



Essex County Council

Cabinet

10:15	Tuesday, 23 May 2023	Council Chamber County Hall, Chelmsford, CM1 1QH
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For information about the meeting please ask for:

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Essex County Council and Committees Information

All Council and Committee Meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972.

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Meeting Arrangements

In accordance with paragraph 14.7 of the Council's Constitution, the Leader has agreed that all members may take part in the meeting and vote if they are present via Zoom. The link to the Zoom meeting has been sent to members separately. Members of the public may watch on YouTube and there will of course be the normal public access to the meeting room in County Hall, from which any member of the public may observe the meeting and make representations.

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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.

On arrival, and before the start of the meeting, please register with the Democratic Services Officer.

4 2022-23 Provisional Outturn Report (FP/307/02/22) 12 - 58

5 Adoption and Implementation of ECC Tree Management Plan (FP/540/10/22) 59 - 82

The Equality Comprehensive Impact Assessment is available [online](#) - please scroll to bottom of page.

6 Supporting Local Bus Services - 2024 Onwards (FP/093/03/23) 83 - 95

The Equality Comprehensive Impact Assessment is available [online](#) - please scroll to bottom of page.

7 Report of Decisions taken by or in consultation with Cabinet Members (FP/119/05/23) 96 - 97

8 Dates of Future Meetings

To note that meetings of the Cabinet will take place on the following dates in 2024:

16 January, 27 February, 26 March, 23 April, 28 May, 25 June,
23 July, 10 September, 8 October, 12 November,
17 December

9 Date of Next Meeting

To note that the next meeting of the Cabinet will take place at 10.15am on Tuesday 20 June 2023 in the Council Chamber at County Hall, Chelmsford, CM1 1QH.

10 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.

11 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.

Committee: Cabinet

Enquiries to: Emma Tombs, Democratic Services Manager
Emma.tombs@essex.gov.uk

Membership, Apologies, Substitutions and Declarations of Interest

Recommendations:

To note:

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

Membership
(Quorum: 3)

Portfolio

Cllr Kevin Bentley	Leader of the Council (Chairman)
Cllr Louise McKinlay	Deputy Leader and Community, Equality, Partnerships and Performance (Vice-Chairman)
Cllr Tony Ball	Education Excellence, Life Long Learning and Employability
Cllr Malcolm Buckley	Waste Reduction and Recycling
Cllr Graham Butland	Devolution, the Arts, Heritage and Culture
Cllr Beverley Egan	Children's Services and Early Years
Cllr Lee Scott	Highways Maintenance and Sustainable Transport
Cllr John Spence	Adult Social Care and Health
Cllr Lesley Wagland	Economic Renewal, Infrastructure and Planning
Cllr Chris Whitbread	Finance, Resources and Corporate Affairs

Minutes of a meeting of the Cabinet that took place in the Council Chamber at County Hall at 10.15am on Tuesday 18 April 2023

Present:

Councillor	Cabinet Member Responsibility
Cllr Kevin Bentley	Leader of the Council (Chairman)
Cllr Tony Ball	Education Excellence, Lifelong Learning and Employability
Cllr Malcolm Buckley	Cabinet Member for Waste Reduction and Recycling
Cllr Graham Butland	Cabinet Member for Devolution, the Arts, Heritage and Culture
Cllr Beverley Egan	Children's Services and Early Years
Cllr Lee Scott	Highways Maintenance and Sustainable Transport
Cllr John Spence	Health and Adult Social Care
Cllr Lesley Wagland	Cabinet Member for Economic Renewal, Infrastructure and Planning
Cllr Chris Whitbread	Finance, Resources and Corporate Affairs

Cllrs Susan Barker, Mark Durham, Carlo Guglielmi, Aidan McGurran, Bob Massey, Mark Platt, Laureen Shaw and Holly Whitbread were also present. Attending remotely via Zoom were Cllrs David King, Mike Mackrory and Chris Pond (for agenda items 1-3).

1. Membership, Apologies, Substitutions and Declarations of Interest.

The report of Membership, Apologies and Declarations was received, and the following were noted:

1. There had been no changes of membership since the last meeting.
2. Apologies for absence had been received from Cllrs Louise McKinlay, Deputy Leader and Cabinet Member for Community, Equality, Partnerships and Performance, Peter Schwier, Climate Czar and Ivan Henderson, Leader of the Labour Group (for whom Cllr Aidan McGurran substituted)
3. Cllr Chris Whitbread declared an interest in agenda item 7 (Essex Housing LLP – consent to dispose of land in Epping Forest) in that he is the Leader of Epping Forest District Council. He remained present during consideration of the item and took part in the voting thereon. Minutes 7 and 11 below refer.

2. Minutes: 21 March 2023

The Minutes of the previous meeting, held on 21 March 2023, were approved as a correct record and signed by the Chairman.

3. Questions from the public

None.

4. Adoption of 'Meaningful Lives Matter – Our plan for a more inclusive Essex' (FP/574/11/22)

The Cabinet received a report which presented for approval a new document, 'Meaningful Lives Matter – our plan for a more inclusive Essex' with the aim of enabling people with disabilities to live the best lives they can.

The Cabinet Member for Health and Adult Social Care responded to questions by Cllrs Mike Mackrory, Aidan McGurran and David King concerning the following:

- funding availability, the importance of support for the transition from children's to adult services, the scope of the document to include people with autism where they experience it to be disabling, the challenges of employing greater numbers of social workers, the varying abilities of service users to experience progress and numbers of out of county placements.
- efforts made during the public consultation process to engage with those who are harder to reach and the Council's commitment to continue working with other organisations to ease barriers to receiving and accessing financial and other support.
- the importance of protecting people with disabilities from exploitation by ensuring that they are appropriately paid when undertaking work where remuneration would usually be expected.
- the need for the Anchor Network to act on its commitment to provide employment for people with disabilities and to evidence progress.

The Cabinet Member also highlighted the importance for the documents forming the Adult Social Care Strategic Framework to align with each other, as well as the intention to continue improving the lives of those with disabilities through improved care technology as it became available.

Resolved:

1. Agreed to adopt 'Meaningful Lives Matter, our plan for a more inclusive Essex' in the form appended to report FP/574/11/22:
2. Noted that officers are working on a plan for implementation and a funding request which they intend to present to the Cabinet Member for Adult Social Care and health and the Cabinet Member for Finance, Resources and Corporate Affairs for formal approval.

5. Re-procurement of the on-site care and support services at four extra care schemes (FP/054/02/22)

The Cabinet received a report seeking approval to procure and award contracts to the successful bidder/s for the on-site care and support service within four existing extra care schemes and agreement as to how the 24/7 on-site support provided at these schemes will be funded.

Responding to questions by Cllrs Aidan McGurran and Mike Mackrory, the Cabinet Member for Health and Adult Social Care stated that, based on professional advice, he was confident that sufficient bidders would come forward for the on-site care and support contracts. To ease concerns, he undertook to share the results of the procurement exercise in due course. The existing contracts were due to expire in September 2023 and there was a need to ensure a smooth transition to the new arrangements. These were not being proposed as a means of saving money, although minimal savings were likely due to economies of scale.

Resolved:

1. Agreed to undertake a single-stage competitive tender for the award of five-year contracts for the on-site care and support services at four extra care schemes being Cornell Court, Uttlesford, Montbazon Court, Brentwood, Poplar House, Basildon and Freeman Court, Chelmsford, within the Medium-Term Resource Strategy Budget of £6.7m across the five years of the contracts.
2. Agreed to the early termination of the current on-site care and support contract at Montbazon Court for the reasons set out in paragraph 3.10 of report FP/054/02/23.
3. Agreed that the procurement shall be structured with individual Lots for each scheme, using a single-stage tender process which complies with the 'light-touch' regime in The Public Contract Regulations 2015.
4. Agreed that the high-level evaluation criteria for the award of the contracts will have a Price: Quality split of 60:40 with 10% of the quality score assessing Social Value.
5. Agreed to the Council using its market-shaping powers under the Care Act 2014 to secure the 24-hour, 7 day (24/7) on-site support required for a scheme to be designated extra care, by block-booking 84 support hours per week at each scheme.
6. Noted that the cost of the core 24/7 on-site support in these four extra care schemes falls outside the current Adult Social Care charging arrangements and therefore adults will not be required to pay for this aspect of care provision but will be assessed for a contribution for any chargeable care needs.

7. Agreed that the Executive Director, Adult Social Care, is authorised to award the on-site care and support services contracts for the four schemes if he is satisfied that the contracts represent best value and are within budget when costed at expected volumes,

6. Procurement of a Four-Year Framework Agreement for Construction Projects (FP/063/03/23)

The Cabinet considered a report which sought approval to procure a four-year framework agreement for construction services to replace the existing Essex County Council construction framework which expires in early 2024. The framework will provide design and construction services for education and other capital construction and major maintenance projects and will be available to other contracting authorities

Responding to questions by Cllrs David King and Mike Mackrory, the Cabinet Member for Economic Renewal, Infrastructure and Planning commented on the criteria for companies to be admitted to the Framework and the effect of these in assuring quality throughout the call down process. She undertook to provide examples of any similar price/quality/social value splits to Cllr King if available.

Emphasising the Council's ambition with regard to net zero, the Cabinet Member explained that the 'aim' for new buildings to be net zero design (rather than an absolute requirement) reflected the need for flexibility in certain circumstances.

The Cabinet Member for Education Excellence, Lifelong Learning and Employability commented on the proposals and the benefits of net zero from the perspective of his portfolio.

Resolved:

1. Agreed to procure a four-year, multi-supplier Framework Agreement for the provision of design and build services and construction only services using the restricted procedure with three Lots as follows:

Lot 1: £0 - £750,000 (a maximum of 8 Contractors)

Lot 2: £500,000 - £4.5m (a maximum of 6 Contractors)

Lot 3: Over £4m (a maximum of 6 Contractors)

2. Agreed that the high-level evaluation criteria for appointing Contractors to the Framework Agreement will be based on 30% price: 70% quality, with 10% of the quality score for Lots 1 and 2 assessing Social Value. For Lot 3, social value can be assessed during the mini-competition process.

3. Agreed that the Cabinet Member for Finance, Resources and Corporate Affairs is authorised to award framework agreement to the successful bidders following completion of the procurement process.
4. Agreed that an Advanced Payment Rebate System may only be included in the contract documents if the Director, Legal and Assurance agrees.
5. Noted that the Executive Director, Corporate Services will use her delegated powers to agree the terms on which the framework may be made available to other contracting authorities and that she will seek to ensure that such terms are in broad alignment with the Council's Fees and Charges Policy and recover the Council's contract management costs for non-ECC call-offs.

7. Essex Housing LLP – consent to dispose of land in Epping Forest (FP/050/02/23)

Cllr Chris Whitbread declared an interest in this item – minute 1 above refers.

The Cabinet considered a report which sought approval to procure a four-year framework agreement for construction services to replace the existing Essex County Council construction framework which expires in early 2024. The framework would provide design and construction services for education and other capital construction and major maintenance projects and would be available to other contracting authorities.

Resolved:

1. Subject to the prior grant of the lease of the carer's accommodation as set out in Resolution 2 below and the nomination agreement as set out in Resolution 3 below, agreed to the disposal by the LLP of the freehold ownership of the land shown edged red on the Plan appended to report FP/050/02/23 ('the Site') to Chelmer Housing Partnership, as set out in the Confidential appendix to the report.
2. Agreed to dispose of the long leasehold ownership of the single carer's apartment to Essex County Council (ECC) by the LLP and for ECC to acquire the leasehold ownership of this apartment from the LLP for the price shown in the Confidential Appendix to report FP/050/02/23, as previously agreed by the Cabinet at its meeting in May 2022 (report FP/330/03/22).
3. Agreed that ECC will enter into a nomination agreement with the purchaser giving it nomination rights to the nine specialist units for a period of 250 years from the date of the transfer.

8. Decisions taken by or in consultation with Cabinet Members (FP/045/02/23)

The report was noted.

9. Date of the next meeting

Noted that the Cabinet will next meet at 10.15am on Tuesday 23 May 2023 in the Council Chamber at County Hall, Chelmsford, CM1 1QH.

10. Urgent business

There was no urgent business.

Exclusion of the Press and Public

Resolved:

That the press and public be excluded from the meeting during consideration of the remaining item of business on the grounds that it involves the likely disclosure of exempt information as specified in paragraph 3 of Schedule 12A of the Local Government Act 1972 – information relating to the financial or business affairs of any particular person).

11. Confidential Appendix: Essex Housing LLP – consent to dispose of land in Epping Forest (FP/050/02/23)

Cllr Chris Whitbread declared an interest in this item – minute 1 above refers.

The confidential appendix to report FP/050/02/23, to which minute 7, above, refers, was agreed.

12. Urgent Exempt Business

There was no urgent exempt business.

There being no further business, the meeting closed at 11.15am.

**Chairman
23 May 2023**

Forward Plan Reference Number: FP/307/02/22

Report title: 2022/23 Provisional Outturn Report	
Report to: Cabinet	
Report author: Councillor Christopher Whitbread, Cabinet Member for Finance, Resources and Corporate Affairs	
Date: 23 May 2023	For: Decision
Enquiries to: Nicole Wood, Executive Director for Corporate Services and Section 151 Officer email nicole.wood@essex.gov.uk or Adrian Osborne, Head of Strategic Finance and Insight email adrian.osborne2@essex.gov.uk or Christine Golding, Chief Accountant email christine.golding@essex.gov.uk	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 The purpose of this report is to present and provide commentary on the provisional outturn position for financial year 2022/23 prior to formal closure of the accounts. The report also explains the key movements since the third quarter financial overview report (presented to Cabinet on 17 January 2023) to the year-end position. The report will highlight that while there is a small revenue under spend of 1.2%, the medium term outlook remains incredibly challenging, with inflation yet to reduce in any meaningful way (still 10.1% as of March), the risk to tax revenues from the cost of living crisis, alongside continued demand pressures across social care and market volatility.
- 1.2 This year has seen the impact of the cost of living crisis and high inflation which affects local authorities in addition to households. During the year, we have incurred inflationary pressure over and above that allowed for in the budget of £17m. The majority of the impact has been on energy costs and care packages in Adult Social Care. We have also suffered the impact of the realisation of pent-up demand from the pandemic.
- 1.3 The economic outlook for the Council remains uncertain. Bank of England projections show an expected sharp decline in inflation during 2023 but there is currently little evidence of this decline commencing and an increasing risk that continued high prices may impact 2023/24 spending. We also face increasing demand for our services, particularly in Social Care and have the inherent risk of the continued absence of a multi-year funding settlement from central government threatening our financial stability. However, we will continue to plan moving forwards to ensure we spend within our means.
- 1.4 Despite these challenges the focus remains on prioritising resources to achieve the strategic aims outlined in Everyone's Essex. Resources have been prioritised from the Everyone's Essex reserve, notably to invest in a strong and sustainable economy (£8.8m), deliver our response to climate challenges (£8.2m), a range of programmes to level up the County (£4.2m) and funding for cultural organisations in Essex (£2.6m).

2. Recommendations

Approval is sought for the following in relation to the 2022/23 outturn position:

- 2.1 That the net under spend **£11.742m** is appropriated as follows:
 - **£8m** to the Reserve for Future Capital Funding to provide some level of resilience to the growing cost escalation risk across the £1.2bn capital programme,
 - Create a new earmarked reserve to be known as the Highways Reserve **and** transfer **£3m** to support one-off investment in Highways. Drawdowns will be approved by the Cabinet Member for Finance, Resources and Corporate Affairs in consultation with the Cabinet Member for Highways Maintenance and Sustainable Transport
 - **£742,000** to the Technology and Digitisation reserve to support ongoing digital transformation, including any emergent pressure coming from 2030 work.
- 2.2 That under spends are allocated between portfolios as set out within the 'Transfers of under / over spends between Portfolios' column of Appendix A.
- 2.3 That the following amounts are appropriated to / from restricted and other revenue reserves:

Restricted Funds

- **Private Finance Initiative (PFI) Reserves**
 - Building Schools for the Future - **£574,000** contribution (Appendix D 8iii)
 - Clacton Secondary Schools - **£880,000** contribution (Appendix D8iii)
 - Debden School - **£22,000** withdrawal (Appendix D 8iii)
 - A130 Road - **£1.034m** withdrawal (Appendix D 10iii)
- **Waste Reserve – £7.053m** net contribution comprising:
 - Contribution of **£7.227m** to return balances not needed as tonnages were lower than anticipated and **£268,000** to replenish the reserve relating to interim investment in senior resources (Appendix D 12iii)
 - Contribution of **£780,000** for site dilapidation works and unspent project funds, for use in 2023/24 (Appendix D 12iii)
 - Withdrawal of **£1.222m** to fund waste related projects (Appendix D 12iii)
- **Schools - £5.508m** net withdrawal from the Schools reserve, following net decreases against schools' budgets in 2022/23 (Appendix D 7i)
- **Partnership Reserves**
 - Youth Offending Service Partnership Reserve - **£94,000** net withdrawal (Appendix D 3iv)
 - Essex Safeguarding Children's Board Partnership Reserve - **£38,000** withdrawal (Appendix D 3iv)
 - Adults Safeguarding Board Partnership Reserve - **£33,000** contribution (Appendix D 1vii)

- Public Law Partnership Reserve - **£10,000** withdrawal (Appendix D 15iii)

Reserve for Future Capital Funding

- **Capital funding - £781,000** net contribution to transfer revenue financing resources to capital in respect of:
 - Capital Financing - **£2.508m** contribution due to slippage in the capital programme (Appendix D 17ii)
 - To offset write off expenditure in relation to Essex County Hospital - **£1.182m** withdrawal (Appendix D 6iii)
 - Schools Devolved Formula Grant categorised as revenue - **£612,000** withdrawal (Appendix D 7iii)
 - Capital works relating to lift replacement - **£20,000** contribution (Appendix D 15iii)
 - DUCL capital project - **£47,000** contribution (Appendix D 15iii)
 - This is in addition to the **£8m** contribution to this reserve proposed in recommendation 2.1 above, and will bring the net contribution to £8.781m (Section 2.1)

Other reserves

- **Carry Forwards - £6.468m** contribution, in respect of revenue budget under spends that it is proposed are carried forward for use in 2023/24. The proposals for utilising this Reserve in 2023/24 are set out in **Appendix C** of this report
 - In addition to this there is a £298,000 contribution returning unused 2021/22 carry forwards no longer required, and a withdrawal of £24,000 relating to a 2021/22 carry forward not previously drawn down in year (Appendix D 3iv, 5iii & 13iii)
- **Adults Risk - £139,000** contribution relating to the Market Initiatives fund, the funding will be withdrawn for use in 2023/24 (Appendix D 1vii)
- **Adults Transformation – £780,000** net contribution comprising:
 - £951,000 contribution, due to unspent project funding (Appendix D 1vii)
 - £171,000 withdrawal to fund expenditure relating to Charging Reform and the Care Quality Commission (CQC). (Appendix D 1vii & 13iii)
- **Ambition Fund - £1.068m** net contribution comprising:
 - £1.404m of contributions, due in the main to unspent project funding, which is required for use in the next financial year and therefore will be withdrawn in 2023/24 (Appendix D 1vii, 4iii, 11iii, 13iii & 15iii)
 - £336,000 withdrawal to fund expenditure for various Leader led initiatives. (Appendix 5iii, 7iii, 8iii & 13iii)
- **Bursary for Trainee Carers Reserve - £75,000** withdrawal relating to the Nightingale Health and Care Bursary Programme (Appendix D 8iii)
- **Children's Transformation Reserve - £634,000** net withdrawal comprising:
 - £651,000 withdrawal to fund foster care fee uplifts and a number of projects to deliver the Children's Transformation Programme (Appendix D 3iv)

- £17,000 contribution due to the under spend on Children In Care Books project to be used in 2023/24 (Appendix D 3iv)
- **Commercial Investment in Essex Places - £11,000** contribution due to unspent resource costs related to Essex Renewal Fund, for use in 2023/24 (Appendix D 6iii)
- **Community Initiatives Reserve - £279,000** withdrawal to support expenditure incurred on community projects during 2022/23 (Appendix D 4iii)
- **COVID Equalisation Reserve - £30,000** net withdrawals comprising:
 - £786,000 contribution to return Covid funding where actual expenditure or income losses were lower than previously forecast in year, of which £660,000 is for use in 2023/24. (Appendix D 6iii, 10iii, 13iii & 15iii)
 - £816,000 withdrawals to help cover the continued impact of the pandemic on services (Appendix D 3iv, 4iii & 8iii).
- **Emergency Reserve - £734,000** withdrawal to cover increases in Home to School transport public ticket increases and Local Bus fuel costs (Appendix D 10iii)
- **Essex Climate Change Commission - £846,000** contribution relating to Climate Change for use in 2023/24. (Appendix D 11iii)
- **Everyone's Essex Reserve - £218,000** net contribution comprising:
 - £415,000 contribution relating to Everyone's Economy and Everyone's Environment projects for use in 2023/24 (Appendix D 6iii, 8iii & 10iii)
 - £197,000 withdrawal mainly relating to the Arts and Culture Fund, Adult Community Learning and Community Challenge Fund initiatives (Appendix D 3iv, 5iii, 8iii)
- **General Risk Reserve - £4.296m** contribution relating to Utilities and Energy costs as additional costs were lower than anticipated due to the receipt of government funding and to replenish in relation to the approved pay award decision for 2023/24 (Appendix D 9iii, 10iii & 15iii)
- **Insurance Reserve - £4.865m** contribution due to year end actuarial evaluation and provision (Appendix D 15iii)
- **Quadrennial Elections Reserve - £13,000** contribution due to unspent election funds (Appendix D 4iii)
- **Technology and Digitalisation Reserve - £549,000** net contribution comprising:
 - £1.443m contribution relating to mitigation of future pressures and under spend against Social Care platform programme (Appendix D 15iii)
 - £894,000 withdrawal relating to various technology projects (Appendix D 15iii)
 - This is in addition to the £742,000 contribution proposed in paragraph 2.1 above, and will bring the total net contribution to this reserve to £1.291m (Section 2.1)
- **Transformation Reserve - £1.993m**, net withdrawal comprising:
 - £2.041m withdrawal relating to approved decisions mainly for work on Property Transformation, Libraries Strategy, Concessionary fares

reimbursement, Charging Reform and CQC, Support Services and Corporate Print services projects (Appendix D 1vii, 4iii, 6iii, 10iii, 13iii & 15iii)

- £48,000 contribution relating to the return of North East Quadrant Office Strategy and Digital Connectivity Resourcing funding for use in 2023/24 (Appendix D 6iii & 15iii)

- 2.4 That the financing of capital payments in 2022/23 is approved on the basis set out within **Appendix G** to this report.
- 2.5 Capital payment budgets, and associated capital financing, of **£31.385m** are re-profiled into subsequent financial years, in respect of slippage in schemes (as shown in the 'Slippage' column of Appendix H).
- 2.6 Capital payment budgets, and associated capital financing, of **£13.314m** are brought forward in respect of schemes that have progressed ahead of schedule (as shown in the 'Advanced works' column of Appendix H).
- 2.7 That 2022/23 capital payment approvals are reduced by a total of **£33.395m** (as shown in the 'Reductions' column of Appendix H), with increases of **£36.244m** to other schemes (as shown in the 'Additions' column of Appendix H), to reflect achieved activity in 2022/23.

Approval is also sought for the following in relation to the 2023/24 budget:

- 2.8 To agree to delegate authority to the Executive Director for Corporate Services (S151 officer), in consultation with the Cabinet Member for Finance, Resources and Corporate Affairs, to apply the total of **£11.917m** from the Carry Forwards Reserve in 2023/24 for the purposes detailed in Appendix C of this report for amounts that have been requested at year end, plus amounts previously approved by Cabinet to be carried into the Reserve during 2022/23. The Section 151 Officer will advise the Cabinet Member for Finance, Resources and Corporate Affairs if, after consultation with the relevant Executive Director, the amount of any carry forward should be reduced.

3. Executive Summary

3.1 Introduction

- 3.1.1 This has been another exceptional and peculiar year, with underlying volatility in expenditure and uncertainty in forecasting prevailing throughout 2022/23 due to an inflation rate over double that forecast when the budget was set in February 2022, rising interest rates, and the impact of the realisation of pent-up demand from the pandemic. Therefore, not unexpectedly, we have seen movements across portfolios in the provisional outturn figures when compared to our Quarter 3 forecasts. This has resulted in a better year end position than expected, mainly impacting Other Operating Costs, Adult Social Care and Children's Services.
- 3.1.2 We continue to face an extremely challenging period across the medium term, with inflation continuing to hover close to the 40-year high seen a few months ago. Whilst the Bank of England maintains its assumption that inflation is due to fall

dramatically during 2023 (albeit at a slower rate than it previously assumed) we have yet to see any meaningful decline to date. We also face growing demand pressures, particularly in social care services, and have no clarity on funding beyond the 2023/24 financial year. Robust financial management over the last year, despite the exceptional circumstances the Council has faced, has enabled recommendations in this report that will offer some financial risk mitigation in the short term to the impact of escalating costs, alongside some opportunities for one-off investment in our key priorities.

3.1.3 The report sets out an under spend on revenue of **£11.742m** (1.2%) against a budget of **£957.983m**. This position is after adjusting for proposals to carry forward under spends for use in 2023/24 and reserve movements. **£12.830m** of the under spend is driven by reduced capital financing costs, due to lower than anticipated borrowing for the capital programme because of delivery slippage, and additional income from interest receivable due to higher than budgeted interest rates. This is partially offset by an adverse position on Funding of **£1.437m**, where the Business Rate Compensation grant was less than budgeted. **This leaves £349,000 due to net under spends on services, driven by:**

- Highways Maintenance and Sustainable Transport, where Local Bus services contracts have been procured at a price lower than budgeted and we are seeing increased income. In addition, we have seen higher than budgeted levels of contravention income (for example Bus Lane Enforcement).
- The under spend is partially offset by Children's Services and Early Years, where we have seen an over spend due to placement insufficiency necessitating the use of high-cost unregistered placements, high numbers of semi-independent living placements, high placement costs in residential care and the cost-of-living crisis increasing demand for Section 17 and Section 20 support to families at risk particularly with travel costs.

Proposals for how the £11.742m under spend is utilised (predominantly to support cost escalation risk in the capital programme) are set out in section 2.1.

3.1.4 The underlying volatility in expenditure and uncertainty in forecasting that has prevailed throughout 2022/23 due to historic high inflation, increasing interest rates and emergent demand, has been reported to Cabinet every quarter and, not unexpectedly, we have seen movements in the provisional closure figures. We have seen an improvement of £7.363m on the position reported at the Third Quarter stage, which was a forecast under spend of £4.379m. The reasons for this movement are set out in **Appendix D**.

3.1.5 There is an under spend on capital of **£15.221m** (6.3%) against the final approved budget of £240.102m – This is 94% delivery against the final approved budget, or 79% against original budget. This is in line with our delivery record in 2021/22, where we also achieved 94% against the final approved budget.

3.1.6 The Council's 2022/23 Accounts have been closed against a backdrop of still having the two prior financial years' external audits open; this is not due to any accounting or reporting failures by the Council. This is an unprecedented position for the Council and means that the outturn position needs to be viewed with a degree of caution.

- 3.1.7 The Council's external auditor reported in March 2022 that the 2020/21 audit was largely complete, and that the auditor expected to issue an unmodified opinion, subject to the satisfactory resolution of a national and technical issue related to accounting for infrastructure (highways) assets. The government amended statutory regulations and an update was made to the CIPFA Code of Practice on Local Authority Accounting in order to pave the way for resolution of this issue.
- 3.1.8 Since these updates were published, the Council has completed extensive analysis to support its accounting approach, which was submitted to the external auditor at the beginning of March 2023. The external auditor's consideration of this work is still pending, although the external auditor has indicated that he anticipates being able to bring the 2020/21 audit to conclusion in time to present the audit completion report to the Audit, Governance and Standards Committee on 3 July 2023.
- 3.1.9 In terms of the 2021/22 accounts, the external auditor commenced the audit work in November 2022, but recently paused the work in order to prioritise the 2022/23 external audits of NHS bodies. The timeline for completion of the 2021/22 audit therefore currently remains unclear.
- 3.1.10 Given the significant delays to completion of the 2020/21 and 2021/22 audits, it is highly unlikely that the external auditor will be able to commence the 2022/23 audit ahead of the statutory deadline of 30 September 2023 for publication of audited accounts.
- 3.1.11 These delays are extremely concerning but are not unique to ECC - similar delays are being experienced across the sector. It is now difficult to see how auditors can clear the severe backlog of outstanding accounts and value for money audits without system wide changes to the local audit framework.
- 3.1.12 The results of the external audits for 2020/21, 2021/22 and 2022/23 will be reported to the Audit, Governance and Standards Committee upon completion, at which stage the Committee will be able to approve the respective sets of Accounts. They will then be formally published on the Council's website.

3.2 Overview - Revenue

- 3.2.1 Through careful financial planning and management, Essex County Council has delivered a small under spend of £11.742m (1.2%), almost all of which being due to lower than anticipated borrowing for the capital programme because of delivery slippage, and additional income from interest receivable due to higher than budgeted interest rates. This position has been delivered through another year of exceptional impact on the financial management of the organisation due to the cost of living crisis – to which the Council is not immune - with additional inflation over and above that allowed for within the original budget of £17m. Given the uncertainty at the time the budget was set in February 2022, the overall outcome is deemed as a positive position, although the risk now highlighted is that we continue to see demand pressures due to pent up demand filtering through following the pandemic, while the outlook for inflation and interest rates remains uncertain.
- 3.2.2 The net under spend of **£11.742m** reflects:

- i. A net under spend by services of **£349,000**. Driven by an under spend of **£3.459m** within Highways Maintenance and Sustainable Transport, partly offset by over spends within Children's Services and Early Years Non DSG of **£2.873m** and Finance, Resources and Corporate Affairs RSSS of **£1.031m**.
- ii. A **£12.830m** under spend position for interest, capital financing and dividends.
- iii. An under receipt on funding of **£1.437m**
- iv. Proposals to transfer **£30.140m** (net) to earmarked revenue reserves. Excluding transfers to Restricted Funds (£1.834m) which are funds not under the Council's control, and carry forward requests (£6.468m), a significant proportion of the residual balance relates to support for cost escalation risk in the capital programme, increasing our insurance reserve based on actuarial advice and an increase to our general risk reserve to partly replenish amounts drawn down during the year to support energy cost pressures.

3.2.3 The focus now needs to move to the challenging period ahead - with inflation stubbornly maintaining high levels (although projected by the Bank of England to fall sharply during 2023), continued growth in interest rates, projected increases in unemployment, and the ongoing emergence of pent up demand, it is highly probable that there will continue to be volatility in the financial position across revenue and capital throughout 2023/24. Therefore, the position will be closely monitored throughout the year ahead.

3.2.4 Commentary on the provisional outturn position for each portfolio is provided in **Appendix D** of the report.

3.3 Trading activities

3.3.1 The Council's activities that operate on a trading account basis have increased their revenue reserves during 2022/23 by **£215,000** against a financial target set for the year of breakeven (after budgeted appropriations to ECC).

3.3.2 Commentary on the provisional outturn position for each Trading Activity is provided in **Appendix F** of the report.

3.4 Capital

3.4.1 Capital delivery of **94%** against latest budget has been achieved in 2022/23.

3.4.2 The original budget for the capital programme was **£283.623m**. During the year this has been revised to allow for revisions to project delivery plans. The final approved total capital programme budget amounted to **£240.102m**. Actual capital expenditure amounted to **£224.881m**, resulting in an under spend of **£15.221m**. There is a need for caution as there are risks ahead with inflation and supplies in the market creating significant cost escalation which could affect the delivery of the programme in 2023/24 and beyond.

3.4.3 During 2022/23, circa 330 schemes were undertaken. Our residents have benefited from and will continue to benefit from a wide range of new investment including:

- Essex Highways delivered essential work on improving our roads and footways, vital to maintaining a safe network (£50.744m). Each improvement and maintenance scheme helps keep our residents safe, contributes to longer-term economic growth, and helps deliver our vision for safer, greener and healthier travel.
- Significant packages of transport improvement work continue to progress such as Beaulieu Park Station where works have now started on site and Chelmsford North East Bypass where early works have commenced with accommodation works of building a new conveyer bridge which will allow the new road to operate with minimal interference with mineral extraction.
- Active Travel Fund 2 continued delivering local walking and cycling infrastructure projects in Essex with the aim to relocate road-space by creating high quality routes which can accommodate an increase in cycling and start to create cycle networks.
- We were successful on three Levelling Up Funding bids which have unlocked significant government investment into Essex. We have started to work with our partners in Colchester, Harlow and Tendring District Councils to plan delivery of Levelling Up Regeneration which will include a range of high quality new homes and jobs, support transport improvements, and catalyse the regeneration of these priority places.

- Essex County Council was successful in a Public Sector Decarbonisation Scheme bid, delivering a number of measures to work towards meeting net zero aspirations by 2030. The main focus of the work has been replacement of gas boilers, solar PV panels, insulation, window replacement and led lighting. In total £9.4m is committed to these Salix projects, with approximately £4.5m funded through grants. The projects have included large core office estate, libraries and school buildings.
- Circa 800 new school places continue to be delivered across Essex in the form of new schools; expansion of existing schools; temporary solutions changed to permanent solutions, all of which are delivered to net zero standards where possible.
- The flood management programme designed and delivered 6 schemes benefitting 119 properties as well as completing feasibility studies that will form our pipeline of schemes for design and delivery in 2023/24.
- LED Phase 4 Street Lighting has continued, and we achieved our 100,000th light converted to new LED street light lanterns, thereby saving Essex residents and businesses money by reducing energy usage, as well as contributing to an environmental carbon saving.

3.4.4 Approval is sought to:

- Re-profile capital payment budgets of **£31.385m**, from 2022/23 into future years as a consequence of slippage in schemes;
- Bring capital payment budgets of **£13.314m** forward in respect of schemes that have progressed ahead of schedule; and
- Realign scheme and payment approvals to reflect actual activity in 2022/23 – this results in payment approvals for some schemes being reduced by **£33.395m**, with increases of **£36.244m** to several other schemes.

3.4.5 **Appendix G** provides a comparison of approved and forecast outturn capital payments by portfolio and **Appendix H** summarises the proposed variance plan. Commentary on the provisional outturn position for each portfolio is provided in **Appendix I**.

3.5 Commercial property

3.5.1 The commercial property portfolio net income outturn was £5,000 ahead of budget at £1.501m. This is after transferring £260,000 to the Reserve for Future Capital Funding to pay for the lift replacement required at the Watford property, some of which will be recoverable from tenants. The portfolio performance benefitted from a tenant not exercising a lease break clause when the budget assumed that they would. The portfolio continues to be fully occupied. This position is included within the overall Finance, Resources and Corporate Affairs portfolio position.

3.5.2 The annual valuation exercise shows a reduction in the portfolio value of £2.4m (8.6%) to £25.320m. The fall was in the industrial asset at Guildford (£1.4m) caused by the yields for the sector as a whole increasing which drives down values, as a response to the financial market impact of the mini Budget in October. The office at Watford reduced by £1m due to ongoing uncertainty in the sector post Covid. The retail asset at Keighley was unchanged and the portfolio remains fully tenanted albeit all leases are now a year closer to ending.

3.6 Reserves and balances

3.6.1 The final approved budget for 2022/23 included provision for appropriations to or from various revenue reserves and restricted funds. Proposals are presented throughout this report which further impact on the Council's reserves and balances. Approval is sought for **£30.140m** (net) to be transferred to earmarked reserves mainly relating to setting aside resources to help manage the growing pressure from the current high levels of inflation, together with utilising under spends from 2022/23 to support delivery of activities in 2023/24.

- **£2m** relates to restricted funds, which are funds held for medium to long term contractual commitments or on behalf of others and not available for alternative use by the Council
- **£6m** relates to carry forward of under spends into 2023/24 for specific purposes as set out in **Appendix C**
- Approximately **£12m** relates to sums set aside to support and mitigate both general economic risks and service specific risk
- Approximately **£1m** relates to funds set aside and reprofiling of budget to support future years budgets and transformational activities
- Approximately **£4m** is for investment in Everyone's Essex and the Council's strategic priorities
- Approximately **£5m** for technical adjustments mainly in respect of the year end actuarial adjustment, capital write off costs and an under spend on capital financing.

A schedule setting out each of the Council's reserves with a summary of its purpose is provided in **Appendix J**

3.6.2 **Appendix K** shows the position on restricted funds and revenue reserves, assuming the proposals contained within this report are accepted. These reserves represent funds set aside for specific policy purposes and contingencies and are necessary to ensure the Council's continued financial resilience to future financial challenges and known pressures. As referenced above, given the current uncertain economic outlook and high inflation there is a heightened risk of escalating costs, and recommendations in this report will provide some mitigation towards the potential impact, although it is very difficult to forecast.

3.6.3 **Appendix L** summarises the position on the General Balance at 31st March 2023. The closing balance is sufficient to fund **21** days of operating expenditure.

3.7 Prudential indicators and treasury management

- 3.7.1 Summaries of the Prudential Indicators and investment and borrowing levels are provided in **Appendix M** and **Appendix N** respectively.

4 Policy context and Outcomes Framework

- 4.1 This report provides an assessment of the financial position of the Council at the end of the 2022/23 financial year, and as such, provides a financial representation of the performance against the annual plan. The Everyone's Essex Annual Plan for 2022/23 was approved in February 2022.

5 Financial Implications

- 5.1 All actions proposed within this report are within the available funding. There are appropriate actions to deal with variances arising.

6 Legal Implications

- 6.1 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.

7 Equality and Diversity implications

- 7.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council 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.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3 The equality implications are assessed as part of budget setting process and as part of individual schemes.
- 7.4 There are no equality and diversity, or other resource implications associated with this report.

8 List of Appendices

Appendix A – Revenue Variance Plan

Appendix B – Revenue Outturn Summary

Appendix C – Overview of revenue carry forward requests

Appendix D – Revenue Position – Detailed commentary
Appendix E – Trading Activities
Appendix F – Trading Activities – Detailed commentary
Appendix G – Capital Payments and Financing Summary
Appendix H – Capital Variance Plan
Appendix I – Capital Position – Detailed commentary
Appendix J – ECC Reserves and their Purpose
Appendix K – Restricted use and other revenue reserves
Appendix L – General Balance
Appendix M – Prudential Indicators
Appendix N – Treasury Management Summary

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

9 List of Background Papers

Budgetary control reports

Appendix A – Revenue Variance Plan

VARIANCE PLAN						
	Provisional	Proposed mitigating actions				
	Outturn	Transfers of under /	Under spends to be	Appropriations	Underlying under /	Total of
	Variance (Under) / Over spend	over spends between portfolios	carried forward into 2022/23	to/(from) other reserves	(over) spends	mitigating actions
	£000	£000	£000	£000	£000	£000
Adult Social Care and Health	(2,144)	(10)	337	1,022	795	2,144
Children's Services and Early Years						
Dedicated Schools Budget	-	-	-	-	-	-
Non Dedicated Schools Budget	3,747	1	67	(941)	(2,874)	(3,747)
Community, Equality, Partnerships and Performance	(411)	(134)	626	(241)	160	411
Devolution, the Arts, Heritage and Culture	(282)	121	170	(9)	-	282
Economic Renewal, Infrastructure and Planning	(72)	558	60	(768)	222	72
Education Excellence, Lifelong Learning and Employability						
Dedicated Schools Budget	6,150	-	-	(6,150)	-	(6,150)
Non Dedicated Schools Budget	(1,033)	426	-	862	(255)	1,033
Finance, Resources and Corporate Affairs	(966)	(411)	1,373	582	(578)	966
Highways Maintenance and Sustainable Transport	(2,323)	158	286	(1,422)	3,301	2,323
Leader	(1,061)	57	-	997	7	1,061
Waste Reduction and Recycling	(6,626)	(427)	-	7,053	-	6,626
Recharged Support Services						
Community, Equality, Partnerships and Performance						
Assurance	(260)	-	-	-	260	260
Democratic Services and Governance	(14)	-	-	-	14	14
Equality and Diversity	27	(22)	-	(5)	-	(27)
Performance, Business Planning and Partnerships	(171)	(55)	226	-	-	171
Transformation Support Unit	(249)	(48)	-	296	1	249
Finance, Resources and Corporate Affairs						
Business Support	(771)	11	760	-	-	771
Car Provision Scheme	(21)	21	-	-	-	21
Customer Services	(145)	145	-	-	-	145
Finance	(844)	(80)	759	88	77	844
Human Resources	69	6	150	(225)	-	(69)
Information Services	(518)	-	-	494	24	518
Insurance Cost Recovery Account	(5,033)	-	-	4,865	168	5,033
Legal Services	(263)	-	230	(10)	43	263
Procurement	(246)	-	65	181	-	246
Property and Facilities Management Service	(1,306)	(872)	-	2,752	(574)	1,306
Leader						
Communications and Customer Relations	(140)	9	126	-	5	140
Economic Renewal, Infrastructure and Planning						
Capital Programme Implementation and Delivery	(99)	42	-	-	57	99
Net cost of services (Portfolios)	(15,005)	(504)	5,235	9,421	853	15,005
Other operating costs - Interest, capital financing and dividends	(16,571)	504	1,233	2,508	12,326	16,571
General government grant	1,038	-	-	-	(1,038)	(1,038)
Financing	399	-	-	-	(399)	(399)
Net expenditure	(30,139)	-	6,468	11,929	11,742	30,139
Appropriations to / from restricted funds and other revenue reserves						
Carry Forwards reserve	6,742	-	(6,468)	(274)	-	(6,742)
Restricted funds	1,834	-	-	(1,834)	-	(1,834)
Capital financing	8,781	-	-	(781)	(8,000)	(8,781)
Transformation Reserve	(1,993)	-	-	1,993	-	1,993
Other reserves	14,775	-	-	(11,033)	(3,742)	(14,775)
General Balance	-	-	-	-	-	-
Net Total	-	-	-	-	-	-

Appendix B – Revenue Outturn Summary

2021/22 Actual		2022/23						
		Original Budget	Final Budget	Provisional Outturn	Variance			
					Unadjusted variance	Proposed mitigations	Underlying variance	
£000		£000	£000	£000	£000	£000	£000	%
440,295	Adult Social Care and Health	470,230	481,499	479,355	(2,144)	1,349	(795)	(0.2%)
	Children's Services and Early Years							
(75)	Dedicated Schools Budget	(401)	(401)	(401)	-	-	-	-
135,244	Non Dedicated Schools Budget	136,837	146,441	150,188	3,747	(873)	2,874	2.0%
22,702	Community, Equality, Partnerships and Performance	23,282	27,569	27,158	(411)	251	(160)	(0.6%)
4,700	Devolution, the Arts, Heritage and Culture	4,174	6,244	5,962	(282)	282	-	-
19,824	Economic Renewal, Infrastructure and Planning	5,202	9,955	9,883	(72)	(150)	(222)	(2.2%)
	Education Excellence, Lifelong Learning and Employability							
(8,578)	Dedicated Schools Budget	(2,662)	(2,569)	3,581	6,150	(6,150)	-	-
19,914	Non Dedicated Schools Budget	20,186	22,845	21,812	(1,033)	1,288	255	1.1%
5,769	Finance, Resources and Corporate Affairs	14,327	12,502	11,536	(966)	1,544	578	4.6%
102,128	Highways Maintenance and Sustainable Transport	114,397	119,350	117,027	(2,323)	(978)	(3,301)	(2.8%)
2,737	Leader	2,397	5,260	4,199	(1,061)	1,054	(7)	(0.1%)
81,802	Waste Reduction and Recycling	88,107	88,529	81,903	(6,626)	6,626	-	-
	Recharged Support Services							
	Community, Equality, Partnerships and Performance							
1,134	Assurance	1,238	1,282	1,022	(260)	-	(260)	(20.3%)
832	Democratic Services and Governance	941	904	890	(14)	-	(14)	(1.5%)
632	Equality and Diversity	396	809	836	27	(27)	-	-
3,631	Performance, Business Planning & Partnerships	4,192	4,561	4,390	(171)	171	-	-
6,363	Transformation Support Unit	5,995	6,937	6,688	(249)	248	(1)	-
	Finance, Resources and Corporate Affairs							
10,538	Business Support	8,885	11,291	10,520	(771)	771	-	-
89	Car Provision Scheme	101	102	81	(21)	21	-	-
1,943	Customer Services	1,969	1,976	1,831	(145)	145	-	-
9,477	Finance	9,892	10,912	10,068	(844)	767	(77)	(0.7%)
8,198	Human Resources	8,180	9,873	9,942	69	(69)	-	-
30,764	Information Services	24,930	28,825	28,307	(518)	494	(24)	(0.1%)
2,864	Insurance Cost Recovery Account	4,027	3,427	(1,606)	(5,033)	4,865	(168)	(4.9%)
4,879	Legal Services	5,164	5,310	5,047	(263)	220	(43)	(0.8%)
5,470	Procurement	4,920	6,747	6,501	(246)	246	-	-
15,259	Property and Facilities Management Service	14,364	20,407	19,101	(1,306)	1,880	574	2.8%
	Leader							
2,606	Communications and Customer Relations	1,860	2,088	1,948	(140)	135	(5)	(0.2%)
	Economic Renewal, Infrastructure and Planning							
1,125	Capital Programme Implementation and Delivery	1,102	1,097	998	(99)	42	(57)	(5.2%)
932,266	Net cost of services (Portfolios)	974,232	1,033,772	1,018,767	(15,005)	14,152	(853)	(0.1%)
	Other operating costs							
49,039	Interest, capital financing and dividends	60,349	60,049	43,478	(16,571)	4,245	(12,326)	(20.5%)
-	Appropriations from Usable Capital Receipts reserve	-	-	-	-	-	-	-
	Appropriations to/(from) revenue reserves							
3,472	Carry Forwards reserve	-	(16,447)	(9,705)	6,742	(6,742)	-	-
(16,487)	Restricted funds	(16,821)	(11,614)	(9,780)	1,834	(1,834)	-	-
5,811	Capital financing	14,674	15,274	24,055	8,781	(781)	8,000	52.4%
(6,180)	Transformation Reserve	11,823	12,368	10,375	(1,993)	1,993	-	-
71,948	Other revenue reserves	45,626	3,108	17,883	14,775	(11,033)	3,742	120.4%
1,039,869	Net expenditure	1,089,883	1,096,510	1,095,073	(1,437)	-	(1,437)	(0.1%)
(145,727)	General government grant	(131,901)	(138,527)	(137,489)	1,038	-	1,038	(0.7%)
-	General Balance - contribution / (withdrawal)	-	-	-	-	-	-	-
894,142	Budget Requirement	957,982	957,983	957,584	(399)	-	(399)	(0.0%)
	Financed by							
(18,701)	Revenue Support Grant	(19,295)	(19,295)	(19,295)	-	-	-	-
(158,276)	National non-domestic rates	(165,570)	(165,570)	(165,472)	98	-	98	(0.1%)
(717,510)	Council tax precept	(763,505)	(763,505)	(763,505)	-	-	-	-
345	Collection fund surpluses	(9,613)	(9,613)	(9,312)	301	-	301	(3.1%)
(894,142)	Total Financing	(957,983)	(957,983)	(957,584)	399	-	399	-

Appendix C – Overview of revenue carry forward requests

Carry forward requests of **£6.468m** are identified and seeking approval in this report for use in 2023/24. Carry forwards are a normal part of financial management.

A complete list of the **£6.468m** carry forward requests is provided below.

SUMMARY OF CARRY FORWARD REQUESTS BY PORTFOLIO	
Carry forward requests	Total £000
Adult Social Care and Health	
Apprenticeships - towards maintaining service delivery	300
DBS checks - staff costs	37
Sub total	337
Childrens Services and Early Years (Non DSG)	
Power Project - Youth Offending service	67
Sub total	67
Community, Equality, Partnerships and Performance	
Support for the Intranet project and other projects	279
Customer Services: to support the ongoing programme of Automation and Workforce Management projects	347
Sub total	626
Devolution, the Arts, Heritage and Culture	
Mobilisation of the Country Parks Car Parking contract and urgent remedial works to Country Parks	150
Research on social value for Arts and Culture purposes	20
Sub total	170
Economic Renewal, Infrastructure and Planning	
Harlow Investment Fund programme - Utilisation in 2023/24 following programme delays	60
Sub total	60
Finance, Resources and Corporate Affairs	
Alignment of the budget for pensions deficit	575
Procurement Resourcing to support a temporary peak of activity	250
Additional costs due to delays in external audit	500
Customer Services: to support the ongoing programme of Automation and Workforce Management projects	48
Sub total	1,373
Highways Maintenance and Sustainable Transport	
Integrated Passenger Transport Unit - training modules to support drivers	5
Passenger Transport: Project Support Officer over 18 month fixed term contract to support Home to School Transport training to SEND	60
Savings Delivery - Partnership extension savings	221
Sub total	286

Appendix C – Overview of revenue carry forward requests (cont'd)

SUMMARY OF CARRY FORWARD REQUESTS BY PORTFOLIO	
Carry forward requests	Total
	£000
Community, Equality, Partnerships and Performance (RSSS's)	
Performance, Business Planning and Partnerships	
Support to completion of the Data Project (Internet)	92
Support Savings delivery in 2023/24	134
Sub total	226
Finance, Resources and Corporate Affairs (RSSS's)	
Business Support	
Support children's social care	200
Support Savings delivery in 2023/24	561
Finance	
To support Oxygen income in 2023/24	79
Support Services Review- interim staffing and training	100
Oracle - non standard service requests	100
My Oracle Support	250
Customer Services: to support the ongoing programme of Automation and Workforce Management projects	230
Human Resources	
Staff costs - Entry to Work team targeted programmes	39
Support Savings delivery in 2023/24	110
Legal Services	
To support additional costs incurred within the Operating Model workstream of SSP	100
Temporary legal staff to support transformation activity	100
Member Development (Future Vision programme)	30
Procurement - Savings Delivery - Vacancy Factor Management	65
Sub total	1,964
Leader (RSSS's)	
Communications and Customer Relations - Communications and marketing manager	126
Sub total	126
Other Operating Costs	
Support Savings delivery in 2023/24	1,233
Sub total	1,233
Net Total	6,468

Appendix D – Revenue Position – Detailed commentary

Comments are included below on the most significant of the variances against budget at a portfolio level:

1. **Adult Social Care and Health: £786,000 (0.2%) adjusted under spend**

- i. After proposed adjustments the position is an under spend of **£786,000** and a favourable movement of **£2.960m** since the position reported at Third Quarter.
- ii. During the financial year, we have had to cope with ongoing major challenges with many pressures around demand for services, exacerbated by difficulties in recruitment of the Social Care workforce. There has been a continued increase in both contacts from the public and other professionals raising concerns on safeguarding for vulnerable adults along with request for services.
- iii. Throughout the year the new and growing demand for services was not always matching where recruitment of new care workers was taking place. The supply and demand mismatch resulted in more service users moving into a residential care setting than had been intended and fewer remaining in their own homes with domiciliary care, particularly following a period of hospital stay. This mismatch had been felt most strongly in some of the more rural parts of the county and interim alternative solutions had to be put in place that were more costly.
- iv. There are several over and under spends that are driven by the supply and demand mismatch. The lack of capacity within the domiciliary market which we saw in the earlier part of the year resulted in slippage in the delivery of the savings associated with the Connect Programme - this is the predominant element of the £6.258m of savings that have not been delivered in 2022/23. £15.492m of savings have been achieved without detriment to services; the over-achievement on our care tech programme is particularly noteworthy.
- v. The Public Health provisional outturn is an on-line position. Of the £65.616m allocated to ECC in 2022/23, £3.693m has been appropriated to the reserve for future years. The funds remain subject to the normal Public Health grant conditions. Proposals are being developed to utilise unallocated Public Health reserve in an appropriate and sustainable way to deliver outcomes for Essex. The remaining £2.521m of Central Government Contain Management Outbreak funding (COMF) from the overall allocation to ECC of £43m will be carried over into 2023/24.
- vi. Overall, the system remains under pressure, and we continue to focus on our social care recruitment campaign to maximise recruitment into the Adult Social Care workforce and minimise the use of agency staff.
- vii. Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:

- Carry forward **£337,000** to the service as set out in **Appendix C**
- **£951,000** contribution to the Adults Transformation Reserve due to slippage in costs associated with the programmes within the business plan, for use in 2023/24
- **£270,000** withdrawal from the Transformation Reserve in relation to Social Care Reforms and Care Quality Commission Inspection costs
- **£208,000** contribution to the Ambition Fund Reserve returning funding following delays relating to the Key Worker Counselling project, for use in 2023/24
- **£139,000** contribution to the Adult Risk Reserve to return funding relating to the Adults Market initiative fund, for use in 2023/24
- **£39,000** withdrawal from the Adults Transformation Reserve in relation to Social Care Reforms and Care Quality Commission Inspection costs
- **£33,000** contribution to the Adults Safeguarding Board Partnerships Reserve due to actual spend lower than predicted in the year

2. Children's Services and Early Years DSG: on line

- i. The provisional outturn of **£401,000** which is on line with the final approved budget of **£401,000**.
- ii. Within this position the Early Years Dedicated Schools Grant (DSG) under spent by **£4.9m** primarily due to:
 - Payments to providers for free entitlement funding being £3.7m less than the funding from Government, because the volume of pupils accessing free provision appears to be fewer than the numbers funded. Therefore, it is expected that this will be clawed back in July 2023 when the allocation for 2022/23 is finalised
 - The final adjustment to the 2021/22 Early Years Block allocation from DfE, received in July increased the funding by £2.7m, due to the pupil numbers on the census days being greater than those funded in the provisional 2021/22 allocation
 - Partially offset by £1.5m of payments to Early Years providers from the DSG carry forward
 - This in year under spend has been transferred to the DSG reserve.

3. Children's Services and Early Years Non DSG: £3.747m (2.6%) over spend

- i. The provisional outturn of **£150.188m** is **2.6%** higher than the final approved budget of **£146.441m**. After proposed adjustments there is a **£2.873m** over spend position which represents a favourable movement of **£1.749m** since the position reported in the Third Quarter.
- ii. The movement is as a result of funding from Youth Offending Service Partnership Reserve, additional Sector Led Improvement Programme (SLIP) income generation, and a decrease in direct provisions packages. These are offset by increased placement costs driven by supported living placement costs, and temporary emergency placements in high-cost unregistered settings
- iii. The unadjusted over spend is as a result of:
 - **£5.284m** High numbers of semi-independent living placements
 - **£3.832m** Placement insufficiency necessitating the use of high-cost unregistered placements
 - **£1.650m** High placement costs in residential care
 - **£1.695m** The cost-of-living crisis increasing demand for Section 17 and Section 20 supporting families at risk particularly with travel costs
 - Unachieved staffing vacancy factor savings

Partially offset by:

- **£1.839m** drawdowns in year from 2021/22 under spend carried forward and **£2.5m** from the Children's Risk Reserve.
- iv. Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:
 - Carry forward **£67,000** to the service as set out in **Appendix C**
 - **£651,000** withdrawal from the Children's Transformation Reserve in respect of the uplift of Foster Carers fees in 2022/23 (£287,000) and the following projects: Emotional Wellbeing and Mental Health (£271,000), Resilience in Early Parenthood (£51,000), Children's Residential Care programme (£24,000), Anti Racism Practitioner (£10,000) and the Multi-Disciplinary Team (£8,000)
 - **£325,000** withdrawal from the Covid Equalisation Reserve to offset adoption delay impact on placement insufficiency
 - **£186,000** contribution to the Carry Forward Reserve returning unspent carry forward from 2021/22 towards setting up the migrant staffing team now funded from grant income
 - **£94,000** net withdrawal from the Youth Offending Teams Partnership Reserve appropriating £506,000 to the reserve due to staffing vacancies and

remand costs ending the year lower than expected and withdrawing £600,000 to support associated placement costs in year

- **£38,000** withdrawal from the Essex Safeguarding Children's Board Partnership Reserve to fund staffing costs
- **£26,000** withdrawal from the Everyone's Essex Reserve relating to the Financial Wellbeing Programme and Challenge Fund Delivery team commissioning capacity
- **£17,000** contribution to the Children's Transformation Reserve due to lower than anticipated expenditure on Children in Care books and to be reprofiled for use in 2023/24
- **£10,000** withdrawal from the Everyone's Essex Reserve to fund the 'ActiveAte' programme over February half term

4. Community, Equality, Partnerships and Performance: £411,000 (1.5%) under spend

- The provisional outturn of **£27.158m** is 1.5% lower than the final approved budget of **£27.569m**. After proposed adjustments there is a **£26,000** under spend (0.1%) which represents a favourable movement of **£389,000** since the position reported in the Third Quarter.
- The unadjusted under spend is driven by several areas across the portfolio, these include:
 - **£618,000** - unutilised Members Locality Funding, which has been ringfenced and is intended to be used in 2023/24
 - **£282,000** - higher than anticipated demand for ceremonies leading to an overperformance of income in Registrars
 - **£279,000** - relating to the previous Intranet project carry forward not being fully utilised in year, resulting in a carry forward request in this report to reprofile the expenditure into 2023/24 to continue to support the technology transformation of the Councils internet and intranet

Offset by

- **£275,000** - pressure in Coroners which was due to funding temporary staff employed to help address the Covid backlog and additional body storage over the Winter; impacted by higher than usual death rates and longer turnarounds as funeral directors were working at capacity
- Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:
 - Carry forward **£626,000** for various projects as set out in **Appendix C**

- **£618,000** contribution to the Ambition Fund Reserve in relation to unused Member's Locality funding being returned to the reserve for use in 2023/24
- **£304,000** withdrawal from the Covid Equalisation Reserve in relation to body storage pressures within the Coroners service
- **£279,000** withdrawal from the Community Initiative Fund Reserve in relation to small grants for recent bids for community projects
- **£259,000** withdrawal from the Transformation Reserve relating to the Everyone's Library service programme
- **£30,000** withdrawal from the Transformation Reserve relating to the Resourcing to support the Levelling Up project
- **£13,000** contribution to the Quadrennial Elections Reserve relating to unspent election funds

5. Devolution, the Arts, Heritage and Culture: £282,000 (4.5%) under spend

- The provisional outturn of **£5.962m** is 4.5% lower than the final approved budget of **£6.244m**. After proposed adjustments, there is a **£121,000** under spend, which represents a favourable movement of **£200,000** since the position reported in the Third Quarter.
- The unadjusted under spend relates to:
 - **£230,000** under spend within Travellers which includes £112,000 due to electrical testing remedial work costs being lower than anticipated, £90,000 over recovery of Rents and Lettings income, and a £59,000 under spend on maintenance, partly offset by an over spend on Consultancy of £31,000.
 - **£218,000** under spend within Leisure relating to Country Parks due to issues recruiting to posts throughout the year and non-staffing under spends, including a small increase in car parking income received
 - **£170,000** over spend within Outdoor Education relating to income not fully mitigating pressures relating to increased staffing and delivery costs, coupled with a loss of income from a sickness outbreak at the Mersea Island Festival.
- Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:
 - Carry forward **£170,000** as set out in **Appendix C**
 - **£112,000** withdrawal from the Everyone's Essex Reserve in respect of costs associated with the Arts and Culture Fund
 - **£112,000** contribution to the Carry Forward Reserve returning a carry forward from 2021/22 which incurred lower than anticipated costs

- **£9,000** withdrawal from the Ambition Fund Reserve in relation to Visit Essex and the Everyone's Economy Future Growth Programme.

6. Economic Renewal, Infrastructure and Planning: £72,000 (0.7%) under spend

- The provisional outturn of **£9.883m** is 0.7% lower than the final approved budget of **£9.955m**. After proposed adjustments, there is a **£780,000** under spend which represents a favourable movement of **£215,000** since the position reported at the Third Quarter.
- The unadjusted under spend predominantly relates to:
 - **£671,000** under spend within Economic Renewal for which approval is sought in this report to appropriate £387,000 to reserves, for utilisation in 2023/24, where activity has not taken place as originally profiled this year. £100,000 of this under spend relates to the Management Fee for the Community Renewal Fund and the remainder is mainly attributable to in-year staffing vacancies
 - **£277,000** under spend within Strategic Spatial Planning due to higher than budgeted income relating to Strategic Development projects
 - **£263,000** under spend within Development Management due to higher than budgeted planning income, staffing vacancies and higher than budgeted employee recharges.

Offset mainly by:

 - **£1.182m** over spend within Housing Strategy, Development and Investment due to the write off of previously capitalised expenditure relating to Essex County Hospital, which is now being treated as abortive costs as the project has been transferred to Essex Housing LLP. This is a technical adjustment and approval is sought in this report for these costs to be funded from the Reserve for Future Capital Funding.
- Approval is sought for the following actions as a consequence of the provisional outturn position for 2022/23:
 - Carry forward **£60,000** for various projects as set out in **Appendix C**
 - **£1.182m** withdrawal from the Reserve for Future Capital Funding to offset capital write off costs relating to the transfer of the Essex County Hospital project to Essex Housing LLP
 - **£355,000** contribution to the Everyone's Essex Reserve, for use in 2023/24, in relation to Everyone's Economy and Environment projects
 - **£44,000** contribution to the Covid Equalisation Reserve returning Economy Recovery Programme funding no longer required
 - **£15,000** contribution to the Transformation Reserve, for use in 2023/24, relating to the Digital Accessibility Compliance project, following delays of the overall programme due to staffing vacancies

- **£11,000** contribution to the Commercial Investment in Essex Places Reserve for use in 2023/24, from Economic Growth for resource costs relating to the Essex Renewal Fund
- **£11,000** withdrawal from the Transformation Reserve in support of costs relating to Shenfield Library.

7. Education and Skills Dedicated Schools Grant (DSG): £6.150m over spend

- The over spend relates to the movement in school balances, which have decreased due to schools over spending in year. **£5.508m** has been appropriated to the Schools Reserve to offset this over spend.
- The Dedicated Schools Grant within this Portfolio is under spent by £16.966m, primarily within the high needs block due to increased funding from the Government.
- Approval is sought for the following actions as a consequence of the provisional outturn position for 2022/23
 - **£612,000** withdrawal from the Reserve for Future Capital Funding for Devolved Formula Capital expenditure
 - **£30,000** withdrawal from the Ambition Fund Reserve for the Digital CV and Dashboard projects

8. Education Excellence, Life Long Learning and Employability (Non DSG): £1.033m (4.5%) under spend

- The provisional outturn of **£21.812m** is 4.5% lower than the final approved budget of **£22.845m**. After proposed adjustments, there is a **£171,000** under spend (0.7%) which represents a favourable movement of **£482,000** since the position reported at the Third Quarter.
- The under spend is mainly due to:
 - **£520,000** historic grant balances in Education that are no longer required to be carried forward where conditions of funding have been met
 - **£376,000** lower services fees and charges due to fewer surplus school properties to maintainPartially offset by:
 - **£431,000** reduction in the DSG contribution to the School Improvement team owing to pressures in the Central Services Block of DSG.
- Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:

- **£880,000** contribution to the PFI Equalisation Reserves due to unspent PFI credits relating to the Clacton Secondary Schools PFI
- **£574,000** contribution to the PFI Equalisation Reserves due to unspent PFI credits relating to the Building Schools for the Future PFI
- **£266,000** withdrawal from the Ambition Fund Reserve for the Education Recovery Taskforce
- **£187,000** withdrawal 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
- **£75,000** withdrawal from the Bursary for Trainee Carers Reserve relating to the Nightingale Health and Care Bursary Programme which sits in Adult Community Learning
- **£33,000** withdrawal from the Everyone's Essex Reserve relating to Adult Community Learning Outreach projects in Canvey Island £12,000, Braintree £12,000 and Harwich £9,000
- **£22,000** withdrawal from the PFI Equalisation Reserves relating to the Debden Park PFI
- **£22,000** withdrawal from the Ambition Fund Reserve in relation to costs incurred with the You Can project within Adult Community Learning
- **£12,000** contribution to the Everyone's Essex Reserve returning unspent funding relating to the Everyone's Economy – Employability and Skills project, for use in 2023/24
- **£1,000** contribution to the Everyone's Essex Reserve returning unspent funding relating to the Canvey Early Years Levelling Up scheme for use in 2023/24.

9. Finance, Resources and Corporate Affairs: **£966,000 (7.7%) under spend**

- i. The provisional outturn of **£11.536m** is 7.7% lower than the final approved budget of **£12.502m**. After proposed adjustments there is a **£989,000 (7.9%)** over spend with an adverse movement of **£1.348m** since the position reported at the Third Quarter.
- ii. The unadjusted under spend primarily relates to the element of pay inflation that is retained centrally to allow for dynamic decisions around pay in-year, which has not been fully utilised.
- iii. Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:
 - Carry forward **£1.373m** for various projects as set out in **Appendix C**
 - **£582,000** contribution to the General Risk Reserve to replenish it in relation to the approved pay award decision for 2023/24, which was funded in the

interim from reserves until certainty of a revenue under spend at provisional outturn.

10. Highways Maintenance and Sustainable Transport: £2.323m (1.9%) under spend

- i. The provisional outturn of **£117.027m**, is 1.9% lower than the final approved budget of **£119.350m**. After proposed adjustments, there is a **£3.459m** under spend (2.9%) which represents an adverse movement of **£274,000** since the position reported at the Third Quarter.
- ii. The unadjusted under spend is mainly due to:
 - **£2.897m** under spend across the policy lines Tackling Congestion, Bridges, Street Lighting, Traffic Management and the Winter Service. Within this total there is £1.351m of over recovery of contravention income (for example Bus Lane Enforcement) where levels continued to be higher than budgeted, bad debt provision, and under spends driven by staffing vacancies. An under spend within Energy of £880,000 resulted from budget drawn in-year from reserves funding energy pressures which is returned via this report following confirmation of Government support until March 2023, and income recovery within Bridges
 - **£1.822m** under spend in Passenger Transport, mainly relating to Local Bus services, where contracts were procured at a price lower than that assumed and built into the budget, to grant income and increased income from contract changes and also to staffing under spends due to in-year vacancies

Offset by:

- **£1.164m** over spend within Home to School Transport. This includes a net £600,000 under spend relating to mainstream transport provision where growth did not materialise at the level assumed within the budget coupled with Public Ticket pressure which arose as a result of delayed invoicing from First and Hedingham operators from 2021/22. Approval is sought in this report to cover £635,000 from the Emergency Reserve to Home to School Transport to fund public ticket costs that relate to 2021/22. In addition, there was a pressure within the Special Educational Needs Transport provision where pupil growth of 9% created a pressure of £1.8m
 - **£1.034m** over spend within A130 PFI from cost incurred due to an increase in volume in 2021/22 which was under accrued for in that financial year
 - **£357,000** over spend in Roads and Footways to support investment in Highways Infrastructure through the creation of a new Pothole fund to be covered by reserves.
- iii. Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:
 - Carry forward **£286,000** for various projects as set out in **Appendix C**
 - **£1.034m** withdrawal from the A130 PFI Equalisation Reserve due to increases in the anticipated traffic volume numbers relating to the A130 PFI

- **£734,000** withdrawal from the Emergency Reserve to cover the Home to School transport Public Ticket increased cost **£636,000** and Local Bus increased fuel costs **£98,000**
- **£452,000** contribution to the General Risk Reserve returning funding for street lighting energy increases no longer required due to government funding
- **£235,000** withdrawal from the Transformation Reserve relating to concessionary fares reimbursement of operator losses
- **£82,000** contribution to the Covid Equalisation Reserve returning funds drawn down in year for Park and Ride income losses which are now no longer required
- **£47,000** contribution to the Everyone's Essex Reserve returning funding relating to the Environment and Climate Action Programme, for use in 2023/24.

11. Leader - £1.061m (20.2%) under spend

- i. The provisional outturn of **£4.199m**, is 20.2% lower than the final approved budget of **£5.260m**. After proposed adjustments, there is a **£64,000** under spend which represents a favourable movement of **£4,000** since the position reported at the Third Quarter.
- ii. The underlying under spend is due to additional (non-budgeted) income in relation to the Chief Executive's work with Slough. This income is offset within the Chief Executive's Office function.
- iii. Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:
 - **£846,000** contribution to the Essex Climate Change Commission Reserve to return unspent funding relating to the Environment and Climate Action Programme for use in 2023/24
 - **£151,000** contribution to the Ambition Fund Reserve to return unspent funding relating to the Environment and Climate Action Programme for use in 2023/24.

12. Waste Reduction and Recycling – £6.626m (7.5%) under spend

- i. The provisional outturn of **£81.903m** is 7.5% lower than the final approved budget of **£88.529m**. After proposed adjustments, there is a **£427,000** over spend, which represents an adverse movement of **£427,000** since the online position reported at the Third Quarter.
- ii. The unadjusted under spend is predominantly due to:

- **£5.541m** due to lower than expected tonnage levels, where the budget included assumptions for Covid driven additional tonnage, but volumes did not materialise at the levels anticipated
- **£1.412m** under spend for rates relating to the Mechanical Biological Treatment (MTB) plant which are no longer due to be paid
- **£628,000** under spend resulting from insourcing of services from Veolia, where funding was received in relation to dilapidation works that will now be completed in 2023/24.

Offset by:

- **£1.070m** over spend relating to one-off project expenditure to be drawn down from the Waste Reserve, including £911,000 of legal costs of the Mechanical Biological Treatment plant

iii. Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:

- **£7.227m** contribution to the Waste Reserve due to under spends relating to lower than expected tonnage levels and for rates relating to the MBT plant which are no longer due to be paid
- **£1.222m** withdrawal from the Waste Reserve relating to Integrated Waste Handling projects and for legal and associated costs of the MBT plant
- **£780,000** contribution to the Waste Reserve, for use in 2023/24, in relation to dilapidation works required to be completed in 2023/24 resulting from insourcing the service from Veolia and for unspent project funding
- **£268,000** contribution to the Waste Reserve to replenish it in relation to a decision funded in the interim from reserves until certainty of a revenue under spend at provisional outturn.

13. Community, Equality, Partnerships and Performance RSSS – £667,000 (4.6%) under spend

- i. The provisional outturn of **£13.826m** is 4.6% lower than the final approved budget of **£14.493m**. After proposed adjustments, there is a **£150,000** under spend (0.1%) which represents a favourable movement of **£258,000** since the position reported in the Third quarter.
- ii. The under spend is driven mainly by a staffing under spend in Assurance.
- iii. Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:
 - Carry forward **£226,000** for various projects as set out in **Appendix C**
 - **£479,000** contribution to the Covid Equalisation Reserve returning unspent Transformation Delivery Resourcing project funding, for use in 2023/24

- **£132,000** withdrawal from the Adults Transformation Reserve relating to the Transformation Delivery Resourcing project
- **£67,000** contribution to the Ambition Fund Reserve in relation to the Just About Managing project, for use in 2023/24
- **£51,000** withdrawal from the Transformation Reserve towards the Transformation Programme Shaping Support project
- **£24,000** withdrawal from the Carry Forward Reserve relating to a previous years carry forward for Community Safety
- **£23,000** withdrawal from the Transformation Reserve relating to the Resourcing to Support Levelling Up project
- **£16,000** withdrawal from the Everyone's Essex Reserve relating to costs associated with the Community Challenge Fund
- **£9,000** withdrawal from Ambition Fund Reserve relating to the implementation of the Safety Advisory Group recommendations.

14. Economic Renewal, Infrastructure and Planning Recharged Support Services: £99,000 (9%) under spend

- i. The provisional outturn of **£998,000** is 9% lower than the final approved budget of **£1.097m**. After proposed adjustments, there is a **£99,000** under spend (9%) which represents a favourable movement of **£99,000** since the on line position reported in the Third quarter.
- ii. The under spend position includes the following:
 - **£220,000** over spend relating to under recovery of income due to be generated via commercial income by selling services to third parties. Due to the service no longer delivering projects for the Department for Education and the impact of Covid on the construction industry, this has led to the full target being undeliverable.
 - **£262,000** under spend relating to staffing recharges, where recharges to capital projects were higher than anticipated.

15. Finance, Resources and Corporate Affairs Recharged Support Services £9.078m (9.2%) under spend

- i. The provisional outturn of **£89.792m** is 9.2% lower than the final approved budget of **£98,870m**. After proposed adjustments, there is a **£1.031m** over spend (1%) which represents a favourable movement of **£900,000** since the position reported at the Third Quarter.

- ii. The unadjusted under spend is driven by several areas across the portfolio:
- **£5.034m** Insurance Cost Recovery Account, where, as per ECC policy, the fund is committed to top-up the insurance provision and reserve for future years; this is informed by the actuary evaluation report and ensures adequate reserves are held to meet future potential claims against the council
 - **£1.307m** relating to Facilities Management, where the budget includes an emergency drawdown of reserves to cover anticipated rises in gas and electricity prices, however this was not needed due to the Energy Bill Relief Support Scheme which significantly mitigated the risk. The funds are being returned to reserves.
 - **£1.557m** under spend on vacancies and hard to recruit posts across the portfolio
 - **£752,000** relating to unbudgeted grant income used to support the Homes for Ukraine programme and higher than anticipated Finance internal and external recharged income
 - **£330,000** technical adjustment reversing an accounting provision no longer required in Legal Services.
- iii. Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:
- Carry forward **£1.964m** for various projects as set out in **Appendix C**
 - **£4.865m** contribution to the Insurance Reserve in relation to the year end actuarial evaluation and provision
 - **£3.263** contribution to the General Risk Reserve returning funding originally draw down for Utilities and Energy price increases - no longer required due to government support funding
 - **£1.443m** contribution to the Technology and Digitisation Reserve with **£1.010m** to be used to mitigate future pressures and **£433,000** unspent funding on the Social Care platform programme, for use in 2023/24
 - **£1.162m** withdrawal from the Transformation Reserve relating to the following projects: Property Transformation **£482,000**, New Ways of Working **£197,000**, Support Services **£292,000**, Corporate Print services **£130,000**, Implementation of short-term recommendations for County Hall **£54,000** and the Environment and Climate Action programme **£7,000**
 - **£894,000** withdrawal from the Technology and Digitisation Reserve for various technology projects including Cyber Resilience, Next Generation Networks (NGN), and Cloud modernisation – Azure
 - **£360,000** contribution to the Ambition Fund Reserve as a result of income relating to the intervention at Thurrock Council

- **£181,000** contribution to the Covid Equalisation Reserve returning funding for the Procurement Resource supporting a temporary peak in activity, for use in 2023/24
- **£67,000** contribution to the Reserve for Future Capital Funding relating to the Lift replacement capital scheme (£20,000) and Daisy Updata Communications Limited (DUCL) (£47,000)
- **£33,000** contribution to the Transformation Reserve relating to North East Quadrant Office Strategy project funding, for use in 2023/24
- **£10,000** withdrawal from the Public Law Partnership Reserve in relation to in year legal costs.

16. Leader Recharged Support Services - £140,000 (6.7%) under spend

- The provisional outturn of **£1.948m** is 6.7% lower than the final approved budget of **£2.088m**. After proposed adjustments, there is a **£14,000** under spend (0.6%) which represents a favourable movement of **£14,000** since the online position reported at the Third Quarter.
- The under spend is due to a staffing vacancy in Communications.
- Approval is sought to the following actions as a consequence of the provisional outturn position for 2022/23:
 - Carry forward **£126,000** as set out in Appendix C

17. Other Operating Costs (interest, financing, and dividends) - £16.571m under spend (27.6%)

- The position mainly relates to Interest and Capital Financing due to lower than anticipated borrowing for the capital programme because of delivery slippage, and additional income from interest receivable due to higher than budgeted interest rates
- Approval is sought to the following action as a consequence of the provisional outturn position for 2022/23:
 - Carry forward **£1.233m** as set out in **Appendix C**
 - **£2.508m** contribution to the Reserve for Future Capital Funding due to the under spend on capital financing as a result of slippage in the capital programme

18. Other Operating Costs (General Government Grants and Financing) - £1.437m (0.1%) decrease of funding budget

- i. The Business Rate Compensation grant was £1.312m less than budgeted. This is due to assumptions at budget setting for the Retail, Hospitality and Leisure relief, which were based on forecasts provided by districts, however the actual relief granted has been lower than the forecast. The other factor was a change to Department for Levelling Up, Housing and Communities' (DLUHC) treatment of the COVID-19 Additional Relief Fund (CARF), which postponed the allocation of compensation for business rates losses incurred by the council as a result of this relief until 2023/24.

Appendix E – Trading Activities

Trading Activities Summary						
2021/22 Actual		2022/23				
£000		Original Budget £000	Final Budget £000	Provisional Outturn £000	Variance £000	Variance %
(7,692)	Income	(7,350)	(7,603)	(8,989)	(1,386)	18.2%
8,247	Expenditure	7,046	7,299	9,518	2,219	30.4%
-	Financing Items	-	-	-	-	-
555	(Surplus)/Deficit	(304)	(304)	529	833	(274.0%)
(728)	Appropriations	304	304	(744)	(1,048)	(344.7%)
(173)	Net (increase) / decrease in revenue reserves	-	-	(215)	(215)	-
	Analysis of net (increase) / decrease in Trading Activities reserves					
(33)	Music Services	-	-	(24)	(24)	-
(140)	Place Services	-	-	(191)	(191)	-
(173)	Net (increase) / decrease in revenue reserves	-	-	(215)	(215)	-
2021/22					2022/23	
Closing					Opening	Closing
Balance					Balance	Balance
£000					£000	£000
(1,514)	Total Reserves Balance				(1,514)	(1,729)

Appendix F – Trading Activities – Detailed commentary

Comments on the performance of individual trading activities are set out below.

1. Music Services

- i. The trading activity increased its accumulated revenue reserves in 2022/23 by **£24,000** (compared to a 'break even' financial target) due to an increased demand for music lessons.

2. Place Services

- i. The trading activity increased its accumulated revenue reserves in 2022/23 by **£191,000** (compared to a 'break even' financial target). This is due to additional income secured as a result of a new contracts with local planning authority clients in the south east of England and outer London boroughs, together with higher than anticipated demand from other ECC service areas, including Essex Highways, as well as staff savings in the Practice Management team.

Appendix G – Capital payments and financing summary

	Original Approval	Final Approval	Actual	Variance
	£000	£000	£000	£000
Adult Social Care and Health	910	726	144	(582)
Children's Services and Early Years	2,014	2,555	1,478	(1,077)
Community, Equality, Partnerships and Performance	100	143	143	-
Devolution, the Arts, Heritage and Culture	121	188	31	(158)
Economic Renewal, Infrastructure and Planning	117,544	88,350	79,067	(9,283)
Education Excellence, Lifelong Learning and Employability	59,832	45,464	44,482	(982)
Finance, Resources and Corporate Affairs	5,845	11,952	11,436	(517)
Highways Maintenance and Sustainable Transport	96,976	89,102	87,366	(1,736)
Leader	280	1,621	735	(886)
Waste Reduction and Recycling	-	-	-	-
Total payments to be financed	283,623	240,102	224,881	(15,221)
Financed by				
Unsupported borrowing	131,363	101,240	75,521	(25,719)
Grants and contributions	141,260	127,862	136,938	9,076
Capital receipts	5,000	5,000	6,422	1,422
Reserve for future capital funding	6,000	6,000	6,000	-
Total financing	283,623	240,102	224,881	(15,221)

Appendix H – Capital Variance Plan (Summary)

	Slippage	2022/23			2022/23 Changes	2023/24 Changes
		Additions	Reductions	Advanced Works		
	£000	£000	£000	£000	£000	£000
Adult Social Care and Health	(454)	-	(128)	-	(582)	454
Children's Services and Early Years	(1,082)	5	(2)	1	(1,077)	1,081
Community, Equality, Partnerships and Performance	-	-	-	-	-	-
Devolution, the Arts, Heritage and Culture	-	-	(157)	-	(157)	-
Economic Renewal, Infrastructure and Planning	(23,718)	13,841	(10,794)	11,387	(9,284)	
Education Excellence, Lifelong Learning and Employability	(2,827)	15,863	(15,652)	1,635	(982)	1,193
Finance, Resources and Corporate Affairs	(317)	3,187	(3,387)	-	(517)	317
Highways Maintenance and Sustainable Transport	(2,101)	3,349	(3,276)	292	(1,736)	1,809
Leader	(886)	-	-	-	(886)	886
Waste Reduction and Recycling	-	-	-	-	-	-
Total payments to be financed	(31,385)	36,244	(33,395)	13,314	(15,221)	5,740
Financed by						
Unsupported borrowing					(25,719)	
Grants and contributions					9,076	
Capital receipts					1,422	
Reserve for future capital funding					-	
Total financing					(15,221)	

Appendix I – Capital Position – Detailed commentary

Comments are included below on the most significant of the variances against budget at a portfolio level:

1. Adult Social Care and Health – £582,000 (80%) under spend

- i. The provisional outturn of **£144,000** was **£582,000** less than the final approved budget of **£726,000**.
- ii. Approval is sought to re-profile **£454,000** from 2022/23, with £206,000 into 2023/24 and £250,000 in 2024/25. The slippage mainly relates to Bridgemarsh as the service are now looking to collaborate with Libraries to create a community hub (£300,000). Further slippage of £141,000 relates to the Adults with Complex needs project due to delays with the land purchase from the Ambulance Service.
- iii. Approval is sought to reduce the capital programme by **£128,000**. This also relates to the Adults with Complex needs project, as archaeological works anticipated are no longer required coupled with a further saving for professional fees by amalgamating two sites, the old Ambulance Site and the former Lexden Springs SEN school

2. Children Services and Early Years - £1.077m (42%) under spend

- i. The provisional outturn of **£1.478m** was **£1.077m** less than the final approved budget of **£2.555m**. This is largely attributable to slippage of Solo placements, where there has been significant delays on refurbishment works on the caretakers property, which was only able to be partially completed by the end of March.
- ii. Overall approval is sought to re-profile **£1.082m** from 2022/23 into 2023/24, additions to the programme of **£5,000**, reductions to the programme of **£2,000**, and to advance **£1,000** works from 2023/24 into 2022/23

3. Community, Equality, Partnerships and Performance - online

- i. The provisional outturn of **£143,000** was **on line** with the final approved budget of **£143,000**.

4. Devolution, the Arts, Heritage and Culture - £158,000 (83%) under spend

- i. The provisional outturn of **£31,000** was **£158,000** less than the final approved budget of **£188,000**. The under spend is mainly due to a reduction of £72,000 to be moved to the core capitalised building maintenance scheme to fund the resurfacing of the car park at Thorndon Country Park, and a reduction of £61,000 relating to the Tree Planting scheme due to classifying the maintenance spend in 2022/23 as revenue expenditure.
- ii. Overall approval is sought to reduce the capital programme by **£157,000**.

5. Economic Renewal, Infrastructure and Planning - £9.283m (10.5%) under spend

- i. The provisional outturn of **£79.067m** was **£9.283m** less than the final approved budget of **£88.350m**. The main areas for the under spend are set out below:

ii. **Economic Investment - £6.952m under spend**

The most significant under spend is **£5m** which relates to the Harlow Development Fund where approval is sought to re-profile into 2023/24. This is due to ongoing planning delays, however there is confidence that the money will be spent once the application is approved. Similarly, the Clacton Town Centre scheme and Colchester Town Regeneration scheme both have slippage of **£1.5m** into 2023/24 due to ongoing acquisition delays. Slippage of **£993,000** is attributable to Jaywick Market and Commercial into 2023/24 following delays due to asbestos and issues with weather conditions. These under spends are partially offset by a **£2.5m** addition on Swan Modular Housing Factory which relates to the payment ECC has made to the South East Local Enterprise Partnership to repay the Get Building Fund grant awarded to the project, as the third party led scheme is no longer going ahead. Note ECC has been repaid the grant by the contractors.

iii. **Highways Major Schemes - £3.803m under spend**

The under spend relates to M11 Junction 7A and Gilden Way Upgrading scheme, as the scheme is now complete and total costs were **£4.2m** lower than anticipated. This is offset by advanced works of **£1.3m** for M11 Junction 8 as the scheme is progressing faster than originally anticipated.

iv. **Essex Housing LLP - £4.403m under spend**

This is due to Essex County Hospital, where phases 2 and 3 of the project have been pushed back to 2023/24, resulting in £3.6m of slippage. In addition there has been slippage of £925,000 relating to Purford, following realignment with the annual delivery plan.

v. **Housing Infrastructure Fund - £6.587m over spend**

The over spend is mainly due to the advancement of works of £9.1m for Beaulieu Park Station as this scheme is progressing faster than anticipated. This is partially offset by £1.5m slippage on Harlow Sustainable Transport Corridor into 2023/24 relating to statutory works that will now not be completed this financial year. There is further slippage of £1.1m on A133-A120 Link Road into 2023/24 due to delays in the purchasing of land from land owners.

- vi. In total approval is sought to re-profile **£23.718m** from 2022/23, with £18.326m into 2023/24, £4.950m into 2024/25, £180,000 into 2025/26 and £262,000 into 2027/28. Approval is also sought for additions of **£13.841m**, reductions of **£10.794m** and to advance **£11.387m** from 2023/24 in to 2022/23

6. Education Excellence, Life Long Learning and Employability - £982,000 (2.2%) under spend

- i. The provisional outturn of **£44.482m** was **£982,000** less than the final approved budget of **£45.464m**. With the under spend relating to the following:

- ii. **ECC Controlled - £1.178m under spend**

The under spend is largely driven by £1.1m slippage within Special Schools across a number of schemes, due to revised contractor cashflow profiles and various delays caused by re-designs and severe weather.

- iii. Approval is sought to re-profile **£2.827m** from 2022/23 with £2.351m into 2023/24 and £476,000 into 2024/25, additions to the programme of **£15.863m**, reductions to the programme of **£15.652m**. Also, approval is sought to advance **£1.635m** into 2022/23, with £1.519m from 2023/24 and £116,000 from 2024/25

- iv. **School Controlled - £196,000 over spend**

Approval is sought for additions to the programme totalling **£3.372m** offset by reductions to the programme totalling **£3.176m** to realign the budgets to match spend in relation to the Schools Devolved Formula Capital grant and schools cash balances, which the authority holds on behalf of Essex Schools and have no control over the spend.

7. Finance, Resources and Corporate Affairs - £517,000 (4.3%) under spend

- i. The provisional outturn of **£11.436m** was **£517,000** less than the final approved budget of **£11.952m**. The under spend on capitalised building maintenance (£1.415m) partially offsets the over spends on the various individual specific property energy efficiency projects, the most significant being the Public Sector Decarbonisation 3a scheme, where the budget needs to be realigned in line with actual expenditure incurred.
- ii. Overall approval is sought re-profile **£317,000** into 2023/24, add to the programme **£3.187m** and to reduce the programme by **£3.387m**.

8. Highways Maintenance and Sustainable Transport - £1.736m (1.9%) under spend

- i. The provisional outturn of **£87.366m** was **£1.736m** less than the final approved budget of **£89.102m**.

The under spend is predominately attributable to Active Travel 3 (**£1m**). This is due to delays caused by the late awarding of funding, the significant level of stakeholder engagement required, and additional air quality modelling and investigation required. An under spend of **£666,000** is also reported on the Flood Management programme due to an efficiency saving secured (£250,000), and slippage due to one scheme being delayed until summer 2023/24 (£416,000).

- ii. In total across the Portfolio, approval is sought to re-profile **£2.101m** from 2022/23, with **£2.087m** into 2023/24 and **£14,000** into 2024/25, additions to the programme of **£3.349m**, reductions to the programme of **£3.276** and to advance **£292,000** into 2022/23, with **£21,000** from 2023/24 and **£271,000** from 2024/25.

9. Leader - £886,000 (55%) under spend

- i. The provisional outturn of **£735,000** was **£886,000** less than the final approved budget of **£1.621m**. The under spend relates to the Social Housing Decarbonisation scheme, due to delays caused by access being granted to residential homes and supply chain issues.
- ii. Across the Portfolio approval is sought to re-profile **£886,000** into 2023/24

Appendix J – ECC Reserves and their Purpose (1 of 3)

Restricted Use Funds	Description
A130 PFI	Equalise the timing differences between expenditure and government grant over the life of the PFI contract.
Building Schools for the Future PFI	Equalise the timing differences between expenditure and government grant over the life of the PFI contract.
Clacton Secondary Schools PFI	Equalise the timing differences between expenditure and government grant over the life of the PFI contract.
COVID Equalisation Reserve	Equalise the timing differences between the recognition of emergency funding in the Comprehensive Income and Expenditure Statement and incurring the expenditure.
Debden PFI	Equalise the timing differences between expenditure and government grant over the life of the PFI contract.
Grants Equalisation reserve	Equalise the timing differences between the recognition of grant income in the Comprehensive Income and Expenditure Statement (in accordance with Accounting Policy 2.6) and incurring the grant eligible expenditure.
Partnerships (not available for ECC use)	To retain unspent contributions from partners and apply them in subsequent years.
Schools (not available for ECC use)	Schools are permitted to retain unspent resources (whether planned or unplanned), which are held in the Schools Reserves. The statutory authority to commit such resources rests with school governors.
Trading Activities	Surpluses generated by trading activities, to be applied by these activities in subsequent years.
Waste Reserve	To smooth the effects of future increases in the costs of waste disposal.

Appendix J – ECC Reserves and their Purpose (2 of 3)

Earmarked Reserves	Description
Adults Digital Programme	Used to meet the costs of the Adults Digital Transformation programme.
Adults Risk	To help manage commercial price pressures that may arise from meeting cost of care
Adults Transformation	To set aside resources to support change capacity to deliver ongoing future sustainability work
Ambition Fund	Reserve created to fund investment in new delivery models and ways of working.
Bursary for trainee carers	New reserve created in the 2019/20 Provisional Outturn report to fund bursaries for trainee carers.
Capital Receipts Pump Priming	Used to meet costs associated with bringing properties into readiness for disposal.
Carbon Reduction Reserve	Used to finance measures aimed at reducing the Council's carbon footprint and support the costs of the Carbon Reduction Credit scheme.
Carry Forwards Reserve	Used to carry under spends in the current financial year forward to support expenditure plans in the forthcoming financial year.
Childrens Risk	To help manage potential price and volume pressures that may arise in the provision of Children's Services
Childrens Transformation	To support transformation capacity to deliver the Childrens Sustainability programme
Collection Fund Investment Risk Reserve	Established to mitigate the risks of falling collection rates for council tax and non-domestic rates.
Commercial Investment in Essex Places Reserve	Established to set aside funding for commercial investment in Essex Places that align to the Council's housing growth and town centre agendas.
Community Initiatives Fund	To fund revenue and capital community initiatives.
EES Pensions Deficit Reserve	Earmarked reserve to cover future costs that may arise as a result of pensions arrangements following the sale of EES.
Emergency Reserve	To help deal with risk around increased market fragility, exit from the EU, capacity issues across social care, as well as general risks around delivery and demand.
Emergency Planning	To meet costs associated with emergency planning.

Appendix J – ECC Reserves and their Purpose (3 of 3)

Earmarked Reserves	Description
Equalities Reserve	To set aside resources to support the focus on the people and places where the council can make the biggest difference to improve lives
Essex Climate Change Commission Reserve	Can be drawn upon by the Essex Climate Change Commission to fund initiatives to reduce carbon emissions and promote Green Infrastructure initiatives.
Essex Crime and Police	To support the set up costs and subsequent financing of the Essex Crime and Police Panel
Everyone's Essex Reserve	To set aside resources to support delivery of the Everyone's Essex strategy for levelling up the county and improving lives and opportunities for all our residents
Future Capital Funding	Comprises revenue contributions to be used to supplement the resources available to finance future capital expenditure.
General Balance	Reserve set aside to allow the Council to deal with unexpected events or costs at short notice.
General Risk Reserve	To support against inflationary risk for future years
Health & Safety Reserve	Used to meet the costs of undertaking asbestos, legionella and Disability Discrimination Act surveys.
Highways Reserve	Resources set aside to provide additional support for Highways provision
Insurance	Provides for future potential and contingent liabilities for insurance claims.
Newton Reserve	Funds bequeathed to the Council for use by the Essex Records Office
Property Fund Reserve	Reserve created to manage the risks associated with landlord responsibility (e.g. gaps in occupancy).
Quadrennial Elections Reserve	Reserve established to meet costs associated with the Council's quadrennial elections.
Renewal Fund	To support COVID-19 recovery activity.
Social Distancing and Hygiene	To support new burdens on the Council to manage social distancing requirements.
Technology and Digitisation	To set aside resources to meet the future cost of replacing key council's technology systems.
Transformation	Used to meet costs associated with project management and change management aspects of the Council's ambitious programme of transformation.

Appendix K – Restricted use and other revenue reserves

	Balance at 1 April 2022 £000	2022/23 movements		Balance at 31 March 2023 £000	2023/24 movements		
		Contributions to reserves £000	Withdrawals from reserves £000		Budgeted approp to/from) reserves £000	Withdrawals/ Contributions £000	Est. Balance at 31 March 2024 £000
Restricted use							
Grants equalisation reserve	36,839	11,790	(4,696)	43,933	-	-	43,933
COVID equalisation reserve	40,769	-	(14,495)	26,274	-	(23,392)	2,882
PFI equalisation reserves							-
A130 PFI	28,181	485	(11,342)	17,324	(10,052)	-	7,272
Clacton secondary schools' PFI	960	449	-	1,409	-	(158)	1,251
Debden PFI	1,743	30	(619)	1,154	-	(33)	1,121
Building Schools for the Future PFI	1,238	884	-	2,122	-	798	2,920
Waste reserve	114,869	-	(281)	114,588	(9,884)	(3,718)	100,986
Schools	49,211	3,053	(8,560)	43,704	-	-	43,704
Partnerships	2,376	539	(648)	2,267	-	-	2,267
Trading activities	1,514	215	-	1,729	(304)	304	1,729
Total restricted use	277,700	17,445	(40,641)	254,504	(20,240)	(26,199)	208,065
Future capital funding	14,437	27,858	(6,000)	36,295	7,463	(7,463)	36,295
Other revenue reserves							
Adults Digital programme	275	-	(247)	28	-	-	28
Adults Risk	14,221	-	(1,660)	12,561	-	(1,289)	11,272
Adults Transformation	12,718	-	(2,916)	9,802	21,567	(26,843)	4,526
Ambition Fund	6,524	8,800	(4,773)	10,551	9,925	(15,670)	4,806
Bursary for trainee carers	338	-	(75)	263	-	(263)	-
Capital receipts pump priming	4,034	6,000	-	10,034	1,000	(500)	10,534
Carbon Reduction reserve	982	-	(271)	711	(152)	(35)	524
Carry Forwards reserve	24,744	11,917	(21,622)	15,039	-	(15,039)	-
Childrens risk reserve	-	2,500	(2,500)	-	5,000	-	5,000
Childrens Transformation	7,187	-	(1,177)	6,010	-	(1,775)	4,235
Collection Fund investment risk reserve	7,586	9,498	-	17,084	9,114	-	26,198
Commercial Investment In Essex Places reserve	15,659	-	(190)	15,469	(650)	(656)	14,163
EES Pension Deficit reserve	4,000	-	-	4,000	-	-	4,000
Emergency reserve	17,564	9,094	(3,431)	23,227	4,000	(5,853)	21,374
Equalities reserve	261	-	-	261	-	-	261
Essex Climate Change Commission reserve	4,331	-	(1,264)	3,067	-	(2,018)	1,049
Everyone's Essex reserve	47,272	1,000	(3,286)	44,986	2,000	(24,110)	22,876
General Risk reserve	13,859	5,671	(4,689)	14,841	10,338	(1,133)	24,046
Health and Safety reserve	4,656	-	(7)	4,649	-	(56)	4,593
Highways	-	3,000	-	3,000	-	(3,000)	-
Insurance	6,260	4,865	-	11,125	-	(600)	10,525
Property Fund reserve	1,302	-	(340)	962	-	-	962
Quadrennial Elections reserve	999	500	(8)	1,491	500	-	1,991
Renewal Fund	2,523	-	(96)	2,427	-	(181)	2,246
Technology Solutions	11,641	11,777	(3,299)	20,119	5,000	(14,174)	10,945
Transformation	48,505	15,635	(5,260)	58,880	11,820	(17,999)	52,701
Other reserves	1,797	352	(448)	1,701	350	(350)	1,701
Total other revenue reserves	259,238	90,609	(57,559)	292,288	79,812	(131,544)	240,556
Total	551,375	135,912	(104,200)	583,087	67,035	(165,206)	484,916

Appendix L – General Balance

GENERAL BALANCE	
General Balance	£000
Actual Balance 31 March 2022	68,096
Subsequent movements	
Approved contributions	-
Approved withdrawals	-
Budgeted balance at 31st March 2023	68,096
Movements as a consequence of the Revenue Outturn Position	
Contributions	-
Withdrawals	-
Actual balance at 31 March 2023	68,096
2023/24 budgeted withdrawal	-
Actual balance at 1 April 2023	68,096

Appendix M – Prudential Indicators

		Approved Indicator	Current Forecast
Affordability			
Incremental impact on Council Tax of 2022/23 and earlier years' 'starts'	£	£107.37	£106.21
Ratio of financing costs to net revenue streams	%	8.6%	8.4%
Prudence			
Net borrowing and Capital Financing Requirement		Net borrowing is below the medium	
Capital Expenditure			
Capital expenditure	£m	284	225
Capital Financing Requirement (excluding credit arrangements)	£m	1,134	1,137
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	281
Debt		100.0%	99.3%
Investments		100.0%	70.5%
Upper limit for exposure to variable rates			
Net exposure	£m	318	230
Debt		30.0%	2.5%
Investments		100.0%	42.1%
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%	9.7%
5 years and within 10 years	%	40.0%	16.7%
10 years and within 25 years	%	75.0%	26.7%
25 years and within 40 years	%	40.0%	30.0%
40 years and within 50 years	%	20.0%	0.0%
50 years and above	%	20.0%	12.9%
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.			

Appendix N – Treasury Management Summary

TREASURY MANAGEMENT SUMMARY - 2022/23							
	Actual Balance 1 April 2022 £000	Movements				Estimated Balance at 31 March 2023 £000	Interest payable / (earned) to date £000
		Raised £000	Repaid £000	Reclassification £000	Net movement £000		
Borrowing							
Long Term	592,859	2,217	(11,245)	-	(9,028)	583,831	20,050
Temporary	7,156	4,994	-	-	4,994	12,150	227
Total External Borrowing (A)	600,015	7,211	(11,245)	-	(4,034)	595,981	20,277
Investments							
Long Term	14,273	4,102	(3,522)	(10,000)	(9,420)	4,853	(270)
Temporary	562,523	63,035	-	10,000	73,035	635,558	(13,233)
Total External Investments (B)	576,796	67,137	(3,522)	-	63,615	640,411	(13,503)
Net indebtedness (A-B)	23,219	(59,926)	(7,723)	-	(67,649)	(44,430)	6,774
Borrowing							
Average balance of long term borrowing during the year over the period to date (£000)							584,732
Opening pool rate at 1 April 2022 (%)							3.37%
Weighted average rate of interest on new loans secured to date							N/A
Average pool rate for year (%)							3.39%
Investments							
Average daily cash balance over period to date (£000)							611,074
Average interest earned over period							2.21%
Benchmark rate - average 1 month SONIA rate							2.11%

Forward Plan Reference number: FP/540/10/22

Report title: Adoption and implementation of an Essex County Council Tree Management Plan	
Report to: Cabinet	
Report author: Councillor Kevin Bentley, Leader of the Council	
Date: 23 May 2023	For: Decision
Enquiries to: John Meehan john.meehan@essex.gov.uk	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Essex County Council (ECC) has a responsibility to manage and maintain all trees within its estate and on occasion, trees outside of its estate. Essex County Council is committed to managing, improving and extending its tree stock. The trees are a vital resource in helping to achieve Net Zero greenhouse gas emissions by 2050 set in law.
- 1.2 The purpose of this report is to seek approval of the adoption and implementation of an ECC Tree Management Plan.
- 1.3 The Tree Management Plan sets the vision for our tree stock, our aim and objectives used in the management of existing trees and the planting of new trees in all parts of our estate. Previously, there has been no formal Tree Management Plan, however, with the emerging Climate crisis, the Council needs a robust plan for tree management and planting.
- 1.4 ECC's organisation strategy, *Everyone's Essex*, recognises the importance of trees and green spaces in our county. As such, our commitment to effective management and maintenance of trees under our jurisdiction effectively aligns with the principles set out in *Everyone's Essex*, including the key strategic aim for a High Quality Environment. Through effective management and maintenance of our tree stock, we will be able to support ECC commitments, including for the county to be Net Zero. In addition, well managed trees will aid our commitment to building 'Green Communities', whereby residents and businesses are empowered to reduce greenhouse gases and to become more climate resilient. Furthermore, the cross-cutting benefits of trees, ranging from carbon sequestration to reducing flood risk, through to improved biodiversity and physical/mental health (particularly when trees are part of broader green spaces), highlight that trees are an important part of Levelling Up the Environment for people across Essex and for the county as a whole.
- 1.5 ECC's commitment to effective tree management and maintenance is demonstrated more broadly at a strategic level in documents such as the £200m four-year [Climate Action Plan](#), originally published in November 2021. This plan fully endorsed the recommendations made in the report [Net Zero:](#)

[Making Essex Carbon Neutral](#) (July 2021), by the independent advisory body, the Essex Climate Action Commission. This report included a key recommendation that “30% of all land in Essex will enhance biodiversity and the natural environment by creating natural green infrastructure’. Protecting existing trees and planting new ones will help achieve this recommendation. The Climate Action Plan aligns with ECC’s organisation strategy, *Everyone’s Essex*.

2. Recommendations

- 2.1 Agree to adopt the Essex County Council Tree Management Plan as appended to this report.
- 2.2 Note that Tree Management Statements will be produced by officers and published on the ECC website.

3. Background and Proposal

- 3.1. Essex County Council owns a large number of trees, either located on its land – such as schools and country parks - or in the highway. It has also committed to plant additional trees – with 240,000 trees having been planted by ECC by March 2023 as part of the Essex Forest initiative. Trees make an increasingly important contribution to the appearance of the area and to meeting our climate goals. We need to manage trees effectively if we are to maximise the contribution they make.
- 3.2. The Climate Change Act 2008 commits the UK government by law to reduce its greenhouse gas emissions and achieve net zero by 2050.
- 3.3. Everyone’s Essex sets out an aim to ‘help all our communities to enjoy a high-quality environment, by making them more resilient against flooding, heat stress and water shortages, by enhancing our county’s green infrastructure and by reducing air pollution”
- 3.4. The Council’s endorsement of the Essex Climate Action Commission’s published report ‘*Net Zero: Making Essex Carbon Neutral*’ has a key recommendation for ‘30% of all land in Essex will enhance biodiversity and the natural environment by creating natural green infrastructure. We expect these figures to be 25% by 2030 and 30% by 2040’. The County Council’s tree estate is an important element of that natural green infrastructure, especially in urban areas where street trees make up much of the tree population.
- 3.5. The trees within the estate or control of ECC are therefore a vital resource in helping to achieve the national target of net zero greenhouse gas emissions by 2050. Trees act as a carbon store, especially the older trees, and also fulfil a carbon sequestration role when new trees are planted. In addition, they

absorb heat and provide shade in our city and town centres reducing the “Heat Island effect”, as well as reducing flooding and enhancing biodiversity. To manage and enhance this important tree resource there must be balance between sound tree management and appropriate tree cover increases across the estate.

- 3.6. Currently across ECC, management and maintenance processes of the trees is currently commissioned to Place Services (a traded service of ECC) by those responsible for their service areas except for those planted by the Essex Forest Initiative. The trees are not currently managed on the same inspection timescales. All new trees planted by the Essex Forest Initiative are managed by that initiative.
- 3.7. In order to maximise the consistent management of trees by ECC, this report asks the Cabinet to implement an ECC Tree Management Plan which for the first time sets the vision for our tree stock, our aim and objectives used in the management of existing trees and the planting of new trees in all parts of the ECC estate.
- 3.8. It is proposed that officers will adopt Tree Management Statements which set out in more detail how the Council will manage trees. These statements supplement the plan by including the rationale for future inspections, tree maintenance and tree planting which seek to ensure that each tree is subject to some form of inspection, even if a site survey, every three years.
- 3.9. The main changes that we would expect to see by approving the Plan are:
 - Adoption of statements which lead to all trees being the subject to a survey or inspection, normally every three years or so, but more frequently if necessary, leading to more timely interventions to give trees longevity.
 - Recording of inspections or surveys.
 - Planting to replace trees removed from the highway, of an appropriate size and location to minimise the risk of replacement trees causing damage or obstruction
 - Tree planting standards to say what planting is appropriate where.
 - A systematic approach which will help us to respond to requests from neighbours to remove trees and to defend claims made against ECC arising out of the management of trees.
 - Continuation of tree planting activities.
 - A corporate commitment to using approved contractors for tree works.
- 3.10 This Tree Management Plan will help ECC reduce carbon emissions and help support net zero carbon targets in three ways. Firstly, the existing ECC Tree population hold considerable amounts of carbon locked up in the existing timber. The Tree Management Plan and Statements will improve the overall health of the tree population, thus retaining the carbon embedded in the trees for much longer periods. Secondly, by allowing for the healthier growth of the tree population, this will enable the existing tree population to grow further thus locking up increased amounts of carbon, in addition to the existing embedded carbon in the trees. Finally, the Tree Plan and Statements actively

promote the planting on new trees throughout the ECC estate. These new trees have the greatest potential to lock up carbon from the date of planting. The Green Streets initiative on Essex Highways land will proactively assess sites for new street trees which will have enough space and favourable environmental conditions to ensure vigorous tree growth, thus locking up additional carbon for ECC.

- 3.11 Choosing sites for planting carefully is important to avoid creating additional maintenance issues with the adjacent highways infrastructure – roads, footways, drainage. Where appropriate tree root retention infrastructure may also be needed to avoid root damage to adjacent public or private assets. The repair of damage caused to property and infrastructure by inappropriately sited trees has its own negative carbon impact.

4. Links to our Strategic Ambitions

- 4.1. This report links to the following aims in the Essex Vision:
- Develop our County sustainably
- 4.2. Approving the recommendations in this report will support the Council's delivery of its own Climate Action Plan and carbon neutral targets. The Tree Management Plan and associated Tree Management Statements will set out how the trees will be managed to balance the responsibility of the Council in both safely maintaining its tree stock, and enhancing the benefits trees bring to contribute to achieving Net Zero.
- 4.3. This report links to the following strategic priorities in 'Everyone's Essex':
- A high quality environment
 - Health, wellbeing and independence for all ages
 - A good place for children and families to grow.

5. Options

5.1 Option 1: To adopt and implement an ECC Tree Management Plan (Recommended)

This is the recommended option - to implement a tree management plan. This would ensure a consistent approach for tree management and maintenance is implemented across the Council. This also supports the Council in achieving its legal obligations regarding trees within its control. This will help us to be able to defend insurance claims in the future.

5.2 Option 2: Do not adopt and implement an ECC Tree Management Plan

This is not recommended. The consequences are that there would not be a standard approach to tree management and maintenance and the benefits of the plan would not necessarily arise.

6. Issues for consideration

6.1 Financial implications

- 6.1.1. All expenditure relating to the tree management plan and associated tree management statements will be contained within existing functional areas' budgets. Where new tree planting is taking place funding will be secured ahead of planting the trees to ensure no onward funding pressures are created for the authority and sufficient funds are identified for the ongoing maintenance requirements. The one service area that could be impacted by future pressures is highways. Funding has been secured for the additional costs of maintaining the trees, as a result of the proactive surveying, for the following six years. After six years, these costs will be unfunded, leading to a funding gap in the region of £200,000 per annum. A traded tree maintenance model is currently under investigation by Place Services to offset this shortfall from year 6, if this is insufficient activity spend will be matched to that of the available funding.
- 6.1.2 In addition the Essex Arboricultural team will be bringing forward a separate decision paper to recommend new fees and charges for pre application advice in relation to vehicle crossings.

6.2 Legal implications

- 6.2.1 The benefits of the plan are clear, but it is important that the council delivers on the standards relating to inspection and tree works if it is to realise the benefits of active management of its trees.
- 6.2.2 It is also important to minimise the risk that trees can cause to infrastructure and property. This plan and standards seek to minimise that risk.

7. Equality and Diversity implications

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil

partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

- 7.3 The equality comprehensive impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8. List of appendices

- 8.1. Appendix 1 - Essex County Council Tree Management Plan
- 8.2. Appendix 2 - Equalities Comprehensive Impact Assessment

9. List of Background papers

- 9.1. ['Net Zero: Making Essex Carbon Neutral' Essex Climate Action Commission's Report](#)
- 9.2. Cabinet Paper: [Action Plan in Response to the Essex Climate Action Commission's Report, 24 November 21.](#)

Draft Essex County Council Tree Management Plan

May 2023

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1. The Essex Tree Management Plan Overview

There are over five million trees in Essex (BlueSky, 2017), and it is believed that just over 1.5 million of these are outside woodlands in rural Essex and trees planted along streets. Almost all street trees in Essex are owned by Essex County Council (ECC). They help to define and frame the streetscape, providing visual identity and enhancing the street scene. There is also an approximate total of 12,500 km of hedgerow in Essex. Many of these hedges are adjacent to Essex Highways and their safety is the responsibility of the County Council.

ECC owns hundreds of thousands of trees across the land it owns and manages, from most of the trees on the streets and roads of Essex, to the extensive woodlands and hedgerows ECC owns in the countryside. These trees perform different positive functions depending on their context. For instance, street trees in urban areas shade and cool the residents from increasing temperatures associated with Climate change. Trees in rural areas perform many functions, including improving biodiversity and reducing flood risk. Essex County Council is committed to managing, improving and extending its tree stock.

This commitment is demonstrated at a strategic level at ECC, including via the council's £200m four-year Climate Action Plan, published in November 2021. This plan fully endorsed the recommendations made in the report *Net Zero: Making Essex Carbon Neutral* (July 2021), by the independent advisory body, the Essex Climate Action Commission. The Climate Action Plan supports the Essex Forest Initiative with investment of £220,000 for 2022/23 - 2025/26, as in addition to a £300,000 grant from the Forestry Commission. The Climate Action Plan aligns with ECC's organisation strategy, *Everyone's Essex*. One of its four key strategic aims is for a High-Quality Environment, an ambition which is embedded throughout ECC processes, planning and strategic documents. Tree planting also forms an important part of the Essex Green Infrastructure Strategy (see Appendix 8: The Essex Green Infrastructure Strategy Tree Recommendations).

The ECC Tree Management approach is set out in this document, The Tree Management Plan, and a separate document, the Tree Management Statements. The approach adopted is informed by both ECC and external strategic plans in relation to the environment and tree management specifically. Details of these strategies can be found in the 'Policy context' section of this document.'

This **Tree Management Plan** has been formulated to set the Vision for our tree stock, our aim and objectives used in the management of existing trees and the planting of new trees in all parts of the ECC estate. Previously, there has been no formal Tree Management, however, with the emerging Climate crisis, the Council needs a robust plan for tree management and planting. The Tree Management Plan will outline the aim and objectives of the Council in relation to future tree management and tree planting.

The **Tree Management Statements** will outline how all trees in the Council’s portfolio will be managed and will consider directorate responsibilities. These statements will formulate the basis for future inspections, tree maintenance and tree planting.

2. Benefits of Trees

It is widely acknowledged that trees have multiple benefits that will enhance the lives of the residents across the County.

These benefits include:

- Locking up carbon
- Improving air quality
- Reducing flooding
- Reducing the “Heat Island Effect”
- Lowering the energy needs for adjacent buildings
- Improving biodiversity
- Increasing the value of properties nearby
- Improving local amenity
- Improving the mental and physical health of residents
- Increasing urban mobility by improving the quality of the public realm

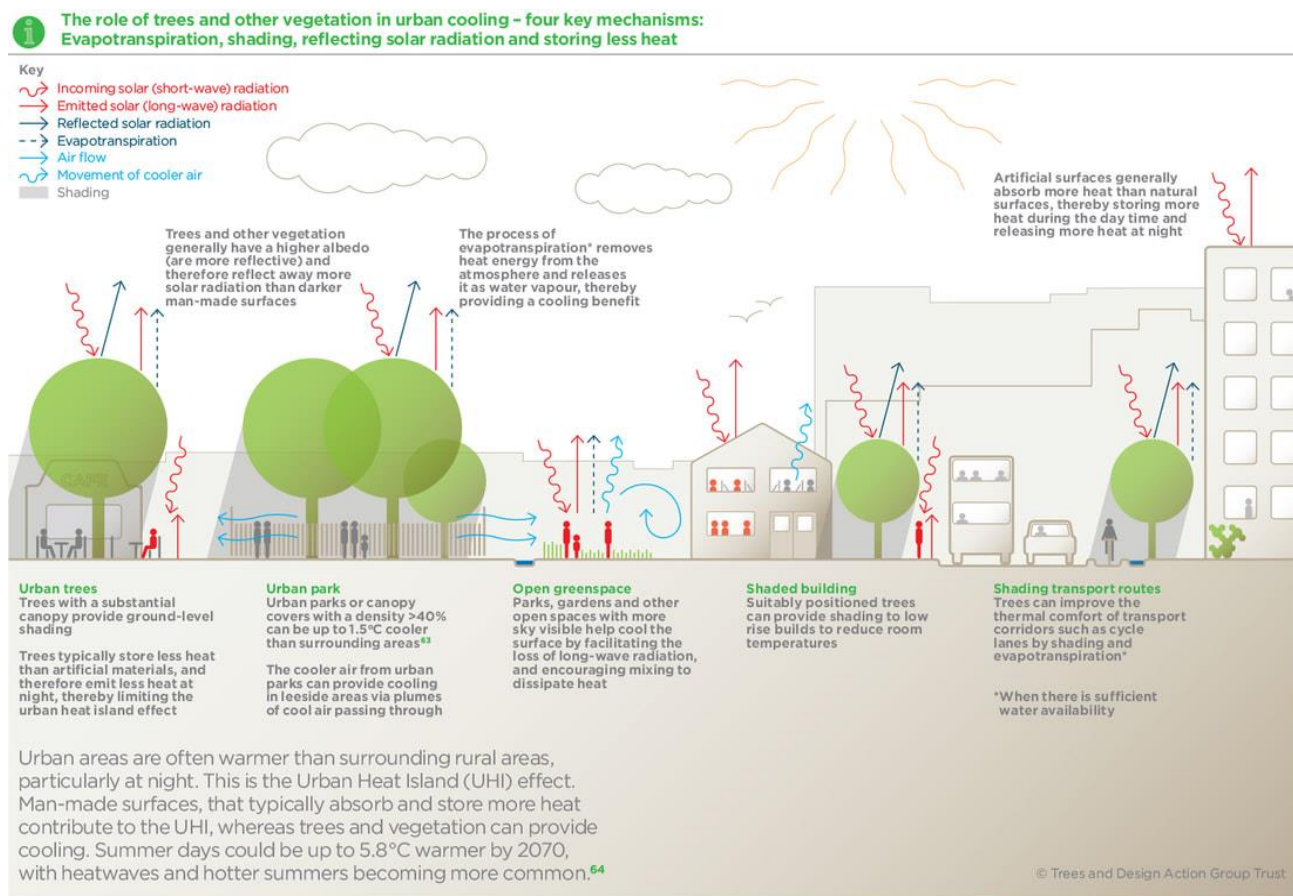
The graphic below shows how trees promote health for an urban population.



<https://www.tdag.org.uk/trees-planning-and-development.html>

Trees, Planning and Development: A Guide for Delivery – Section One, Issue 1.2

The graphic below shows how trees keep our urban areas cool in the face of increasing summer temperatures as a result of Climate change.



<https://www.tdag.org.uk/trees-planning-and-development.html>

Trees, Planning and Development: A Guide for Delivery – Section One, Issue 1.2

This Tree Management Plan will help ECC reduce carbon emissions and help support net zero carbon targets in three ways. Firstly, the existing ECC Tree population hold considerable amounts of carbon locked up in the existing timber. The Tree Management Plan and Statements will improve the overall health of the tree population, thus retaining the carbon embedded in the trees for much longer periods. Secondly, by allowing for the healthier growth of the tree population, this will enable the existing tree population to grow further thus locking up increased amounts of carbon, in addition to the existing embedded carbon in the trees. Finally, the Tree Plan and Statements actively promote the planting on new trees throughout the ECC estate. These new trees have the greatest potential to lock up carbon from the date of planting. The Green Streets initiative on Essex Highways land will proactively assess sites for new street trees which will have enough space and favourable environmental conditions to ensure vigorous tree growth, thus locking up additional carbon for ECC. Choosing sites for planting carefully is important to avoid creating additional maintenance issues with the adjacent highways infrastructure – roads, footways, drainage. Where appropriate tree root retention under ground infrastructure may also be needed to avoid root damage to adjacent public or private assets.

3. Policy Context

In recent years the UK has committed to adapt to and mitigate against the effects of Climate change. Increasingly it has published policies, plans and frameworks to guide this work, such as:

- 25 Year Environment Plan – HM Government (2018)
[<https://www.gov.uk/government/publications/25-year-environment-plan>]
- The Environment Act – HM Government (2021)
[<https://www.legislation.gov.uk/ukpga/2021/30/contents/enacted>]
- National Planning Policy Framework – HM Government (2021)
[<https://www.gov.uk/government/publications/national-planning-policy-framework—2>]
- Sustainability and Climate change Strategy – Department for Education, HM Government (2022) [<https://www.gov.uk/government/publications/sustainability-and-climate-change-strategy/sustainability-and-climate-change-a-strategy-for-the-education-and-childrens-services-systems>]
- National Planning Policy Framework – HM Government (2021)
[<https://www.gov.uk/government/publications/national-planning-policy-framework—2>]
- The England Trees Action Plan (2021-2024) – HM Government
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/987432/england-trees-action-plan.pdf]

These documents have set out the important roles' trees have to play in helping us adapt to Climate change and to mitigate against it effects.

In addition, Essex County Council has been proactively setting out how it will manage what has been referred to as the Climate crisis by publishing the following:

- Local Flood Risk Management Strategy – Essex County Council (2018)
[<https://flood.essex.gov.uk/media/1293/essex-local-flood-risk-management-strategy.pdf>]
- Essex Green Infrastructure Strategy – Place Services, Essex County Council (2020):
[https://downloads.ctfassets.net/knkzaf64jx5x/35jhjEoQZAc4f7bwGyLa38/fc90fbc5519874490047930aae371036/Essex_Green_Infrastructure_strategy.pdf] (See Appendix 8: The Essex Green Infrastructure Strategy Tree recommendations)
- Everyone's Essex: our plan for levelling up the County – 2021 to 2025 – Essex County Council (2021):

[\[https://assets.ctfassets.net/knkzaf64jx5x/QfCTFvZFWm6jBFzKlCxU8/3033e555110ddb553603919ae00c638d/ECC-Everyones-Essex-plan-2021-to-2025.pdf\]](https://assets.ctfassets.net/knkzaf64jx5x/QfCTFvZFWm6jBFzKlCxU8/3033e555110ddb553603919ae00c638d/ECC-Everyones-Essex-plan-2021-to-2025.pdf)

- Net Zero: Making Essex Carbon Neutral – Essex Climate Action Commission (July 2021):
[\[https://assets.ctfassets.net/knkzaf64jx5x/1fzMJKNmIfz8WHx4mzdy2h/e7c57523466f347fd6cdccb3286c113c/Net-Zero-Report-Making-Essex-Carbon-Neutral.pdf\]](https://assets.ctfassets.net/knkzaf64jx5x/1fzMJKNmIfz8WHx4mzdy2h/e7c57523466f347fd6cdccb3286c113c/Net-Zero-Report-Making-Essex-Carbon-Neutral.pdf)
- Climate Action Plan (four-year £200m action plan) – Essex County Council (November 2021):
[\[https://assets.ctfassets.net/knkzaf64jx5x/4lhrw6uXe2g19YxYWkfsk6/eba8f76776738b010f21d3e7f3b9add2/9422_Climate_Action_Plan_Report_v3_-_Digital_Accessible.pdf\]](https://assets.ctfassets.net/knkzaf64jx5x/4lhrw6uXe2g19YxYWkfsk6/eba8f76776738b010f21d3e7f3b9add2/9422_Climate_Action_Plan_Report_v3_-_Digital_Accessible.pdf)

These documents all reference the importance and multiple benefits of Green Infrastructure and specifically trees and woodlands. They provide guidance on the need for trees and the management of trees in the ECC estate.

As we become increasingly aware of the effects of Climate change, ECC continues to develop strategies to help Essex to adapt and mitigate the impact of Climate change. Currently, ECC is preparing:

- The Local Nature Recovery Strategy
- The Essex Water Strategy
- Local Flood Risk Management Strategy (Updated)
- The Essex Highways Place & Movement Strategy

These will be published in 2023, providing more context for the strategy.

There are a number of tree maintenance and management guidance documents that have been used to formulate statements and policies in order for ECC to be compliant with best practice. These include:

- Trees in Hard Landscapes, A Guide for Delivery – Trees and Design Action Group (2014)
[\[https://www.tdag.org.uk/uploads/4/2/8/0/4280686/tdag_trees-in-hard-landscapes_september_2014_colour.pdf\]](https://www.tdag.org.uk/uploads/4/2/8/0/4280686/tdag_trees-in-hard-landscapes_september_2014_colour.pdf)
- Manual for Streets – HM Government (2007)
[\[https://www.tdag.org.uk/uploads/4/2/8/0/4280686/tdag_trees-in-hard-landscapes_september_2014_colour.pdf\]](https://www.tdag.org.uk/uploads/4/2/8/0/4280686/tdag_trees-in-hard-landscapes_september_2014_colour.pdf)

Combined, these documents have been used to formulate management statements that provide a high standard for the Council.

4. The Essex Tree Estate

Essex, from the A road verges and country lanes, to town and city streets. On those verges and roads, ECC owns thousands of trees in all different growth stages. ECC also owns a substantial estate of buildings, including but not limited to: ECC Offices, Schools, Libraries, Adult Community Learning Centres, Nurseries and Youth centres etc. These buildings are generally set in urban areas and around these buildings are car parks, green infrastructure, and substantial tree numbers.

In the rural areas, ECC is a large landowner, owning 755 hectares of Country Parks, which includes a large percentage of woodland. It also owns 130 hectares of other woodland, four Outdoor Pursuits Centres and 412 hectares of Rural estate. In recent years, the Essex Forest Initiative has planted 29,000 young trees on two new ECC sites covering 14 hectares.

Collectively, the various land-owning Directorates will now have a united vision in relation to tree management and planting. The Tree Management Plan and statements will vary between these Directorates, as they have differing requirements for tree planting and management. However, all aim to enhance the contribution of trees within the sites.

The significance of the ECC tree stock is mostly in the mature woods, hedgerow trees and larger trees along roads and on the built estate. Larger, older trees, hedges and woods have great value for screening, aesthetics, biodiversity, carbon capture, shading for urban heat islands and flood retention. As a result, the ECC tree stock is very valuable and cherished by local communities and, as custodians of this valuable green infrastructure, the creation of this Tree Plan is very timely. Thus, this plan seeks to:

- 1) Maintain and manage the existing tree stock
- 2) Plant new trees to enhance the overall ECC tree stock

It should be noted that the principally mature woodland and trees hold very large quantities of carbon and their retention through good management (including good biosecurity measures, see Appendix 6: Biosecurity) will ensure little of this carbon is released to the atmosphere. In addition, the planting of new trees will lock up further carbon. The planned 375,000 trees of the Essex Forest Initiative are estimated to lock up 60,000 tonnes of carbon over the lifetime of the trees.

5. Vision

That Essex County Council will lead the way on creating 30% Natural Green Infrastructure by protecting and increasing the tree stock on the Essex County Council estate.



Cllr Peter Schwier with newly planted trees at Chelmer Valley

6. Aim

Essex County Council aims to improve the quality and impact of its tree stock both through good management of existing trees and strategic planting of new trees to enhance the multiple benefits provided by a diverse tree population.

7. Objectives

Objectives The overarching objectives for tree management and planting are:

- 1) To protect and manage the health and safety of the existing trees to maximise the multiple benefits the trees provide
- 2) To increase the number of new trees in the Essex County Council estate to maximise the multiple benefits the new trees provide.

The Council will protect and manage the health and safety of the existing trees by inspecting trees across the whole ECC estate and recording those that need work or more frequent inspection. Whilst carrying out these inspections of the existing trees, opportunities for new tree planting will be identified and planted.

Every opportunity will be taken to seek external additional funding streams to enhance and add to the ECC tree stock.

Objective 1: To protect and manage the health and safety of the existing trees to maximise the multiple benefits the trees provide

A priority of the Tree Plan is to establish the size of the tree stock and assess its health. This should be done in Essex Highways, the Schools Estate and the built estate (EPF), where ECC will aim to carry out regular inspections at least every three years, recording these trees on a tree management system. Trees in urban areas are generally the most beneficial to a large proportion of the Essex population and are also often the most cherished of trees with high aesthetic and emotional values to local communities. Those in urban locations also require most health monitoring, so they are not a risk to people or property.

Assessment of tree and woodland health will also take place in the areas of the rural estate where there is public access. This includes Country Parks and woodlands which are publicly accessible, as well as mature hedgerow trees adjacent to new planting areas.

The new process for managing trees across the County will be reliant upon a tree management system, which will be trialled on Essex Highways land and accessible to both the Place Services Arboricultural team and the Essex Forest Initiative team. There will be multiple uses for this system (**Ezytreev**®):

- To record all surveys of sites within the Council's ownership
- To record all trees that either require maintenance work (singular or repeat), as well as mature specimens that require more frequent inspection
- To manage all tree work resulting from inspection, from quotation through to completion and ensure traceability of this
- To ensure that the 'duty to consult' and issuing of s154 notices is carried out in line with government guidance
- To record all suitable planting locations in the ECC estate, recommending species and planting requirements

The process for inspecting and recording trees is set out in the Management Statements document.

Objective 2: To increase the number of new trees in the Essex County Council estate to maximise the multiple benefits the new trees provide

Essex has a long history of planting trees. In the 1980s, Essex was amongst the first Councils to encourage landowners to restore hedges. In 1990, ECC was the lead Authority to establish one of the first three Community Forests in England (Thames Chase), which still exists today and has planted over 1.3 million trees. In c.2010, ECC committed to plant 250,000 trees across Essex.

In July 2021, the Essex Climate Action Commission (ECAC) published 'Net Zero: Making Essex Carbon Neutral', which outlines the importance of tree planting as a method of offsetting

the effects of Climate change, including locking up carbon, reducing surface water flooding and reducing the urban heat island effect. The report promotes trees as part of new developments, as well as retrofitting trees into existing grey infrastructure. In November 2021, Essex County Council endorsed the ECAC report in full and developed a £200m four-year Climate Action Plan to support delivery of the recommendations.

At a UK Government level, The England Trees Action Plan (2021-2024) [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/987432/england-trees-action-plan.pdf] commits to increasing tree planting to mitigate Climate change. This commitment is further supported by the National Planning Policy Framework (2021) [<https://www.gov.uk/government/publications/national-planning-policy-framework-2>], which has an aspiration for all new streets to be “tree lined”.

Essex County Council’s four-year Climate Action Plan encompasses support for the Essex Forest Initiative (EFI) team, which is responsible for the planting of 375,000 trees between 2020 and 2025. As at March 2023 EFI had planted 240,000 trees. The Essex Forest Initiative has also coordinated the Essex Forest Partnership (see Appendix 7: The Essex Forest Partnership), which has a collective ambition to plant one million trees in the County across the 12 Essex Local Authorities.

8. Tree Planting Opportunities

There are a number of **opportunities** ECC has begun to explore in order to increase its tree stock:

- Identifying new tree planting opportunities in the Highways and wider ECC estate as part of the tree inspection process
- Replacing the recently felled trees on the highway network in accordance with the tree planting principles in this plan.
- Creating tree lined streets and roads by retrofitting trees, utilising existing or new funding programmes (see Appendix 5: Retrofitting urban spaces)
- Working with schools and ECC School Planning team to plant new trees on existing and new sites

The Essex Forest Initiative has unlocked substantial funding from Forestry Commission schemes, voluntary sector organisations and numerous private sector companies to fund the new tree planting and the establishment costs.



Trees planted as part of an ECC flood alleviation scheme in Maldon

9. Tree Planting Principles

In order to maximise the impact of the new tree planting stock, ECC will adopt the following **principles**:

- Plant the appropriately sized trees (Appendix 1: Types of Planting) for the space e.g., small trees in small spaces and big trees in big spaces
- Plant the appropriate tree species, size, and density in accordance with the Essex Highways Place and Movement Strategy (due out in 2023)
- Plant trees in appropriate locations, to make it unlikely that a tree will cause damage or create liability for the council (see appendix 4)
- Employ the appropriate watering, weeding and inspections in order to ensure successful establishment (see Appendix 2: Successful Establishment)
- Use a diverse range of species to combat diseases and Climate change challenges (see Appendix 3: Increasing Species Diversity, and Appendix 6: Biosecurity)
- Maximising multiple benefits, whether this be a reduction of emissions, improved shading on a footpath or reducing surface water flooding on a road (Appendix 4: Maximising the benefits)
- Using sustainable tree planting techniques such as using less plastic, sourcing local materials, and eliminating chemicals.

- Utilise surface water to irrigate the new trees and provide flood retention
- Use best practice management in relation to biosecurity
- Involving the local community where practicable to do so



Newly planted trees in partnership with Basildon Council on north facing slopes in Basildon

10. Role of the Tree Management Statements

To set out how the Council will manage its trees and comply with some of the detailed requirements of this plan the Council will produce Tree Management Statements which are consistent with the Vision, Aim and Objectives set out in this Plan.

The Tree Management Statements will outline how existing trees under the management of ECC – as well as new and yet to be planted trees – will be managed.

They will balance the responsibility of the Council to safely maintain its tree stock, whilst also maximising the multiple benefits trees provide to the environment and communities, including aiding the County's work to reach Net Zero.

11. Appendices

11.1 Appendix 1: Types of Planting

Mature trees (standards)

Mature trees (standards) will predominantly be used in the urban environment and will be either “select standard” (10-12cm) heavy standard” (12-14cm) or “extra heavy standard” (14-16cm). They will either be container grown or root-balled specimens, with both methods giving the best rooting environment for a newly planted tree.

Where appropriate, specific engineering solutions may be incorporated into tree pit design to prevent damage to adjacent infrastructure. This may be a root barrier, to prevent roots from extending beyond the available space, or a root deflector, which will encourage root growth in an opposite direction.

Support will be needed for these trees for the first two growing seasons post planting and will either use a single or double stake (with potential for crossbar if necessary) system with appropriate tree ties. The ties will be checked, and any necessary formative pruning carried out alongside watering visits. After two growing seasons, any support systems must be removed to ensure that the tree will strengthen its stem to provide its own support long term.

These trees will be procured from nurseries with high quality biosecurity processes and renowned for their tree quality to give every tree the best chance of establishment.

Saplings (whips)

Saplings (whips) will be used to create new woodlands, copses, and hedgerows. These will also be sustainably sourced, ensuring all biosecurity measures have been adhered to. These plants are only available in the winter months and therefore planting will only be carried out between November and March. Predominantly whip planting will be limited to rural and semi-rural areas where woodland and hedgerow creation is appropriate, however increasingly we are seeking to bring nature into our urban areas. These areas will be more densely planted, and a range of pioneering and successional species will be used to ensure the quickest establishment but longevity of planting.

11.2 Appendix 2: Successful Establishment of new trees

All new planting will be recorded on the tree management system, and this will allow for maintenance and aftercare to be suitably managed and monitored. Using the correct size tree and species for the location will be key to making sure the tree has the best chance at establishing. It is preferred by the Council that a minimum of selected standard size trees will

be used as these are big enough to survive in a new environment, but small enough that they will have time to adapt to their new location.

Young tree maintenance and watering will also be carried out for a minimum of three years after planting. This will include formative pruning, watering and removal of stakes/ties when necessary. Watering of the standard trees will be carried out at a minimum of 20 times during any growing season and where appropriate watering bags will be used to release the water more slowly to mimic rainfall. All watering and maintenance will be recorded so detailed records are held for each tree planted.

Where whips are planted, they will be planted with suitable guards to prevent pest damage but will be as sustainable as possible. They will be procured locally and where possible, will be biodegradable. Given that these trees need very little water to establish, they will not be watered post planting.

Tree survival relies on reducing competition from weeds etc. Historically, this was done predominantly through herbicides. However, more often now in Essex green waste mulches are being used to shade out weeds and retain moisture which benefits the trees.

11.3 Appendix 3: Increasing Species Diversity

Part of resilience in an urban forest is the use of different species and size of trees to help the tree stock to persist through incumbent pest and disease outbreaks and through changes to the climate.

When trees are planted, the species will be carefully considered. The tree will need to be a suitable size for the location it is being planted in but will also need to be diverse from those already present. The risk of having too many of the same species is that it leaves the population exposed should any threat cause mortality, which as we have seen, can cause devastation in tree populations. Given that Climate change is likely to have further impact on the native species present within the UK, experimenting with new species and cultivars will enable the Council to have a better understanding of how developmental trees can enhance the local landscapes in Essex.

With the new management system and management processes, the Council will start to get a better understanding of the trees that are present on the estate, providing greater insight as to the tree species that are most likely to require work and their location. This information will continue to be built upon and will enable a stronger position for species diversity in the future.

11.4 Appendix 4: Maximising the Benefits

Through smart design and well thought out planting locations, the effects of Climate change and the effects of poor air quality can be reduced for users of an area. Whether this be a

reduction of emissions, improved shading on a footpath or reducing surface water flooding on a road, choosing the right tree for a location can have a real impact on the quality of an area. Identifying the goals for planting early on will enable those designing an area to maximise the benefits of new trees. Essex County Council will aspire to always seek the maximum benefit of tree planting and where this can be done in collaboration with other teams, consultation will be made prior to species/planting pit specification, in order to ensure that maximum benefits are realised.

Trees can also have a negative impact on an environment if planted in the wrong location. A large proportion of Essex sits on London clay, which is known for causing tree related building subsidence. Locations will be suitably assessed prior to any decision on planting as to whether any damage is probable and if so, the area will either be planted with a specimen whose ultimate size and influencing distance is appropriate, or not planted at all.

11.5 Appendix 5: Retrofitting Urban Spaces

Retrofitting urban environments is an effective way to increase canopy cover. However, it does come with its own challenges. With underground and overground services already located, infrastructure already in place and often lots of hard surfacing, it can be difficult to create suitable environments for trees to grow.

Retrofitting trees into an established grey infrastructure environment can be expensive, as some tree pits would not only need to be designed around existing constraints but would also need to accommodate sufficient soil volume and permeable surface area to support root growth and development for the duration of a tree's life. Whilst costly, the creation of such an environment should mean the tree can thrive during its natural lifespan and will prevent the need for frequent replacement of young and semi-mature trees.

Whilst the locations for this kind of tree planting are not currently recorded, once proactive surveys are undertaken, opportunities for new tree planting where sites are not encumbered by grey infrastructure will be identified for future planting and recorded. The locations and finance required to support such undertakings will be selected specifically where there will be the most benefit from the presence of trees.

11.6 Appendix 6: Biosecurity

The Council will use best practice management in relation to biosecurity. The Forestry Commission has extensive guidance on biosecurity that will be followed. The best practice in this guidance includes:

- Keeping footwear clean
- Cleaning vehicles regularly
- Not letting mud accumulate on wheels or tyres

- Keeping tools and equipment clean
- Using disinfectant on high-risk sites

The full guidance is available here:

<https://www.forestryengland.uk/sites/default/files/pdf/Biosecurity%20Policy.pdf>

11.7 Appendix 7: Essex Forest Partnership

Collaboration is key to ensuring that the new woodlands of Essex can be enhanced as a whole, rather than by individual landowners. The EFI team have worked with partners to create the Essex Forest Partnership (EFP), which consists of tree and landscape officers from across all the cities, districts and boroughs of Essex. Meetings are held quarterly and involve sharing of information and the organising of site visits to explore how tree planting is being carried out across different authorities. The EFP can also start to address challenges which are being consistently faced by local authorities and share ideas on how they can be overcome. The EFP aspires to collaborate on developing guidance documents and supplementary planning guidance to ensure consistency and mutual support across the County.

11.8 Appendix 8: The Essex Green Infrastructure Strategy Tree Recommendations

Public Realm Green Infrastructure Improvements include:

- More street and urban planting (e.g., trees, hedges, green walls and roofs)
- Retention of trees and develop local targets for increasing tree and woodland cover
- Explore and implement an Essex Green Permit scheme to actively engage people to adopt, green up and manage land within the public realm
- Planting and retaining of trees, low hedges and other vegetation alongside roads act as porous bodies that influence the distribution of pollutants and improve air quality by absorbing through leaves, plant surfaces and the bark.

This information is issued by:
Essex County Council

Contact us:
Arboriculture@essex.gov.uk

Place Services
Essex County Council
County Hall, Chelmsford
Essex, CM1 1QH



Essex_CC



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can be translated, and/or made available in
alternative formats, on request.

Published May 2023

Forward Plan ref: FP/093/03/23

Report title: Supporting Local Bus Services - 2024 onwards	
Report to: Cabinet	
Report author: Councillor Lee Scott, Cabinet Member for Highways Maintenance and Sustainable Transport	
Date: 23 May 2023	For: Decision
Enquiries to: Paul Crick, Director of Highways and Transport, email Paul.crick@essex.gov.uk or Helen Morris, Head of IPTU, email: helen.morris@essex.gov.uk	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Everyone's Essex sets out the following strategic priorities for Essex County Council (ECC). That Essex:
- Has a strong, inclusive and sustainable economy
 - Has a high-quality environment
 - Offers health wellbeing and independence for all ages
 - Is a good place for children and families to grow
- 1.2 Buses contribute to all these outcomes. They support economic growth by getting people to work, training and school. They support the reduction of adverse air quality emissions and carbon emissions. They allow young people, older people and those with disabilities or without cars to travel. They support diverse and thriving communities and help combat loneliness and isolation.
- 1.3 The majority of buses in Essex, around 85% of the network, are run commercially. Where there is no bus service, Essex County Council has a legal duty to consider whether one should be provided. It is then entirely discretionary whether a service is provided or not. The policy framework under which ECC makes these decisions is set out [here](#).
- 1.4 The policy now forms part of ECC's Bus Service Improvement Plan and has therefore been formally extended until 2026. Currently around 15% of the network is supported by taxpayers under this policy at a cost of £10.1m annually (based on the 2023/24 budget). The contracts for these current services expire in 2024 and ECC must now make a decision on what services to provide after that point.

2 Recommendations

- 2.1 Agree that the Director, Highways and Transportation shall consult as follows:

- (a) Retendering the 97 Local Bus contracts in appendix A, with an approximate annual net cost of £4.9m, for a four year period with the possibility of extending for a further two years.
 - (b) The re-design and re-procurement of 43 contracts at appendix B: the 39 Local Bus contracts with an approximate annual net cost of £3.3m and 4 new Local Bus contracts with an approximate annual net cost of £1.1m for a two year period with an option for extension for up to a further three years.
 - (c) That the consultation referred to in (b) will be on the basis that if these services are not on course to meet the subsidy requirement of no more than £5 per passenger journey by the time we need to make a decision on what happens after the end of the two year period, the Council may consult on withdrawal, noting that consultation would not take place until 2025 at the earliest.
 - (d) The withdrawal of the 21 low use Local Bus contracts listed in appendix C where the cost is currently more than £10 per passenger journey.
- 2.2 Note that following consultation, decisions on which services to extend; which services to procure; which services to award; and which services to withdraw will be taken by the Cabinet Member for Highway Maintenance and Sustainable Transport as long as decisions can be accommodated within the overall local bus budget.
- 2.3 Note that some contracts for services may need to be the subject of a short term extension if it is not possible to consult and award contracts by the expiry of the current contracts in July 2024.
- 2.4 Note that proposals for innovative new delivery models will be brought forward for consideration, including but not limited to devolving hyper local services; digital demand responsive services; low rate flat fares building on the success of the national £2 single fare offer; and marketing and promotion of services, including wider ticketing offers. Such investment proposals will be subject to agreement in a decision taken by the relevant Cabinet Members.

3 Background and Proposal

- 3.1 The majority of the bus network in Essex has operated on a commercial basis, but historically 15% of the network has been subsidised by the Council where bus operators are unable or unwilling to provide them commercially. The supported services are known as the 'local bus network'.
- 3.2 The ECC supported services are normally reviewed every four years. However, during the covid pandemic, changes were put on hold, both as a condition of central government funding; but also because it was recognised travel patterns were changing. Contracts for all local bus services now expire

in July 2024. Patronage has risen and fallen over the past three years largely as a result of the various lockdowns and restrictions on travel.

- 3.3 Data from September and October 2022 showed an increase as schools and universities returned and as some people who had worked from home returned either fully or part time to their place of work. Since then patronage has stabilised at around 80% of pre-covid levels. Our assessment is that travel patterns have now broadly settled and now is the right time to review services and consult on proposals. Broadly, urban routes, particularly those used for school travel have recovered most strongly with rural routes and travel by concessionary pass holders recovering less well.
- 3.4 TravelEssex is the Enhanced Partnership brand for all buses and routes on the Essex network. It is used on information material, bus infrastructure and marketing material to encourage bus travel across Essex. Each of the commercial bus companies in Essex actively continually run strong marketing campaigns in order to grow bus patronage. Buses running up and down the roads are used as advertising for promotions, such as the £2 single fare, free travel for the armed forces and wrapped buses for the Queen's Jubilee, Pride, Armed Forces Day and local places of interest within Essex. In addition to the £2 single fare promotions, social media campaigns have focused on selling group tickets to families and couples, ticket bundles to the commuters, and reasons to travel for concessionary bus users. Community Engagement projects have included the 'Chatty Bus' and 'Meet the Manager'.
- 3.5 ECC has a long standing value for money measure whereby it will not generally subsidise buses by more than £5 per passenger journey. This is calculated by taking the cost of a service net of fare revenue and dividing it by the number of journeys made by passengers on it. The measure is designed to ensure that:
- in assessing the value of services to communities, we are also assessing the cost to taxpayers and targeting funding where it has most impact;
 - we are targeting resources where they do most good; and
 - we are ensuring services are sufficiently used to be delivering good carbon reduction outcomes.
- 3.6 The impact of the pandemic has changed passenger numbers significantly since these local bus contracts were originally awarded. We have reviewed the network based on recent data and divided services into three groups of services:
- a group of 97 services which remain successful and well used representing £4.9m of investment where the subsidy cost per passenger journey now is less than £5 (appendix A).

- a group of 43 'at risk' services which are either new or have recovered to some degree where the cost is between £5 and £10 representing an investment of £4.4m (appendix B).
 - a group of 21 low use services that are unfortunately currently significantly failing the value for money criterion and which are operating at a cost of at least £10 per passenger journey representing an investment of £1.1m (appendix C).
- 3.7 The cost per passenger journey used for the basis of calculation in 3.3 above uses bus operators and concessionary fares data for November 2022 up to and including February 2023, where available – and where it is not available for the whole period we have used as much data as possible from this period. This is to ensure we are not using data from the period when services were still significantly recovering from the impacts of the covid restrictions and is the most recent data available when the background work to consider the future of the services was being undertaken.
- 3.8 We will continue to review these groups throughout the consultation and procurement process to ensure we are using the best evidence for decisions. As such we may propose that bus contracts are switched between the groups in appendices A-C if ridership particularly increases.. ECC will continue to request data on a monthly basis. Ahead of consultation ECC will continue to request appropriate passenger data to the end of April 2023 to support the consultation and subsequent decision making. We will have at least a year's data before we make the final decision on re-procuring will be based on at least a year's worth of data.
- 3.9 The proposal is that we manage each group as follows:
- For the 97 services listed in appendix A, which have a current cost per passenger journey of £5 or less, we make any appropriate changes and tender the services for 4 years plus 1 year plus 1 year. Given the strong performance of these services despite the lower patronage post covid, they are clearly valued, providing broadly the right service to their communities; and offer value for money to taxpayers.
 - For the 'at risk' services ie those with a cost per passenger journey of between £5 and £10, listed in appendix B, we consider making any changes that would strengthen patronage and/or reduce cost; and re-tender those services for 2 years plus 2 years plus 1 year plus 1 year. If by the time we need to make a decision on extension after two years they have met the value for money criteria or are on a clear trajectory to do so, they could be extended and become co-terminus with the successful services. If after two years, they have not grown sufficiently to meet the value for money criterion, we would consult on withdrawal. This also gives communities a clear opportunity to improve the usage of services that they wish to continue. Withdrawal would not take place before summer 2026, giving a three year commitment to continue these routes.

- For the low use services with a cost per passenger journey of more than £10 as listed at appendix C, if a re-design could reduce cost and/or increase patronage that will be included. However, these services are substantially in excess of the £5 per passenger journey criterion – at over £10 per passenger journey. There would need to be a significant step change to bring them below that cost. The proposal is therefore to consult on withdrawal alongside re-design. The impacts of potentially withdrawing services will be assessed as part of consultation. Whilst it is never possible to commission a bus service to meet every individual travel need, the impact on individuals of a service withdrawal can be significant.

3.10 Recognising the adverse impact that the withdrawal of services can have on those who use them, it is proposed to bring forward proposals for new delivery models. Our Bus Service Improvement Plan [here](#) sets out a range of options, including demand responsive services, devolution of hyper local services; de-carbonisation; and other measures. This will also include options for introducing low rate flat fares, such as the central government funded £2 maximum single fare currently on offer.

3.11 All of these proposals will be subject to consultation. Any decisions will be made using the most up to date data, including service patronage. This means that any changes in service use can be reflected in the final decision, though no buses will be withdrawn without consultation.

3.12 Continuing to support bus services in this way will:

- Help people in Essex prosper by increasing their skills
- Enable Essex to attract and grow large firms in high growth industries
- Target economic development to areas of opportunity
- Help keep vulnerable children safer and enable them to fulfil their potential
- Enable more vulnerable adults to live independent of social care
- Improve the health of people in Essex
- Help to secure stronger, safer and more neighbourly communities
- Help to secure sustainable development and protect the environment
- Facilitate growing communities and new homes

4 Links to our Strategic Ambitions

4.1 This report links to the following aims in the Essex Vision

- Enjoy life into old age
- Provide an equal foundation for every child
- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

4.2 Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030:

- Switching journeys from car to bus offers the biggest immediate carbon reduction gain from transport – even with a predominantly diesel bus fleet;
- Bus use is therefore critical to delivering ECC's net zero ambition.

4.3 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

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

5 Options

Option 1: Do Nothing (not recommended)

5.1 If we do nothing contracts will expire in July 2024 and all services will cease. This will not meet the terms of the local bus policy; the proposals set out in our Bus Service Improvement Plan; or deliver the outcomes of Everyone's Essex.

Option 2: Reprocure all services (not recommended)

5.2 If we re-procure all services this would mean that taxpayers were continuing to support low use and high cost services which do not meet the value for money criteria. This would not meet the terms of the local bus policy. It would also mean we could not establish an innovation investment fund to develop new models.

Option 3: Consult on re-procuring contracts based on their performance (recommended)

5.3 For successful contracts with a cost per passenger journey of £5 or under to consult on procuring services for 4 years plus 1 year plus 1 year (appendix A;

5.4 For 'at risk' contracts with a cost per passenger journey of more than £5 but less than £10 and new contracts to consult on procuring for 2 years plus 2 years plus 1 year plus 1 year. The proposal would be to then after 2 years – in July 2026 at the earliest - to extend any contracts where the costs appears to be likely to be below £5 per passenger journey based on latest information or with a trajectory to bring it below £5 within a year; and to withdraw any services in excess of £5 per passenger journey where there appears no likelihood of this criteria being met, appendix B.

5.5 For low use services, where there is an opportunity to re-design the service to reduce cost and/or increase patronage to do so and to consult on that. To simultaneously consult on withdrawal for those services; and to consult on

withdrawal for services where there is no reasonable opportunity to re-design them.(appendix C).

- 5.6 Bring forward proposals to test and develop new models.
- 5.7 This option will meet the terms of the local bus policy; support the proposals set out in our Bus Service Improvement Plan; and support the outcomes of Everyone's Essex.
- 5.8 It should be noted that most locations served by the routes which will potentially be withdrawn in 2024 will remain served by other routes, either at peak times or to other places, thus few places would lose any access to public transport. It is however likely that some urban and rural areas will no longer be served by buses. The places are served by routes where every passenger journey costs ECC at least £10 in subsidy.

6 Issues for consideration

6.1 Financial implications

6.1.1 The Local Bus budget for 2023/24 is set out below:

2023/24 Approved Budget	
	£000
Gross Expenditure	12,325
Fares and Bus Service Operator	
Grant	(2,246)
Net Budget	10,079

6.1.2 The Value for Money (VFM) of all existing contracts has been assessed, using the total passenger numbers in November 2022 to February 2023 provided by all operators. For Gross contracts, where ECC receives the income, the on bus and Concessionary Fares income has also been included to calculate the Cost Per Passenger Journey (CPPJ) for that single month. This is a limited set of data and therefore this analysis will be carried out each month to inform any decisions and ECC will request appropriate passenger data to the end of April 2023.

6.1.3 The table below sets out a summary of the analysis. The data set is limited and this simply extrapolates the November 2022 to February 2023 data to model an annualised position, therefore it does not take into account seasonal variations, variations in days of operation per month or any changes to patronage throughout the year. The Bus Service Operator grant is not factored into this table and is currently anticipated at £1.1m per annum and supports the Local Bus services tendered.

	No. of contracts	Estimated annual net cost of contracts (£000)
Successful	97	4,937
At risk & new services	43	4,435
Failing services	21	1,134
	161	10,506

6.1.4 Alongside the proposed consultation, the CPPJ will continue to be monitored monthly for all contracts and this will be reviewed together with the responses to the consultation. For the low use services this intelligence will be used to inform the re-design or possible withdrawal of services that currently offer poor value for money.

6.2 Legal implications

6.2.1 ECC is under a statutory duty in accordance with the Transport Act 1985 to secure the provision of such passenger services as ECC considers it appropriate to meet any public transport requirements within its area which would not in its view be met otherwise.

6.2.2 Where a procurement exercise is required following consultation, ECC must undertake a procurement exercise in accordance with the provisions set out within the Public Contracts Regulations 2015 and ECC's procurement policy and procedures.

6.2.3 ECC will carry out a consultation prior to deciding to withdraw any services, therefore reducing the risk of legal challenge when ECC allows them to cease operating.

7 Equality and Diversity Considerations

7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

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

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

- 7.3 The Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. This is because this report relates primarily to the terms of consultation. Consultation will be used to assess any specific impacts particularly from the withdrawal of services. That will then be reflected in the subsequent Cabinet Member Action/s relating to any services withdrawals.

8 List of Appendices

Appendix A – list of services which are operating at a cost of under £5 per passenger journey

Appendix B – list of ‘at risk’ or new services costing £5-£10 per passenger journey

Appendix C – list of low use services which are costing at least £10 per passenger journey

Appendix D - ECIA

9 List of Background papers

Essex County Council Bus Service Improvement Plan 2021 - 2026

Service number	Origin	Destination	Element of service supported
4a	Southend	Shoeburyness	Sunday & Public Holidays
59	Chelmsford	Harlow	Sunday & Public Holidays
2	Harlow	Harlow	Sunday & Public Holidays
4	Harlow	Harlow	Sunday & Public Holidays
6	Harlow	Harlow	Sunday & Public Holidays
8	Harlow	Harlow	Sunday & Public Holidays
10	Harlow	Harlow	Sunday & Public Holidays
1	Harlow	Harlow	Sunday & Public Holidays
2	Harlow	Harlow	Monday to Saturday Evenings
4	Harlow	Harlow	Monday to Saturday Evenings
1	Harlow	Harlow	Monday to Saturday Evenings
10	Harlow	Harlow	Monday to Saturday Evenings
3	Harlow	Harlow	Saturday Evenings
SB21	Fuller Street	Braintree	Monday
12	Wickford	Billericay	Monday to Saturday
132	Saffron Walden	Cambridge	Sunday & Public Holidays
211/212	Waltham Cross	Breach Barns/Roundhills	Monday to Saturday
SB12	Toot Hill	Harlow	Wednesday & Friday
B3 (Previously 5)	Felmares	Basildon	Monday to Saturday Evenings
B3 (Previously 5)	Felmares	Basildon	Sunday & Public Holidays
42B (Previously 352)	Chelmsford	Halstead	Monday to Saturday Evenings
C1 (Previously 42)	Great Waltham	Galleywood	Monday to Saturday Evenings
14	Wickford	The Wick	Monday to Friday
21	North Benfleet	Basildon	Monday to Saturday
1A	Basildon	Pitsea	Saturday
21C	Canvey	Hadleigh	Monday to Friday
13/13a/14	Chelmsford	Wickford	Monday to Saturday
3	Southend	Chelmsford	Monday to Saturday
47	Chelmsford	Springfield-Broomfield/Maldon	Monday to Saturday
4	Hythe Tesco/Highwoods	Stanway Sainsburys/North Station	Monday to Friday
16A	Canwick Grove	St Helena School	Schooldays
17	West Bergholt	Stanway	Schooldays
80/80A/81/81A	Colchester	Boxted / Dedham	Monday to Saturday
174/175	Colchester	Fingringhoe	Monday to Saturday
46	Chelmsford / Epping	Ongar	Monday to Saturday
11	Hythe Tesco/Highwoods	Stanway Sainsburys/North Station	Monday to Friday
565	Grays	Brentwood	Monday to Saturday
32	Chelmsford	Ongar	Monday to Saturday
B1/B2/B4/B5 (Previously 8/8A)	Pitsea	Laindon	Monday to Saturday Evenings
B1/B2/B4/B5 (Previously 8/8A)	Pitsea	Laindon	Sunday & Public Holidays
25	Basildon	Wickford	Sunday & Public Holidays
351	Chelmsford	Brentwood	Sunday & Public Holidays
80A/80C	Brentwood	Hutton	Sunday & Public Holidays
37	Warley	Brentwood	Sunday & Public Holidays
21 (Previously 21B)	Canvey	Southend	Monday to Saturday Evenings
336 (Previously 36)	Chelmsford	Southminster/South Woodham Ferrers	Sunday & Public Holidays
31/31D/31X (Previously 31C)	Chelmsford	Southminster/South Woodham Ferrers	Sunday & Public Holidays
C4/C5 (Previously 45)	Moulsham Lodge	Oxney Green	Monday to Saturday Evenings
C2/C3 (Previously 54C/56)	North Melbourne	Beaulieu Park	Sunday & Public Holidays
70	Colchester Mason Rd	Chelmsford	Sunday & Public Holidays
71 (Previously 71A)	Chelmsford	Colchester	Monday to Saturday Evenings
42b	Chelmsford, Broomfield Hospital only	Halstead	Sunday & Public Holidays
42A	Chelmsford	Stansted Airport/Boreham	Sunday & Public Holidays
C7 (Previously 57C)	Chelmsford	Galleywood	Sunday & Public Holidays
1 (Previously 1A)	Ambrose Avenue	Greenstead	Monday to Saturday Evenings
2 (Previously 2A)	Highwoods	Great Horkeley	Monday to Saturday Evenings
88a	Colchester	Halstead	Sunday & Public Holidays
S4/S6/S7 (Previously 64/64A)	Greenstead	St Michaels Estate/ Shrub End/Layer De La Haye	Monday to Saturday Evenings
68	Highwoods	West Mersea	Monday to Saturday Evenings
88	Halstead	Colchester	Monday to Friday Evenings
1/2/6/S3/S9 (Previously 1A/2A/67B/66)	Colchester	Colchester	Sunday & Public Holidays
31 (Previously 31/33)	Chelmsford	Maldon/South Woodham Ferrers	Monday to Saturday Evenings
336 (Previously 36)	Chelmsford	Maldon/South Woodham Ferrers	Monday to Saturday Evenings
73	Chelmsford	Maldon/South Woodham Ferrers	Monday to Saturday Evenings
75	Maldon	Colchester	Sunday & Public Holidays
76	Clacton	Colchester/ Thorpe le Soken	Sunday & Public Holidays
102 (Previously 102/106)	Colchester	Harwich	Sunday & Public Holidays
301	Bishops Stortford	Saffron Walden	Monday to Saturday
5	Summers Farm	Harlow Bus Station	Monday to Saturday
306	Wicken Bonhunt	Bishops Stortford	Schooldays
66 a/b	Waltham Cross	Debden/Upshire	Sunday & Public Holidays
77/77A	St Osyth Beach	Tufnell Way	Monday to Friday
97a/98a	Clacton	Walton	Monday to Saturday Evenings
97/98	Jaywick/ Clacton	Great Clacton / Holland on Sea	Monday to Saturday Evenings
71/72	Stondon Massey	Warley	Monday to Saturday
19	Colchester Cowdray Centre/Rowhedge	William Harris Way/Monkwick School	Schooldays
50/50A	Colchester	Tollesbury / East Mersea / Layer Breton / Tiptree/ Little Horkeley	Monday to Saturday
63/63A	Colchester Cowdray Centre/Rowhedge	William Harris Way/Monkwick School	Monday to Saturday
694	Langham	East Bergholt	Schooldays
91	Tollesbury / Maldon	Witham / Tollesbury / Colchester	Monday to Saturday
92	Tollesbury / Maldon	Witham / Tollesbury / Colchester	Monday to Saturday
95/95A	Tollesbury / Maldon	Witham / Tollesbury / Colchester	Monday to Saturday
9	Walton / Weeley/Point Clear	St Osyth / Colchester / Thorpe le Soken/Brightlingsea	Monday to Friday

105/107	Walton / Weeley/Point Clear	Gt Holland / Colchester / Thorpe le Soken/Brightlingsea	Monday to Saturday
115	Walton / Weeley/Point Clear	Gt Holland / Colchester / Thorpe le Soken/Brightlingsea	Schooldays
101	Walton / Weeley/Point Clear	Gt Holland / Colchester / Thorpe le Soken/Brightlingsea	Schooldays
21	Ongar	Brentwood	Saturday
2	Harwich	Harwich	Monday to Saturday
Citi 7	Cambridge	Saffron Wallden	Monday to Saturday
30	Beckers Green	Marks Farm	Monday to Saturday
61	Blackmore/Doddinghurst	Brentwood	Monday to Saturday
13	Waltham Cross Bus Station	St Margaret's Hospital Epping	Monday to Saturday
73/73A (Previously 73)	Chelmsford	Springfield-Broomfield/Maldon	Monday to Saturday
82A/B/83A/B	Colchester/Lexden	Marks Tey/Colne Engaine/Bures	Monday to Saturday
269	Brentwood	Grays	Monday to Saturday
418	Loughton	Harlow	Monday to Saturday
S9 (Previously 66)	Colchester North Station	Rowhedge	Monday to Saturday Evenings

Service number	Origin	Destination	Element of service supported
8	Harlow	Harlow	Monday to Saturday Evenings
10	Temple Grove	Pleshey	Monday to Friday
99a	Chelmsford	Woodham Walter	Monday to Friday
SB28	Stisted	Braintree Freeport	Wednesday
DaRT 1	Uttlesford	Uttlesford	Monday to Saturday
104/106	Langdon Hills	Basildon	Monday to Friday
345	Fuller Street	Braintree	Wednesday
63	Rayleigh	Great Wakering / Landwick	Wednesday & Friday
251	Warley	Wickford	Sunday & Public Holidays
71 (Previously 45A)	Oxney Green	Chelmer Village	Sunday & Public Holidays
C7/C57 (Previously 57A/57C)	Chelmsford	Galleywood	Monday to Saturday Evenings
S3 (Previously 66B)	Old Heath	West Bergholt	Monday to Saturday Evenings
74 (Previously 74B)	Clacton	Colchester	Monday to Saturday Evenings
102	Harwich	Colchester	Monday to Saturday Evenings
316/318 (Previously 6)	Stansted Airport	Saffron Walden	Monday to Saturday
14	Harlow	Pinnacles	Monday to Saturday
7/7A	Bishops Stortford	Stansted Airport	Monday to Saturday
542	Debden	Loughton	Monday to Saturday
4	Jaywick/ Clacton	Great Clacton / Holland on Sea	Monday to Saturday Evenings
16	Wethersfield	Chelmsford	Monday to Saturday
94/A/B	South Woodham	Basildon	Monday to Saturday
79	Colchester	Tollesbury / East Mersea / Layer Breton / Tiptree/ Little Horkesley	Friday
85/92	Colchester	Tollesbury / East Mersea / Layer Breton / Tiptree/ Little Horkesley	Wednesday
2/2a	Clacton	Mistley	Monday to Saturday
D1/D2	Maldon	Bradwell	Monday to Saturday
17/18	Great Dunmow	Chelmsford	Tuesday, Thursday, Friday, Saturday
118	Parkeston	Ramsey	Schooldays
90	Maldon	Witham	Monday to Saturday
14	Southend	Shoeburyness/Barling	Monday to Saturday
60/60A	Southend	Paglesham	Monday to Saturday
31 (Previously 381)	Toot Hill	Harlow	Monday to Saturday
10	Shotgate / Wickford	Basildon	Monday to Saturday
40	Witham, Ebenezer Way	Witham, Town service	Monday, Wednesday, Saturday
34	Saffron Walden	Saffron Walden	Tuesday and Thursday only
319/320/321/59/590	Haverhill	Saffron Walden/Newport	Monday to Saturday
6A/6B	Clacton	Point Clear	Monday to Saturday Evenings
505	Harlow	Waltham Abbey	Saturday
418B	Loughton	Harlow	Monday to Saturday Evenings
418B	Loughton	Harlow	Sunday & Public Holidays
DaRT 2 (soon to become DaRT 299)	Braintree / Uttlesford	Braintree / Uttlesford	Monday to Saturday
322/323/324 (Previously 313/313A)	Great Dunmow	Saffron Walden	Monday to Saturday
305/315/325 (Previously 5)	Bishops Stortford	Stansted Airport	Monday to Saturday
313/314 (Previously 313/313A)	Great Dunmow	Saffron Walden	Monday to Saturday

Service number	Origin	Destination	Element of service supported
6	Harlow	Harlow	Monday to Saturday Evenings
F315 (Previously DaRT3)	Sudbury	Halstead	Monday to Saturday
DaRT 5	Maldon	Stow Maries/Nth Fambridge/Althorne	Monday to Saturday
552	Ramsden Heath	Billerica Station	Monday to Friday
256	Basildon/Ramsden Heath	Billerica	Tuesday, Thursday, Saturday
9/9A	Great Saling/Great Bardfield	Great Notley	Monday to Friday
84B	Colchester	Tollesbury / East Mersea / Layer Breton / Tiptree/ Little Horkesley	Thursday
21	Bocking	Black Notley	Sunday & Public Holidays
21	Bocking	Gt Notley	Monday to Saturday
DaRT 3	Braintree	Braintree	Monday to Saturday
DaRT 4	St Lawrence	Burnham on Crouch	Monday to Saturday
DaRT 7 (Previously SB10/11/13)	Moreton/Matching Green/Stanford Rivers	Epping	Monday & Thursday
94 (Previously 94C)	South Woodham	South Woodham	Sunday & Public Holidays
99	Clacton	Walton	Monday to Saturday Evenings
15	Colchester/Lexden	Marks Tey/Colne Engaine/Bures	Monday to Friday
50B	Colchester	Tollesbury / East Mersea / Layer Breton / Tiptree/ Little Horkesley	Monday
69/69A	Colchester	Tollesbury / East Mersea / Layer Breton / Tiptree/ Little Horkesley	Tuesday
804	Debden	Chigwell	Schooldays
21	Bocking	Black Notley	Monday to Saturday Evenings
7	Southend	Rayleigh	Monday to Saturday Evenings
C56 (Previously 57B)	Chelmsford	Galleywood	Sunday & Public Holidays

Report title: Decisions taken by or in consultation with Cabinet Members	
Report author: Secretary to the Cabinet	
Date: 23 May 2023	For: Information
Enquiries to: Emma Tombs, Democratic Services Manager, 03330 322709	
County Divisions affected: All Essex	

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

Leader of the Council

- FP/107/04/23** Proposed 'No Waiting at Any Time' restrictions on the B173 Lambourne Road, Chigwell, in the District of Epping Forest
- FP/108/04/23** Biodiversity Net Gain (BNG) pilot projects at Mersea & St Osyth
- FP/113/05/23** ECL Business Plan 2023-24

Deputy Leader & Cabinet Member for Community, Equality, Partnerships and Performance

- FP/110/04/23** Local Community Funds and Locality Funds Arrangements 2023/24

Cabinet Member for Education Excellence, Life Long Learning and Employability

- FP/104/04/23** Appointment of Trustees to the Colchester Ragged School Education Trust
- FP/105/04/23** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 426

Cabinet Member for Finance, Resources and Corporate Affairs

- FP/111/04/23** Drawdown from Reserve for Additional Funding for Transformation Programme Shaping Support

Cabinet Member for Health and Adult Social Care

***FP/028/01/23** Procurement of the Little Clacton Supported Living Contract

Cabinet Member for Highways Maintenance and Sustainable Transport

***FP/519/09/22** Revisions to Highways and Transportation Policy and Strategy
Documentation

*** Key Decisions 2**