



Essex County Council

Corporate Policy and Scrutiny Committee

12:45	Tuesday, 07 November 2023	Committee Room 1 County Hall, Chelmsford, CM1 1QH
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For information about the meeting please ask for:

Graham Hughes, Senior Democratic Services Officer

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Email: democratic.services@essex.gov.uk

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Pages

**	Private Pre-Meeting for CPSC Members and the Chairmen and Vice-Chairs of the other three scrutiny committees Please note that there will be a virtual private pre-meeting for committee members and the Chairmen and Vice-Chairs of the other three scrutiny committees on Monday 6 November at 4pm via Microsoft Teams.	
1	Membership, Apologies, Substitutions and Declarations of Interest	4 - 4
2	Minutes 28 September 2023	5 - 12
3	Questions from the Public A period of up to 15 minutes will be allowed for members of the public to ask questions or make representations on any item on the agenda for this meeting. No statement or question shall be longer than three minutes and speakers will be timed. If you would like to ask a question at this meeting, please email Democratic Services by 12 noon the day before (Monday 6 November 2023).	
4	2023-24 Financial Overview as at the Half Year	13 - 14
4a	Appendix-2023-24 Half Year Cabinet Report	15 - 42

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| 5 | Performance discussion – April to August 2022-23 | 43 - 45 |
| 5a | Appendix 1- Quarterly Performance Report | 46 - 65 |
| 6 | Work Programme | 66 - 69 |
| 7 | Date of Next Meeting
To note that the next meeting will be held on Thursday 30 November at County Hall. | |
| 8 | 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)

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

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

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| 9 | 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. |
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Agenda item 1

Committee: Corporate Policy and Scrutiny Committee

Enquiries to: Graham Hughes, Senior Democratic Services Officer

Membership, Apologies, Substitutions and Declarations of Interest

CORPORATE POLICY AND SCRUTINY COMMITTEE (14)

10 Con: 1 Lab: 1 LD: 2 NAG)

Councillor C Pond	Chairman
Councillor L Barber	
Councillor S Crow	
Councillor M Garnett	
Councillor I Henderson	
Councillor S Kane	
Councillor M Mackrory	Vice-Chairman
Councillor J McIvor	
Councillor A McQuiggan	
Councillor C Souter	
Councillor W Stamp	
Councillor M Steptoe	Vice-Chairman
Councillor M Vance	

Recommendations:

To note

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

Minutes of the meeting of the Corporate Policy and Scrutiny Committee, held at 12.30pm on Thursday, 28 September 2023 in Committee Room 1, County Hall, Chelmsford.

Present:

County Councillors:

Chris Pond (Chairman)
Simon Crow
Mike Garnett
Sam Kane
Dan Land (substitute)
Mike Mackrory (Vice Chairman)
Aiden McGurran (substitute)
Anthony McQuiggan
Clive Souter
Wendy Stamp
Mike Steptoe (Vice Chairman)
Marshall Vance

Graham Hughes, Senior Democratic Services Officer, and Lisa Siggins, Democratic Services Officer, were also present.

1 Membership, Apologies, Substitutions and Declarations of Interest

The report on Membership, Apologies, Substitutions and Declarations was received and it was noted.

Apologies for absence had been received from Councillors Lewis Barber (for whom Councillor Dan Land substituted) and Ivan Henderson (for whom Councillor Aiden McGurran substituted).

2 Minutes

The draft minutes of the meeting held on 27 July 2023 were approved as a true record and signed by the Chairman of the meeting.

3 Questions from the public

There were no questions from the public.

4 Council-owned 'for profit' organisations

The Committee considered report CPSC/17/23 giving an overview of the Council-owned trading organisations and providing details of the purpose of each organisation and the financial returns from these interests.

The following joined the meeting for the duration of the item:

- Councillor Chris Whitbread, Cabinet Member, Finance, Resources and Corporate Affairs.
- Stephanie Mitchener - Director, Finance
- Paul Turner – Director Legal and Assurance

Key points raised during the introductory presentation and subsequent discussion included:

- (i) The Council currently had an interest in four organisations which operated potentially for profit. Three of them were wholly owned by the Council (Essex Cares Limited, Essex Housing LLP and SEAX Trading).
- (ii) In addition, there were other organisations where the Council had an interest or involvement, but these were not for profit.
- (iii) The Leader of the Council was the Lead Member (Councillor) for all council owned trading organisations. There was guidance in place which set out the County Council's requirements about creating new companies or joining a new company.
- (iv) A Strategic Governance Review was underway. A Shareholder Board was in place with Board members including the Lead Member, the Section 151 Officer (or nominee) and the Monitoring Officer (or their nominee). The Shareholder Board had focussed on ensuring that risks were managed and that companies were still required. Officers were working on reconstituting the Shareholder Board to enable more discussions about company performance in that forum rather than through other governance arrangements as at present.
- (v) Each company had a lead ECC officer who was responsible for managing the relationship between the company and ECC. The lead officer must provide an annual report to the shareholder board.
- (vi) The investment in Meditech had enabled some pump priming of medical innovation. 14 projects were being supported. The investment may return a profit if successful in the future. There was no listed value for the company as shares were not regularly traded. It was viewed as a long-term investment. Members challenged whether the projects being supported had come to fruition and whether it was optimising investment outcomes for the County Council.
- (vii) The majority of business for Essex Cares Limited was commissioned by the County Council with a small percentage of cross border work, such as for Havering Council.

- (viii) It was queried how much of Essex Housing LLP property receipts were re-invested and on what types of housing. All sales would be accounted for as part of an approved business plan. A specific governance review for Essex Housing LLP currently underway would include consideration of shareholder returns in future. The conclusions of this review could be a future agenda item for the Committee.
- (ix) SEAX Trading Limited enabled ECC to trade services with the private sector. It was supported by employees in the Place Services Directorate and had provided around £0.5m in income.
- (x) One ECC Director was remunerated for their role on one of the Council-owned companies. That person had a twin role across both ECC and the company concerned and the remuneration had been approved by the Senior Management Employment Committee, a politically balanced committee of councillors, as it was felt that person had taken on additional duties.
- (xi) It was difficult to benchmark these council-owned structures against other local authorities, as arrangements and structures could differ significantly between different councils. It was stressed that ECC did everything it could to minimise risk.

Conclusion

It was agreed to provide or consider further the following:

- (i) The Cabinet Approval paper from 2017 for the investment in Meditech to be circulated.
- (ii) Clarification on the location of the 14 Meditech medical projects being funded and more information be provided on each project.
- (iii) Confirmation on when the last set of statutory accounts for Meditech were filed at Companies House.
- (iv) Further financial information on Essex Cares Limited, particularly percentage breakdown of ECC commissioned business, any further ECC investment made in the Company and information on shareholder dividends received for the investment.
- (v) Further information on the property sales made by Essex Housing LLP, how the income from sales receipts were used, the role and membership of the Essex Housing Board.
- (vi) Further information on the policy for remuneration of ECC company directors.

The contributors were thanked by the Chairman for their attendance and then left the meeting.

The meeting then adjourned at 1.15pm and reconvened at 1.46pm.

5. Local Community Fund (replaced Levelling Up Fund) Update

The Committee considered report CPSC/18/23 which comprised an update on the Local Community Fund, distinguishing it from the Locality Fund, examples of projects funded so far, and some consideration of what made a good project proposal to obtain funding.

The following joined the meeting for the duration of the item:

- Councillor Louise McKinlay, Deputy Leader and Cabinet Member for Levelling Up, and the Economy.
- Paul Turner, Director Legal and Assurance
- Phil Oldershaw, Strategy and Partner Engagement Manager

Key points raised and noted during the initial presentation and subsequent discussion included:

- (i) Funding for the LCF was allocated on a district basis based on £4000 per county council member in that district.
- (ii) Applications for funding would be considered and, if criteria met, approved by officers and the Cabinet Member. The criteria focussed on the levelling up priority cohorts, youth services and supporting voluntary and community projects on climate action. The LCF had also replaced Youth Service Grants.
- (iii) The local county councillors for a district area were invited to collectively make recommendations and applications for funding. The minimum funding allocation was for £1000 and applications with match funding were preferred, dependent on partner. Youth grant ideas needed to involve young people.
- (iv) Some reasons why some applications had been rejected in the previous year were given which included proposals which had no clear outcomes for residents, did not fit with one of the three specified themes and applications for funding for a full year or half year project but were submitted near the end of the financial year. There could be some flexibility regarding the submission cut-off if there was only a slight overrun of a project into the following financial year. Some members queried why there was not more flexibility in permitting a project to run further into the next financial year rather than insisting that most of the project had to complete within the same financial year as the application for funding being made.

- (v) Some members referred to a missed opportunity with only approximately 63% of the monies reserved for the Levelling Up Fund (LUF) in 2022/23 having been allocated and spent. Just six district areas (out of twelve) had used their full allocation of monies from the LUF last financial year. There was a discussion about how to encourage greater uptake and prompt more applications. Further communication and prompting of members could be considered.
- (vi) When applications were submitted all local members would be notified of the submission. Some members queried if all Lead Members had the time to undertake the role.
- (vii) It was queried what had been learnt from the operation of the LUF that could be applied to the operation of the LCF this year. Changes had been implemented for the LCF such as now a rolling approval process was in place, and further guidance and suggestions on schemes and projects for consideration locally was now available. It was stressed by the Cabinet Member that ultimately local members in each district area needed to be organised to submit applications early in the financial year.
- (viii) Some members queried if extra support could be given to help facilitate local meetings being set-up although the Cabinet Member considered that local members should be able to organise this amongst themselves.
- (ix) Whilst unanimity from local members was preferable for applications, there was some flexibility as a view would be taken on fairness and reasonableness and whether money would be going overly to just one part of a district area.

Conclusion

In concluding their comments, some members suggested considering some further changes to processes.

- Further assistance for Lead Members to make submissions.
- More advice and guidance on submission deadlines.
- Increasing awareness that local applications could be submitted separately project by project throughout the financial year and did not have to all be submitted at the same time.
- Further officer support in setting up local meetings and/or ensuring they were taking place.
- Checking in with Lead Members in a couple of months if they had not made any submissions by then.

- The presentation at the meeting on the LCF Scheme should be circulated to all members as it would be useful as a further guide and had relevant officer contacts details.

The Chairman invited the Cabinet Member to bear the above in mind without requesting her to respond further and specifically on each one. However, the Cabinet Member did respond that;

- The application process was the same platform as that used for Locality Fund applications and there had been no issues with the forms used.
- She was not going to request officers to attend the local meetings. It was up to local members to organise themselves to do this. Similarly, she was not going to request officers to check up on local members as to whether meetings had been held or not.
- Extra information was available this year with the list of projects approved so far and the list of suggested projects providing further guidance on the types of local schemes that could be funded.
- Councillor Mark Platt, Deputy Cabinet Member for Levelling Up, and the Economy was the lead contact for both the LCF and the Locality Fund and local members could seek his help and guidance.
- The importance of early submission of applications was stressed.

The contributors were thanked by the Chairman for their attendance and then left the meeting.

7. Work programme

The Committee considered and noted report CPSC/19/23 which comprised the current work programme for the Committee. It was requested that an item on insurance be scheduled to include policies to cover highways damage resulting from accidents and a more general update on approach towards risk and insurance and insurance spend.

Urgent Business

No items were raised.

The Chairman then closed the meeting at 2.58pm

Chairman

Corporate Policy and Scrutiny – Outstanding Matters Arising as at 7 November 2023: APPENDIX 1

Date	Agenda item	Action	Status
28 September	Council-owned for profit organisations	(i) The Cabinet Approval paper from 2017 for the investment in Meditech to be circulated.	Complete – included in agenda pack
		(ii) Clarification on the location of the 14 Meditech medical projects being funded and more information be provided on each project.	As above
		(iii) Confirmation on when the last set of statutory accounts for Meditech were filed at Companies House.	As above
		(iv) Further financial information on Essex Cares Limited, particularly percentage breakdown of ECC commissioned business, any further ECC investment made in the Company and information on shareholder dividends received for the investment.	As above
		(v) Further information on the property sales made by Essex Housing LLP, how the income from sales receipts were used, the role and membership of the Essex Housing Board.	As above
		(vi) Further information on remuneration of ECC company directors.	As above
	Local Community Fund update	Meeting presentation to be circulated to all ECC Members	Complete
27 July 2023	2023/24 Financial Overview as at the First Quarter	A breakdown of the spend on repairs at the Clarendon Road property, Watford	To be included in next update
		Further information on the underspend in the Youth Service due to recruitment, turnover and vacancy challenges	As above
		Whether funding from the Bus Recovery Grant could be used for ECC's subsidised bus services.	As above
		Breakdown on how bus services are funded in Essex	As above
		Further information to be provided on the Facilities Management contract pressure and overspend due to increased volumes of document storage	As above
		There should be a regular update on the capital programme including the parts attributable to Essex Housing LLP	As above

Date	Agenda item	Action	Status
27 April 2023	Procurement update	Procurement rules for ECC's Country Parks would be checked as it was suggested that their cafes and gift shops, for example, could only procure from a single source and were unable to supplement that with procurement opportunities with local businesses.	TBC
		A check would be made as to whether information was also disseminated through Districts.	TBC
		Consideration be given to establishing a holistic monitoring and mentoring process for unsuccessful tenderers to provide feedback.	TBC
		Learning and collaborative working opportunities from the Strategic Supplier Collaboration Forum should also be shared with the unsuccessful tenderers.	TBC
		A further breakdown be provided on SME spend and trends.	TBC
		Clarification on how the aspiration that by 2050 Essex as whole county would be net zero was defined in terms of procurement and reach and influence.	TBC
23 March 2023	Estates Transformation programme update	(i) the advice and guidance issued to staff around checking their home insurance cover for home working and personal safety. (ii) levels of funding in the ERIF and specifically commentary on how that fund could be used, possibly in conjunction with Essex Housing, to facilitate repurposing some properties.	TBC
		(iii) Update on how the core estate is meeting climate targets.	TBC
		(iv) ECC approach to embodied carbon in its buildings	TBC
13 March 2023	Performance discussion – Quarter 2, 2022-23	Consider a specific update on the 50 most deprived areas in the county and report on what the Levelling Up Programme had changed for those areas.	TBC

Report title: 2023/24 Financial Overview as at the Half Year	
Report to: Corporate Policy and Scrutiny Committee	
Report author: Cllr Christopher Whitbread, Chancellor of Essex (Cabinet Member with responsibility for Finance)	
Date: 7 th November 2023	For: Consideration
Enquiries to: Stephanie Mitchener, Director of Finance email stephanie.mitchener@essex.gov.uk or Adrian Osborne, Head of Strategic Finance and Insight email adrian.osborne2@essex.gov.uk	
County Divisions affected: All Essex	

1. Purpose of report

- 1.1 This item is to consider the 2023/24 Half Year Financial report presented to Cabinet on 10th October 2023.

2 Background

- 2.1 The Council presented its Half Year Financial position for 2023/24 to October Cabinet. At this stage there is a forecast over spend of **£12.7m** (1.2%), against a net revenue budget of **£1.1bn**.
- 2.2 For the Capital Programme there is a forecast over spend of **£12.2m** (3.8%) against a budget of **£319.1m**.

3 2023/24 Half Year Report

- 3.1 The Council continues to find itself in an extremely uncertain economic environment. Inflation is continuing to decline but at 6.7% is still far in excess of what we have come to consider the norm. There is a risk that if inflation does not reduce at the speed forecasted by the Bank of England, this could potentially create further pressure against 2023/24 budgets, and impact our medium term plans. At this time, pressure of over £14m relating to inflation is being reported. We continue to hold reserves specifically set aside for inflationary risk, which can mitigate any emergent pressure, if necessary, in the short term. Alongside this, interest rates continue to rise, and the expectation is they will rise further, which will impact on the revenue cost of borrowing in the medium term.
- 3.2 There is a full year forecast over spend of **£12.7m** (1.2% against a net budget of £1.1bn). The overall over spend position is driven by pressures across:
- Children's Services and Early Years portfolio (**£16.6m**), where a higher proportion of children in care are now placed in more expensive types of care than assumed when the budget was set, due to greater levels of

complexity and risk. These issues are being seen nationally and are not just arising locally.

- Health and Adult Social Care and ICS Integration (**£4.8m**) where there are capacity pressures within Reablement support, requiring additional spot purchasing.
- The Chancellor of Essex portfolio (**£4.4m**), where there is pressure relating to the delay in delivery of the organisation wide staffing review saving.

These pressures are offset by:

- Other Operating Costs, **£7m** under spend driven by higher levels of income on interest earned from treasury management activity due to rising interest rates, plus reduced expectations on capital financing costs following re-profiling in the capital programme.
- Under spends within Highways Maintenance and Sustainable Transport (**£4.4m**) and Chancellor of Essex RSSS (**£1.8m**) in relation to energy costs - following a stabilisation of the energy market since the budget was set, unit rates are now nearly half that assumed.

3.3 The Capital Programme has a forecast over spend of **£12.2m** against the latest budget of **£319.1m**. After taking account of the budget change adjustments set out in the Half Year report, there is a residual over spend of **£3.2m**, mainly in relation to Schools cash balances. The budget change adjustments are summarised as follows:

- 2023/24 Slippage: **£11.7m** (£6.1m into 2024/25, £405,000 into 2025/26, £1.8m from 2026/27 and £7.1m into 2027/28)
- Additions: **£25.4m**
- Reductions: **£7.8m**
- 2023/24 Advanced Works: **£3.3m** (£1.1m from 2024/25, £2.1m from 2025/26 and £87,000 from 2027/28)

3.4 Responses to questions raised at Corporate Policy and Scrutiny Committee in July 2023 will be included in the presentation to the Committee at the meeting.

4 List of Appendices

2023/24 Half Year Cabinet Report (FP/036/02/23) – [2023/24 Half Year Cabinet Report](#)

Forward Plan Reference Number: FP/036/02/23

Report title: 2023/24 Financial Overview as at the Half Year Stage	
Report to: Cabinet	
Report author: Councillor Christopher Whitbread, Chancellor of Essex (Cabinet Member with responsibility for Finance)	
Date: 10 October 2023	For: Decision
Enquiries to: Nicole Wood, Executive Director, Corporate Services, email Nicole.wood@essex.gov.uk or Adrian Osborne, Head of Strategic Finance and Insight, email Adrian.osborne2@essex.gov.uk	
County Divisions affected: All Essex	

1 Everyone's Essex

- 1.1 The Annual Plan and Budget was set for 2023/24 at Council in February 2023. The plan set out the Everyone's Essex strategic aims and commitments, alongside a budget to enable delivery of our aims, while also maintaining the financial sustainability of the Council.
- 1.2 The purpose of this report is to set out the current forecast financial position of Essex County Council's (ECC) revenue and capital budgets as at the half year stage of the 2023/24 financial year. The report highlights that, while there is a small forecast over spend of 1.2% against a net revenue budget of £1.1bn, the short to medium term outlook remains incredibly challenging, with demand uncertainty, market pressures, high inflation and interest rates, and cost of living impacts.
- 1.3 The **£12.7m** over spend is a **£1.6m** favourable movement since the Quarter 1 report of **£14.3m**. This is mostly driven by favourable movements of **£7m** in Other Operating Costs and **£4.3m** in Highways Maintenance and Sustainable Transport, offset by an adverse movement of **£8.6m** in Children's Services and Early Years. **Further details on movements are set out in section 5.**
- 1.4 We are still facing unprecedented circumstances – after reaching a 40 year high back in winter, inflation is now falling but remains high at 6.7%, still almost double the council tax rise applied this year. In the current economic climate forecasts for future inflation remain uncertain. There is a risk to the financial position if inflation does not reduce at the speed forecast by the Bank of England, however with the actual rate now tracking quite closely to the forecast, this risk is beginning to ease. There are other unknowns that risk the position too, including ongoing demand for services, increasing complexity of need, as well as rising interest rates. These will be carefully monitored and are likely to result in ongoing volatility of expenditure for the remainder of the year, making it difficult to produce an accurate forecast.

- 1.5 Despite these challenges, our focus remains on prioritising our resources to achieve the strategic aims outlined in Everyone's Essex. Since Quarter 1 there has been **£1.3m** of funding approved towards Levelling Up and the Economy.

2. Recommendations

Approval is sought for the following:

- 2.1 To draw down funds from reserves as follows:

- i. **£1.8m** from the Adults Risk Reserve to the Health, Adult Social Care and ICS Integration portfolio relating to certain disability related expenses being an allowable expense when calculating client contribution (section 5.5.viii)
- ii. **£1.3m** from the Adults Investment Reserve to the Health, Adult Social Care and ICS Integration portfolio relating to various project expenditure which can be found in more detail in section 5 (section 5.5.viii)
- iii. **£564,000** from the Covid Equalisation Reserve to the Chancellor of Essex RSSS portfolio for staffing pressures on fixed term contracts still being felt within Business Support as a result of the pandemic (section 5.16.ii)
- iv. **£462,000** from the Childrens Transformation Reserve to the Children's Services and Early Years portfolio relating to fund the Tendring Multi Disciplinary Team (MDT) (section 5.1.iii)
- v. **£418,000** from the Covid Equalisation Reserve to the Arts, Heritage & Culture portfolio relating to temporary staffing for Registrars (section 5.10.iii)
- vi. **£228,000** from the Private Finance Initiatives (PFI) Equalisation Reserves to the Education Excellence, Life Long Learning and Employability portfolio in relation to Debden Park PFI (section 5.4.iii)
- vii. **£186,000** from the Covid Equalisation Reserve to the Education Excellence, Life Long Learning and Employability portfolio due to the loss of tuition fee income caused by Covid resulting in a lower number of enrolments within Adult Community Learning (section 5.4.iii)
- viii. **£157,000** from the Adults Risk Reserve to the Health, Adult Social Care and ICS Integration portfolio to fund costs associated with the increased payments to providers in respect of the subsidy for fuel price increase inflation (section 5.5.viii)
- ix. **£96,000** from the Waste Reserve to the Climate Czar, Environment, Waste Reduction and Recycling portfolio towards the Mechanical and Biological

Treatment facility (MBT) ongoing legal costs and other associated costs (section 5.2.iv)

- x. **£74,000** from the Transformation Reserve to the Planning a Growing Economy portfolio relating to the Cabinet Member Action FP/945/01/21 Digital Accessibility Compliance Project – Policy and Funding, previously approved, but has now time lapsed (section 5.9.ii)
- xi. **£55,000** from the Technology and Digitisation Reserve to the Chancellor of Essex RSSS portfolio for audit costs relating to the Corporate Systems Project (section 5.16.ii).

2.2 To appropriate funds to reserves as follows:

- i. **£7.9m** to the Waste Reserve from the Climate Czar, Environment, Waste Reduction and Recycling portfolio to appropriate unused funds to the reserve for future use (section 5.2.iv)
- ii. **£502,000** to the Waste Reserve from the Climate Czar, Environment, Waste Reduction and Recycling portfolio relating to various Waste projects and for use in 2024/25 (section 5.2.iv)

2.3 To approve the following adjustments:

- i. Vire **£134,000** within the Climate Czar, Environment, Waste Reduction and Recycling portfolio to repurpose funds from the Residual Waste project (FP/066/05/21) for use on the Waste Strategy project (FP/537/10/22) (section 5.2.iv)
- ii. Vire **£4,000** from the General Balance to Other Operating Costs to remove the planned appropriation from Music Services relating to ECC pension fund deficit (section 9.4 and 5.12.iii)
- iii. Transfer **£9m** from the Ambition Fund Reserve to the Reserve for Future Capital Funding to address priority highways issues. This funding was allocated via the Executive statement at Full council in February 2023 (FP/134/05/23) (section 7.8 and 9.2)
- iv. Transfer **£112,000** from the Transformation Reserve to the Reserve for Future Capital Funding towards the refurbishment of Colchester Library (section 9.3)
- v. Transfer **£5.8m** from the Covid Equalisation Reserve to the Waste Reserve to replenish the waste reserve with Covid funding for additional waste tonnages experienced during the pandemic that were originally funded through the Waste reserve (section 9.3).
- vi. **£6.8m** relating to the Care Workforce Retention Claims Fund, currently approved for draw down via Cabinet Member Action FP/112/05/23, now to be

funded from the Market Sustainability and Improvement Fund (new funding announced in July 2023) (section 5.5.vii)

- vii. Amend the capital budget as shown in Appendices C (i) and C (ii) which allows for capital slippage of **£11.7m** from 2023/24 and **£1.8m** from 2026/27, into 2024/25 **£6.1m**, 2025/26 **£405,000** and 2027/28 **£7.1m**. Capital budget additions of **£25.4m**, capital budget reductions of **£7.8m** and advanced works of **£3.3m**, **£1.1m** from 2024/25, **£2.1m** from 2025/26 and **£87,000** from 2027/18 (see section 7.2).
- 2.4 Agree that the Director, Highways and Transportation may issue new task orders or amend current task orders to Ringway Jacobs for the work outlined in section 7.8 to a value of £9m.

3. Executive Summary: Revenue

- 3.1 Appendix A summarises the revenue budgets and forecast outturn for each portfolio. There is a full year forecast over spend of **£12.7m (1.2%** against a net budget of **£1.1bn)**. The overall over spend position is driven by Children's Services and Early Years, Health and Adult Social Care and ICS Integration and The Chancellor of Essex portfolios:
 - i. Children's Services and Early Years, **£16.6m**, where a higher proportion of children in care are now placed in more expensive types of care than assumed when the budget was set, due to greater levels of complexity and risk. These issues are being seen nationally across the country.
 - ii. Health and Adult Social Care and ICS Integration, **£4.8m**, predominantly due to capacity pressures within Reablement support, requiring additional spot purchasing.
 - iii. The Chancellor of Essex, **£4.4m** pressure in relation to delivery of an ECC wide staffing review saving for 2023/24. An assessment of in-year delivery options is in progress, and full delivery of the saving is now expected from 1 April 2024 onwards.

Partially offset by under spends in:

- iv. Other Operating Costs, **£7m** driven by higher levels of income on interest earned from treasury management activity due to rising interest rates, plus reduced expectations on capital financing costs following re-profiling in the capital programme.
- v. Highways Maintenance and Sustainable Transport (**£4.4m**) and Chancellor of Essex RSSS (**£1.8m**) in relation to energy costs –

following a stabilisation of the energy market since the budget was set, unit rates are now nearly half that assumed.

- 3.2 The Council continues to find itself in an extremely uncertain economic environment. CPI inflation is continuing to decline but at 6.7% is still far in excess of what we have come to consider the norm. The Bank of England's most recent forecast (August Monetary Policy Committee (MPC) Report) continued to forecast an ongoing reduction in inflation, down to around 4% by the end of this financial year, averaging over 6% for the year. Whilst this broadly matches assumptions built into the budget for 2023/24, a slower decline than predicted will potentially create pressure against 2023/24 budgets, and impact our medium term plans. Alongside this, interest rates continue to rise, and the expectation is they will rise further, which will impact on the capital cost of borrowing in the medium term.
- 3.3 At this time, pressure of over £14m relating to inflation is being reported. We continue to hold reserves specifically set aside for inflationary risk, which can mitigate any emergent pressure if necessary in the short term. The position will require careful monitoring and is likely to result in ongoing volatility of forecasting in the remaining months of the year, which makes it difficult to produce an accurate forecast.
- 3.4 The position reported in section 5 assumes the approval of the proposed adjustments in this report as set out in the recommendations in paragraphs 2.1 to 2.3.

4. Executive Summary: Capital

- 4.1 The original capital programme for 2023/24 as set by Full Council in February 2023 was **£274.9m**. The forecast outturn is **£331.3m**, before adjustments proposed within this report. This represents an over spend of **£12.2m** (3.8%) against the latest approved budget of **£319.1m**. After taking account of budget change requests in this report there is a residual over spend of **£3.2m**, mainly in relation to Schools cash balances. More detail is set out in Section 7.
- 4.2 The **£12.2m** over spend in the 2023/24 Capital Programme position relates to the following requests in this report:
- 2023/24 Slippage: **£11.7m** (£6.1m into 2024/25, £405,000 into 2025/26, £1.8m from 2026/27 and £7.1m into 2027/28)
 - 2023/24 Additions: **£25.4m**
 - 2023/24 Reductions: **£7.8m**
 - 2023/24 Advanced Works: **£3.3m** (£1.1m from 2024/25, £2.1m from 2025/26 and £87,000 from 2027/28)
- 4.3 Appendix C (i) summarises current year forecasts and changes to the Capital Programme for 2023/24 since approval of the original programme in the

Budget Report to Council in February 2023. Appendix C (ii) contains the detail of the budget adjustments seeking approval.

- 4.4 The Council has an ambitious four-year capital programme totalling over £1.2bn. In the current economic climate of high general inflation, specific materials inflation and market instability, we face some significant risks, particularly on our large major schemes. These risks are being seen nationally on major building schemes, and while the risks do not impact on the current year capital programme, the Council is working to resolve these risks as far as possible with partners, to ensure any impact on the aspirational capital programme is minimised.
- 4.5 The Council has been working over a number of years to understand the extent of reinforced autoclaved aerated concrete (RAAC) across the maintained school estate and has been proactive in identifying and putting in place mitigation measures complying with all the guidance available at the time. On 30 August 2023, the DfE changed its policy and that required immediate action to be taken where RAAC was identified in schools.
- 4.6 As at 19 September ECC had identified 60 schools as having RAAC in all, or some, of their buildings. 15 are local authority maintained schools, with the remaining 43 being academies. ECC are required to take immediate action for the maintained Schools, and are also working to support Academy Trusts where this is needed. Of those 60 schools, 44 have structural mitigations in place or identified with no impact on face to face learning, 5 are utilising alternative accommodation and the remaining 11 have some hybrid learning in place and either have temporary accommodation plans urgently being drawn up or already being implemented. At present all necessary expenditure is being drawn down from the Health and Safety reserve and the DfE has confirmed that it will reimburse Local Authorities for expenditure incurred. However, it should be noted that at present full details on what costs can be recovered from the DfE have yet to be received. Therefore, there is a risk that ECC may not recover all of the expenditure and it is uncertain how long it will take to recover this.

5. Revenue Position

5.1 Children's Services and Early Years:

- **Non DSG - £16.6m (13.5%) over spend**
 - **DSG – £3.8m under spend**
- i. The forecast over spend in Non DSG is predominantly as a result of a change in the placement mix where more children are being placed in mainstream residential care, external fostering, and unregistered provision. In addition, the average weekly cost per residential placement is 31% higher than budgeted. Greater complexity of needs, increased risk and very limited sufficiency in the market has seen price inflation far in excess of forecast levels. In addition,

there is a forecast £2.2m over spend on staffing, which is under review and is as a result of some social workers remaining in post longer than anticipated.

- ii. There has been an adverse movement since Quarter 1 of **£8.6m**:
 - **£7m** placement costs:
 - **£2.7m** residential costs due to 12% rise in average weekly rate
 - **£2m** unregistered placements
 - **£2m** supported living
 - **£1.1m** direct payments and home care support; both services pay for personal assistants and other support to prevent families falling into crisis and allow the child to remain within the family home. Families can choose to receive cash payments to employ personal assistants or allow the Council to manage this support on their behalf.
- iii. Approval is sought in this report for the following:
 - **£462,000** from the Childrens Transformation Reserve relating to fund the Tendring Multi Disciplinary Team (MDT)

5.2 **Climate Czar, Environment, Waste Reduction and Recycling - £64,000 (0.1%) under spend**

- i. The portfolio reports a small forecast under spend of **£64,000** and favourable movement of **£59,000** from Quarter 1.
- ii. The unadjusted position is an under spend of **£8.485m** which related to Waste Management.
- iii. The following should be noted for 2023/24 in relation to Waste Management:
 - Actual tonnages remain outstanding for a limited number of waste streams and so the forecast outturn may be adjusted upon receipt.
 - Tonnage variances will be carefully monitored and reviewed throughout the year to assess impact on the full year forecast outturn position specifically when actuals to date are received.
- iv. Approval is sought in this report for the following:
 - **£96,000** from the Waste Reserve towards the Mechanical and Biological Treatment facility (MBT) ongoing legal costs and other associated costs
 - **£7.9m** to the Waste Reserve to appropriate unused funds to the reserve for future use
 - **£502,000** to the Waste Reserve for use in 2024/25 and relating to various Waste projects as follows:
 - **£229,000** for the Residual Waste Project (FP/066/05/21)
 - **£209,000** for the Waste Portfolio Project (FP/927/12/20)
 - **£33,000** for Senior resources (FP/086/03/23)
 - **£31,000** for Recycling Centre and Household Waste options (FP/324/03/22)

- Vire **£134,000** within the portfolio to repurpose funds from the Residual Waste project (FP/066/05/21) for use on the Waste Strategy project (FP/537/10/22)

5.3 Education Excellence, Lifelong Learning and Employability (DSG) - **£6.7m under spend**

- An in year **£6.7m** under spend is reported which results from the increase in funding for 2023/24.
- This is an adverse movement of **£4.5m** since Quarter 1 mainly attributable to:
 - £1.6m in the High Needs Block now that funding has been committed
 - £1.1m for Individual Packages of Education Support (IPES) due to an increase in the volume of pupils placed through the framework
 - £1m for Independent Schools due to an increase in volume and cost of placements
 - £799,000 for Alternative Provision largely due to an increase in the cost of personal budgets and suppliers not covered by the IPES contract
 - £437,000 for SEN Therapies largely due to the increase in costs of Independent Therapists
 - £278,000 for Other LA SEN top ups due to an increase in the volume of mainstream places and the cost of special school places.
- The High Needs Block (HNB) funding was increased by the Government by **£21.6m** (post recoupment) for 2023/2024. The HNB is expected to remain in surplus this financial year and early intervention projects are being developed to try to suppress demand in future years.
 - However significant pressures exist within the forecast, in particular, Independent Schools are forecasting a £4.7m over spend, a 24.7% increase in expenditure compared to 2022/23. The 2023/24 budget is £31.3m, an increase of 11.7% from 2022/23.

5.4 Education Excellence, Lifelong Learning and Employability (Non DSG) - **£410,000 (1.6%) over spend**

- A forecast over spend of **£410,000** is largely due to:
 - **£605,000** which reflects the latest pay position for Educational Psychologists of £270,000, and the use of associate Education Psychologists of £618,000, these variances are only partially offset by staffing vacancies.

Offset by:
 - **£317,000** vacancies in the SEND Operations teams where recruitment is ongoing for the new posts created through the SEND restructure.
- This is an adverse movement of **£277,000** since Quarter 1 mainly attributable to the Education Psychologists latest pay position.

- iii. Approval is sought in this report for
- **£228,000** from the Private Finance Initiatives (PFI) Equalisation Reserves in relation to Debden Park PFI
 - **£186,000** from the Covid Equalisation Reserve due to the loss of tuition fee income caused by Covid resulting in a lower number of enrolments within Adult Community Learning

5.5 Health, Adults Social Care and ICS Integration - £4.8m (1.1%) over spend

- i. As we approach the half year stage Adult Social Care system continues to experience increased volumes. There has been a 1.1% increase in the number people entering a reablement service and a 16.5% increase in the average number of hours of support per week being provided to those in reablement, driven by an increase in people's needs compared to those supported in the services in the first half of last financial year. In addition there has been a 1% increase in people requiring support in a residential or nursing setting compared to the budgeted level.
- ii. These increased volumes are driving the over spend, the most significant being the purchase of spot reablement which continues to create an unbudgeted pressure, as it was expected that the contracted capacity via block contract arrangements would be sufficient to meet demand. The pressure arising from the increased demand over and above the budgeted expectation for people needing to be supported in a residential or nursing setting is in part dampened by the increased contribution from them towards their care costs.
- iii. Decisions taken to increase funding to the market have started to result in improvements in the supply and demand mismatches that were experienced at the end of last financial year, but staff recruitment and retention for the sector remains an issue.
- iv. The Adult Social Care forecast to the end of the year is based on volume growth being in line with latest assumptions and price uplifts as per Cabinet Decision papers. The forecast makes no prediction about further savings delivery over and above that already validated. The service is actively pursuing the delivery of savings not reflected in the forecast (£4.6m), and as these savings come to fruition, and if all other assumptions remain in line with budget, the outturn position should move favourably.
- v. The adverse movement of £900,000 since Quarter 1 is driven by increased residential and nursing care demand, however some of this demand is offset by over recovery of residential income and non residential income where we have an increased number of clients paying a higher contribution towards their care. In addition, there has been a £320,000 favourable movement on the Social Fund as the expenditure will be fully covered by utilisation of the Household Support Fund Grant from the Department for Work and Pensions.

This grant is to support families post Covid and with cost of living pressures. It has been used to support ECC with the statutory delivery of this welfare provision via the Social Fund since October 2020. £7.6m of Household Support Fund Grant is now forecast to be spent via the Social Fund this year.

- vi. The Public Health forecast outturn is an online position. The Public Health grant received by ECC for 2023/24 totals £67.7m. In line with the approved Wellbeing, Public Health and Communities business plan (2022-25), a number of workstreams have been identified and programmes are currently being developed to address gaps in service delivery and allocate ongoing expenditure within the grant. Areas of focus include obesity and healthy weight, mental health, marginalised groups and risk factor work. The estimated remainder of the grant unallocated for 2023/24 after these project allocations is approximately £900,000 and the funds remain subject to the normal Public Health grant conditions. Of the £2.5m of Central Government Contain Management Outbreak funding (COMF) carried forward from 2022/23, £2.3m is allocated to the Essex Wellbeing Service which has a major focus on enabling communities to become more confident post Covid and the remainder allocated to Digital Inclusion. There will be no carry forward of COMF monies into 2024/25.
- vii. At the end of July the Department of Health and Social Care announced additional grant, Market Sustainability and Improvement Fund (Workforce Fund), of £9m for Essex, it is proposed via this report that £6.8m of this fund is utilised to fund the Care Workforce Retention Claims Fund for ECC contracted care providers that was approved in Cabinet Decision Care Market New Funding Allocations 2023/24 (FP/112/05/23) and that the £6.8m approved to be drawn down from the Adult Investment Reserve remains in the reserve.
- viii. Approval is sought in this report for the following:
 - **£1.8m** from the Adults Risk Reserve relating to certain disability related expenses being an allowable expense when calculating client contributions
 - **£1.3m** from the Adults Investment Reserve relating to various project expenditure as follows:
 - **£300,000** for backfilling Apprenticeships
 - **£274,000** in relation to Systems Development Team
 - **£253,000** in relation to Mental Health Social Work Review
 - **£245,000** in relation to Information, Advice and Guidance
 - **£90,000** in relation to Advocacy Commissioning posts
 - **£69,000** to support continued delivery of advocacy in Essex
 - **£39,000** in relation to the Shared Care Record resource
 - **£33,000** in relation to the sensory contract uplift
 - **£157,000** from the Adults Risk Reserve to fund costs associated with the increased payments to providers in respect of the subsidy for fuel price increase inflation.

5.6 Highways Maintenance and Sustainable Transport - £4.4m (3.6%) under spend

- i. The forecast under spend of **£4.4m** predominantly relates to energy under spends across policy lines.
- ii. There is a favourable movement from Quarter 1 of **£4.3m**, of which the largest variances are:
 - **£6.9m** under spend in relation to energy across policy lines as energy prices are nearly half the unit price expected when the budget was set
 - **£353,000** under spend across a number of policy lines. These predominantly relate to staffing and higher income than budgeted.

Offset by:

- **£2.4m** over spend within Home to School Transport policy lines; £1.7m resulting from an unfunded pressure within Hired Transport due to a number of factors which include more complex passenger needs and further mileage travelled, and also an estimated £600,000 transporting 176 Asylum students from hotels to 20 mainstream schools across the county. Work is underway, which includes detailed data analysis, to fully understand what is driving the additional costs, building on learning from previous reviews, to develop a plan to manage the escalating costs.
- **£750,000** over spend in relation to non-delivery of the Parking Partnerships on street parking saving initiative which requires development of a permanent solution.

5.7 Leader – £41,000 (1.9%) under spend

- i. The £41,000 forecast under spend is due to lag in recruitment across Democratic Core and Corporate Policy.

5.8 Levelling Up and the Economy – £20,000 (0.3%) under spend

- i. The portfolio reports a nominal under spend and movement from Quarter 1.

5.9 Planning a Growing Economy – £32,000 (0.3%) over spend

- i. The portfolio reports a forecast over spend of **£32,000** which is an adverse movement of **£53,000** from Quarter 1. This is mainly attributable to the following:
 - **£46,000** over spend within Developer Management & Staffing due to lower than budgeted staffing recharges
 - **£19,000** over spend within Economic Renewal relating to staffing due to maternity cover.

Offset by:

- **£34,000** under spend within Housing Growth & Strategic Sites due to staffing vacancies.

- ii. Approval is sought in this report for the following:
 - **£74,000** from the Transformation Reserve relating to the Cabinet Member Action FP/945/01/21 Digital Accessibility Compliance Project – Policy and Funding, previously approved, but has now time lapsed.

5.10 The Arts, Heritage and Culture – £185,000 (0.7%) under spend

- i. The portfolio reports a forecast under spend of **£185,000** mainly attributable to the following:
 - **£321,000** under spend within Youth Services largely due to income exceeding budget (£209,000) and staff vacancies (£66,000).

Offset by

- **£66,000** over spend in the Libraries Service attributable to ongoing work to refine delivery plans in relation to the libraries saving
 - **£44,000** over spend in Outdoor Education due to staffing costs
 - **£32,000** over spend in Trading Standards due to the New Burdens grant not being received directly to the service as it has been included in the overall government funding to ECC.
- ii. This is an adverse movement of **£94,000** from Quarter 1 largely attributable to Youth Services due to vacant posts being filled.
 - iii. Approval is sought in this report for the following:
 - **£418,000** from the Covid Equalisation Reserve relating to temporary staffing for Registrars.

5.11 The Chancellor of Essex – £4.4m (62.3%) over spend

- i. The **£4.4m** forecast over spend and the adverse movement of **£1.9m** from Quarter 1 is driven by an organisation wide saving budgeted within the portfolio relating to staff resource levels. A full assessment of in-year delivery options is in progress, and full delivery of the saving is now expected from 1 April 2024 onwards.

5.12 Other Operating Costs – £7m (6.7%) under spend

- i. The **£7m** forecast under spend is the total movement from Quarter 1. This is driven by higher levels of income on interest earned from treasury management activity due to higher than anticipated interest rates (**£5m**), plus reduced expectations on capital financing costs following re-profiling in the capital programme (**£2m**).
- ii. Work will continue on reviewing the impact of any further capital programme slippage and opportunities for further income on our cash balances.
- iii. Approval is sought in this report for the following:

- Vire **£4,000** from the General Balance to remove the planned appropriation from Music Services relating to ECC pension fund deficit.

5.13 Leader Recharged Strategic Support Services - £14,000 (0.7%) over spend

- i. The portfolio reports a nominal over spend position.

5.14 Levelling Up and the Economy Recharged Strategic Support Services – £18,000 (0.3%) under spend

- i. The portfolio forecasts a nominal under spend position.

5.15 Planning a Growing Economy Recharged Support Services - £19,000 (1.7%) under spend

- i. This forecast under spend and favourable movement from Quarter 1 of **£19,000** is due to revised staffing forecasts.

5.16 The Chancellor of Essex Recharged Support Services - £1.8m (1.7%) under spend

- i. This **£1.8m** forecast under spend position is an adverse movement of £2m since Quarter 1 and is driven by:
 - **£2.2m** under spend within Property Utilities & Energy due to the 2023/24 unit rate for electricity being significantly lower than the unit rate assumed in the current year budget. The market price is now relatively stable and the energy requirement for the current year has mostly been purchased.
 - **£50,000** under spend within Property Landlord which is due to staffing vacancies within the Core Management Team; the staffing structure is currently under review.

Offset by:

- **£466,000** over spend within Property Contracts of which £240,000 relates to estate transformation savings not being achievable and £208,000 relates to Iron Mountain storage costs.

- ii. Approval is sought in this report for the following:

- **£564,000** from the Covid Equalisation Reserve for staffing pressures on fixed term contracts still being felt within Business Support as a result of the pandemic
- **£55,000** from the Technology and Digitisation Reserve for audit costs relating to the Corporate Systems Project.

6. Trading Activities

- 6.1 Trading activities as a whole are reporting a **£10,000** surplus against the budgeted surplus of **£300,000**. The budgeted surplus figure has been reduced by **£4,000**, relating to Music Services, due to the ECC pension fund deficit payments which have now been repaid.
- 6.2 Place Services is forecasting an achievement of the planned target of **£300,000** which will be appropriated to County Reserves
- 6.3 Music Services is forecasting a surplus of **£10,000**.
- 6.4 These forecast positions will leave a net residual surplus in reserves of **£1.7m**, of which **£1.4m** relates to Place Services
- 6.5 Appendix B shows the position by each Trading Activity.

7. Capital

- 7.1 An over spend of **£12.2m** (3.8%) is forecast against the latest capital budget of **£319.1m**. After taking account of budget change requests in this report there is a residual over spend of **£3.2m**.
- 7.2 Approval is sought for:
 - i. 2023/24 Slippage: **£11.7m** (£6.1m into 2024/25, £405,000 into 2025/26, £1.8m from 2026/27 and £7.1m into 2027/28)
 - ii. 2023/24 Additions: **£25.4m**
 - iii. 2023/24 Reductions: **£7.8m**
 - iv. 2023/24 Advanced Works: **£3.3m** (£1.1m from 2024/25, £2.1m from 2025/26 and £87,000 from 2027/28)
- 7.3 The key points to note are listed below, and the detailed requests are shown at Appendix C(ii).
- 7.4 **Children's Service and Early Years – £936,000 (16%) under spend**
 - i. An under spend of **£736,000** is forecast on the New Farm Road Children's Residential project. In order to ensure placement continuity for young people, the profile of works now needs to be extended, in addition Reinforced autoclaved aerated concrete (RAAC) issues within Essex have also increased pressure on contractor capacity. Discussions for rescheduling the works are currently ongoing. Approval is sought to re-profile £736,000 into 2024/25.
 - ii. An under spend of **£200,000** is forecast on the Solo Placements project related to the works that are required to the Roach Vale school, in exchange for the appropriation of the vacant caretaker's property to deliver registered emergency care and accommodation. The works were due to take place over

the summer holidays to minimise disruption but have been delayed due to a change in Headteacher. Approval is therefore sought to slip £200,000 into 2024/25

7.5 **Climate Czar, Environment, Waste Reduction and Recycling – on line**

- i. The forecast is currently on line with the latest approved budget of **£886,000**.

7.6 **Education Excellence, Lifelong Learning and Employability - £309,000 (0.6%) under spend**

- i. Overall, approval is sought to;
 - Re-profile **£2.6m** from 2023/24, **£3.3m** from 2025/26 and **£1.8m** from 2026/27 (£748,000 into 2024/25 and £7.1m into 2027/28);
 - To advance **£227,000** into 2023/24 and **£1.8m** into 2024/25 from 2025/26;
 - For capital programme additions of **£1.7m**;
 - Partially offset by capital programme reductions of **£2.8m**.

The most material adjustments relate to the following:

- ii. An under spend of **£1.5m** relates to the Temporary Accommodation programme and approval is sought to re-profile £1m into 2024/25, as the planned programme for the replacement of relocatable units is affected by the Reinforced autoclaved aerated concrete (RAAC) situation as the focus is on emergency work rather than planned work.
- iii. An under spend of **£1.2m** is forecast on Schools Capitalised Building Maintenance; approval is sought for a reduction of £1m to contribute towards the additional cost of works associated with the Public Sector Decarbonisation Scheme (PSDS) 3 and PSDS4 projects at Essex Schools, within The Chancellor of Essex Portfolio, and a reduction of £205,000 to support roof maintenance costs on the Harlow Fields Special School project.
- iv. Schools Cash Balances is reporting a non-controllable over spend of **£3.4m** in relation to grants to Schools. This will be fully funded by the Devolved Formula Capital grant.

7.7 **Health, Adult Social Care and ICS Integration – £1.9m (77%) under spend**

- i. The business case for the Independent Living Older People Investment project has been delayed and the start on site payment is now expected in quarter 1 of 2024/25 and practical completion payment in quarter 3 of 2025/26. Approval is sought to re-profile **£500,000** into 2024/25 and **£500,000** into 2025/26.
- ii. The Independent Living Adults with Complex Needs project aims to develop up to 4 schemes to provide in-county placements for adults with complex

needs, promoting independent living. To date, one site has been identified relating to the Lexden Ambulance Station site in Colchester, therefore the remaining budget is currently uncommitted and as a result approval is sought for slippage of **£912,000** into 2024/25.

7.8 Highways Maintenance and Sustainable Transport - £107.7m forecast, £17.7m (19.6%) over the current approved budget

- i. An addition of **£10.5m** is sought to the Roads Maintenance programme and **£4m** to the Footway Maintenance programme; £5.5m in relation to the additional DfT Pothole grant awarded in the 2023 Budget which will enable additional carriageway maintenance to take place and £9m from the Ambition Fund Reserve via the Reserve for Future Capital Funding (£5m for Roads Maintenance and £4m for Footways Maintenance) relating to the funding allocated via the Executive statement at Full council in February 2023 (FP/134/05/23). The task order allocations for the £9m draw down is as follows:

Capital:
Carriageways – Task Order 17b Value £3m This relates to the delivery of additional machine surfacing work within high priority carriageway schemes to address the current backlog of work.
Carriageways – Task Order 17b Value £0.46m This relates to the delivery of additional micro surfacing work within high priority carriageway schemes to address current backlog of work.
Carriageways – Task Order 18 Value £1.54m This relates to the delivery of permanent defect repair treatments for Carriageways (including Jet Patcher, Machine Patching and Hand Patching treatments).
Footways – Task Order 81 Value £4m This relates to surfacing and defect repairs for Footways, with c.£2m being used for Large Footway Repairs and c£2m for Small Footway Repairs.

- ii. Approval is sought for advanced works of **£1.6m** in relation to the LED rollout programme and **£1.3m** on Active Travel 2. Following several delays as a result of global supply shortages after the Covid pandemic, it is now anticipated that the LED rollout programme can be bought forward and will complete by early 2024 as the service have been able to bulk purchase stock now that it is available; Active Travel 2 previously saw delays due to objections raised in relation to the Traffic Regulation Orders (TROs) required for the schemes to progress, however these issues have now been resolved which has allowed project delivery to accelerate and completion is now expected ahead of schedule.

7.9 Leader – on line

- i. The forecast is currently on line with the latest approved budget of **£66m**

7.10 Levelling up and the Economy – £16,000 (16%) over spend

- i. Approval is sought for an addition of **£16,000**, in relation to the implementation of a cooling system for the community supermarket being set up in Colchester. The addition is funded by a grant to be received from Colchester City Council.

7.11 Planning a Growing Economy - £4.3m (4.7%) under spend

- i. Approval is sought for slippage of **£2.3m** into 2025/26 in relation to the A133-A120 Link Road due to delays caused by changing the procurement strategy from a single stage tender, where only one tender return was received, to a two stage tender which is more attractive to bidders due to the ability to design out risk.
- ii. The Harlow Town Centre Regeneration project is in its early stages, with planning and enabling works expected to be carried out this financial year and the majority of construction works to be carried out in future years. Therefore approval is sought to re-profile **£915,000** into 2025/26.
- iii. An under spend of **£725,000** is forecast on the Cycling Infrastructure programme for which approval is sought for a reduction and corresponding addition to Active Travel 3, within the Highways Maintenance and Sustainable Transport Portfolio. This is required to enhance the cycle route being delivered in Colchester under the Active Travel 3 programme.

7.12 The Arts, Heritage and Culture – £405,000 (100%) over spend

- i. Approval is sought for an addition of **£515,000** and to re-profile **£110,000** into 2024/25 in relation to a new project to refurbish Colchester Library, creating a new Children's Imagination and Literacy Centre on the ground floor of the library and relocating the registrars office to the first floor. The addition is to be funded by a grant from the Arts Council and a transfer to the Reserve for Future Capital Funding from the Transformation Reserve for the allocation earmarked for the Future Libraries Strategy.

7.13 The Chancellor of Essex – £1.7m (20.8%) over spend

- i. An over spend of **£1.7m** is forecast in relation to the Salix Public Sector Decarbonisation scheme (PSDS) property projects. Approval is sought for an addition of **£1m** to be funded by a reduction to the schools capitalised building maintenance budget, within the Education Excellence, Lifelong Learning and Employability Portfolio, to contribute towards the additional cost of works associated with the PSDS3 and PSDS4 projects at Essex Schools. Approval is also sought for an addition of **£650,000** for a new PSDS project at Tollesbury Primary School to be funded by a contribution from the school.

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

8. Policy context and Outcomes Framework

- 8.1 This report is an assessment of the financial position of the County Council, which itself is a representation of the Annual plan. The budget and Annual plan were approved in parallel in February 2023.

9. Reserves

- 9.1 A summary of the forecast balances on reserves is provided in **Appendix D**.
- 9.2 Of the recommendations requested in this report the most significant are to approve **£9m** from the Ambition Fund Reserve to the Reserve for Future Capital Funding to address priority highways issues as previously allocated in the Executive statement to Full Council in February 2023, and also to appropriate **£7.9m** to the Waste Reserve to appropriate unused funds mainly relating to lower than expected tonnage levels, recycling credits and removal of a structural budget deficit.
- 9.3 Approval is also sought in this report to transfer **£5.8m** from the Covid Equalisation reserve to the Waste reserve to replenish the Waste reserve with Covid funding for usage in respect of additional waste tonnages experienced during the pandemic. In addition approval is sought to transfer **£112,000** from the Transformation Reserve to the Reserve for Future Capital Funding towards the refurbishment of Colchester Library.
- 9.4 To remove the planned contribution relating to Music Traded Service which has now been fully repaid relating its pension fund contribution to ECC, **£4,000** is sought in this report from the General Balance to Other Operating Costs.

10. Financial Implications

Finance and Resources Implications (Section 151 Officer)

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

11. Legal Implications

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

12. Equality and Diversity implications

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

13. List of Appendices

Appendix A	Revenue Forecast Outturn
Appendix B	Trading Activities
Appendix C (i)	Capital Forecast Outturn
Appendix C (ii)	Capital Variance Plan
Appendix D	Balance Sheet - Earmarked Reserves
Appendix E	Treasury Management
Appendix F	Prudential Indicators

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

14. List of Background Papers

Budgetary control reports.

Appendix A

Revenue Forecast Outturn

Portfolio	Latest Budget £000	Half Year Forecast Variance £000	% of Latest Budget	Quarter 1 Forecast Variance £000	Movement £000	Direction of Travel
Children's Services and Early Years DSG	(401)	(3,812)	950.2%	8	(3,820)	↑
Children's Services and Early Years Non DSG	122,735	16,608	13.5%	8,004	8,604	↓
Climate Czar, Environment, Waste Reduction and Recycling	101,738	(64)	(0.1%)	(5)	(59)	↑
Education Excellence, Life Long Learning and Employability DSG	(2,662)	(6,712)	252.2%	(11,253)	4,541	↓
Education Excellence, Life Long Learning and Employability Non DSG	25,376	410	1.6%	133	277	↓
Health, Adult Social Care and ICS Integration	446,168	4,795	1.1%	3,884	911	↓
Highways Maintenance and Sustainable Transport	123,792	(4,413)	(3.6%)	(156)	(4,257)	↑
Leader	2,126	(41)	(1.9%)	-	(41)	↑
Levelling Up and the Economy	5,936	(20)	(0.3%)	(0)	(19)	↑
Planning a Growing Economy	9,837	32	0.3%	(21)	53	↓
The Arts, Heritage and Culture	25,379	(185)	(0.7%)	(279)	94	↓
The Chancellor of Essex	7,093	4,416	62.3%	2,509	1,907	↓
Other Operating Costs	105,022	(6,997)	(6.7%)	6	(7,003)	↑
Leader RSSS	1,961	14	0.7%	-	14	↓
Levelling Up and the Economy RSSS	6,524	(18)	(0.3%)	-	(18)	↑
Planning a Growing Economy RSSS	1,122	(19)	(1.7%)	-	(19)	↑
The Chancellor of Essex RSSS	105,288	(1,791)	(1.7%)	267	(2,058)	↑
Total	1,087,035	2,204	0.2%	3,097	(893)	
DSG Offset	3,063	10,524	343.6%	11,245	(721)	
Total Excluding DSG	1,090,098	12,727	1.2%	14,342	(1,614)	
Funding					-	
Revised Total	1,090,098	12,727	1.2%	14,342	(1,614)	

Appendix B

Trading Activities

	Revenue reserve 1 April 2023	Income	Budget Expenditure (Surplus) /Deficit		Income	Expenditure	Forecast (Surplus) / deficit	Final Outturn position	To County Revenue Account	To Trading Activity reserve	Final Outturn position	Variance Plan Proposals to/(from) reserves	Revenue reserve 31 March 2024
Traded Services	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Place Services	(1,443)	(3,968)	3,668	(300)	(4,098)	3,798	(300)	-	(300)	-	-	-	(1,443)
Music Services	(285)	(4,338)	4,338	-	(4,689)	4,679	(10)	(10)	-	-	(10)	-	(285)
Total	(1,729)	(8,306)	8,006	(300)	(8,787)	8,477	(310)	(10)	(300)	-	(10)	-	(1,729)

Appendix C (i)

Capital Forecast Outturn

	Year to date			Budget Movement		Full Year		
	Budget	Actuals	Variance	Original Budget	In year approved changes	Revised Budget	Outturn	Variance
	£000	£000	£000	£000	£000	£000	£000	£000
Children's Services and Early Years	1,365	356	(1,009)	3,010	2,838	5,849	4,912	(936)
Climate Czar, Environment, Waste Reduction and Recycling	369	885	516	-	886	886	885	(0)
Education Excellence, Life Long Learning and Employability	19,258	21,767	2,510	55,201	(2,233)	52,969	52,660	(309)
Health, Adult Social Care and ICS Integration	118	21	(97)	2,277	206	2,483	571	(1,912)
Highways Maintenance and Sustainable Transport	40,849	43,983	3,134	85,963	4,017	89,980	107,656	17,676
Leader	18,436	23,946	5,510	42,527	23,450	65,977	65,977	(0)
Levelling Up, and the Economy	50	67	17	100	-	100	116	16
Planning a Growing Economy	26,253	13,723	(12,530)	78,953	13,911	92,863	88,522	(4,341)
The Arts, Heritage and Culture	(25)	-	25	61	(61)	-	405	405
The Chancellor of Essex	2,838	2,972	134	6,768	1,182	7,950	9,600	1,650
ECC Capital Programme	109,511	107,721	(1,789)	274,859	44,197	319,056	331,305	12,249

Financed by:

	Budget Movement		Full Year		
	Original Budget	In year approved changes	Revised Budget	Outturn	Variance
	£000	£000	£000	£000	£000
ECC Capital Programme	£000	£000	£000	£000	£000
Grants	137,479	33,046	170,525	183,718	13,193
Reserves	7,300	-	7,300	16,367	9,067
Developer & Other contributions	23,627	3,547	27,174	23,472	(3,702)
Capital receipts	5,000	(1,422)	3,578	3,578	-
Unsupported borrowing	101,454	9,025	110,479	104,170	(6,309)
ECC Capital Programme	274,859	44,197	319,056	331,305	12,249

Appendix C(ii)

Capital Variance Plan

Portfolio	Approved changes					Variance Plan (2023/24)					
	Slippage	Additions	Reductions	Advanced Works	Approved changes	Slippage	Additions	Reductions	Advanced Works	Residual Variance	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Children's Services and Early Years	1,082	1,530	-	227	2,839	(936)	-	-	-	(0)	(936)
Climate Czar, Environment, Waste Reduction and Recycling	886	-	-	-	886	-	-	-	-	(0)	(0)
Education Excellence, Life Long Learning and Employability	(4,395)	5,507	(3,265)	(79)	(2,232)	(2,635)	1,744	(2,833)	227	3,188	(309)
Health, Adult Social Care and ICS Integration	206	-	-	-	206	(1,912)	-	-	-	0	(1,912)
Highways Maintenance and Sustainable Transport	(1,681)	64,936	(59,217)	(21)	4,017	(1,118)	16,033	(167)	2,927	0	17,676
Leader	(608)	-	-	24,058	23,450	-	-	-	-	(0)	(0)
Levelling Up, and the Economy	-	-	-	-	-	-	16	-	-	-	16
Planning a Growing Economy	(11,004)	18,550	(6,027)	12,391	13,910	(5,035)	1,478	(896)	112	(0)	(4,341)
The Arts, Heritage and Culture	-	-	(61)	-	(61)	(110)	515	-	-	-	405
The Chancellor of Essex	317	865	-	-	1,182	-	5,603	(3,953)	-	(0)	1,650
ECC Capital Programme	(15,197)	91,388	(68,570)	36,576	44,197	(11,746)	25,389	(7,849)	3,266	3,187	12,249

Variance plan - Future years

Variance Plan - Future Years											
Portfolio	2024/25		2025/26		2026/27		2027/28		2028/29		Total Variance
	Slippage	Advanced Works	Slippage	Advanced Works	Slippage	Advanced Works	Slippage	Advanced Works	Slippage	Advanced Works	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Children's Services and Early Years	936	-	-	-	-	-	-	-	-	-	936
Education Excellence, Life Long Learning and Employability	748	1,802	(3,319)	(2,029)	(1,846)	-	7,052	-	-	-	2,408
Health, Adult Social Care and ICS Integration	1,412	-	500	-	-	-	-	-	-	-	1,912
Highways Maintenance and Sustainable Transport	1,118	(2,927)	-	-	-	-	-	-	-	-	(1,809)
Planning a Growing Economy	1,811	-	3,224	(25)	-	-	-	(87)	-	-	4,923
The Arts, Heritage and Culture	110	-	-	-	-	-	-	-	-	-	110
ECC Capital Programme	6,135	(1,125)	405	(2,054)	(1,846)	-	7,052	(87)	-	-	8,480

Portfolio & Scheme	Slippage	Additions	Reductions	Advanced Works	2023/24 Changes
	£000	£000	£000	£000	Requested
INDEPENDENT LIVING ADULTS WITH COMPLEX NEEDS	(912)	-	-	-	(912)
IL OP INVESTMENT	(1,000)	-	-	-	(1,000)
Health, Adult Social Care and ICS Integration	(1,912)	-	-	-	(1,912)
CHILDRENS RESIDENTIAL	(736)	-	-	-	(736)
SOLO PLACEMENTS	(200)	-	-	-	(200)
Children's Services and Early Years	(936)	-	-	-	(936)
COMMUNITY SUPERMARKET COOLING SYSTEM	-	16	-	-	16
Levelling Up, and the Economy	-	16	-	-	16
COLCHESTER LIBRARY REFURBISHMENT	(110)	515	-	-	405
The Arts, Heritage and Culture	(110)	515	-	-	405
A133-A120 LINK HIF	(2,309)	-	-	-	(2,309)
HARLOW STC NTH/STH (Ph1:GILSTON TO TC) (HIF)	-	75	-	-	75
COLCHESTER ITP (BOROUGH WIDE)	-	43	-	-	43
SAFER ROADS A104 ESSEX	(1,304)	1,360	-	-	56
CYCLING INFRASTRUCTURE	-	-	(725)	-	(725)
SOUTH MALDON RELIEF ROAD	-	-	-	87	87
ADVANCED SCHEME DESIGN	-	-	(43)	-	(43)
ADVANCED SCHEME DESIGN - ECONOMIC GROWTH	-	-	(128)	-	(128)
HARWICH LEVELLING UP	(507)	-	-	-	(507)
Harlow Town Centre Regeneration	(915)	-	-	-	(915)
PRIMROSE MEADOW ILOP	-	-	-	25	25
Planning a Growing Economy	(5,035)	1,478	(896)	112	(4,341)
SCHOOLS CAPITALISED BUILDING MAINTENANCE	-	-	(1,205)	-	(1,205)
BASILDON PRIMARY BASIC NEED	-	175	-	-	175
EPPING FOREST PRIMARY BASIC NEED	-	-	(558)	-	(558)
BRAINTREE PRIMARY BASIC NEED	-	-	-	227	227
MALDON SECONDARY BASIC NEED	(260)	-	-	-	(260)
TENDRING PRIMARY BASIC NEED	(622)	-	-	-	(622)
TENDRING SECONDARY BASIC NEED	-	5	-	-	5
UTTLESFORD PRIMARY BASIC NEED	(84)	70	-	-	(14)
CHELMSFORD PRIMARY BASIC NEED	-	553	-	-	553
SPECIAL SCHOOLS	(669)	667	(462)	-	(464)
TEMPORARY ACCOMMODATION	(1,000)	50	(590)	-	(1,540)
Education Excellence, Life Long Learning and Employability	(2,635)	1,520	(2,815)	227	(3,703)
Core Estate Carbon Reduction Fund	-	-	(500)	-	(500)
TOLLESBURY TCP PSDS PROJECT	-	650	-	-	650
SALIX PSDS3B	-	2,509	-	-	2,509
SALIX PSDS3A	-	2,445	-	-	2,445
CAPITALISED BUILDING MAINTENANCE	-	-	(3,453)	-	(3,453)
The Chancellor of Essex	-	5,604	(3,953)	-	1,651
BRIDGES	-	594	-	-	594
ACTIVE TRAVEL	-	-	-	1,327	1,327
ACTIVE TRAVEL 3 & COL TWN FD LCWIP4	(902)	650	-	-	(252)
EV CHARGEPOINTS	-	236	(167)	-	69
FOOTWAY MAINTENANCE	-	4,000	-	-	4,000
LED ROLLOUT	-	-	-	1,600	1,600
ROAD MAINTENANCE	-	10,455	-	-	10,455
SECTION 106	-	98	-	-	98
FLOOD MANAGEMENT	(216)	-	-	-	(216)
Highways Maintenance and Sustainable Transport	(1,118)	16,033	(167)	2,927	17,675
ECC Capital Programme	(11,747)	25,164	(7,831)	3,266	8,852
Devolved Formula Capital	-	224	(17)	-	207
Total Capital Programme	(11,746)	25,389	(7,849)	3,266	9,058

2023/24 Financial Overview as at the Half Year Stage

Portfolio & Scheme	2024/25		2025/26		2026/27		2027/28	
	Slippage £000	Advanced Works £000	Slippage £000	Advanced Works £000	Slippage £000	Advanced Works £000	Slippage £000	Advanced Works £000
INDEPENDENT LIVING ADULTS WITH COMPLEX NEEDS	912	-	-	-	-	-	-	-
IL OP INVESTMENT	500	-	500	-	-	-	-	-
Health, Adult Social Care and ICS Integration	1,412	-	500	-	-	-	-	-
CHILDRENS RESIDENTIAL	736	-	-	-	-	-	-	-
SOLO PLACEMENTS	200	-	-	-	-	-	-	-
Children's Services and Early Years	936	-	-	-	-	-	-	-
COMMUNITY SUPERMARKET COOLING SYSTEM	-	-	-	-	-	-	-	-
Levelling Up, and the Economy	-	-	-	-	-	-	-	-
COLCHESTER LIBRARY REFURBISHMENT	110	-	-	-	-	-	-	-
The Arts, Heritage and Culture	110	-	-	-	-	-	-	-
A133-A120 LINK HIF	-	-	2,309	-	-	-	-	-
HARLOW STC NTH/STH (Ph1:GILSTON TO TC) (HIF)	-	-	-	-	-	-	-	-
COLCHESTER ITP (BOROUGH WIDE)	-	-	-	-	-	-	-	-
SAFER ROADS A104 ESSEX	1,304	-	-	-	-	-	-	-
CYCLING INFRASTRUCTURE	-	-	-	-	-	-	-	-
SOUTH MALDON RELIEF ROAD	-	-	-	-	-	-	-	(87)
ADVANCED SCHEME DESIGN	-	-	-	-	-	-	-	-
ADVANCED SCHEME DESIGN - ECONOMIC GROWTH	-	-	-	-	-	-	-	-
HARWICH LEVELLING UP	507	-	-	-	-	-	-	-
Harlow Town Centre Regeneration	-	-	915	-	-	-	-	-
PRIMROSE MEADOW ILOP	-	-	-	(25)	-	-	-	-
Planning a Growing Economy	1,811	-	3,224	(25)	-	-	-	(87)
SCHOOLS CAPITALISED BUILDING MAINTENANCE	-	-	-	-	-	-	-	-
BASILDON PRIMARY BASIC NEED	-	-	-	-	-	-	-	-
EPPING FOREST PRIMARY BASIC NEED	-	-	-	-	-	-	-	-
BRAINTREE PRIMARY BASIC NEED	-	1,802	-	(2,029)	-	-	-	-
MALDON SECONDARY BASIC NEED	(1,000)	-	(691)	-	1,951	-	-	-
TENDRING PRIMARY BASIC NEED	622	-	-	-	-	-	-	-
TENDRING SECONDARY BASIC NEED	-	-	-	-	-	-	-	-
UTTLESFORD PRIMARY BASIC NEED	-	-	84	-	-	-	-	-
CHELMSFORD PRIMARY BASIC NEED	(542)	-	(2,712)	-	(3,797)	-	7,052	-
SPECIAL SCHOOLS	669	-	-	-	-	-	-	-
TEMPORARY ACCOMMODATION	1,000	-	-	-	-	-	-	-
Education Excellence, Life Long Learning and Employability	749	1,802	(3,319)	(2,029)	(1,846)	-	7,052	-
Core Estate Carbon Reduction Fund	-	-	-	-	-	-	-	-
TOLLESBURY TCP PSDS PROJECT	-	-	-	-	-	-	-	-
SALIX PSDS3B	-	-	-	-	-	-	-	-
SALIX PSDS3A	-	-	-	-	-	-	-	-
CAPITALISED BUILDING MAINTENANCE	-	-	-	-	-	-	-	-
The Chancellor of Essex	-	-	-	-	-	-	-	-
BRIDGES	-	-	-	-	-	-	-	-
ACTIVE TRAVEL	-	(1,327)	-	-	-	-	-	-
ACTIVE TRAVEL 3 & COL TWN FD LCWIP4	902	-	-	-	-	-	-	-
EV CHARGEPOINTS	-	-	-	-	-	-	-	-
LED ROLLOUT	-	(1,600)	-	-	-	-	-	-
ROAD MAINTENANCE	-	-	-	-	-	-	-	-
SECTION 106	-	-	-	-	-	-	-	-
FLOOD MANAGEMENT	216	-	-	-	-	-	-	-
Highways Maintenance and Sustainable Transport	1,118	(2,927)	-	-	-	-	-	-
ECC Capital Programme	6,136	(1,125)	405	(2,054)	(1,846)	-	7,052	(87)
Devolved Formula Capital	-	-	-	-	-	-	-	-
Total Capital Programme	6,135	(1,125)	405	(2,054)	(1,846)	-	7,052	(87)

Appendix D

Balance Sheet – Earmarked Reserves

	2023/24 movements				Adjustments proposed in quarterly report included within this position £000
	Balance at 1 April 2023 £000	(Contributions)/ Withdrawals agreed £000	Future commitments £000	Estimated Closing balance £000	
Long Term Contractual Commitment					
PFI Reserves					
A130 PFI	(17,324)	10,052	695	(6,577)	
Building Schools for the Future PFI	(2,122)	-	(861)	(2,983)	
Debden School PFI	(1,154)	-	524	(630)	228
Clacton Secondary Schools' PFI	(1,409)	-	609	(800)	
Waste Reserve	(114,589)	9,884	(8,627)	(113,332)	(14,110)
Grant Equalisation Reserve	(43,933)	-	5,037	(38,896)	
Trading Activities (not available for use)	(1,729)	304	(304)	(1,728)	
Partnerships and Third Party (not available for use)	(2,267)	-	-	(2,267)	
Schools (not available for use)	(43,704)	-	-	(43,704)	
General Balance	(68,096)	-	4	(68,092)	4
Reserves earmarked for future use					
Adults Digital Programme	(28)	-	28	0	
Adults Risk	(12,561)	-	2,837	(9,724)	1,907
Adults Investment	(9,802)	(21,567)	21,567	(9,802)	1,303
Ambition Fund	(10,551)	(9,925)	15,890	(4,586)	9,000
Bursary for Trainee Carers	(263)	-	263	-	
Capital Receipts Pump Priming	(10,034)	(1,000)	500	(10,534)	
Carbon Reduction	(711)	152	-	(559)	
Carry Forward	(15,039)	-	15,039	(0)	-
Childrens Risk	-	(5,000)	-	(5,000)	
Childrens Transformation	(6,010)	-	2,949	(3,061)	462
Collection Fund Risk	(17,084)	(9,114)	-	(26,198)	
Commercial Investment in Essex Places	(15,469)	650	14,296	(523)	
Community Initiatives Fund	(277)	(350)	350	(277)	-
Covid Equalisation Reserve	(26,273)	-	23,698	(2,575)	6,968
EES Pension Risk	(4,000)	-	-	(4,000)	
Emergency	(23,227)	(4,000)	4,009	(23,218)	
Emergency Planning	(300)	-	-	(300)	
Equalities Fund Reserve	(261)	-	-	(261)	
Essex Climate Change Commission	(3,067)	-	2,218	(849)	
Essex Crime and Police	(73)	-	-	(73)	
Everyones Essex	(44,987)	(2,000)	23,344	(23,643)	
Future Capital Funding	(36,295)	(7,463)	16,877	(26,880)	(9,112)
General Risk	(14,841)	(10,338)	500	(24,679)	-
Health and Safety	(4,649)	-	1,205	(3,443)	
Highways	(3,000)	-	-	(3,000)	
Insurance	(11,125)	-	600	(10,525)	
Newton	(151)	-	-	(151)	
Property Fund	(962)	-	28	(934)	
Quadrennial Elections	(1,491)	(500)	-	(1,991)	
Renewal Fund	(2,427)	-	181	(2,246)	
Social Distancing & Hygiene	(900)	-	-	(900)	
Technology and Digitisation	(20,119)	(5,000)	12,052	(13,067)	55
Transformation	(58,880)	(11,820)	17,189	(53,511)	186

Appendix E

Treasury Management

	Actual Balance 1 April 2022 £000	Movements			Estimated Balance at 31 March 2023 £000
		Raised	Repaid	Net movement	
	£000	£000	£000	£000	£000
Borrowing					
Long Term	583,831	-	(12,044)	(12,044)	571,787
Temporary	12,150	1,125	-	1,125	13,275
Total External Borrowing (A)	595,981	1,125	(12,044)	(10,919)	585,062
Investments					
Long Term	4,853	4,178	(2,921)	1,257	6,110
Temporary	635,558	437	(428,100)	(427,663)	207,895
Total External Investments (B)	640,411	4,615	(431,021)	(426,406)	214,005
Net indebtedness (A-B)	(44,430)	(3,490)	418,977	415,487	371,057
Borrowing					
Average balance of long term borrowing during the year over the period to date (£000)					582,117
Opening pool rate at 1 April 2023 (%)					3.37%
Weighted average rate of interest on new loans secured to date					N/A
Average pool rate for year (%)					3.40%
Investments					
Average daily cash balance over period to date (£000)					710,036
Average interest earned over period					4.71%
Benchmark rate - average 1 month SONIA rate					4.63%

Appendix F

Prudential Indicators - Summary

		Approved Indicator	Current Forecast
Affordability			
Incremental impact on Council Tax of 2023/24 and earlier years 'starts'	£	£123.99	£112.99
Ratio of financing costs to net revenue streams	%	9.7%	9.4%
Prudence			
Net borrowing and Capital Financing Requirement		Net borrowing is below the medium term forecast of the CFR	
Capital Expenditure			
Capital expenditure	£m	275	331
Capital Financing Requirement (excluding credit arrangements)	£m	1,324	1,123
External Debt			
Authorised limit (borrowing only)	£m	1,080	N/A
Operational boundary (borrowing only)	£m	900	N/A
Actual external borrowing (maximum level of debt during year)	£m	N/A	596
Treasury Management			
Interest rate exposures			
Upper limit for exposure to fixed rates			
Net exposure	£m	1,080	548
Debt		100.0%	98.7%
Investments		100.0%	74.7%
Upper limit for exposure to variable rates			
Net exposure	£m	380	202
Debt		35.0%	2.3%
Investments		100.0%	85.6%
Maturity structure of borrowing (upper limit)			
Under 12 months	%	30.0%	2.1%
12 months and within 24 months	%	30.0%	3.0%
24 months and within 5 years	%	30.0%	10.3%
5 years and within 10 years	%	40.0%	17.1%
10 years and within 25 years	%	85.0%	24.1%
25 years and within 40 years	%	40.0%	30.3%
40 years and within 50 years	%	20.0%	0.0%
50 years and above	%	20.0%	13.2%
Total sums invested for more than 364 days			
Authorised limit	£m	30	N/A
Actual sums invested (maximum position during year)	£m	N/A	-
Summary			
All Treasury Management activities have been undertaken in accordance with approved policies and procedures.			
External debt is within prudent and sustainable limits.			
Credit arrangements have been undertaken within approved indicators			
Maturity Structure of borrowing: maturity dates for market loans are based on the next review date, not the final maturity date.			

Report title: Performance discussion – April to August 2022-23	
Report to: Corporate Policy and Scrutiny Committee	
Report author: Cllr Kevin Bentley, Leader of the Council Cllr Louise McKinlay, Deputy Leader of the Council	
Date: 7 th November 2023	For: Discussion
Enquiries to: Richard Puleston; Suzanne Barcz	
County Divisions affected: All Essex	

1 Purpose of Report

- 1.1 This report provides opportunities for corporate scrutiny to discuss:
1. The progress we are making against our KPIs – based on the Q1 performance report with some core updates up to August 2023.
 2. The wider operational landscape of Essex, including other factors affecting our residents.

2 Recommendations

It is recommended that Corporate Policy and Scrutiny Committee:

- 2.1 Note the report and annexes and discuss how they would wish to engage in future scrutiny.

3 Summary

- 3.1 The Everyone's Essex performance framework was agreed by Full Council in October 2021, and outlines measures aligned with the strategic aims.
- 3.2 This report outlines the outturns for Q1 (April to June), and some operational and wider societal measures up to August 2023. This allows Scrutiny to have sight of verified data (including data where we are reliant on third parties and reporting from our contracts) to be collected, collated and socialised with responsible directors and cabinet members.
- 3.3 The report presented is extensive. This recognises the need to have a view on the overall strategic performance of the authority and the delivery of Everyone's Essex and should share a view of the key contextual constraints that might impact on operational performance. The report is structured into 3 sections:

Part 1: Operating Context – this section sets out key data about our operating context and flags potential implications for the services we provide.

Part 2: Key Strategic Priorities – this section covers the progress we are making on Levelling Up; and Climate action.

Part 3: Strategic Indicators – this section sets out the current performance against the strategic indicators, organised by strategic aim, that have been agreed to be monitored by Council.

Performance update for Quarter One.

3.4 Headlines from Q1 performance (report attached at Appendix 1), show that performance in most areas continues to be strong, areas to note include:

- Skills and training delivered through our partners continues to be strong and aligns with the overall ambition to support good jobs in areas including health and social care and ‘green jobs’.
- Some of our preventative measures and positive outcomes in adult social care are performing well, with more people in receipt of care technology and reablement services. Employment measures continue to support people into and sustain employment.
- Health checks and access to weight management programmes are showing strong performance, in terms of access and positive outcomes.
- The number of children supported by social care across the service continues to be stable, keeping pace with demographic growth. All areas are kept under review to ensure that children, young people and families are supported appropriately. Growth in child protection numbers are being monitored closely.
- Despite challenging conditions, council tax collection rates are stable. We are reviewing our social value programme to ensure that the measures that best articulate outcome delivery, including supporting people into work and delivering environmental improvements.

3.5 In this quarter, the report identifies two key areas of ECC performance that are below target (strategically or functionally), and represent a risk to the Council.

- People waiting (ASC) – as previously reported, ASC have considerable numbers of people waiting for interventions, including annual reviews and assessment of needs (both statutory duties). Considerable work has been undertaken in the service to address these issues, and while some progress is being made, alleviating these risks will be a longer process than can be resolved in this financial year. A number of programmes have been developed to target the different interventions, and these are beginning to have an impact on the volume and the timeliness of our responses. Capacity is being used flexibly to deliver improved performance in this area.
- GHG emissions – the most recent data suggests (at both an organisational and County level) performance is moving away from our Net Zero targets. The updated climate action plan attempts to address this, but further work is

required to meet our local ambitions. These issues are being considered in the context of the strategic risk register, and the level of risk that ECC are exposed to and the mitigating factors that the Council has control over was flagged as something that will require further discussion. However, the local impact of higher emissions should also be considered, including flooding and pollution. A further session to look at ECC's climate commitments is being planned, to understand the issues and the impact.

3.6 In addition to these metrics that have a direct impact on the council's services, ambitions and targets, we also draw attention to:

- The impact of **housing affordability** in the county – with more residents exposed to high loan to value ratios, making them more vulnerable when remortgaging. With rent also increasing, this leaves residents at risk of homelessness building on a growing trend that is causing challenges in a number of policy areas.
- **Cost of living** – while inflation is easing, the long term impacts are still felt for residents, including those on fixed incomes. This will have an impact on some of our services, but also a considerable impact on wellbeing.

4. **Appendices**

Appendix 1 Quarterly Performance report (Quarter 1)

Appendix 2 Levelling Up update (priority cohorts) – **appendix to follow**



Corporate Performance Report

April – June 2023-24

**Performance and Business Intelligence,
Corporate Team**

Policy Unit

1. The Essex Story

- Key points for consideration

2. Operating Context

- Ongoing context for Everyone's Essex
- Society: Operating context 1
- Risks: Operating context 2

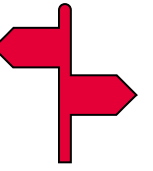
3. Strategic Priorities

- Levelling Up Mission: updates
- Climate

4. Strategic Indicators

- Everyone's Essex Strategic Indicators: Key Points
- Everyone's Essex: Achievements
- Measures to watch
- Performance Report annex

Key Points



Environment – ECC and County-wide emissions

Increases in emissions against planned reduction (detail outlined on **slides 9 and 10**).



Adult social care - People waiting

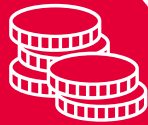
Ongoing challenges in meeting demand for assessment, reviews and deprivation of liberty safeguards (detail outlined on **slides 4 and 10**)



Housing affordability and impact of inflation (cost of living)

Essex residents are more exposed to increasing housing costs than other areas, which could have an impact on the financial wellbeing of residents. Essex residents will be continuing to feel the ongoing impact of inflation, increasing cost of living and reducing (**slide 6**)

THE ECONOMY



Changes in the macro-economy and their impacts on Essex households present a significant risk to the medium-term sustainability of services and the work necessary to deliver the commitments set out in Everyone's Essex.

The Consumer Prices Index (CPI) rose by 6.8% in the 12 months to July 2023, down from 7.9% in June, and down from a recent peak of 11.1% in October 2022. High inflation rates drive increasing costs for ECC and increase pressure on ECC budgets.

High inflation rates also reflect rising living costs for residents – we project that by Feb 2023, some 15,000 households in Essex may have incomes below the level necessary to pay for food and essential bills. This creates considerable risk around future demand pressures and considerable uncertainty around future council tax and business rate revenues.

The Bank of England has raised interest rates on twelve consecutive occasions. The base rate reached 5.25% in August driving up the cost of borrowing with direct implications for the cost of financing ECC's capital programme.

HEALTH & WELLBEING



The Essex health system remains under pressure. Mental Health and Safeguarding have both experienced significant demand pressure over the past 12 months, which is continuing. These are demand-led services, and this is having an impact across the system. This is a national picture, but how this demand is being met varies across the country.

While still a 'live risk' some progress has been made:
The number of adults waiting for an assessment of need more than 28 days have reduced by 28% and the number waiting for a safeguarding enquiry to start down 21%.
12 initiatives have been identified to reduce the number of adults waiting and manage the demand into ASC on a longer term basis.

ASC continue to look at all areas of prevention to reduce demand and promote independence. Care Technology continues to prevent, reduce, and delay demand coming into ASC for a higher proportion of residents.

CHILDREN & FAMILIES



Demand continues to rise in children's social care, with rates of children and young people known to the service increasing. (detail is provided in the Cost Driver section), however ECC continues to benchmark well.

The quality of the care provided to Essex families was assessed by OFSTED in June 2023 (just outside of this reporting period), and it found further improvements to the quality of provision from the last full inspection with ECC given a rating of Outstanding against all domains.

In education, there is a mixed picture on accessing early years (pre-school) subsidised placements, with successes noted in the pre-school demographic (aged 3&4), but a reduction in eligible 2 year olds accessing settings (this element is means tested and targets those on some benefits). Accessing good quality early years provision can support children to have structure and have improved outcomes in primary school and beyond.

LEVELLING UP



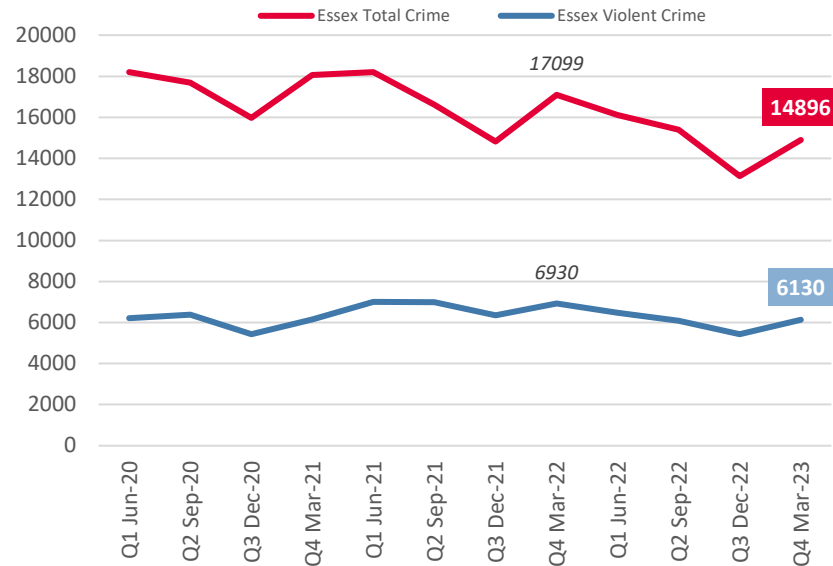
Excess pressures such as the inflation and cost-of-living are likely to be felt worse in areas that are already falling behind, as seen through the disparities across districts using national Levelling Up mission outcomes data.

£516,000 has just been approved from the Everyone's Essex reserve to support the priority cohort of 16- to 25-year-olds across Essex who are not in education, employment, or training (NEETs). To build on the existing work which the council already does in this area, we have identified three key priority areas of: 1) early intervention; 2) reducing barriers to apprenticeships; and 3) enhancing employment opportunities to support NEETs and those who are at risk of becoming NEET. By supporting young people earlier on, it is less likely that they will become NEET in the future. But, in order to fully support them we need to ensure we are trying to remove the barriers there are to accessing opportunities and to ensure there are opportunities for these young people. We will do this by continuing to develop stronger relationships with businesses to ensure there are good, local opportunities for young people.

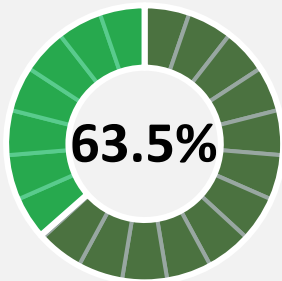


Crime and feeling safe

Essex Total Crime **down 12.8%** since last year



Over a third of crime in Essex is categorised as Violent Crime, which is **down 11.5%** since last year.



Just under two-thirds of adults in Great Britain tend to be satisfied with the police in the UK. (May to June 2023)

Crime and fear of crime is a contributing factor to people's satisfaction with place, and with their own wellbeing.

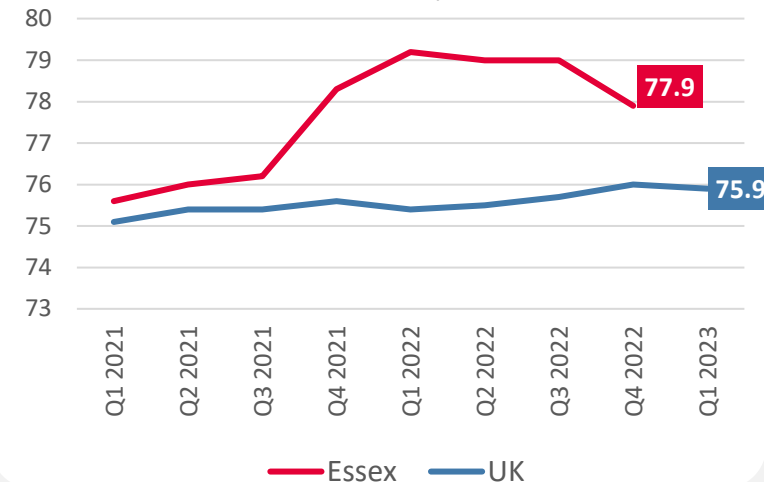
Economic factors could have a negative impact on crime



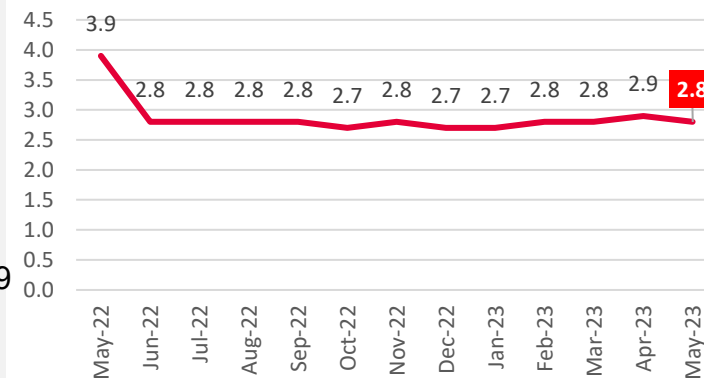
Employment

Unemployment rates have fallen to pre-coronavirus pandemic levels, following a rise during the pandemic.

Employment rate (16-64), **down 1.3%** from Q3 2022/23



Claimant rate 16+, **down 0.1%** from April



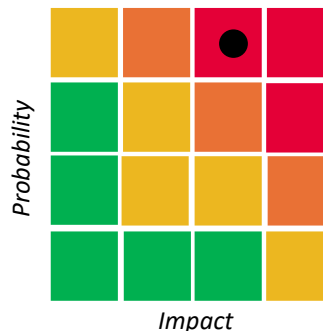
Essex continues to perform strongly in employment performance compared with the national picture, as has been the case since Q3 of 2021. High employment rates will contribute to reduced demand and enhance council tax yield. However, the impact of the cost of living will still impact in-work families

Strategic Risk

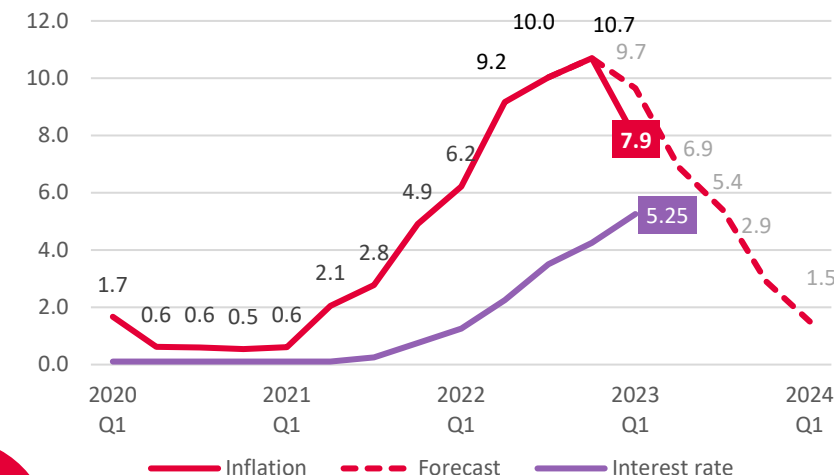
ECC Strategic Risk: Inflation

Strategic risk: SRR0092 (updated June 2023)

Inflation is at it's highest level for 40 years, and may continue at a high level over the medium-term, which will create significant pressure on ECC revenue and capital budgets, drive up demand for services and impact upon the financial sustainability of the council. Interest rates are increasing to tackle inflationary pressures but will increase borrowing and capital financing costs, impacting ECC's capital programme.

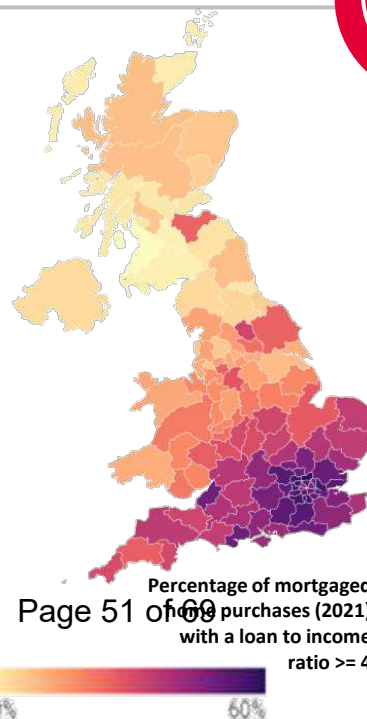


Inflation **7.9%**, forecast to reduce this year. Interest rates **5%** (next update August)



Mortgage risk in Essex

- High loan-to-income ratios (LTIs) are one of the most important indicators of **risk** in a period of **rising mortgage rates**. Households with a high LTI ratios are among those most likely to struggle to make mortgage payments at all. Lenders typically consider a LTI ratio of 4+ to be high risk.
- Essex has a relatively high proportion of homes, purchased with a LTI ratio of 4+** (c.39,000 – 7% of home owning households). Around 52% of these households have dependent children, with a quarter having a child below school age (0-4).
- Only half of those households on Greater Essex with an outstanding mortgage have already experienced an increase in mortgage payments** (c.152,000). The remainder will experience these impacts by the end of 2026 (c.305,000 in total).
- The impact on household finances could drive a significant increase in demand for public services whilst reducing rates of council tax collection.**



Mortgage and landlord possession claims

In Q4 there was a **39.7% increase** in combined mortgage and landlord possession claims

- Mortgage and Landlord possession claims rates have **risen across all regions**.
- Harlow** had the **highest** rate for private landlord claims (429 per 100,000 households owned by a private landlord). **39% of the households in Harlow were privately rented**.
- Regional Private landlord repossessions: **Tendring** were in the **top three highest LAs** with 187 per 100,000 households owned by the landlord.
- Regional repossessions (by County Court bailiffs): Social landlord repossessions were highest in **Castle Point** with 146 per 100,000 households owned by a social landlord.
- In England, private rental demand has increased as well as the rental prices increasing by 4.6% (12 months to March 23)

Quarter 1: updates to the LEVELLING UP MISSIONS:



Over the last quarter, new data has become available on:

- **Gross Value Add (GVA)** per hour worked (a measure of local labour productivity);
- **Employment rate for people aged 16-64; and**
- **Percentage of children achieving the expected levels in reading, writing and maths by the end of Key Stage 2**

This data allows for an updated assessment of the position of Essex and Essex districts on the government's Levelling-up Mission One: Pay Productivity and Employment and Mission 5: School Achievement.



Levels of local productivity at 2021 remained broadly consistent with estimates for previous years.

However, the greatest shifts were:

- a **decline** in local productivity in Harlow of c.3%; and
- **improvements** in local productivity of 3% in Rochford and c.4% in both Colchester and Tendring.

None of these shifts were of a scale sufficient to alter the quartile position of these districts when benchmarked against LAs across England.



Employment rates fell for most districts between September & December 2022

The greatest shifts were in Braintree, Chelmsford, Epping Forest and Maldon and Uttlesford. Only Colchester and Harlow saw increasing rates of employment in this period.

These changes have led to a decline in Essex districts position relative to other local authority benchmarks:

- Braintree, Epping and Uttlesford have slipped from the top quartile of LAs to the second quartile;
- Chelmsford and Maldon have slipped from the 2nd quartile to the 3rd quartile. Employment rates in these districts are now below the median for all districts in England.



KS2 achievement rates increased in all but one district, but remain below pre-pandemic levels across Essex.

All districts, with the exception of Castle Point, saw increases in the percentage achieving the expected level in reading, writing and maths. The decline in Castle Point was from 58% to 57%.

Across the country, the proportion of key stage 2 pupils reaching the expected standard in all three areas of reading, writing and maths is unchanged from last year, showing no recovery to pre-Covid levels.

More detailed benchmarking is not possible at this stage as we do not yet have data for all LAs across England.



100,624
(2022/23)

Trees planted by Essex Forest Initiative

New woodland contributes to delivering net zero carbon, nature recovery, reduces flooding, cooling city centres and provides protection against airborne pollution


21.1 Hectares

Planted (22/23), on track to meet our target of 40 Hectares in 23/24

13.8km

Hedgerows planted
(2022/23)

Percentage of land that is now green infrastructure

14%  30%
2040 target



Improving resilience towards climate change (Q1)

£11M

The total amount of income/funding generated by the programme (2021/current) consequently helping to reduce surface water flooding



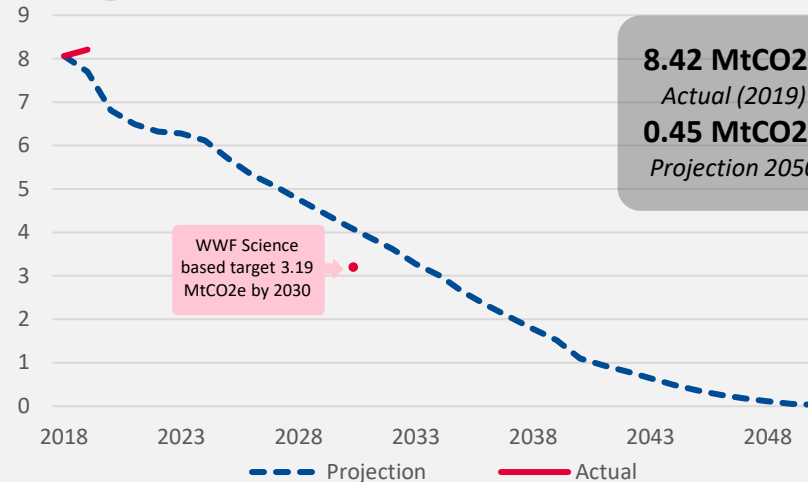
1,800+

Residential properties have benefited from reduced surface water flooding across Essex since 2021

Number of National Flood Management Schemes



Essex GHG emissions MtCO₂e



ECC rating for Carbon Disclosure Project

A

162.0M

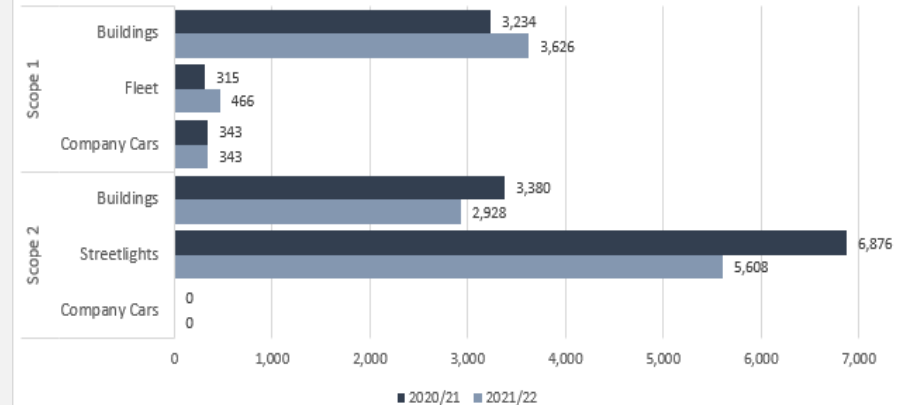
(Q1) Total Solar Energy Produced by ECC Sites (Wh)

48.1%

(Q1) Total consumption Solar Energy Produced by ECC Sites Fed to Grid (Wh)

ECC Emissions - 2020/21 vs 2021/22

Tonnes of Carbon Dioxide Equivalent (tCO₂e)



Year	Domestic Actual	Projections	I&C Actual	Projections	Industrial Actual	Projections	Transport Actual	Projections	Waste Actuals	Projections
2018	2.16	2.16	1.51	1.51	0.35	0.35	3.07	3.07	0.97	0.97
2019	2.17	2.09	1.54	1.41	0.36	0.33	3.25	2.98	0.89	0.89

Climate:

Essex GHG emissions need to be on a downward trend in order to meet our ambitions to be Net Zero, locally and at a national level (ECC core estate by 2030, and nationally by 2050)

This is a high-level measure that provides an indicator on progress towards environmental outcomes mitigating the predicted rise in temperature by 1.5 degrees Celsius.

Latest reporting (2020) shows an increase in emissions across the County (all sources, not just ECC), and puts these targets at significant risk without further action. For ECC-controllable emissions, improvements in CO2e from streetlighting and green energy tariffs have been offset by increased car use (fleet and company). Some of the increases are a result of post-pandemic increases in activity (such as travel).

Risks to ECC:

- Reputational in meeting our objectives, and 'leading from the front' with partners
- Financial, resulted from ongoing high energy use

Questions for consideration:

- Are the actions we are looking to pursue organisationally sufficient to improve the position
- Are our partner institutions also committed to carbon reductions and on track?



Adult Social Care:

Adult social care “**people waiting**” – there continues to be high numbers of people waiting for interventions from ASC. This includes people waiting for an assessment, review or a Deprivation of Liberty safeguards assessment. The services are prioritising based on risk. There are several initiatives underway in ASC to address the backlogs across these interventions, and these are starting to have some impact.

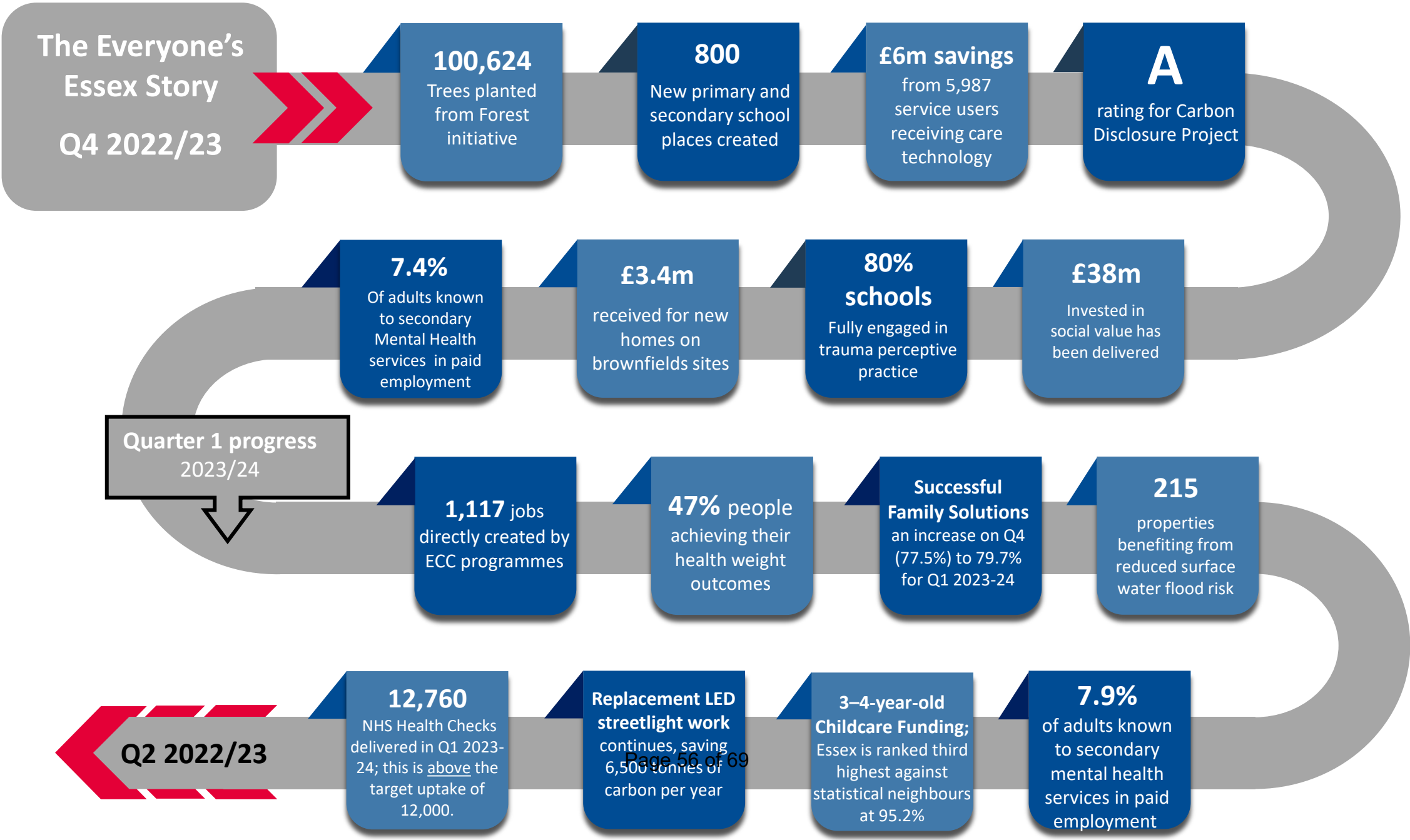
Risks to ECC:

- Care needs and risks are only known as presented at the 'front door', including safeguarding.
- Changing needs or new risks are not identified. An annual review is also requirement of the Care Act.
- The proper tests for depriving people of their liberty (when they lack capacity) may not have been met.

Questions for consideration

- Are wider community services (including VCS) and health aligned with prevention and IAG regarding ASC.







Off Target and Worsening

Measure	Trend	Value	Target
The number of children subject to child protection plans per 10,000		23.1	17.3 – 20.5
Infrastructure investment secured from developer £m (via S106) (Rolling 4 quarter average)		£5.5M	£9.6M
The proportion of adults in contact with secondary mental health services (services generally requiring referral by a GP) living independently, with or without support		17.90%	
Percentage of adults who are self-caring post reablement on discharge from hospital		50.9%	52%



Off Target but Stable or Improving

Measure	Trend	Value	Target
Retrofit in low-income households		246	547
Percentage settings engaged in Trauma Perceptive Practice		13%	30%
Sections of coastal paths completed		4	7



Ones to watch - Amber (<5% off Target) but Worsening

Measure	Trend	Value	Target
Percentage of eligible 2 year olds accessing funding for childcare in a setting rated at least good by Ofsted		95.70%	96.60%
Percentage of families with successful intervention (Family Solutions)		80%	85%
Number of properties where risk has been reduced as a result of Flood Management Schemes		0	8

Measure	RAG	Value	Target
Number of people benefitting from ECC skills and employability programmes	↑	4,100	1,720
Jobs created directly through ECC programmes	↑	1,117	815
Infrastructure investment secured from developer £m (via S106) (Rolling 4 quarter average)	↓	£5.5M	£9.6M

Skills, employability and jobs:

The current target was originally set at 1,720 due to budgetary unknowns. Sufficient funding has been acquired to provide more opportunities for people to gain additional qualifications supporting their aspirations and ability to get better jobs. We are now around three quarters into the academic year with good progress for ACL qualifications. While the aim is to increase the number of people with level 3, 4 and 5 qualifications, attaining level 2 may be a pre-requisite for that outcome.

Jobs created directly:

The combined total for jobs directly created through ECC programmes is 1,304. This significant over achievement was due to additional funding becoming available, which provided more opportunity to increase service provision. The number of jobs created and safeguarded via the Business Support contracts increased by 171 during the last 3 months, with a final total of 1,100 against target of 550. In addition to this, ECC has provided 187 entry level roles against a target of 210 in the 2022 calendar year, with a further 17 against a target of 265 in Q1 of the 2023 calendar year. Additionally, ECC engaged or supported 3293 businesses, and 175 businesses gained access to finance via the Backing Essex Business programme.

Funding and investment:

S106 receipts depend upon the wider economic climate and the progress of housing developments across the County, payable only at certain trigger points, and therefore vary significantly across the year and between years. This report now shows a rolling average, rather than 'year to date' as this reduces the impact of cyclical variations on performance outturns. Castle Point is the only district that did not receive any funding for 22/23. Compared with 21/22, contributions for the Strategic Development receipt category is up by around £2.6m.

Measure	RAG	Value	Target
Retrofit in low-income households	↑	246	547
Replacing streetlights (mainly residential roads) in Essex with new LED lights	↑	7,582	32,476
Sections of coastal paths completed	↑	4	7

Streetlights:

This is the third and final year of Phase 4 of the LED Replacement Programme. This year should see ECC finalise converting all of our remaining old-style street lighting stock from lamps into LED's. Last year the upgrade programme was significantly impacted by the global shortage of components for the 'Telecells' that are used to control the streetlights. While we were able to recover a lot of lost ground in the final quarter of 22/23, this leaves the final year with a stretching target of 32,476 replacements. It should be noted that this is over 10% larger than the programmes delivered in Year 1 and Year 2 (27,131 and 28,439 replacements respectively). In Q1 we have seen Essex Highways delivery to be in line with the profile and, assuming no unforeseen issues, are currently on track to complete the programme by March 2024 as planned.

Retrofit in low-income households:

ECC Led Projects The SHDF (Sustainable Housing Decarbonisation Fund) completed 93 properties by the end of Q4. This is lower than the predicted figure of 547, but the nature of the work requires that significant efforts are put into the analysis and administration tasks at the outset of the programmes, with the actual installations occurring toward the end. The completion rate will therefore continue at pace during the first quarter of 2023/24.

External Partner Projects - Delivered by the Southeast Energy Hub The figures reported in Feb 2023 show 298 homes completed across Essex - 232 under the Green Homes Grant Local Authority Delivery (GHG LAD) Phase 3, and 66 under phase 1 of the Home Upgrade Grant (HUG1). In both instances, the highest number of completed homes were in Tendring.

Coastal Paths:

It is now possible for members of the public to walk along four of the nine Essex coastal paths; an unbroken stretch of 142 miles from Tilbury to Salcott. Approval has been granted in full for a further 88 miles, covering the two stretches from Salcott to Harwich, and work is underway to establish the routes for public use. The Jaywick to Harwich stretch is expected to complete in March 2025. Volunteers continue to maintain signage along the open stretches and the first maintenance grants have been offered for the open stretches.

Note: updated public health measures are being considered, and will be provided once approved

Measure	RAG	Value	Target
Percentage of People booking who were supported to achieve their weight loss outcomes	▲	47%	TBC

Weight management:

We are in the first two years of the Essex Wellbeing Service (EWS) and are still seeing infrastructure development, such as increasing recruitment routes to meet necessary numbers - as such, not all weight management pathways are established or are fulling working yet. From year 3 onwards (2024/25), there remains a contractual expectation that EWS considerably increase the numbers supported to lose weight, and also monitor the number who actually lose weight sustainably over a period of 3 years.

Measure	RAG	Value	Target
Number of adult social care users in receipt of care technology	↑	6,945	4,195
Percentage of adults known to secondary mental health services in paid employment	↑	7.9%	Increase
Number of adults with Learning Disabilities known to social services who secure new employment	↑	279	115
Percentage of adults known to secondary mental health services in paid employment	↑	7.9%	7.0%
The proportion of adults in contact with secondary mental health services (services generally requiring referral by a GP) living independently, with or without support	↓	17.9%	Increase
Percentage of adults who are self-caring post reablement on discharge from hospital	↑	50.9%	52%
Number of total population aged 40-74 receiving an NHS Health Check	↑	12,760	46,000

NHS Health Checks:

There were 12,760 health checks delivered in Q1 of 23/24. This is 106% of the target for this period (12,000) and is a large increase on Q1 of last year, which saw 7,523 health checks delivered. This means we are currently on track to meet the target of 48,000 health checks delivered in 2023/24. In terms of health checks offered, the cumulative total is 33,234 against our target of 24,000. This represents 138% of the target for Q1.

Mental Health services & paid employment:

This is the third consecutive quarter of seeing increases in this measure. This is mainly a result of a data quality project EPUT have launched and we expect to see the position continue to improve over the next 12 months as the data is made more reflective of the true position. Essex consistently performs in the top quartile nationally on this measure. Supporting people to find and maintain meaningful employment helps them to develop friendships and increase their confidence as well as supporting independence.

Number of adults with Learning Disabilities known to social services who secure new employment:

The ECL Live service continues to outperform its targets. We are close to 300 adults with disabilities having been supported to find meaningful employment. This is having positive impacts on people's lives, helping them to develop friendships and increase their confidence as well as supporting independence.

Reablement:

Essex provides reablement services to a relatively high number of adults. While this measure is slightly below target, the service (provided by ECL) other effectiveness targets (reduction in hours of ongoing care required for adults who have been through reablement) are showing positive outcomes.

We have seen an increase in the levels of need of adults coming out of hospital. Thus, whilst the reduction in hours of ongoing need continues to be above target, this has made it less likely that adults will exit reablement fully self-caring.

Reablement and the entire intermediate care pathway is under review by adult social care.

MH accommodation

The proportion of people supported in Essex with MH needs who are in settled accommodation is decreasing, when the target was to increase against baseline. Active work with the provider (EPUT) to address and improve is underway

Measure	RAG	Value	Target
Percentage of eligible 2 year olds accessing funding for childcare in a setting rated at least good by Ofsted	↓	95.7%	96.6%
Percentage of all 3 and 4 year olds, accessing funding for childcare in a setting rated at least good by Ofsted	↓	95.2%	95.2%
% <u>schools</u> engaged in Trauma Perceptive Practice	↑	80.0%	60%
% <u>settings</u> engaged in Trauma Perceptive Practice	↑	13.0%	30%
Percentage of families with successful intervention (Family Solutions)	↓	79.7%	85%

3 & 4 Year old funding;
Essex performance fell by 0.2% points in 2022/23 but continues to maintain the status levels of performance seen over the last four years. Performance is favourable when compared to the Statistical Neighbours and England averages - Essex being 1.7% points and 1.3% points higher respectively. Among the Statistical Neighbours group Essex is ranked third highest.
This data is collected in the Early Years Census each January. This is submitted to DfE by all LAs for collation with the performance published late June. Thus next update will be in the Q1 2024/25 report.

Trauma perceptive practice (school):
As at the end of the first academic year (2021/22), the target of 42% was exceeded with end of year performance being 65%. The target for the current academic year was set at 60% but performance by the end of the financial year (Q4) had already reached 80%. By the end of the academic year (Q1) performance had reached 85%. A target of 80% relates to the end of the 2023/24 academic year (by August 2024). This target has been met ahead of schedule. Currently 12% of schools have fully completed the training (against an end of 2022/23 target of 30% and 2023/24 being 50%).

Eligible 2 year olds;
Essex performance fell by 1.5% points to 95.7% in 2022/23. This is the lowest it has been since the 2017/18 academic year. The Statistical Neighbours average also fell by the same margin although Essex remains 1.6% points above this. However, this is largely due to the very low performance of Central Bedfordshire. Nationally the decrease since 2021/22 was a drop of just 0.4% points. This brings the England average in line with Essex performance. This data is collected in the Early Years Census each January (next collection January 2024). This is submitted to DfE by all LAs for collation with the performance published late June.

Family Solution interventions: The proportion of successful intervention for Family Solutions is currently 2.2% points above Q4 22/23 (77.5%) successful interventions. Family Solutions closed 441 families in the last quarter, 232 of these cases were closed after an extended intervention, the remaining cases were closed as ‘Decision not to proceed’ or ‘Family Solutions not required’.
The overall rate of positive outcomes for sustained Family Solutions interventions remaining very stable over the reporting period around 81% but quadrants have a higher level of variation.

Trauma perceptive practice (setting):
As at the end of the first academic year (2021/22), the target of 7% was achieved with end of year performance being 7.5%. The target for the current academic year was set at 30%. Performance by the end of the academic year (Q1) has reached 14%. A target of 50% relates to the end of the 2023/24 academic year (by August 2024). Based on current performance the number of settings needed to engage with ECC needs to increase by nearly four-fold. Currently 0.5% of settings have fully completed the training (against an end of 2022/23 target of 20% and 2023/24 being 40%).

Measure	RAG	Value	Target
The number of children known to social care per 10,000	↑	191.7	190 – 210 (Target range)
The number of children subject to Children in Need plans per 10,000	↓	48.7	47.3 - 63.1 (Target range)
The number of children subject to child protection plans per 10,000	↑	23.1	17.3 - 20.5 (Target range)
Number of looked after children per 10,000	↓	36.6	34.7 - 39.4 (Target range)
Review representation of Ethnically Diverse CYP across the statutory social care system: Open to social care	N/A	23.2%	N/A
Review representation of Ethnically Diverse CYP across the statutory social care system: Children in Care	N/A	26.2%	N/A
Review representation of Ethnically Diverse CYP across the statutory social care system: Child protection	N/A	13.4%	N/A

Children from an ethnically diverse group:

The proportion of children open to social care from an ethnically diverse group has grown gradually over time, and currently sits at 23.2%, slightly more than last quarter (21.9%). The increase is mainly reflected in the children in care numbers, where a higher number of separated migrant children is seen; 68.5% of SMC in care being of other ethnic groups for example. The proportion of children in care from Global Majority backgrounds falls from 26.2% to 15.6% when SMC are excluded, which is much closer to the Essex school census rate of 14.3%.

Children in Need (CIN) and Child Protection plans:

The number of children on child in need plans in Essex has fluctuated over the last 12 months, with a peak of 1639 in March, dropping to 1544 by June, in line with levels seen last August. The main cause of this movement are changes within the mainstream CIN volumes, with CWD and case managed CIN plans remaining relatively stable. The rate of children in need was relatively stable during 2022, between 46 and 47 per 10,000 at any one time, with 2023 seeing rates between 50.2 and 48.7. Although higher, they are still within the expected range. North continues to have the highest rate (56.3), although West has seen a steady rise in CIN Since June'22 - from 37.7 to 46.4.

Looked After Children:

The number of children in care rose during 2022 and continues to see higher numbers. Following a peak in November, volumes have been more consistent, fluctuating between 1150 and 1170, currently sitting at 1160 in June. Despite the increases that have been seen over time, the number of children looked after by the council remains in our expected range. At a quadrant level, North continues to see significantly higher rates of children in care per 10,000 but has seen rates fall from 50.6 in June 2022 to 46.6 by June 2023. West has also seen rates rise, heavily impacted by the rising number of SMC during qu4 of 2022/23.

Social Care per 10,000:

The number of children open to Social Care has seen a continued rise during the last 2 years, with rates increasing from 174.8 per 10,000 to 191.7 by the end of June'23. We have also included the numbers of children open to social care for additional context.

Child Protection Plans:

The number of children subject to Child Protection plans was relatively stable during Q4 of last year, with numbers between 680 and 690. However, numbers have risen since March 2023, reaching 733 in June. This measure is rated as red as the rate of children on child protection plans continues to be slightly above the threshold range, however as noted previously – Essex continues to have a lower proportions of children on child protection plans than similar authorities.

At a quadrant level, the rate per 10,000 varies significantly, with notably more children on a child protection plan in North than the other three quadrants. Rates have risen from 32.8 to 36.6, while the other quadrants generally see rates between 15 and 22.

Measure	RAG	Value	Target
Collection rate of Council Tax achieved for the year.	↓	97.0%	98%
Deliver social value through procurement and practice to increase availability of entry level jobs	↑	-	N/A

Council Tax collection:

The 2023/24 Q1 forecast for the in-year collection rate is 97.04%, which is more or less equal to the Q4 position at the end of 2022/23, but is almost 1% lower than both the budgeted collection rate and the target collection rate.

However, total council tax income collected in relation to prior year is forecast to be £14.5m for 2023/24. This is almost equal to a 1.5% increase in income collected, so overall performance is similar to budget assumptions and total forecast council tax income is actually greater than was forecast by the districts at budget setting, when we consider the impact of prior year collection.

This information is issued by:
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Work Programme

Reference number: CPSC/22/23

Report title: Work Programme and Communications Review	
Report to: Corporate Policy and Scrutiny Committee	
Report author: Graham Hughes, Senior Democratic Services Officer	
Date: 7 November 2023	For: Discussion and identifying any follow-up scrutiny actions
Enquiries to: Graham Hughes, Senior Democratic Services Officer at graham.hughes@essex.gov.uk.	
County Divisions affected: Not applicable	

1. Introduction

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

2. Action required

- 2.1 The Committee is asked to consider this report and issues under consideration in the Appendix and any further development or amendments.
- 2.2 The Scrutiny Board has asked scrutiny committees to also give consideration as to which work programme items may benefit from communications activity in order to promote the work of the scrutiny function both internally and externally. Members are asked to consider this when reviewing the Appendix.

3. Background

3.1 Developing a work programme

Work has continued on identifying priorities and future agenda items. This has included discussions with Committee Members, Cabinet Members and Officers as well as the other Policy and Scrutiny Committees via the Scrutiny Board.

This work has reflected the adoption of the *Everyone's Essex – Our Plan for Levelling Up the County: 2021-2025* strategy at Council on 12 October 2021.

The current work programme is attached in the **Appendix**.

4. Everyone's Essex

The Committee should take account of the *Everyone's Essex – Our Plan for Levelling Up the County: 2021-2025* strategy when considering the work programme and future items.

Work Programme

Particular attention should be paid to the strategic ambitions (and associated commitments and performance measures) most relevant to the work of the Committee. Reflecting the corporate focus of the committee, this could be more looking at the How We Will Deliver section and include scrutiny of effectiveness and efficiency, value for money, and the managing and prioritising of resources, so that investment can be made in the priorities set out in the strategy. It could also include scrutinising the People Plan in the strategy which aims to ensure that the County Council has the capability to meet the demands ahead.

5. Update and Next Steps

See Appendix.

6. Appendix

- Current Work Programme.

APPENDIX**Corporate Policy and Scrutiny - Work Programme – 7 November 2023**

Provisional Date	Topic Title	Lead Contact	Purpose and Target Outcomes	Relevance to Scrutiny Theme	Cross-Committee
7 November 2023	Financial Update	Chancellor of Essex/ Director Finance	To consider the latest financial performance report (Half Year Stage)	Ability to deliver Everyone's Essex Strategy	Not applicable
7 November 2023	Everyone's Essex Strategy	Leader/Deputy Leader/ Director, Policy and the Head of Performance & Business Intelligence	To consider latest update to monitor progress.	Scrutiny of the Everyone's Essex Strategy	Chair/VCs of other committees to be invited
23 November 2023	Transformation Update (private session)	Leader /Director Transformation Delivery and Support	To consider an update on draft proposals going to December Cabinet	Ability to deliver Everyone's Essex Strategy	TBC
30 November 2023	Devolution update	Leader/Deputy Leader/ Director, Policy and the Head of Performance & Business Intelligence	Initial consideration of the Autumn Statement announcement of a proposed devolution deal.	Ability to deliver Everyone's Essex Strategy	Chair/VCs of other committees to be invited
14 December	Failing Councils – lessons learnt	Executive Director: Corporate Services	To consider lessons learnt	Ability to deliver Everyone's Essex Strategy	TBC
25 January 2024	Budget 2024/25	Chancellor of Essex/ Director Finance	To consider the draft Budget before presentation to Full Council	Ability to deliver Everyone's Essex Strategy	Not applicable
25 January 2024	Corporate Economic Renewal Fund/Strategy	Chancellor of Essex/Planning a Growing Economy/Head of Finance Commercial Insight	To consider update and follow-up on issues arising from discussion last May.	Ability to deliver Everyone's Essex Strategy	Yes - PSEG

Autumn 2023 TBC	Property Strategy update	Chancellor of Essex/Director: Property and Investment & Delivery	Further update to include how the core estate is meeting climate targets	Ability to deliver Everyone's Essex Strategy	TBC
TBC	Insurance	Chancellor of Essex/Risk and Insurance Manager	To consider (i) policies to cover highways damage (ii) approach towards risk and insurance and spend	Ability to deliver Everyone's Essex Strategy	Not applicable
TBC	Infrastructure Funding / developer contributions	Cabinet Member, Planning a Growing Economy/ Lead Infrastructure Planning and Finance Manager	To consider the latest IFS annual report and further information on developer contributions	Ability to deliver Everyone's Essex Strategy	Yes – TBC
TBC	Essex Archive Services	Cabinet Member Devolution, Arts, Heritage and Culture	Future approach including use of digitalisation.	Ability to deliver Everyone's Essex Strategy	Not applicable
Quarterly – dates in 2024 TBC	Everyone's Essex Strategy	Leader/Deputy Leader/ Director, Policy and the Head of Performance & Business Intelligence	To consider latest update to monitor progress.	Scrutiny of the Everyone's Essex Strategy	Chair/VCs of other committees to be invited
Spring 2024	Facilities Management contract review	Chancellor of Essex/ Director: Property and Investment & Delivery	Annual review of structure, identifying savings, performance and encouraging social value	Ability to deliver Everyone's Essex Strategy	Not applicable
Spring 2024	Levelling Up	Deputy Leader & Cabinet Member for Levelling up, Communities and Engagement	To consider the Annual Report on the Levelling Up Programme	Ability to deliver Everyone's Essex Strategy	TBC
April/May 2024	Council owned 'for profit' organisations	Chancellor of Essex/ Director Finance	To understand investments and current approach and performance (to align with Annual Report)	Ability to deliver Everyone's Essex Strategy	Not applicable

Being considered by the Scrutiny Board: Arrangements for scrutiny of devolution proposals