

Forward Plan Reference Number: FP/304/02/22

Report title: 2022/23 Financial Overview as at the Half Year Stage	
Report to: Cabinet	
Report author: Cllr Christopher Whitbread, Cabinet Member for Finance, Resources and Corporate Affairs	
Date: 18 October 2022	For: Decision
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County Divisions affected: All Essex	

1 Everyone's Essex

- 1.1 The Everyone's Essex Annual Plan and Budget was set for 2022/23 at Council in February 2022. 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 2022/23 financial year. The report highlights that, while there is a small forecast over spend of **£2.9m** (0.3%) against a net revenue budget of **£1.1bn**, **the underlying over spend before one off funding from reserves is closer to £14m**. The short to medium term outlook remains incredibly challenging, with demand uncertainty, market volatility and rising inflation and interest rates alongside cost of living impacts.
- 1.3 The £2.9m over spend is a favourable movement since the Quarter 1 report of **£2.2m**. This is driven by changing interest rates and the impact of capital slippage on borrowing and interest payable, partially offset by increasing use and costs of placements in Children's Services. **Further details on movements are set out in section 5.**
- 1.4 The financial year has started in unprecedented circumstances. Inflation is now at 9.9%, with the expectation it will pass 10% by the end of the year, over double the council tax rise applied this year, and the potential for a longer peak than previously anticipated. The forecast currently reflects additional inflation pressures of circa £17.4m, crossing a number of areas. It is likely further inflation pressures will arise as we progress through the year, as well as other unknowns, including any further impacts of the Covid-19 pandemic and ongoing demand for services, as well as rising interest rates. These will be carefully monitored, and are likely to result in ongoing volatility of expenditure as we move through 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. £1.9m was recently prioritised to Deliver Digital Essex, which will support the deployment of digital connectivity infrastructure and the adoption of digital technology.

2. Recommendations

Approval is sought for the following:

2.1 To draw down funds from reserves as follows:

- i. **£2.7m** from the Covid Equalisation Reserve to the following portfolios due to Covid related expenditure: Adult Social Care and Health portfolio **£1.7m**, Community, Equality, Partnerships and Performance RSSS portfolio **£501,000**, Finance, Resources and Corporate Affairs RSSS portfolio **£211,000**, Highways Maintenance and Sustainable Transport portfolio **£179,000** and Leader RSSS portfolio **£70,000**. Further detail can be found in section 5 (sections 5.1.v, 5.13.ii, 5.15.iii, 5.9.iii and 5.16.ii)
- ii. **£1.8m** from the Transformation Reserve to the following portfolios: Highways Maintenance and Sustainable Transport portfolio; **£850,000** mitigating the Local Highways Panels saving included within the Medium Term Resource Strategy (MTRS) and **£917,000** to reimburse bus service operator losses related to escalating fuel costs as per FP/437/06/22 (section 5.9.iii). **£25,000** to the Community, Equality, Partnerships and Performance RSSS portfolio relating to Experian Licences (section 5.13.ii)
- iii. **£550,000** from the Adult Social Care Risk Reserve to the Adult Social Care and Health portfolio relating to short stay isolation beds for older adults (section 5.1.v)
- iv. **£344,000** from the Children's Transformation Reserve to the Children's Services and Early Years portfolio for the Tendring Multi-Disciplinary Team to continue funding the pilot project in that region. (section 5.2.iii)
- v. **£384,000** from the Adults Transformation Reserve to the Adult Social Care and Health portfolio relating to costs for Business Support posts **£302,000** and Transforming Community Care and Dementia (TCCD) **£82,000** (section 5.1.v)
- vi. **£68,000** from the Community Initiatives Fund Reserve to the Community, Equality, Partnerships and Performance portfolio to fund payments to community groups that have been awarded small grants (section 5.3.iii)

2.2 To appropriate funds to reserves as follows:

- i. **£1.4m** to the Carry Forward Reserve for use in 2023/24 from the following portfolios:

- Other Operating Costs **£600,000** (section 5.12.ii)
 - Devolution, the Arts, Heritage and Culture **£400,000** (section 5.4.ii)
 - Finance, Resources and Corporate Affairs RSSS portfolio **£232,000** (section 5.15.iii)
 - Highways Maintenance and Sustainable Transport **£86,000** (section 5.9.iii)
 - Community, Equality, Partnerships and Performance RSSS **£60,000** (section 5.13.ii)
 - Community, Equality, Partnerships and Performance **£50,000** (section 5.3.iii)
- ii. **£535,000** to the Technology and Digitisation Reserve from the Finance, Resources and Corporate Affairs RSSS portfolio to support future work relating to the Cloud Modernisation Programme (section 5.15.iii)
- iii. **£260,000** to the Reserve for Future Capital Funding from the Finance, Resources and Corporate Affairs portfolio for the lift replacement costs within the Commercial Property portfolio (section 5.8.iii)
- iv. **£118,000** to the Private Finance Initiatives (PFI) Equalisation Reserves from the Education Excellence, Lifelong Learning and Employability portfolio in relation to the Debden PFI (section 5.7.iii)
- v. **£94,000** to the Transformation Reserve from the Finance, Resources and Corporate Affairs RSSS portfolio towards the Workforce Strategy project (section 5.15.iii)

2.3 To approve the following adjustments:

- i. Vire **£47,000** from the Highways Maintenance and Sustainable Transport portfolio to the Leader RSSS portfolio for a Highways Communications officer (sections 5.9.iii and 5.16.ii)
- ii. Vire **£36,000** from the Economic Renewal, Infrastructure and Planning portfolio to the Highways Maintenance and Sustainable Transport portfolio to fund a secondment from Development Management to the Transport Strategy and Engagement Team (sections 5.5.iii and 5.9.iii)
- iii. Amend the capital budget as shown in Appendices C (i) and C (ii) which allows for capital slippage of **£33m**, with £27.1m slipped into 2023/24, £4.7m into 2024/25 and £1.2m 2025/26. Capital budget additions of **£20.4m**, capital budget reductions of **£14.9m** and advanced works of **£5.2m** (£13.4m to be advanced from 2026/27, £904,000 from 2023/24, £5.2m into 2022/23, £5.6m into 2024/25 and £3.5m into 2025/26) (see section 7.2).

3. Executive Summary: Revenue

3.1 Appendix A summarises the revenue budgets and forecast outturn for each portfolio. There is a full year forecast over spend of **£2.9m (0.3%** against a net budget of **£1.1bn)**. The overall over spend position is driven by pressures within the Adult Social Care and Health, Children's Services and Early Years and the Finance, Resources and Corporate Affairs RSSS portfolios, partially offset by Other Operating Costs and specifically:

- i. Adult Social Care and Health **£3.9m** where there are significant over spends in Residential Care, Nursing Care and Reablement, driven by demand and cost pressures, market capacity issues and potential non-delivery of savings.
- ii. Finance, Resources and Corporate Affairs RSSS **£2.3m** predominantly due to delays in achieving property rationalisation savings.
- iii. Children's Services and Early Years **£1.3m** due to increased placement costs because of increased numbers of children being supported.
- iv. Offset by Other Operating Costs (OOC) of **£5.2m** due to the positive impact of increasing interest rates on interest receivable and the impact of capital slippage on borrowing and interest payable.

3.2 The Council finds itself in an economic environment of inflation at a 40 year high, with an expectation this will increase further in the short term, a level which will be potentially sustained for an extended period of time. For context, when the budget for 2022/23 was set, inflation predictions were for a peak of 5.5%. Recent interest rate rises, and the expectation they will rise further will impact on capital borrowing in the medium term, as the cost of borrowing increases. Alongside this, we continue to face uncertain levels of demand for many of the services we deliver, in what are difficult circumstances. The recent government announcement to cap energy prices for the public sector for 6-months from October is welcome, and work is underway to assess the impact. All of these factors will require careful monitoring and are likely to result in ongoing volatility of forecasting as we move through year, which makes it difficult to produce an accurate forecast.

3.3 Within the forecast position, inflation pressures of £17.4m have been identified, impacting Transport providers and fuel costs, energy costs for street lighting and the ECC estate, and Adult Social Care. As we progress through the year these pressures will likely increase, as we gain better insight on actual and potential inflation impacts through procurement activity and supplier interactions. In the second quarter a decision was taken to use a further £4.5m of the General Risk reserve to support the increasing cost of electricity, bringing total support from reserves for electricity to £9.5m in the current year in addition to the budget originally set. This leaves capacity to fund further pressures as they develop through the remainder of the year,

although this only provides one-off support – higher prices will impact our medium term plans.

- 3.4 The impact of Covid is still being felt on demand for our broad range of services, as well as with capacity of providers to deliver our requirements. We still face pressures, and continue to provide support to markets, particularly in Adult Social Care with staffing recruitment and retention. Within this report recommendations are included for £2.7m of drawdowns from the Covid Equalisation Reserve, predominantly to support the sustainability of the care provider market as it faces demand issues, staffing challenges and increased financial pressures, through the Covid Resilience Fund. Further drawdowns will occur throughout the year as further pressures develop, or we see new waves of the pandemic that impact on the financial position.
- 3.5 The position reported in section 5 is after proposed adjustments in this report, set out in sections 2.1 to 2.3.

4. Executive Summary: Capital

- 4.1 The original capital programme for 2022/23 as set by Full Council in February 2022 was **£283.6m**. The forecast outturn is **£265.6m**, before adjustments proposed within this report. This represents an under spend of **£22.2m** against latest budget of **£287m**. After taking account of budget change requests in this report, there is a residual over spend of **£105,000** More detail is set out in Section 7.
- 4.2 The **£22.2m** under spend in the 2022/23 Capital Programme position relates to the following requests in this report:
- 2022/23 Slippage: **£33m** (£27.1m into 2023/24, £4.7m into 2024/25 and £1.2m 2025/26)
 - Additions: **£20.4m**
 - Reductions: **£14.9m**
 - 2022/23 Advanced Works: **£5.2m** (£13.4m to be advanced from 2026/27, £904,000 from 2023/24, £5.2m into 2022/23, £5.6m into 2024/25 and £3.5m into 2025/26)
- 4.3 Appendix C (i) summarises current year forecasts and changes to the Capital Programme for 2022/23 since approval of the original programme in the Budget Report to Council in February 2022. Appendix C (ii) contains the detail of the budget adjustments seeking approval.

5. Revenue Position

- 5.1 **Adult Social Care and Health – £3.9m (0.8%) over spend**

- i. Adult Social Care continues to feel the consequences of paused work and backlog on teams, and of reviews and assessments, changing demographics projections and the demand for services. The care market also manages the impact with both resident population and staff recruitment and retention a factor. The service is adversely affected by shortfalls in domiciliary capacity and this is causing people to go into more expensive and less independent care. These elements continue to create a challenge in being able to accurately predict future demand. The Hospital Discharge Pathway funding ceased at the end of 2021/22 and there remain significant risks around the cost and demand for Adult Social Care (particularly in Nursing Care) at the point of Discharge from Hospital.
- ii. The Adult Social Care forecast is based on volume growth being in line with trend assumptions and price uplifts continuing for the remainder of the year in line with trend seen this year. There is uncertainty around the risk of future energy costs and other inflation factors and the impact this will have on Residential and Nursing Care prices. 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, these savings are focussed on efficiencies that do not have a detrimental impact on the service provided. Should these savings come through, they will be used to offset the risks set out above.
- iii. Public Health shows a forecast on-line position. Within this position, there is a balance of £2.8m of Contain Management Outbreak funding (COMF) that has been carried forward from 2021/22, the current guidance being that there will be no further roll forward of these monies beyond this financial year. We are awaiting guidance from UK Health Security Agency (UKHSA) as to the appropriate use of the remaining funds or any clawback that UKHSA may introduce. Of the £2.9m self-isolation grant funding awarded to ECC, £1.5m was unspent as at the end of 2021/22. This grant has been used to support various activities such as Citizens Advice Bureau, food banks and bereavement support, but there is no further scope for expenditure of this grant due to there being no further requirement to self-isolate.
- iv. There are a number of under and over spends across the different types of care provision where the actual current demand for services is either greater or less than the predictions made when setting the budget.
- v. Approval is sought in this report for the following:
 - **£1.7m** from the Covid Equalisation Reserve to support the sustainability of the care provider market, as it faces demand issues, staffing challenges and increased financial pressures, through the Covid Resilience Fund
 - **£550,000** from the Adult Social Care Risk Reserve relating to short stay isolation beds for older adults as recommended within the Chief Officer Action 128-01-08-22 for the contract with Cedars Care Home

- **£384,000** from the Adults Transformation Reserve to fund various projects such as Transforming Community Care and Operational Delivery.

5.2 Children's Services and Early Years:

- **Non DSG - £1.3m (0.9%) over spend**
 - **DSG – £1.2m under spend**
- The Non DSG over spend position reflects the impact of increasing costs of placements, driven by the difficulty in identifying suitable residential placements (sufficiency) and the rising costs of individual packages. Demand is expected to be sustained and so there is a risk that the over spend may increase if stable placements continue to be difficult to source, therefore the position will be kept under review. The movement from Quarter 1 is an increase of **£2.2m**, driven by the increase in semi-independent living (both volume and cost) and the increasing use of unregistered placements (due to lack of sufficiency of residential accommodation).
 - The DSG under spend has arisen due to an increase in Early Years funding from the DfE, which was based on latest available census numbers. This amounted to **£2.7m** which has been partly offset by spending plans of **£1.5m**
 - Approval is sought in this report for the following:
 - Draw down of **£344,000** from the Children's Transformation Reserve for the Tendring Multi-Disciplinary Team, to continue funding the pilot project in that region.

5.3 Community, Equality, Partnerships and Performance - **£647,000 (2.5%) over spend**

- The portfolio reports an over spend of **£647,000** which is mainly attributable to an under recovery of income of **£816,000** in libraries as a result of a reduction in demand for fee paying services, offset by small under spends across the portfolio within staffing.
- This is an adverse movement of **£155,000** since Quarter 1 due to the under recovery of income within the Library service, offset by a vacancy within the Youth Service.
- Approval is sought in this report for the following:
 - Drawdown **£68,000** from the Community Initiatives Reserve for payments to Community groups to undertake various community projects following successful bids
 - Transfer **£50,000** to the Carry Forward Reserve in relation to savings in 2023/24.

5.4 Devolution, Art, Heritage and Culture – on line

- i. This forecast on line adjusted position represents a favourable movement of **£60,000** since Quarter 1 due to the revised forecast security costs within Gypsy and Travellers at the Severalls site.
- ii. Approval is sought in this report for the following:
 - Transfer **£400,000** to the Carry Forward Reserve to support the Country Stewardship scheme. £750,000 was originally carried forward into 2022/23 and now £400,000 of this is needed in 2023/24 to support wood pasture and grasslands restoration.

5.5 **Economic Renewal, Infrastructure and Planning - £229,000 (2.1%) under spend**

- i. The forecast under spend of **£229,000** within this portfolio is mainly due to:
 - **£170,000** forecast under spend within Development Management which is due to higher than budgeted planning income that has been received
 - **£138,000** forecast under spend within Housing Strategy, Development and Investment which relates to the recharged strategic support services to the LLP for using ECC internal support services. This is now understood to be an on-going annual recharge.
 - **£77,000** forecast over spend within Environmental Planning where the forecast income is insufficient to cover the forecast costs for the year.
- ii. This is a favourable movement of **£176,000** since Quarter 1 which is attributable to higher than anticipated planning income that has been received within Development Management.
- iii. Approval is sought in this report for:
 - Vire **£36,000** to the Highways Maintenance and Sustainable Transport portfolio to fund a secondment from Development Management to the Transport Strategy and Engagement Team.

5.6 **Education Excellence, Lifelong Learning and Employability (DSG) - £8.7m under spend**

- i. An in year **£8.7m** under spend is reported which results from the increase in funding for 2022/23.
- ii. This an adverse movement of **£2.5m** since Quarter 1 mainly attributable to **£2.1m** in the Schools Block where a higher than anticipated Growth Fund allocation previously reported as an under spend is now fully committed as spending plans have been finalised

- iii. The High Needs Block (HNB) funding was increased by the Government by **£20.8m** (post recoupment) for 2022/23. The HNB is expected to remain in surplus this financial year and plans to utilise this are being developed.
- iv. However significant pressures exist within the forecast and are as follows:
 - **£2m** over spend for Education Health and Care Plans (EHCPs) where the volume and cost exceeds what was included in the budget
 - **£1.1m** over spend for Individual Pupil Resource Allocations (IPRA) where costs are increasing
 - Independent Schools are forecasting a **£463,000** over spend, an 8.8% increase in expenditure compared to 2021-22. The 2022-23 budget is **£28m**, an increase of 8.9% from 2021-22, following expenditure of **£26m** resulting in a **£1m** over spend last year.
 - **£366,000** increase in the cost of SEN top ups due to the number of school days being under estimated in the budget

5.7 Education Excellence, Lifelong Learning and Employability (Non DSG) - **£358,000 (1.5%) over spend**

- i. The **£358,000** over spend is due to:
 - Non staffing costs forecasting higher than budgeted - £250,000
 - A forecast over spend in staffing - £127,000 mainly due to the SEND posts funded through the Covid Reserve being extended to March 2023 with the additional costs funded through existing resources in the Education Function. It should be noted that across the Education Function the vacancy factor is forecasting to be fully achieved.
- ii. This is an adverse movement of **£343,000** since Quarter 1 is mainly attributable to staffing pressures.
- iii. Approval is sought in this report for:
 - **£118,000** returned to the PFI Equalisation reserves relating to the Debden PFI scheme.

5.8 Finance, Resources and Corporate Affairs - **£274,000 (2.1%) under spend**

- i. The forecast under spend reported is due to vacancy factor already materialising across customer services, together with less assessment activity than expected for Blue Badges
- ii. There has been a small adverse movement of **£12,000**
- iii. Approval is sought in this report for:
 - **£260,000** to the Reserve for Future Capital Funding for the lift replacement costs within the Commercial Property portfolio

5.9 Highways Maintenance and Sustainable Transport - £223,000 (0.2%) under spend

- i. The forecast under spend predominantly relates to in-year staffing vacancies which are under recruitment. There is a favourable movement of **£65,000** since Quarter 1.
- ii. There is a net unadjusted over spend of **£9.4m**, which is largely made up as follows:
 - An over spend of **£917,000** in Passenger Transport, Concessionary Fares reflecting ECC's commitment to reimburse operators for losses due to reduced patronage since Covid-19 as per governance paper FP/437/06/22. This will be drawn down from the Transformation Reserve
 - A net under recovery of income within the Park & Ride service **£179,000** which is to be funded by reserves
 - An over spend of **£2m** in Roads & Footways to support investment in Highways Infrastructure through the creation of a new Pothole fund to be funded by reserves
 - An over spend of **£5.8m** in Street Lighting, Tackling congestion, Bridges, Winter & Depots relating to energy purchased at a price up to 79p per kw/h. There may be an opportunity arising from forward purchases of energy, and the implications of the government announcement on energy support for Local Authorities, which are both currently being evaluated. Due to the continued uncertainty and volatility in the energy market, any further ask to fund pressures from reserves will be requested later in the year.
 - An over spend of **£850,000** within Local Highways Panels in relation to savings in the MTRS, for which a permanent delivery solution is to be found, which is to be covered by the Transformation Reserve for 2022/23 only.

These pressures are offset by staffing under spends across a number of policy lines.

- iii. Approval is sought in this report for the following:
 - **£917,000** from the Transformation Reserve to reimburse bus service operator losses as per FP/437/06/22
 - **£850,000** from the Transformation Reserve mitigating the Local Highways Panels saving included within the MTRS
 - **£179,000** from the Covid Equalisation Reserve due to income losses within Park and Ride
 - **£86,000** to the Carry Forward Reserve to recruit a Dynamic Purchasing officer on a fixed term basis

- Vire **£47,000** to the Leader RSSS portfolio for a Highways Communications officer.
- Vire **£36,000** from the Economic Renewal, Infrastructure and Planning portfolio to fund a secondment from Development Management to the Transport Strategy and Engagement Team

5.10 **Leader - £97,000 (1.8%) under spend**

- The portfolio reports a residual under spend of **£97,000** representing a small favourable movement of **£23,000** since Quarter 1. The under spend and movement are attributable to the Corporate Management and Leadership policy line. This under spend is due to additional (unbudgeted) income being forecast in relation to the Chief Executive's work with Slough. The figure has been refined since Quarter 1, hence there has been a small movement.

5.11 **Waste Reduction and Recycling – on line**

The Waste Reduction and Recycling portfolio is reporting an online position to budget. Within this position, the following should be noted:

- As we de-mobilised the IWHC contract and designed a new internal service to haul waste and manage the recycling centres, we built a cost base that was heavily reliant on assumptions, many of which were reflective of the cost base established by Veolia under their contractual arrangements. There is a risk that these assumptions are out of date and not reflective of the actual service now being delivered, especially in light of the current macroeconomic environment.
- The actual costs being incurred are being monitored closely and any variation to the original financial model that underpinned the budget will be investigated and the impact assessed for materiality.
- Actual tonnage information for the period to date is not yet wholly reflected in the forecast position. This is because there is a time lag in the provision of data related to tonnage disposed of for certain waste streams. This is normal practice and is not reflective of any specific issues.
- The 2022/23 budget is overstated as it includes additional tonnage for the impact of covid which is not crystallising and work is almost complete to validate this with trends now coming through in 2022/23.

5.12 **Other Operating Costs – £5.2m (6.3%) under spend**

- Previously, due to the currently volatile economic conditions, we were unable to take a view on the impact on Other Operating Costs budgets and had therefore reported as on line. As at the Half Year stage, this has

changed. This under spend position and movement since Quarter 1 of £5.2m is due to the changing interest rates compared to budget as well as the impact of capital slippage on borrowing and interest payable.

- ii. Approval is sought in this report for the following:
 - **£600,000** to the Carry Forward Reserve in order to support the one-off ICRA saving in 2023/24.

5.13 Community, Equality, Partnerships and Performance Recharged Strategic Support Services - £47,000 (0.3%) over spend

- i. The forecast over spend of **£47,000** is reported after proposed adjustments. This position and the movement of **£13,000** since Quarter 1 is attributable to unbudgeted staffing costs in Equality and Diversity of **£41,000** and Democratic Services of **£7,000**.
- ii. Approval is sought in this report for the following:
 - **£501,000** from the Covid Equalisation Reserve to support temporary Registrations posts, originally approved via FP/065/05/21 Additional Funding for Registrations Service CMA, now time lapsed
 - **£60,000** to the Carry Forward Reserve in relation to savings in 2023/24
 - **£25,000** from the Transformation Reserve in relation to Experian licences.

5.14 Economic Renewal, Infrastructure and Planning Recharged Strategic Support Services – on line

- i. The portfolio reports an on line position with no change from the position reported at Quarter 1. However, it has been identified that the income budget is unachievable as this was due to be generated via commercial income by selling services to third parties. This is due to the service no longer delivering projects for the Department for Education (DfE), and the impact of Covid on the construction industry. This is being mitigated by in-year staffing vacancies, recharges to capital projects and lower than anticipated activity spend. However, there is a risk of **£200,000** being reported and this will be closely monitored through the year.

5.15 Finance, Resources and Corporate Affairs Recharged Strategic Support Services - £2.3m (2.8%) over spend

- i. The portfolio forecasts an over spend of **£2.3m** representing a favourable movement since the Quarter 1 report of **£247,000**. This is almost wholly in relation to pressures within Facilities Management where CPI contract pressures, utility costs and the saving in relation to property realisation that was already in the MTRS have caused substantial issues.

- ii. These are slightly offset by favourable forecasts in relation to staffing across the remainder of the portfolio.
- iii. Approval is sought in this report for the following:
 - **£535,000** to the Technology and Digitisation Reserve to support future work relating to the Cloud Modernisation Programme
 - **£232,000** to the Carry Forward Reserve in relation to savings in 2023/24
 - **£211,000** from the Covid Equalisation Reserve in relation to Covid pressures on the People and Transformation service centre **£143,000** and towards the Flu vaccine project **£68,000**
 - **£94,000** to the Transformation Reserve towards the Workforce Strategy project

5.16 **Leader Recharged Support Services – on line**

- i. This position is reported as on line.
- ii. Approval is sought in this report for the following:
 - **£70,000** from the Covid Equalisation Reserve relating to the Communications and Marketing team for pandemic related activity.
 - Vire **£47,000** from the Highways Maintenance and Sustainable Transport portfolio for a Highways Communications officer.

6. **Trading Activities**

- 6.1 Trading activities as a whole are reporting an achievement of target against the budgeted surplus of **£304,000**.
- 6.2 Place Services is reporting an achievement of the planned target of **£300,000** which will be appropriated to County Reserves
- 6.3 Music Services is reporting an on line position after the **£4,000** appropriation to County Reserves to repay the remaining Music Pension deficit.
- 6.4 These forecast positions will leave a net residual surplus in reserves of **£1.5m**, of which **£1.3m** relates to Place Services
- 6.5 Appendix B shows the position by each Trading Activity.

7. Capital

7.1 An under spend of **£22.2m** (7.7%) is forecast against the latest capital budget of **£287.7m**. After taking account of budget change requests in this report there is a residual over spend of **£105,000**

7.2 Approval is sought for:

- i. Slippage of **£33m** (£27.1m into 2023/24, £4.7m into 2024/25 and £1.2m 2025/26)
- ii. Budget additions of **£20.4m**
- iii. Budget reductions of **£14.9m**
- iv. Advanced works of **£5.2m** (£13.4m to be advanced from 2026/27, £904,000 from 2023/24, £5.2m into 2022/23, £5.6m into 2024/25 and £3.5m into 2025/26)

7.3 The key points to note are listed below, and the detailed requests are shown at Appendix C(ii).

7.4 Adult Social Care and Health – on line

- i. There is no variance to budget

7.5 Children's Service and Early Years – £20,000 under spend

- i. Approval is sought to re-profile **£31,000** into 2024/25 in relation to the Dry Street Early Years' scheme
- ii. Approval is sought to add **£4,000** into the programme

7.6 Community, Equity, Partnerships and Performance – on line

- i. There is no variance to budget

7.7 Devolution, Art, Heritage and Culture – £1,000 over spend

- i. There is an immaterial variance to budget

7.8 Economic Renewal, Infrastructure and Planning - £12.3m under spend

- i. Essex Housing LLP loans is reporting an under spend of **£6.7m** predominately due to delays on the Essex County Hospital and Purford Green schemes as the projects are having to be re-tendered. As a result approval is sought for **£800,000** to be re-profiled into 2023/24 and a reduction of **£5.9m**.
- ii. An under spend of **£3.5m** is reported across the Highways Infrastructure Fund (HIF) schemes, specifically Chelmsford North East Bypass (**£3m**) and A133-A120 Link Road (**£2.5m**) mainly due to land ownership issues. Across the HIF schemes, approval is sought to re-profile **£5.5m** into

2023/24, reductions of **£1.8m** (with a corresponding addition on the Cambridge Road scheme). Advanced works of **£3.8m** (£3.1m from 2023/24 and £718,000 from 2024/25) is sought in relation to Harlow STC which is ahead of schedule.

- iii. Economic Growth is reporting an under spend of **£2.2m** primarily in relation to the Colchester Grown on Space scheme due to delays caused by archaeological issues. Approval is sought to re-profile **£3.2m** (£2m into 2023/24, £1.1m into 2024/25 and £22,000 into 2025/26). Approval is also sought for additions of **£1.9m** in relation to the successful bid for Colchester Towns Fund grant and reductions **£974,000**.
- iv. In total across the portfolio approval is sought for;
 - i. Slippage of **£17.1m** from 2022/23, £13.3 into 2023/24, £2.6m into 2024/25 and £1.2m into 2025/26
 - ii. Additions of **£8.6m**
 - iii. Reductions of **£8.9m**
 - iv. Advanced works of **£5.2m** into 2022/23, **£5.6m** in to 2024/25 and **£3.5m** into 2025/26 from 2026/27 (£13.4m) and £854,000 from 2023/24

7.9 Education Excellence, Lifelong Learning and Employability - **£9.4m under spend**

- i. An under spend of **£4m** is reported on Special Schools schemes, specifically Fairview PRU (£2.5m), White Bridge (£250,000) and White Hall (£224,000) where the projects are in their early stages and updated cash flow forecasts require budget to be re-profiled into 2023/24 (£3.9m) and 2024/25 (£459,000).
- ii. An under spend of **£2.3m** relates to Harlow Primary Basic Need due to delays with the land transfer for Harlowbury Primary School. Approval is sought to re-profile **£2.3m** from 2022/23, **£1.5m** into 2023/24 and **£782,000** into 2024/25.
- iii. Maldon Secondary Basic Need is reporting an under spend of **£2.2m** due to delays caused by on-going funding negotiations on the Plume School Project. Approval is sought to slip £2.2m into 2023/24.
- iv. An under spend of **£1.1m** relates to Chelmsford Primary Basic Need as the procurement for Beaulieu Primary is now complete and an updated cashflow forecast has been received from the contractor which requires £636,000 to be re-profiled into 2024/25. Planning has been awarded for Trinity Road Primary which has provided greater certainty on the forecast which requires £469,000 to be re-profiled into 2023/24.
- v. Within Schools Capitalised Building Maintenance, the School Condition Allocation grant for 2022/23 is higher than anticipated so approval is sought for an addition of £1.6m to recognise the new funding. This is

offset by a reduction of £1.6m in relation to a decarbonisation project that is in the Core Estate Building Maintenance budget within the Finance, Resources and Corporate Affairs Portfolio.

- vi. In total across the Portfolio, approval is sought for:
 - i. Slippage of **£11m** from 2022/23, £8.9m into 2023/24 and £2.1m into 2024/25
 - ii. Additions of **£4.1m**
 - iii. Reductions of **£2.8m**
 - iv. Advanced Works of **£50,000** from 2023/24

7.10 Finance, Resources and Corporate Affairs – £3.7m over spend

- i. An over spend of £4.1m is forecast in relation to SALIX funded Property Maintenance schemes primarily in relation to the newly awarded Public Sector Decarbonisation schemes (PSDS) funding from Salix, for which approval is sought for an addition of £4.8m, with £1.2m being re-profiled into 2023/24.
- ii. Approval is sought for a reduction of £1.3m against the core estate capitalised building maintenance project, with corresponding additions to various Salix property projects within the Portfolio to provide additional contributions to the schemes.
- iii. In total across the Portfolio, approval is sought for;
 - i. Slippage of **£1.4m** into 2023/24
 - ii. Additions of **£7.6m**
 - iii. Reductions of **£2.3m**

7.11 Highways Maintenance and Sustainable Transport - £4.2m under spend

- i. Approval is sought to re-profile **£2.4m** into 2023/24 in relation to the Local Highways Panels due to resourcing issues meaning that works cannot be delivered in this financial year as intended. Furthermore, **£1.1m** slippage is requested in relation to the Transport Advertising project into 2023/24 as legal services are unable to resource the work needed to launch the procurement until the autumn.
- ii. Approval is sought for a reduction of **£749,000** on cycle asset renewal with a corresponding addition to Cycling Infrastructure (within the Economic Renewal, Infrastructure and Planning portfolio) to cover the cycleway works at Broomfield Hospital and to cover the maintenance works on Bunny's Walk and Kings Hall Meadow.

7.12 Leader – on line

- i. There is no variance to budget

7.13 Controlled Elsewhere – £270,000 over spend

i. Approval is sought to add £167,000 into Devolved Formula Capital

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

8. Policy context and Outcomes Framework

This report is an assessment of the financial position of the County Council, which itself is a representation of the corporate plan. The budget and Annual plan were approved in parallel in February 2022.

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 is to appropriate **£2.7m** from the Covid Equalisation Reserve for various pandemic related expenditure or income losses.
- 9.3 Approvals totalling **£1.4m** are sought in this report to appropriate to the Carry Forward Reserve to support the 2023/24 budget and specific risks. The breakdown of what this relates to specifically can be found in section 5.3.iii, 5.4.ii, 5.9.iii, 5.12.ii and 5.13.ii and 5.15.iii.

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

Portfolio	Latest Budget £000	Half Year Forecast Variance £000	% of Latest Budget	First Quarter Variance £000	Movement £000	Direction of Travel
Adult Social Care and Health	480,902	3,918	0.8%	3,369	549	↓
Children's Services and Early Years DSG	(401)	(1,169)	291.5%	0	(1,170)	↑
Children's Services and Early Years Non DSG	139,103	1,289	0.9%	(927)	2,216	↓
Community, Equality, Partnerships and Performance	25,686	647	2.5%	492	155	↓
Devolution, the Arts, Heritage and Culture	6,165	(0)	(0.0%)	60	(60)	↑
Economic Renewal, Infrastructure and Planning	11,030	(229)	(2.1%)	(53)	(176)	↑
Education Excellence, Life Long Learning and Employability DSG	(2,607)	(8,660)	332.2%	(11,200)	2,539	↓
Education Excellence, Life Long Learning and Employability Non DSG	24,708	358	1.5%	15	343	↓
Finance, Resources and Corporate Affairs	12,876	(274)	(2.1%)	(285)	12	↓
Highways Maintenance and Sustainable Transport	114,669	(223)	(0.2%)	(157)	(65)	↑
Leader	5,324	(97)	(1.8%)	(74)	(23)	↑
Waste Reduction and Recycling	86,727	-	0.0%	-	-	→
Other Operating Costs	82,482	(5,198)	(6.3%)	2	(5,200)	↑
Community, Equality, Partnerships and Performance RSSS	18,093	47	0.3%	60	(13)	↑
Economic Renewal, Infrastructure and Planning RSSS	1,097	-	0.0%	-	-	→
Finance, Resources and Corporate Affairs RSSS	82,166	2,325	2.8%	2,572	(247)	↑
Leader RSSS	1,863	-	0.0%	-	-	→
Total	1,089,884	(7,265)	(0.7%)	(6,123)	(1,141)	
DSG Offset	(3,008)	(9,829)	326.8%	(11,199)	1,370	
Total Excluding DSG	1,092,892	2,564	0.2%	5,076	(2,511)	
Funding		301		-	301	
Revised Total	1,092,892	2,865	0.3%	5,076	(2,210)	

Traded Services

	Revenue reserve 1 April 2022	Income	Budget Expenditure (Surplus) /Deficit		Income	Forecast 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 2023
Traded Services	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Place Services	(1,252)	(3,515)	3,215	(300)	(3,581)	3,281	(300)	-	(300)	-	-	-	(1,252)
Music Services	(261)	(4,088)	4,084	(4)	(4,255)	4,251	(4)	-	(4)	-	-	-	(261)
Total	(1,513)	(7,603)	7,299	(304)	(7,836)	7,532	(304)	-	(304)	-	-	-	(1,513)

Appendix C (i)

Capital

	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
Adult Social Care and Health	337	10	(327)	910	254	1,164	1,164	-
Children's Services and Early Years	1,809	587	(1,221)	2,014	2,304	4,318	4,298	(20)
Community, Equality, Partnerships and Performance	52	22	(30)	100	125	225	225	0
Devolution, the Arts, Heritage and Culture	115	7	(107)	121	18	139	141	1
Economic Renewal, Infrastructure and Planning	35,285	16,614	(18,672)	124,523	454	124,977	112,660	(12,317)
Education Excellence, Lifelong Learning and Employability	19,181	17,869	(1,312)	59,832	(2,666)	57,166	47,809	(9,357)
Finance, Resources and Corporate Affairs	2,253	2,912	660	5,845	1,866	7,711	11,423	3,712
Highways Maintenance and Sustainable Transport	40,087	37,339	(2,748)	89,998	206	90,204	86,028	(4,176)
Leader	648	(0)	(649)	280	1,556	1,836	1,836	-
ECC Capital Programme	99,767	75,360	(24,407)	283,623	4,118	287,741	265,584	(22,157)

Financed by:

	Budget Movement		Full Year		
	Original Budget	In year approved changes	Revised Budget	Outturn	Variance
	£000	£000	£000	£000	£000
ECC Capital Programme					
Grants	123,776	5,055	128,831	129,520	689
Reserves	6,000	-	6,000	6,050	50
Developer & Other contributions	17,484	(1,360)	16,124	11,164	(4,960)
Capital receipts	5,000	-	5,000	5,000	-
Unsupported borrowing	131,363	402	131,765	113,590	(18,175)
ECC Capital Programme	283,623	4,097	287,720	265,324	(22,396)
Grants	-	21	21	260	239
Unsupported borrowing	-	-	-	-	-
School Balances	-	21	21	260	239
Total ECC & Schools Capital Funding	283,623	4,118	287,741	265,584	(22,157)

Appendix C(ii)

Capital Variance Plan

Portfolio	Approved changes					Variance Plan (2022/23)					
	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
Adult Social Care and Health	254	4	-	(4)	254	-	-	-	-	-	-
Children's Services and Early Years	221	2,160	(77)	-	2,304	(31)	4	-	-	8	(20)
Community, Equality, Partnerships and Performance	125	-	-	-	125	-	-	-	-	0	0
Devolution, the Arts, Heritage and Culture	18	-	-	-	18	-	-	-	-	1	1
Economic Renewal, Infrastructure and Planning	5,616	9,482	(15,377)	732	453	(17,089)	8,575	(8,943)	5,130	10	(12,317)
Education Excellence, Lifelong Learning and Employability	(1,148)	12,202	(13,396)	(324)	(2,666)	(11,036)	4,280	(2,833)	50	182	(9,357)
Finance, Resources and Corporate Affairs	1,929	193	(128)	(128)	1,866	(1,410)	7,551	(2,334)	-	(95)	3,712
Highways Maintenance and Sustainable Transport	1,343	76,923	(76,339)	(1,721)	206	(3,453)	27	(749)	-	(0)	(4,176)
Leader	-	1,621	(65)	-	1,556	-	-	-	-	-	-
ECC Capital Programme	8,358	102,585	(105,382)	(1,445)	4,116	(33,019)	20,435	(14,859)	5,180	105	(22,157)

Variance plan - Future years

Variance Plan - Future Years											
Portfolio	2023/24		2024/25		2025/26		2026/27		2027/28		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	-	-	31	-	-	-	-	-	-	-	31
Economic Renewal, Infrastructure and Planning	13,274	(854)	2,608	5,648	1,207	3,475	-	(13,401)	-	-	11,957
Education Excellence, Lifelong Learning and Employability	8,945	(50)	2,091	-	-	-	-	-	-	-	10,986
Finance, Resources and Corporate Affairs	1,410	-	-	-	-	-	-	-	-	-	1,410
Highways Maintenance and Sustainable Transport	3,453	-	-	-	-	-	-	-	-	-	3,453
ECC Capital Programme	27,082	(904)	4,730	5,648	1,207	3,475	-	(13,401)	-	-	27,837

Portfolio & Scheme	Slippage	Additions	Reductions	Advanced Works	2022/23 Changes
	£000	£000	£000	£000	Requested
EARLY YEARS	(31)	4	-	-	(27)
Children's Services and Early Years	(31)	4	-	-	(27)
A133-A120 LINK HIF	(2,500)	-	-	-	(2,500)
CHELMSFORD NORTH EASTERN BYPASS	(3,000)	-	-	-	(3,000)
HARLOW STC NTH/STH (Ph1:GILSTON TO TC) (HIF)	-	-	(1,785)	3,778	1,993
A120 MILLENNIUM WAY SLIPS	(70)	-	-	-	(70)
ACTIVE TRAVEL	-	177	-	-	177
ARMY AND NAVY RAB, CHELMSFORD	-	-	-	1,340	1,340
CAMBRIDGE ROAD JUNCTION	(3,503)	1,785	-	-	(1,718)
CHELMSFORD GROWTH AREA	-	574	-	-	574
COLCHESTER TOWNS FUND LCWIP4	(2,678)	2,883	-	-	205
CYCLING INFRASTRUCTURE	(619)	449	-	-	(170)
ABBERTON RURAL TRAINING	-	-	(28)	-	(28)
BDUK ESSEX SUPERFAST PROGRAMME PHASE 4	-	778	(324)	-	454
COLCHESTER GROW ON SPACE	(2,936)	-	-	-	(2,936)
COLCHESTER TOWNS FUND	(214)	1,929	(100)	-	1,615
ESSEX PEDAL POWER (TENDRING)	-	-	(54)	-	(54)
LABWORTH CAR PARK, CANVEY	-	-	(2)	-	(2)
LAINDON PLACE, BASILDON	-	-	(790)	-	(790)
LOUGHTON LIBRARY	(44)	-	-	-	(44)
SHENFIELD LIBRARY	(500)	-	-	-	(500)
ST PETERS ILOP - INV	(225)	-	-	-	(225)
MOULSHAM LODGE	-	-	-	13	13
EH LLP LOAN ECH	(400)	-	(2,689)	-	(3,089)
EH LLP LOAN SHERNBROKE	-	-	(389)	-	(389)
EH LLP LOAN PURFORD	-	-	(2,782)	-	(2,782)
EH LLP LOAN HARGRAVE	(400)	-	-	-	(400)
Economic Renewal, Infrastructure and Planning	(17,089)	8,575	(8,943)	5,131	(12,326)
SCHOOLS CAPITALISED BUILDING MAINTENANCE	-	1,599	(1,575)	-	24
BASILDON PRIMARY BASIC NEED	(344)	-	-	-	(344)
BASILDON SECONDARY BASIC NEED	(110)	-	-	-	(110)
HARLOW PRIMARY BASIC NEED	(2,290)	-	-	-	(2,290)
EPPING FOREST PRIMARY BASIC NEED	(420)	-	-	-	(420)
EPPING FOREST SECONDARY BASIC NEED	(16)	16	(503)	48	(455)
COLCHESTER PRIMARY BASIC NEED	-	79	(10)	-	69
COLCHESTER SECONDARY BASIC NEED	-	10	(14)	-	(4)
BRAINTREE PRIMARY BASIC NEED	-	77	-	-	77
MALDON SECONDARY BASIC NEED	(2,221)	-	-	-	(2,221)
TENDRING PRIMARY BASIC NEED	(80)	-	-	-	(80)
UTTLESFORD PRIMARY BASIC NEED	(20)	65	(65)	-	(20)
CHELMSFORD PRIMARY BASIC NEED	(1,104)	-	-	-	(1,104)
ACL DIGI HUB	-	789	-	-	789
SPECIAL SCHOOLS	(4,382)	1,005	(600)	-	(3,977)
TEMPORARY ACCOMMODATION	(50)	474	(66)	2	360
Education Excellence, Lifelong Learning and Employability	(11,037)	4,114	(2,833)	50	(9,706)
SALIX PSDS3A	(1,200)	4,798	-	-	3,598
CORE ESTATE CARBON REDUCTION FUND	-	750	-	-	750
SALIX GRANT WITHAM ACL	-	224	(165)	-	59
SALIX GRANT GOODMAN HOUSE	-	-	(142)	-	(142)
SALIX GRANT ERO	-	845	-	-	845
SALIX GRANT CORE ESTATE SOLAR	-	11	-	-	11
SALIX GRANT CORE ESTATE WINDOW	-	485	(750)	-	(265)
SALIX GRANT GREAT NOTLEY CP	-	12	-	-	12
CAPITALISED BUILDING MAINTENANCE	-	165	(1,276)	-	(1,111)
LIFT REPLACEMENTS CLARENDON ROAD	(210)	260	-	-	50
Finance, Resources and Corporate Affairs	(1,410)	7,550	(2,333)	-	3,807
CYCLE ASSET RENEWAL	-	-	(749)	-	(749)
LOCAL HIGHWAYS PANELS	(2,400)	-	-	-	(2,400)
PT TRANSPORT ADVERTISING	(1,053)	-	-	-	(1,053)
SECTION 106	-	27	-	-	27
RFM VEHICLE PURCHASE	-	-	(1)	-	(1)
Highways Maintenance and Sustainable Transport	(3,453)	27	(750)	-	(4,176)
ECC Capital Programme	(33,019)	20,270	(14,859)	5,180	(22,428)
Devolved Formula Capital	-	167	-	-	167
Total Capital Programme	(33,019)	20,435	(14,859)	5,180	(22,263)

Portfolio & Scheme	2023/24		2024/25		2025/26		2026/27	
	Slippage	Advanced Works	Slippage	Advanced Works	Slippage	Advanced Works	Slippage	Advanced Works
	£000	£000	£000	£000	£000	£000	£000	£000
EARLY YEARS	-	-	31	-	-	-	-	-
Children's Services and Early Years	-	-	31	-	-	-	-	-
A133-A120 LINK HIF	2,500	-	-	-	-	-	-	-
CHELMSFORD NORTH EASTERN BYPASS	3,000	-	-	-	-	-	-	-
HARLOW STC NTH/STH (Ph1:GILSTON TO TC) (HIF)	-	(3,060)	-	(718)	-	-	-	-
A120 MILLENNIUM WAY SLIPS	-	-	70	-	-	-	-	-
ACTIVE TRAVEL	-	-	-	-	-	-	-	-
ARMY AND NAVY RAB, CHELMSFORD	-	2,219	-	6,366	-	3,475	-	(13,401)
CAMBRIDGE ROAD JUNCTION	3,503	-	-	-	-	-	-	-
CHELMSFORD GROWTH AREA	-	-	-	-	-	-	-	-
COLCHESTER TOWNS FUND LCWIP4	121	-	1,373	-	1,185	-	-	-
CYCLING INFRASTRUCTURE	619	-	-	-	-	-	-	-
ABBERTON RURAL TRAINING	-	-	-	-	-	-	-	-
BDUK ESSEX SUPERFAST PROGRAMME PHASE 4	-	-	-	-	-	-	-	-
COLCHESTER GROW ON SPACE	1,836	-	1,100	-	-	-	-	-
COLCHESTER TOWNS FUND	170	-	21	-	22	-	-	-
ESSEX PEDAL POWER (TENDRING)	-	-	-	-	-	-	-	-
LABWORTH CAR PARK, CANVEY	-	-	-	-	-	-	-	-
LAINDON PLACE, BASILDON	-	-	-	-	-	-	-	-
LOUGHTON LIBRARY	-	-	44	-	-	-	-	-
SHENFIELD LIBRARY	500	-	-	-	-	-	-	-
ST PETERS ILOP - INV	225	-	-	-	-	-	-	-
MOULSHAM LODGE	-	(13)	-	-	-	-	-	-
EH LLP LOAN ECH	400	-	-	-	-	-	-	-
EH LLP LOAN SHERNBROKE	-	-	-	-	-	-	-	-
EH LLP LOAN PURFORD	-	-	-	-	-	-	-	-
EH LLP LOAN HARGRAVE	400	-	-	-	-	-	-	-
Economic Renewal, Infrastructure and Planning	13,274	(854)	2,608	5,648	1,207	3,475	-	(13,401)
SCHOOLS CAPITALISED BUILDING MAINTENANCE	-	-	-	-	-	-	-	-
BASILDON PRIMARY BASIC NEED	150	-	194	-	-	-	-	-
BASILDON SECONDARY BASIC NEED	110	-	-	-	-	-	-	-
HARLOW PRIMARY BASIC NEED	1,508	-	782	-	-	-	-	-
EPPING FOREST PRIMARY BASIC NEED	420	-	-	-	-	-	-	-
EPPING FOREST SECONDARY BASIC NEED	16	(48)	-	-	-	-	-	-
COLCHESTER PRIMARY BASIC NEED	-	-	-	-	-	-	-	-
COLCHESTER SECONDARY BASIC NEED	-	-	-	-	-	-	-	-
BRAINTREE PRIMARY BASIC NEED	-	-	-	-	-	-	-	-
MALDON SECONDARY BASIC NEED	2,221	-	-	-	-	-	-	-
TENDRING PRIMARY BASIC NEED	80	-	-	-	-	-	-	-
UTTLESFORD PRIMARY BASIC NEED	-	-	20	-	-	-	-	-
CHELMSFORD PRIMARY BASIC NEED	468	-	636	-	-	-	-	-
ACL DIGI HUB	-	-	-	-	-	-	-	-
SPECIAL SCHOOLS	3,923	-	459	-	-	-	-	-
TEMPORARY ACCOMMODATION	50	(2)	-	-	-	-	-	-
Education Excellence, Lifelong Learning and Employability	8,946	(50)	2,091	-	-	-	-	-
SALIX PSDS3A	1,200	-	-	-	-	-	-	-
CORE ESTATE CARBON REDUCTION FUND	-	-	-	-	-	-	-	-
SALIX GRANT WITHAM ACL	-	-	-	-	-	-	-	-
SALIX GRANT GOODMAN HOUSE	-	-	-	-	-	-	-	-
SALIX GRANT ERO	-	-	-	-	-	-	-	-
SALIX GRANT CORE ESTATE SOLAR	-	-	-	-	-	-	-	-
SALIX GRANT CORE ESTATE WINDOW	-	-	-	-	-	-	-	-
SALIX GRANT GREAT NOTLEY CP	-	-	-	-	-	-	-	-
CAPITALISED BUILDING MAINTENANCE	-	-	-	-	-	-	-	-
LIFT REPLACEMENTS CLARENDON ROAD	210	-	-	-	-	-	-	-
Finance, Resources and Corporate Affairs	1,410	-	-	-	-	-	-	-
CYCLE ASSET RENEWAL	-	-	-	-	-	-	-	-
LOCAL HIGHWAYS PANELS	2,400	-	-	-	-	-	-	-
PT TRANSPORT ADVERTISING	1,053	-	-	-	-	-	-	-
SECTION 106	-	-	-	-	-	-	-	-
RFM VEHICLE PURCHASE	-	-	-	-	-	-	-	-
Highways Maintenance and Sustainable Transport	3,453	-	-	-	-	-	-	-
ECC Capital Programme	27,083	(904)	4,730	5,648	1,207	3,475	-	(13,401)
Devolved Formula Capital	-	-	-	-	-	-	-	-
Total Capital Programme	27,083	(904)	4,730	5,648	1,207	3,475	-	(13,401)

Appendix D

Reserves

	2022/23 movements				Adjustments proposed in quarterly report included within this position £000
	Balance at 1 April 2022 £000	(Contributions)/ Withdrawals agreed £000	Future commitments £000	Estimated Closing balance £000	
Long Term Contractual Commitment					
PFI Reserves					
A130 PFI	(28,181)	10,308	-	(17,873)	
Building Schools for the Future PFI	(1,237)	-	(949)	(2,186)	
Debden School PFI	(1,743)	-	173	(1,570)	(118)
Clacton Secondary Schools' PFI	(960)	-	312	(647)	
Waste Reserve	(114,870)	6,209	3,728	(104,933)	
Grant Equalisation Reserve	(36,839)	-	2,628	(34,211)	
Trading Activities (not available for use)	(1,514)	304	(408)	(1,618)	
Partnerships and Third Party (not available for use)	(2,376)	-	-	(2,376)	
Schools (not available for use)	(49,212)	-	-	(49,212)	
General Balance	(68,096)	-	-	(68,096)	
Reserves earmarked for future use					
Adults Digital Programme	(275)	-	247	(28)	
Adults Risk	(14,221)	-	3,487	(10,734)	550
Adults Transformation	(12,718)	-	6,086	(6,632)	384
Ambition Fund	(6,523)	(8,800)	10,506	(4,817)	
Bursary for Trainee Carers	(338)	-	338	-	
Capital Receipts Pump Priming	(4,034)	(6,000)	2,500	(7,534)	
Carbon Reduction	(982)	114	192	(676)	
Carry Forward	(24,742)	-	23,314	(1,428)	(1,428)
Childrens Risk	-	(2,500)	625	(1,875)	
Childrens Transformation	(7,188)	-	2,174	(5,013)	344
Collection Fund Risk	(7,587)	(9,497)	-	(17,084)	
Commercial Investment in Essex Places	(15,658)	170	686	(14,802)	
Community Initiatives Fund	(376)	(350)	350	(376)	68
Covid Equalisation Reserve	(42,393)	1,831	24,951	(15,612)	2,674
EES Pension Risk	(4,000)	-	-	(4,000)	
Emergency	(17,564)	(9,094)	12,637	(14,021)	
Emergency Planning	(300)	-	-	(300)	
Equalities Fund Reserve	(261)	-	-	(261)	
Essex Climate Change Commission	(4,331)	-	2,533	(1,798)	
Essex Crime and Police	(73)	-	-	(73)	
Everyones Essex	(47,273)	(1,000)	17,102	(31,171)	
Future Capital Funding	(14,437)	(14,674)	16,223	(12,888)	(260)
General Risk	(13,858)	-	6,946	(6,912)	-
Health and Safety	(4,657)	-	103	(4,554)	
Insurance	(6,260)	-	-	(6,260)	
Newton	(149)	-	-	(149)	
Property Fund	(1,303)	-	260	(1,043)	
Quadrennial Elections	(999)	(500)	22	(1,477)	
Renewal Fund	(2,523)	-	273	(2,250)	
Social Distancing & Hygiene	(900)	-	-	(900)	
Technology and Digitisation	(11,640)	(10,000)	9,747	(11,894)	(535)
Transformation	(48,506)	(11,823)	12,500	(47,829)	1,698

Appendix E

TREASURY MANAGEMENT SUMMARY - 2022/23

	Actual Balance 1 April £000	Movements			Balance at 31 March £000	Interest payable / (earned) to date £000
		Raised £000	Repaid £000	Net movement £000		
Borrowing						
Long Term	592,859	-	(11,231)	(11,231)	581,628	20,094
Temporary	7,156	5,631	-	5,631	12,787	50
Total External Borrowing (A)	600,015	5,631	(11,231)	(5,600)	594,415	20,144
Investments						
Long Term	10,000	-	-	-	10,000	(210)
Temporary	562,523	1,102	(336,500)	(335,398)	227,125	(2,273)
Total External Investments (B)	572,523	1,102	(336,500)	(335,398)	237,125	(2,483)
Net indebtedness (A-B)	27,492	4,529	325,269	329,798	357,290	17,661

Borrowing	
Average long term borrowing over period to date (£000)	575,901
Opening pool rate at 1 April 2022	3.42%
Weighted average rate of interest on new loans secured to date	N/A
Average pool rate for year	3.44%

Investments	
Average daily cash balance over period to date (£000)	602,891
Average interest earned over period	1.02%
Benchmark rate - average 1 month SONIA rate	0.75%

Appendix F

Prudential Indicators - Summary

		Approved Indicator	Provisional Outturn
Affordability			
Incremental impact on Council Tax of 2022/23 and earlier years' 'starts'	£	£107.37	£105.38
Ratio of financing costs to net revenue streams	%	8.6%	8.8%
Prudence			
Net borrowing and Capital Financing Requirement		Net borrowing is below the medium term forecast of the CFR	
Capital Expenditure			
Capital expenditure	£m	284	266
Capital Financing Requirement (excluding credit arrangements)	£m	1,134	1,099
External Debt			
Authorised limit (borrowing only)	£m	1,060	N/A
Operational boundary (borrowing only)	£m	890	N/A
Actual external borrowing (maximum level of debt during year)	£m	N/A	600
Treasury Management			
Interest rate exposures			
Upper limit for exposure to fixed rates			
Net exposure	£m	1,060	553
Debt		100.0%	99.3%
Investments		100.0%	69.7%
Upper limit for exposure to variable rates			
Net exposure	£m	318	230
Debt		30.0%	2.2%
Investments		100.0%	87.3%
Maturity structure of borrowing (upper limit)			
Under 12 months	%	40.0%	1.9%
12 months and within 24 months	%	40.0%	2.0%
24 months and within 5 years	%	40.0%	9.5%
5 years and within 10 years	%	40.0%	16.7%
10 years and within 25 years	%	75.0%	26.8%
25 years and within 40 years	%	40.0%	30.1%
40 years and within 50 years	%	20.0%	0.0%
50 years and above	%	20.0%	13.0%
Total sums invested for more than 364 days			
Authorised limit	£m	30	N/A
Actual sums invested (maximum position during year)	£m	N/A	10
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.			