- 6.2 Place Services is reporting achievement of target and therefore a **£300,000** appropriation to reserves.
- 6.3 Music Services is reporting a small over-achievement of target of **£4,000**; this amount is planned to be appropriated to reserves and therefore the service forecasts an online outturn position.
- 6.4 These forecast positions will leave a net residual surplus in reserves of **£1.3m**, of which **£1.1m** relates to Place Services.
- 6.5 Appendix B shows the position by each Trading Activity.

7. Capital

- 7.1 An under spend of **£6.3m** (2%) is forecast against the latest capital budget of **£309.1m**. After taking account of budget change requests in this report there is a residual under spend of **£167,000**.
- 7.2 Approval is sought for:
 - i. Slippage of **£21.7m**
 - ii. Budget additions of **£15.1m**
 - iii. Budget reductions of **£1.5m**
 - iv. Advanced works of **£2m**
- 7.3 The key points to note are listed below, and the detailed requests are shown at Appendix C(ii).
- 7.4 **Children's Service and Early Years – on line**
 - i. There is no variance to budget
- 7.5 **Deputy Leader & Community, Equity, Partnerships and Performance – on line**
 - i. There is no variance to budget
- 7.6 **Devolution, Art, Heritage and Culture – £6,000 under spend**

- i. There is an immaterial £6,000 variance to budget

7.7 Economic Renewal, Infrastructure and Planning - £14.7m under spend

- i. Approval is sought to reprofile **£17.4m** into future years - this largely relates to two areas, Essex Housing LLP Loans and Major Schemes. Essex Housing LLP Loans (£7.5m) is a result of programme delays relating to updated planning determination and preconstruction commencement activity (contractor tender and site mobilisation) timelines across various schemes. Major Schemes relates to the Colchester Rapid Transit System scheme (£6.4m) where the original spending profile provided by Homes England has been revised to an anticipated spend of only £5m for 2021/22.
- ii. Approval is sought for net additions of **£2.7m** into the programme, which largely relates to additional works and an adjustment for land purchase at Essex County Hospital and additions to Jaywick Market and Commercial Space programme which will be offset by a reduction in the 2022/23 Capital Programme for the Clacton Future High Street Fund (FHSF project)

7.8 Education Excellence, Skills and Training- £1.1m over spend

- i. Approval is sought to reprofile **£3m** into future years due to slippage, including Harlow Primary (£1.4m) as this project is not yet progressing due to land transfer issues, Temporary Accommodation (£634,000) due to delays in St Marys PS Burnham and Maldon PS, and Braintree Primary Basic Need (£562,000) relating to Lodge Farm, a new primary school, with ECC's S106 contribution not expected to be made until 2024/25.
- ii. Approval is sought to add **£4.0m** to the programme relating to Schools Capitalised Building Maintenance, with the School Condition Allocation (SCA) grant being £1.2m (20%) higher than assumed in the MTRS, and Salix Grant Funding which has been awarded for Schools Solar PV £589,000 and Schools Window replacement £1.8m also being an addition request to the programme for this year.

7.9 Finance, Resources and Corporate Affairs – £4.5m over spend

- i. Approval is sought to add **£4.6m** into the programme due to various decarbonisation schemes which are funded by Salix grant for energy saving related projects to be completed on the ECC estate.

7.10 Adult Social Care and Health- £5,000 under spend

- i. There is an immaterial £5,000 variance to budget

7.11 Highways Maintenance and Sustainable Transport - £3.1m over spend

- ii. Approval is sought to reprofile £1.3m into 2024/25 as additional funding relating to Local Highway Panels is to be realigned across the three year programme of delivery as per the current expected programme of works.
- iii. Approval is sought to add £2.4m into the programme within Road Maintenance relating to DfT Pothole Funding for the road surfacing programme
- iv. Approval is sought to advance £1.9m from 2022/23 into 2021/22 for the LED Rollout scheme to align with the ramp up of project spending.

7.12 **Leader - £178,000 under spend**

- i. Approval is sought to reduce £187,000 from the programme relating to Locase II public estate

7.13 **Controlled Elsewhere – on line**

- i. There is no variance to budget

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

8. **Policy context and Outcomes Framework**

This report is an assessment of the financial position of the County Council, which itself is a representation of the corporate plan. The budget and organisation plan were approved in parallel in February 2021.

9. **Reserves**

9.1 A summary of the forecast balances on reserves is provided in **Appendix D**.

9.2 There has been a significant amount of movement on reserves as part of the COVID-19 response. Significant approvals from the COVID Equalisation Reserve sought in this report include £3.7m withdrawal for the COVID Resilience Fund that supports Adult Social Care providers with additional COVID-19 related costs, £2.4m withdrawal for income losses currently being experienced by Essex Outdoors, and £2.7m withdrawal for additional costs in the Council's Business Support and Delivery and Assurance services where extra capacity has been required to support the response to the pandemic.

9.3 Approval is sought to create a new Equalities Reserve. **Purpose:** To set aside funding to support the focus on the people and places where we can make the biggest difference to improve lives. £10.3m of the balance within the Collection Fund Risk Reserve will be transferred to the Equalities Reserve (section 2.3.vi).

10. Financial Implications

Finance and Resources Implications (Section 151 Officer)

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

11. Legal Implications

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

12. Equality and Diversity implications

- 12.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 12.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 12.3 The equality implications are assessed as part of budget setting process and as part of individual schemes.
- 12.4 There are no equality and diversity or other resource implications associated with this report.

13. List of Appendices

Appendix A	Revenue Forecast Outturn
Appendix B	Trading Activities
Appendix C (i)	Capital Forecast Outturn
Appendix C (ii)	Capital Variance Plan
Appendix D	Balance Sheet - Earmarked Reserves
Appendix E	Decisions to be funded from COVID Equalisation Reserve

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

14. List of Background Papers

Budgetary control reports.

Revenue

Portfolio	Latest Budget £000	Q1 Forecast Variance £000	% of Latest Budget
Adult Social Care and Health	442,265	4,246	1.0%
Children's Services and Early Years	134,005	(31)	(0.0%)
Children's Services and Early Years DSG	(401)	(30)	(7.6%)
Community, Equality, Partnerships and Performance	23,003	(28)	(0.1%)
Devolution, Art, Heritage and Culture	3,563	26	0.7%
Economic Renewal, Infrastructure and Planning	6,539	16	0.2%
Education Excellence, Skills and Training DSG	(2,638)	(2,107)	(79.9%)
Education Excellence, Skills and Training NON DSG	19,590	25	0.1%
Finance, Resources and Corporate Affairs	10,396	3	0.0%
Highways Maintenance and Sustainable Transport	112,475	(11)	(0.0%)
Leader	2,246	(7)	(0.3%)
Waste Reduction and Recycling	82,219	1,457	1.8%
Other Operating Costs	113,630	0	0.0%
Community, Equality, Partnerships and Performance RSSS	16,568	(111)	(0.7%)
Economic Renewal, Infrastructure and Planning RSSS	1,067	(6)	(0.5%)
Finance, Resources and Corporate Affairs RSSS	71,591	(159)	(0.2%)
Leader RSSS	1,804	71	4.0%
Total	1,037,921	3,354	0.3%
DSG Offset	(3,039)	(2,137)	
Total Excluding DSG	1,040,960	5,491	0.5%
Funding		(209)	
Revised Total	1,040,960	5,283	0.5%

Traded Services

	Revenue reserve 1 April 2021	Income	Budget Expenditure	(Surplus)/ Deficit	Income	Forecast Expenditure	Forecast (Surplus) / deficit	Appropriations To County Revenue Account	To Trading Activity reserve	Final Outturn position	Revenue reserve 31 March 2022
Traded Services	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Place Services	(1,113)	(3,192)	2,892	(300)	(3,261)	2,961	(300)	(300)	-	0	(1,113)
Music Services Traded	(228)	(3,889)	3,889	-	(3,889)	3,885	(4)	(4)	-	0	(228)
Total	(1,341)	(7,081)	6,781	(300)	(7,150)	6,846	(304)	(304)	-	0	(1,341)

Capital

	Year to date			Budget Movement		Revised Budget	Full Year	
	Budget	Actuals	Variance	Original Budget	In year approved changes		Outturn	Variance
	£000	£000	£000	£000	£000	£000	£000	£000
Children's Services and Early Years	577	313	(264)	2,235	468	2,703	2,703	0
Deputy Leader & Community, Equality, Partnerships	240	115	(125)	500	54	554	554	0
Devolution, Art, Heritage and Culture	89	68	(21)	70	177	247	241	(6)
Economic Renewal, Infrastructure and Planning	17,583	7,710	(9,873)	136,622	12,945	149,567	134,818	(14,749)
Education Excellence, Skills and Training	8,435	6,418	(2,017)	62,374	807	63,182	64,322	1,140
Finance, Resources and Corporate Affairs	595	88	(507)	5,290	470	5,760	10,209	4,450
Health and Adult Social Care	35	(5)	(39)	1,160	208	1,368	1,363	(5)
Highways Maintenance and Sustainable Transport	13,068	11,297	(1,771)	80,903	3,112	84,015	87,066	3,051
Leader	463	8	(455)	1,185	474	1,659	1,481	(178)
ECC Capital Programme	41,085	26,006	(15,080)	290,341	18,713	309,054	302,753	(6,300)
Schools Cash Balance	-	-	-	-	-	-	-	-
Devolved Formula Capital	10	61	51	-	61	61	61	(0)
Total School Balances	10	61	51	-	61	61	61	(0)
Total Capital Programme	41,095	26,067	(15,029)	290,341	18,774	309,115	302,815	(6,300)

Financed by:

	Budget Movement		Revised Budget	Full Year	
	Original Budget	In year approved changes		Outturn	Variance
	£000	£000	£000	£000	£000
ECC Capital Programme					
Grants	151,504	12,353	163,857	163,355	(502)
Reserves	2,900	(2,900)	-	-	-
Developer & Other contributions	16,028	1,532	17,560	17,477	(83)
Capital receipts	5,000	(3,700)	1,300	1,300	-
Unsupported borrowing	114,543	11,145	125,688	119,973	(5,715)
ECC Capital Programme	289,975	18,430	308,405	302,105	(6,300)
Grants	366	344	710	710	-
Unsupported borrowing	-	-	-	-	-
School Balances	366	344	710	710	-
Total ECC & Schools Capital Funding	290,341	18,774	309,115	302,815	(6,300)

Appendix C(ii)

Capital Variance Plan

Portfolio	Approved changes					Variance Plan					
	Slippage	Additions	Reductions	Advanced Works	Approved changes	Slippage	Additions	Reductions	Advanced Works	Residual Variance	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Children's Services and Early Years	501	191	(191)	(33)	468	-	-	-	-	0	0
Deputy Leader & Community, Equality, Partnerships	54	-	-	-	54	-	-	-	-	0	0
Devolution, Art, Heritage and Culture	177	-	-	-	177	-	-	-	-	(6)	(6)
Economic Renewal, Infrastructure and Planning	8,811	7,740	(1,702)	(1,904)	12,945	(17,436)	4,059	(1,315)	(0)	(56)	(14,749)
Education Excellence, Skills and Training	2,763	8,869	(8,930)	(1,894)	807	(3,003)	4,030	-	58	55	1,140
Finance, Resources and Corporate Affairs	44	620	-	(194)	470	-	4,605	-	-	(155)	4,450
Health and Adult Social Care	8	200	-	-	208	-	-	-	-	(5)	(5)
Highways Maintenance and Sustainable Transport	1,104	75,808	(73,408)	(392)	3,112	(1,250)	2,409	-	1,898	(6)	3,051
Leader	997	-	(523)	-	474	-	-	(187)	-	9	(178)
ECC Capital Programme	14,457	93,428	(84,755)	(4,417)	18,713	(21,690)	15,103	(1,502)	1,956	(167)	(6,300)
Schools Cash Balance	-	-	-	-	-	-	-	-	-	-	-
Devolved Formula Capital	-	61	-	-	61	-	-	-	-	(0)	(0)
Total Capital Programme	14,457	93,489	(84,755)	(4,417)	18,774	(21,690)	15,103	(1,502)	1,956	(167)	(6,300)

Appendix C(ii) cont'd

Portfolio & Scheme	Slippage £000	Additions £000	Reductions £000	Advanced Works £000	2021/22 Changes Requested
COLCHESTER RAPID TRANSIT SYSTEM (HIF)	(6,402)	-	-	-	(6,402)
ADVANCED SCHEME DESIGN	-	-	(64)	-	(64)
A120 PREFERRED ROUTE	-	64	-	-	64
A127 AIR QUALITY (AQMP)	-	43	-	-	43
CHELMSFORD GROWTH AREA	-	159	-	-	159
COLCHESTER GROW ON SPACE	(918)	-	-	-	(918)
Jaywick Market & Commercial	-	300	-	-	300
ESSEX COUNTY HOSPITAL	(1,979)	3,492	-	-	1,513
ECH LAND PURCHASE	-	-	(1,251)	-	(1,251)
LOUGHTON LIBRARY	(226)	-	-	-	(226)
SHENFIELD LIBRARY	(402)	-	-	-	(402)
EH LLP LOAN FRIARY	(341)	-	-	-	(341)
EH LLP LOAN ROCHEWAY	1,268	-	-	-	1,268
EH LLP LOAN SHERNBROKE	(1,670)	-	-	-	(1,670)
EH LLP LOAN ST PETERS	(1,070)	-	-	-	(1,070)
EH LLP LOAN PURFORD	(2,544)	-	-	-	(2,544)
EH LLP LOAN HARLOWBURY	(6)	-	-	-	(6)
EH LLP LOAN PRIMROSE MEADOW	(2,866)	-	-	-	(2,866)
EH LLP LOAN HARGRAVE	(280)	-	-	-	(280)
Economic Renewal, Infrastructure and Planning	(17,436)	4,058	(1,315)	-	(14,693)
SCHOOLS CAPITALISED BUILDING MAINTENANCE	-	3,712	-	-	3,712
BASILDON PRIMARY BASIC NEED	(148)	-	-	-	(148)
HARLOW PRIMARY BASIC NEED	(1,363)	-	-	-	(1,363)
COLCHESTER SECONDARY BASIC NEED	-	266	-	-	266
BRAINTREE PRIMARY BASIC NEED	(562)	-	-	-	(562)
MALDON PRIMARY BASIC NEED	(760)	-	-	-	(760)
TENDRING PRIMARY BASIC NEED	-	-	-	58	58
SPECIAL SCHOOLS	(170)	41	-	-	(129)
TEMPORARY ACCOMMODATION	-	11	-	-	11
Education Excellence, Skills and Training	(3,003)	4,030	-	58	1,085
SALIX GRANT GOODMAN HOUSE	-	1,056	-	-	1,056
SALIX GRANT ERO	-	804	-	-	804
SALIX GRANT CORE ESTATE SOLAR	-	478	-	-	478
SALIX GRANT CORE ESTATE WINDOW	-	2,113	-	-	2,113
SALIX GRANT GREAT NOTLEY CP	-	154	-	-	154
Finance, Resources and Corporate Affairs	-	4,605	-	-	4,605
LED ROLLOUT	-	-	-	1,898	1,898
LOCAL HIGHWAYS PANELS	(1,250)	-	-	-	(1,250)
ROAD MAINTENANCE	-	2,400	-	-	2,400
SECTION 106	-	9	-	-	9
Highway and Sustainable Transport	(1,250)	2,409	-	1,898	3,057
LOCASE II (PUBLIC ESTATE)	-	-	(187)	-	(187)
Leader	-	-	(187)	-	(187)
ECC Capital Programme	(21,689)	15,102	(1,502)	1,956	(6,133)
Total Capital Programme	(21,689)	15,102	(1,502)	1,956	(6,133)

Appendix D

Reserves

	2021/22 movements				
	Balance at 1 April 2021 £000	(Contributions)/ Withdrawals agreed £000	Adjustments proposed in quarterly report £000	Future commitments £000	Estimated Closing balance £000
Long Term Contractual Commitment					
PFI Reserves					
A130 PFI	(36,448)	9,255		-	(27,193)
Building Schools for the Future PFI	(823)	-	(314)	(159)	(1,296)
Debden School PFI	(964)	-	389	(513)	(1,088)
Clacton Secondary Schools' PFI	(740)	-	265	(104)	(579)
Waste Reserve	(116,850)	6,857	(2,284)	1,279	(110,998)
Grant Equalisation Reserve	(50,409)	-		31,011	(19,398)
Trading Activities (not available for use)	(1,341)	304		(304)	(1,341)
Partnerships and Third Party (not available for use)	(1,764)	-		-	(1,764)
Schools (not available for use)	(43,601)	-		-	(43,601)
General Balance	(68,096)	-		-	(68,096)
Reserves earmarked for future use					
Adults Digital Programme	(1,288)	-	1,260	28	-
Adults Risk	-	(10,089)		-	(10,089)
Adults Transformation	(3,500)	-		-	(3,500)
Ambition Fund	(16,578)	(2,200)	804	7,896	(10,078)
Bursary for Trainee Carers	(500)	-		-	(500)
Capital Receipts Pump Priming	(4,204)	-		500	(3,704)
Carbon Reduction	(1,096)	114		-	(982)
Carry Forward	(21,273)	3,260		18,013	-
Childrens Transformation	(1,314)	-	(5,474)	-	(6,788)
Collection Fund Risk	(4,029)	(12,418)	10,286	-	(6,161)
Commercial Investment in Essex Places	(12,583)	-	(1,094)	-	(13,677)
Community Initiatives Fund	(401)	(350)	(6)	350	(407)
COVID Equalisation	(37,496)	(28,808)	10,028	49,972	(6,304)
EES Pension Risk	(4,000)	-		-	(4,000)
Emergency	(12,564)	(4,000)		4,000	(12,564)
Emergency Planning	(300)	-		-	(300)
Equalities (NEW)	-	-	(10,261)	-	(10,261)
Essex Climate Change Commission	(5,000)	-		2,500	(2,500)
Essex Crime and Police	(73)	-		-	(73)
Future Capital Funding	(9,847)	(3,074)		3,074	(9,847)
Health and Safety	(2,812)	(2,038)		459	(4,391)
Insurance	(7,498)	-	1,238	-	(6,260)
Newton	(122)	-		-	(122)
Property Fund	(977)	(326)		-	(1,303)
Quadrennial Elections	(925)	(500)	28	1,397	-
Renewal Fund	(27,900)	-		-	(27,900)
Social Distancing & Hygiene	(900)	-		-	(900)
Technology Solutions	(8,749)	(10,000)	1,546	12,244	(4,959)
Transformation	(54,686)	(5,066)	5,832	11,754	(42,166)

Appendix E

Decisions now proposed be funded from the COVID Equalisation Reserve

Any future requests for withdrawals relating to these decisions will be funded from the COVID Equalisation Reserve, rather than the reserve set out in the original decision.

Reserve as per CMA	CMA Reference	Title of CMA	Amount not yet drawn down £000
Emergency	FP/659/03/20	COVID 19 Response: Temporary Closure of Essex Outdoors and Cancellation of Bookings	696
Emergency			696
General Balance	FP/665/03/20	Coronavirus Outbreak – Temporary Highways and Transportation Service Changes	2,727
General Balance	FP/664/03/20	Coronavirus Outbreak – Temporary closure of Essex Records Office and suspension of certificates service	173
General Balance	FP/801/09/20	Funding for Children and Families: COVID 19 Response	410
General Balance	FP/878/11/20	Drawdown from the General Balance for the provision of emergency hubs to respond to the COVID pandemic (Shield)	340
General Balance	FP/885/11/20	Provision of Designated Isolation Settings for COVID-19	3,927
General Balance			7,577
Health and Safety	FP/740/06/20	Drawdown from Health and Safety Reserve: Implementing measures to reduce the risks of COVID-19 transmission in ECC core office estate	249
Health and Safety	FP/769/07/20	Funding for Personal Protective Equipment resources	160
Health and Safety	FP/854/10/20	Proposal to provide emergency temporary accommodation to King Edmund School, Rochford, November 2020	248
Health and Safety	FP/951/01/21	Drawdown from Health and Safety Reserve: works at Essex Country Parks	184
Health and Safety			842
Renewal Fund	FP/844/10/20	Drawdown from Recovery Reserve: Economic Recovery Programme	2,804
Renewal Fund	FP/833/10/20	Drawdown from the Recovery Reserve: Initiatives to support Essex residents aged 16-24	315
Renewal Fund	FP/872/11/20	Allocation of Contain Outbreak Management Fund	192
Renewal Fund	FP/886/11/20	Impacts of COVID ASC - Recovery funding request	1,300
Renewal Fund			4,611
Transformation	FP/856/10/20	Impacts of COVID - purposes of developing and implementing a project to support the exceptional pressures	1,298
Transformation	FP/880/11/20	Transformation Delivery Resourcing	1,750
Transformation			3,048
Grand Total			16,773

Work Programme

Reference Number: CPSC/08/21

Report title: Work Programme	
Report to: Corporate Policy and Scrutiny Committee	
Report author: Graham Hughes, Senior Democratic Services Officer	
Date: 4 August 2021	For: Discussion and identifying any follow-up scrutiny actions
Enquiries to: Graham Hughes, Senior Democratic Services Officer at graham.hughes@essex.gov.uk.	
County Divisions affected: Not applicable	

1. Introduction

- 1.1 The work programme is a standard agenda item. The work programme for the Committee is being developed and the current position is outlined below.

2. Action required

- 2.1 The Committee is asked to consider this report and issues under consideration in the Appendix and any further development or amendments.

3. Background

3.1 Developing a work programme

The new membership of the Committee was confirmed at Full Council on 25 May 2021. Since then, the Committee has held two induction sessions which have included discussions with relevant portfolio holders about their priorities in the coming months (issues discussed are listed in the **Appendix**).

It is anticipated that those priorities and other issues raised during the recent discussions will be further developed into an initial work programme by the Chairman and Vice Chairmen over the coming weeks.

4. Update and Next Steps

See Appendix.

5. **Appendix** – Agenda business for next meeting and list of issues discussed recently with Cabinet Members.

Corporate Policy and Scrutiny Committee

Main agenda items for next meeting: 30 September 2021

Ways of Working and facilities update
Corporate Systems Update

Work programme update: Headline issues for further consideration

<u>Deputy Leader Community, Equality, Partnerships and Performance</u>	Finance Resources and Corporate Affairs	Devolution, Art, Heritage and Culture	Economic Renewal, Infrastructure and Planning
Levelling up agenda: cross-cutting. Involves partnership work including districts. Timing: post September	Response to pandemic and challenges on budget process <ul style="list-style-type: none"> - Look at assumptions (could be scheduled for 21 October 2021 meeting)	Essex Records Office <ul style="list-style-type: none"> - space and siting - greater use of digital 	Property investment portfolio <ul style="list-style-type: none"> - Previous review of portfolio to be updated. - What resource needed for ECC operational functions post-Covid?
Devolution – how Essex does local? Cllr Butland's portfolio but links to localism agenda. Will link with levelling up agenda	Medium term financial outlook. <ul style="list-style-type: none"> - s151 report – financial viability/meeting targets? - update in winter? 	Faith covenant <ul style="list-style-type: none"> - Role of ECC - Equalities agenda 	Essex Housing <ul style="list-style-type: none"> - To support ECC's strategies and plans - Working on library project - Using brown-field sites? - Environmental
Essex Outdoors: <ul style="list-style-type: none"> - increase usage/ more commercial - cross portfolio work 	Financial performance <ul style="list-style-type: none"> - Outturns (in quarterly information memorandum) - underspends analysis. 	Rural affairs – impact of ECC policies on rural communities <ul style="list-style-type: none"> - e.g. Bus services (cross cutting) 	Planning process review – (which scrutiny committee?) <ul style="list-style-type: none"> - How Essex system works

			- Working with districts/ partners
Climate Commission actions (Place has taken lead so far but may be cross-cutting issues)	Procurement (60% with Essex businesses?): - social value contracts. - autonomy of service areas	Devolution - Define functions - Devolved powers - Collaborative work	Levelling up agenda: - Economic renewal plans - Aligning with Govt expectations
	Commercial property portfolio: - Distinguish from investment portfolio - Ethical approach		
	Corporate software system. Also new social care case management system (30 Sept update scheduled)		
	Ways of Working and facilities (30 Sept update scheduled)		

There are also other additional legacy/loose-ends from before the County Council elections which may also be considered.