

Executive Scrutiny Committee

10:00	Tuesday, 29 January 2013	Committee Room 2, County Hall, C Block
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Quorum: 4

Membership

Councillor M Mackrory
Councillor G Butland
Councillor S Candy
Councillor W Dick
Councillor N Edey
Councillor A Hedley
Councillor S Mayzes
Councillor V Metcalfe
Councillor G Mitchinson
Councillor M Page
Councillor J Pike
Councillor I Pummell
Councillor J Roberts
Councillor A Turrell
Councillor B Wood
Councillor J Young

Chairman
Vice-Chairman

Vice-Chairman

For information about the meeting please ask for:

Robert Fox, Governance Officer
Graham Hughes, Committee Officer
Telephone: 01245 430935
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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 and Substitution Notices The Committee Officer to report receipt (if any)	
2	Declarations of Interest To note any declarations of interest to be made by Members	
3	Minutes 051112 unapproved	5 - 10
4	Revenue and Capital Budgets 2013-14 and Medium Term Resource Strategy The Committee will receive a presentation from Councillor David Finch, Deputy Leader of the Council and Cabinet Member for Finance and Transformation (ES/01/13)	11 - 108
5	2012-13 Financial Overview as at the Third Quarter Stage The Committee will receive a presentation from Councillor David Finch, Deputy Leader of the Council and Cabinet Member for Finance and Transformation Programme (ES/02/13)	109 - 128
6	Corporate Plan Progress Report The Committee is requested to consider the progress of the Corporate Plan (ES/03/13)	129 - 148
7	Transformation 2 The Committee will receive a presentation from Councillor Finch, Deputy Leader of the Council and Cabinet Member for Finance and Transformation (ES/04/13) [Report to follow]	
8	East of England Member Charter The Committee will receive a presentation from Joanna Boaler, Member Support Manager (ES/05/13)	149 - 170
9	Forward Look To consider the latest work programme (ES/06/13)	171 - 180

10 Date of Next Meeting

To note that the next meeting will be held at 10am on Tuesday 26 February 2013 in Committee Room 2.

11 Urgent Business

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.

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.

12 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.

All letters of representation referred to in the reports attached to this agenda are available for inspection. Anyone wishing to see these documents should contact the Officer identified on the front page of the report prior to the date of the meeting.

MINUTES OF A MEETING OF THE EXECUTIVE SCRUTINY COMMITTEE HELD AT COUNTY HALL, CHELMSFORD ON 5 NOVEMBER 2012

Present

G Butland (Vice-Chairman)	M Page
W J C Dick	J W Pike
N Edey	Mrs I Pummell
T Higgins	J Roberts
M Mackrory (Chairman)	J A Young (Vice-Chairman)
Mrs V Metcalfe	
G L Mitchinson	

Councillor M Lager was also in attendance

The following officers were present in support of the meeting:

Robert Fox	Governance Officer
Vivien Door	Principal Committee Officer

1. Apologies for Absence and Substitutions

The Committee Officer reported apologies for absence from Councillors A M Hedley, S Mayzes, A Turrell, R Walters and B Wood. Councillor T Higgins was substituting for Councillor A Turrell.

2. Declarations of Interest

The following Councillors declared a personal interest for Item 5, The Changing Pattern of Finance within Local Government.

W J C Dick	Personal Interest as Member of Castle Point Borough Council and Member of Essex Fire Authority
T Higgins	Personal Interest as Chairman of the Colchester YMCA
M Page	Personal Interest as Member of Tendring District Council
J Roberts	Personal Interest as Member of Essex Fire Authority
J A Young	Personal Interest as Member Colchester Borough Council and Member of Essex Fire Authority

3. Minutes

The minutes of the meeting held on 11 September 2012 were approved as a correct record and signed by the Chairman with the following amendment:

Minute 6, **Health and Safety**, should say “this report to be brought to the December meeting.”

4. 2012-13 Financial Review as at the Half Year Stage

The Committee considered the 2012-13 Financial Review as at the Half Year Stage, (ES/018/12), presented by Councillor Finch, Deputy Leader of the Council

and Cabinet Member for Finance and Transformation Programme and Stephanie Mitchener, Assistant Director Financial Management.

The projected underspend for the half year stage for the current revenue was £11.750 million, whilst the Capital Payments underspend was £41.423 million, whilst the services provided have not been reduced. A £5.8 million grant had been received which would enable the Council Tax for 2013/14 to be set at zero percent increase for the third year. That a significant part of the underspend was due to detailed fast tracking in the Children's Service. The Capital Planning underspend of £7.4 million which was due to better control of the Capital Projects. The County now provides more value for money with a lean service. £2.690 underspend was directly from having less Children in Care. The Service was working successfully with children and families earlier, impacting on the numbers of children being brought into Care.

Education and 2012 Games Portfolio had a projected overspend in the first quarter of £3.318 million although the actual overspend was £699,000. This was mainly due to vacant properties awaiting disposal (£477,000), and delay in improving the Child Care records system. Communities and Planning increased underspend of £471,000 due to the Community Budget focus therefore any other Policy Development had been delayed. £167 to £170 million savings were due to changes in contracts.

During the discussion the following points were made:

- Members congratulated Schools Children and Families Service for their work in reducing the number of Children in Care;
- Members suggested that Credit Unions could be included to provide help in the Community. Councillor Finch informed the Committee that discussion was taking place with some Credit Unions;
- Work was taking place with the Local Enterprise Partnership and the Mental Health Trust regarding the Section 106 agreement changes;
- The South East Rapid Transport had been abandoned.

The Committee **Agreed** that:

- i) Information on the Capital Programme could be provided by Councillor Finch;
- ii) The following formatting changes to the Appendices should be made:
 - a. Enlarge the print;
 - b. The RAG results should be simplified;
 - c. The Equality Impact Assessment be included.Councillor Finch agreed to make the changes.

The Chairman thanked Councillor Finch for the information.

5. Corporate Plan Progress Report as at the Second Quarter Stage

The Committee considered the progress of the Corporate Plan as at the second quarter 2012/13, (ES/019/12) presented by Councillor Finch, Deputy Leader of the Council and Cabinet Member for Finance and Transformation Programme

and Mark Golledge, Head of Information and Intelligence. The following officers attended in support of this item: Caroline Murphy, Children's Services I&I Business Partner; Justine Atterbury, Place I&I Business Partner; and Matt Barnett, Senior Analyst Adults Services.

Education Attainment and School Performance

There had been an increase of between seven to twenty schools moving into Special Measures, in particular the primary sector. Work was taking place to work with schools before it declines into Special Measures by providing support to develop and improve.

Use of Essex Libraries

The number of physical and virtual visits to Libraries had decreased by 9 percent and 9.7 percent respectively. Some Libraries provide one stop shops, for example, Witham Library. All Libraries provide internet access. The reduction of Library hours had not impacted on the decreasing number of visits.

Economic Growth

These statistics were reliant on national figures. Essex had lower number of Business Start-ups than in other areas. There was also a reduction of re-enablement Business start-ups.

During the discussion the following points were made:

- That there were a significant number of schools that had poor performance;
- That the Cabinet Member for Education, Lifelong Learning and the 2012 Games was working closely with schools, Headteachers and School Governors to improve performance;
- That parental support for the child and the school was paramount to enable the school to improve;
- The Service was investigating to see if it could obtain a pattern for why schools were moving into Special Measures;
- More detailed statistics would provide information on how long schools were in Special Measures and under improvement, and the status of the schools, for example, Academy or Community;
- That more dual usage of Libraries buildings, as long as the buildings were in the right location could be promoted;
- Some Local Authorities no longer have mobile libraries, so post books to customers. Essex still have 12 Mobile Libraries;
- Springfield Library would eventually be operated by volunteers;
- Several Children's Centres were located within Library buildings.

The Chairman thanked Councillor Finch and the officers for the information.

6. Procurement Strategy

The Committee received a presentation from Anthony Doyle, Chief Procurement Officer and the scoping document attached as agreed at the last meeting of the Committee (ES/020/12).

The £150 million stretch target savings over a four year period were sustainable. Currently the Service had delivered £161 million with the expectation that £170 million would be delivered by March 2013. Passenger Transport had used electronic tendering for transport bids producing savings. Adult Services have moved away from block contracts to paying for occupied beds only. The risk

had been transferred from the County to the market where appropriate. Savings could be expected throughout the life of the contract by continuing to drive down the cost. There was little joint provision for the Adult and Children sector; it may take two to three years before this was available. Local business was supported where possible and accounts for 46 percent of the overall spending. Benchmarking takes place against other private sector organisations of a similar size to the County rather than using the County's statistical neighbours to provide a better comparison. Any company or charity tendering for work was asked to inform the County regarding any declarations of interest they may have. Impact assessments and the need for Apprentices and skill set were built into the contract process. It may prove more difficult to achieve savings in 2015/16. The County would like to work with other Local Authorities on a range of initiatives

During the discussion the following points were raised:

- That reducing the cost of Passenger Transport had sometimes meant that larger buses have been used on narrow roads only suitable for smaller buses;
- The Quality and Assessment Team assess the Residential Homes;
- Members suggested that the Home to School Transport Service should work with Health Transport and Community Transport to provide residents with a holistic service;
- Small Businesses could form a consortium to tender for contracts;
- Members were concerned that the Mitie contract had not paid staff for several weeks, which had been difficult for the individuals. This had now been rectified and that contractors were expected to pay their suppliers within the 30 day deadline. This was continuing to be monitored to ensure fairness;
- There was no automatic inflation built into contracts;
- That Children's Centres tendering process was fair and open for small and large charities;
- Businesses tendering to the County were encouraged to support Apprentice opportunities;
- That more services were provided to help the elderly with dementia in a variety of ways;

The Committee **Agreed** that:

- i) In future it should receive presentations with the Agenda to enable it to work effectively;
- ii) The Chairman would raise the Procurement issue with the Scrutiny Board as to which scrutiny Committee should review this contract.

7. Forward Look

The Committee considered the Forward Look (ES/021/12).

The Committee **Agreed** the Forward Look and the scope for the Developing Localism Agenda Item and be received in December 2012.

8. Equality and Diversity E-learning Course

Members from the Equality and Diversity Board suggested that all Members of the Committee should complete the on-line Equality and Diversity E-Learning Course. The County had achieved excellent status even though the Assessors commented that all Members should complete this course and that it would impact on the County maintaining its status.

The Committee **Agreed** that the Chairman would contact Members encouraging them to complete this course if they had not already done so.

9. **Dates of Future Meetings 2012**

The Committee **Agreed** the following dates:

Date	Time	Venue
Tuesday, 29 January	10 a.m.	Committee Room 2
Tuesday, 26 February	10 a.m.	Committee Room 2
Tuesday, 26 March	10 a.m.	Committee Room 2
Tuesday, 23 April	10 a.m.	Committee Room 2

There being no urgent business the meeting closed at 12.15 pm.

Chairman
4 December 2012

		AGENDA ITEM 4
		ES/01/13
Committee:	Executive Scrutiny Committee	
Date:	29 January 2013	

Report to Cabinet	Forward Plan reference number
Report of Cllr David Finch	FP/959/11/12
Date of meeting 22/01/13	County Divisions affected by the decision <i>All divisions</i>
Title of report: REVENUE AND CAPITAL BUDGETS 2013/14 AND MEDIUM TERM RESOURCE STRATEGY	
Report by Cllr David Finch, Deputy Leader and Cabinet Member for Finance & and the Transformation Programme	
Enquiries to Margaret Lee, Executive Director for Finance Extn: 21010 Tel. No: 01245 431010	

1 Purpose of report

The report presents information to enable the Cabinet to consider and make relevant recommendations to the Full Council on the Revenue Budget and Council Tax precept for 2013/14 and the capital programme to 2016/17, and consider the medium term resource strategy for the period to 2016/17 in light of the best information available regarding funding.

2 Decision Areas and Recommendations

It is recommended that the cabinet:

- 2.1 Considers the short and longer term resource issues facing the Authority, particularly in the period to 2016/17, based upon the information available.
- 2.2 Recommends to Full Council
 - a) The budget requirement being £903.6m
 - b) The Council Tax requirement being £510.0m
 - c) The net cost of services being £967.3m
 - d) The revenue Budget for 2013/14, as set out in sections 4 and 5
 - e) That the new Council Tax Freeze grant be accepted for 2013/14, thereby implying that there will be no increase in the Band D Council Tax for 2013/14, which will therefore

remain at £1,086.75. Council Tax for other bands are set out in the report at paragraph 4.7.

- f) The reserves and balances as set out in section 4.12
- g) The capital programme for the period from 2013/14 – 2016/17, as set out in section 7, noting the funding sources and implications for the medium term resource strategy
- h) That the Executive Director for Finance, in consultation with the Cabinet Member for Finance and Transformation, be authorised to make adjustments to the phasing of payments between years, should that be necessary in order to address any slippage arising in 2012/13 as the capital programme is finalised and to report any impact on the Prudential Indicators at the next available quarterly review
- i) The 2013/14 Prudential Indicators, Treasury Management Strategy and Minimum Revenue Provision policy as set out in section 8
- j) The Pay Policy statement for 2013/14 as set out in section 9
- k) That the Executive Director for Finance (section 151 officer) statement on the robustness of the estimates and reserves included in this budget be noted (para 4.15)

2.3 Note the provisional Dedicated Schools Grant (DSG) figures set out in para 4.11

2.4 Note the findings of the Equality Impact Assessment (EIA) carried out and included at section 16 of this report

2.5 Agree that a schedule be presented to the Full Council setting out the Council Tax for each category of dwelling and the precepts on each of the Council Tax billing authorities for 2013/14, together with the final tax base.

2.6 Agree to delegate authority to the Cabinet Member for Finance and Transformation, in consultation with the Executive Director for Finance, to make any necessary adjustments to the figures to be submitted to Full Council upon receipt of the final taxbase and forecast business rates receipts for 2013/14 to be notified to the authority by the respective billing authorities (due by 31st January) and the final capital grant in respect of Education from the Department for Education (DfE) due in mid-January.

3 Background and context

- 3.1 It is essential to the delivery of the Council's objectives that robust revenue and capital plans are in place for the coming years. This enables the Council to plan for the future, particularly in light of the continuing downward pressure on public spending. The Government has announced significant changes to the funding and administrative arrangements for local government, which must be taken into account in the planning framework.
- 3.2 Members will recall that a financial strategy report was received by the Cabinet in December 2012 and this report aims to build on the information provided then. At that time, there were significant uncertainties in the financial planning environment, with a new funding regime coming into place, but no formal notification of the funding settlement each authority could expect. Consequently the draft financial strategy was constructed on the basis of modelled financial envelopes covering the planning period.
- 3.3 The draft settlement was released in late December, although there were, and still are, some missing information sets. On initial review, the overall funding settlement is broadly in line with our modelled figures, with approximately £8m less than was anticipated in our predictions. However, a number of unknown items remain within this settlement that could still affect the position.
- 3.4 The figures published in the settlement reflect a lower expectation on Business Rates receipts than we had modelled, impacting our funding for 2013/14 by around £4m at the time of the publication of this report. However, the billing authorities are due to publish their final tax base figures and forecast business rates receipts for 2013/14 by the end of January and these will be incorporated into the budget that will be presented to Full Council in February.
- 3.5 The government has taken a "top-slice" from the local government control total to pay for New Homes Bonus grants. Any funding left from this top slice once the bonus grants have been paid will be returned to local authorities in proportion with their total anticipated spend. At this stage we do not know how much we will receive in returned funding and this will not be known until after the budget has been set. An estimate for this sum is therefore included and any variation from this will be dealt with in-year as any other budget variations would be.
- 3.6 There have been a number of changes to the arrangements for local authority services to schools, mirroring the move towards academy status within the school community. The government has removed a proportion of funding relating to this activity from the settlement, and will return a sum back to both local authorities and academies in proportion with the number of pupils supported via a separate non ring-fenced grant from the Department for Education.
- 3.7 The formal notification of the returned sum was announced very late and fell short of our modelled expectations by £4.4m, although this is subject to final verification as mentioned in paragraph 5.12, and finalised numbers will be published in the report to Full Council on 5th February. The services that will be impacted by this reduced funding are varied and will have a varied level of flexibility within them to absorb further reductions. For the purposes of this report, the budget has been shown as balanced by effecting a transfer from the General

Balance. However, this is not a sustainable position going forward and work will be undertaken in the next few weeks to identify an appropriate strategy to reduce costs. This will be reported to Cabinet in the new financial year.

4 Revenue Budget 2013/14

4.1 The draft net cost of services is as set out in the following table, with a detailed budget book included at Appendix A. Up until now, the revenue budget has been prepared on a directorate basis, but now that the figures are in a position to be recommended to the Council, they have been recast into portfolio format. This is in accordance with the normal practice of presenting the budget in portfolio format and supports the principles of good financial control as set out in the Financial Regulations.

Controllable net budget Portfolio	2013/14 Draft £m
Adult Social Care	380.3
Children's services	168.2
Communities & planning	5.4
Customer services, Environment & culture	12.8
Economic Development and Waste & Recycling	69.7
Education & 2012 games	15.2
Finance & Transformation	18.3
Health & Wellbeing	25.0
Highways & transportation	93.1
Other Operating Costs	100.7
The Leader	8.8
Recharged Strategic Support Services	69.8
Net Cost of Services	967.3

4.2 This compares with a latest budget in 2012/13 of £950.9m, but this comparison is distorted by the re-classification of Learning Disabilities grant from a specific to a general grant, thereby increasing both the overall expenditure and income by £45m.

4.3 The comparison is also distorted by the re-classification of Local Authority Central Spend Equivalent Grant (LACSEG) funding from a general to a specific Education Services grant, thereby reducing both the overall expenditure and income by £20m.

4.4 Taking the above into account, a comparable figure for the 2012/13 budget would therefore be £976.7m, constituting a year-on-year cash reduction of £9.4m

4.5 The figures assume savings plans in order to absorb the pressures arising from demographic growth, inflation and other factors. The savings and efficiencies planned for the year total £55m, compared with £123m in 2012/13. In drafting the 2013/14 budget, it has

been assumed that under spends in 2012/13 to a total of £25m can be transferred to the General Balance and utilised to support the budget requirement in 2013/14. This underspend is reported elsewhere on the Cabinet agenda (Financial Review as at the Third Quarter).

4.6 In addition to setting the budget requirement the Council also has to carry out an additional budget calculation under sections 42A&B of the Local Government Finance Act 1992, as inserted by the Localism Act 2011. This calculation is required to be made in order to arrive at a Council Tax requirement for the year

	£m
Gross Expenditure	2,267.4
Income	(174.8)
Specific Gov't Grants (excluding DSG)	(170.6)
Specific Gov't Grants (DSG)	(954.7)
Net Cost of Services	967.3
General Government Grants	(31.6)
Withdrawal from General Balance	(32.1)
Budget Requirement	903.6
NNDR	154.3
Revenue Support Grant	236.7
Council Tax Requirement	510.0
Collection Fund Surplus/Deficit	2.6
Total Funding	903.6

4.7 It is recommended that the latest tranche of Council Tax Freeze grant is accepted for 2013/14, which means that the Council Tax rate for 2013/14 would not be increased from that in 2012/13. The tax rates for the banded properties would therefore be as follows:

Council tax Band	2012/13 £	2013/14 £
Band A	724.50	724.50
Band B	845.25	845.25
Band C	966.00	966.00
Band D	1,086.75	1,086.75
Band E	1,328.25	1,328.25
Band F	1,569.75	1,569.75
Band G	1,811.25	1,811.25
Band H	2,173.50	2,173.50

- 4.8 Services will be assisted in the delivery of further savings through the implementation of the Transformation Programme. The draft budget for 2013/14 contains the ongoing impact of savings projects already underway, and does not yet include any reflection of potential changes arising from any subsequent programme of change. As new change programmes are designed throughout the year, they will go through the normal governance route of Outcomes Board prior to submission to Cabinet
- 4.9 Schools' expenditure, predominantly funded through the Dedicated Schools Grant (DSG), lies largely outside of ECC's control. Following the Funding Reforms introduced by the Department for Education (DfE), for 2013/14 DSG is split into 3 notional blocks, being the Schools Block, High Needs Block and Early Years Block.
- 4.10 In addition funding for early education places for 2 year-olds from lower income households (£10.432m) is being transferred into DSG in 2013/14.
- 4.11 The School Funding Settlement for 2013/14 is shown in the table below. The final DSG allocation for 2013/14 will be determined after the January Pupil Census.
- 4.11.1 The Pupil Premium for 2013/14 is £1.875 billion nationally, an increase from £1.25 billion in 2012/13. Resources will be delivered to schools on the basis of the number of 4 to 15 year olds who are currently or have been in the last six years entitled to a free school meal.
- 4.11.2 The per pupil rate increases from £623 in 2012/13 to £900 in 2013/14 for pupils entitled to a free school meal and looked after children. The per pupil rate for children from a military background increases from £250 in 2012/13 to £300 in 2013/14. The indicative allocation released by the DfE is £34.1m (including the premium for Academies) in 2013/14 compared with £23.6m in 2012/13.

Year	Amount per Pupil (GUF)** £	Pupil Numbers	Gross DSG £,000	Academies Deductions £,000	DSG remaining with LA £,000
2012-13 (updated DSG)	4,816.13	195,121	939,748	*(296,282)	643,466
2013-14 DSG (estimate)					
Schools Block	-	-	794,497	*(309,457)	485,040
High Needs Block	-	-	107,654	0	107,654
Early Years Block	-	-	52,588	0	52,588
Total	-	-	954,739	(309,457)	645,282

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

** GUF = Guaranteed Unit of Funding

4.12 The Council's reserves are set out in Appendix B, and fall into two broad categories; Earmarked and General reserves. The former are amounts set aside for specific policy purposes in preparation for significant future expenditure, which would otherwise cause very uneven cash flows. This in turn would have negative effects on the Council Tax increase or on service budgets.

4.13 The General Balance does not have a specific purpose, but is set aside to allow the Council to deal with unexpected events or costs at short notice. It is generally accepted that such balances are in the order of 5% of the budget requirement. ECC is anticipating general balances of £79m at the end of 2012/13, taking into account the projected under spend in 2012/13 reported elsewhere on this agenda. Once the contribution to the 2013/14 budget is taken into account, the total is expected to be around £48m, which, combined with the £8m proposed contingency in the revenue budget, equates to around 5.7% of the net cost of services.

4.14 Proportionately, this is a slightly higher balance than in previous years, but this reflects a significant increase in the organisation's risk profile, which is commented on below. Having such reserves at a time of considerable uncertainty is essential. This allows the council

some measure of safety net to respond to unexpected circumstances should this be necessary.

Statement of the Executive Director for Finance (S151 Officer)

4.15 An integral part of the budget preparation process is for the Section 151 officer (Margaret Lee, Executive Director for Finance), to give her view on the robustness of the budget. The S151 officer has guided the Council through its preparations of this budget and is therefore thoroughly acquainted with it. Her statement is as follows:

4.15.1 We are drafting this budget at a time of unprecedented change in the Local Government Finance environment and within the context of a difficult economic environment. Due to the scale of change in the funding regime and the inherent uncertainty in the funding availability for the future, it has been necessary to take a prudent yet ambitious approach to planning for the coming years. Estimates have been included in the modelled financial envelope to mitigate tax collection volatility which has not been so keenly felt at County Council level previously.

4.15.2 The first transformation programme comes to an end in March 2013, and will have delivered significant efficiency savings by that time. However, our financial modelling set against the continuing and very difficult national economic situation indicates that significant ongoing pressures will continue to necessitate innovation and change within our services to deliver high quality services within a reducing financial envelope.

4.15.3 The continued provision of adequate Earmarked reserves and General balances is essential to my confidence that the Council can successfully manage its financial affairs within increasingly tight cash limits and an increasing risk profile. Without these reserves it may be necessary to take remedial urgent action in-year to mitigate challenges that arise, which could lead to longer term consequences.

4.15.4 On that basis, I am pleased to recommend to Council the budget, including estimates for Reserves and Balances, for 2013/14 as being robust.

4.15.5 It should be noted, however, that our own projections indicate increasing budget gaps over the coming few years as set out in section 6 of this report. It is essential that the Council continues with its record of robust financial management and control and plans now for the challenges of the future to ensure that future budgets remain similarly robust.

5 Service Implications of the Revenue Budget 2013/14

Adult Social Care

- 5.1 The net revenue budget in 2013/14 for Adult Social Care is £380m compared to £318m in 2012/13. £45.2m of this movement relates to funding received in 2012/13 as grant income from Health to fund care packages which will now be received as part of the financial settlement and therefore, no longer appears as income in the ASC budget.
- 5.2 The main pressures in 2013/14, which relate to the Care and Support area of the budget, are Demographic growth (£13.3m) and Inflationary increases (£8.1m). Over the last 3 financial years the service has delivered significant efficiency savings through taking commercial opportunities, containing cost pressures and new ways of working.
- 5.3 The 2013/14 budget includes efficiency savings of £16.9m which contribute to mitigating the cost pressures, although the current economic climate and the savings delivered in prior years mean it is significantly more difficult to take advantage of further efficiency opportunities. Of the £16.9m, £6.4m relates to efficiencies that have been deferred to 2013/14 from the current year due to programme slippage or, a need to profile the savings over a longer period so as to not destabilise the care markets. The 2013/14 savings initiatives include:
- Working Age Adults initiatives - £5.5m
Service redesign looking at complex behaviours and sensory services and how these can best be delivered to meet the needs of the service user. In addition current contracts are being reviewed in order to deliver efficiencies.
 - Reablement Contract - £1.4m
Procurement savings from the re-tender of the contract for Reablement services
 - Reablement Care cost - £1.7m
Savings to be achieved through the provision of a Reablement service to clients resulting in improved outcomes for service users and a reduction in costs to the authority.
- 5.4 These savings are the on-going impact of prior year savings initiatives and therefore it is not anticipated that there will be significant impacts on service delivery as a result of this budget.

Children's services

- 5.5 The net revenue budget in 2013/14 for Children's Services is £168.2m compared with £184.1m in 2012/13. The Children's Services Portfolio is responsible for providing efficient and effective services to improve outcomes for children and young people and keep them safe.

5.6 The service has had a radical relook at how we approach care to build on the strong foundations put in place to ensure we have a sustainable model for social work now and into the future. This has required both innovation and a cultural shift to strengthen current practices and develop new ways of working with children, young people and families, by improving frontline delivery and embedding evidence based practice to reduce demand in services and deliver sustainable positive outcomes.

5.7 The emerging pressures and efficiency opportunities within these budgets include:

- Early Years and Childcare - £2.4m savings

A major redesign of the service, predominantly around the procurement of Children's Centres and enabling Child Care settings will enable the delivery of savings whilst at the same time improving performance

The council will work with partners to further develop the Early Years Strategy setting a more detailed direction for the councils approach to early years over the coming years; the service aims to:

- effectively fulfil the new duty to provide free early education for 'most disadvantaged' 2 year olds;
- maximise the take up of early years free entitlement for 3 and 4 year olds;
- narrow the gap for our most disadvantaged and vulnerable groups; and
- raise education attainment.

- Children Looked After

Children in Care Independent Schools – savings of £3.0m are expected to be achieved through the recharge of full term placement costs for children looked after in Independent Residential Schools to the Dedicated Schools budget as agreed with the Schools Forum

Children in Care placement costs and other - £3.0m savings anticipated to be achieved by the following:

- reduce the need to use more expensive external or residential care placements by Supporting parents and children to enable children to remain safely with their families;
- increase the number and improve the timeliness of children moving from care to permanence through Adoption, Special Guardianship or Residence Orders; and
- innovation - Multi Systemic Therapy (MST) & Intensive Family Support (IFS) / Divisional Based Early Intervention Teams (DBIT)

- Family Support and Assessment -£1.3m saving

Reduced expenditure for legal proceedings associated to children and families within the court proceedings framework and more prudent approach to the support requirement for families e.g. Divisional Based intervention Teams (D-BIT) in working

directly with families to change parenting approaches; facilitating the ability to release elements of the funds aligned to high level family support.

- Carer network rates £1.5m growth

Savings are offset by uplift in rates aligned to Residence Orders, Special Guardianship Orders and Adoption Allowances to reflect the authority's legal responsibility

- Risks

The 'Placement plan' is a long term strategy enabling a focus for the right children to be in care, the objective of stabilising the placement expenditure; strengthening the capacity of the workforce; reduce the need to use more expensive external or residential care placements.

Whilst we are optimistic about the future and have a clear strategy with innovative solutions built into the Medium Term Resource Plan, we are also aware of how rapidly national developments can very quickly reverse the downward trajectory and therefore a level of caution is recommended in financial forecast.

Continuing to maintain safe and effective systems which target resources for children and families most in need remain a priority for the council.

Communities and Planning

5.8 The Portfolio budget has reduced from £6.2m for 2012/13 to £5.4m for 2013/14 as a result of a redirection of £500,000 in Community Safety funding to Police and Crime Commissioner (which is not deemed to have an adverse effect on services), and Environmental Planning savings.

Customer Services, Environment & Culture

5.9 The portfolio budget has decreased from a £14m in 2012/13 to £12.8m in 2013/14. Significant changes include changes to library staff working patterns and reductions in the total number of library staff (It is important to stress that no library services will cease and it is expected there will be only minimal impact on service accessibility), and restructure within the Heritage and Culture Team.

Economic Development, Waste & Recycling

5.10 The portfolio budget has increased from £64.9m in 2012/13 to £69.6m for 2013/14, including an additional £1.5m for Economic Growth Strategy initiatives and a net £3m of additional waste costs.

5.11 Waste costs have increased due to combination of factors including Landfill Tax increases of £8 per tonne (£2.6m p.a.), a demographically driven 1% increase in waste, additional Civic Amenity services and an increase in recycling credits to District Councils.

5.12 Additional efficiencies have reduced the net effect of these waste cost pressures. These measures include improvements in waste transport management costs, reduced reliance on waste consultancy services and increased levels of recycling that have mitigated the impact of Landfill Tax increases.

Education & 2012 Games

5.13 The net revenue budget in 2013/14 for Education and 2012 Games is £15.2m compared to £30.7m in 2012/13. £15.8m of this movement relates to funding received in 2012/13 as general fund formula grant to fund central education functions will now be received as a specific non-ring fenced Education Services Grant and will appear as income in the Learning budget. Additional information has been received which indicate that the grant figure may increase to a range between £16.8m and £18.0m; this is in the process of being validated and the reported position will be updated thereafter. The underlying movement between the two years is therefore £279,000 growth

5.14 The Education financial climate remains difficult and funding regimes are uncertain for 2013/14 and beyond. There are particular risks in respect of: funding allocated to councils with the growing number of Academies nationally; a new funding formula for schools and change in the funding and distribution of the funding for central education functions proportionate to the number of pupils for which the Council is responsible. The Council has kept the focus on improving outcomes for children, continuing to support schools, academies and colleges through a period of financial change. In moving to a national pupil based system for funding Education functions and greater delegation of budgets to Academies to reflect the transferring responsibilities, budgets will need to be reviewed and where appropriate realigned to reflect new local authority responsibilities and priorities.

5.15 Our intention is to continue to make better and more effective use of resources and key areas of focus will include:

- Improving schools which are not yet judged at inspection to be at least good
- Improving young people's engagement in Education, Employment & Training (EET)
- Improve special educational needs (SEN) provision to ensure it is more effective for children and young people

5.16 The 2013/14 emerging pressures and efficiency opportunities within these budgets include:

- Home to School Transport £945,000 growth

The net growth will ensure that all children eligible for services will be enabled to attend their local schools safely and statutory responsibilities will be adhered to in relation to Home to School Transport provision; distance and low income.

- Children's Prevention Measures (Contingency) -£1.5m savings

Historically a collection of commissioning budgets created in 2011/12 as a contingency to support Home to School Transport and a variety of prevention measures; it is proposed that these funds will be utilised to support the portfolio pressures

- School Education Strategy -£1.4m savings

Final phase of the School Education restructure which aimed to generate greater efficiencies within the following areas: Governor Services, Strategic Development, Primary Development and Secondary Improvement.

The Schools Education Service will continue to offer a wide range of monitoring and support to educational establishments with a view to improving the experiences and achievements of children and young people in Essex

- Hadleigh Castle Country Park & Olympic Fund - £830,000 savings.

The saving relates to the reduction of funding aligned to the Hadleigh Castle Country Park and Olympic Fund following the successful delivery of the Olympic mountain biking event in 2012

Finance & Transformation

5.17 The revenue budget in 2013/14 is £18.3m compared to £17.6m in 2012/13. The main increase in the budget is due to the introduction of Council Tax technical sharing arrangements across billing authorities. Other areas of expenditure under this heading include the costs of the Coroners' function, the annual contribution to reduce the Pension Fund Deficit and Agency Precepts..

Health & Wellbeing

5.18 The net revenue budget in 2013/14 for Health and Wellbeing is £25m compared to £26.9m in 2012/13. The main pressures in 2013/14, which relate to the Mental Health area of the budget are Demographic growth (£0.3m) and Inflationary increases (£0.5m).

5.19 The 2013/14 budget includes efficiency savings of £1.6m to be delivered through redesign of the service with Health partners. Of the £1.6m efficiencies, £0.5m relates to savings that have been deferred to 2013/14 from the current year due to slippage in the current savings programme. The current economic climate and the savings delivered in prior years, mean it is increasingly difficult to take advantage of opportunities resulting in efficiencies.

5.20 These savings reflect the on-going impact of prior year savings initiatives and therefore, it is not anticipated that there will be significant impacts on service delivery as a result of this budget.

Highways & Transportation

- 5.21 The portfolio budget has decreased from £94.2m in 2012/13 to £93.1m in 2013/14. It should be noted that adverse weather conditions cannot be foreseen and do have an impact on road conditions.
- 5.22 Due to the nature of the work of the Highways Services, there is significant interdependence between the revenue and capital elements of the service budget, please see the capital programme section 7 of this report.

Other Operating Costs

- 5.23 The revenue budget in 2013/14 is £100.7m compared to £98.8m in 2012/13. These budgets include the net appropriations to and from reserves (£48.5m) of which £21.4m relates to the Waste Reserve, in line with the agreed strategy to fund future Waste costs, £13m to support the delivery of the Council's Transformation Programme, financing of the capital programme (£44.7m), and the Emergency Contingency (£8m).

The Leader Portfolio

- 5.24 The revenue budget in 2013/14 is £8.8m compared to £9.5m in 2012/13. This budget includes the costs of the Democratic Core, Members Support, Corporate Policy and the Essex Initiatives Fund. The reduction in this budget is due to one-off funding having been applied during 2012/13 for a Corporate Services Transformation project.

Recharged Strategic Support Services

- 5.25 The revenue budget in 2013/14 is £69.8m compared to £85.7m in 2012/13. These services include the finance, legal, democratic, performance and procurement functions (£16.5m), Human Resources, Information Services and Transformation Support functions (£18.5m), Asset Management and Facilities Management (£22.2m), Insurance Costs (£4.8m) and Customer Services (£3.0m).
- 5.26 Capacity across these functions was supported by £12.2m of one-off funding during 2012/13 to provide support to all Transformation projects across the organisation.
- 5.27 £2.5m of efficiency savings have been identified as part of the approved IS modernisation programme which will also deliver significant improvements in the service.
- 5.28 Productivity efficiencies are being applied across these services to release £600,000 of savings, although care is being taken to minimise the impact of reductions on the ability to deliver support to front line services.

6 Medium Term Resource Strategy

- 6.1 Members will recall that the previous report to Cabinet in December 2012 set out the basis of significant changes in the Council's funding framework from April 2013. Since publication of that report, the draft financial settlement has been received which has provided further information on which to plan.
- 6.2 It should be noted that in resolving the budget position for 2013/14 a significant sum has been drawn down from the General Balance. As this is a one-off source of funding, this action will result in budget gaps in 2014/15 of an estimated £85m, in 2015/16 of £145m and in 2016/17 of £200m, as detailed below. These budget gaps are the result of reducing government funding, coupled with demographic pressures and inflation rises.
- 6.3 As mentioned above, the draft local government financial settlement was released late in December 2012. This largely confirmed the modelled resources for 2013/14, but left several areas of uncertainty which will be announced in due course. Until such time as they are confirmed, it is necessary to work on assumed sums for these items.
- 6.4 The treatment of National Non-Domestic Rates (NNDR) is changing significantly for 2013/14. In previous years this has been received by ECC as a general government grant, and has therefore been a certain sum for the year. With the forthcoming localisation of NNDR, this treatment will change, and a proportion of the actual income received will come to local authorities with a further "top-up" or "tariff" depending on individual circumstances.
- 6.5 ECC, as a precepting authority, will receive a top-up grant from central government, based on the assessed relative need to spend compared with the expected receipt of NNDR. The anticipated NNDR receipt as per the settlement is £41m for 2013/14, resulting in a top-up of £113.2m. However, the actual NNDR figure will be confirmed from billing authorities' NNDR1 returns, which will be submitted in late January.
- 6.6 Essex Billing Authorities have designed Local Council Tax Support (LCTS) schemes which should award levels of council tax support discounts in line with the funding available, and therefore be cost neutral to ECC. However because the available funding has been reduced by around 10%, there is an increased risk of non-collection of council tax from residents who will be receiving less support. The risk included within ECC's funding assumptions is £8m. This risk increases in future years as we anticipate the demand for support will increase in line with inflation. Billing authorities are considering other actions which could be taken to mitigate this risk, including implementing changes to other council tax discounts to increase council tax income, and an investment in collection activities which aim to reduce the estimated levels of non-collection.
- 6.7 The government has announced a further tranche of Council Tax Freeze grant, this time equivalent to a 1% increase in council tax and the 2013/14 budget has therefore been built on this basis. Government has announced its intention to fund the on-going impact of this in 2014/15.
- 6.8 Based on the best information available, the likely future funding availability has been mapped for the coming four years. This takes into account the assumed funding reductions which are likely to be applied to the national funding allocation. However, it is not possible to predict with accuracy whether the ECC funding allocation will mirror this precisely.

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
NNDR	154.3	154.7	159.4	164.2
RSG	236.7	202.9	168.8	143.6
Council Tax	510.0	510.9	523.4	536.2
Collection fund surplus	2.6	2.6	2.6	2.6
Gen Gov't Grant	31.6	32.4	27.6	28.6
Transfer from General Balance	32.1	-	-	-
Total revenue resources	967.3	903.6	881.8	875.1

6.9 In parallel with modelling the overall funding available, Directorates have been preparing service plans to draft a budget within the funding envelope. The draft budget for 2013/14 does remain within the financial envelope providing that one-off carry forward funds are utilised to balance the position. However, it should be noted that this is a one-off solution and hence in future years there remains a gap between available resources and the draft budget requirement.

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Draft Budget	967.3	988.6	1,026.5	1,075.6
Projected Funding	967.3	903.6	881.8	875.1
Budget Gap	-	85.0	144.7	200.5

6.10 The current Transformation programme comes to an end at the end of March 2013. It is clear from the above that there remains a need to deliver savings and efficiencies in order to mitigate pressures and protect key services as far as possible, and the Cabinet set out early proposals for a second phase of transformation in a report to the December 2012 meeting. A further report is planned for May 2013.

7 Capital Programme 2013 – 2017

7.1 As part of the budget setting process the capital programme requirements were also reviewed, following an extensive prioritisation exercise a year ago. Principles for capital planning were established at this point and have continued to remain relevant for the 2013/14 refresh exercise. These are:

- a) Unringfenced grants will be held corporately and not allocated to the service for which they are notionally provided by central government
- b) Growth in unsupported borrowing is not budgeted for
- c) Projects that are fully funded by external sources are evaluated against the capital prioritisation criteria to ensure they are congruent with the council's corporate priorities.

7.2 The draft capital programme for the period from 2013/14 to 2016/17, including approved slippage, is as follows:

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Maintenance of assets	6.9	5.2	6.5	6.5
Other schemes	39.7	44.3	43.1	34.4
Sub-total Education, Lifelong learning & 2012 Games	46.6	49.5	49.6	40.9
Maintenance of assets	26.9	21.9	20.1	20.0
Other schemes	38.1	6.3	5.1	4.9
Sub-total Highways & transportation	65.0	28.2	25.2	24.9
Deputy Leader, Finance & transformation	18.9	18.8	8.0	0.1
Communities & planning	1.8	1.8	1.8	1.8
Customer services, environment & culture	0.9	0.3	0.3	0.3
Adult Social Care	2.0	2.0	2.0	-
Economic development, waste & recycling	30.1	6.8	4.2	4.0
Total Capital expenditure	165.3	107.4	91.0	72.0

7.3 The draft funding envelope is as follows:

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Grants	82.2	54.9	49.6	49.6
Capital receipts	3.9	1.6	1.6	-
Contributions	22.6	20.7	19.7	3.6
Borrowing	56.6	30.1	20.1	18.8
Total	165.3	107.4	91.0	72.0

8 Prudential Indicators, Treasury Management Strategy and Minimum Revenue Provision Policy

8.1 Appendix C of this report is presented in compliance with statutory regulations and Codes of Practice that require the Council to compile:

- a) Prudential Indicators that are intended to demonstrate that the borrowing the Council plans to undertake for capital financing purposes is at a prudent, affordable and sustainable level;
- b) A treasury management strategy that explains how the Council's cash flows, borrowing and investment will be managed;
- c) A policy that explains how the Council will discharge its duty to make prudent revenue provision for the repayment of debt

9 Pay Policy Statement 2013/14

9.1 Section 38 (1) of the Localism Act 2011 required English and Welsh local authorities to produce a pay policy statement for each year from 2012/13 and beyond.

9.2 The pay policy must include:

- a) The Authority's policy on the level and elements of remuneration for each chief officer
- b) The Authority's policy on the remuneration of its lowest paid employees
- c) The Authority's policy on the relationship between the remuneration of its chief officers and other officers
- d) The Authority's policy on other specific aspects of chief officer remuneration such as remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency

9.3 A pay policy statement is included at Appendix D, and is broadly similar to that approved for 2012/13. The copy attached shows tracked changes to demonstrate where the amendments have been made. The final document will be presented at Full Council alongside the budget for approval for 2013/14.

10 Conclusions

10.1 The public sector continues to face financial pressures in the face of the Government's continued commitment to deficit reduction within the UK economy. Local government must therefore seek to deal with increasing demands on services whilst supporting recovery in the economy. This necessitates improved efficiency and safe financial control. The budget proposals set out in this report will support effective service delivery and good financial management.

10.2 During the development of these budget recommendations, Members and officers have considered various options in order to address any budget gaps, both in revenue and capital. The proposals put forward in this report are seen to be the most effective in delivering the Council's objectives whilst maintaining a balanced budget position.

11 Relevance to ECC's corporate plan and other Strategic Plans

The budget is a financial representation of the organisation's activity. Financial constraints will, therefore, inevitably act as a limit to the activities that can be undertaken. Alongside the budget for 2012/13, the Council approved the Corporate Plan for a 5 year period starting from 2012/13. The strategic priorities identified through that process were as follows, and remain applicable into 2013/14:

- Enabling every individual to achieve their ambitions by supporting a world-class education and skills offer in the county
- Securing the infrastructure and environment to enable businesses to grow
- Improving public health and wellbeing
- Protecting and safeguarding vulnerable people
- Giving people a greater say and a greater role in building safer and stronger communities

These strategic priorities provide context for the development of budget and service proposals, and were used as guiding principles by officers and portfolio holders in defining budgets for 2013/14.

12 Internal and External Consultation

As part of the preparation for the budget, all Portfolio holders and senior managers have been consulted. In addition, budget consultation meetings are held with representatives from the unions and from the business community. This report will also be reviewed by the Executive Scrutiny committee prior to final presentation of the budget to Council on 5th February.

13 Legal Implications (Monitoring Officer)

In each financial year the Council must make its budget calculation in accordance with section 43 of the Local Government Finance Act 1992. In particular, it must calculate the aggregate of -

- the expenditure the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year
- such allowance as the authority estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year;
- the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure; and
- such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.

The Council is required to set a balanced budget and in considering the budget the Council must have regard to the advice of its Chief Finance Officer appointed under section 151 of the Local Government Act 1972. At Essex County Council, the Chief Finance Officer is Margaret Lee, Executive Director for Finance

Under section 25 of the Local Government Act 2003 the Chief Financial Officer is required to report to the authority on the robustness of the estimates made for the purposes of the calculations required to be made by the Council. These are the estimates which the Cabinet is required to determine and submit to Full Council and are contained within this report. The Chief Finance Officer is also required to report on the level of reserves

In deciding its Capital Programme for the year, the Council should have regard to the “Prudential Code” established in the Local Government Act 2003. This is addressed in the report

The Council is required to consider the equality and diversity implications of all its policy decisions. In cases where services are likely to be reduced or cease or grants are likely to be reduced or ceased then there will need to be an equality impact assessment conducted in order to assess the equality and diversity impacts of any particular decision. As part of this process, the decision maker will need to consider different options

In addition to setting its budget requirement, the Council now also has to carry out an additional budget calculation under sections 42A and 42B of the Local Government Finance Act 1992, as inserted by the Localism Act 2011. This calculation is required to be made in order to arrive at a Council Tax requirement for the year

The Council must issue any precept or precepts in accordance with section 40 of the Local Government Finance Act 1992. The section prescribes what must be included in the issue of the precept. It must be issued before 1st March in the financial year preceding that for which it is issued, but is not invalid merely because it is issued on or after that date

The setting of the budget is a function reserved to Full Council but the Cabinet are required to consider the recommendations it wishes to make to Full Council on the various calculations the authority is required to make. Once the budget is agreed by Full Council, the Cabinet cannot make any decisions which conflict with that budget, although virements and in year changes may be made in accordance with the Council’s Financial regulations which have been adopted by the Council. Similarly, any decision made by the Cabinet or by an officer exercising executive functions must be made in accordance with the policies, plans and strategies agreed by Full Council, including the *EssexWorks* Vision and the Corporate Plan.

14 Finance and Resources Implications (Section 151 Officer)

This report has been authored by the Executive Director for Finance (S151 Officer) and sets out the revenue and capital budget for the coming period. It complies fully with Financial Regulations and the Policy Framework, and includes within it a specific commentary by the S151 Officer on the robustness of the budget and the reserves. No further comment is therefore required here

15 Human Resources Implications

There are no direct HR implications of this report, as no specific actions are proposed as a result. Any HR implications which may arise as a result of operational plans flowing from this budget will be addressed under their specific implementation plans.

16 Equality Impact Assessment

This section of the report describes the most significant equality pressures confronting each main service area, informed by proportionate equality analysis.

Section one highlights the effect of policy and governance changes and section two provides an overview of positive and neutral impacts, in addition to those mentioned in section 3, Service Implications of this Revenue Budget. These outcomes are based upon spending decisions taken during the last two years and there are no significant changes resulting from the 2013/14 budget..

Policy and Governance Changes

The budget will be discharged during a year where there will be significant changes to the governance and provision of health and welfare support.

- a. Essex residents will start to experience the effects of welfare reform during 2013/14. Localising Council Tax benefit, changes to housing benefit, and the introduction of Universal Credit are likely to create pressures on individuals, families and local communities, as some residents see incomes reduce. Stresses may also be born of the need to migrate to less expensive areas. The Council is able to anticipate specific increases in demand for services but the full impact of these changes will become more apparent in the months beyond implementation.
- b. Workers are experiencing below inflation wage increases impacting upon family incomes and about 820,000 families, in which at least one adult has a taxable income exceeding £60,000 per year, stand to lose all their Child Benefit. The affected families stand to lose an average of about £1,300 per year. The Council is able to anticipate specific increases in demand for services but the full impact of these changes will become more apparent in the months following implementation.
- c. During 2013/14 the Council will continue to support activity to combat financial exclusion and to promote financial literacy. Financial exclusion is caused in main by inability of individuals to access mainstream financial products and services. This exclusion, historically has affected people on lower incomes who are also impacted by other forms of social exclusion. The profile of people experiencing financial exclusion is changing in line with a decrease in average earnings across the county.
- d. Essex County Council will be responsible for the county Social Fund scheme as of April 2013. The fund is intended to help vulnerable people live as independent a life as possible in the community. The eligibility criteria will remain unchanged, access to funds to acquire essential items such as food, household equipment and fuel will change. The

Council is working with partners to determine effective ways of providing people across the county with essential items.

- e. The Community Right to Challenge was introduced by the Localism Act 2011 and came into force on 27th June 2012. The aim of the Right is to devolve power down to communities and allows relevant bodies to challenge local authorities on how services are delivered. Communities can express an interest in delivering all or part of a service.
- f. ECC is supportive of the Right and is developing policies and procedures to implement it. The policy is aligned to the Council's Diversity and Equality Strategy of supporting people to participate in the Council's democratic structures, to access the services they need and shape their own lives.
- g. The Health and Social Care Act 2012 created a new duty on commissioners to promote the involvement of individuals, their carers and representatives in decisions about their own care and treatment.

Service Impacts Overview

Adults, Health and Community Wellbeing

- a. Efficiency savings of £18.5m have been identified for the 2013/14 financial year. Over the last three financial years the service achieve efficiency savings through activities, such as new ways of working, with minimal impact on service delivery. There should not be significant impacts on service delivery as a result of this budget.
- b. The overall commissioning budget for Adult Mental Health Services reduced by 10% from 2010/11 to 2011/12. Subsequently cumulative savings of 16% will be realised in 2013/14 and 17% in 2014/15.
- c. Reductions are being achieved through the removal of current vacant posts; efficiencies in contracted services and; supporting people to be more independent and; scrutinizing care packages in place to ensure that they are up to date and meet identified need. These actions are intended to minimise the impact upon customers.
- d. This goal will become an increasing challenge, as the percentage of saving increases. Separate equality analysis will support local saving decisions to understand the impact upon customers and service providers. Service delivered through the current contracts have been monitored and show no adverse impact in terms of a change in the diversity of people using the service.
- e. The service worked with providers to introduce a zero uplift policy with effect from 2009/10 for care contracts. This has been actively enforced by removing uplift clauses from contracts through introduction of framework agreements. This activity has challenged the market meaning services could begin to be compromised and it is highly unlikely that this approach is sustainable.

- f. Implementation of framework agreements mean that although no uplift is contractually required, providers have the opportunity to periodically revise their prices within a defined pricing matrix. This may impact their position on the Preferred Supplier Ranked List and subsequently the volumes of work placed with them. The aim of this approach is to enable the market to be self-managing. In 2013/14 a Market Investment strategy is being developed to ensure service quality is maintained and to support the sustainability of the care market.
- g. Adult social care spend in the care market is in the region of £380m. The 2013/14 budget has allocated £15.2m for cost of living increases of which £2.8m (18%) has been offered up as savings. The remaining £12.4m will be used as an investment in the care market to relieve market pressures, increase frontline staff development, increase capacity in areas of limited supply and to increase quality. The Council will need to pay particular attention to monitoring the effects of the above interventions upon customers.
- h. The investment proposal can be contained within the £12.4m by working in partnership with providers and relevant organisations e.g. Alzheimer's Society. This will facilitate practical links between providers giving support and development opportunities. The Community, friends and family will be encouraged to play a full role, in particular, in quality improvements across the markets.
- i. Changes to services through efficiencies in process or traded services have the potential to improve access to services, customers' experience and outcomes for eligible clients. Essex Assist will be an external trading company that provides residents with another route into social care beyond telephoning the customer service centre. Customers will need access to a computer to use the tool which will mean that it is not available to everyone. Effective communication will ensure that customers understand that this service enhances available options and complements existing services. One of its major products is an Online self-referral tool for use by potential customers and their family / friends.
- j. During 2013/14 the Council will undertake a review of policies implemented as part of transformation. Night-time use of Assistive Technology (AT) forms part of personalised support plans for people with learning disabilities requiring support during the night. The aim of this is to promote increased independence through reducing reliance on the physical presence of staff. A review of feedback from existing stakeholders, as to their experience of using AT at night, will establish whether any groups are disadvantaged by the approach and processes.

Children's services

- a. A reduction in the number of children in care will be achieved by working with parents and children to enable children to remain safely with their families and thus improve their life chances. This positive impact will also achieve £3.0m budget savings.

- b. Additional resources through the creation of 6 posts are proposed to ensure the provision of a consistent, high quality adoption service to all participants in the adoption process and to achieve positive outcomes for children so that they can achieve their full potential. Sufficient resources will enable lessons to be learnt and where necessary, improvements can be made in the way in which partners individually and collectively work to safeguard and promote the welfare of children and young people.

Education & 2012 Games

- a. The Council will invest £150,000 on the Clacton Coastal Academy Skills Centre; a facility that will ensure that young learners can continue to develop skills to compete in the local job market.
- b. With the Paralympics being such a success in summer 2012 it is of great importance that we continue to drive disability sport across the county. Much of our work centres around supporting our National Governing Bodies (NGBs) and partners to help to implement their individual programmes. Equally important is our engagement with disability focussed organisations such as English Federation of Disability Sport (EFDS) and UK Deaf Sport, which are starting to implement new programmes and initiatives post Paralympic Games. The Council will also deliver initiatives to inspire and encourage more individuals to take part in sport. She Has Energy in Essex (SHE) aims to help existing community groups to provide sport or physical activity to its users by providing funding to help overcome the existing barriers.

Customer Services, Environment & Culture

- a. In the light of the ECC Transformation, it is proposed that the current Heritage and Arts Development teams combine budgets to create a single *Cultural Development* team which will better meet the commissioning objectives of the new ECC model by applying rigour and discipline to funding/grant allocation based on evidence and corporate agreed outcomes.

Highways & Transportation

- a. Funding for Highways is driven by asset management information and assumptions are made that it will be in line with previous levels..
- b. Essex County Traveller Unit is a partnership organisation operational since 1st October 2012, working with Police, Fire Service, NHS, District/Borough/City/Unitary Councils and ECC. Target outcomes will be to improve educational and health outcomes and fire safety, reduce impact of unauthorised encampments and provide cost effective Gypsy/Traveller Sites and overall improve service access and quality of life for the Gypsy/Travellers in Essex. To date 58 children are attending school and illegal encampments have been resolved on the same day. 291 families have received outreach for flu immunisations, including vulnerable people.

Our Employees

- a. A substantial part of the Council's efficiency savings continues to be achieved by the change to a new operating model as part of the Council move to a commissioning organisation.
- b. There has been no significant change to the ECC workforce profile over the past year, despite a reduction of 839 in 2012/13 and 528 in the first 3 quarters of 2012/13, suggesting no adverse impact from the initial reductions in workforce numbers on the diversity groups we monitor.
- c. Women in Essex are the majority of workers throughout the public sector. Given the high proportion of women within the workforce, women will continue to be disproportionately represented in the number of people leaving the Council. There has also been a slight drop in the number of people under 25 within the workforce.

The headline comparisons are as follows:

Group	2010/11	2011/12	Summary of changes at December 2012 compared to March 2012
ECC Black & minority ethnic employees	9.0%	9.8%	9.7%, i.e. 0.1% decrease (actual numbers have decreased by 42, now 713)
ECC disabled employees	3.0%	3.3%	3.3%, no change (actual numbers have reduced by 10, now 213)
ECC employees under 25	5.0%	4.5%	4.7%, i.e. 0.2% increase (actual numbers increased by 3, now 382)
ECC employees age 50+	39.0%	40.0%	40.3%, i.e. 0.3% increase (actual numbers decreased by 76, now 3,244)
ECC employees gender profile	74% female 26% male	73.5% female 26.5% male	Male – 26.4%, 0.1% decrease (actual numbers decreased by 146, now 2,088) Female – 73.6%, 0.1% increase (actual numbers decreased by 392, now 5,807)

Equality Impact Assessment Conclusions

- a. It is imperative that the Council continues to engage with customers on any changes to services and secures relevant data on service users including information on service uptake, customer satisfaction and outcomes.
- b. Cabinet is advised to seek ongoing updates of the issues highlighted within this report to determine any remedial actions which may impact upon the development of the 2013/14 budget.
- c. Any scheme approvals will require individual equality impact assessments prior to being agreed formally.

Appendix A

Revenue Budget 2013-14

Revenue Budget Summary 2013-14

2011 - 12 Actuals		2012 - 13 Original Budget	2012 - 13 Latest Budget	2013 - 14 Budget
£000		£000	£000	£000
2,086,705	Gross Expenditure	2,168,694	2,189,569	2,267,396
(271,834)	Income	(199,556)	(190,197)	(174,795)
(156,465)	Specific Government Grants (excluding DSG)	(116,218)	(102,435)	(170,569)
1,658,406	Subtotal	1,852,920	1,896,936	1,922,032
(744,709)	Specific Government Grants (Dedicated Schools Grant)	(915,013)	(945,995)	(954,739)
913,697	Subtotal - Net Cost of Services	937,906	950,941	967,293
31,025	General Balance - Contribution/(withdrawal)	(2,356)	(5,688)	(32,157)
(80,476)	General Government Grants	(79,764)	(88,975)	(31,581)
864,246	Budget Requirement	855,786	856,278	903,555
	Financed By			
(1,846)	Collectionfund Surplus/Deficit	624	132	(2,631)
(578,685)	Council Tax Precept	(581,611)	(581,611)	(509,975)
(216,724)	Nndr Precept	(269,574)	(269,574)	(154,310)
(66,990)	Revenue Support Grant	(5,226)	(5,226)	(236,639)
(864,246)	Total Financing	(855,786)	(856,278)	(903,555)

Revenue Budget Summary

County Fund

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
24,916	25,344	26,917	Health And Well Being	87,267	(9,287)	(52,961)	25,019
329,603	316,723	318,086	Adults Social Care	486,090	(81,168)	(24,606)	380,316
158,466	184,834	184,147	Childrens Services	176,861	(5,107)	(3,538)	168,216
5,223	6,238	6,198	Communities And Planning	6,653	(1,227)	-	5,425
4,212	17,965	17,620	Deputy Leader	20,756	(1,284)	(1,135)	18,337
62,456	64,813	64,932	Eco Growth & Waste & Recycling	73,858	(3,164)	(1,050)	69,645
70,442	27,143	30,739	Education & 2012 Games	1,071,731	(14,743)	(1,041,807)	15,181
15,887	13,502	14,050	Customer Servs, Env & Culture	23,173	(10,317)	(56)	12,800
94,287	90,651	94,246	Highways And Transportation	112,145	(18,888)	(156)	93,101
8,408	7,986	9,533	The Leader Portfolio	8,851	(10)	-	8,841
57,833	113,852	98,780	Other Operating Costs	109,548	(8,868)	-	100,680
831,733	869,052	865,248		2,176,934	(154,064)	(1,125,308)	897,562

Recharged Support Services

5,239	3,366	5,589	Cust Services Environment Cult	3,201	(167)	-	3,034
70,026	62,102	75,423	Deputy Leader Rsss	78,324	(16,302)	-	62,023
1,066	1,223	1,228	Highways And Transport Rsss	5,426	(4,213)	-	1,214
2,523	2,163	3,452	Leader Rsss	3,511	(50)	-	3,461
78,854	68,854	85,693		90,462	(20,731)	-	69,731
910,587	937,906	950,941	Net Controllable Cost of Services	2,267,396	(174,795)	(1,125,308)	967,293
3,110	-	-	Building Maintenance	-	-	-	-
913,697	937,906	950,941	Net Cost of Services	2,267,396	(174,795)	(1,125,308)	967,293

Budget Summary by Portfolio

Adults Social Care

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
			Access Assessment & Care Mgt				
5,589	2,265	7,734	Aacm Countywide Teams	8,284	-	-	8,284
5,039	5,057	3,619	Aacm Mid Teams	3,777	(26)	-	3,752
5,757	5,624	4,507	Aacm North East Teams	5,479	(614)	-	4,865
2,728	2,943	4,404	Aacm South East Teams	4,784	-	-	4,784
3,546	3,535	73	Aacm South West Teams	52	-	-	52
3,955	4,010	2,980	Aacm West Teams	3,088	(51)	-	3,037
			Care & Support				
112,576	113,611	115,956	Learning Disabilities	173,806	(8,417)	-	165,389
109,626	104,576	97,526	Older People	198,017	(67,918)	(24,606)	105,494
34,027	31,897	34,334	Physical & Sensory Impairment	37,979	(3,245)	-	34,733
			Corporate & Democratic Core				
361	361	361	Corporate & Democratic Core	361	-	-	361
			Housing Related Support				
530	567	478	Administrative Costs	491	-	-	491
23,017	18,822	21,242	Programme Costs	18,737	-	-	18,737
			Other Social Care				
273	200	-	Carers Strategy	-	-	-	-
(75)	(28)	(29)	Essex Vulnerable Adults	282	(282)	-	-
4,626	4,297	5,548	Third Sector Funding	6,036	-	-	6,036
14	272	44	User Carer Involvement	43	-	-	43
			Service Management Costs				
18,100	19,431	20,025	Service Management Costs	25,239	(617)	-	24,622
(87)	(714)	(714)	Service Management Recharge	(366)	-	-	(366)
329,603	316,723	318,086	Net Cost of Services	486,090	(81,168)	(24,606)	380,316

Budget Summary by Portfolio

Childrens Services

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
Childrens Services Dsg							
Education For Under Fives							
33,953	29,387	35,927	Education For Under Fives	31,617	-	-	31,617
Under Fives Dsg							
(34,522)	-	-	Under Fives Dsg	-	-	-	-
Childrens Services Non Dsg							
Childrens Services							
51,721	51,358	40,448	Care Management And Assessment	42,456	(253)	(42)	42,161
68,516	62,514	69,848	Children Looked After	59,623	(2,848)	(86)	56,689
6,523	5,436	8,804	Childrens Service Management	12,802	-	-	12,802
-	-	-	Clacton Joint Service Centres	(22)	22	-	-
-	244	244	Corporate & Democratic Core	244	-	-	244
465	564	613	Ypsmpg	1,377	(608)	-	768
Community Placed Budgets							
202	1,587	1,095	Community Placed Budgets	720	-	-	720
Cyp Strategic Partnerships							
633	955	486	Cyp Strategic Partnerships	634	(16)	-	619
Early Years And Childcare							
23,720	25,726	21,697	Early Years & Childcare Grant	17,340	(112)	-	17,228
Other Childrens Services							
1,688	919	279	Dce - Childrens Directorate	1,105	(250)	(653)	202
18	-	179	Domestic Abuse	89	-	-	89
(52)	88	77	Essex L C S B	311	(234)	-	76
3,992	4,201	2,396	Other Social Care	4,044	(236)	(1,234)	2,573
Tascc Teams							

Budget Summary by Portfolio

Childrens Services

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
59	(48)	(2)	Tascc Teams	-	-	-	-
			Youth Offending Service				
1,550	1,904	2,056	Youth Offending Service	4,520	(570)	(1,522)	2,428
158,466	184,834	184,147	Net Cost of Services	176,861	(5,106)	(3,538)	168,216

Budget Summary by Portfolio

Communities And Planning

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
			Anti-Social & Community Safety				
568	832	774	Anti-Soc Behave & Comm Safety	298	-	-	298
			Big Society				
341	501	341	Big Society	517	-	-	517
			Development Management				
994	1,591	1,769	Development Management	1,870	(14)	-	1,856
			Emergency Planning				
774	665	665	Emergency Planning	805	(128)	-	678
			Environmental Planning				
886	1,155	1,187	Environmental Planning	1,152	(442)	-	711
			Rural Issues				
281	281	281	Rural Issues	213	-	-	213
			Sustainable Development				
1,131	953	932	Sustainable Development	1,066	(32)	-	1,034
			Travellers				
79	107	248	Travellers	730	(612)	-	118
			Volunteering				
170	154	-	Volunteering	-	-	-	-
5,223	6,238	6,198	Net Cost of Services	6,653	(1,227)	-	5,425

Budget Summary by Portfolio

Customer Servs, Env & Culture

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
			Built Environment				
671	392	-	Built Environment	42	-	-	42
			Corporate & Democratic Core				
62	74	72	Corp And Democratic Core	73	-	-	73
			Environmental Strategy				
87	124	196	Environmental Strategy	159	13	-	172
			Heritage And Cultural Service				
1,674	1,740	1,857	Heritage And Cultural Servs	2,131	(600)	-	1,531
			Historic Environment				
623	235	193	Historic Environment	753	(466)	-	288
			Leisure				
68	93	68	Contributions To Other Bodies	94	(25)	-	70
324	457	519	Country Parks	1,580	(1,217)	(56)	307
46	59	63	Cressing Temple	280	(208)	-	72
63	(88)	(34)	Marsh Farm	933	(935)	-	(3)
			Libraries & Information Service				
24	-	-	Community Information Points	-	-	-	-
12	34	34	Libraries Service Managemnt	34	-	-	34
9,525	8,147	8,349	Library Operational Services	10,220	(2,707)	-	7,513
2,703	2,319	2,319	Library Resources	2,319	-	-	2,319
			Natural Environment				
259	140	-	Natural Environment	(17)	16	-	-
			Place Consultancy				
-	-	764	Place Consultancy	2,045	(1,395)	-	650
			Registrars Office				

Budget Summary by Portfolio

Customer Servs, Env & Culture

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
(254)	(224)	(350)	Registrars Office	2,527	(2,793)	-	(266)
15,887	13,502	14,050	Net Cost of Services	23,173	(10,317)	(56)	12,801

Budget Summary by Portfolio

Deputy Leader

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
Central Services To The Public							
192	217	-	Business Continuity	-	-	-	-
1,726	1,789	1,786	Coroners' Courts	3,004	(1,109)	-	1,895
(519)	13,558	13,382	Other Services	14,530	(29)	(1,135)	13,367
1,134	881	915	Second Homes Discount Scheme	1,499	-	-	1,499
(18)	(300)	(140)	Shared Use Buildings	6	(146)	-	(141)
13	-	-	Surplus & Managed Properties	-	-	-	-
Precepts							
1,297	1,433	1,297	Environmental Agency	1,327	-	-	1,327
386	386	380	Kent & Essex Sea Fisheries	389	-	-	389
4,212	17,965	17,620	Net Cost of Services	20,756	(1,284)	(1,135)	18,337

Budget Summary by Portfolio

Eco Growth & Waste & Recycling

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
			Economic Regeneration				
483	295	331	Economic Regeneration	2,130	(829)	(1,050)	252
			International Development				
294	326	326	International Projects	284	(1)	-	283
			International Trade				
152	197	245	International Trade	297	(49)	-	248
			Inward Investment				
385	375	403	Inward Investment	1,918	(10)	-	1,907
			Management & Support Services				
33	(126)	396	Management & Support Services	-	-	-	-
			Place Policy				
181	428	195	Place Policy	171	-	-	171
			Tourism				
379	268	268	Tourism	443	(171)	-	272
			Trading Standards				
2,410	2,226	2,214	Trading Standards	2,538	(273)	-	2,265
			Waste Management				
8,092	3,544	7,000	Civic Amenity Service	8,522	(74)	-	8,447
1,593	1,264	1,151	Courtauld Rd Waste Treatment	1,619	(355)	-	1,264
357	410	352	Exceptional Waste	352	-	-	352
229	339	339	Landfill Aftercare	451	(110)	-	342
20,430	25,342	21,916	Recycling Initiatives	24,503	(2)	-	24,501
616	1,121	1,121	Tipping Away Payments	609	-	-	609
(1,426)	(2,062)	(2,062)	Trade Waste Income	-	(1,200)	-	(1,200)
24,908	27,572	27,572	Waste Disposal	26,912	(12)	-	26,900

Budget Summary by Portfolio

Eco Growth & Waste & Recycling

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
1,520	1,671	1,643	Waste Management & Supp Servs	2,076	(41)	-	2,034
1,819	1,625	1,522	Waste Strategy	1,034	(37)	-	998
62,456	64,813	64,932	Net Cost of Services	73,858	(3,164)	(1,050)	69,645

Budget Summary by Portfolio

Education & 2012 Games

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
Education & 2012 Games Dsg							
(710,186)	(905,018)	(930,676)	Dedicated Schools Grant	-	16	(944,744)	(944,728)
-	-	897	Early Years Contingency	1,645	-	-	1,645
179	817	699	Ethnic Min & Bi-Ling Learners	829	-	-	829
-	-	32	Prudential Borrowing	32	-	-	32
(8,925)	-	(11,862)	Pupil Premium Mainstream	16,258	(6)	(15,752)	500
665,803	818,523	844,895	Schools Budget	909,084	(265)	(50,522)	858,297
1,763	1,795	1,795	Service Management	1,795	-	-	1,795
50,609	51,711	56,071	Special Educational Needs	52,323	(3,761)	(2,026)	46,536
Education & 2012 Games Non Dsg							
24,056	17,467	25,622	Access To Education	28,784	(960)	-	27,824
(530)	29	29	Adult Community Learning	14,072	(3,681)	(10,594)	(204)
10,361	7,025	4,864	Children'S Services	7,987	(2,669)	(573)	4,746
12,820	8,447	10,355	School Improvement	9,509	(713)	(15,945)	(7,149)
5,690	5,526	7,710	Schools - La	8,562	(1,180)	-	7,383
2,420	800	530	Skills	2,607	2	(1,660)	949
12,600	11,589	12,427	Special Educ Needs - La	9,989	(110)	-	9,878
(3,726)	253	172	Specific Grants	176	-	-	176
4,796	4,857	4,140	Strategic Management	5,661	(1,299)	-	4,362
12	20	-	Support To Students	-	-	-	-
(115)	-	(138)	Ypla Funding	(16)	-	16	-
Lee Valley Park & 2012 Games							
2,814	3,302	3,176	Olympics & Sport Development	2,433	(116)	(7)	2,310
70,442	27,143	30,739	Net Cost of Services	1,071,731	(14,743)	(1,041,807)	15,181

Budget Summary by Portfolio

Health And Well Being

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
			Child And Adolescent Mh Servs				
2,104	3,009	3,057	Child And Adolescent Mh Servs	3,467	(697)	-	2,770
			Health Watch				
50	-	720	Health Watch	784	-	(332)	452
			Mental Health				
7,007	7,010	6,726	Access Assessment & Care Mgt	6,400	(30)	-	6,370
12,470	11,906	12,975	Care & Support	13,737	(1,382)	-	12,355
2,098	2,403	2,018	Mh Third Sector	2,186	(136)	-	2,050
			Public Health				
-	-	-	Public Health	48,874	-	(48,874)	-
1,187	1,016	1,422	Service Management Costs	8,837	(7,042)	(774)	1,021
			Social Fund				
-	-	-	Social Fund	2,981	-	(2,981)	-
24,916	25,344	26,917	Net Cost of Services	87,267	(9,287)	(52,961)	25,019

Budget Summary by Portfolio

Highways And Transportation

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
Highways And Transportation							
1,630	1,649	1,679	Bridges	1,687	-	-	1,687
6,410	3,925	5,885	Congestion	9,967	(4,487)	-	5,480
633	864	752	H&T Asset Management Planning	750	-	-	750
232	1,551	1,551	H&T Localism	1,570	-	-	1,570
4,673	4,562	2,591	H&T Winter Service	2,621	-	-	2,621
988	209	1,106	Hat Corp And Democratic Core	956	-	-	956
9,629	10,704	10,704	Highways A130 Pfi	10,704	-	-	10,704
30,005	30,841	31,561	Passenger Transport	41,918	(10,113)	-	31,804
3,133	2,795	2,688	Public Rights Of Way	2,604	(52)	-	2,552
4,395	4,093	4,697	Road Safety	6,627	(1,862)	(156)	4,610
22,144	18,810	21,618	Roads And Footways	20,064	66	-	20,129
8,735	9,042	7,677	Street Lighting	8,574	(41)	-	8,533
236	-	48	Support Services	1,396	(1,396)	-	-
(159)	(299)	(438)	Traffic Management Act	566	(1,004)	-	(438)
1,601	1,905	2,128	Transportation Planning	2,142	1	-	2,143
94,287	90,651	94,246	Net Cost of Services	112,145	(18,888)	(156)	93,101

Budget Summary by Portfolio

Other Operating Costs

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
Approps To/From Reserves							
(154)	(634)	(634)	A130 Pfi Reserve	-	(949)	-	(949)
2,185	-	-	Bsf Pfi Reserve	-	-	-	-
-	-	-	Building Maintenance Reserve	-	(713)	-	(713)
(3)	1,000	1,000	Capital Receipts Pump Priming	1,000	-	-	1,000
-	1,419	1,419	Carbon Reduction Reserve	529	-	-	529
(13,801)	-	-	Carry Forwards Reserve	-	-	-	-
(1,081)	188	188	Clacton Pfi Reserve	188	-	-	188
-	-	-	Collection Fund Invest Risk	4,265	-	-	4,265
-	-	69	Crime And Police Panel Reserve	-	-	-	-
(491)	(251)	(251)	Debden Pfi Reserve	-	(251)	-	(251)
(1,500)	-	-	Developing Partnerships Rvse	-	-	-	-
-	1,200	1,200	Energy Inflation Rsve	200	-	-	200
(130)	-	(75)	Esf Reserve	-	-	-	-
(258)	-	-	Essex Art Fund Reserve	-	-	-	-
31	-	-	Essex On-Line Partnership Rsve	-	-	-	-
(904)	-	-	Essex Transport Reserve	-	-	-	-
1,948	-	(932)	Grant Equalisation Reserves	-	-	-	-
(118)	-	(321)	Health And Safety Reserves	-	-	-	-
-	2,000	-	Hways Maint Reserve	-	-	-	-
(212)	-	-	Imt Reserve	-	-	-	-
4,267	-	-	Insurance Reserve	-	-	-	-
(2,408)	-	-	Laa Performance Rwrds Reserve	-	(1,000)	-	(1,000)
(728)	-	-	Life Raft Pledges Reserve	-	-	-	-
209	-	(72)	Partnership Reserves	-	-	-	-

Budget Summary by Portfolio

Other Operating Costs

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
-	-	-	Pension Deficit Reserve	5,000	-	-	5,000
(1,800)	2,400	3,483	Personal Care Reserve	-	(1,200)	-	(1,200)
-	-	-	Procurement Reserve	-	(24)	-	(24)
(64)	500	500	Quadrennial Elections Rsve	500	-	-	500
3,600	8,500	8,424	Redundancy Reserve	-	-	-	-
6,834	8,475	8,475	Reserve For Future Cap Funding	8,475	-	-	8,475
2,940	-	-	Schools Reserves	-	-	-	-
(674)	-	-	Section 75 Reserve	-	-	-	-
-	-	-	Severe Weather Reserve	-	(252)	-	(252)
-	-	-	Street Lighting Reserve	-	(476)	-	(476)
23	(1,086)	(1,539)	Trading Activities Reserves	33	(1,820)	-	(1,787)
16,130	12,997	2,147	Transformation Reserves	13,000	-	-	13,000
1,400	17,550	17,158	Waste Reserve	21,423	-	-	21,423
			Capital Financing				
31,137	32,714	30,474	Repayment Of External Loans	31,614	-	-	31,614
			Contingencies				
-	7,820	8,000	Contingencies	8,000	-	-	8,000
			Dividends Received				
(1,000)	-	-	Dividends Received	-	-	-	-
			Interest Payable				
(776)	(640)	(640)	Contribs - Transferred Debt	-	(615)	-	(615)
15,537	20,487	23,236	External Interest Payable	15,321	-	-	15,321
(124)	(130)	(130)	Loan Charges Grant	-	(118)	-	(118)
			Interest Receivable				
(2,902)	(1,456)	(3,298)	External Interest Receivable	-	(2,453)	-	(2,453)

Budget Summary by Portfolio

Other Operating Costs

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
720	799	899	Interest Reallocated	-	1,002	-	1,002
57,833	113,852	98,780	Net Cost of Services	109,548	(8,868)	-	100,680

Budget Summary by Portfolio

The Leader Portfolio

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
			Democratic Core				
3,215	3,577	4,098	Corp Management & Leadership	4,116	(10)	-	4,106
827	94	484	Democratic Rep & Management	61	-	-	61
			Members Support				
2,115	2,082	2,040	Members Support	1,990	-	-	1,990
			Other				
204	177	237	Contributions & Subscriptions	203	-	-	203
1,965	1,615	2,249	Corporate Policy	2,154	-	-	2,154
71	440	424	Essex Initiatives	327	-	-	327
11	-	-	South East Lep	-	-	-	-
8,408	7,986	9,533	Net Cost of Services	8,851	(10)	-	8,841

Budget Summary by Portfolio

Cust Services Environment Cult

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
Customer Services							
5,239	3,366	5,589	Customer Services	3,201	(167)	-	3,034
5,239	3,366	5,589	Net Cost of Services	3,201	(167)	-	3,034

Budget Summary by Portfolio

Deputy Leader Rsss

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
			Asset Management				
2,524	2,283	1,981	Asset Management	1,784	-	-	1,784
			Democratic Services				
683	592	645	Democratic Services	728	(64)	-	664
			Essex Legal Services				
410	609	609	Essex Legal Services	563	-	-	563
			Facilities Management Services				
19,686	18,421	20,955	Facilities Management Services	23,628	(3,236)	-	20,392
			Finance				
15,389	11,452	13,058	Finance	17,109	(6,338)	-	10,771
			Human Resources				
6,620	6,407	5,589	Human Resources	7,309	(2,438)	-	4,871
			Information Services				
10,191	11,712	16,489	Information Services	12,217	(776)	-	11,440
			Insurance Cost Recovery A/C				
3,112	4,644	4,644	Insurance Cost Recovery A/C	8,227	(3,409)	-	4,818
			Performance				
1,678	1,524	2,248	Performance	2,216	(40)	-	2,177
			Procurement And Cps				
4,076	2,184	2,933	Procurement And Cps	2,315	-	-	2,315
			Transformation Support Unit				
5,658	2,275	6,272	Transformation Support Unit	2,228	-	-	2,228
70,026	62,102	75,423	Net Cost of Services	78,324	(16,302)	-	62,023

Budget Summary by Portfolio

Highways And Transport Rsss

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
			Car Provision Scheme				
(71)	(5)	-	Car Provision Scheme	4,134	(4,134)	-	-
			Transport Coordination Centre				
1,137	1,228	1,228	Transport Coordination Centre	1,292	(79)	-	1,214
1,066	1,223	1,228	Net Cost of Services	5,426	(4,213)	-	1,214

Budget Summary by Portfolio

Leader Rsss

2011-12 Actuals £000	2012-13 Original Budget £000	2012-13 Latest Budget £000		2013-14 Gross Expenditure £000	2013-14 Income £000	2013-14 Specific Grants £000	2013-14 Total Net Expenditure £000
			Comms And Customer Relations				
2,374	1,954	3,298	Comms And Customer Relations	3,316	(50)	-	3,266
			Equality And Diversity				
149	209	154	Equality And Diversity	194	-	-	194
2,523	2,163	3,452	Net Cost of Services	3,511	(50)	-	3,461

Capital Programme 2013-14 to 2016-17

Summary (Cabinet Report)

Capital Expenditure

Portfolio	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Education, Lifelong Learning & 2012 Games	46,459	49,520	49,640	40,850	186,469
Highways & Transportation	64,986	28,238	25,176	24,959	143,359
Deputy Leader, Finance & Transformation	18,918	18,831	7,973	122	45,844
Communities & Planning	1,833	1,750	1,750	1,750	7,083
Customer Services, Environment & Culture	939	250	250	250	1,689
Adult Social Care	2,000	2,000	2,000	-	6,000
Economic Development, Waste & Recycling	30,146	6,846	4,168	4,000	45,160
Children's Services	50	-	-	-	50
Leader	20	-	-	-	20
TOTAL Capital Expenditure	165,351	107,435	90,957	71,931	435,674

Education, Lifelong Learning & 2012 Games

	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Named schemes					
James Hornsby High	20	-	-	-	20
Canvey Vocational Centre	184	-	-	-	184
Mersea Outdoors Site Facility	70	-	-	-	70
Commonside Pupil Referral Unit Relocation, Harlow	89	-	1,239	1,261	2,589
Deanes / Glenwood Co-Location	3,706	13,700	5,444	-	22,850
Hadleigh Farm Park - 2012 Games	-	-	-	-	-
St John's Abbeyfield Primary	4,246	834	-	-	5,080
Takeley Primary School	12	-	-	-	12
St Marys Foundation School, Stansted	180	-	-	-	180
Other Projects	825	-	-	-	825
Total Named Schemes	9,331	14,534	6,683	1,261	31,809
BSF					
De la Salle	4,685	-	-	-	4,685
Shorefields	1,330	-	-	-	1,330
Total BSF	6,015	-	-	-	6,015
Basic Need					
Severalls New Primary School, Colchester	38	800	3,700	1,700	6,238
Harlow Primary Basic Need	2,939	1,365	500	1,500	6,304
Epping Primary Schools Basic Need	1,360	1,460	-	-	2,820
North Colchester Programme	3,685	660	-	-	4,345
Loughton Basic Need	1,000	475	260	-	1,735
South Colchester Primary Basic Need	1,861	2,539	410	-	4,810
Witham Primary Places Basic Need	1,152	-	200	-	1,352
Waltham Abbey Basic Need	1,400	300	-	-	1,700
Basildon Basic Need	300	500	-	-	800
Braintree Basic Need	363	200	-	-	563
Brentwood Endeavour School	358	-	-	-	358
Stansted Primary Basic Need	450	550	-	-	1,000
Chelmsford Secondary Basic Need	300	1,200	473	-	1,973

Education, Lifelong Learning & 2012 Games (cont'd)

	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Other Basic Need projects	2,660	-	-	-	2,660
Total Basic Need	17,866	10,049	5,543	3,200	36,658
<u>Special Schools</u>					
Special Schools Needs & Modernisation - ASD Special School / Market Fields	1,000	1,500	4,800	1,200	8,500
Cedar Hall	400	-	-	-	400
Total Special Schools	1,400	1,500	4,800	1,200	8,900
<u>Blocks</u>					
Capitalised Maintenance Programme	6,900	5,217	6,500	6,461	25,078
Temporary Accommodation Block	2,299	1,500	1,500	1,500	6,799
Education Estates Strategy	-	-	8,115	21,468	29,583
Total Blocks	9,199	6,717	16,115	29,429	61,460
Total all projects excl S106	43,812	32,800	33,141	35,090	144,843
<u>Proposed schemes wholly/partially funded by S106 funding</u>					
Colchester Secondary Basic Need	300	1,200	1,473	4,200	7,173
Beaulieu Park - New Early Years, Primary, Secondary & Sixth Form Provision	430	600	5,800	1,560	8,390
Harlow New Hall Farm	570	4,000	3,626	-	8,196
Hall Road, Rochford. New School Site	500	3,300	1,000	-	4,800
Gilden Way Harlow: Relocation & Enlargement of Harlowbury Primary School & New Early Years Cen	-	3,300	1,600	-	4,900
Broomfield Primary School	847	4,320	3,000	-	8,167
Total proposed schemes wholly/partially funded by S106 funding	2,647	16,720	16,499	5,760	41,626
Total Education, Lifelong Learning & 2012 Games	46,459	49,520	49,640	40,850	186,469

Highways & Transportation

	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Named schemes					
Cuckoo Farm P&R	3,200	-	-	-	3,200
Colchester Northern Approaches Road Phase 3	7,850	-	-	-	7,850
Street Lighting CMS	3,155	-	-	-	3,155
A130 Bypass Improvements	140	100	100	-	340
Epping Forest Transport Strategy	420	100	-	-	520
Colchester A134 St Botolphs	943	-	-	-	943
Harlow A414 Capacity Improvements	1,282	-	-	-	1,282
Depot Infrastructure	1,672	-	-	-	1,672
Automatic Vehicle Location System	34	-	-	-	34
Roscommon Way	55	-	-	-	55
Sadlers Farm	195	-	-	-	195
Total Named Schemes	18,944	200	100	-	19,244
Blocks					
Highways Infrastructure	26,937	21,935	20,084	20,084	89,040
Passenger Transport	392	2,229	2,405	2,405	7,431
Safer Roads Infrastructure	-	1,218	1,221	1,221	3,660
Public Rights of Way Improvements	-	423	469	469	1,361
Traffic Management Improvements	-	777	780	780	2,337
Major Schemes Planning & Management	2,535	-	-	-	2,535
Local Highways Panels	10,766	-	-	-	10,766
Covered Salt Storage	164	-	-	-	164
Cycling Programme	885	-	-	-	885
Private Streetworks & PFI	55	-	-	-	55
Road Safety Asset Management	251	-	-	-	251
Total Blocks	41,985	26,582	24,959	24,959	118,485
Schemes that are outside ECC control					
S106 Developer Contributions - Highways	4,056	1,456	117	-	5,629
Total Schemes that are outside ECC control	4,056	1,456	117	-	5,629
Total Highways & Transportation	64,986	28,238	25,176	24,959	143,359

Deputy Leader, Finance & Transformation

	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Named schemes					
ICT Modernisation	490	-	-	-	490
ICT Stabilisation	100	-	-	-	100
Essex Next Generation Access (BDUK)	7,752	10,336	7,752	-	25,840
Corporate Systems Upgrade	2,300	1,900	-	-	4,200
Adult Social Care Strategic IT	4,935	5,200	-	-	10,135
Next Generation Networks	238	645	221	122	1,226
Property Transformation	2,053	-	-	-	2,053
Total Named Schemes	17,868	18,081	7,973	122	44,044
Blocks					
Capitalised Building Maintenance	450	250	-	-	700
Building Maintenance Minor Works	600	500	-	-	1,100
Total Blocks	1,050	750	-	-	1,800
Total Deputy Leader, Finance & Transformation	18,918	18,831	7,973	122	45,844

Communities & Planning

	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Named schemes					
Community Initiatives	1,750	1,750	1,750	1,750	7,000
Severalls Traveller Site	83	-	-	-	83
Total Named Schemes	1,833	1,750	1,750	1,750	7,083
TOTAL Communities and Planning	1,833	1,750	1,750	1,750	7,083

Customer Services, Environment & Culture

	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Named schemes					
Springfield Library Facility	56	-	-	-	56
Total Named Schemes	56	-	-	-	56
Blocks					
RFID Rollout in Libraries	500	250	250	250	1,250
Public Realm	383	-	-	-	383
Total Blocks	883	250	250	250	1,633
Total Customer Services, Environment & Culture	939	250	250	250	1,689

Adult Social Care

	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Named Schemes					
Accommodation for Vulnerable People	2,000	2,000	2,000	-	6,000
Total Named Schemes	2,000	2,000	2,000	-	6,000
Total Adult Social Care	2,000	2,000	2,000	-	6,000

Economic Development, Waste & Recycling

	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Named schemes					
Courtauld Road Improvements	4,000	-	-	-	4,000
Transfer Stations	17,776	538	-	-	18,314
Shalford Gas Control Systems	40	-	-	-	40
Redevelopment of Shrub End Recycling Centre for Household Waste, Colchester	30	1,300	160	-	1,490
Total Named Schemes	21,846	1,838	160	-	23,844
Blocks					
Integrated County Strategy	7,000	5,000	4,000	4,000	20,000
Landfill Restoration, Remediation & Landscaping	1,300	-	-	-	1,300
Perimeter Fencing Security	-	8	8	-	16
Total Blocks	8,300	5,008	4,008	4,000	21,316
Total Economic Development, Waste & Recycling	30,146	6,846	4,168	4,000	45,160

Children's Services

	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Blocks					
ICS Systems Rationalisation	50	-	-	-	50
Total Blocks	50	-	-	-	50
Total Children's Services	50	-	-	-	50

Leader

	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Named schemes					
Corporate Complaints System	20	-	-	-	20
Total Blocks	20	-	-	-	20
Total Leader	20	-	-	-	20

Financing of Capital Programme

Financing

	2013-14 Gross Expenditure	2014-15 Gross Expenditure	2015-16 Gross Expenditure	2016-17 Gross Expenditure	Total Gross Expenditure
	£000	£000	£000	£000	£000
Grants	82,184	54,947	49,545	49,596	236,272
Capital receipts	3,932	1,610	1,610	-	7,152
Contributions	22,618	20,729	19,738	3,560	66,645
Borrowing	56,617	30,149	20,064	18,775	125,605
Total Financing	165,351	107,435	90,957	71,931	435,674

Trading Activity Financial Plans

Trading Activity Financial Plans

	Revenue reserve 1 April 2013	Income	Expenditure	(Surplus) / deficit	Appropriations		Revenue reserve 31 March 2014
	£000	£000	£000	£000	To County Revenue Account	To Trading Activity reserve	£000
Schools, Children and Families							
School Support							
School improvement & advisory service	(2,211)	(10,249)	9,029	(1,220)	(271)	(949)	(3,160)
Finance	(217)	(1,609)	1,510	(99)	(42)	(56)	(273)
School staffing insurance scheme	(1,547)	(4,527)	4,527	-	-	-	(1,547)
Customer Services, Environment & Culture							
Library Services	-	(2,140)	1,894	(246)	-	(246)	(246)
Central Services							
Legal Services	(157)	(9,505)	8,032	(1,473)	(1,473)	-	(157)
Smarte East	(83)	(180)	141	(39)	-	(39)	(122)
Information Services infrastructure	(42)	(6,500)	6,500	-	-	-	(42)
Total	(4,257)	(34,710)	31,633	(3,077)	(1,786)	(1,290)	(5,547)

Reserves & Balances

Reserves and Balances

	Balance at 31 March 2012	Balance at 01 April 2013	Estimated contributions	Estimated closing balances 2013-14 Estimated withdrawals / usage	Estimated closing balances	2014-15	2015-16
	£000	£000	£000	£000	£000	£000	£000
General Balance	(63,016)	(54,993)	-	6,157	(48,836)	(48,836)	(48,836)
Earmarked for future use							
General reserves							
Building maintenance	(713)	(713)	-	713	-	-	-
Capital receipts pump priming	(961)	(1,961)	(1,000)	-	(2,961)	(3,961)	(4,961)
Carbon Reduction reserve	(1,536)	(2,955)	(529)	250	(3,234)	(3,763)	(4,292)
Collection Fund Investment Risk	-	-	(4,265)	4,000	(265)	(315)	(365)
Energy Inflation reserve	-	(1,200)	(200)	-	(1,400)	(1,600)	(1,800)
ESF reserve	(2,805)	(2,750)	-	-	(2,750)	(2,750)	(2,750)
Essex Crime & Police Panel	-	(69)	-	-	(69)	(69)	(69)
Essex on-line partnership	(286)	(286)	-	-	(286)	(286)	(286)
Essex Transport Reserve	(417)	(417)	-	-	(417)	(417)	(417)
Health and Safety reserve	(969)	(648)	-	-	(648)	(648)	(648)
Insurance	(6,883)	(6,883)	-	-	(6,883)	(6,883)	(6,883)
LAA performance reserve	(1,833)	(1,833)	-	1,000	(833)	(833)	(833)
Newton bequest reserve	(119)	(119)	-	-	(119)	(119)	(119)
Partnerships	(1,780)	(1,708)	-	-	(1,708)	(1,708)	(1,708)
Pensions reserve	-	-	(5,000)	-	(5,000)	(5,000)	(5,000)
Personal Care reserve	-	(3,483)	-	1,200	(2,283)	(2,283)	(2,283)
Procurement	(24)	(24)	-	24	-	-	-
Quadrennial Elections reserve	(506)	(1,006)	(500)	1,019	(487)	(987)	(1,487)
Redundancy reserve	(3,600)	(11,043)	-	48	(10,995)	(10,811)	(10,595)
Severe weather reserve	(252)	(252)	-	252	-	-	-
Street lighting reserve	(476)	(476)	-	476	-	-	-
Tendring PPP	(422)	(422)	-	-	(422)	(422)	(422)

Reserves and Balances

	Balance at 31 March 2012	Balance at 01 April 2013	Estimated contributions	Estimated closing balances 2013-14 Estimated withdrawals / usage	Estimated closing balances	2014-15	2015-16
	£000	£000	£000	£000	£000	£000	£000
Trading activities	(3,380)	(4,257)	(1,291)	-	(5,548)	(6,839)	(8,130)
Transformation Reserve	(17,006)	(19,450)	(13,000)	7,011	(25,439)	(27,013)	(30,013)
Future capital funding							
General	(3,634)	(10,228)	(8,475)	-	(18,703)	(23,005)	(28,344)
Bellhouse landfill	(61)	(61)	-	-	(61)	(61)	(61)
Historic Buildings reserve	(120)	(120)	-	-	(120)	(120)	(120)
Equalisation Reserves (committed to current & future schemes)							
PFI reserves							
A130 PFI	(57,399)	(57,664)	-	949	(56,715)	(55,766)	(55,766)
Clacton secondary schools' PFI	(3,824)	(4,012)	(188)	-	(4,200)	(4,388)	(4,576)
Building schools for the future PFI	(2,185)	(2,185)	-	-	(2,185)	(2,185)	(2,185)
Debden PFI	(4,683)	(4,432)	-	251	(4,181)	(3,930)	(3,930)
Waste reserve	(44,054)	(61,621)	(21,423)	-	(83,044)	(94,444)	(103,225)
Grants equalisation reserve	(10,149)	(9,233)	-	-	(9,233)	(9,233)	(9,233)
Schools (not available for ECC use)	(50,320)	(50,320)	-	-	(50,320)	(50,320)	(50,320)

2013/14 Prudential Indicators, Treasury Management Strategy and MRP Policy

1 Introduction

This section of the Budget report is presented in compliance with statutory regulations and Codes of Practice that require the Council to compile:

- Prudential indicators that are intended to demonstrate that the borrowing the Council plans to undertake for capital financing purposes is at a prudent, affordable and sustainable level;
- A treasury management strategy that explains how the Council's cash flows, borrowing and investments will be managed;
- A policy that explains how the Council will discharge its duty to make prudent revenue provision for the repayment of debt.

Further detail is provided in the following paragraphs.

2 Prudential indicators

2.1 Context

The Council is required by regulation to comply with the CIPFA Prudential Code when assessing the affordability, prudence and sustainability of its capital investment plans.

Fundamental to the prudential framework is a requirement to set a series of prudential indicators. These indicators are intended to collectively build a picture that demonstrates the impact of the Council's capital expenditure plans upon the revenue budget and upon borrowing and investment levels, and explain the overall controls that will ensure that the activity remains affordable, prudent and sustainable.

A summary of the Prudential Indicators for the period 2011/12 through to 2016/17 is provided in **Annex A**. Explanatory comments are provided in the following paragraphs.

2.2 Capital Expenditure Plans

Actual capital expenditure and financing sources for 2011/12, together with the original and updated plans for 2012/13, proposals for 2013/14 and the indicative guidelines for the subsequent three years, are summarised in **Annex A**. These capital expenditure proposals are presented in detail elsewhere within the Corporate Business Plan.

2.3 Capital Financing Requirement

A key source of capital financing is borrowing. The Capital Financing Requirement (CFR) provides a measure of the amount of borrowing the Council needs to undertake for capital financing purposes. This measure incorporates past capital expenditure that has yet to be financed from cash resources (*i.e. from capital receipts, capital grants and contributions from the revenue budget*) and the impact of the Council's decision to finance further capital expenditure from borrowing in the current and forthcoming four years. Credit arrangements are also included in the calculation of the CFR because they have the same practical impact as borrowing; credit arrangements are those that enable the Council to acquire the use of assets on deferred payment terms – typical examples include finance leases and 'on Balance Sheet' Private Finance Initiative (PFI) schemes.

The actual CFR for 2011/12 is derived directly from the Council's 2011/12 Balance Sheet; movements in the CFR in subsequent years result from:

- The Council's intention to finance further capital expenditure from borrowing and/or to enter into further credit arrangements (*these both result in **increases** to the CFR*).
- Revenue budget provision being made for the repayment of debt (*which results in a **reduction** to the CFR*).

The actual CFR for 2011/12 and the estimates for the current and subsequent three years are set out in **Annex A**. These estimates show that:

- The element of the CFR related to borrowing will gradually start to diminish after 2014/15; this is because it is currently anticipated that the revenue provision for the repayment of debt will exceed proposals to finance further capital expenditure from borrowing;
- The element of the CFR related to credit arrangements will increase significantly in 2014/15, when it is currently anticipated that a Private Finance Initiative scheme to which the Council is contractually committed will become operational.

These estimates are predicated on the basis that the Government will continue to support local authorities' capital investment via the provision of capital grant, and on the basis that the Council will not undertake significant levels of unsupported borrowing over a sustained period.

2.4 External borrowing

As the Council is only permitted to externally borrow (*including via credit arrangements*) up to the level implied by its Capital Financing Requirement, limits are established for external debt, as follows:

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

The proposed limits, which are set out in **Annex A**, make separate provision for external borrowing and other long term liabilities, and are based upon an estimate of the most likely, prudent, but not worst case scenarios. They allow sufficient headroom for fluctuations in the level of cash balances and in the level of the Capital Financing Requirement.

The authorised limit and operational boundary related to external borrowing are well below the current estimates of the Capital Financing Requirement for borrowing. This position is sustainable because the Council is able to temporarily utilise the cash that has been set aside, such as in earmarked revenue reserves, as a short to medium term alternative to external borrowing. This practice, which is referred to as 'internal borrowing', does not diminish the magnitude of funds held in reserves and balances; the funds are merely being borrowed to defer the need to secure external loans. Further comments on these limits, in the context of the current borrowing strategy, are set out within the Treasury Management Strategy, in paragraph 3.4.

2.5 Ratio of financing costs to net revenue streams

An indication of the trend in the cost of capital is provided by the 'ratio of financing costs to net revenue streams'. This ratio shows the percentage of the annual revenue budget that is being consumed in order to finance the costs of borrowing (i.e. interest and debt repayments, net of investment income).

The actual ratios for 2011/12, and the estimates for the current and forthcoming four years, are provided in **Annex A**. These show that the Council expects to maintain a position where the proportion of the revenue budget used to finance borrowing costs remains largely static.

2.6 Incremental impact on Council Tax

A key measure of the affordability of new capital investment is the impact upon council tax. The prudential indicator for the incremental impact upon council tax (as shown in **Annex A**) therefore shows the council tax at band D that results from continuing with capital schemes started in 2011/12 and earlier years, and the additional amounts that result from commencing new capital projects in the current and subsequent four years.

The Council Tax base reduces significantly with effect from 2013/14, as a consequence of the localisation of council tax support. This reduction in the tax base is responsible for the apparent step increase in the 'incremental impact on council tax' indicators between 2012/13 and 2013/14. However, other changes have taken place alongside the localisation of council tax support, meaning that the loss of council tax income has been largely mitigated by increases in other financing streams; hence, in reality, the proportion of the Budget Requirement being consumed in 2013/14 to fund capital expenditure proposals remains broadly the same as that which applied in 2012/13 and earlier years (as demonstrated by the 'financing and net revenue streams' indicator referred to in paragraph 2.5 above).

The actual impact upon council tax may be lower than that implied by the indicators set out in **Annex A** because:

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

2.7 Treasury Management

The Prudential Code requires the Council to confirm adherence to the principles of the CIPFA Treasury Management Code. This confirmation is provided within the Treasury Management Strategy, as detailed in section 3 below.

3 Treasury Management Strategy

3.1 Introduction

The Prudential Indicators, as summarised in **Annex A** and explained in the previous section, consider the affordability and impact of the Council's capital expenditure proposals; this section considers funding of these decisions.

The Council's treasury activities are strictly regulated by the CIPFA Treasury Management Code and by statutory regulations. One of the key aspects of the Treasury Management Code, and the underlying regulations, is the requirement to produce an annual Treasury Management Strategy. The following paragraphs address this key requirement.

3.2 Economic outlook and interest rates

The economic recession in the UK has been the worst and seen slowest recovery in recent history, although the economy returned to positive growth in the third quarter of 2012. Growth prospects are weak and consumer spending, the usual driving force of recovery, is likely to remain under pressure due to consumers focusing on repayment of personal debt, inflation eroding disposable income, general malaise about the economy and employment fears. However, the primary drivers of the UK economy are likely to remain external. The US fiscal tightening, and continuing Eurozone problems, will depress UK growth and this may result in slippage in the UK's deficit reduction plans.

This challenging and uncertain economic outlook has several key treasury management implications:

- The Eurozone sovereign debt difficulties provide a clear indication of high counterparty risk. This continues to suggest the use of higher quality counterparties for shorter periods of time.
- Investment returns are likely to remain relatively low during 2013/14 and beyond.
- Borrowing interest rates continue to be attractive and may remain relatively low for some time.
- There will remain a 'cost of carry' – that is, any borrowing undertaken that results in a temporary increase in the balances available for investment will incur a revenue loss as borrowing costs will exceed investment returns.

3.3 Borrowing, investment and interest projections

The Council primarily undertakes borrowing in order to finance capital expenditure, although can also borrow for cash management purposes. Separately, the Council has cash backed resources which it has set aside for longer term purposes (such as funds set aside in reserves and balances) that can either be invested or temporarily utilised to defer the need for external borrowing.

A forecast of the amount of external borrowing (*including existing long term loans*) and investment balances for the forthcoming three years, and estimates for interest rates, are provided in **Annex B**. Revenue budget provision for interest payable and receivable in 2013/14 has been determined in accordance with these forecasts.

3.4 Borrowing

Borrowing strategy

As explained in paragraph 2.4, the Council is currently placing heavy reliance on internal borrowing to temporarily finance its CFR (excluding credit arrangements); about **50%** of the CFR is currently financed in this way, and it is proposed to place increased reliance on internal borrowing over the period covered by this strategy. Whilst there are risks attached to this strategy (*i.e. specifically, that the Council may need to secure external loans at a time in the future when interest rates may be less favourable*), substituting internal for external borrowing now would result in the Council holding higher cash balances for investment in the short to medium term; in the current economic climate, the risks associated with heavy reliance on internal borrowing are considered preferable to the risks and costs associated with holding higher cash balances for investment. It also needs to be borne in mind that the Council's underlying need to borrow for capital financing purposes is forecast to diminish in future years anyway (as referred to in paragraph 2.3 above), and hence that reliance on internal borrowing may reduce naturally, without the need for further external borrowing in the medium term.

Whilst it is not anticipated that further external borrowing will be undertaken over the period to 2015/16, the position will be kept under review, and loans will be secured as necessary, or as considered beneficial in view of prevailing circumstances, within the parameters established by the authorised limit and operational boundary for external debt (as set out within **Annex A**).

Opportunities to generate savings by refinancing or prematurely repaying existing debt will also be kept under review. Potential savings will be considered in the light of the current treasury position and the costs associated with such actions.

Maturity structure of borrowing

In order to avoid having large concentrations of debt maturing in any one year, upper and lower limits are proposed in **Annex B** for the maturity structure of borrowing. The purpose of these limits is to ensure that the Council does not have to refinance significant maturing loans at a time when interest rates may be less favourable, and to ensure that the Council maintains sufficient flexibility to vary the level of external debt alongside fluctuations in the Capital Financing Requirement.

For the purpose of setting this indicator, it is assumed that existing Money Market (*Lender option, Borrower option*) loans will mature at the next option date, rather than at the eventual end of the loan term. Option dates are set at fixed intervals during the loan term and enable the lender to renegotiate the terms of the loan; in the event that the lender proposes a variation to the terms of the loan, the Council has the option to repay the loan prematurely, without penalty.

Interest rate exposure

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

Performance indicators

Whilst it is not currently anticipated that further external loans will be secured over the period covered by this Strategy, if long term borrowing is undertaken, performance will be assessed against the average PWLB rate for the year for the applicable loan type and interest rate banding; the aim being to secure new loans at a rate that is equivalent to, or less than, the average rate for the year.

3.5 Investments

Investment strategy

When the Council has surplus cash balances, these will be invested until they are next required. Usually, this means that funds will be invested on a short term basis (up to a maximum period of 364 days), but funds may occasionally be invested for periods beyond 364 days.

The primary objectives, when investing the Council's funds, are firstly to safeguard the principal sums invested; secondly, to ensure adequate liquidity; and lastly, to consider investment returns or yield.

The Council's funds will primarily be invested according to the Secretary of State's definition of **specified investments**, these being sterling deposits made for periods of less than one year, offering high security and high liquidity. Specified investments may include deposits with the UK Government, other local authorities, money market funds and bodies of high credit quality.

Funds may also be invested according to the Secretary of State's definition of non specified investments. **Non specified investments** are undertaken for longer periods, or with bodies that are not of high credit quality. Their sole use in this Strategy is for the purpose of investing funds for periods in excess of one year (i.e. up to the limit set out within **Annex B**).

A lending list will be compiled to include counterparties satisfying the criteria set out within **Annex C**. The lending limits that will be applied to counterparties satisfying these criteria are also set out within **Annex C**. Additional operational market information (e.g. Credit Default Swaps, negative rating watches/outlooks etc) will also be considered before making any specific investment decisions.

The criteria for choosing counterparties set out within **Annex C** provide a sound approach to investing in normal market circumstances. However, the Executive Director for Finance will determine the extent to which the criteria set out within **Annex C** will be applied in practice (i.e. according to prevailing circumstances).

Interest rate exposure

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

Liquidity

Liquidity is defined as having adequate, but not excessive cash resources, borrowing arrangements and overdraft or standby facilities to ensure that funds are available, at all times, for the achievement of the Council's objectives. In this respect, the Council will seek to maintain liquid short term deposits of at least **£10m** available with a week's notice.

Performance

Investment performance will be measured against the Local Authority Seven Day rate (LA7DR); the aim being to achieve investment returns that are equivalent to, or greater than, the average LA7DR for the year (i.e. subject to security and liquidity considerations being fully satisfied).

3.6 Treasury management advisors

The Council recognises that there is value in employing external advisors in order to acquire access to specialist treasury management skills and resources. The Council currently employs Sector in this capacity. Sector provides a range of services to the Council, including technical advice on treasury matters and capital finance issues, economic and interest rate analysis and creditworthiness information. The services received from Sector are subject to regular review.

Whilst Sector provides treasury management advice to the Council, the final decision on all treasury matters remains vested with the Council.

3.7 Other matters

Due to changes in local government funding, including the localisation of council tax support, the introduction of the business rates retention scheme and the consequential changes to Revenue Support Grant, the Council's cash flow profile will differ significantly in 2013/14. The Council will hold higher cash balances during the early months of the year (forecast to peak at around **£440m**), although these balances will obviously diminish as the year progresses. This will inevitably present significant challenges, in particular how to manage such sums without compromising the overarching principle of our investment strategy, which is to give priority to security of funds. Whilst it is anticipated that the counterparty criteria for investments, as shown in **Annex C**, will provide sufficient flexibility and capacity to invest the Council's cash balances during 2013/14, there is a risk that application of these criteria will result in lower investment returns. The counterparty criteria for investments will therefore be kept under close review, and proposals made for changes, if considered necessary during 2013/14.

The Council currently provides treasury management support to Essex Cares Ltd and Library Services (Slough) Ltd. As part of the agreement to provide treasury management support to these organisations, the Council may borrow their surplus funds, or lend to them to cover temporary shortfalls of cash. Any amounts borrowed from, or lent to, these organisations are consolidated on a daily basis with the Council's own cash balances, and the Council invests or borrows on the basis of the net position. The Council charges interest on amounts lent to these organisations, or pays interest on amounts borrowed, in accordance with the terms of a formal agreement between the respective parties.

4 Revenue Provision for the Repayment of Debt Policy

4.1 Introduction

The Council has a statutory duty to make a prudent annual provision, from the Revenue Budget, for the repayment of debt. External debt for this purpose is deemed to represent the sum of borrowing undertaken for capital financing purposes and credit arrangements used to acquire non-current assets under deferred payment terms, such as via finance lease and 'on balance sheet' Private Finance Initiative (PFI) arrangements.

4.2 Revenue Provision for Debt Repayment Policy 2013/14

In accordance with the requirement to make a prudent provision for the repayment of borrowing undertaken for capital financing purposes, the Council will ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by the Government, reasonably commensurate with the period implicit in the determination of that support.

This will be achieved by:

- Applying the **Regulatory Method** to determine revenue provision in relation to borrowing undertaken prior to 1 April 2008, and in relation to government-supported borrowing undertaken since this date. This is consistent with the basis applied to determine the Council's Revenue Support Grant entitlement in relation to government supported borrowing.
- Applying the **Asset Life Method** to determine revenue provision in relation to unsupported borrowing undertaken since 1 April 2008. This method spreads capital expenditure financed from unsupported borrowing over the useful life estimated at the start of the relevant assets' lives (or over a shorter period where use of the standard useful life would not be supportable as prudent). The annual revenue provision is determined using an equal instalment or annuity method.

Revenue provision is chargeable in the first financial year after the relevant capital expenditure is incurred.

In the case of finance leases and on balance sheet PFI contracts, the MRP requirement will be met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability.

Where loans are awarded by the Council that are classified as capital expenditure in accordance with capital financing regulations, the Capital Financing Requirement (CFR) will increase by the amount of the total indemnity. When any such loans are repaid, the amounts received will be

classified as capital receipts. Where these capital receipts will be applied to reduce the CFR, there will be no revenue provision made for the repayment of the debt liability.

The revenue budget provision for Revenue Provision charges in 2013/14 has been compiled on a basis consistent with this policy.

Prudential Indicators (Part1)

Summary of prudential indicators		2011-12 Actual	2012-13		2013-14 Estimate	2014-15 Forecast	2015-16 Forecast	2016-17 Forecast
			Original Estimate	Updated Estimate				
Capital expenditure & financing								
Capital Expenditure	£m	195	194	138	165	107	91	72
Capital Financing								
Borrowing (unsupported)	£m	9	61	34	57	30	20	19
Grants and contributions	£m	157	131	100	104	75	69	53
Capital receipts and earmarked reserves	£m	29	2	4	4	2	2	-
Total capital financing	£m	195	194	138	165	107	91	72
Capital financing requirement								
Capital financing requirement (CFR)								
Opening CFR	£m	864	1,001	861	927	949	1,055	1,039
Add								
Additional borrowing	£m	9	61	34	57	30	20	19
Additional credit liabilities (PFI / Finance leases)	£m	22	4	66	-	110	-	-
		895	1,066	961	984	1,089	1,075	1,058
Less								
Revenue provision for debt repayment	£m	(34)	(37)	(34)	(35)	(34)	(36)	(35)
Capital Financing Requirement	£m	861	1,029	927	949	1,055	1,039	1,023
Analysis of the Capital Financing Requirement								
Supported borrowing and pre 2008/09 unsupported borrowing	£m	600	577	576	553	531	509	489
Unsupported borrowing (2008/09 and later)	£m	121	202	149	197	219	230	240
Sub total - borrowing	£m	721	779	725	750	750	739	729
Credit arrangements (PFI / Finance leases)	£m	140	250	202	199	305	300	294
Total	£m	861	1,029	927	949	1,055	1,039	1,023
Gross borrowing and the CFR								
Medium term forecast of CFR	£m	949	1,014	1,055	1,039	1,023	988	954
Forecast external debt (long term) and credit arrangements	£m	503	688	561	551	657	655	642
Headroom	£m	446	326	494	488	366	333	312

Prudential Indicators (Part 2)

Summary of prudential indicators		2011-12 Actual	2012-13		2013-14 Estimate	2014-15 Forecast	2015-16 Forecast	2016-17 Forecast
			Original Estimate	Updated Estimate				
External debt								
Authorised limit								
Borrowing	£m	530	570	470	530	560	590	610
Other long term liabilities	£m	250	250	230	230	331	330	330
Total authorised limit	£m	780	820	700	760	891	920	940
Operational boundary								
Borrowing	£m	440	470	370	370	370	370	370
Other long term liabilities	£m	200	200	210	200	310	300	300
Total operational boundary	£m	640	670	580	570	680	670	670
Actual external debt (incl. credit arrangements)	£m	508	N/A	N/A	N/A	N/A	N/A	N/A
Financing & net revenue streams								
Net revenue streams excl. gen. govnt grants	%	5.1%	6.0%	5.0%	4.8%	4.9%	5.0%	5.1%
Net revenue streams incl. gen. govnt grants	%	5.0%	5.5%	4.5%	4.7%	4.8%	4.8%	4.9%
Incremental impact on Council Tax								
Effect of capital schemes starting in:								
2011/12 and earlier years	£	£76.72	£81.73	£86.24	£100.68	£98.02	£94.80	£92.73
2012/13	£	-	£0.52	£0.46	£2.66	£4.11	£4.82	£5.45
2013/14	£	-	-	-	£0.68	£3.31	£5.72	£6.96
2014/15	£	-	-	-	-	-	-	-
2015/16	£	-	-	-	-	-	£0.22	£1.13
2016/17	£	-	-	-	-	-	-	-
2017/18	£	-	-	-	-	-	-	-
Total	£	£76.72	£82.25	£86.70	£104.02	£105.44	£105.56	£106.27

Treasury Management Summary

Treasury Management Summary		2012-13 Latest Estimate	2013-14 Estimate	2014-15 Forecast	2015-16 Forecast
Estimated debt and investments					
Investments (estimated balance at each 31st March)	£m	150	160	190	240
External debt (operational boundary for borrowing)	£m	370	370	370	370
Expected movement in interest rates					
Bank Rate (at each 31st March)	%	0.50%	0.50%	0.75%	1.75%
PWLB (borrowing) rates					
5 year	%	1.70%	1.60%	1.90%	2.60%
10 year	%	2.70%	2.60%	2.90%	3.60%
25 year	%	3.90%	3.80%	4.10%	4.70%
50 year	%	4.10%	4.00%	4.30%	4.90%
Source:	Sector (December 2012)				
Effect of 1% increase in interest rates					
Interest on borrowing	£000		-		
Interest on investments	£000		(2,440)		
Interest attributed to reserves & balances	£000		2,270		
Interest attributed to other bodies	£000		290		
Net total	£000		120		
Borrowing requirement (external borrowing)	£m	-	-	-	-
Interest rate exposures					
Upper limits for exposure to fixed rates					
Net exposure	£m	470	530	560	590
Debt	%	100%	100%	100%	100%
Investments	%	100%	100%	100%	100%
Upper limits for exposure to variable rates					
Net exposure	£m	140	150	160	170
Debt	%	30%	30%	30%	30%
Investments	%	100%	100%	100%	100%
Maturity structure of borrowing (upper limit)					
Under 12 months	%	40%	40%	40%	40%
12 months and within 24 months	%	40%	40%	40%	40%
24 months and within 5 years	%	60%	60%	60%	60%
5 years and within 10 years	%	60%	60%	60%	60%
10 years and within 25 years	%	60%	80%	80%	80%
25 years and within 40 years	%	50%	50%	50%	50%
40 years and within 50 years	%	50%	50%	50%	50%
50 years and above	%	20%	20%	20%	20%
Maturity structure of borrowing (lower limit)					
All maturity periods	%	0%	0%	0%	0%
Total sums invested for more than 364 days					
Upper limit for sums invested for more than 364 days	£m	50	50	50	50
Actual sums invested for more than 364 days (maximum)	£m	5	N/A	N/A	N/A

Counterparty Criteria for Investments

1. Context

In order to minimise the risk to investments, the Council stipulates the minimum acceptable credit quality of counterparties for inclusion on its lending list by reference to the ratings, watches and outlooks published by all three ratings agencies (namely Fitch, Standard and Poor and Moody's).

The matters considered by these agencies when assigning their ratings include financial institutions' ability to meet their liabilities in the short and longer term, their financial strength or viability and the extent to which they might receive support from a third party; not all agencies assign ratings in each of these key areas though. The ratings assigned by these agencies are applicable worldwide; hence the risk of investing with two different counterparties that have similar ratings is the same, irrespective of their country of origin.

Definitions of the credit ratings of the three main credit ratings are not reproduced within this report, but are available upon request.

2. Banks and building societies

The Council will only invest its funds with UK banks and building societies, and non UK banks domiciled in a country with a minimum sovereign rating of **AA**, that have credit ratings equivalent to, or better than, the following:

Rating category	Credit rating agencies		
	Fitch	Standard and Poor's	Moody's
Short term rating	F1	A-1	P-1
Long term rating	A	A	A2
Viability / financial strength rating	a	-	C
Support rating	3	-	-

The above ratings will be used to determine the pool of counterparties with whom the Council can transact for term/call deposits and certificates of deposit.

Where counterparties are rated by more than one credit rating agency, the lowest ratings will be used to determine whether or not they are included on the counterparty list. However, financial institutions will only be considered for

inclusion in the 'counterparty pool' if they have a credit rating in each of the four rating categories outlined above.

The criteria outlined above will ensure that the Council's funds are only invested with high quality counterparties.

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

For group organisations, the viability / financial strength rating of the group will be used if an individual entity does not have a viability rating.

Non UK financial institutions must possess a minimum viability / financial strength rating of **a+**.

Credit ratings are continually monitored, with changes in credit ratings being notified by the Council's treasury management advisors. Counterparties will be removed from the Council's lending list in the event that they receive a downgrading to their credit rating status below the minimum criteria outlined above.

Counterparties that are placed on 'negative ratings watch' will remain on the Council's lending list at the discretion of the Executive Director for Finance, in consultation with the Cabinet Member for Finance and the Transformation Programme.

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

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

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

4. Bank subsidiaries and treasury operations

Bank subsidiaries and treasury operations which do not have a full set of credit ratings can only be included in the counterparty 'pool' if the parent bank has the necessary ratings outlined in paragraph 2 above. In addition, the subsidiary must itself have short and long term ratings meeting the above criteria or have an unconditional guarantee from the parent bank.

5. Money Market Funds

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

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

The Council will only use MMFs with an **AAA** credit rating that are denominated in sterling and regulated within the EU.

6. UK Government

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

7. Other local authorities

Other local authorities are included within the counterparty 'pool'. However, the amount that can be invested will be determined with regard to their size. For this purpose, top tier local authorities will include county councils, unitary and metropolitan authorities and London Boroughs and lower tier local authorities will include district / borough councils and police and fire authorities.

8. Time and monetary limits applying to investments

The time and monetary limits for counterparties satisfying the criteria outlined in the previous paragraphs will be determined with reference to the counterparties' short and long term credit ratings (or to other criteria where applicable), as outlined in the table overleaf. Notwithstanding these limits, the Executive Director for Finance will ensure appropriate operational boundaries are in place to avoid over exposure in any particular country, sector or group.

Time and monetary limits

Counterparty type	Short and long term credit rating criteria						Investment Limit £m	Maximum duration (No. years)
	Fitch		Standard & Poor's		Moody's			
	Short term	Long term	Short term	Long term	Short term	Long term		
UK Banks & building societies	F1+	AA-	A-1+	AA-	P-1	Aa3	70	3 years
	F1	A	A-1	A	P-1	A2	60	1 year
UK banks & building societies (nationalised)							60	1 year
Non UK financial institutions	F1	A	A-1	A	P-1	A2	35	1 year
'AAA' rated Money Market Funds							50	1 year
UK Government							No limit	1 year
Local authorities - upper tier							50	3 years
Local authorities - lower tier							35	3 years

Essex County Council.

Pay Policy Statement 2013-14.

[Draft for approval by Council. Changes from 2012-13 approved version are marked in track change style.]

1. Introduction

Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for 2012/13 and for each subsequent financial year.

The pay policy statement must include:

- The authority's policy on the level and elements of remuneration for each chief officer.
- The authority's policy on the remuneration of its lowest paid employees.
- The authority's policy on the relationship between the remuneration of its chief officers and other officers.
- The authority's policy on other specific aspects of chief officer remuneration such as remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

The Act defines remuneration widely as:

- Pay.
- Charges.
- Fees.
- Allowances.
- Benefits in kind.
- Increases/enhancement of pension entitlement.
- Termination payments.

The Act also requires that the pay policy statement:

- Must be approved formally by Council.
- Must be approved by the end of March every year.
- Can be amended in year by Council.
- Must be published on the local authority's website.
- Must be complied with.

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2. Determination of Grade

ECC policy is to evaluate all job roles covered by the NJC for Local Government Services and under local pay arrangements using:

- Local Government Single Status Job Evaluation Scheme – Bands 1-4.
- HAY Job Evaluation Scheme – Bands 5-13.

No evaluation process exists for Soulbury or Youth & Community conditions, but employees are placed within Nationally Defined grading structures.

Both job evaluation schemes used are substantial schemes used Nationally and Internationally, and provide the basis for grade determination based upon a range of established factors.

As a result, the grades of the most junior and senior roles in ECC are determined by job evaluation.

3. Background

ECC Policy is that remuneration at all levels of Essex County Council (the lowest to the highest paid employees) must be sufficient to attract, appoint and retain high quality employees while at the same time recognising that pay and benefits are met from public funds.

Pay policy at ECC is to apply National Conditions to roles at the Administrative, Technical and Clerical levels, and local pay and conditions to middle and senior management levels.

The National pay agreement in 1997, known as the Single Status Agreement, required local authorities to reduce the working week of former “blue collar” workers and to introduce a single pay spine for all employees (to replace the separate grading structures that existed). Following negotiation with the trade unions, ECC achieved Single Status in June 2001 and created a broad banded grading structure as follows:

- Band 1 – national spinal points 4 -10.
- Band 2 - national spinal points 11 -16.
- Band 3 - national spinal points 17 – 25.

- Band 4 - national spinal points 26 – 34.

Above this point, the national spine was retained for middle managers for a period of time while senior managers remained contracted on local pay arrangements.

In July 2007, following a commissioned grading review undertaken for ECC by the HAY Group, local pay arrangements were refreshed and Bands 7-13 created with wide pay scales subject to performance pay arrangements. From January 2008 this scheme was extended on a voluntary basis to middle managers who were able to opt in to newly formed Bands 5 & 6, and by November 2010 all employees at this level were employed on local arrangements.

As a result, while the bulk of the workforce remain employed on National Conditions as determined by the National Joint Council for Local Government Services or other national conditions for smaller employee groups as determined by the Joint National Council for Youth & Community Workers and the Soulbury Committee, a significant proportion are now employed on local pay arrangements.

The values of the incremental points contained within Bands 1-4 (and other National grading structures such as Soulbury and Youth & Community) are as determined by national negotiations between the Local Government Employers and the trade unions. Pay claims, generally on an annual basis, are submitted by the trade unions and considered by the Local Government Employers (following consultation with local authorities). ECC Policy is to adopt any changes made to salary scales arising from National negotiation. No changes to the values of the National incremental spine due to cost of living awards have taken place, however, since April 2009.

Local performance pay grades are benchmarked against the HAY London & South East Industrial and Service market. The grading structure applied comprises broad salary bands with no incremental points and all employees are appointed at a spot salary.

The local performance pay grades applied are revisited from time to time to ensure they remain benchmarked against the identified market. Since introduction in July 2007 the salary ranges have been adjusted only once with effect from April 2010. No cost of living awards are applied to these salary ranges.

Details of the grading structure for Bands 1-13 are shown at Appendix A.

4. Definition of Lowest and Highest Paid Employees

As stated above, ECC Policy is that all grades applied to posts are determined by job evaluation and, subject to the results of evaluation, pay ranges fall within National Conditions or local performance pay arrangements.

The lowest paid employees fall within posts evaluated at Band 1, which comprises points 4 to 10 of the National Joint Council for Local Government Services pay spine (see Appendix A for values).

Other than the post of Chief Executive, the highest paid posts within ECC fall within posts evaluated at Band 13 (see Appendix A for values).

The relationship between pay at the lowest and highest levels at ECC is therefore controlled by job evaluation.

5. Pay Ratios

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

For the financial year 2012/13 this ratio was 1:8.9.

6. Publication of Pay Data

The Council complies with Data Protection Act obligations and will only publish information about an individual officer's pay where it is required to do so by law. In accordance with the Accounts and Audit (England) Regulations 2011 the Council will publish, with the accounts, pay information about individual posts for the Chief Executive and the Corporate Leadership Team members (the Regulations list Chief Officer posts whose pay must be published by reference to individual job title, but presently these posts are all on the Corporate Leadership Team).

In relation to officers whose salary is over £150,000 per annum (pro rata for part time officers) the Council's accounts will note their pay by reference to their name and job title as required by Regulations. In relation to other officers of the Council, including Deputy Chief Officers, pay information is published relating to salaries of £50,000 or more by reference to total numbers within bands (grouped in bands of £5,000).

In the accounts for 2012/13 the Council will publish information about exit packages. This information is given by reference to total numbers within bands (of £20,000 up to £100,000 and thereafter £50,000 bands).

7. Pay Policy upon Appointment

ECC Policy is that there is no restriction upon points at which new recruits should be appointed, and appointing managers or Members may use any point within the evaluated salary scale to recognise a successful applicant's experience, qualification, technical knowledge, technical skills and market value.

Where previously identified and approved, a salary supplement may be applied.

8. Governance

ECC Policy is to delegate authority for decision making to the appropriate level and to detail such delegations within the Constitution.

Under ECC's Constitution, the Chief Executive has delegated authority to appoint, dismiss and determine pay for all employees except where this function is specifically delegated to Members. Power is delegated by the Chief Executive to other officers to appoint and dismiss staff in most cases.

Members, forming the Committee to determine the Conditions of Employment of Chief & Deputy Chief Officers, have authority to recommend to full Council the appointment of the Head of the Paid Service, to appoint and dismiss Chief and Deputy Chief Officers and to consider and approve the recommendations of the Chief Executive and the Leader of the Council in respect of performance payments for Tier 1 Officers. A Remuneration Panel had been formed comprised of independent persons to advise on executive pay.

9. Pay Progression and Links to Performance Management

Since achieving Single Status in 2001, and in agreement with the trade unions, all pay progression at ECC has been subject to performance whether under National Conditions or local performance pay arrangements.

ECC Policy is to operate a five factor performance management scheme (branded as 'my performance') and performance outcomes are directly linked to reward.

The performance review year runs from 1 April until 31 March. Stretching objectives and values and behaviour statements will need to be in place within two months of the start of each review year (by 31 May) in order to ensure that employees have a clear idea of what is expected of them in order to achieve a specified level of reward.

Objectives should be contained within a 'my performance' contract and be stretching, SMART and link to the Corporate Plan, Service and Team Plans.

The scheme rewards only effective performance; ineffective performance is not rewarded. Performance outcome ratings of Level 1 (Not Met) and Level 2 (Part Met) will not attract any reward. Performance outcomes of Levels 3 (Fully Met), Level 4 (Exceeds) or Level 5 (Exceptional) may attract a base pay increase (in the form of an increment under National Conditions or expressed as a percentage of salary under local performance pay arrangements).

The scheme provides for bonus opportunity under local performance pay arrangements only. Performance outcomes of Level 4 (Exceeds) or Level 5 (Exceptional) may attract a bonus payment (expressed as a percentage of salary).

Levels of base pay increase and bonus payments are determined by ECC annually taking into account market conditions, benchmarking data and affordability. This decision may also result in a base pay freeze, a bonus freeze, or both. Policy allows the application of different arrangements for separate grading groups.

Guidance on the distribution of performance awards is based upon that expected in a highly performing organisation. This **does not** take the form of a "forced" distribution and guidance is as follows:

- Not Met – 5% of eligible employees.
- Part Met – 10% of eligible employees.
- Fully Met – 60% of eligible employees.
- Exceeds – 20% of eligible employees.
- Exceptional – 5% of eligible employees.

10. Other Reward Mechanisms

(a) In Year Adjustments – Local Performance Pay

Where a post has been evaluated as within locally determined performance pay grades (Bands 5-10), a Policy has been established and agreed by Corporate Leadership Team to consider business cases for in year adjustments to base pay.

Such cases are expected to be minimal, and will need to meet established criteria.

The governance arrangements to approve submitted business cases are as follows:

- Employees within Bands 5-10 (excluding direct reports) – decision to be made by Director unless recommendation exceeds a 10% increase.
- CLT Direct reports – decision to be made by the Chief Executive.
- Any case where recommendation is for an increase in excess of 10% - decision to be made by the Chief Executive.
- In the event that a salary adjustment in year needs to be applied to a member of the Corporate Leadership Team, this matter to be submitted to the Committee to determine the Conditions of Employment of Chief & Deputy Chief Officers to consider.

(b) Career Progression Schemes

A number of Career Progression Schemes have been developed and implemented within Services for posts graded within Bands 1-4 only (National Conditions).

Policy is that such schemes allow accelerated incremental progression dependent upon employees achieving specified qualifications and experience and, depending upon the terms of the scheme, may allow two reviews to take place in a one year period.

(c) Salary/Market Supplements

As a general rule, the National and benchmarked local performance grades provide relevant and adequate compensation to attract and retain employees for the majority of posts and the necessity to apply a salary supplement should not exist.

Policy is that there may be specific circumstances, however, where an additional market supplement may be required to either attract hard to recruit categories of employees or to retain such employees within the employment of ECC. Such a

case currently exists with posts of Social Worker, where there is a National shortage of applicants and the evaluated grade of posts does not compare to recruitment packages at competitor local authorities.

In all cases a business case will need to be developed to support the payment of market supplements. The business case will need to be approved by the relevant Executive Director and the Executive Director for Transformation. Contracts of employment should reflect the nature and duration of the salary supplement. All market supplements applied should be kept under review and withdrawn should the recruitment position improve.

(d) Pay Protection

ECC has a pay protection Policy which provides a mechanism to assist employees to adjust to a reduction in pay arising from organisational change, job evaluation or redeployment.

Pay is protected for a period of 18 months following which the employee reverts to a level of pay within the new substantive grade.

(e) Allowances

ECC has determined a range of Flat Rate Allowances to replace a number of premium payments available under National Conditions. These Allowances were negotiated and agreed with trade unions under the Single Status Agreement.

In some cases, allowances available under the National Conditions remain in place.

(f) Pension

ECC operates the Local Government Pension Scheme and the Teachers Pension Scheme and makes pension contributions as required to all employees who elect to participate in either scheme. Both pension schemes are compliant with Pension Automatic Enrolment legislation.

ECC has determined **and published** policies around the discretions available under the LGPS.

(g) Lease Car Scheme

ECC operates a lease car scheme, and Policy is that employees at any level within the organisation may be offered participation within the scheme.

Such participation is not subject to seniority and depends entirely upon business need.

(h) Lease Car Cash Alternative Payment

ECC Policy is that employees occupying roles graded at Band 8 and above may either participate in the ECC car leasing scheme without having to demonstrate business need, or receive a cash payment as an alternative.

(i) Private Medical Health Insurance

ECC Policy is that employees occupying roles graded at Band 7 and above may receive Private Medical Health Insurance cover. Upon application, cover is provided for employee and spouse or employee and children.

Employees may upgrade to family cover at their own additional expense. Such cover provides a Benefit in Kind and is included in P11D statements resulting in a tax liability for participating employees.

(j) Childcare Vouchers

ECC Policy is that all permanent employees may participate in the Childcare Voucher scheme through a salary sacrifice arrangement.

(k) Cycle to Work Scheme

ECC Policy is that all permanent employees may participate in the Cycle to Work scheme through a salary sacrifice arrangement.

11. Chief Officer Salaries 2012/13

The Council Policy on the recruitment of Chief Officers is as detailed at paragraphs 7 and 8 of this Statement.

The salary packages applied to posts of Chief Officer and other designated roles for the financial year 2011/12 are published on the Council website **within the Statement of Accounts**.

12. Appointments to Designated Roles 2012/13

The Council Policy on the recruitment of Chief Officers is as detailed at paragraphs 7 and 8 of this Statement.

13. Early Retirement/Termination of Designated Roles 2012/13

The Council Policy on the termination of Chief Officers is as detailed at paragraph 8 of this Statement and within the Constitution.

ECC early retirement Policy is that requests for early payment of benefits will be agreed (before the age of 60) only if there is a compelling business reason for doing so.

14. Compromise Agreements

In exceptional circumstances to avoid or settle a claim or potential dispute, ECC may agree payment of a settlement sum. All cases must be supported by a business case and take account of all legal, financial, contractual and other responsibilities.

Document description

Title	Pay Policy Statement 2013-14
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Approved by	

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Appendix A – Salary Ranges Bands 1 - 13

Grade		Point	Annual £
NJC/Band 1		4	12144
		5	12312
		6	12486
	Mid Capped	7	12789
		8	13188
		9	13590
		10	13875
NJC/Band 2		11	14733
		12	15042
		13	15444
	Mid Capped	14	15726
		15	16053
		16	16440
		17	16830
NJC/Band 3		18	17163
		19	17802
		20	18453
	Mid Capped	21	19125
		22	19623
		23	20199
		24	20859
		25	21519
NJC/Band 4		26	22221
		27	22959
		28	23706
		29	24645
	Mid Capped	30	25473
		31	26277
		32	27051
		33	27849

		34	28638
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Band	Minimum	Maximum
Band 5	£28,500	£50,400
Band 6	£35,500	£59,500
Band 7	£46,000	£69,100
Band 8	£55,000	£85,500
Band 9	£66,000	£103,000
Band 10	£78,000	£121,300
Band 11	£94,000	£136,500
Band 12	£98,000	£149,400
Band 13	£135,000	£197,000
Chief Executive	Spot Salary	£210,000

		AGENDA ITEM 5
		ES/02/13
Committee:	Executive Scrutiny Committee	
Date:	29 January 2013	
<u>2012/13 FINANCIAL OVERVIEW AS AT THIRD QUARTER STAGE</u>		
Enquiries to:	Margaret Lee, Executive Director for Finance 01245 431010 Margaret.lee@essex.gov.uk	

The attached report (FP/987/12/12) was considered at Cabinet on 22 January 2013. The report is being submitted to the Committee given that one of its specified roles is “scrutinising the revenue and capital outturns”.

Issues for the Committee to consider

Some potential questions are set out below, which the Committee might find useful in its scrutiny role. (They have been deliberately framed in such a way as to make them applicable to a review of all outturn reports rather than being specifically tailored to this particular report.)

1. Does the report provide an adequate summary of the authority’s financial stewardship?
2. Do the report and the decisions taken by the Cabinet Member demonstrate that the policy aims of the Council are being met – has the link been made between policy and spend?
3. Are there any issues where further information or clarification is necessary in order to understand what has occurred and its implications?
4. Does the report highlight any issues that raise concerns about the financial control and financial standing of the authority?
5. Are there any issues that have potential ongoing significance?
6. In the light of the above questions does the Committee require a more detailed review and associated report on any issues?

Report to Cabinet	Forward Plan reference number
Report of Cllr David Finch	FP/987/12/12
Date of meeting 22/01/13	County Divisions affected by the decision <i>All divisions</i>
Title of report: 2012/13 FINANCIAL OVERVIEW AS AT THE THIRD QUARTER STAGE	
Report by Cllr David Finch, Deputy Leader and Cabinet Member for Finance & and the Transformation Programme	
Enquiries to Margaret Lee, Executive Director for Finance Extn: 21010 Tel. No: 01245 431010	

1. Purpose of report

The purpose of this report is to provide an updated assessment of the financial position of the Council in 2012/13, based upon the position at the third quarter stage.

2. Recommendations

Decision Areas and Recommendations

- (i) That Cabinet Members note the current revenue outturn forecast, which is a projected under spend for the year of **£25.059m** as detailed in Appendix A (ii). Within this projection the Emergency Contingency of **£8m** is currently assumed fully spent, whilst no usage has as yet been proposed or agreed. If this remains the position at year-end, the underspend will therefore be **£33.059m**
- (ii) Cabinet Members should also note a projected under spend of **£28.306m** against the approved capital payments guideline, after proposed adjustments.
- (iii) It is recommended that approval is given to appropriate:
 - a. **£408,000** to the Waste Reserve from Health and Well Being Portfolio.
 - b. **£55,000** to the Transformation Reserve from Deputy Leader Recharged Support Services (Human Resources) Portfolio.
 - c. **£354,000** to the Transformation Reserve from Leader Portfolio.
 - d. **£421,000** to the General Balance from Deputy Leader Recharged Support Services (Information Services).
 - e. **£899,000** to the A130 PFI Reserve from Highways and Transportation Portfolio.
 - f. **£1.360m** to the Future Capital Funding Reserve from Highways and Transportation Portfolio.
 - g. **£200,000** to the Transformation Reserve from Highways and Transportation Portfolio.

- h. **£320,000** to the Transformation Reserve from Economic Growth and Waste and Recycling Portfolio.
 - i. **£500,000** to the General Balance from Deputy Leader Recharged Support Services (Asset Management) Portfolio.
 - j. **£602,000** from the Redundancy Reserve to Deputy Leader Recharged Support Services (Information Services).
 - k. **£104,000** to the General Balance from Customer Services, Environment and Culture Portfolio.
 - l. **£90,000** to the General Balance from Deputy Leader Recharged Support Services (Information Services).
 - m. **£97,007** from the Insurance Reserve to the Future Capital Funding Reserve within the Other Operating Costs portfolio.
- (iv) That approval is given to create a net nil budget within the Adult Social Care Portfolio in respect of Assessment and Care Management NE projects as shown on page 5. To be funded by **£666,000** from North East Essex PCT.
- (v) Within the Capital Programme approval is sought for slippage of **£19.188m**, budget additions of **£9.874m**, budget reductions of **£16.123m** and advanced works of **£1.198m**. These are in addition to the budget changes approved in the 2012/13 Half Year Cabinet Report.
- (vi) It is recommended that the net revenue under spend of **£25m**, after proposed actions, is transferred to the general balance, in order to fund the 2013/14 revenue budget. The budget has been drafted on the basis that £25m of this funding is made available on a one-off basis from this source.

The impact upon the capital payment profile of making these changes is summarised in **Appendix C**.

3. Financial Overview

3.1 Revenue

An assessment of the Revenue budget, at the third quarter stage of the 2012/13 financial year, shows a net residual under spend on services of **£25.059m** after taking into account a number of actions recommended in this report.

Comments are included below on the most significant of the variances reported:

Children's Services - £13.977m under spend (compared to £2.690m under spend at the half year stage)

The under spend is predominantly within Externally Commissioned Placements **£6.135m**; £2.305m due to volume reductions in particular reducing Children in Care (CIC) numbers and £1.277m due to lower spend on High Level Family Support and External Supervised Contact; **£2.175m** within the Director of CSC & YOS due to reduced usage of agency staff and recruitment delays and **£3.830m** within Looked After Children.

Other operating costs - £8.010m under spend (compared to £7.400m under spend at the half year stage)

A combination of reduced borrowing to support the 2011/12 capital programme and higher than expected cash balances has led to lower net borrowing costs. The forecast assumes that no external borrowing will be undertaken this year.

Recharged Support Services – Deputy Leader (Transformation Support Unit) - £1.144m under spend (compared to £270,000 under spend at the half year stage)

The forecast includes **£663,000** draw down already approved through CMAs (£540,000 for design and planning of Transformation MKII and £123,000 for Demand management). The remaining **£481,000** under spend is predominately due to staffing under spends as a result of delays in recruitment.

Recharged Support Services – Deputy Leader (Procurement) - £734,000 under spend (compared to £397,000 under spend at the half year stage)

The under spends are mainly within Procurement. **£242,000** is due to the time taken to recruit staff to the new staffing structure and **£186,000** is in Procurement projects as the planned partnership working with Norfolk will now not take place until 2013/14.

Economic Growth and Waste and Recycling – £701,000 under spend (compared to £252,000 under spend at the half year stage)

The under spend is predominately within two areas, Major Project and Infrastructure **£432,000** mainly in Waste Management due to a reduction in the forecast tonnage to landfill; ESH and DCE projects **£320,000**, this relates to the under spends in the systematic Review Project, the above projection includes an adjustment to appropriate the under spend to the Transformation reserve and approval to do so is sought within this report.

Education and 2012 Games - £1.835m over spend (compared to £699,000 over spend at the half year stage)

This over spend is predominately Page 12 of 180
Page 12 of 180
This over spend is predominately due to Education, in particular Home to School transport where a **£3.824m** over spend is forecast, this is due to savings not being

delivered as projects have been delayed to 2013/14, in addition this area have returned £2m of unused carry forward. This over spend is offset by **£2.474m** of under spends predominantly in Special Education Needs (£1.132m) and staffing due to high turnover and recruitment difficulties (£852,000).

Approval is sought in relation to the following actions:

To draw down funds from reserves as follows:

- Deputy Leader Recharged Support Services Information - **£602,000** from the Redundancy Reserve in respect of a CCN agreed by the Outcomes Board; the current over spend in the IS project is caused by the inclusion of the voluntary redundancy figure of £602,000 for the IS restructure.
- Other Operating Costs - **£97,007** from the Insurance Reserve to the Future Capital Funding Reserve for rebuilding costs relating to the Thames Chase Visitor Centre.

To appropriate funds to reserves as follows:

- Waste Reserves - **£408,000** from the Health and Well Being Portfolio in respect of income received from PCTs to support the Community Budgets Health & Wellbeing project.
- Transformation Reserve - **£55,000** from Deputy Leader Recharged Support Services Human Resources Portfolio in respect of the HR backfill that did not materialise to support the Corporate Services Project.
- Transformation Reserve - **£354,000** from Leader Portfolio in respect under spends on the Corporate Services Project, funding approved to develop the FBC has not been fully utilised.
- A130 PFI Reserve - **£899,000** from Highways and Transportation Portfolio in respect of non-materialisation of anticipated additional costs payable to the PFI provider in relation to, Sadler's Farm opening and increasing traffic flows.
- Future Capital Funding reserve - **£1m** from Highways and Transportation Portfolio under spends to fund urgent Highways and Transportation Capital maintenance in particular footways.
- Future Capital Funding reserve - **£360,000** from Highways and Transportation Portfolio under spends to address urgent Capital works on street lighting columns.
- Transformation Reserve - **£200,000** from Highways and Transportation Portfolio in respect of Automatic Vehicle Location (AVL) funding; previously drawn down from the Transformation reserve to bring in the project, this funding will not now be required until the first quarter of 2013/14.
- Transformation Reserve - **£320,000** from Economic Growth and Waste and Recycling Portfolio in respect of under spends in the systematic Review Project.

To return funds to the General Balance as follows:

- Deputy Leader RSS Information Services - **£421,000** carry forward of under spend in respect of a CCN agreed by the Outcomes Board for the IS project.
- Deputy Leader Recharged Support Services Asset Management - **£500,000** carry forward of under spend in respect School condition surveys.
- Customer Services, Environment and Culture Portfolio - **£104,000** carry forward requested for Place Service Consultancy (ecological and natural environment planning and arboricultural services), as the work associated with changing trading services is now very likely to fall to 2013/14, rather than 2012/13 as originally planned.
- Deputy Leader Recharged Support Services Information Services - **£90,000** carry forward of under spend on the ICT training budgets requested; provision of training has been delayed whilst it was upgraded to the new EUC applications in Microsoft 2010.

To create a net nil budget within the Adult Social Care Portfolio in respect of Assessment and Care Management NE projects, funded by **£666,000** from North East Essex PCT.

Appendix A provides a summary, by portfolio, of the current forecast outturn on the revenue budget, and summarises the mitigation proposed regarding the under and over spends that it is proposed are retained and the underlying outturn forecast by portfolio.

3.2 Trading activities

At this stage, it is anticipated that the Trading Activities' will underachieve their planned surplus by **£302,000** as shown in **Appendix B**.

3.3 Capital

The projected under spend on the capital programme totals **£26.295m (16%)** against the latest capital budget of **£164.674m**. Excluding Cash Balances Held by Schools and Devolved Formula Capital, the projected under spend totals **£26.819m (18%)** against a latest budget of **£152.096m**. After accounting for proposed amendments to the programme the residual variance is a projected under spend of **£2.057m** against the latest capital budget of **£152.096m (1%)**. This under spend mainly relates to Local Highways Panel under spends that are not being requested as part of this report.

Approval is sought for slippage of **£19.188m**, budget additions of **£9.874m**, budget reductions of **£16.123m** and advanced works of **£1.198m**. These are in addition to the budget changes approved in the 2012/13 First Quarter and Half Year Cabinet Reports.

The key points to note are:

Deputy Leader, Finance and Transformation

- Property Transformation – Approval is sought to re-profile **£1.376m** for Property Transformation Refurbishment into 2013/14. This is

due to several factors including political challenge, technical, legal and client Target Operating Model dependencies.

Education, Lifelong Learning and 2012 Games

- Capitalised Building Maintenance – Request for the balance of budget of **£553,000** on the 2011/12 Capitalised Maintenance code and **£172,000** from Maldon All Saints to be transferred to 2012/13 Capitalised Maintenance code to cater for deferred projects. There is a risk that the budget might not be fully used before the end of the financial year due to unpredictable nature of reactive maintenance.
- BSF – Approval is sought to reprofile **£1.628m** of the budget into 2013/14 for delays and to reduce the budget by **£996,000** for the ICT budget which is a revenue cost. This is funded by BSF ring-fenced grant.

Highways and Transportation

- Of the £11.468m requested to be re-profiled into 2013/14 £2.766m relates to Local Highways Panels. The remaining £8.702m have S106 funding, external funding or are contractually committed
- Section 106 - Schemes have been re profiled for delivery during 2012/13 and 2013/14. Approval is sought to re-profile **£1.474m** into 2013/14, and make additions of **£22,000** and reductions of **£4.999m** from within the programme.
- Harlow A414 Capacity Improvements - Final scheme costs have indicated a shortfall of £438,000. Approval is sought to transfer **£438,000** from the under-spend on the A13 Passenger Transport scheme. The scheme is now scheduled to commence in early 2013 with a completion date expected summer 2013. Furthermore, due to delays in utility works and final construction associated with the scheme, the majority of physical works will not now commence until next financial year. As a consequence, approval is sought to re-profile **£1.082m** into 2013/14.
- Berechurch Road Highways Improvements - Due to delays in finalising design and agreement with stakeholders, the scheme is now likely to be delivered in 2013/14. To this end, approval is sought to re-profile **£1.700m** into 2013/14.
- Local Highways Panels - As at 5 December 2012, a total of £4.241m had been committed by Panels. Of this £1.475m, is expected to be delivered in 2012/13, with approval sought to re-profile the remaining, committed expenditure of **£2.766m** into 2013/14. At present, £3.759m of the 2012/13 budget is not committed. Further meetings will be held by the Local Highways Panels to seek to identify additional projects against which to allocate this budget. Where further schemes are committed during 2012/13, a request will be made to re-profile this expenditure into 2013/14 in the 2012/13 Outturn Report.

Leader

- Integrated County Strategy – Initial spend is expected to occur early in 2013. Approval is sought to re-profile **£2.000m** into 2013/14.

Schools Balances

- Devolved Formula Capital – Approval is sought to increase the budget by **£523,000** from within the Education budgets to fund an over-commitment on the Devolved Formula Capital budgets.

Approval is sought for other requests, totalling **£7.162m** for slippage, **£2.432m** additions, **£3.231m** reductions and **£1.198m** advanced works.

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

3.4 Balance Sheet

3.4.1 Reserves

Appendix D provides a year end estimate of the position of the earmarked revenue reserves as at the end of November 2012. The year-end balance is estimated to total **£265m**, which is £45m higher than the position at the start of the year. However, it should be noted that **£50m** of this balance relates to schools and therefore cannot be utilised by ECC. A further **£139m** relates to equalisation reserves, i.e. funds that have been set aside in relation to PFI commitments or other long term projects. **£14m** relates to future capital funding; this money is set aside to fund elements of the capital programme. This leaves a balance of **£55m** which is available to the organisation to use. **£10m** of this is in the redundancy reserve and a further **£20m** is in the Transformation reserve. It is anticipated that a significant amount of this funding will be utilised in the forthcoming transformation programme. The balance is held in a variety of reserves which have been specifically set aside to mitigate against specific circumstances or risks, such as **£7m** in the insurance reserve against known and specified risks.

3.4.2 Treasury Management and Prudential Indicators

A summary of the investment and borrowing levels is provided in **Appendix E**.

4. Policy context

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 corporate plan were approved in parallel in February 2012

5. Financial Implications

5.1 Finance and Resources Implications (Section 151 Officer)

The report is authored by the S151 Officer and all actions proposed within this report are within the available funding and are considered appropriate actions to deal with variances arising. Overall, there is a forecast under spend. Given the current economic climate, and the continuing requirement by central government to reduce public spending to contribute to the resolution of the structural deficit, it is important that continued scrutiny is applied at all levels to ensure overall spending stays within budget. This will be particularly important as we go through the winter and are subject to season specific pressures.

6. Legal Implications

The Council is responsible for setting the budget each year at the budget and Council Tax meeting. Once agreed the executive then have to implement the policy framework within that budget. The executive cannot change the budget set by Council. The section 151 officer confirms that nothing in this report constitutes a departure from the budget previously agreed by Full Council.

7. Staffing and other resource implications

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

8. Equality and Diversity implications

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

9. Background papers

Not applicable for this report

REVENUE

2012/13													
	Year to Date			Budget Movement		Forecast Outturn			Variance Plan	Residual Variance	RAG Status	Residual Variance at Half year	Movement in Residual Variance
	Latest Budget	Actual	Variance	Original Budget	Movement	Latest Budget	Outturn Forecast	Forecast Variance					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		£000	£000
Health and Wellbeing	15,283	14,757	(526)	25,344	1,541	26,885	26,293	(592)	(408)	(184)	■	102	(286)
Adults Social Care	211,389	212,727	1,338	316,723	1,483	318,206	318,883	677	-	677	✧	(166)	843
Children's Services													
Dedicated Schools Budget	22,649	27,601	4,952	29,387	6,540	35,927	39,020	3,093	-	3,093	◆	1,652	1,441
Non dedicated Schools Budget	99,846	93,527	(6,319)	155,447	(7,227)	148,220	134,243	(13,977)	-	(13,977)	●	(2,690)	(11,287)
Education and 2012 Games													
Dedicated Schools Budget	(29,827)	(34,694)	(4,867)	(32,171)	(6,187)	(38,358)	(41,801)	(3,443)	-	(3,443)	●	(3,282)	(161)
Non dedicated Schools Budget	40,614	44,166	3,552	56,013	9,826	65,839	67,651	1,812	-	1,812	✧	697	1,115
Lee Valley Park and 2012 Games	2,592	2,250	(342)	3,302	(142)	3,160	3,161	1	-	1	✧	2	(1)
Highways and Transportation	61,731	60,712	(1,019)	90,651	3,632	94,283	91,622	(2,661)	(2,459)	(202)	■	(6)	(196)
Economic Growth & Waste & Recycling	43,623	46,942	3,319	64,813	99	64,912	63,891	(1,021)	(320)	(701)	■	(252)	(449)
Customer Services, Environment and Culture	7,821	9,295	1,474	13,502	548	14,050	13,993	(57)	460	(517)	■	85	(602)
Leader	5,830	5,353	(477)	7,986	1,519	9,505	8,570	(935)	(354)	(581)	●	59	(640)
Communities and Planning	3,879	3,422	(457)	6,238	(40)	6,198	5,627	(571)	-	(571)	●	(471)	(100)
Fire Reinstatement Works	-	(33)	(33)	-	-	-	-	-	-	-	■	-	-
Deputy Leader	12,306	11,858	(448)	17,965	(345)	17,620	17,538	(82)	-	(82)	■	30	(112)
Recharged Support Services													
Highways and Transportation													
Car Provision Scheme	-	139	139	(5)	5	-	80	80	-	80	✧	58	22
Transport Coordination Centre	819	698	(121)	1,228	-	1,228	1,128	(100)	-	(100)	●	(119)	19
Customer Services, Environment and Culture													
Customer Services	3,721	4,951	1,230	3,366	2,176	5,542	6,068	526	-	526	◆	4	522
Leader													
Communications and Customer Relations	1,857	1,918	61	1,954	1,344	3,298	2,991	(307)	-	(307)	●	(210)	(97)
Equality and Diversity	102	87	(15)	209	(55)	154	145	(9)	-	(9)	●	(50)	41
Deputy Leader													
Asset Management	1,321	771	(550)	2,283	(302)	1,981	1,380	(601)	(500)	(101)	●	(142)	41
Democratic Services	451	427	(24)	592	53	645	622	(23)	-	(23)	■	10	(33)
Essex Legal Services	334	450	116	609	-	609	767	158	-	158	◆	90	68
Facilities Management Services	14,080	14,162	82	18,421	2,534	20,955	20,727	(228)	-	(228)	■	(118)	(110)
Finance	8,706	8,003	(703)	11,452	1,690	13,142	12,688	(454)	67	(521)	■	(270)	(251)
Human Resources	3,857	2,943	(914)	6,407	(567)	5,840	5,286	(554)	(112)	(442)	●	(99)	(343)
Information Services	10,885	10,585	(300)	11,712	4,777	16,489	16,580	91	181	(90)	■	(166)	76
Insurance Cost Recovery Account	(283)	(1,255)	(972)	4,644	-	4,644	4,931	287	-	287	◆	167	120
Performance	1,499	1,337	(162)	1,524	724	2,248	2,150	(98)	-	(98)	■	(48)	(50)
Procurement	1,752	1,361	(391)	2,184	749	2,933	2,199	(734)	-	(734)	●	(397)	(337)
Transformation Suppot Unit	3,118	3,424	306	2,275	3,469	5,744	5,292	(452)	692	(1,144)	●	(270)	(874)
Other Operating Costs	11,914	7,922	(3,992)	113,852	(14,810)	99,042	91,032	(8,010)	-	(8,010)	●	(7,400)	(610)
Net Expenditure	561,869	555,806	(6,063)	937,907	13,034	950,941	922,757	(28,184)	(2,753)	(25,431)	■	(13,200)	(12,231)
DSG offset								372	-	372		1,450	(1,078)
ECC Projected Outturn								(27,812)	(2,753)	(25,059)	■	(11,750)	(13,309)
Financed by													
General government grant				(79,764)	(9,210)	(88,975)	(88,975)	-					
General Balance - contribution/(withdrawal)				(2,356)	(3,332)	(5,687)	(5,687)	-					
Revenue Support Grant				(5,226)	-	(5,226)	(5,226)	-					
National non-domestic rates				(269,574)	-	(269,574)	(269,574)	-					
Council tax precept				(581,611)	-	(581,611)	(581,611)	-					
Collection fund surpluses				624	(492)	132	132	-					
Total Financing				(937,907)	(13,034)	(950,941)	(950,941)	-					

Rag Status

- Under spend of less than 5% of the budget
- Under spend of greater than 5% of the budget
- ✧ Over spend of less than 5% of the budget
- ◆ Over spend of greater than 5% of the budget

APPENDIX A (ii)

REVENUE VARIANCE PLAN						
	Unadjusted Variance £000	Virement Requests £000	Carry Forward requests £000	Amounts (to) / from reserve £000	Residual Variance £000	Quarter 2 Residual Variance £000
Health and Wellbeing	(592)			(408)	(184)	102
Adults Social Care	677				677	(166)
Children's Services						
Non dedicated Schools Budget	(13,977)				(13,977)	(2,690)
Education and 2012 Games						
Dedicated Schools Budget	22				22	(180)
Non dedicated Schools Budget	1,812				1,812	697
Lee Valley Park and 2012 Games	1				1	2
Highways and Transportation	(2,661)			(2,459)	(202)	(6)
Economic Growth & Waste & Recycling	(1,021)			(320)	(701)	(252)
Customer Services, Environment and Culture Leader	(57) (935)	57	(104)	507 (354)	(517) (581)	85 59
Communities and Planning	(571)				(571)	(471)
Fire Reinstatement Works Deputy Leader	- (82)				- (82)	- 30
Recharged Support Services						
Highways and Transportation						
Car Provision Scheme	80				80	58
Transport Coordination Centre	(100)				(100)	(119)
Customer Services, Environment and Culture						
Customer Services	526				526	4
Leader						
Communications and Customer Relations	(307)				(307)	(210)
Equality and Diversity	(9)				(9)	(50)
Deputy Leader						
Asset Management	(601)		(500)		(101)	(142)
Democratic Services	(23)				(23)	10
Essex Legal Services	158				158	90
Facilities Management Services	(228)				(228)	(118)
Finance	(454)	(29)		96	(521)	(270)
Human Resources	(554)	(57)		(55)	(442)	(99)
Information Services	91		(421)	602	(90)	(166)
Insurance Cost Recovery Account	287				287	167
Performance	(98)				(98)	(48)
Procurement	(734)				(734)	(397)
Transformation Support Unit	(452)	29		663	(1,144)	(270)
Total	(19,802)	-	(1,025)	(1,728)	(17,049)	(4,350)
Other Operating Costs	(8,010)				(8,010)	(7,400)
Total (including Other Operating Costs)	(27,812)	-	(1,025)	(1,728)	(25,059)	(11,750)

Virement requests listed above are approved through other mechanisms whilst the Customer Services, Environment and Culture amount to reserve of £180,000 already been approved, therefore no subsequent approval is required as part of the 3rd Quarter Report.

REVENUE

TRADING ACTIVITIES

2011/12				2012/13			
Actual		Original Budget	Latest Budget	Outturn Forecast	Variance	Forecast	Variance
£000		£000	£000	£000	£000		%
(24,389)	Income	(18,218)	(30,183)	(29,890)	293		(1%)
22,767	Expenditure	16,303	27,766	27,775	9		0%
(1,622)	(Surplus) / Deficit	(1,915)	(2,417)	(2,115)	302		(12%)
	Appropriations						
(23)	to County Revenue Account	1,876	1,539	1,539	-		-
1,645	to Trading Activity Reserves	39	878	878	(0)		(0%)
-	Net movement on the reserve	-	-	302	302		-

APPENDIX C

CAPITAL

2012/13

	Year to date		Original Budget £000	Budget Movement		Revised Budget £000	Forecast outturn			RAG status
	Actual £000	% spend vs forecast %		Approved changes £000	Approved changes £000		Outturn forecast £000	Forecast variance £000	Forecast variance %	
Adult Social Care	33	9.9%	-	333	-	333	333	-	0.0%	■
Children's Services	177	15.4%	-	1,809	(333)	1,476	1,148	(328)	-22.2%	●
Communities & Planning	713	39.0%	1,500	413	-	1,913	1,830	(83)	-4.3%	■
Customer Services, Environment & Culture	1,127	54.4%	625	1,323	156	2,104	2,070	(34)	-1.6%	■
Economic Growth, Waste & Recycling	472	13.3%	21,339	11,015	(28,288)	4,066	3,539	(527)	-13.0%	●
Education, Lifelong Learning & 2012 Games	32,199	64.6%	40,773	27,459	(14,077)	54,155	49,831	(4,324)	-8.0%	●
Deputy Leader, Finance & Transformation	4,767	44.7%	15,750	4,359	(8,110)	11,999	10,668	(1,331)	-11.1%	●
Health & Wellbeing	-	0.0%	-	-	-	-	-	-	0.0%	■
Highways & Transportation	28,206	50.9%	52,594	26,241	(5,229)	73,606	55,429	(18,177)	-24.7%	●
Leader	-	0.0%	2,000	27	(7)	2,020	-	(2,020)	-100.0%	●
Archived Codes	5	1.2%	-	-	424	424	429	5	1.2%	✧
sub-total ECC Capital Programme	67,699	54.0%	134,581	72,979	(55,464)	152,096	125,277	(26,819)	-17.6%	●
School Balances										
Cash balance held by schools	2,236	100.0%	-	2,236	-	2,236	2,236	-	0.0%	■
Devolved formula capital	4,232	38.9%	-	2,393	7,949	10,342	10,866	524	5.1%	◆
sub-total School Balances	6,468	49.4%	-	4,629	7,949	12,578	13,102	524	4.2%	✧
Total ECC & Schools Capital Programmes	74,167	53.6%	134,581	77,608	(47,515)	164,674	138,379	(26,295)	-16.0%	●
Financed by										
ECC Capital Programme										
Grants			76,891	32,862	(12,331)	97,422	85,364			
Reserves			1,255	56	(9)	1,302	2,615			
Developer contributions			18,875	8,198	(10,104)	16,969	5,750			
Capital receipts			-	1,472	(127)	-	1,969			
Unsupported borrowing			37,560	30,391	(32,893)	35,058	29,579			
Borrowing funded by revenue			-	-	-	-	-			
sub-total ECC Capital Programme			134,581	72,979	(55,464)	152,096	125,277			
School Balances										
Grants			-	4,629	3,499	8,129	8,653			
Unsupported borrowing			-	-	4,450	4,449	4,449			
sub-total School Balances			-	4,629	7,949	12,578	13,102			
Total ECC & Schools Capital Funding			134,581	77,608	(47,515)	164,674	138,379			

Variance plan

Variance Plan	Approved changes						Variance Plan					
Directorate	Slippage	Additions	Reductions	Advanced Works	2012/13 Approved changes	Slippage	Additions	Reductions	Advanced Works	Residual Variance	Total Variance	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Adult Social Care	(7,498)	3,838	(911)	(2)	(4,573)	-	-	-	-	-	-	
Children's Services	18,838	17,606	(9,093)	(2,139)	25,213	(50)	-	(278)	-	-	(328)	
Communities & Planning	(326)	-	-	-	(326)	(83)	-	-	-	-	(83)	
Customer Services, Environment & Culture	(199)	122	(154)	-	(231)	(34)	-	-	-	-	(34)	
Economic Growth, Waste & Recycling	(10,215)	-	(7)	2	(10,220)	(440)	-	-	-	(87)	(527)	
Education, Lifelong Learning & 2012 Games	(21,868)	16,191	(15,924)	1,969	(19,631)	(3,517)	1,273	(3,179)	933	166	(4,324)	
Deputy Leader, Finance & Transformation	2,280	1,464	(25,737)	1	(21,993)	(1,576)	-	(20)	265	-	(1,331)	
Health & Wellbeing	-	-	-	-	-	-	-	-	-	-	-	
Highways & Transportation	(25,836)	-	-	199	(25,638)	(11,468)	2,344	(6,912)	-	(2,141)	(18,177)	
Leader	-	-	-	-	-	(2,020)	-	-	-	-	(2,020)	
Archived Codes	-	424	-	-	424	-	-	-	-	5	5	
Total ECC Capital Programme	(44,824)	39,645	(51,825)	28	(56,976)	(19,188)	3,617	(10,389)	1,198	(2,057)	(26,819)	
School Balances												
Cash balance held by schools	-	-	-	-	-	-	-	-	-	-	-	
Devolved formula capital	-	7,949	-	-	7,949	-	6,257	(5,734)	-	1	524	
Total School Balances	-	7,949	-	-	7,949	-	6,257	(5,734)	-	1	524	
Total ECC & Schools Capital Programmes	(44,824)	47,594	(51,825)	28	(49,027)	(19,188)	9,874	(16,123)	1,198	(2,056)	(26,295)	

■	Under spend of less than 5% of the budget
●	Under spend of greater than 5% of the budget
✧	Over spend of less than 5% of the budget
◆	Over spend of greater than 5% of the budget

APPENDIX C

CAPITAL PROGRAMME DETAILED VARIANCE PLAN

Approval Sought in this Report

Portfolio & Scheme	REQUESTED				2012/13 Residual Variance £000	2012/13 Total Changes £000
	Slippage £000	Additions £000	Reductions £000	Advanced Works £000		
Children's Services						
Aiming High for Disabled Children	-	-	(249)	-	(249)	(249)
Minor Works - Residential Homes	-	-	(29)	-	(29)	(29)
ICS Systems Rationalisation	(50)	-	-	-	(50)	(50)
	(50)	-	(278)	-	(328)	(328)
Communities and Planning						
Gypsies and Travellers	(83)	-	-	-	(83)	(83)
	(83)	-	-	-	(83)	(83)
Customer Services Environment & Culture						
Public Realm	(34)	-	-	-	(34)	(34)
	(34)	-	-	-	(34)	(34)
Economic Growth, Waste & Recycling						
Waste Strategy	-	-	-	-	(87)	(87)
Waste & Recycling	(440)	-	-	-	(440)	(440)
	(440)	-	-	-	(87)	(527)
Education, Lifelong Learning & 2012 Games						
Basic Need	(384)	111	(469)	682	(5)	(65)
Brentwood Endeavour	-	-	-	217	-	217
Broomfield Primary School	(95)	-	-	-	-	(95)
Canvey Skills Centre	(184)	-	-	-	-	(184)
Capitalised Building Maintenance 2012/13	-	725	-	-	-	725
Capitalised Building Maintenance Prior and Future Years	-	16	(728)	-	-	(712)
Colchester Primary Review	(395)	95	(200)	-	-	(500)
Danbury Extension	-	11	-	-	-	11
De La Salle BSF	(1,025)	-	-	-	(1,025)	(1,025)
Edith Borthwick Relocation	-	-	-	-	2	2
Essex Academies - Witham	-	-	-	-	170	170
Harlow New Hall Farm Primary	(46)	-	-	-	-	(46)
Harlow Primary Additional Places	-	-	(200)	-	-	(200)
IT Hardware - Terms	-	-	(10)	-	-	(10)
James Hornsby High BSF	-	-	(705)	-	-	(705)
Mersea Extension	(55)	-	(11)	-	-	(66)
Other BSF	-	-	-	-	(1)	(1)
Other Projects	(394)	47	(316)	-	3	(660)
Primary Capital Programme	-	14	(50)	-	(1)	(37)
Shorefields BSF	(603)	-	(291)	-	-	(894)
St Johns Abbeyfield Primary	(336)	-	-	-	-	(336)
Takely Primary School Relocation	-	-	(166)	-	-	(166)
Temporary Accommodation	-	254	(33)	34	(1)	254
	-	-	-	-	(1)	(1)
	(3,517)	1,273	(3,179)	933	166	(4,324)
Deputy Leader, Finance & Transformation						
Minor Works	(100)	-	-	-	-	(100)
ICT Stabilisation	(100)	-	-	-	-	(100)
Property Transformation	(1,376)	-	(20)	-	-	(1,396)
Social Care IT	-	-	-	265	-	265
	(1,576)	-	(20)	265	-	(1,331)
Highways & Transportation						
A13 Passenger Transport Corridor	-	-	(646)	-	-	(646)
A130 Bypass PFI Improvement	(40)	-	-	-	-	(40)
Archive	-	-	-	-	5	5
Basildon Enterprise Corridor	-	50	-	-	-	50
Colchester A134 St Botolphs	(443)	-	-	-	-	(443)
Colchester Park & Ride, Cuckoo Farm	-	-	-	-	-	-
County Bridges Maintenance and Strengthening	-	-	-	-	(1)	(1)
County Roads Maintenance	-	5	(53)	-	54	6
Covered Salt Storage	(164)	-	-	-	-	(164)
Cycling Programme	(885)	24	(16)	-	(14)	(891)
Epping Forest Transport Strategy	(200)	-	-	-	-	(200)
Footway Maintenance	-	1,000	(6)	-	6	1,000
Hadleigh Farm Access Improvements	-	45	-	-	-	45
Harlow A414 Capacity Improvements	(1,082)	438	-	-	-	(644)
Initial Scheme Design	-	14	-	-	(17)	(3)
Local Highways Panels	(2,766)	-	-	-	(3,756)	(6,522)
Major Schemes Planning & Management	(2,024)	10	(257)	-	-	(2,271)
NAR3 Northern Approaches Road	(850)	-	-	-	-	(850)
Network Management	-	3	(1)	-	2	2
Other Strategy & Engagement Group	(7)	18	(3)	-	-	8
Passenger Transport	(392)	10	(230)	-	787	175
Private Streetworks & PFI	(55)	-	-	-	-	(55)
Road Safety Asset Management	(251)	43	(16)	-	(101)	(325)
Roscommon Way	(55)	-	-	-	-	(55)
Sadlers Farm	(195)	-	-	-	-	(195)
Safety Barrier Replacement	-	1	(7)	-	20	14
Safety Camera Rollout	(264)	-	-	-	-	(264)
Section 106	(1,474)	22	(4,999)	-	(14)	(6,465)
South Essex Rapid Transit	-	-	(640)	-	-	(640)
Street Lighting CMS	(317)	-	-	-	(178)	(495)
Street Lighting Replacement	-	660	-	-	-	660
Surface Water Alleviation Scheme	-	1	(38)	-	(24)	(61)
Town Centre Improvements	(4)	-	-	-	1,100	1,096
Traffic Signal Refurbishment	-	-	-	-	(8)	(8)
	(11,468)	2,344	(6,912)	-	(2,141)	(18,177)
Leader						
Corporate Complaints System	(20)	-	-	-	-	(20)
Integrated County Strategy	(2,000)	-	-	-	-	(2,000)
	(2,020)	-	-	-	-	(2,020)
Archive	-	-	-	-	5	5
Sub-Total ECC Capital Programme	(19,188)	3,617	(10,389)	1,198	(2,057)	(26,819)
School Balances & DFC						
Devolved Formula Capital	-	5,257	(5,734)	-	1	524
Sub-Total School Balances	-	6,257	(5,734)	-	1	524
TOTAL APPROVAL REQUESTS	(19,188)	9,874	(16,123)	1,198	(2,056)	(26,295)

APPENDIX D

EARMARKED RESERVES

2012/13

	Balance at 1 April 2012	2012/13 movements						Forecast Balance at 31 March 2013
		Contributions approved	Contributions awaiting approval	Contributions to reserves	Withdrawals approved	Withdrawals awaiting approval	Withdrawals from reserves	
	£000	£000	£000	£000			£000	£000
General reserves								
Building maintenance reserve	(713)			-			-	(713)
Capital receipts pump priming	(961)	(1,000)		(1,000)			-	(1,961)
Carbon Reduction reserve	(1,536)	(1,419)		(1,419)			-	(2,955)
Carry Forwards Reserve	-			-			-	-
Essex Crime and Police Panel reserve	-	(69)		(69)			-	(69)
Essex Transport Reserve	(417)			-			-	(417)
ESF Reserve	(2,805)			-	55		55	(2,750)
Energy Inflation reserve	-	(1,200)		(1,200)			-	(1,200)
Health and Safety Reserve	(969)			-	321		321	(648)
Highways Maintenance reserve	-	(2,000)		(2,000)	2,000		2,000	-
Insurance	(6,883)			-			-	(6,883)
LAA Performance	(1,833)			-			-	(1,833)
Newton bequest reserve	(119)			-			-	(119)
Personal Care reserve	-	(3,483)		(3,483)			-	(3,483)
Procurement reserve	(24)			-			-	(24)
Quadrennial Elections reserve	(506)	(500)		(500)			-	(1,006)
Redundancy reserve	(3,600)	(8,500)		(7,898)	76	602	678	(10,820)
Severe weather reserve	(252)			-			-	(252)
Street Lighting reserve	(476)			-			-	(476)
Tendering PPP	(422)			-			-	(422)
Transformation	(17,006)	(13,497)	(1,337)	(14,834)	11,124	1,266	12,390	(19,450)
	(38,522)	(31,668)	(1,337)	(32,403)	13,576	1,868	15,444	(55,481)
Future capital funding								
General	(3,634)	(8,475)	(1,360)	(9,835)			-	(13,469)
Bellhouse landfill	(61)			-			-	(61)
Historic Building Reserve	(120)			-			-	(120)
	(3,815)	(8,475)	(1,360)	(9,835)	-	-	-	(13,650)
Equalisation reserves								
PFI equalisation reserves								
A130 PFI	(57,399)		(899)	(899)	634		634	(57,664)
Clacton secondary schools' PFI	(3,824)	(188)		(188)			-	(4,012)
Debden PFI	(4,683)			-	251		251	(4,432)
Building schools for the future PFI	(2,185)			-			-	(2,185)
Waste reserve	(44,054)	(17,550)	(408)	(17,958)	391		391	(61,621)
Grants equalisation reserve	(10,148)			-	916		916	(9,232)
	(122,293)	(17,738)	(1,307)	(19,045)	2,192	-	2,192	(139,146)
Schools	(50,320)	-	-	-	-	-	-	(50,320)
Partnerships	(2,066)	(113)	-	(113)	185	-	185	(1,994)
Trading activities	(3,381)	(878)	-	(878)	-	-	-	(4,259)
Total	(220,397)	(58,872)	(4,004)	(62,274)	15,953	1,868	17,821	(264,850)

GENERAL BALANCE - Movement Analysis	
	£000
Actual Balance 31 March 2012	(63,015)
2012/13 Planned Withdrawal	2,356
Proposed Withdrawals	
Highways Maintenance	1,000
Community Budgets and the systematic review	2,850
Actual Balance 1 April 2012	(56,809)
Subsequent movements	
Property Transformation Revenue Investment	1,040
Carry Forwards drawn down:	
AHCW	1,545
ESH	852
Sustainable Environment and Enterprise Service (CRC budget reduction)	890
Grant Variations (COOC)	(1,546)
Transformation	60
Estimated balance at 31st March 2013	(53,968)
Proposals	
Contributions	
Carry Forward requests:	
Transformation	(421)
ESH	(604)
Withdrawals	
Updated Estimated Balance at 31 March 2013	(54,993)

Emergency Contingency	
	£000
Actual Balance 1 April 2012	(8,000)
Previously Approved Proposed Utilisation	
Assumed Withdrawals	8,000
Estimated balance at 31 March 2013	-

PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT

PRUDENTIAL INDICATORS

		Approved Indicator	Latest Estimate
1 Affordability			
Incremental impact on Council Tax	£	£0.52	N/A
Ratio of financing costs to net revenue streams	%	5.5%	4.5%
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	194	138
Capital Financing Requirement (excluding credit arrangements)	£m	779	725
4 External Debt			
Authorised limit (borrowing only)	£m	570	N/A
Operational boundary (borrowing only)	£m	470	N/A
Actual external borrowing (maximum level of debt during year to date)	£m	N/A	368
5 Treasury Management			
Interest rate exposures :			
Upper limit for exposure to fixed rates			
Net exposure	£m	820	286
Debt		100.0%	99.7%
Investments		100.0%	54.9%
Upper limit for exposure to variable rates			
Net exposure	£m	240	(63)
Debt		30.0%	2.5%
Investments		100.0%	69.3%
Maturity structure of borrowing (upper limit)			
Under 12 months	%	40.0%	0.3%
12 months & within 24 months	%	40.0%	5.1%
24 months & within 5 years	%	60.0%	16.4%
5 years & within 10 years	%	60.0%	11.1%
10 years & within 25 years	%	60.0%	7.5%
25 years & within 40 years	%	50.0%	13.6%
40 years & within 50 years	%	50.0%	46.3%
50 years & above	%	10.0%	0.0%
Total sums invested for more than 364 days			
Authorised limit	£m	50	N/A
Actual sums invested (maximum position during year to date)	£m	N/A	-
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 : the maturity dates for market loans are based on the next review date, not the final maturity date.</i>			

PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT

TREASURY MANAGEMENT - 2012/13

	Opening Balance 1 April £000	Raised £000	Repaid £000	Balance at 30 Nov £000	Movement £000	Interest payable / (earned) £000
Borrowing						
Long Term	359,620	-	(855)	358,765	(855)	10,236
Temporary	3,237	675	(654)	3,258	21	9
	362,857	675	(1,509)	362,023	(834)	10,245
Investments						
Long Term	-	-	-	-	-	-
Temporary	(150,300)	(115,684)	84	(265,900)	(115,600)	(1,789)
	(150,300)	(115,684)	84	(265,900)	(115,600)	(1,789)
Net indebtedness	212,557	(115,009)	(1,425)	96,123	(116,434)	8,456

Borrowing

Average long term borrowing over period (£000)

359,217

Opening pool rate at 1 April 2012

4.26%

Weighted average rate of interest on new loans secured to date

n/a

Average pool rate for year to date

4.26%

Investments

Average daily cash balance over period (£000)

258,519

Average interest earned over period

1.03%

Benchmark rate - average local authority 7 day rate

0.31%



Essex County Council

		AGENDA ITEM 6
		ES/03/13
Committee:	Executive Scrutiny Committee	
Date:	29 January 2013	

Report to Cabinet	Forward Plan reference number FP/970/12/12
Date of meeting 22 nd January 2013	County Divisions affected by the decision N/a
Title of report Corporate Plan: Progress Report	
Report by Cllr David Finch, Deputy Leader and Cabinet Member for Finance and Transformation	
Enquiries to Margaret Lee, Executive Director for Finance (01245 431010, ext 21010)	

1. Purpose of report

- 1.1. The purpose of the 2012/13 Corporate Plan Progress Report is to provide an updated assessment of the progress made in delivering the Essex County Council's Corporate Plan Priorities in 2012/13.
- 1.2. The report sets out for the third quarter stage (up to November 2012), progress against our measures of success and specified aspirations.

2. Recommendations

- 2.1. Note the current performance outlined in the 2012/13 Corporate Plan Progress Report.

3. Background and proposal

- 3.1. Cabinet will be aware of work undertaken to develop and agree a Corporate Plan (for the period 2012-2017). The Corporate Plan sets out the outcomes we will deliver under each priority (5 priorities, each with 3 outcomes) as well as the measures of success we will use to help us manage our performance.
- 3.2. This report follows the Corporate Plan Progress Report as at the second quarter stage presented to Cabinet on 30th October 2012.
- 3.3. Following Cabinet, the report will be presented at Executive Scrutiny Committee and then published on the public facing Essex County Council website.

4. Policy context

- 4.1. The 2012/13 Corporate Plan Progress Report is directly related to the EssexWorks Commitment 2012/17 in that the purpose of the report is to provide an updated assessment of the progress made in delivering Essex County Council's Corporate Plan Priorities in 2012/13.

5. Financial Implications

- 5.1. There are no financial implications as a direct result of this report

6. Legal Implications

- 6.1. There are no legal implications as a direct result of this report

7. Staffing and other resource implications

- 7.1. There are no staffing or resource implications as a direct result of this report

8. Equality and Diversity implications

- 8.1. An Equality Impact Assessment was not required.

9. Background papers

- 9.1. There are no relevant background papers related to the report

Corporate Plan: Progress Report

Quarter 3 2012/13

Information and Intelligence Service



Essex County Council

Priority 1: Enabling every individual to achieve their ambitions by supporting a world-class education and skills offer in the county

What does success look like?

- Children and young people achieve well in early years education (age 5), at KS2 (age 11), at GCSE (age 16) and beyond (up to age 19)
- Adults take up opportunities to learn through adult community learning courses, Essex libraries offer learning opportunities to all, and residents feel they have enough information, guidance and support to access education and life-long learning
- Apprenticeships are undertaken in Essex, and young people participate in post-16 learning and aspire to life long learning and self improvement

Where have we come from and where do we want to be?

Outcome 1: Helping Essex residents achieve their full potential through learning

Indicators of Success	Historical Essex Performance			Comparative Performance		Current Essex Performance			
	2008/09 Academic Year	2009/10 Academic Year	2010/11 Academic Year	2010/11 National Average	2010/11 Statistical Neighbour Average	Aim (for 2011/12 Academic Year)	2011/12 Academic Year	Performance Rating	Frequency of data
1.1.1: % children achieving good level of development in Early Years Foundation Stage	45%	50% ▲	52% ▲	59%	60%	Reduce gap with Statistical Neighbours and England	59%	On track see page 4	Annual
1.1.2: % children (including children with SEN, Children in Care and those eligible for free school meals) achieving expected levels in KS2 in English and Maths	72%	73% ▲	74% ▲	74%	74%	Maintain overall progress in line with Statistical Neighbour/England and close gap for SEN children	79%	On track see page 4	Annual
1.1.3: % children (including children with SEN, Children in Care and those eligible for free school meals) achieving 5+ A*-C GCSE or equivalent (inc' English and Maths)	50.2%	54.6% ▲	58.20% ▲	58.9%	58.7%	Close gap between Essex and England	58.6%	On track see page 4	Annual
1.1.4: % children (including Children in Care) with 15% or more school absences - Primary	-	-	3.4%	5.2%	4.4%	Baseline year	Due Apr 2013	N/a	Annual
1.1.5: % children (including Children in Care) with 15% or more school absences - Secondary	-	-	8.5%	9.5%	9.2%	Baseline year	Due Apr 2013	N/a	Annual
1.1.6: % young people achieving level 3 qualifications by age 19	48.9%	51.8% ▲	53.7% ▲	54.5%	-	53.8% achieving level 3	Awaiting National Release	N/a	Annual

Outcome 2: Providing opportunities for Essex people to learn throughout their lives

Indicators of Success	Historical Essex Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	11/12 National Average	11/12 Stat Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of Data
1.2.1: Learner success rates in adult community learning accredited courses	78.1%	74.3% ▼	76.8% ▲	Not available	81.7% (10/11)	78.7% (10/11)	79% in line with national averages	Not available	N/a	Annual
1.2.2.1: % of the population with level 2 qualifications or higher (aged 16-64yrs)	60.3%	63.1% ▲	63.5% ▲	65.8% ▲	69.7%	68.5%	Increase performance, moving towards national averages	Await National Release	N/a	Annual
1.2.2.2: % of the population with level 3 qualifications or higher (aged 16-64yrs)	41.7%	43.1% ▲	43.7% ▲	46.3% ▲	52.7%	49.9%	Increase performance, moving towards national averages	Await National Release	N/a	Annual
1.2.2.3: % of the population with level 4 qualifications or higher (aged 16-64yrs)	23.1%	23.7% ▲	23% ▼	24.2% ▲	32.9%	29.2%	Increase performance, moving towards national averages	Await National Release	N/a	Annual
1.2.3: Physical and virtual visits to Essex libraries (per 1,000 population)	7,551	7,443 ▼	7,482 ▲	6,739 ▼	6,243 (10/11)	6,777 (10/11)	Maintain top quartile compared to Counties	6,577 (Oct 2012)	On track See page 4	Monthly
1.2.4: % of users satisfied with Essex libraries	92.1%	91.9% ▼	-	-	-	-	Continued improvement towards County average	Due Feb 2013	N/a	Annual
1.2.7: % Essex residents who feel they have enough information, guidance and support to access education and life-long learning	-	30%	27% ▼	-	-	-	Increase the level achieved in 2010/11	Due Mar 2013	N/a	Annual

Outcome 3: Promoting a culture of aspiration

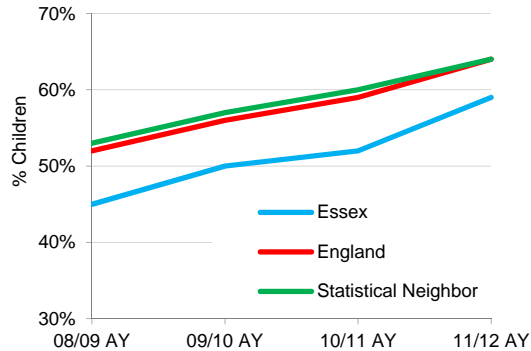
Indicators of Success	Historical Essex Performance			Comparative Performance		Current Essex Performance			
	2008/09 Academic Year	2009/10 Academic Year	2010/11 Academic Year	10/11 AY National Average	10/11 AY Stat Neighbour Average	Aim (for 2011/12 academic year)	2011/12 Academic Year	Performance Rating	Frequency of Data
1.3.1: People undertaking apprenticeships in Essex (phase 2)	Phase 1 saw 1,381 people undertaking apprenticeships by the end of March 2012					Significantly increase opportunities across Essex	643 (Nov 2012)	On track See page 4	Monthly
1.3.2: People successfully completing the Essex Apprentice Scheme (phase 2)	Phase 1 saw 1,082 people (78%) successfully completing apprenticeships					70% completion rate (Essex Apprentice Scheme)	12.3%	On track See page 4	Monthly
1.3.3: % young people who aspire to continue in post 16 learning	93.2%	96.6% ▲	90.7% ▼	-	-	Raise aspirations of young people to continue learning post 16	Due Jul 2013	N/a	Annual
1.3.4: % 16-19 year olds who continue in post 16 learning	New definition for 2012/13 (prior to this, data related to 16-18 year olds)					All year 11 leavers in 2013 to remain in education, employment or training	Due Apr 2013	N/a	Annual
1.3.5: % care leavers who are in education, employment or training at age 19	72.8%	74.5% ▲	62.2% ▼	61%	54%	Maintain performance in line with our statistical neighbours	Due Feb 2013	N/a	Annual

What do we know has happened this year?

Exception

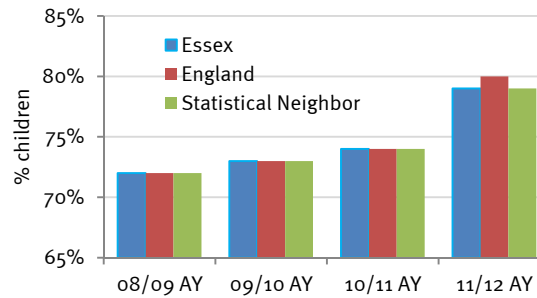
The county still has progress to make in providing good or outstanding schools for all its children.

1.1.1: % achieving good level of development in EYFS



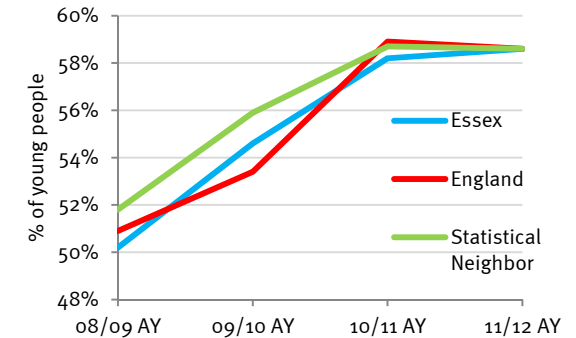
Gap with England has narrowed.

1.1.2: % achieving expected levels in KS2 England and Maths



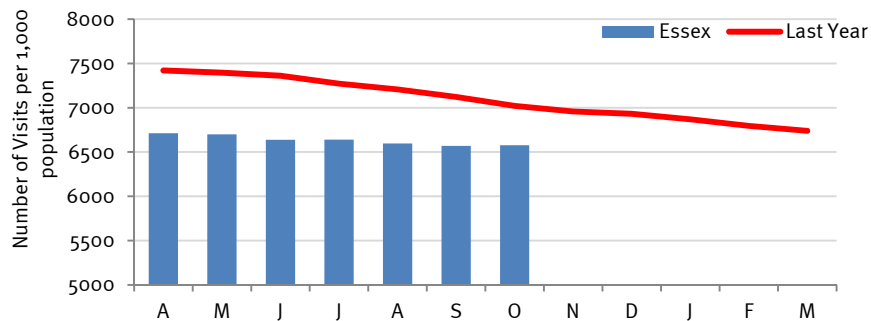
Improvement seen but performance is below England average.

1.1.3: % achieving 5+ A*-C GCSEs including English and Maths



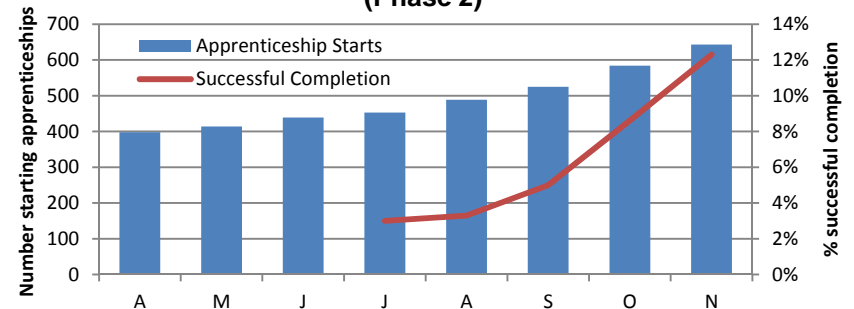
GCSE attainment now level with England and Statistical Neighbour average.

1.2.3: Physical and Virtual Visits to Libraries (per 1,000 population)



Comparative data not yet available, but data shows a slowing in the rate of decline for library visits.

1.3.1/2: Number of people undertaking apprenticeships in Essex (Phase 2)



A low completion rate is to be expected at this stage as many apprenticeships have only recently begun. The target is to achieve a 70% completion rate by the end of Phase 2.

Priority 2: Securing the infrastructure and environment to enable business to grow

What does success look like?

- Essex business community is supported to grow, attract investment and succeed in new markets, and jobs (particularly high value jobs) are present within the Essex economy. Whilst infrastructure supports Essex businesses to trade and grow, whilst the road network is well maintained
- Young people are in education, employment or training
- There is sufficient childcare to support parents choosing to go back to work, and low unemployment in key sections of the community

Where have we come from and where do we want to be?

Outcome 1: Supporting business to generate wealth, jobs and opportunities

Indicators of Success	Historical Essex Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Stat Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of data
2.1.1: Total number of active enterprises	58,500	58,740 ▲	59,095 ▲	58,735 ▼	-	-	Not appropriate	Await National Release	N/a	Annual
2.1.2: Number of enterprise start-ups	6,715	5,900 ▼	5,875 ▼	6,280 ▲	-	-	Not appropriate	Await National Release	N/a	Annual
2.1.3: Number of jobs in Essex	521,351	519,057 ▼	504,423 ▼	Await National Release	-	-	Not appropriate	Await National Release	N/a	Annual
2.1.4: Average workplace earnings (£)	25,023	25,475 ▲	25,490 ▲	26,176 ▲	-	-	Not appropriate	Await National Release	N/a	Annual

Outcome 2: Ensuring the physical and technological infrastructure is in place to enable business to flourish

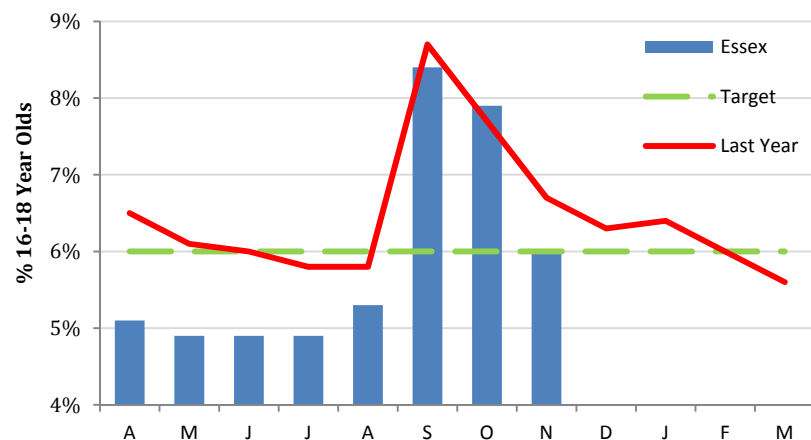
Indicators of Success	Historical Essex Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Ave	2011/12 Stat Neighbour Average	Aim (by 2012/13)	2012/13	Performance Rating	Frequency of data
2.2.1: Journeys on specified routes undertaken within target time range	New for 2012/13							Due April 2013	N/a	Annual
2.2.2: Number of business premises as defined by the national non domestic rates	37,660	37,243 ▼	37,530 ▲	38,976 ▲	-	-	Not appropriate	Await National Release	N/a	Annual
2.2.3: % homes and businesses with basic level of broadband (2Mbps)	Measurement will begin when Essex have selected a partner supplier						100% by 2015	-	N/a	Annual
2.2.4: % homes and businesses with superfast broadband (24Mbps)							75% by 2017	-	N/a	Annual
2.2.5: Local authority principal road network where structural maintenance should be considered	5%	6% ▲	3% ▼	4% ▲	-	-	4% principal (provisional 2012/13)	Due Mar 2013	N/a	Annual
2.2.6: Local authority non principal classified road network where structural maintenance should be considered	7%	8% ▲	7% ▼	7% ▲	-	-	7% non principal classified (provisional 2012/13)	Due Mar 2013	N/a	Annual

Outcome 3: Creating an environment in which economic opportunity is made available to all

Indicators of Success	Historical Essex Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Statistical Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of Data
2.3.1: % 16-19 year olds who are not in education, employment or training	-	6.7%	6.9%	6.4%	6.1%	5.0%	Reduction to 6% of 16-19 year olds being NEET	6.0%	On Track (See below)	Monthly
2.3.2: % eligible families benefiting from the childcare element of Working Tax Credit	14.6%	14.1%	13.3%	Await National Release	16.8% (10/11)	16.9% (10/11)	Eligible families access their entitlement to Childcare WTC	Await National Release	N/a	Annual
2.3.3: Availability and take-up of childcare places in Essex	-	-	71% (June 11)	70% (Feb 12)	-	-	Sufficient local provision to meet local needs	72% (June 2012)	On Track	Annual
2.3.4: % resident population aged 16-64 years claiming Job Seekers Allowance	3.2%	3.2%	3%	3.2%	4%	3.3%	Maintain trend with East of England	2.9%	On Track (See below)	Monthly

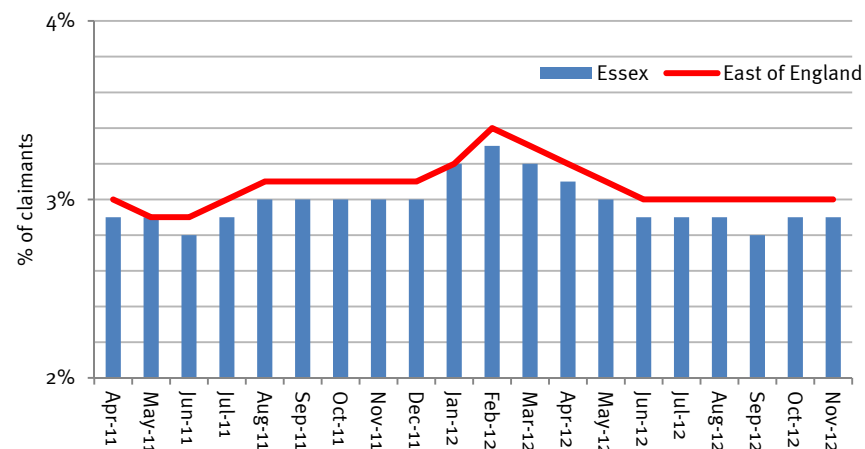
What do we know has happened this year?

2.3.1: % of 16-19 year olds who are not in education, employment or training (NEET)



After a peak during September and October (in line with trend) performance is now back on target.

2.3.4: % of resident population aged 16-64 years claiming Job Seekers Allowance



Essex continues to maintain trend with the East of England

Priority 3: Improving Public Health and Wellbeing

What does success look like?

- People receive the support needed to regain or maintain independence, and communities who rely most on local bus services receive a punctual service
- There are low occurrences of smoking, obesity, alcohol and drug misuse, avoidable illness, death and disability, and people are supported to live active lives
- Residents experience of Essex's urban and rural environment is a positive one, and Essex's environmental impact is low

Where have we come from and where do we want to be?

Outcome 1: Helping Essex residents to live full and independent lives

Indicators of Success	Historical Essex Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Stat Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of data
3.1.1: % social care users receiving personal budgets	-	-	-	86.3%	-	-	Increase cash payment users by 10%	87%	On Track See page 9	Monthly
3.1.2: % people achieving a positive outcome from reablement	53%	50% ▼	53% ▲	65% ▲	-	-	Maintain performance, whilst increasing volumes	81%	On Track See page 10	Monthly
3.1.3: Older people supported through assistive technology	-	5,801	4,924 ▼	5,881 ▲	-	-	Not appropriate	3060 (Oct 2012)	Not On Track See page 10	Monthly
3.1.4: % adults with LD who live in own home/with family	31%	50% ▲	44% ▼	69% ▲	70%	70.16%	Increase number of adults	71.4% (July 2012)	On Track	Monthly
3.1.5: % adults in contact with secondary mental health services who live independently, with or without support	17.8%	70.8% ▲	79.1% ▲	-	66.6% (10/11)	57.2% (10/11)	Maintain current level of performance	Await National Release	N/a	Annual
3.1.6: % non-frequent bus services that run on time	75%	78% ▲	85% ▲	89% ▲	-	-	Continue to improve punctuality	88%	Not On Track See page 10	Monthly
3.1.7: Number of people using public transport (millions)	45.6	44.2 ▼	43.3 ▼	45.1 ▲	-	-	Minimise impact of decline in passengers	22.6m (Sept 2012)	On Track See page 10	Quarterly

Outcome 2: Encouraging healthy and active lifestyles and tackling the wider causes of ill health

Indicators of Success	Historical Essex Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Stat Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of data
3.2.1.1: Overall life expectancy (in years) - Men	-	79.6 (07-09)	79.7 (08-10) ▲	Await National Release	78.6 (08-10)	79.6 (08-10)	Increase in line with averages (80.1 years)	Await National Release	N/a	Annual
3.2.1.2: Overall life expectancy (in years) - Woman	-	83.1 (07-09)	83.3 (08-10) ▲	Await National Release	82.6 (08-10)	83.2 (08-10)	Increase in line with averages (83.5 years)	Await National Release	N/a	Annual

Indicators of Success	Historical Essex Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Stat Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of data
3.2.2.1: Differences in life expectancy across Essex (in years) - Men	4.2 (06-08)	4.1 (07-09)	4.3 (08-10)	Await National Release	-	-	Reduce to 3.9 years	Await National Release	N/a	Annual
3.2.2.2: Differences in life expectancy across Essex (in years) - Women	2.7 (06-08)	2.6 (07-09)	2.6 (08-10)	Await National Release	-	-	Reduce to 2.4 years	Await National Release	N/a	Annual
3.2.3: Winter mortality rates	-	18.8%	Await National Release	Await National Release	-	-	Reduce to England average	Await National Release	N/a	Annual
3.2.4: % reception year pupils measured as obese	-	8.2%	8.8%	8.6%	9.4%	-	Maintain below national average (8.5%)	8.1% (11/12 AY)	On Track See page 11	Annual
3.2.5: % year 6 pupils (aged 10 and 11) measured as obese	-	16.0%	16.1%	17.7%	19.0%	-	Maintain below national average (18.0%)	17.3% (11/12 AY)	On Track See page 11	Annual
3.2.6: Prevalence of smoking among people living in Essex	-	18.55%	19.1%	18.7%	-	-	Reduce to 18.7%	Await National Release	N/a	Annual
3.2.7: Prevalence of diabetes among people living in Essex (GP Practice Level)	-	5.27%	5.5%	5.7%	-	-	An increase by 0.2% (5.7%) in line with previous increases	Due Apr 2013	N/a	Annual
3.2.8: Rate of alcohol related hospital admissions (per 100,000 population)	1,181	1,350	1,518	1,607	1,974	1,713	Keep rate of increase within 10%	Await National Release	N/a	Annual
3.2.9: Take up of health screening programmes	-	-	-	North: 59.6% South: 54.8%	52%	60%	North cluster: offer 60,860/uptake 45,645 (75%) South cluster: offer 37,469/ uptake 28,101 (75%)	North: 62% South: 54%	On Track See page 11	Quarterly
3.2.10: % drug users who leave treatment in a planned way	-	-	20.2%	24% (to Dec 11)	-	-	Upper quartile	19.6% (Q2)	On Track	Annual
3.2.11: % adults who exercise	-	21.6%	20.9%	21.1%	-	22.5%	Increase access to sport and physical activity opportunities	22.6%	On Track See page 11	Annual
3.2.12: Number of people using the Hadleigh Olympic Legacy Venue	New for 2013/14						Increase numbers using for active recreation	-	N/a	Annual

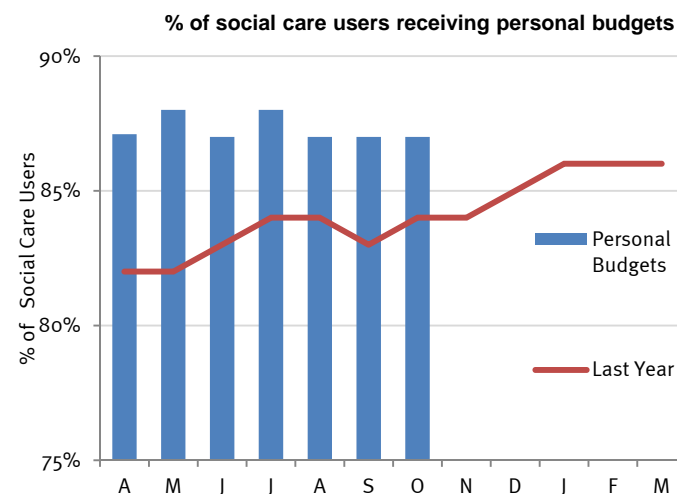
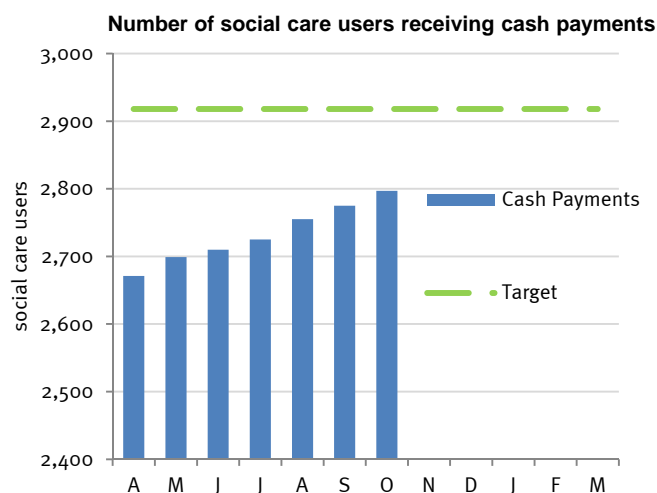
Outcome 3: Protecting and enhancing the environment in Essex

Indicators of Success	Historical Essex Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Statistical Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of data
3.3.1: User satisfaction with country parks	96%	97% ▲	96% ▼	96% ▶	-	-	Maintain at least 95%	99% (Sept 2012)	On Track See page 12	Quarterly
3.3.2: % footpaths and rights of way that are easy to use	65.6%	60.9% ▼	80.4% ▲	76.3% ▼	-	-	Maintain 67-75%	77.8% (July 2012)	On Track See page 12	Quarterly
3.3.3: Hectares of rare wildlife habitats restored or re-established	-	-	-	70.1	-	-	112 hectares	5 (approx.)	Not on track	Quarterly
3.3.4: Tonnes of CO2 emitted within the authority's buildings and specified operations	-	-	103,392	85,260 ▼	-	-	5% reduction of CO2 emissions	Await National Release	N/a	Annual
3.3.5: % household waste sent for re-use, recycling or composting	42.96%	46.24% ▲	50.1% ▲	51.95% ▲	41.2% (10/11)	48.8% (10/11)	54%	56.59% (Sept 2012)	On Track See page 12	Monthly
3.3.6: The level of household waste generated across Essex (Kgs)	643.0	586.0 ▼	548.08 ▼	516.09 ▼	-	-	504kg	253.39 (Sept 2012)	On Track See page 12	Monthly

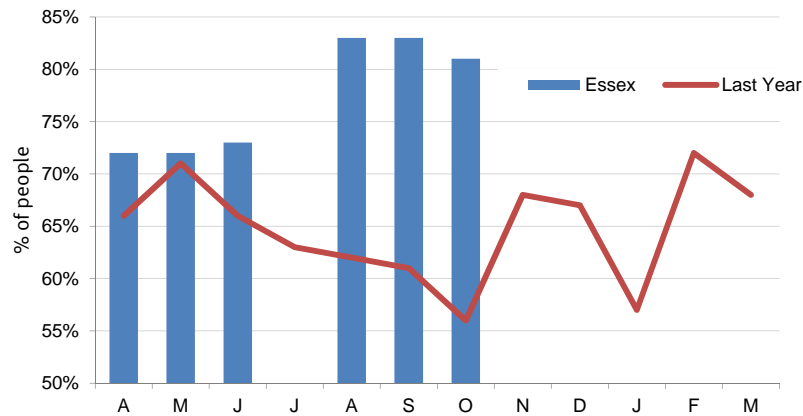
What do we know has happened this year?

3.1.1: % social care users receiving personal budgets

There is a greater proportion of social care users receiving personal budgets, whilst cash payments appears on track to meet target.



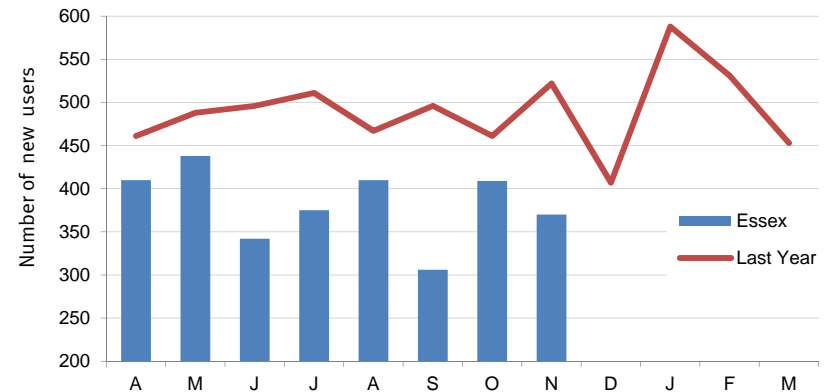
3.1.2: % people achieving a positive outcome from reablement



Whilst the proportion of people achieving a positive outcome from reablement has increased, there has been a decrease in the number of people starting reablement compared to 2011/12

Exception

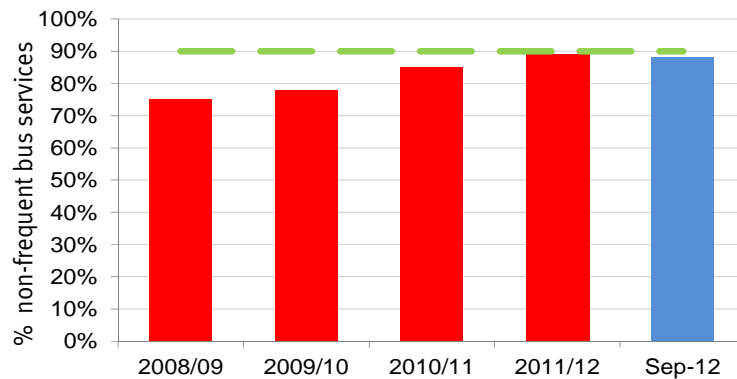
3.1.3: Older people supported through assistive technology



We have seen a decrease in activity levels in Adult Social Care – any decrease in activity levels may in turn impact on assistive technology.

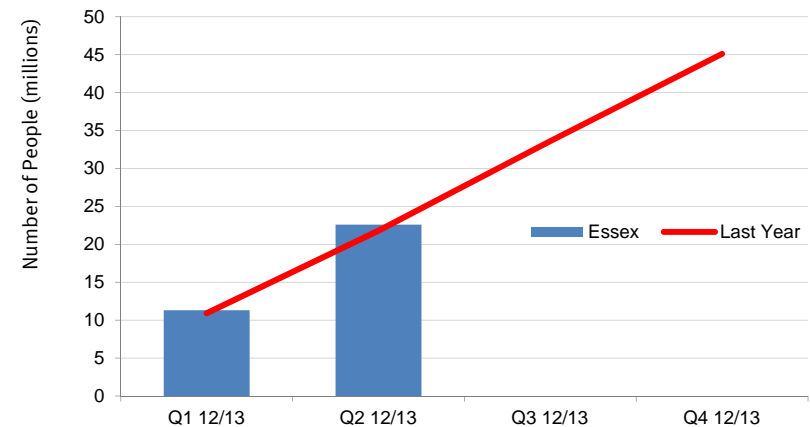
Exception

3.1.6: % non-frequent bus services that run on time



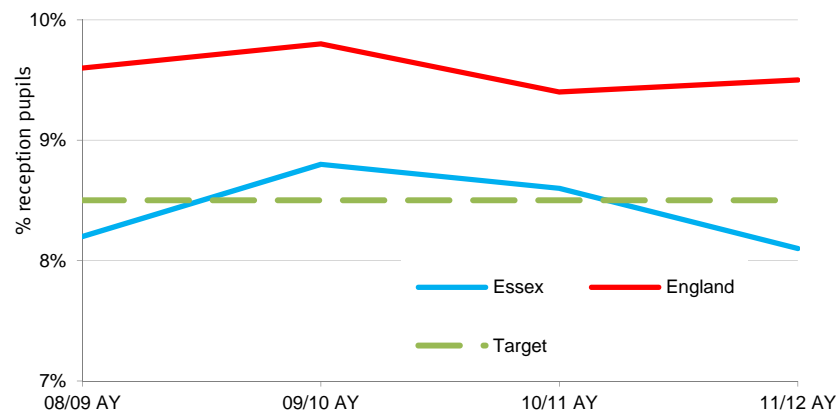
Improvements have been seen year on year, with September 2012 results broadly in line with previous years, but local target unlikely to be met across the whole year.

3.1.7: Number of people using public transport (millions)



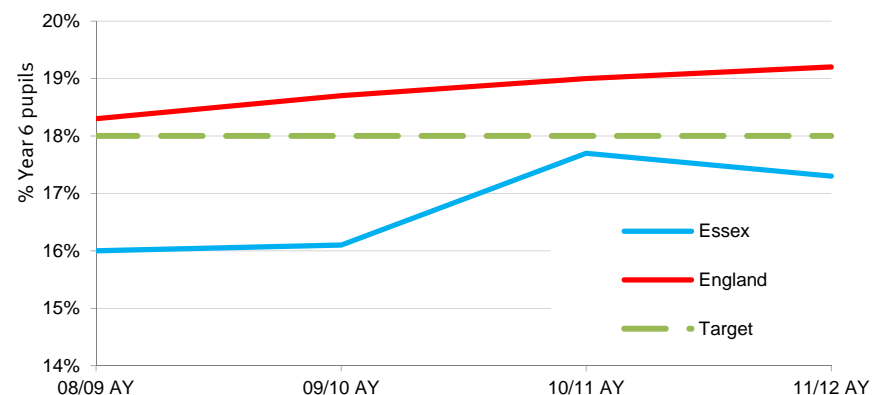
Passenger numbers are broadly in line with last year, bucking the national trend of a decrease in passenger numbers for non-metropolitan authorities

3.2.4: % reception year pupils measured as obese



New data that has been released shows that Essex remains below the national average and within target for obesity at reception age.

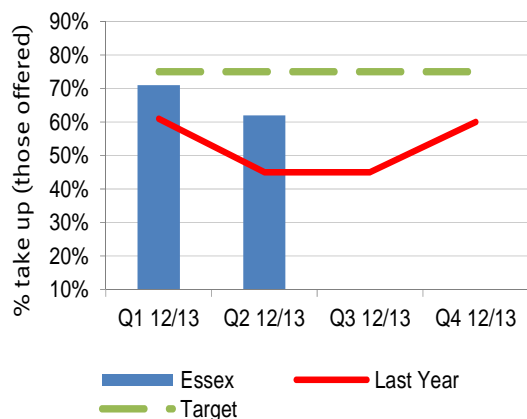
3.2.5: % year 6 pupils (aged 10 and 11) measured as obese



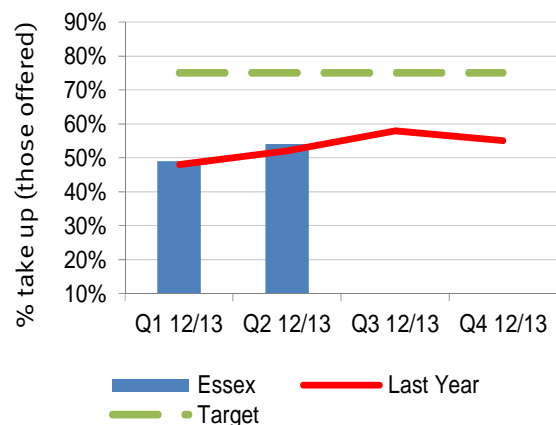
New data that has been released shows that Essex remain below the national average and within target for obesity at year 6.

3.2.9: Take up of health screening programmes

North Cluster

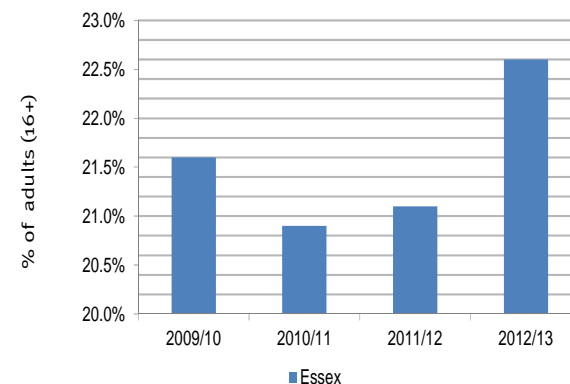


South Cluster



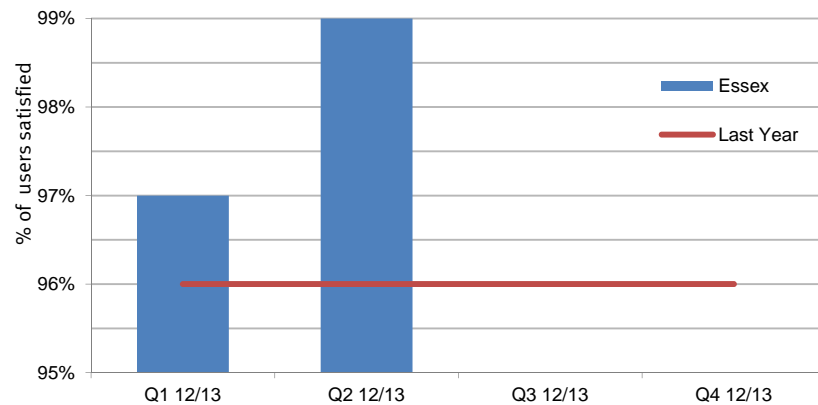
Great strides have been made over the last few months in securing additional GP sign up to offer and deliver health checks. Local data up to Nov 12 suggests performance is getting back on track.

3.2.11: % adults who exercise



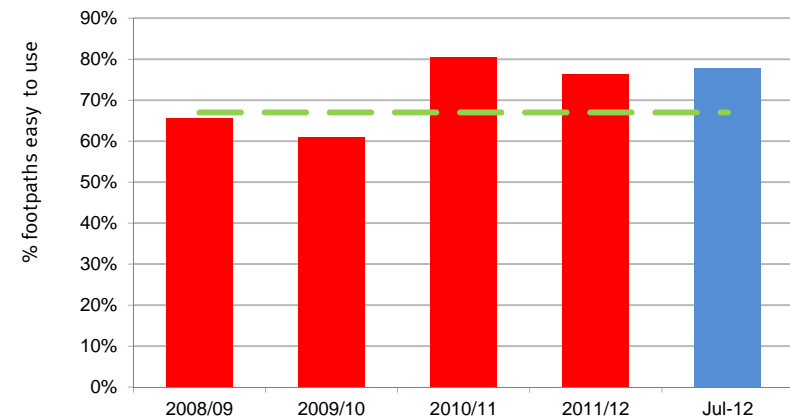
Whilst the October 2011 to October 2012 Active People Survey shows an increase in the proportion of adults exercising, the increase is not statistically significant.

3.3.1: User satisfaction with country parks



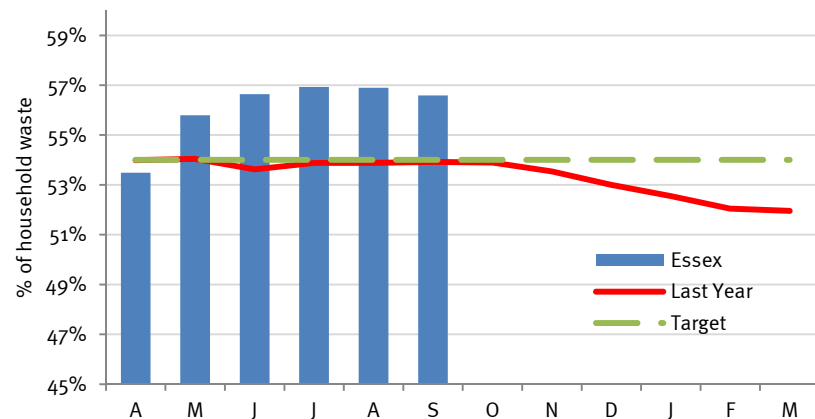
Q2 saw an exceptionally high satisfaction score of 99%.

3.3.2: % footpaths and rights of way that are easy to use



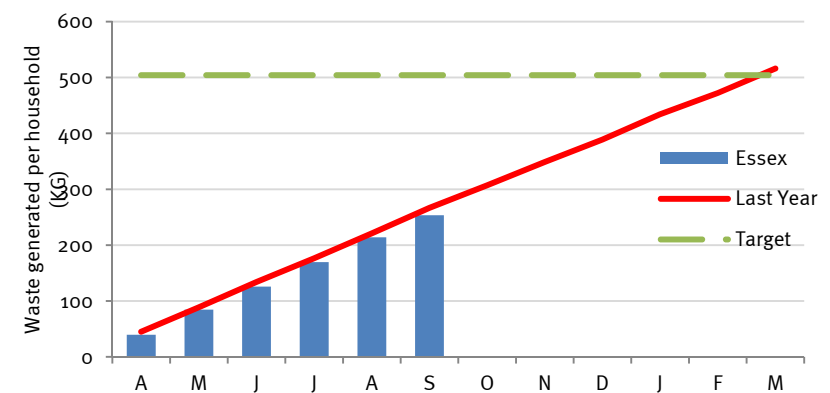
The July 2012 result remained within the targeted threshold of between 67% and 75%.

3.3.5: % household waste sent for re-use, recycling or composting



Recycling rates across the county have increased when compared to the same period last year.

3.3.6: The level of household waste generated across Essex (Kgs)



The level of household waste generated is broadly in line with the volume in the previous year.

Priority 4: Protecting and Safeguarding Vulnerable People

What does success look like?

- People receiving social care services have good physical, mental and emotional wellbeing and adults with learning disabilities have opportunities for employment
- Low numbers of older people admitted to hospital following falls, adults using our services feel safe and our processes for safeguarding vulnerable children are effective
- Children in care enjoy stable placements or are placed permanently with adoptive families and carers are supported to enjoy a good quality of life

Where have we come from and where do we want to be?

Outcome 1: Enabling vulnerable people to enjoy a better quality of life

Indicators of Success	Historical Essex Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Statistical Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of data
4.1.1: Social Care quality of life score – based on survey responses	-	-	18.6	18.9 ▲	18.9	18.96	Baseline Year	Dependent on date of survey	N/a	Annual
4.1.2: Number of adults with learning disabilities in paid employment	405	378 ▼	385 ▲	362 ▼	-	-	Maintain current levels of employment	367	On track see page 14	Monthly

Outcome 2: Protecting Essex residents from harm and injury

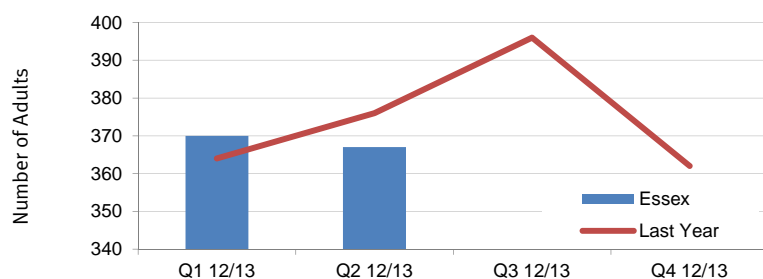
Indicators of Success	Historical Essex Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Stat Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of data
4.2.1: Acute admissions to hospital as a result of falls or fall injuries for people over 65 years (per 10,000 pop)	-	-	465.9	Due March 2013	451.9 (10/11)	444.1 (10/11)	Baseline Year	Due March 2014	N/a	Annual
4.2.2: % people who use services who feel safe	-	-	63%	70% ▲	-	-	Baseline Year	Dependent on date of survey	N/a	Annual
4.2.3: % people who use services who say that those services have made them feel safe and secure	-	-	-	89%	-	-	Baseline Year	Dependent on date of survey	N/a	Annual
4.2.4: Effective processes in place to safeguard vulnerable children	Success will be measured by continued evidence of improvement in processes to safeguard vulnerable children									
4.2.5: Local Authority Ofsted judgements (Childrens Services)	-	Un-satisfactory	Un-satisfactory	Satisfactory	-	-	Continued evidence of improvement in Children's social care	Currently judged as Adequate for safeguarding (Sept 2011)		Annual

Outcome 3: Supporting parents, carers and families to create safe and stable homes

Indicators of Success	Historical Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Stat Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of Data
4.3.1.1: % Children in Care who have been in the same placement for 2 or more years	64.4%	67.1% ▲	65.9% ▼	70.7% ▲	68.6% (10/11)	66.9% (10/11)	5% reduction on the 2011/12 outturn	73.20%	On track see below	Monthly
4.3.1.2: % Children in Care who have had 3 or more placements in the year	10%	7.8% ▼	8.8% ▲	8.9% ▲	11%	12.5%	Maximum of 15% with 3+ placements	5.90%	On track see page 15	Monthly
4.3.2: % Children in Care who are in foster care family placements	72.1%	74.3% ▲	70.6% ▼	75.8% ▲	75%	76%	75% in foster care placements	75%	On track see page 15	Monthly
4.3.3: % Children in Care who are adopted each year	11.1%	13.1% ▲	10% ▼	13.5% ▲	13%	11%	12% care population adopted	11.40%	Not on track see page 15	Monthly
4.3.4: Number of carers assessments provided to adults who regularly care for others (per 1,000 population age 18+ years)	12.2	12.1 ▼	15.1 ▲	13.1 ▼	10.5	10.32	Maintain top quartile within our comparator group	10.56	Not on track see page 15	Monthly
4.3.5: Number of carers receiving direct payments (per 10,000 population age 18+ years)	-	5.79 -	7.23 ▲	5.69 ▼	17.16 (10/11)	17.32 (10/11)	Reduce gap with comparators	2.51	Not on track see page 16	Monthly
4.3.6: Satisfaction of carers receiving support from Essex County Council	New for 2012/13						Baseline Year	Dependent on date of survey	N/a	Annual

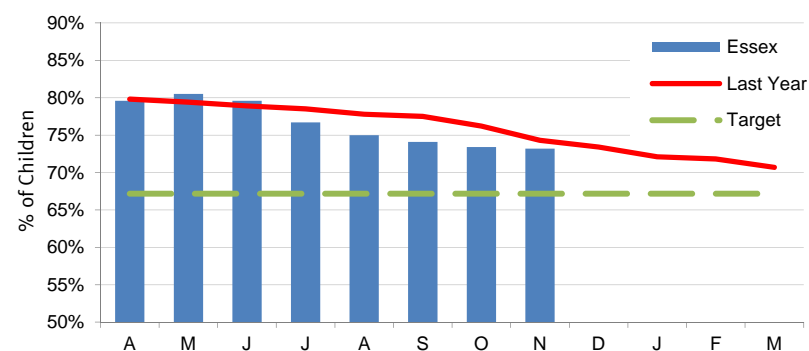
What do we know has happened this year?

4.1.2: Number of adults with learning disabilities in paid employment



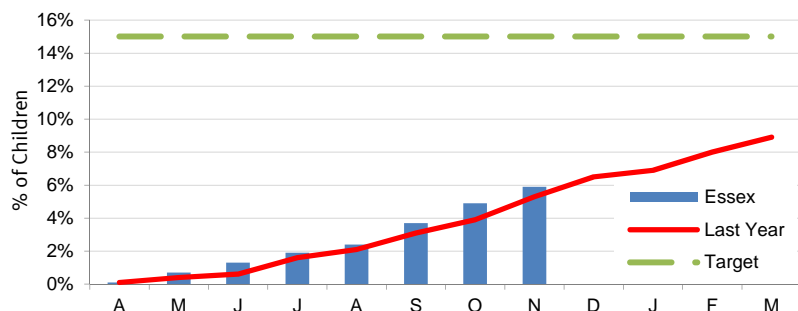
Despite the challenging economic climate, paid employment levels for adults with learning disabilities has increased compared to the level at the end of 2011/12. Essex is in the upper quartile for the proportion of adults with LD in paid employment at 9.2% compared to an average of 7.5% amongst comparators.

4.3.1.1: % Children in Care who have been in the same placement for 2 or more years



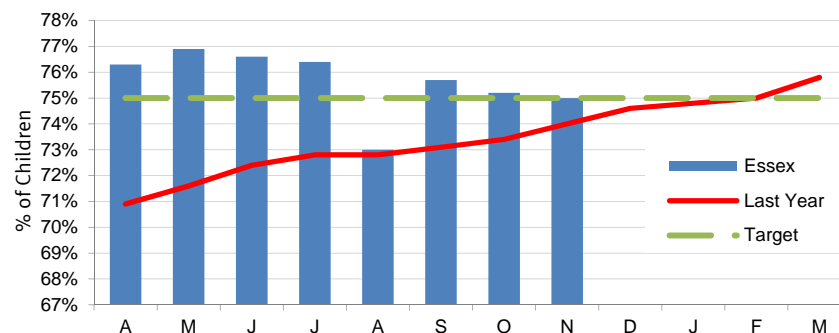
Whilst there has been a reduction in children in care who have been in the same placement for 2+ years, it is less than anticipated.

4.3.1.2: % Children in Care who have had 3 or more placements in the year



Whilst numbers of children with 3 or more placements is slightly higher than last year, Essex remain well below the maximum threshold.

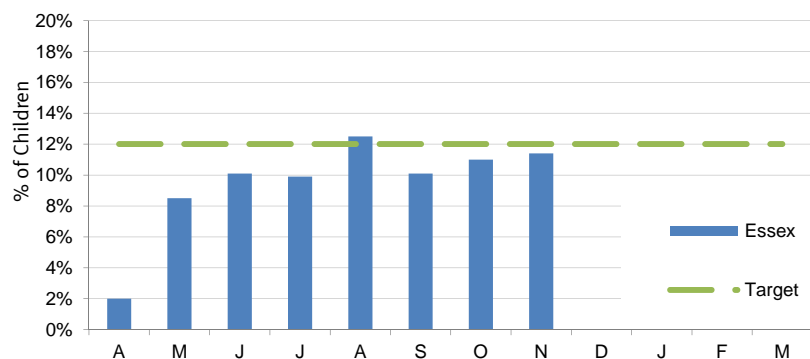
4.3.2: % Children in Care who are in foster care family placements



Although the proportion of children in foster care placements has now fallen below levels seen at the end of 2011/12, Essex remains in line with the target of 75%

Exception

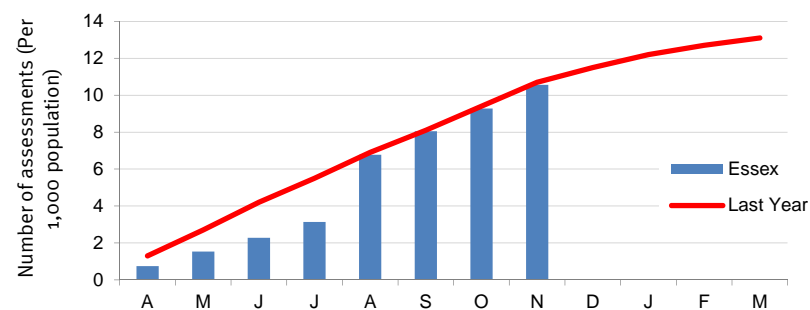
4.3.3: % Children in Care who are adopted each year



Essex is below target for the percentage of children who leave care being adopted.

Exception

4.3.4: Number of carers assessments provided to adults who regularly care for others (per 1,000 population age 18+ years)

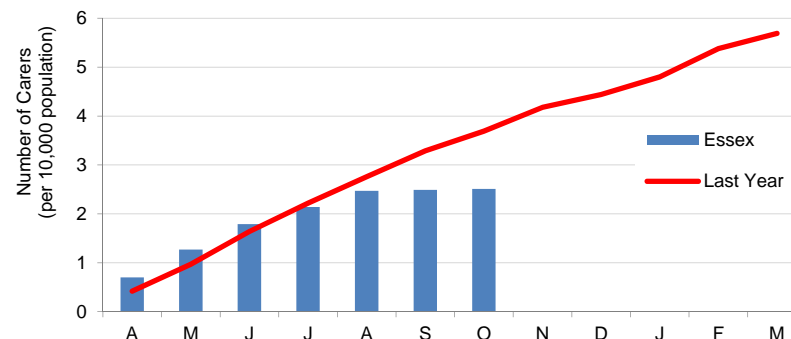


We have seen a decrease in activity levels in Adult Social Care – any decrease in activity levels may in turn impact on carers assessments.

Exception

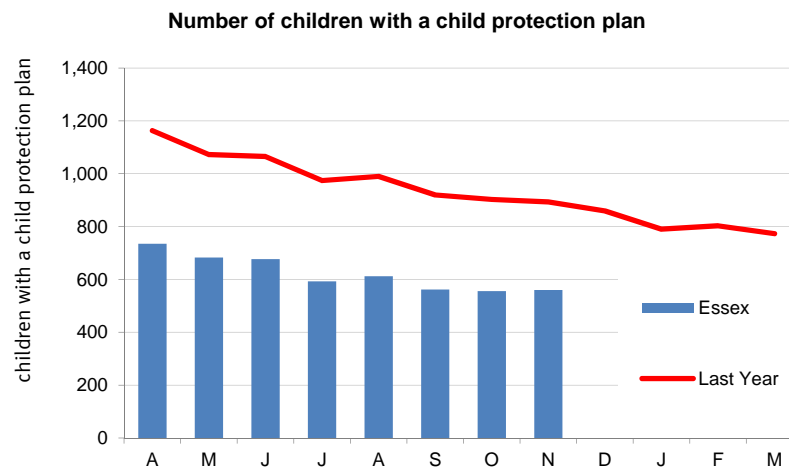
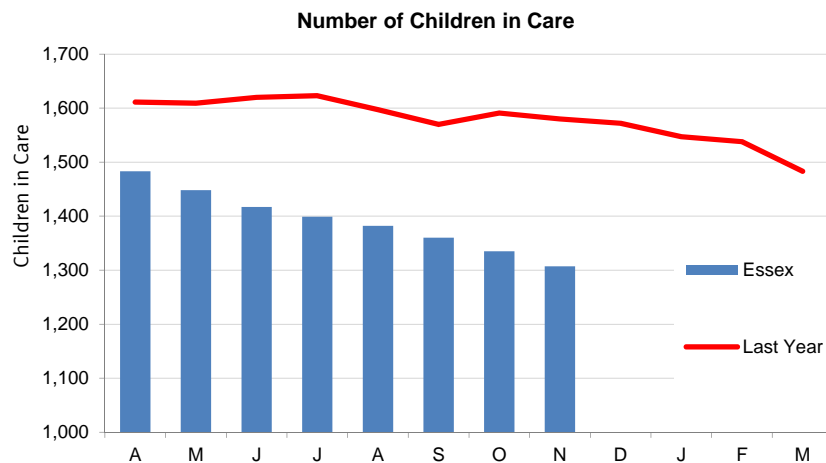
4.3.5: Number of carers receiving direct payments (per 10,000 population age 18+ years)

We have seen a decrease in activity levels in Adult Social Care – any decrease in activity levels may in turn impact on carers.



Safe and appropriate alternatives to care...

As a result of our work with families most in need of our support and early identification of needs, we are seeing an overall reduction in both the numbers of children in care and the numbers subject to a Child Protection Plan.



Priority 5: Giving People a Greater Say and Greater Role in Building Safer and Stronger Communities

What does success look like?

- Low levels of crime and residents feel safe in their communities, traders do not partake in rogue or dangerous behaviour and Essex roads are safe
- Residents are involved in their communities
- There is closer working between local authorities across Essex, and Citizens have power to scrutinise and challenge public services

Where have we come from and where do we want to be?

Outcome 1: Making Essex a safer county in which to live and work

Indicators of Success	Historical Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Stat Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of Data
5.1.1: Number of crimes per 1,000 residents committed in Essex	-	57.4 -	56.5 ▼	57.4 ▲	-	-	Continued reduction in crime	27.7 (Sept 2012)	On track see page 18	Quarterly
5.1.2: % of residents who feel safe after dark	56.9%	58.6% ▲	64.5% ▲	60.3% ▼	-	-	Improve the feeling of safety in communities	Due Mar 2013	N/a	Annual
5.1.3: % businesses causing consumers significant detriment which are brought to compliance within 12 months	New for 2012/13						Baseline Year	Due Apr 2013	N/a	Quarterly
5.1.4: Number of people injure in road traffic collisions (excluding fatal and serious injuries)	3,905	3,667 ▼	3,440 ▼	3,641 ▲	-	-	4% reduction on 2011 result	2209 (Nov 2012)	On track	Monthly
5.1.5: Number of people killed or seriously injured on Essex's roads	706	658 ▼	662 ▲	630 ▼	-	-	No more than 612 people (563 by 2020)	410 (Nov 2012)	On track	Monthly

Outcome 2: Encouraging Essex residents to influence decisions and shape their communities

Indicators of Success	Historical Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Stat Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of Data
5.2.1: % residents who would like to be more involved in decision making	29%	30% ▲	32% ▲	25.9% ▼	-	-	Further engage residents to encourage involvement	Due Mar 2013	N/a	Annual
5.2.2: % residents who are interested in getting involved to improve their local community	-	-	-	51.4% -	-	-	Further engage residents to encourage involvement	Due Mar 2013	N/a	Annual
5.2.3: % residents engaged in volunteering	-	-	30%	28% ▼	-	-	Support and develop opportunities to get more involved in communities	Due Mar 2013	N/a	Annual

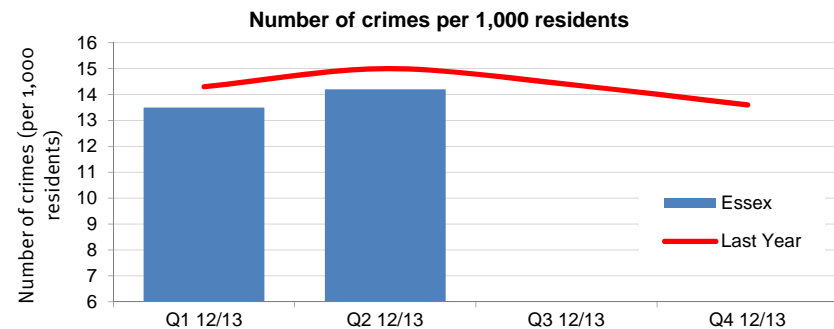
Outcome 3: Helping communities play a greater role in challenging local services

Indicators of Success	Historical Performance				Comparative Performance		Current Essex Performance			
	2008/09	2009/10	2010/11	2011/12	2011/12 National Average	2011/12 Stat Neighbour Average	Aim (for 2012/13)	2012/13	Performance Rating	Frequency of Data
5.3.1: Successful development of Locality Boards across Essex	Success will be measured through the support and promotion of closer working between local authorities across Essex via the establishment of Locality Boards							-	N/a	Annual
5.3.2: Successful development of HealthWatch	Success will be measured by the establishment of HealthWatch Essex Pathfinder							-	N/a	Annual

What do we know has happened this year?

5.1.1: Number of crimes per 1,000 residents committed in Essex

The data for the first two quarters of the year indicated that there has been a reduction in the number of crimes recorded in Essex (data excludes Southend and Thurrock).



		AGENDA ITEM 8	
		ES/05/13	
Committee:	Executive Scrutiny Committee		
Date:	29 January 2012		
East of England Member Development Charter			
Enquiries to:	Joanna Boaler Member Support Manager, 01245 430380 joanna.boaler@essex.gov.uk		

1. Purpose of report

The purpose of this report is provide an update on the progress made with Essex County Council achieving the East of England Member Development Charter.

2. Committee recommendations

The Committee is asked to note the progress made with the East of England Member Development Charter and make any comments or observations, to ensure that Essex County Council are ready for the assessment in March 2013.

3. Background and context

In December 2011, a paper went to Full Council regarding the East of England Member Development Charter, at that meeting, Members agreed to commit to the Member Development Charter with a view to achieving it in advance of the elections in May 2013.

The East of England Member Development Charter has been developed in partnership with the Local Government Group. The Charter aims to promote best practice in member development.

The East of England Charter has a number of objectives:

1. Being fully committed to developing Elected Members in order to achieve the council's aims and objectives;
2. Adopting a member led strategic approach to Elected Member Development;
3. Seeing that learning and development is effective in building capacity;
4. Addressing wider development matters to support councillors;

As Essex County Council already had a Member Development Programme in place, the Council formally signed up to the Charter and endorsed the objectives of the Charter into the Essex County Council Member Development Strategy.

In December 2011 the Council signed up for the Charter and submitted a self-assessment against the criteria and an action plan for meeting them.

Full Council appointed the already established Member Development Steering Group, led by Councillor John Aldridge to continue to oversee Member Development and also the progress towards achieving Charter accreditation.

Since December 2011, the Member Development Steering Group and the Member Support Manager have been working towards meeting the criteria to achieve the Member Development Charter.

4. Current position and progress

Work has been progressing well over the last 12 months in meeting the requirements of the Charter.

The Member Development Steering Group in November 2012, agreed that the date of the assessment should be scheduled for March 2013. The date of the on-site assessment is 5 March 2013. The assessment will be carried out by a trained team of elected members and officers.

In advance of the assessment the self-assessment and a portfolio of evidence will be submitted to the assessment team.

The assessment team will come in for the day and undertake a series of interviews with the following:

- Project Manager – Joanna Boaler and Colin Ismay
- Leader of the Council
- Leaders of the Opposition Groups
- Member Development Steering Group
- Frontline Officer – Paul Bird
- Deputy Chief Executive – Robert Overall
- Workshop with a mixture of Councillors

Following the assessment, a comprehensive report will be produced following the visit. If we are successful and awarded Charter Status, a certificate will then be issued.

Should we be successful after three years, reassessment will take place to ensure on-going commitment to the Charter. We would also have the opportunity to consider

working towards the Charter Plus. Charter Plus is based on the same criteria as the Charter, although evidence requirements and the assessment process are more rigorous.

8. Conclusions

We are in a good position to be awarded Charter Status following the assessment in March. The Member Development Steering Group will continue to oversee the work towards achieving Charter Status in March 2013.

Support from across all parties and all members has been strong to-date, particularly from the Member Development Steering Group, the Leader and his Cabinet. It is certainly more difficult going to assessment in the year of the election, nevertheless the support and dedication from members remains high.

The self-assessment report as Appendix 1, provides a detailed account of the work to-date and any outstanding actions.

Essex County Council: East of England Member Development Charter Self- Assessment 16/01/13

MEMBER DEVELOPMENT CHARTER SELF-ASSESSMENT					
1. Commitment to councillor development					
Elements	Specific Minimum Requirements for Charter	EVIDENCE / ACTION	RAG and by when	BY WHO	Update
<p>1.1. Political and managerial leadership is committed to the development of councillors.</p> <p>What this means in practice Political and managerial leadership put strategies into place to improve councillor and council performance.</p>	<ul style="list-style-type: none"> • Clear commitment from the top political and managerial leadership • Signed commitment to member development and action plan • Established all party training and development task group that meets regularly • There is a clear strategy • Feedback from Members confirms that strategy & actions described, take place • Named councillor(s) and officer(s) responsible for councillor development • Evidence that all-party training and development task group meet on regular basis 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • <i>ECC have a Member Development Steering Group (MDSG) and a Lead Member for Member Development.</i> • <i>The Member Development Steering Group is a cross party Group. The Member Development Steering Group Members were formally agreed by Council 13/12/11.</i> • <i>The ECC Member Development Strategy and Action Plan were formally agreed by Council 13/12/11.</i> • <i>Formal commitment to the Charter was made at Full Council on 13/12/11.</i> • <i>Joanna Boaler is the named officer for Member Development as the Member Support Manager.</i> • <i>Member Zone intranet pages include the Strategy.</i> • <i>Member Development Steering Group is listed as a meeting on CMIS.</i> • <i>Copies of the notes from the MDSG are made available to Members on the Members Zone, CMIS and in the Member Development Folders</i> • <i>MDSG meets on a regular basis, dates included on CMIS.</i> • <i>Member Development Certificate of Commitment has been signed and is displayed in the Members' Area and in the Support Office (Leader and CEO)</i> • <i>Corporate Leadership Team (CLT) and Directorate Leadership Teams (DLTs) consulted and involved in the preparation of the Induction arrangements</i> 	Green	Joanna Boaler	All requirements met

Essex County Council: East of England Member Development Charter Self- Assessment 16/01/13

<p>1.2. Councillor Learning and Development Policy</p> <p>What this means in practice The council has a written policy that has been distributed to all councillors, specifying the principles and operational procedures for councillor learning and development</p>	<ul style="list-style-type: none"> • Statement of Commitment Policy easily accessible to members 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • <i>The formal ECC Member Development Strategy went to Full Council for agreement on 13/12/11</i> • <i>It is available on the Member Zone pages of the intranet, in the Members' Work Room, Group and Member Offices and with the Member Support Manager.</i> • <i>The policy has been revised throughout the year.</i> 	Green	Joanna Boaler	All requirements met
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<p>1.3. Access to learning and development takes into account diversity of needs</p> <p>What this means in practice</p> <p>Political and managerial leadership can describe specific actions that they have taken to ensure equal access to learning and development opportunities for all councillors.</p>	<ul style="list-style-type: none"> • Timing of events takes account of cultural and personal circumstances • Elected members confirm the action taken to ensure equality of opportunity to development • The development programme includes a range of delivery methods to meet the different learning styles of members 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • Members were questioned at the start of their Term of Office about timings of meetings etc. • Sessions are scheduled to coincide, where possible with meetings where a number of Members are in attendance (Committee, Full Council, Group etc) • Use rooms which have hearing loops and have disabled access. • Use microphones when in CR1 or Council Chamber. • Try to use CR1 for most sessions. • We have used a mixture of briefing sessions, workshops, support sessions and e-learning within the development programme. • As part of the PDP process Members were asked if there we any barriers to attending these events. • We followed up individually with any Members who had only attended a few or no sessions during 2011 to learn more about the reasons. • As part of the Personal Development Planning (PDP) process at 1-1 session discussed preferred learning styles. • Advertise a start and approximate finish time for all sessions. • Evaluation of the rollout of Corporate Governance e-Learning modules went to the January 2013 MDSG. • Continue to ensure that the hearing loops are working in the rooms we use for these sessions 	<p>Green</p> <p>On-going –</p> <p>Procedures have been put in place to stop them being turned off.</p>	<p>Joanna Boaler</p> <p>Joanna Boaler</p>	<p>All requirements have now been met</p>
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<p>1.4. Designated budget for councillor development</p> <p>What this means in practice The council has a designated budget for councillor development which is adequate to meet priority development needs.</p>	<ul style="list-style-type: none"> Budget is explicit and clearly identified and monitored 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> <i>There is a Member Support Budget for these activities. Joanna Boaler is a Level Four Approved Budget Holder within the Financial Scheme of Delegation.</i> <i>Policy has been developed, agreed and circulated regarding Member attendance at external events to ensure equality of access and the budget is appropriately spent.</i> 	Green		Budget in place
<p>1.5. Officer support for councillors development</p> <p>What this means in practice Officer/ s of the council have responsibility for co-ordinating councillor development</p>	<ul style="list-style-type: none"> Members confirm that there is an officer who supports their learning 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> <i>Joanna Boaler is the Member Support Manager and is responsible for coordinating Member Development. Joanna Boaler is located near the Members' workroom and is known by Members.</i> <i>There is an objective in the Member Support Managers My Performance relating to Member Development.</i> <i>Joanna Boaler is a named contact in the Members' Handbook, Member Development Strategy, Contact Book, on the intranet and on the Member Development Folder in the Members' Workroom.</i> <i>On the Member Development PDP questionnaires, Joanna Boaler is listed as the named contact.</i> <i>The Member Support Managers job description explicitly outlines responsibilities in Member Development and with the Charter.</i> <i>Joanna Boaler is the lead officer on the Member Development Steering Group as confirmed on CMIS.</i> <i>Corporate Leadership Team (CLT) and Directorate Leadership Teams (DLTs) consulted and involved in the preparation of the Induction arrangements</i> 	Green		Requirement met.

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2. Strategic approach to councillor development					
Elements	Specific Minimum Requirements for Charter	EVIDENCE / ACTION	BY WHEN	BY WHO	Update
<p>2.1 Councillor led strategy</p> <p>What this means in practice Representative councillors are involved in the formulation, implementation, monitoring and evaluation of councillor development strategies, possibly through an established all party task group or other all party committee</p>	<ul style="list-style-type: none"> Decisions about member development are taken by some form of formally constituted body of members Strategy identifies priority development needs and makes stated and clear links with council's aims and objectives 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> <i>ECC has a Member Development Strategy approved by Full Council.</i> <i>ECC has a cross party Member Development Steering Group approved by Full Council.</i> <i>Joanna Boaler regularly reviews the Strategy in consultation with the Lead Member for Member Development to ensure it identifies the priority development needs and the links to the council's aims and objectives.</i> 	Green	Joanna Boaler	
<p>2.2. Councillor roles are clearly defined</p> <p>What this means in practice The various representative roles are clearly defined and councillors are able to describe how they contribute to the achievement of community, political and council objectives.</p>	<ul style="list-style-type: none"> Members demonstrate an understanding of the skills and knowledge required in their ward and council wide roles Member role descriptions exist and are maintained for all key roles including ward councillor Elected members are clear about what the council is trying to achieve and the part they play in this as councillors 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> <i>All Members have role descriptions - Part 2, Article 3 of the Constitution.</i> <i>Members are required to complete an annual report.</i> <i>Member briefings/discussions and development sessions are held on a regular basis to ensure Members are aware of what the council is trying to achieve and the role of Members in this.</i> <i>Members are provided with a regular transformation update, monitoring officer and community budget update.</i> <i>Scheduled as part of the induction programme.</i> 	Green		Requirements met

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<p>2.3. Individual Learning and Development Plans</p> <p>What this means in practice The council has a structured process for regularly assessing councillors' individual learning and development needs based on focused objectives.</p>	<ul style="list-style-type: none"> • System / process exists to identify individual development needs 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • A record of Member attendance at Member Development sessions is kept and is available on the internet on CMIS, this forms part of the Member's Development Record. • Induction process – 1-1's undertaken after six months with new Members. • PDP questionnaires circulated to all Members with the offer of a 1-1. • The process and questionnaire are included within the Strategy. • In the induction meet and greet and drop-in opportunities are offered to all Members. • A selection of Members have been asked to complete a questionnaire regarding the PDP process. 	Green		PDP process and record of member attendance at sessions maintained
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<p>2.4. Political Leadership and Executive Team development and management</p> <p>What this means in practice The council has a structured process for assessing current and future leadership and Executive Team development needs. Development Programmes are put into Place.</p>	<ul style="list-style-type: none"> Published process to assess needs Joint regular events/development plan that support the top team working together corporately & development 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> <i>Peter Martin (Leader) has a mentor - Sir Merrick Cockell</i> <i>OPM worked with Political Leadership Team (PLT) and Corporate Leadership Team (CLT) between Oct 2010 and May 2011 on the following subjects: leadership styles, officer-member roles, commissioning cycles and devolution.</i> <i>Facilitator appointed to support PLT and CLT with commissioning.</i> <i>Individual Cabinet Members have undertaken training to meet their specific needs (example Derrick Louis)</i> <i>Where changes in portfolio occurred, induction programme put in place for Cabinet Members (new and existing)</i> <i>Facilitator appointed to support Cabinet Members</i> <i>Induction checklist in place for new Chairman and Vice-Chairman</i> <i>Support for Cabinet Member and Deputies to Cabinet Members to attend Leadership Programmes for portfolios</i> <i>Political Leadership Development Plan to be agreed and will be put in place after May 2013.</i> <i>Working with HR who are developing a new leadership programme to see which elements would be applicable to Members following the election.</i> 	<p>GREEN</p> <p>May 2013</p>	<p>Peter Fairley Joanna Boaler</p> <p>Joanna Boaler</p>	
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<p>2.5. Committee Learning and Development</p> <p>What this means in practice</p> <p>The council has a structured process for assessing the learning and development needs of all of council committees</p>	<ul style="list-style-type: none"> Published system/process to identify needs Feedback from Members to say it happens 	<p>Evidence:</p> <ul style="list-style-type: none"> Sessions take place on specific subjects such as Waste Issues for D&R and Residential Home visits for COP in relation to committee work. Development and Regulation Committee Training – monthly programme of training Specific Board and Panel training such as Essex Pension Fund/ ISC and Appeal Panels Overall Committee Development Plan agreed and will be put in place after May 2013. Chairman (for committees) Development Plan produced as part of the PDP/Committee plans (Leadership link to 2.4). Roll out May 2013. 	GREEN	Colin Ismay Joanna Boaler	
<p>2.6. Development opportunities are promoted and take into account access requirements.</p> <p>What this means in practice</p> <p>Councillors receive appropriate and adequate notice of development opportunities to allow them to plan in advance. Events are organised at various times, to allow for access by those with work or caring responsibilities. A range of methods are utilised to meet learning needs</p>	<ul style="list-style-type: none"> Timetable of learning opportunities that demonstrate events arranged at different times Annual programme of development activities published and circulated to all councillors through a variety of channels Members can give examples of how they receive appropriate and adequate notice of learning opportunities Training programmes indicate development opportunities available at a range of times allowing access by different groups including those who work 	<p>Evidence:</p> <ul style="list-style-type: none"> A timetable of advance dates is provided to Members. Emails and reminder emails advertising the sessions. Advertised in the Monthly Member Bulletin. Snap frame posters in Members facilities. Text message alerts Shown on Member Board Specific emails to groups/ individuals/committees Group Offices' and Member Support contacts advised At each session, the next session is advertised. Sessions are held on different days and at a time when a significant number of Members are in County Hall. <p>Action</p> <ul style="list-style-type: none"> Continue to explore new and innovative ways of disseminating the information to Members. 	GREEN		
			On-going	MDSG/ Joanna Boaler	

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<p>2.7. Joint learning activities with officers, partners and the wider community.</p> <p>What this means in practice Councillors can provide examples of actions taken to encourage joint development opportunities with key partners, officers and community representatives to enhance closer working relationships and understanding</p>	<ul style="list-style-type: none"> Members can provide examples of elected members learning with, and from, others from stakeholder organisations External partners are involved in relevant training sessions 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> Since 2009, a few joint sessions have been held. Speakers from outside the Council take part in sessions such as the Council Tax Benefits session. Joint working has been established between Braintree District Council and Essex County Council. Currently working with Colchester Borough Council to see how we can share information more/work together. Others are invited to attend sessions where appropriate, such as the Police and Crime Commissioner Session – the Shadow Crime and Police Panel Members have been invited to attend. Joanna Boaler is working with the region to establish further working together including a mentoring scheme and in how Members can work with faith groups more. Joanna Boaler attends and participates in regional working and events on a regular basis. To continue to explore opportunities for joint development opportunities Undertake feasibility work of working with Districts/Boroughs/Unitaries in Essex after July 2013 – pilot with BDC. 	<p>GREEN</p> <p>On-going</p> <p>July 2013</p>		
<p>2.8. Corporate Councillor Learning and Development Plan prioritising activities.</p> <p>What this means in practice Bringing together all learning and development plans – individuals, committees, political leadership and teams into a Corporate Plan that is able to prioritise activities according to resources and which links to council's aims & objectives and the development of elected Members.</p>	<ul style="list-style-type: none"> Corporate Learning and Development Plan 	<p><i>Evidence:</i></p> <p><i>Action:</i></p> <ul style="list-style-type: none"> Bring together all learning and development plans – individuals, committees, political leadership and teams into a Plan that prioritises activities according to resources and which links to council's aims and objectives and the development of elected Members. 	<p>RED</p> <p>Will take this forward following the elections in 2013.</p>	<p>Joanna Boaler</p>	

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<p>2.9. Structured Induction process for all new councillors.</p> <p>What this means in practice Councillors who are new to the council and those who take on new roles receive structured and effective induction.</p>	<ul style="list-style-type: none"> • Induction Strategy and programme of events • Induction programme for new councillors • Councillors can describe their induction processes, what they learned and how the learning has helped them to be effective in their role 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • <i>In 2009 a structured programme and timetable of events was offered to all new and returning Members.</i> • <i>The information has been stored and recorded for use in by-elections and will form the basis of the 2013 induction development.</i> • <i>Audited in 2009 on the induction programme – received a substantial assurance rating with several best practice marks.</i> • <i>Currently working on arrangements for 2013.</i> • <i>Draft programme and action plan has been developed for 2013 elections and induction. Initial discussions with MDSG, followed by paper to CLT (December 2013) and then paper to Executive Scrutiny Committee, Scrutiny Board and MDSG in January 2013.</i> • <i>All DLTs, Cabinet Office and Member Support and Executive Support Offices were consulted prior to the paper to CLT.</i> 	<p>GREEN</p>	<p>Joanna Boaler</p>	<p>All requirements met</p> <p>Dates mostly scheduled for the meetings.</p>
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<p>2.10. Evaluation mechanisms that inform future plans.</p> <p>What this means in practice The council has systems in place that effectively evaluate councillor learning and development activity and identifies the benefits for individuals and the council and areas for improvement</p>	<ul style="list-style-type: none"> • Top political and managerial leadership can describe how training and development is evaluated and who is responsible • Written up outline approach to evaluate elected member training and development with named member and officer responsibilities • Councillors can describe how learning and development is evaluated and who is responsible for ensuring the evaluations take place 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • <i>End of event and regular follow up is undertaken.</i> • <i>Annual Council Meeting a report on member development activities – July 2012</i> • <i>Development activities are recorded within Members' Annual Reports.</i> • <i>Overall evaluation report went to the August MDSG for consideration.</i> • <i>The approach to evaluation is included within the Member Development Strategy including responsibilities.</i> • <i>External evaluation undertaking as part of the External Event process.</i> • <i>Discussions at Member Development Steering Group – twice a year on the activities of the previous six months.</i> • <i>Feedback if provided to the lead officer/presenter and lead Member following each briefing/development session</i> • <i>Committee development to go on agendas as a standing item on a quarterly basis and more frequently as agreed by the scrutiny board.</i> 	GREEN	Joanna Boaler MDSG	
<p>2.11. Councillor Learning and Development Reference Group</p> <p>What this means in practice A cross party group of councillor's works with relevant officers to direct and support all councillor learning and development activity.</p>	<ul style="list-style-type: none"> • Cross party Reference Group remit. • Reference Group minutes of meetings showing active involvement of councillors in the learning and development process. 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • <i>Member Development Steering Group is cross party.</i> • <i>The Group is supported by key officers – Member Support Manager and the Lead Officer for Scrutiny.</i> <p><i>(Terms of Reference)</i></p> <ul style="list-style-type: none"> • <i>The meeting is on CMIS</i> • <i>The notes of the meeting are available on the Member Zone intranet pages or from Joanna Boaler.</i> 	GREEN		All requirements met

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3. Learning and development is effective in building capacity					
Elements	Specific Minimum Requirements for Charter	EVIDENCE / ACTION	BY WHEN	BY WHO	Update
<p>3.1 Councillors learn and develop effectively.</p> <p>What this means in practice Councillors have improved in their confidence and performance in their varied council roles to enhance the performance of the council.</p>	<ul style="list-style-type: none"> • Examples of end of event questionnaires • Top political and managerial leadership are able to describe the improvements that training and development have brought to the performance of individuals, functions and the council • Members can describe why they did certain activities, what they learnt and what difference it has made to them carrying out their various roles as an elected member 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • <i>End of event questionnaires.</i> • <i>Induction evaluation report.- six monthly to MDSG</i> • <i>Annual report to Full Council</i> • <i>Annual reports</i> 	GREEN		All requirements met
<p>3.2 Learning is shared with other councillors and where appropriate, with officers and stakeholders.</p> <p>What this means in practice There is a mechanism for the dissemination of learning materials; knowledge exchange; case studies; Action learning, to encourage Capacity building in the council and a Learning Organisation culture.</p>	<ul style="list-style-type: none"> • Elected members can describe how they have learnt from or shared their learning with their peers, officers and others 	<p><i>Evidence</i></p> <ul style="list-style-type: none"> • <i>Copies of presentations and notes from the sessions are available in the Member workroom, from the Group Offices and the Member Support Manager.</i> • <i>Copies of presentations are on the Member Zone of the intranet.</i> • <i>Members who are unable to attend the session are provided with the notes and copies of the presentations on request</i> • <i>Update on the sessions in each Monthly Member Bulletin</i> • <i>Evaluation completed for all external events and materials, where appropriate collected and placed in the Members' Workroom</i> • <i>Notes produced after all Member briefing sessions and circulated with any materials to Members who were unable to attend.</i> 	GREEN		All requirements met

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<p>3.3 Investment in learning and development is evaluated in terms of benefits and impact</p> <p>What this means in practice. The council demonstrates that it periodically evaluates the cost and benefits of councillor learning and development and the impact that it has had on performance.</p>	<ul style="list-style-type: none"> • Evaluation strategy in place • Case studies of how learning and development has impacted on performance • Political and managerial leadership display a good understanding of both the costs and benefits of development activities and are able to explain why their commitment to councillor development is worthwhile 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • See 2.10 	GREEN		All requirements met
<p>3.4. Improvements to learning and development activities are identified and implemented</p> <p>What this means in practice Changes are made to learning and development programmes and activities to demonstrate the council's commitment to a continuously effective councillor learning and development programme</p>	<ul style="list-style-type: none"> • Minutes of meetings, reports etc providing examples of improvements to learning • Top political and managerial leadership can demonstrate continuous improvement in the approach to developing people • Elected members and their representatives can describe what has been done to improve development activities whenever improvements were needed 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • PDP process established • Evaluation process see 2.10 • Presentations and sessions changed following feedback such as at the recent Code of Conduct sessions – slides were changed following the first session. • Induction see 2.9 • PDP process feedback sought so improvements can be made following the elections in 2013. 	GREEN		All requirements met

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4. Supporting Councillors					
Elements	Specific Minimum Requirements for Charter	EVIDENCE / ACTION	BY WHEN	BY WHO	Update
<p>4.1. Council provides an appropriate level and range of support as well as assisting those with caring responsibilities.</p> <p>What this means in practice The council regularly assesses how it can assist councillors, particularly those with caring responsibilities in terms of suitable allowances and support</p>	<ul style="list-style-type: none"> Councillors Handbook includes arrangements that support those with caring responsibilities. Top political and managerial leadership can give examples of how the council supports those with caring responsibilities Members can give examples of how the council supports those with caring responsibilities Elected members believe that the council is committed to supporting all councillors and particularly those with family and other caring responsibilities All councillors have equal access to council premises, facilities and systems 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> <i>The Local Government Pension Scheme is available to all Councillors and advertised in the Member Handbook when they join the authority.</i> <i>The Council has a Carer's allowance for Councillors, which is advertised to Members within the Handbook as above.</i> <i>Members are provided with a Blackberry and VPN access and sundry items such as Business Cards, name badges.</i> <i>Essex has an allowance scheme and Members can claim expenses.</i> <i>The Council reviews its IT provision for Members.</i> <i>Additional support is provided to Members with particular needs.</i> <i>E-learning and e-payroll support sessions held.</i> <i>Session start and approximate finish time are included in the invitations/advertising of the sessions to help Members make plans.</i> <i>Sessions are held at different times of the day.</i> <i>JB aware of Members disabilities/additional support needs. Support is offered. If we are informed in advance of their attendance we make necessary provision.</i> <i>When holding sessions which are open to other Members we ask whether there are any additional support needs and make the necessary arrangements.</i> <i>Handouts printed in a number of different sizes.</i> <i>EIA carried out for the Member Development Strategy.</i> 	GREEN		All requirements met

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<p>4.2. Council examines how council business is conducted to allow for equality of access to key political decision-making processes.</p> <p>What this means in practice The council regularly reviews how it conducts its business, in terms of when meetings are held and full access to meetings, so that councillors or potential councillors are able to take part in the democratic processes</p>	<ul style="list-style-type: none"> • Council diary - times of meetings include both day and evening so that members can discharge their duties in such a way so as not to sacrifice family and employment responsibilities • Feedback from Members supports an equality of access approach • Council diary - scheduling meetings takes account of cultural and faith commitments 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • <i>A significant number of ECC Members are dual hatters or attend Parish Meetings so daytime meetings suit Members.</i> • <i>Members are advised of Council meetings well in advance.</i> • <i>Members are advised of the dates of Member Development Sessions well in advance.</i> • <i>Essex is such a large county, so sessions are scheduled to maximise attendance at sessions.</i> • <i>Local meetings are held in the respective locality areas.</i> • <i>As part of the PDP questionnaire Members are asked to confirm when they would prefer development sessions to be held.</i> • <i>In the Candidates Guide for prospective members we make it clear that the meetings will take place during the day.</i> <p><i>Action</i></p> <ul style="list-style-type: none"> • <i>Review to ensure that the Council diary still suits Members – discuss in PDP process.</i> • <i>Following the election ensure that Council scheduling takes account of any cultural and faith commitments of Members. – Members to be asked for their views as part of the PDP process.</i> 	<p>GREEN</p> <p>May 2013 following the elections.</p>	<p>Joanna Boaler Colin Ismay</p>	<p>All requirements met</p>
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<p>4.3. Council holds events for the community to encourage people to become future community leaders.</p> <p>What this means in practice</p> <p>The council actively encourages citizenship and publicises the role of councillors as community leaders as part of promoting local democracy and encouraging underrepresented groups to take up office</p>	<ul style="list-style-type: none"> • Local democracy week action plan, programme of activities and review • Youth council • Citizenship links with local schools, colleges and universities • Prospective councillor events • Open days 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> • We produce a Candidates Guide for prospective Members. • We write to all prospective candidates (over 500 in 2009) advising them of the induction programme in advance. • We attend election counts to provide newly elected Members with a formal welcome and a letter regarding ‘joining instructions’ and induction. • During LDW 2011, Members of the YEA met with PLT. Agreement was reached that members of the (Young Essex Assembly) YEA will have the opportunity to shadow members for the day. • YEA events – Members in attendance. • YEA Blog as regular guests within the Chief Executives Intranet Blog. • Preparation of Citizenship Lessons: Delivering Citizenship/ politics sessions in Great Baddow High School on 14/11/11 • LDW 2012: School Council and YEA day with Members, school visits by Members. Young people to shadow Members • Members invited to meet new YEA Members following the election. <p><i>Action</i></p> <ul style="list-style-type: none"> • Continue to organise these events and activities. 	GREEN		All requirements met
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Essex County Council: East of England Member Development Charter Self- Assessment 16/01/13

<p>4.4 Councillors are provided with development and briefings to enable them to understand and fulfil their role in relation to community involvement and its impact on their wider role as councillors</p> <p>What this means in practice Council provides development and briefings on changing role of councillor in relation to the local community and provides councillors with the skills and understanding they need to meet this challenge</p>	<ul style="list-style-type: none"> Briefing / training sessions and materials are provided on topical issues Councillors are actively engaged in community leadership activities 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> <i>Briefings and training sessions are provided to Members on topical issues.</i> <i>Timetable of sessions</i> <i>Member Development Week in March 2010 had a specific local focus.</i> <i>Joint NI4 sessions in November 2010 with Districts/Boroughs.</i> <i>Produced locality profiles based on Divisions.</i> <i>Sessions organised on the Councils changing role and the impact that will have for residents.</i> <i>New Residential Home visit programme session taken place and offered to Members locally.</i> <i>Briefing sessions and written updates on the changes in the council particularly how it delivers services</i> <p><i>Actions</i></p> <ul style="list-style-type: none"> <i>Consider, develop and roll out further locality sessions.</i> <i>Finalise the revised Locality Profiles – 2013. Make available to Members and on the internet</i> <i>Once the future direction is clear, provide information and discussions on how their role may change.</i> 	<p>GREEN</p> <p>On-going</p> <p>May 2013</p> <p>ASAP</p>	<p>MSOs</p> <p>Joanna Boaler</p>	<p>All requirements met</p>
<p>4.5 Councillors are provided with the skills to enable them to fulfil their role as leaders of an organisation and the community</p> <p>What this means in practice Councillors are developed so that they can play a full part in the debate /decision making process around increasing organisational effectiveness, productivity and efficiency, including providing challenge</p>	<ul style="list-style-type: none"> Councillors can provide examples of learning and development activities to support effective procurement decision-making 	<p><i>Evidence:</i></p> <ul style="list-style-type: none"> <i>Locality briefings</i> <i>LDW activities</i> <i>Sensory awareness training sessions offered</i> <i>Regular sessions held on Community Budgets and Transformation</i> 	<p>GREEN</p>	<p>Joanna Boaler</p>	<p>All requirements met</p>

		AGENDA ITEM 9
		ES/006/13
Committee:	Executive Scrutiny Committee	
Date:	29 January 2013	
<u>FORWARD LOOK/ WORK PROGRAMME 2012/13</u>		
Enquiries to:	Robert Fox, Governance Officer 01245 430526 robert.fox@essex.gov.uk	

Purpose of Report

The purpose of this report is to set out the Committee's latest work programme for its consideration. A scoping document for Health and Safety at Work will be circulated to Members in advance of the meeting.

Meeting	Topic	Approach	Current status
29 January	Third Quarter Outturn	Full Committee	Standing item
29 January	Third Quarter Performance Report	Full Committee	Standing item
29 January	2013/14 Budget	Full Committee	Standing item in January
29 January	Member Development Charter	Full Committee	Updated report
29 January/ 25 February and ongoing	Transformation II	Full Committee	Scoping document agreed by Chairman/Vice-Chairman
25 February	Developing the Localism Agenda	Full Committee	Committee agreed scoping document for review.
26 March	Coroner's Service	Full Committee	Annual Update on performance of the service
26 March	Property Strategy and Fixed Assets Register	Full Committee	To be agreed – scoping document to follow
26 March	Health and Safety at Work review	Full Committee	To be agreed – scoping document attached
23 April	Year End Outturn	Full Committee	Standing item
23 April	Year End Performance Report	Full Committee	Standing item
Ongoing	External & Internal Communications	Task and Finish Group	In hiatus due to Transformation II
Ongoing	Procurement Strategy	Task and Finish Group	Scrutiny Board referred item to Executive Scrutiny following the initial presentation late 2012. T & F to commence post-May 2013

**Executive Scrutiny Committee:
Schedule 2012/2013 (provisional)**

Meeting	Topic	Approach	Current status
2012/13			
January and February 2013 and ongoing.	Transformation Programme Scrutiny Review: Beyond 2012/13	Full Committee	<p>To understand the overall vision for the Transformation II Programme and the methodology for its delivery. Also to ensure the governance arrangements are appropriate for a project of this importance and that the maximum benefit to the Council and to public services in Essex is derived from the Programme.</p> <p>Commissioned Services are key in terms of checking the arrangements and scrutiny adding value to the commissioned services.</p> <p>Scrutiny to commence in January 2013 and February 2013 and ongoing.</p>
Date to be agreed	Transformation Programme Scrutiny Review: Shared Services	Full Committee	To consider the Essex Shared Services Strategy 2011-16. A scoping document will be prepared by Mark Hobson, Shared Services and presented to a future meeting of the Committee.
March 2013	Property Strategy and Fixed Assets Register	Full Committee	Councillor David Finch to attend Committee (Scoping Document to follow).
March 2013	Coroner's Service	Full Committee	The Committee considered report ES/030/11 on 24 May, and received a report at its 31 January meeting. The Committee will receive a further update in March 2013.
Ongoing via T&F Group	External Communications	Task and Finish Group	The Committee considered a scoping document (ES-SCR-01/12) and agreed that a Task and Finish Group be convened. This Group has met twice to date, and it is anticipated there will be at least two further

			meetings. The Committee received an interim report in September 2012. This is currently in hiatus due to the Transformation II programme.
From May 2013 via T&F Group	Procurement Strategy	Task and Finish Group	The Committee agreed at its 30 May 2012 meeting that the Deputy Leader be invited to attend the Committee to present on the strategy which is to be revised in September 2013 to ensure the strategy, as it exists and in future, ensures the procurement of cost-effective, high quality services for the residents of Essex. The report was received in November 2012. It was agreed to refer to the Scrutiny Board for further instruction. The Scrutiny Board in January 2013 referred back to Executive Scrutiny to conduct a review via Task and Finish Group with the caveat this commences post-May 2013.
February 2013	Developing the Localism Agenda	Full Committee	The Committee agreed at its 30 May 2012 meeting that an update be invited from the Cabinet Member for Communities and Planning on the Big Society Revenue and Capital Fund. The review should also include elements of Partnership working, the elected Member as a Community leader, the General Power of Competence and communities being given the right to run services. The ECC Petitions Policy should also form part of the review. Partnerships and the Impact of the Localism Bill, Locality Boards and the Essex Partnership Forum refresh will also form part of this agenda item. A scoping document was agreed in November 2012.
March 2013	Health and Safety at Work	Full Committee	The Committee agreed at its 30 May 2012 meeting that as assessment of whether ECC fulfils its H&S legislative requirements in a scrutiny review

			which will look at the approach the Authority takes to H&S; and to ensure the Authority is fully compliant with relevant H&S legislation. A scoping document will be presented at this meeting.
Standing Items			
Ongoing	Quarterly Budget Reports	The Committee will receive quarterly financial reviews.	The quarterly 2011/12 Financial Reviews were presented throughout the year. The 2012/13 quarterly reviews will be presented to Committee throughout the year.
3 April 2012	Performance Management		The Executive Scrutiny Committee takes an overview of the performance scorecard and referrals to other Policy and Scrutiny Committees. At its 15 February (ES/005/11, minute 7) and 26 April (ES/022/11, minute 33) meetings the Committee considered the new arrangements for reporting performance. Quarter One Performance Report will be presented in July 2012; Quarter Two in October 2012; with Quarter 3 at this meeting.
April 2013	Equality Impact Assessments (ES-SCR-004)	Full Committee	A scoping document setting out the suggested areas of focus for this review was agreed on 23 June 2011 (ES/041/11). Committee received an update on 29 November 2011. A further update will be received in the spring of 2013.
January 2013	Member support, development and effectiveness (ES-SCR-005)	Full Committee	<p>The Executive Scrutiny Committee considered this topic at its 29 November 2011 meeting. The main areas of focus were:</p> <ul style="list-style-type: none"> • Member Development Charter • Member effectiveness

			<ul style="list-style-type: none"> • Support for Members • Information and communication for and with Members <p>A scoping document setting out the suggested areas of focus was agreed on 23 June 2011 (ES/045/11). An update is being received at this meeting.</p>
1 May 2012	Capita Resourcing		<p>The final report prepared by a Task and Finish Group convened from the Central Services Policy and Scrutiny Committee was presented for consideration on 25 January 2011. Report ES/024/11 containing an update from the Task and Finish Group was presented on 26 April 2011 where it was subsequently agreed that the topic would be brought to the 1 May 2012 meeting for continued monitoring. This report was received in July 2012.</p>
26 June 2012	Customer Satisfaction, Complaints and Public Relations		<p>The Executive Scrutiny Committee considered report ES/029/11 at its meeting on 24 May meeting, with Duncan Wood, Head of Research and Intelligence in attendance to introduce the report, answer questions and provide an update. The Committee agreed that a report providing details of the current performance in this area was brought to the July 2012 meeting (minute 42, 2011). The Committee will receive annual customer satisfaction reports. The first of which will be July 2013.</p>
5 November 2012	Absence Management	Task and Finish Group	<p>The Community Wellbeing and Older Persons Policy and Scrutiny Committee undertook a review into Absence Management for its' relevant Directorate. The Executive Scrutiny Committee awaited the outcome of</p>

			<p>this scrutiny before continuing with their review. The final scrutiny review report was agreed at the Community Wellbeing and Older Persons Policy and Scrutiny Committee on 9 December. A copy of this report was presented at the 25 January 2011 meeting of the Executive Scrutiny Committee, along with absence figures for all service areas. The Committee agreed (25 January, minute 6) that the topic would be referred to the Scrutiny Board, with a view to discussing each Policy and Scrutiny Committee reviewing their respective directorate absence statistics. The Scrutiny Board subsequently agreed that the Community and Older People P & SC undertakes this task on behalf of all P & SC's and established a Task and Finish Group which would report to Executive Scrutiny. The Committee agreed in September 2012 that this review was now complete given that absence rates within ECC are lower than comparable public sector organisations. A final report was presented to the 5 November 2012 Committee. The Committee will receive updated data in November 2013.</p>
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Completed Scrutiny Reviews by the Executive Scrutiny Committee

3 April 2012	Corporate Human Resources issues	Full Committee	The Committee will considered a scoping document (ES-SCR-02/12) was considered by the Committee at its 31 January 2012 meeting and a report was received on 3 April 2012 and the Committee agreed that the scrutiny review of this item was complete
25 January 2011	Facilities Management Overspend	The full Committee	At its 30 November meeting the Committee requested further

		agreed the summary report	information about the Facilities Management Service overspend detailed in the Financial Review as at the Half-Year stage 2010/11. A summary report containing details of the overspend was presented at the 25 January meeting.
24 May 2011	Risk Management and contracting arrangements (report ES/33/10)	The full Committee undertook the review.	The Committee monitored the scrutiny review recommendations at 24 May 2011 meeting and received a response from Councillor Louis, Cabinet Member for Major Projects and Commercial Services (ES/031/11). The Committee found that the recommendations had all been accepted, and good progress had been made against them. The Committee agreed that no further action was required in relation to this topic.
29 November 2011	Essex People Strategy 2012 and beyond including staff survey results (ES-SCR-007)	Full Committee	Adam Bowles, Head of Corporate HR and Keir Lynch, Executive Director for Transformation were in attendance to provide an update on the Essex People Strategy, focusing on 2012 and beyond, and include details of the staff survey results and collection methods. A scoping document setting out the areas of focus for this review was agreed at the 23 June 2011 meeting (ES/044/11). The Central Services Policy and Scrutiny Committee originally considered the Essex People Strategy at its September 2009 meeting.
September 2012	The Changing Pattern of Finance within Local Government	Full Committee	The Committee agreed at its 30 May meeting that it receive a presentation in how the Local Government Finance Bill will affect ECC; what approach the County will be taking to the changes and the areas which might be affected. The review should include The Community Infrastructure Levy,

			Business Improvement Districts, Localism Benefits, National Non-Domestic Rates, and Tax Increment Financing. This report will be received at the 11 September meeting of the Committee. A Member Development Session has been arranged.
June 2012	Refresh of EssexWorks Corporate Vision (ES-SCR-006)	Full Committee	The Committee considered the refreshed EssexWorks Corporate Vision on 29 November 2011, following previous consideration of this topic at the 23 June meeting.

