



Essex County Council

Corporate Policy and Scrutiny Committee

| | | |
|--------------|--|---|
| 10:15 | Thursday, 22 September 2022 | Council Chamber County Hall, Chelmsford, CM1 1QH |
|--------------|--|---|

For information about the meeting please ask for:

Graham Hughes, Senior Democratic Services Officer

Telephone: 033301 34574

Email: democratic.services@essex.gov.uk

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| | | Pages |
|-----------|--|----------------|
| ** | Private Pre-Meeting for CPSC Members Only Please note that there will be a private pre-meeting for committee members on Wednesday 21 September 2022 at 4.00pm via Microsoft Teams. | |
| 1 | Membership, Apologies, Substitutions and Declarations of Interest | 4 - 4 |
| 2 | Minutes: 28 July 2022 To approve as a correct record the minutes of the meeting held on 28 July 2022 and consider the matters arising. | 5 - 23 |
| 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. Please note that members of the public wishing to ask a question must email democratic.services@essex.gov.uk be noon on the day before the meeting (Wednesday 21 September 2022) and that questions must relate to an item on the agenda for the meeting. | |
| 4 | 2022/23 Financial Overview as at the First Quarter (Part 1) and Budget Setting Process (Part 2) | 24 - 50 |
| 5 | Work Programme | 51 - 54 |

6 Date of Next Meeting

The date of the October meeting will be finalised. The original date of the 27 October 2022 is no longer feasible.

7 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.

8 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.

Agenda item 1

Committee: Corporate Policy and Scrutiny Committee

Enquiries to: Graham Hughes, Senior Democratic Services Officer

Membership, Apologies, Substitutions and Declarations of Interest

Recommendations:

To note

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

Membership (Quorum: 4)

| | |
|-------------------------|---------------|
| Councillor C Pond | Chairman |
| Councillor T Cunningham | |
| Councillor J Fleming | |
| Councillor M Garnett | |
| Councillor I Henderson | |
| Councillor S Kane | |
| Councillor D Land | |
| Councillor M Mackrory | Vice-Chairman |
| Councillor A McQuiggan | |
| Councillor C Siddall | |
| Councillor W Stamp | |
| Councillor M Steptoe | Vice-Chairman |
| Councillor M Vance | |
| Councillor A Wiles | |

Minutes of the meeting of the Corporate Policy and Scrutiny Committee, held at 10.45am on Thursday, 28 July 2022 in the Council Chamber, County Hall, Chelmsford.

Present:

County Councillors:

C Pond (Chairman)
T Cunningham
J Fleming
M Garnett
I Henderson
S Kane
D Land
A McQuiggan
W Stamp
M Steptoe (Vice Chairman)
M Vance

The following members from other scrutiny committees were also present:

Councillor R Gooding (Chairman of the People and Families Policy and Scrutiny Committee)
Councillor C Souter (Vice Chairman of the Health Overview Policy and Scrutiny Committee)

The following joined the meeting virtually via Zoom:

Councillor A Goggin (Chairman of the Place Services and Economic Growth Policy and Scrutiny Committee),
Councillor D Harris (Vice Chairman of the Health Overview and Policy Scrutiny Committee),
D King (substitute),
W Stamp.

Gemma Bint, Democratic Services Officer, Graham Hughes, Senior Democratic Services Officer, and Emma Hunter, Democratic Services Officer, were also present.

1 Membership, Apologies, Substitutions and Declarations of Interest

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

Apologies for absence had been received from Councillor M Mackrory (for whom Councillor King substituted via Zoom) and Councillor C Siddall.

2. Minutes

The draft minutes of the meeting held on 23 June 2022 were approved as a true record and signed by the Chairman of the meeting.

3. Questions from the public

There were no questions from the public.

4. Ways of Working Programme update

The Committee considered report CPSC/16/2022 comprising the

The following joined the meeting to introduce the item:

Councillor Christopher Whitbread, Cabinet Member for Finance,
Resources and Corporate Affairs;
Pam Parkes –Executive Director, People and Transformation

During the opening presentation and subsequent questioning and discussion, the following was acknowledged, highlighted and/or noted:

- (i) Four workstyles had been defined namely Anywhere Workers, Fixed Base workers, Community Based workers, Operational Field Based workers.
- (ii) Support was being given to staff, managers and leaders in each function to help embed the work styles and hybrid working.
- (iii) Staff surveys had been conducted throughout the pandemic. Members recalled that a staff survey reported to the Committee in September 2021 had indicated that some staff were unhappy about working from home. It was countered that recent staff surveys clearly demonstrated Anywhere Workers were generally happy with their arrangements and the flexibility it provided. Anywhere Workers seemed to be the most satisfied compared to the other three workstyles and this suggested that more work needed to be done particularly with Fixed Base workers and Operational Field Based workers to understand if there were specific issues that needed further consideration and/or support. Community Based workers, such as social workers, were broadly still working in the same way as they had before the pandemic although some efficiencies had been achieved through greater use of technology for virtual meetings between the statutory agencies when appropriate. It was also stressed that a number of other front-facing services had not actually changed in the way they were being delivered – for example libraries and registrars.
- (iv) Some comparative work with other local authorities in the region had revealed that at least four had adopted something similar. As with ECC, none had amended employee contracts but three had changed some internal policies to accommodate new ways of working. It was suggested that there was some degree of

assurance that ECC were not out of line compared to other neighbouring authorities.

- (v) A broader review of the whole Estate and building usage was underway. Work was also underway to understand how people were now using the Category 1 buildings as, on average, the returning numbers post pandemic were less than had been anticipated. However, the use of buildings had been dropping before the pandemic.
- (vi) There had been a continued focus on staff health and safety with local management trained to monitor and help staff conduct risk assessments of their working locations.
- (vii) The County Council believed staff should not be working at home all the time and had encouraged the holding of regular in-person team meetings.
- (viii) Members questioned if productivity and performance had been significantly impacted by greater numbers of staff working at home and whilst these continued to be monitored the Cabinet Member and senior officer had not seen any evidence of this.
- (ix) It was reported that Trade Unions had also encouraged the adoption of the new flexible workstyles although they had expressed some early concerns about health and safety risk particularly for those working at home. Greater care and attention to staff welfare may need to be given when they were remote working which was why ECC had been insistent that no employees could work remote full time. ECC would seek to accommodate those who wished to work more substantively in an ECC office.
- (x) There were very active staff/employee networks who ensured a high profile for staff concerns and priorities such as supporting those with caring responsibilities.
- (xi) Flexibility of working patterns could aid recruitment as it may be viewed as attractive by prospective applicants.
- (xii) Staff working from home had been facilitated by the provision of equipment for use at home and allowances towards some furniture. By working at home some staff may be saving on commuting costs. Some members queried if ECC would be saving on energy costs by the low occupancy rates in buildings and mothballing of parts of County Hall.
- (xiii) Prior to the pandemic approximately 95% of staff lived within the county. It was acknowledged that since the pandemic some staff

may have been making different choices about where they live now and had moved out of the county.

Conclusion:

It was agreed that the following further information would be provided:

- (i) A map or other representation illustrating the distribution of staff home addresses.
- (ii) Line by line breakdown of budget provision for home working including for new starters.

The Cabinet Member and supporting officers were thanked for their attendance and they then left the meeting.

5. Everyone's Essex Performance Update - Quarter 4 2021-22

The Committee received report CPSC/17/22 which provided the latest performance update on the aims, aspirations and targets within the Everyone's Essex Strategy.

The following joined the meeting to introduce the item:

Councillor Kevin Bentley, Leader of the Council
Richard Puleston – Director, Policy
Clare Perkins – Business Intelligence Partner

During questioning and discussion, the following was acknowledged, highlighted and/or noted:

- (i) The Strategy was intended to be the building blocks for generational change, facilitate equal opportunity, and some outcomes would not be immediate.
- (ii) Both local and national government, together with strategic partners, were facing unprecedented times emerging from the global pandemic and now also faced further significant economic challenges and climate change. The latter was one of the biggest threats and would require longer term measures to change behaviours.
- (iii) Several members questioned the Leader on bus service provision. The Chairman noted the increasing importance of good public transport, including information about services.

-
- (iv) There was concern about bus services in rural areas and members encouraged the further roll-out of the Digibus scheme. The Place Services and Economic Growth Policy and Scrutiny Committee would be looking at future strategy for bus services.
 - (v) Members encouraged further lobbying on the A127 corridor to ensure adequate road infrastructure for the anticipated housing growth in the area.
 - (vi) Members sought information on whether there had been any further progress on devolution and the possibility of the County Council also becoming a Transport Authority.
 - (vii) More information may be needed for members to further understand some of the targets and what was changing and where and cited, for example:
 - The skills that were being targeted when measuring the numbers of people benefiting from skills and employment programmes and where they were being targeted.
 - The type of jobs being created by ECC programmes and where they were located.
 - Distinguishing those using e-scooters instead of car journeys from those just using scooters as recreational activity.
 - The location of homes benefitting from funding for energy efficiency improvements and clarification on the target being sought. Members stressed that it was important to continue dialogue with Government and lobby hard for further funding.

Conclusion

In view of the detailed questioning from some members on quite specific matters and subjects, it was suggested that a more granular conversation to go through some of the detail required by members could be arranged as part of pre-meets ahead of future formal performance updates on Everyone's Essex. The Chairman agreed to consider this further. In the meantime, it was agreed to provide further information on issues raised under (vi) above.

The Chairman highlighted that the discussion had demonstrated that future quarterly performance updates would benefit from including more information on the geographical distribution of funding and spending as part of the broader Levelling Up agenda. It was stressed by the Leader that change was not always seen by everyone as it may just impact on services accessed by a few people. It was also important to note that change was not always solely about funding and may also be about facilitating equal

access and opportunity and that any decisions to prioritise or target certain areas would be supported by the evidence. The Deputy Leader would be invited to attend the next update so that she would be able to provide more information on Levelling Up initiatives.

It was stressed that there were not sufficient resources available to always advise local members of everything being done, particularly in relation to highways matters. However, this would be referred to Councillor Scott to consider if there could be more communications around what was being done and the best way to display it.

Members sought more information on funding for infrastructure projects, including section 106 developer contributions, and delivery of those projects. There were suggestions from members that there could be more joined-up thinking specifically in relation to section 106 developer contributions and better linkages with the work of the Local Highways Panels. Further consideration would be given by the Scrutiny Board to structuring a further discussion on these issues perhaps jointly with other scrutiny committees if appropriate.

The Leader and supporting officers were thanked for their attendance and they then left the meeting.

6. Work Programme

The Committee received report CPSC/18/21 comprising the current work programme of the Committee which was noted.

7. Date of Next Meeting

The next meeting was scheduled to be held on Thursday 22 September 2022.

There being no further business the meeting closed at 1.07pm

Chairman

Corporate Policy and Scrutiny – Matters Arising as at 22 September 2022

Note: once an item has been completed it will show in this report for one subsequent meeting and then will be removed.

| <u>Date</u> | <u>Agenda item</u> | <u>Action</u> | <u>Status</u> |
|--------------------|---|---|---|
| 28 July 2022 | Ways of Working Programme update | A map or other representation illustrating the distribution of staff home addresses to be provided. | See attached further information received - completed |
| | | Line by line breakdown of budget provision for home working including for new starters to be provided. | See attached further information received |
| | Everyone's Essex Performance Update - Quarter 4 2021- 22 | The skills that were being targeted when measuring the numbers of people benefiting from skills and employment programmes and where they were being targeted. | See attached further information received - completed |
| | | The type of jobs being created by ECC programmes and where they were located. | See attached further information received - completed |
| | | Distinguishing those using e-scooters instead of car journeys from those just using scooters as recreational activity. | See attached further information received - completed |
| | | The location of homes benefitting from funding for energy efficiency improvements and clarification on the target being sought. Members stressed that it was important to continue dialogue with Government and lobby hard for further funding. | See attached further information received - completed |
| | | Chairman to consider format and timing for future pre-meetings and whether to incorporate a more granular discussion to incorporate some of the extra detail required by members. | TBC |
| | | Deputy Leader to be invited to attend the next update so that she would be able to provide more information on Levelling Up initiatives. | To be done once meeting date finalised |

| <u>Date</u> | <u>Agenda item</u> | <u>Action</u> | <u>Status</u> |
|--------------------|---|--|--|
| 23 June 2022 | 2021/22 Provisional Outturn Report and Reserves Update | A breakdown of the higher-than-expected savings made indicating whether they were additional to those planned or whether they had just been achieved earlier. | Update requested - this may be scheduled into next formal finance agenda item. |
| | | Further breakdown of staff vacancies indicating where they were within the organisation and any impact on operations. | Update requested - this may be scheduled into next formal finance agenda item. |
| | | The November 2021 Cabinet Report would be re-circulated to members and the section(s) relating to funding Climate Commission actions would be flagged. | Update requested - this may be scheduled into next formal finance agenda item. |
| | | Reserves for safeguarding PFI risk had been set up in line with the individual terms of the original funding schemes and officers would provide further information and clarification in a written report incorporating individual target end dates. | Update requested - this may be scheduled into next formal finance agenda item. |
| | | Information would be provided on whether ECC earned income from academies where they were occupying ECC owned estate. | Update requested - this may be scheduled into next formal finance agenda item. |
| | | Whether s106 developer contribution monies received and being held can be identified by district. Members would also support a process for a periodic statement to be made outlining what is outstanding. The Committee also would consider any follow-up to the developer contributions briefing held in March 2022 | Update requested - this may be scheduled into next formal finance agenda item. |
| 30 September 2021 | Ways of Working Programme update | The cost of converting meeting rooms | Completed – included in agenda update item for 28 July 2022. |

| <u>Date</u> | <u>Agenda item</u> | <u>Action</u> | <u>Status</u> |
|--------------------|---|--|---|
| | Ways of Working Programme update cont... | The advice provided to staff around home working (and in particular security) | Completed – included in agenda update item for 28 July 2022. |
| | | A breakdown of numbers of staff in each of the identified four workstyles. | Completed – included in agenda update item for 28 July 2022. |
| | | Copy of procedure notes on welfare issued to Heads of Department, and line managers and others | Completed – included in agenda update item for 28 July 2022. |
| | | Copy of notes/minutes of discussions with Trade Unions | Completed – included in agenda update item for 28 July 2022. |
| | | <p>Further information on the hybrid meeting rooms including confirming:</p> <ul style="list-style-type: none"> (i) The suitability of the microphones for the size of room; (i) That the quality of a meeting would be no worse than would be experienced in person, particularly for the hard of hearing; (ii) Availability of training for staff to use the new equipment; (iii) The acceptance criteria for the commissioning of a room and the minimum remote equipment required; <p>Arrangements for ensuring the security of the tools permitted in hybrid meetings and the use of end-to-end encryption.</p> | <p>Subsequent email correspondence between Councillor McQuiggan and Executive Director, People and Transformation circulated to members.</p> <p>COMPLETE.</p> |
| | | Joint work being done with other local authorities on the experience of hybrid working in the public sector. | Completed – included in formal agenda update item for 28 July 2022. |

Corporate Scrutiny

Committee follow up actions

Corporate Scrutiny requested breakdowns of performance for the following areas following the committee discussion:

- E-Scooters
- Skills
- Jobs created and safeguarded
- Section 106

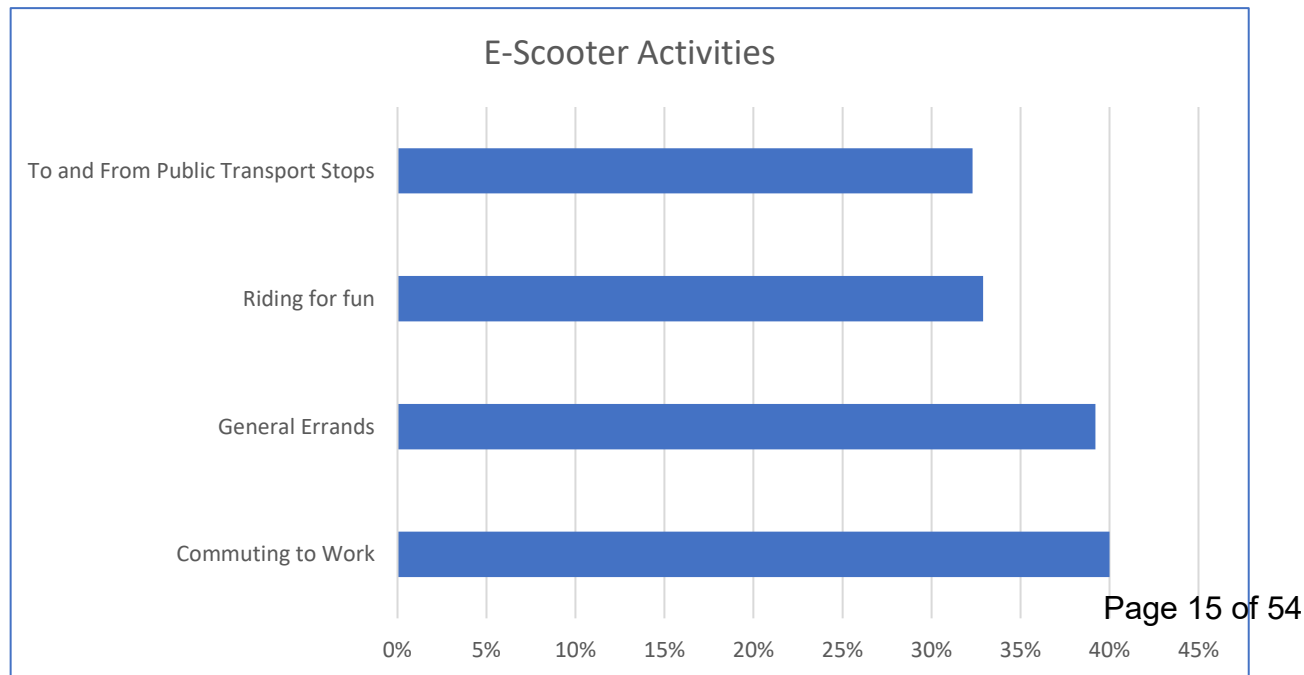
E-Scooter Pilot Performance

To date 1,090,073 trips have been made

78.3% of Essex respondents agreed or strongly agreed that e-scooter hire schemes help reduce usage of cars and help lower emissions.

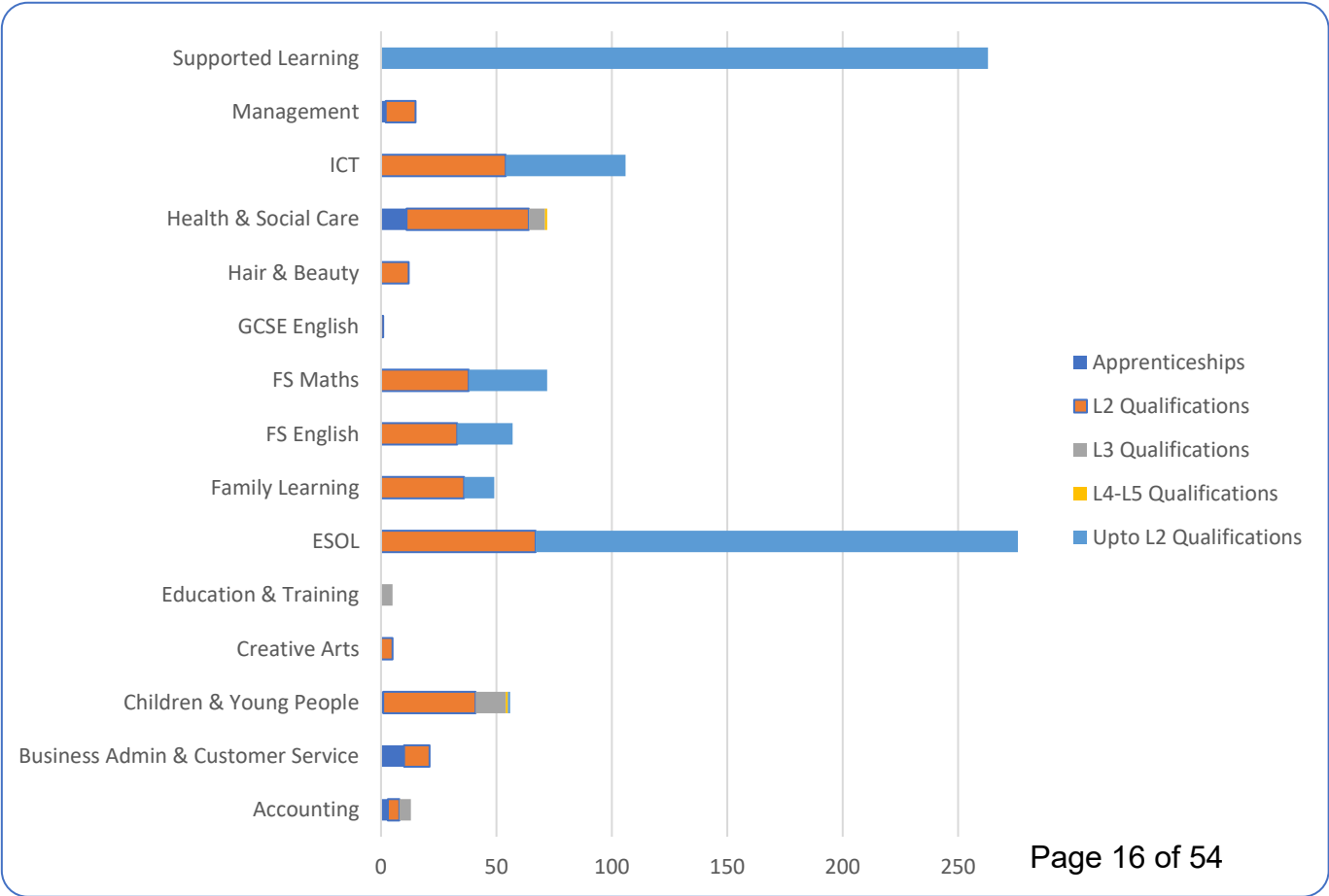
54.9% of Essex respondents use at least one of their e-scooter hire scheme trips during a typical week to connect to public transport.

75.1% of Essex respondents use an e-scooter hire scheme instead of using a personal car at least a few times a month



Skills breakdown

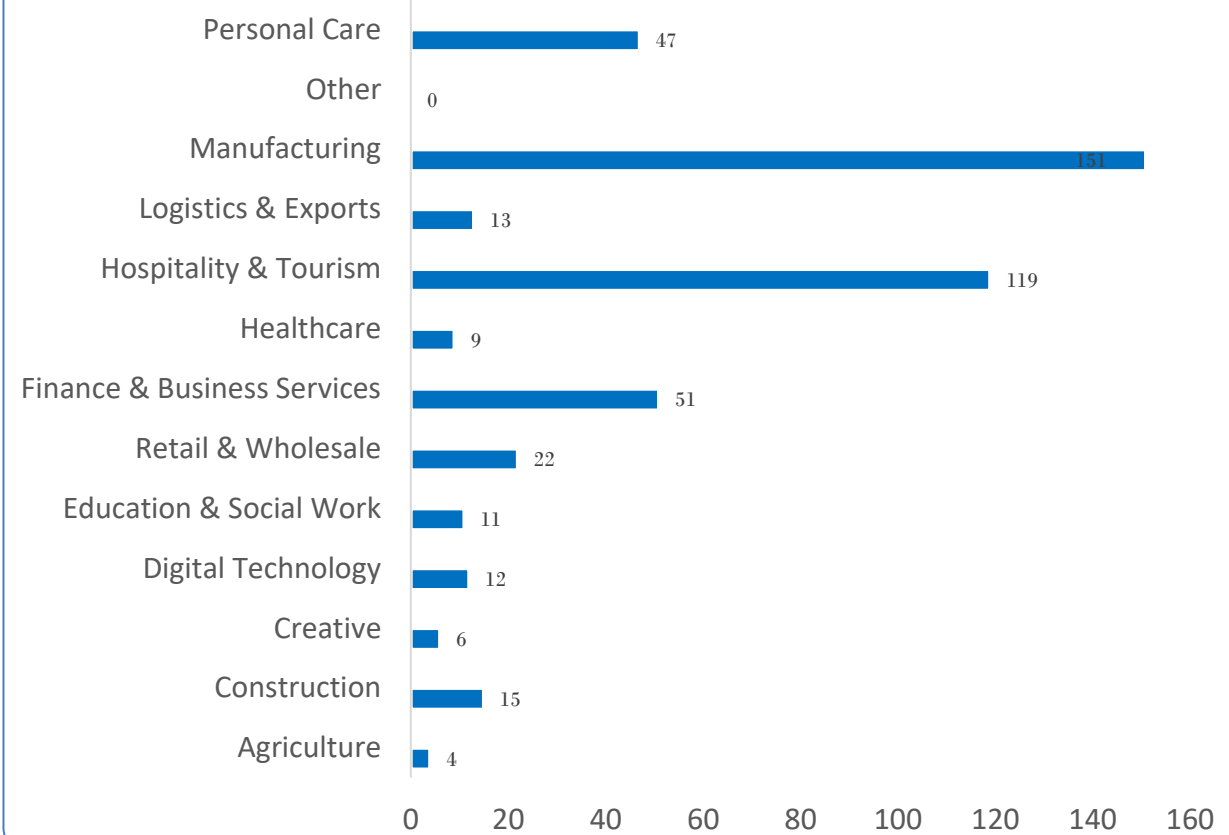
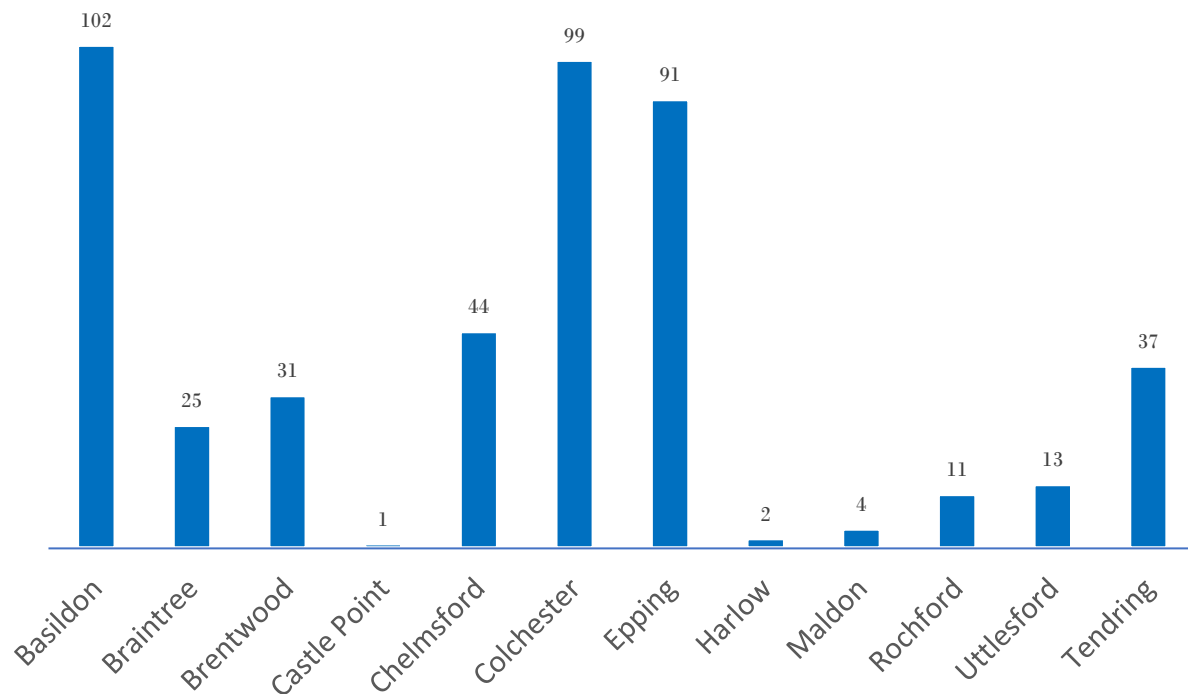
This breakdown shows the number of qualifications carried out through ACL training programmes in different subject areas since 1st April 2022



| Curriculum Area | No of Starts |
|------------------------------|--------------|
| Upto L2 Qualifications | |
| Children & Young People | 1 |
| ESOL | 267 |
| Family Learning | 13 |
| FS English | 24 |
| FS Maths | 34 |
| ICT | 52 |
| Supported Learning | 263 |
| Upto L2 Qualifications Total | 654 |
| L2 Qualifications | |
| Accounting | 5 |
| Business Admin & Customer S | 11 |
| Children & Young People | 40 |
| Creative Arts | 5 |
| ESOL | 67 |
| Family Learning | 36 |
| FS English | 33 |
| FS Maths | 38 |
| GCSE English | 1 |
| Hair & Beauty | 12 |
| Health & Social Care | 53 |
| ICT | 54 |
| Management | 13 |
| L2 Qualifications Total | 368 |
| L3 Qualifications | |
| Accounting | 5 |
| Children & Young People | 13 |
| Health & Social Care | 7 |
| Education & Training | 5 |
| L3 Qualifications Total | 30 |
| L4-L5 Qualifications | |
| Children & Young People | 1 |
| Health & Social Care | 1 |
| L4-L5 Qualifications Total | 2 |
| Apprenticeships | |
| Health & Social Care | 11 |
| Children & Young People | 1 |
| Accounting | 3 |
| Business Admin & Customer S | 10 |
| Management | 2 |
| Apprenticeship Total | 27 |

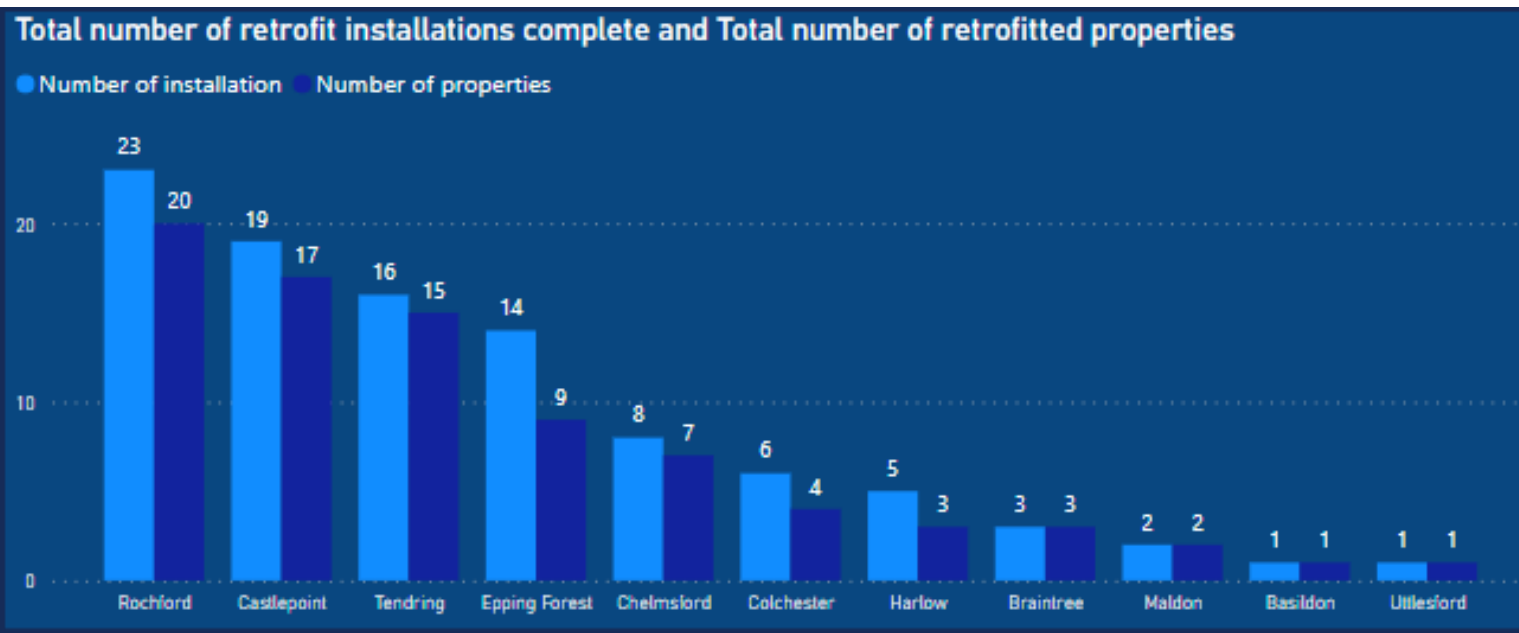
Jobs created and safeguarded breakdown

Jobs by District



This breakdown provides the number of jobs created or safeguarded through ECC projects by district and by job sector for June 2021-June 2022. The total jobs created or safeguarded over that period was xx

Retrofit Low Income Households



Graphs show the district breakdown of the properties retrofitted in 2021/22 through the LAD Phase 1 scheme.

The allocation process is predominantly first come first served, with some funding schemes leaning towards prioritising the lower end of the EPC rated properties (G). The schemes are managed by the net zero hub/warmworks for the GHGLAD/SW project, therefore not ECC.

Householders have to apply themselves or be referred in to the schemes. Low household income and EPC level of D-G rated are the main criteria.

Retrofit Schemes – Planned for 22/23

Estimated number of homes is based on £10-20K per property

| Name of Scheme | Funding | Number of estimated homes |
|---|--------------------|---------------------------|
| GHG LAD Phase 2 | £5,200,000 | 520 |
| Social Housing Decarbonisation Fund (SHDF) Wave 1 | £2,600,000 | 547 |
| Sustainable Warmth | £17,200,000 | 1691 |
| Total | £25,000,000 | 2758 |

Ways of Working Programme

Additional questions from Scrutiny Committee
28th July 2022



Essex County Council – Employee Home Locations

Scrutiny committee requested data on the distribution of our employee's home addresses. The data shows pre-pandemic compared to July 22.

In total, there has been just over 2% transition of our employee addresses outside of the Essex County.

| County | December 2022 | July 2022 | Changes |
|---------------------|---------------|------------|------------|
| | Percentage | Percentage | Percentage |
| Essex | 89.4% | 87.2% | -2.2% |
| Neighbouring County | 10.0% | 11.3% | 1.4% |
| Wider UK | 0.7% | 1.5% | 0.8% |

| Essex Locations | December 2022 | July 2022 | Changes |
|-----------------|---------------|------------|------------|
| | Percentage | Percentage | Percentage |
| Basildon | 8.1% | 7.7% | -0.4% |
| Braintree | 11.7% | 11.6% | -0.1% |
| Brentwood | 3.0% | 2.7% | -0.3% |
| Castle Point | 3.4% | 3.3% | -0.2% |
| Chelmsford | 22.7% | 21.4% | -1.3% |
| Colchester | 17.5% | 17.0% | -0.5% |
| Epping Forest | 2.8% | 2.5% | -0.3% |
| Harlow | 3.8% | 4.2% | 0.4% |
| Maldon | 5.2% | 5.5% | 0.3% |
| Rochford | 3.4% | 3.6% | 0.2% |
| Southend-on-Sea | 3.4% | 3.8% | 0.4% |
| Tendring | 10.2% | 11.5% | 1.3% |
| Thurrock | 1.7% | 2.1% | 0.4% |
| Uttlesford | 3.0% | 3.1% | 0.0% |

Budget Provision for home working including new starters

The approach to support home working equipment costs during the pandemic was as follows

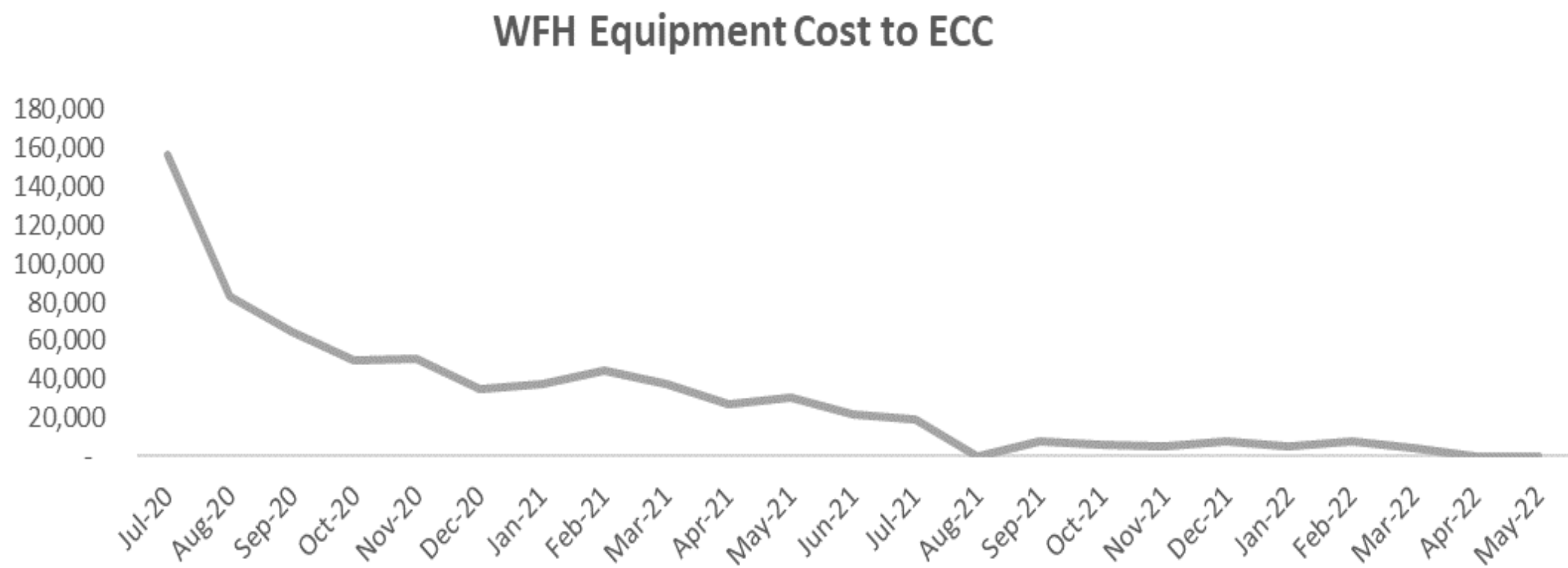
- Employees could claim via the expenses system up to £100 each towards the cost of a chair or desk and up to £30 towards the cost of a lamp
- Where IT related equipment was needed eg: monitors, keyboards etc these could be directly purchased via the IT catalogue and could be directly delivered to the employees address

Prior to the scheme being introduced an analysis was undertaken of services incidental budgets eg: office expenses, travel, meeting expenses etc and there was projected to be an under spend against those budgets given the restrictions in place and as such it was anticipated that services would be able to contain these costs within their existing budgets – so no additional funding was provided.

The expense claim element of the scheme ran from the middle of June 2020 up until May 2022 and £376,000 was claimed during this period (with over 60% of this in the first 5 months).

The IT related spend totalled £417,000 (again with over 60% being incurred in the first 5 months). The expectation with this is that monitors are returned to ECC when an employee leaves or is no longer working from home.

WFH Equipment costs to ECC by Month



From May 2022 employees have been able to order chairs and desks via a catalogue request system rather than claim via the expense system, the costs for the 3 months May 2022 - July 2022 is £12,000

Services have been able to successfully contain all the above costs within their existing budgets.

Opportunity costs

The following table summarises the opportunity costs relating to the design & delivery of the “Managing in a hybrid world programme”.

| | |
|---|------|
| Design and delivery of pilots from Jan to June (0.6 FTE for Lead and 1FTE for PC) | £46k |
| 2 x L&D Consultants (6 months) | £45k |
| Ongoing delivery for 6 months (1 x cohort for 16 managers and 1 x cohort for 16 seniors per month – 0.2 for Lead and 0.6 for PCs – if fully booked. If cohorts were fully booked, we’d reach 32 managers a month or 192 across a 6 month period.) | £20k |

| | |
|--|---------------------------|
| Report title: 2022/23 Financial Overview as at the First Quarter (Part 1) and Budget Setting Process (Part 2) | |
| Report to: Corporate Policy and Scrutiny Committee | |
| Report author: Cllr Christopher Whitbread, Cabinet Member for Finance, Resources and Corporate Affairs | |
| Date: 22 September 2022 | For: Consideration |
| Enquiries to: Stephanie Mitchener, Director of Finance email stephanie.mitchener@essex.gov.uk or Adrian Osborne, Head of Strategic Finance and Insight email adrian.osborne2@essex.gov.uk | |
| County Divisions affected: All Essex | |

1. Purpose of report

- 1.1 This item is to consider the 2022/23 First Quarter Financial report presented to Cabinet on 19th July, and an overview of the budget process for 2023/24, including how the budget is built, key risks being considered, and the uncertainty driving the medium term.

2 Background

- 2.1 The Council presented its First Quarter Financial position for 2022/23 to July Cabinet. At this stage of the year there is a forecast over spend of £5.1m (0.5%), against a net revenue budget of £1.1bn. For the Capital Programme there is an under spend of £7.9m (2.7%) on the capital programme against a budget of £294m.
- 2.2 The process for setting the 2023/24 budget and the medium term resource strategy has been underway since the beginning of the financial year. Work will continue until the final budget for 2023/24 is presented to Cabinet in January, followed by Full Council in February.

3 Part 1 - 2022/23 First Quarter Report

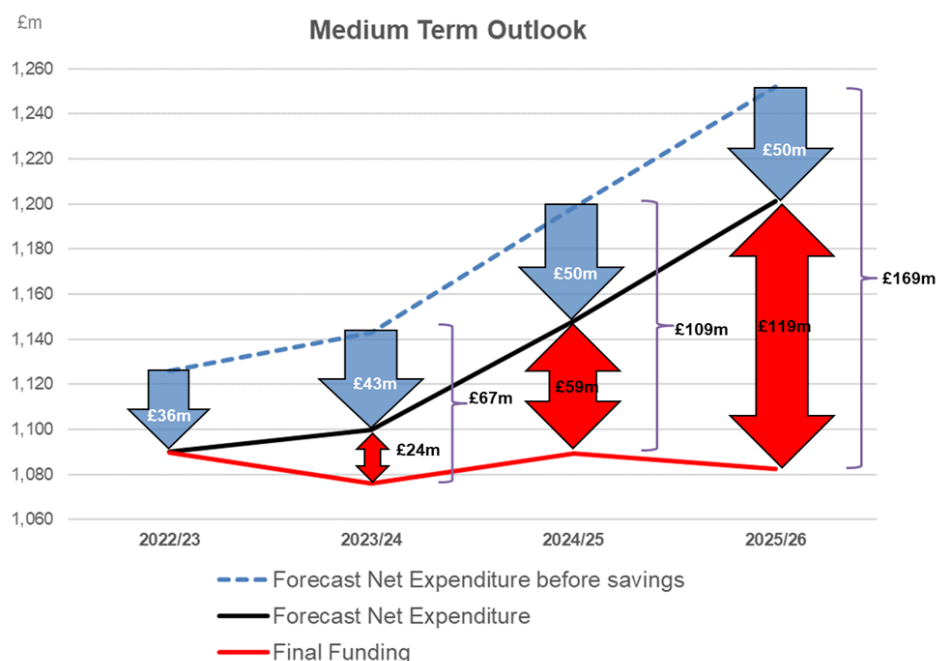
- 3.1 The Council finds itself in an economic environment of inflation quickly rising to a 40 year high. Since publication of the Cabinet report, inflation has reached 10.1%, which will potentially be sustained for an extended period of time. For context, when the budget for 2022/23 was set, inflation predictions were for a peak of 5.5%. Alongside this, we continue to face uncertain levels of demand for many of the services we deliver, in what are difficult circumstances. All of these factors will require careful monitoring and are likely to result in ongoing volatility of forecasting as we move through the year, which makes it difficult to produce an accurate forecast.

- 3.2 There is a full year forecast over spend of £5.1m (0.5% against a net budget of £1.1bn). The overall over spend position is driven by pressures within the Adult Social Care and Health portfolio, where there are significant over spends in Residential Care, Nursing Care and Reablement driven by demand which continues to be difficult to accurately predict, market capacity issues and potential non-delivery of savings, and within the Finance, Resources and Corporate Affairs RSSS portfolio, mainly due to the delays to property transformation savings, plus pressure on utilities budgets, given forecast market rates.
- 3.3 Within the forecast position, inflation pressures of £6.4m have been identified, impacting Transport providers and fuel costs, energy costs for street lighting and running the ECC estate, and Adult Social Care. As we progress through the year these pressures will likely increase, as we gain better insight on actual and potential inflation impacts through procurement activity and supplier interactions. The report includes recommendations to draw down £2.5m from the General Risk Reserve to fund pressures seen to date, which leaves capacity to fund further pressures as they develop through the remainder of the year.
- 3.4 Since publication of the First Quarter report, a further decision has been taken to drawdown £4.46m from the General Risk reserve to meet cost pressures on the Council's electricity budgets in 2022/23. This brings total reserves support for electricity in this year to £9.5m.
- 3.5 We continue to face the impact of Covid, on demand for our broad range of services, as well as with capacity of providers to deliver our requirements. We still face pressures, and continue to provide support to markets, particularly in Adult Social Care with staffing recruitment and retention. Within this report recommendations are included for £2.7m of drawdowns from the Covid Equalisation Reserve, and we expect further drawdowns throughout the year as ongoing pressures develop, or we see new waves of the pandemic that impact on the financial position.
- 3.6 The Capital Programme has a forecast under spend of £7.9m against a latest budget of £294m. After taking account of the budget change adjustments set out in the First Quarter report, there is a residual under spend of £1.7m. The budget change adjustments are summarised as follows:
- Slippage of £4m (£3.7m into 2023/24 and £324,000 into 2024/25)
 - Budget additions of £10.9m
 - Budget reductions of £17m
 - Advanced works of £663,000 (£4.8m to be advanced from 2024/25 of which £663,000 moves in to 2022/23, and £4.1m in to 2023/24)
- 3.7 The Council's approved treasury management strategy permits inter-authority loans. Given current developments within Local Government, there is rightly

increasing scrutiny of these. ECC currently has no inter-authority loans, and stopped undertaking these in 2020/21.

4 Part 2 - 2023/24 Budget Setting Process

- 4.1 Budget setting for 2023/24 and a refresh of the medium term resource strategy is currently underway. In February 2022, our medium term resource strategy set out a forecast budget gap of £24m for 2023/24, rising to £119m by 2025/26.



- 4.2 Scenario planning has been undertaken looking at the key assumptions that drive the budget, including inflation, demand, savings delivery and Council Tax and Business Rates variables. These are under frequent review and assessed based on our confidence and latest information available.
- 4.3 Given the current economic climate, there are a number of risks and challenges that we face in setting next year's budget. The 40-year high rate of inflation, and the uncertainty around future levels of inflation will impact contractual expenditure, including the surges in energy costs and food prices. In the Provisional Outturn report to Cabinet in July, inflation risk alone in 2022/23 was estimated in the region of £35m above that budgeted. There is also the impact of cost of living on our residents, given high levels of inflation, and the impact this may have on demand for services and tax collection rates (both for council tax and business rates). Alongside this there is still significant uncertainty on how Adult Social Care reforms set out by government will be funded.
- 4.4 As part of the presentation to the Committee we will set out the process of how we build the budget and the key elements that make up the budget,

particularly given the completion of the Corporate Systems project, and changes to how the budget is now built.

5 List of Appendices

Appendix A – 2022/23 Financial Overview as at the First Quarter (FP/303/02/22)

Forward Plan Reference Number: FP/303/02/22

| | |
|---|----------------------|
| Report title: 2022/23 Financial Overview as at the First Quarter Stage | |
| Report to: Cabinet | |
| Report author: Cllr Christopher Whitbread, Cabinet Member for Finance, Resources and Corporate Affairs | |
| Date: 19 July 2022 | For: Decision |
| Enquiries to: Nicole Wood, Executive Director, Corporate Services Nicole.wood@essex.gov.uk and Adrian Osborne, Head of Strategic Finance and Insight email Adrian.osborne2@essex.gov.uk | |
| County Divisions affected: All Essex | |

1 Everyone's Essex

- 1.1 The Everyone's Essex Annual Plan and Budget was set for 2022/23 at Council in February 2022. The plan set out the Everyone's Essex strategic aims and commitments, alongside a budget to enable delivery of our aims, while also maintaining the financial sustainability of the Council.
- 1.2 The purpose of this report is to set out the current forecast financial position of Essex County Council's (ECC) revenue and capital budgets as at the first quarter stage of the 2022/23 financial year. The report highlights that, while there is a small forecast over spend of 0.5% against a net revenue budget of **£1.1bn**, the short to medium term outlook remains incredibly challenging, with demand uncertainty, market volatility and rising inflation alongside cost of living impacts.
- 1.3 The financial year has started in unprecedented circumstances. Inflation is now at 9.1%, with the expectation it will pass 10% by the end of the year, over double the council tax rise applied this year, and the potential for a longer peak than previously anticipated. The forecast currently reflects additional inflation pressures of circa £6.4m, crossing a number of areas, with £2.5m proposed to be funded from reserves through recommendations in this report. It is likely further inflation pressures will arise as we progress through the year, as well as other unknowns, including any further impacts of the Covid-19 pandemic and ongoing demand for services. These will be carefully monitored, and are likely to result in ongoing volatility of expenditure as we move through the year, making it difficult to produce an accurate forecast.
- 1.4 Despite these challenges, our focus remains on prioritising our resources to achieve the strategic aims outlined in Everyone's Essex. £1.3m was recently prioritised to support Levelling Up in Essex through extending the Essex ActivAte programme to 2025, and commitment to delivering new physical activity projects in Tendring and Basildon.

2. Recommendations

Approval is sought for the following:

2.1 To draw down funds from reserves as follows:

- i. **£2.2m** from the Adults Transformation Reserve to the Adult Social Care and Health portfolio for the following Programme costs: Meaningful Lives Matter **£1.3m**, Newton Connects **£367,000**, Choice & Control **£330,000**, Physical and Sensory Impairment **£170,000** and Transforming Community Care & Dementia **£102,000** (section 5.1.v)
- ii. **£1.5m** from the General Risk Reserve to the Highways Maintenance and Sustainable Transport portfolio to cover increased energy prices from September 2022 (section 5.9.iii)
- iii. **£1.2m** from the Essex Climate Change Commission Reserve to the Leader portfolio towards the costs of implementing a programme to respond to the recommendations in the Essex Climate Action Commission Interim Report and to deliver the Essex Green Infrastructure Strategy. This is as per the previously approved CMA FP/898/11/20 which has now time lapsed (section 5.10.ii)
- iv. **£999,000** from the General Risk Reserve to the Finance, Resources and Corporate Affairs RSSS portfolio to fund increased energy costs in 2022/23 owing to current energy price rises, inflation and new contract rates (section 5.15.iii)
- v. **£964,000** from the Adults Transformation Reserve to the Adult Social Care and Health portfolio relating to investment in Business Support staff in the Countywide Duty Team, Welfare Independent Practitioners social work posts to support the tackling of the backlogs and increased volumes in activity (section 5.1.v)
- vi. **£940,000** from the Covid Equalisation Reserve to the Economic Renewal, Infrastructure and Planning portfolio (**£571,000**) and the Education Excellence, Life Long Learning and Employability portfolio (**£369,000**). This relates to the Economic Recovery Programme, previously approved in Cabinet Member Action (CMA) FP/844/10/20 but has since time lapsed, as follows: Economic Growth **£468,000**, Employability and Skills **£369,000** and Sector Development **£103,000** (section 5.5.ii and 5.7.ii)
- vii. **£818,000** from the Covid Equalisation Reserve to the Highways Maintenance and Sustainable Transport portfolio to cover the income shortfall as a result of the pandemic on the Park and Ride service (section 5.9.iii)

- viii. **£665,000** from the Private Finance Initiatives (PFI) Equalisation Reserves to the Education Excellence, Life Long Learning and Employability portfolio in relation to Debden PFI (**£495,000**) and Clacton secondary schools PFI (**£170,000**) (section 5.7.ii)
- ix. **£583,000** from the Covid Equalisation Reserve to the Finance, Resources and Corporate Affairs RSSS portfolio in relation to Covid pressures on: Transformation and Delivery service **£218,000** originally approved via CMA FP/856/10/20 but has since time lapsed, People and Transformation service centre **£143,000**, Business Support **£131,000** and Resource Strategy staffing **£91,000** (section 5.15.iii)
- x. **£562,000** from the Everyone's Essex Reserve to the Devolution, the Arts, Heritage and Culture portfolio for payments due to successful bidders who have been awarded funding from the Arts and Culture Grant Fund. This relates to CMA FP/250/12/21 Arts and Cultural Fund which was previously approved but has since time lapsed (section 5.4.ii)
- xi. **£439,000** from the Adults Transformation Reserve to the Adult Social Care and Health portfolio relating to the following projects; expenditure for Bedfinder **£199,000**, Mental Health staffing **£86,000**, Mental Health accommodation resource **£80,000** and My Care Record **£74,000** (section 5.1.v)
- xii. **£324,000** from the Technology and Digitisation Reserve to Finance, Resources and Corporate Affairs RSSS portfolio for the Azure Technology **£300,000** and for project staffing **£24,000** (section 5.15.iii)
- xiii. **£99,000** from the Community Initiatives Fund Reserve to the Community, Equality, Partnerships and Performance RSSS portfolio to fund payments to community groups that have been awarded small grants (section 5.13.ii)
- xiv. **£85,000** from the Adults Transformation Reserve to the Adult Social Care and Health portfolio relating to the resourcing of the Adults Digital Programme (section 5.1.v)
- xv. **£76,000** from the Children's Transformation Reserve to the Children's Services and Early Years portfolio in order to fund an Anti-Racism Service Manager (section 5.2.ii)
- xvi. **£70,000** from the Covid Equalisation Reserve to the Leader RSSS portfolio relating to the Communications and Marketing team for pandemic related activity (section 5.16.ii)
- xvii. **£40,000** from the Covid Equalisation Reserve to the Adult Social Care and Health portfolio for additional resources relating to the Specialist

Sensory Support Services contract with Essex Cares Limited (ECL)
(section 5.1.v)

- xviii. **£22,000** from the Adults Risk Reserve to the Adult Social Care and Health portfolio for Market Support expenditure (section 5.1.v)
- xix. **£22,000** from the Quadrennial Election Reserve to the Community, Equality, Partnerships and Performance RSSS portfolio relating to costs of the May 2021 elections (section 5.13.ii)

2.2 To appropriate funds to reserves as follows:

- i. **£3.8m** to the Transformation Reserve from the Highways Maintenance and Sustainable Transport portfolio to support future work in the Passenger Transport service (section 5.9.iii)
- ii. **£151,000** to the Private Finance Initiatives (PFI) Equalisation Reserves from the Education Excellence, Lifelong Learning and Employability portfolio in relation to Building Schools for the Future (section 5.7.ii)
- iii. **£114,000** to the Commercial Investment in Essex Places Reserve from the Finance, Resources and Corporate Affairs portfolio to protect against tenancy voids (section 5.8.ii)

2.3 To approve the following adjustments:

- i. Vire **£465,000** from within the Highways Maintenance and Sustainable Transport portfolio from Essex Highways Operations to Essex Highways Commissioning, following the Essex Highways re-organisation (sections 5.9.iii)
- ii. Adjust the profile of spend of the Children and Families Covid-19 Response as originally set out and approved in CMA FP/072/05/20 to **£1.9m** in 2022/23 and **£132,000** in 2023/24 in order to reflect the current anticipated spend.
- iii. Adjust the profile of spend of the Impacts of Covid ASC as originally set out and approved in CMA FP/886/11/20 to **£1m** in 2022/23 in order to reflect the current anticipated spend.
- iv. To amend the capital budget as shown in Appendices C (i) and C (ii) which allows for capital slippage of **£4m**, with £3.7m slipped into 2023/24 and £324,000 into 2024/25. Capital budget additions of **£10.9m**, capital budget reductions of **£17m** and advanced works of **£663,000** (£4.8m to be advanced from 2024/25, £663,000 into 2022/23 and £4.1m into 2023/24 (see section 7.2).

3. Executive Summary: Revenue

- 3.1 Appendix A summarises the revenue budgets and forecast outturn for each portfolio. There is a full year forecast over spend of **£5.1m (0.5%** against a net budget of **£1.1bn**). The overall over spend position is driven by pressures within the Adult Social Care and Health, and the Finance, Resources and Corporate Affairs RSSS portfolios and specifically:
- i. Adult Social Care and Health **£3.4m** - There are significant over spends in Residential Care, Nursing Care and Reablement driven by demand, which continues to be difficult to accurately predict, market capacity issues and potential non-delivery of savings.
 - ii. Finance, Resources and Corporate Affairs RSSS **£2.6m** mainly due to the saving within Property for the exit of County Hall, which is unachievable as this will not be completed by 2022/23, plus pressure on utilities budgets, given forecast market rates.
- 3.2 The Council finds itself in an economic environment of inflation quickly rising to a 40 year high, with an expectation this will increase to over 10%, a level which will be potentially sustained for an extended period of time. For context, when the budget for 2022/23 was set, inflation predictions were for a peak of 5.5%. Alongside this, we continue to face uncertain levels of demand for many of the services we deliver, in what are difficult circumstances. All of these factors will require careful monitoring and are likely to result in ongoing volatility of forecasting as we move through year, which makes it difficult to produce an accurate forecast.
- 3.3 Within the forecast position, inflation pressures of £6.4m have been identified, impacting Transport providers and fuel costs, energy costs for street lighting and the ECC estate, and Adult Social Care. As we progress through the year these pressures will likely increase, as we gain better insight on actual and potential inflation impacts through procurement activity and supplier interactions. The report includes recommendations to draw down £2.5m from the General Risk Reserve to fund pressures seen to date, which leaves capacity to fund further pressures as they develop through the remainder of the year.
- 3.4 We continue to face the impact of Covid, on demand for our broad range of services, as well as with capacity of providers to deliver our requirements. We still face pressures, and continue to provide support to markets, particularly in Adult Social Care with staffing recruitment and retention. Within this report recommendations are included for £2.7m of drawdowns from the Covid Equalisation Reserve, and further drawdowns will occur throughout the year as further pressures develop, or we see new waves of the pandemic that impact on the financial position.
- 3.5 The position reported in section 5 is after proposed adjustments in this report, set out in sections 2.1 to 2.3.

4. Executive Summary: Capital

- 4.1 The original capital programme for 2022/23 as set by Full Council in February 2022 was **£283.6m**. The forecast outturn is **£286.1m**, before adjustments proposed within this report. This represents an under spend of **£7.9m** against latest budget of **£294m**. After taking account of budget change requests in this report, there is a residual under spend of **£1.7m**. More detail is set out in Section 7.
- 4.2 The **£7.9m** under spend in the 2022/23 Capital Programme position relates to the following requests in this report:
- 2022/23 Slippage: £4m (£3.7m into 2023/24 and £324,000 into 2023/25)
 - Additions: £10.9m
 - Reductions: £17m
 - 2022/23 Advanced Works: £663,000 (£4.8m to be advanced from 2024/25, £663,000 into 2022/23 and £4.1m into 2023/24)
- 4.3 Appendix C (i) summarises current year forecasts and changes to the Capital Programme for 2022/23 since approval of the original programme in the Budget Report to Council in February 2022. Appendix C (ii) contains the detail of the budget adjustments seeking approval.

5. Revenue Position

5.1 Adult Social Care and Health – £3.4m (0.7%) over spend

- i. Adult Social Care continues to feel the consequences of paused work and backlog on teams, and of reviews and assessments, changing demographics projections and the demand for services. The care market also manages the impact with both resident population and staff recruitment and retention a factor. These elements continue to create a challenge in being able to accurately predict future demand. The Hospital Discharge Pathway funding ceased at the end of 2021/22 and there remain significant risks around the cost and demand for Adult Social Care (particularly in Nursing Care) at the point of discharge from hospital.
- ii. The Adult Social Care forecast is based on volume growth being in line with budgeted assumptions and price uplifts continuing for the remainder of the year in line with trend. The forecast makes no prediction about further savings delivery over and above that already validated. The service is actively pursuing the delivery of savings not reflected in the forecast (£4.8m Red and £8.1m Amber), and as these savings come to fruition, and if all other assumptions remain in line with budget, the over spend could turn into an under spend or be used to help offset further emerging inflationary pressures.

- iii. Public Health shows a forecast on-line position. Within this position, there is a balance of £2.8m of Contain Outbreak Management funding (COMF) that has been carried forward from 2021/22. Half of the COMF carry forward amount is earmarked to the continuation of existing projects while decisions over the remaining unallocated funds will be taken in line with the existing grant terms and conditions. There is no further expectation of Track and Trace funding in 2022/23. Of the £2.9m self-isolation grant funding awarded to ECC, £1m was unspent as at the end of 2021/22. This grant has been used to support various activities such as Citizens Advice Bureau, food banks and bereavement support, but there is no further scope for expenditure of this grant due to there being no further requirement to self-isolate.
- iv. There are a number of under and over spends across the different types of care provision where the actual current demand for services is either greater or less than the predictions made when setting the budget
- v. Approval is sought in this report for the following:
 - **£2.2m** from the Adults Transformation Reserve for the following Programme costs: Meaningful Lives Matter **£1.3m**, Newton Connects **£367,000**, Choice & Control **£330,000** and Physical Sensory Impairment **£170,000**, Transforming Community Care & Dementia **£102,000**
 - **£964,000** from the Adults Transformation Reserve relating to Business Support staff in the Countywide Duty Team, Welfare Independent Practitioners social workers posts
 - **£439,000** from the Adults Transformation Reserve relating to; expenditure for Bedfinder **£199,000**, Mental Health staffing **£86,000**, Mental Health accommodation resource **£80,000** and My Care Record **£74,000**
 - **£85,000** from the Adults Transformation Reserve to the Adult Social Care and Health portfolio relating to a fixed term post to lead the Digital Programme
 - **£40,000** from the Covid Equalisation Reserve for additional resources relating to the Specialist Sensory Support Services contract with Essex Cares Limited (ECL)
 - **£22,000** from the Adults Risk Reserve to the Adult Social Care and Health portfolio for Market Support expenditure

5.2 Children's Services and Early Years:

- **Non DSG - £927,000 (0.7%) under spend**
 - **DSG – on line**
- i. The Non DSG position is as a result of lower numbers of children in care, mainly within Internal Fostering, Children with Disabilities in residential care, the use of secure placements and respite care. This is partially offset through higher numbers in semi-independent living and with independent foster carers, as a result of the slowdown in the progress of the Essex Fostering

business case due to Covid restrictions. In addition, there has been increased expenditure to support Separated Migrant Children, which has not been covered by the grant available, together with rising travel costs, plus the staffing vacancy factor saving has yet to be fully delivered

- ii. Approval is sought in this report for the following:
 - **£76,000** from the Children's Transformation Reserve in order to fund an Anti-Racism Service Manager.

5.3 Community, Equality, Partnerships and Performance - £492,000 (2.1%) over spend

- i. The portfolio reports an over spend of **£492,000** which is mainly attributable to an under recovery of income of **£543,000** in libraries, offset by small under spends across the portfolio within staffing.

5.4 Devolution, Art, Heritage and Culture - £60,000 (1.5%) over spend

- i. This adjusted forecast over spend of **£60,000** is attributable to the Gypsy and Travellers service in relation to security costs being incurred at the Severalls site. The full year cost of **£220,000** is reflected, and the costs may reduce when the court case is finalised, however at the current time it is felt the level of security needs to be maintained for the safety of everybody on site. The court case was originally due to be held in October 2021, but it is now unknown when the criminal case will be brought to court. The service is looking at ways to reduce the level of costs and the level of security being provided.
- ii. Approval is sought in this report for the following:
 - **£562,000** from the Everyone's Essex Reserve for payments due to successful bidders who have been awarded funding from the Arts & Culture Grant Fund. This was previously approved (FP/250/12/21 Arts and Cultural Fund) but has time lapsed

5.5 Economic Renewal, Infrastructure and Planning - £53,000 (0.5%) under spend

- i. The forecast under spend within this portfolio is mainly due to recharged strategic support services late adjustment to Essex Housing LLP of **£145,000** for 2021/22 activity, and staffing vacancies within Development Management of **£25,000** which are offset by an over spend within Environmental Planning of **£128,000**, where the forecast income is insufficient to cover the forecast costs. The service is actively looking at ways to contain this pressure
- ii. Approval is sought in this report for the following:
 - **£571,000** from the Covid Equalisation Reserve relating to the Economic Recovery Programme as follows: Economic Growth project costs **£468,000** and Sector Development staffing costs **£103,000**. This was previously approved in FP/844/10/20 but has since time lapsed.

5.6 Education Excellence, Lifelong Learning and Employability (DSG) - £11.2m under spend

- i. An in year **£11.2m** under spend is reported which results from the increase in funding for 2022/23.
- ii. The High Needs Block (HNB) funding was increased by the Government by **£20.8m** (post recoupment) for 2022/23. The HNB is expected to remain in surplus this financial year, and plans to utilise this are being developed.
- iii. However significant pressures exist within the forecast as follows:
 - **£1.8m** over spend for Education Health and Care Plans (EHCPs) where the volume and cost exceed what was included in the budget
 - Independent Schools are forecasting a **£971,000** over spend, a 9.0% increase in expenditure compared to 2021/22. The 2022/23 budget is **£28m**, an increase of 8.9% from 2021/22, following expenditure of **£26m** resulting in a **£1m** over spend last year
 - **£588,000** for the Inclusion Framework due to greater take up from schools than anticipated
 - **£421,000** over spend for Individual Pupil Resource Allocations (IPRA) where costs are increasing
 - **£249,000** increase in the cost of SEN top ups due to the number of school days being under estimated in the budget

5.7 Education Excellence, Lifelong Learning and Employability (Non DSG) - £15,000 (0.1%) over spend

- i. A small forecast over spend of **£15,000** is reported.
- ii. Approval is sought in this report for:
 - **£665,000** from the PFI Equalisation Reserves for Debden (£495,000) and Clacton (£170,000) PFI schemes
 - **£369,000** from the Covid Equalisation Reserve relating to the Economic Recovery Programme - this was previously approved in FP/844/10/20 but has since time lapsed
 - **£151,000** returned to the PFI Equalisation reserves for Building Schools for the Future

5.8 Finance, Resources and Corporate Affairs - £285,000 (2.3%) under spend

- i. The forecast under spend reported is due to vacancy factor already materialising across customer services, together with less assessment activity than expected for Blue Badges
- ii. Approval is sought in this report for:
 - **£114,000** to the Commercial Investment in Essex Places Reserve to protect against tenancy voids.

5.9 Highways Maintenance and Sustainable Transport - £157,000 (0.1%) under spend

- i. The forecast under spend predominantly relates to in-year staffing vacancies
- ii. There is a net unadjusted over spend of **£3.9m**, of which **£2.5m** relates to a number of 2021/22 carry forward requests (yet to be formally approved). The remaining **£1.4m** is largely made up as follows which are planned to be funded from reserves:
 - A net under recovery of income within the Park & Ride service of **£818,000**
 - An over spend of **£2m** in Roads & Footways to support investment in Highways Infrastructure through the creation of a new Pothole fund
 - An over spend of **£1.5m** in Street Lighting relating to energy price increases to 40p per kw/h from October 2022 specifically in relation to street lighting energy bills
 - An over spend of **£850,000** within Local Highways Panel in relation to savings in the budget, for which a permanent delivery solution is to be found.

These pressures are offset by an under spend of **£3.8m** within Passenger Transport from a scaled reduction in the 'fixed pot' due to lower concessionary passengers following the pandemic. but which will be transferred to the Transformation Reserve for future risks associated with this area.

- iii. Approval is sought in this report for the following:
 - **£3.8m** to the Transformation Reserve from Passenger Transport Concessionary Fares, for supporting future work in the service
 - **£1.5m** from the General Risk Reserve to fund increased energy price from September 2022
 - **£818,000** from the Covid Equalisation Reserve in support of continued under recovery of income within the Park and Ride service
 - Vire **£465,000** from Essex Highways Operations to Essex Highways Commissioning following the Essex Highways re-organisation.

5.10 Leader - £74,000 (2.2%) under spend

- i. The under spend is attributable to the Corporate Management and Leadership policy line relating to additional (non-budgeted) income being forecast in relation to the Chief Executive's work with Slough. This income is offset within the Chief Executive's Office function.
- ii. Approval is sought in this report for the following:
 - **£1.2m** from the Essex Climate Change Commission Reserve for the costs of implementing a programme to respond to the recommendations in the Essex Climate Action Commission Interim

Report and to deliver the Essex Green Infrastructure Strategy. This was originally approved in the FP/898/11/20 Environment and Climate Action Programme CMA but this has time lapsed

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

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

- i. As we de-mobilised the Integrated Waste Handling Contract (IWHC) and designed a new internal service to haul waste and manage the recycling centres, we built a cost base that was heavily reliant on assumptions, many of which were reflective of the cost base established by Veolia under their contractual arrangements. There is a risk that these assumptions are out of date and not reflective of the actual service now being delivered, especially in light of the current macroeconomic environment.
- ii. The actual costs being incurred are being monitored closely and any variation to the original financial model that underpinned the budget will be swiftly investigated and the impact assessed for materiality.
- iii. Tonnage information is yet to be reflected in the forecast as this data is two months behind, except for Dry Recycling and Trade waste which is usually four months behind. This is normal practice and not reflective of any specific issues. It is anticipated the 2022/23 budget is overstated as it includes additional tonnage for the impact of covid; however, in 2021/22 additional tonnage was seen, but not at the increased volumes anticipated. This lower trend is anticipated to continue throughout 2022/23 and will be closely monitored going forward.

5.12 **Other Operating Costs – £2,000 (0.0%) over spend**

- i. It is currently too early in the year to assess the impact that changes to the external financial environment will have on interest rates. Therefore Other Operating Costs is held as broadly on line. It is expected that this will change during the year as the economic outlook continues to develop.

5.13 **Community, Equality, Partnerships and Performance Recharged Strategic Support Services - £60,000 (0.3%) over spend**

- i. The over spend of **£60,000** is reported after proposed adjustments. This is attributable to unbudgeted staffing costs in Equality and Diversity of **£45,000** and Performance, Business Intelligence, Planning and Partnerships of **£15,000**.
- ii. Approval is sought in this report for the following:

- **£99,000** from the Community Initiatives Fund Reserve for payments to Community groups to undertake various community projects following successful bids
- **£22,000** from the Quadrennial Elections Reserve in relation to elections spend

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

- The reported on line position includes an assumed on line position against the staffing budget as the service is currently reviewing the percentage recharges to ensure they are appropriate for 2022/23. The revised staffing forecast will be reflected at the Half Year stage.
- Income is also forecast as on line but there is a risk that there will be an under recovery. The income is due to be generated via commercial income through selling services to third parties. However, due to the service no longer delivering projects for the Department for Education and the impact of Covid on the construction industry, there is a risk that the full target will not be achievable. It is anticipated that any shortfall in income will be mitigated by in-year staffing vacancies, recharges to capital projects, and lower than anticipated activity spend. This will be closely monitored through the year.

5.15 **Finance, Resources and Corporate Affairs Recharged Strategic Support Services - £2.6m (3.3%) over spend**

- The forecast over spend is almost wholly in relation to pressures within Facilities Management, as follows:
 - **£1.7m** pressure relating to the saving for the exit of County Hall which is unachievable as the building has not been exited as originally planned. The saving target is **£2.3m** but **£500,000** was built back into the budget as a pressure in respect of rising utility costs. The service is reviewing the property strategy to identify what can be delivered in 2022/23 and identify mitigations for the remaining value.
 - **£480,000** pressure relating to the CPI increase of 8.15% for the Mitie contract; 2.8% had been applied to the budget.
 - **£560,000** pressure relating to the utility budget where there is a gross forecast pressure of **£1.5m** based on worst case scenario using the last 12 months actual consumption and forecast market rates (from Mitie). **£999,000** was contributed to the General Risk Reserve as part of the 2021/22 Provisional Outturn to mitigate expected increases in cost in 2022/23. Drawdown of this will leave a residual net pressure of **£472,000**. Also included in the position is a pressure of **£140,000** in respect of the agreed settlement for legacy issues.
- These are slightly offset by favourable forecasts in relation to staffing across the remainder of the portfolio.

- iii. Approval is sought in this report for the following:
 - **£999,000** from the General Risk Reserve to the Finance, Resources and Corporate Affairs RSSS portfolio to fund increased energy costs in 2022/23 owing to current energy price rises, ongoing high inflation and new contract rates
 - **£583,000** from the Covid Equalisation Reserve in relation to Covid pressures on: Transformation and Delivery service **£218,000**, originally approved via FP/856/10/20 Impacts of Covid CMA now time lapsed, People and Transformation service centre **£143,000**, Business Support **£131,000** and Resource Strategy staffing **£91,000**
 - **£324,000** from the Technology and Digitisation Reserve relating to the Azure Programme **£300,000** and project staffing **£24,000**.

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

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

6. **Trading Activities**

- 6.1 Trading activities as a whole are reporting a surplus of **£408,000** against the budgeted surplus of **£304,000**.
- 6.2 Place Services is reporting an expected surplus of **£404,000**; **£300,000** of this was planned and will be appropriated to County Reserves. The **£104,000** forecast over-achievement is predominantly due to an over recovery of income and an under spend relating to staff due to in year vacancies
- 6.3 Music Services is reporting an on line position after the **£4,000** appropriation to County Reserves to repay the remaining Music Pension deficit.
- 6.4 These forecast positions will leave a net residual surplus in reserves of **£1.6m**, of which **£1.4m** relates to Place Services
- 6.5 Appendix B shows the position by each Trading Activity.

7. **Capital**

- 7.1 An under spend of **£7.9m** (2.7%) is forecast against the latest capital budget of **£294m**. After taking account of budget change requests in this report there is a residual under spend of **£1.7m**
- 7.2 Approval is sought for:
 - i. Slippage of **£4m** (£3.7m into 2023/24 and £324,000 into 2024/25)

- ii. Budget additions of **£10.9m**
- iii. Budget reductions of **£17m**
- iv. Advanced works of **£663,000** (£4.8m to be advanced from 2024/25, £663,000 into 2022/23 and £4.1m into 2023/24)

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

7.4 Adult Social Care and Health – £4,000 over spend

- i. Approval is sought to add £4,000 into the programme in relation to the Independent Living Ninefields scheme

7.5 Children’s Service and Early Years – £2m over spend

- i. Approval is sought to add £2m into the programme, mainly in relation to Solo Placements (with the corresponding reduction from Temporary Accommodation, see 7.9.ii). The Addition is earmarked to purchase up to 4 properties to ensure ECC complies with recent changes to Government regulations, which ban the use of unregulated properties for placements for Children in Care under the age of 16. £650,000 of this addition is subject to a key decision to purchase the first two properties.

7.6 Community, Equity, Partnerships and Performance – on line

- i. There is no variance to budget

7.7 Devolution, Art, Heritage and Culture – on line

- i. There is no variance to budget

7.8 Economic Renewal, Infrastructure and Planning - £6m under spend

- i. Approval is sought to reduce the programme by **£12.4m**. This largely relates to a change in the method for accounting for ECC loans to Essex Housing LLP. A new revised method of reporting has been confirmed, and loans will now be reflected in the capital programme for live schemes only, therefore a reduction is sought for the pipeline schemes, which will be added back into the programme when they move to live status.
- ii. Approval is sought for additions of **£4.8m** into the programme, which largely relates to additional works relating to M11 Junction 7A (£1.4m) funded by National Highways, and additional works for Army & Navy Roundabout (£1.4m) and Active Travel (£1.3m), which will both be funded by the Department for Transport.

7.9 Education Excellence, Lifelong Learning and Employability - £4.4m under spend

- i. Approval is sought to re-profile **£4m** into future years due to slippage, which is mainly attributed to Harlow Primary Basic Need (£2.4m), where there are delays to the Harlowbury scheme due to ongoing land negotiations. Start on site is now not expected until early in the new year and approval is therefore sought to re-profile £2.4m into 2023/24. There is also £1.6m of slippage across 7 schemes, which is driven by delays due to a combination of construction issues, land negotiations and planning agreements yet to be finalised.
- ii. Approval is sought to add **£2.8m** into the programme, with £1.1m relating to Special Schools, specifically Moulsham Junior school for the construction of a new secondary provision and Abbotsweld, to increase the overall school capacity for up to 50 pupils. This has a corresponding reduction within the Special Schools block code (see 7.9.iii). Furthermore, there is a £1m addition on Temporary Accommodation relating to new Section 106 works for St Mary's schemes and a single relocatable unit to increase capacity for Wentworth Primary. This has a corresponding reduction in the Temporary Accommodation block code.
- iii. Approval is sought to reduce the programme by **£4m**. **£1.1m** of this is in relation to Special Schools and **£1m** for Temporary Accommodation, where block codes have been reduced to offset the corresponding additions set out in section 7.9.ii. A further reduction from the programme of **£1.9m** relates to Temporary Accommodation with a corresponding addition to the Solo Placements project, which will support the work required to ensure ECC complies with the recent changes to Government regulations (see 7.5i).
- iv. Approval is sought to advance £663,000 into 2022/23 and £4.3m in to 2023/24 from 2024/25 due to a change in the timeline for works relating to Tendring Primary, Special Schools and Basildon Primary

7.10 Finance, Resources and Corporate Affairs – £65,000 over spend

- i. Approval is sought to add **£65,000** into the programme due to new Salix funded works for Essex Records Office

7.11 Highways Maintenance and Sustainable Transport - £584,000 over spend

- i. Approval is sought to add £1.2m of which £600,000 in Local Highway Panels relates to a technical adjustment moving district specific budget to a new project for casualty reduction initiatives across the county (there is a corresponding reduction - see 7.11.ii). A £450,000 revenue under spend was appropriated to the Reserve for Future Capital Funding in the 2021/22 Provisional Outturn Report to contribute to the Highways Fleet purchase. Approval is now sought to add this contribution to the capital programme. Finally, an addition of £120,000 is requested for various highways minor schemes in relation to Section 106 agreements.

- ii. Approval is sought to reduce the programme by £600,000. This is the corresponding reduction in Local Highways Panels in regard to a technical adjustment moving district specific budget to casualty reduction initiatives

7.12 Leader - £65,000 under spend

- i. Approval is sought to reduce £65,000 relating to Energy Efficiency Light works no longer necessary, as this work has been superseded by Decarbonisation work.

7.13 Controlled Elsewhere – £196,000

- i. Approval is sought to add £93,000 into Devolved Formula Capital

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

8. Policy context and Outcomes Framework

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

9. Reserves

- 9.1 A summary of the forecast balances on reserves is provided in **Appendix D**.
- 9.2 Of the recommendations requested in this report the most significant are to appropriate **£3.8m** to the Transformation Reserve to support future work in the Passenger Transport service, **£3.7m** from the Adults Transformation Reserve mainly relating to costs for several projects and **£2.5m** from the General Risk Reserve for inflationary pressures now being faced over and above the assumed level of inflation budgeted for.
- 9.3 There are recommendations to reprofile two previously approved CMAs in order to reflect the current anticipated spend profile. These are the Children and Families Covid-19 Response (CMA FP/072/05/20) and the Impacts of Covid ASC CMA (FP/886/11/20). (section 2.3.ii & iii)

10. Financial Implications

Finance and Resources Implications (Section 151 Officer)

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

11. Legal Implications

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

12. Equality and Diversity implications

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

13. List of Appendices

| | |
|-----------------|------------------------------------|
| Appendix A | Revenue Forecast Outturn |
| Appendix B | Trading Activities |
| Appendix C (i) | Capital Forecast Outturn |
| Appendix C (ii) | Capital Variance Plan |
| Appendix D | Balance Sheet - Earmarked Reserves |

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

14. List of Background Papers

Budgetary control reports.

Revenue

| Portfolio | Latest Budget £000 | First Quarter Variance £000 | % of Latest Budget |
|--|-----------------------|--------------------------------------|--------------------------|
| Adult Social Care and Health | 471,495 | 3,369 | 0.7% |
| Children's Services and Early Years DSG | (401) | 0 | (0.1%) |
| Children's Services and Early Years Non DSG | 137,465 | (927) | (0.7%) |
| Community, Equality, Partnerships and Performance | 23,748 | 492 | 2.1% |
| Devolution, the Arts, Heritage and Culture | 4,131 | 60 | 1.5% |
| Economic Renewal, Infrastructure and Planning | 10,312 | (53) | (0.5%) |
| Education Excellence, Life Long Learning and Employability DSG | (2,609) | (11,200) | 429.2% |
| Education Excellence, Life Long Learning and Employability Non DSG | 21,529 | 15 | 0.1% |
| Finance, Resources and Corporate Affairs | 12,377 | (285) | (2.3%) |
| Highways Maintenance and Sustainable Transport | 113,080 | (157) | (0.1%) |
| Leader | 3,358 | (74) | (2.2%) |
| Waste Reduction and Recycling | 86,727 | - | 0.0% |
| Other Operating Costs | 109,204 | 2 | 0.0% |
| Community, Equality, Partnerships and Performance RSSS | 18,093 | 60 | 0.3% |
| Economic Renewal, Infrastructure and Planning RSSS | 1,097 | - | 0.0% |
| Finance, Resources and Corporate Affairs RSSS | 78,417 | 2,572 | 3.3% |
| Leader RSSS | 1,863 | - | 0.0% |
| Total | 1,089,884 | (6,123) | (0.6%) |
| DSG Offset | (3,011) | (11,199) | 372.0% |
| Total Excluding DSG | 1,092,895 | 5,076 | 0.5% |
| Funding | | - | |
| Revised Total | 1,092,895 | 5,076 | 0.5% |

Traded Services

| | Revenue reserve 1 April 2022 | Income | Budget Expenditure | (Surplus) /Deficit | Income | Expenditure | Forecast (Surplus) / deficit | Final Outturn position | To County Revenue Account | To Trading Activity reserve | Final Outturn position | Variance Plan Proposals to/(from) reserves | Revenue reserve 31 March 2023 |
|-----------------|---------------------------------------|---------|-----------------------|-----------------------|---------|-------------|------------------------------------|------------------------------|------------------------------------|--------------------------------------|------------------------------|--|--|
| Traded Services | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Place Services | (1,252) | (3,459) | 3,159 | (300) | (3,521) | 3,117 | (404) | (104) | (300) | (104) | - | - | (1,356) |
| Music Services | (261) | (4,025) | 4,021 | (4) | (4,025) | 4,021 | (4) | - | (4) | - | - | - | (261) |
| Total | (1,513) | (7,484) | 7,180 | (304) | (7,546) | 7,138 | (408) | (104) | (304) | (104) | - | - | (1,617) |

Appendix C (i)

Capital

| | Year to date | | | Budget Movement | | Full Year | | |
|---|---------------|---------------|----------------|-----------------|--------------------------|----------------|----------------|----------------|
| | Budget | Actuals | Variance | Original Budget | In year approved changes | Revised Budget | Outturn | Variance |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Adult Social Care and Health | 247 | 6 | (241) | 910 | 250 | 1,160 | 1,164 | 4 |
| Children's Services and Early Years | 441 | 220 | (221) | 2,014 | 315 | 2,329 | 4,318 | 1,989 |
| Community, Equality, Partnerships and Performance | 21 | (12) | (33) | 100 | 125 | 225 | 225 | - |
| Devolution, the Arts, Heritage and Culture | 18 | 7 | (11) | 121 | 18 | 139 | 139 | - |
| Economic Renewal, Infrastructure and Planning | 13,723 | 1,976 | (11,747) | 124,523 | 6,348 | 130,871 | 124,857 | (6,014) |
| Education Excellence, Lifelong Learning and Employability | 7,548 | 7,555 | 7 | 59,832 | 1,883 | 61,715 | 57,269 | (4,446) |
| Finance, Resources and Corporate Affairs | 575 | 629 | 53 | 5,845 | 1,801 | 7,646 | 7,711 | 65 |
| Highways Maintenance and Sustainable Transport | 13,329 | 19,239 | 5,909 | 89,998 | (378) | 89,620 | 90,204 | 584 |
| Leader | - | (0) | (0) | 280 | - | 280 | 215 | (65) |
| ECC Capital Programme | 35,902 | 29,620 | (6,283) | 283,623 | 10,363 | 293,986 | 286,103 | (7,883) |

Financed by:

| | Budget Movement | | Full Year | | |
|--|-----------------|--------------------------|----------------|----------------|----------------|
| | Original Budget | In year approved changes | Revised Budget | Outturn | Variance |
| | £000 | £000 | £000 | £000 | £000 |
| ECC Capital Programme | | | | | |
| Grants | 123,776 | 7,270 | 131,046 | 132,328 | 1,282 |
| Reserves | 6,000 | - | 6,000 | 6,000 | - |
| Developer & Other contributions | 17,484 | (609) | 16,875 | 15,991 | (884) |
| Capital receipts | 5,000 | - | 5,000 | 5,000 | - |
| Unsupported borrowing | 131,363 | 3,702 | 135,065 | 126,691 | (8,374) |
| ECC Capital Programme | 283,623 | 10,363 | 293,986 | 286,010 | (7,976) |
| Grants | - | - | - | 93 | 93 |
| Unsupported borrowing | - | - | - | - | - |
| School Balances | - | - | - | 93 | 93 |
| Total ECC & Schools Capital Funding | 283,623 | 10,363 | 293,986 | 286,103 | (7,883) |

Appendix C(ii)

Capital Variance Plan

Variance plan - current year

| Portfolio | Approved changes | | | | | Variance Plan (2022/23) | | | | | |
|---|------------------|---------------|-----------------|----------------|------------------|-------------------------|---------------|-----------------|----------------|-------------------|----------------|
| | Slippage | Additions | Reductions | Advanced Works | Approved changes | Slippage | Additions | Reductions | Advanced Works | Residual Variance | Total Variance |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Adult Social Care and Health | 254 | - | - | (4) | 250 | - | 4 | - | - | 0 | 4 |
| Children's Services and Early Years | 221 | 94 | - | - | 315 | - | 1,989 | - | - | (0) | 1,989 |
| Community, Equality, Partnerships and Performance | 125 | - | - | - | 125 | - | - | - | - | - | - |
| Devolution, the Arts, Heritage and Culture | 18 | - | - | - | 18 | - | - | - | - | - | - |
| Economic Renewal, Infrastructure and Planning | 8,153 | 118 | (118) | (1,805) | 6,348 | - | 4,826 | (12,401) | - | 1,561 | (6,014) |
| Education Excellence, Lifelong Learning and Employability | 2,870 | 7,556 | (7,556) | (987) | 1,883 | (4,018) | 2,779 | (3,973) | 663 | 103 | (4,446) |
| Finance, Resources and Corporate Affairs | 1,929 | - | - | (128) | 1,801 | - | 65 | - | - | 0 | 65 |
| Highways Maintenance and Sustainable Transport | 1,343 | 75,213 | (75,213) | (1,721) | (378) | - | 1,184 | (600) | - | 0 | 584 |
| Leader | - | - | - | - | - | - | - | (65) | - | (0) | (65) |
| ECC Capital Programme | 14,913 | 82,981 | (82,887) | (4,645) | 10,362 | (4,018) | 10,847 | (17,039) | 663 | 1,664 | (7,883) |

Variance plan - Future years

| Portfolio | Variance Plan - Future Years | | | |
|---|------------------------------|------------------------|------------------|------------------------|
| | 2023/24 | | 2024/25 | |
| | Slippage £000 | Advanced Works £000 | Slippage £000 | Advanced Works £000 |
| Education Excellence, Lifelong Learning and Employability | 3,694 | 4,099 | 324 | (4,762) |
| ECC Capital Programme | 3,694 | 4,099 | 324 | (4,762) |

| Portfolio & Scheme | Slippage | Additions | Reductions | Advanced Works | 2022/23 Changes |
|--|----------|-----------|------------|----------------|-----------------|
| | £000 | £000 | £000 | £000 | Requested |
| INDEPENDENT LIVING OLDER PEOPLE NINEFIELDS WALTHAM | - | 4 | - | - | 4 |
| Adult Social Care and Health | - | 4 | - | - | 4 |
| EARLY YEARS | - | 139 | - | - | 139 |
| SOLO PLACEMENTS | - | 1,850 | - | - | 1,850 |
| Children's Services and Early Years | - | 1,989 | - | - | 1,989 |
| COLCHESTER A134 ST BOTOLPHS | - | 14 | - | - | 14 |
| ADVANCED SCHEME DESIGN | - | 455 | (282) | - | 173 |
| M11 JUNCTION 7A AND GILDEN WAY UPGRADING | - | 1,400 | - | - | 1,400 |
| ACTIVE TRAVEL | - | 1,317 | - | - | 1,317 |
| ARMY AND NAVY RAB, CHELMSFORD | - | 1,381 | - | - | 1,381 |
| OTHER HIGHWAYS MAJOR SCHEMES | - | 39 | - | - | 39 |
| ESSEX PEDAL POWER (TENDRING) | - | - | (227) | - | (227) |
| LABWORTH CAR PARK, CANVEY | - | 2 | - | - | 2 |
| EH LLP LOAN FRIARY | - | - | (3,766) | - | (3,766) |
| EH LLP LOAN ECH | - | - | (2,296) | - | (2,296) |
| EH LLP LOAN SHERNBROKE | - | 37 | - | - | 37 |
| EH LLP LOAN ST PETERS | - | - | (2,320) | - | (2,320) |
| EH LLP LOAN PURFORD | - | 134 | - | - | 134 |
| EH LLP LOAN HARLOWBURY | - | - | (250) | - | (250) |
| EH LLP LOAN PRIMROSE MEADOW | - | - | (3,060) | - | (3,060) |
| EH LLP LOAN HARGRAVE | - | 47 | - | - | 47 |
| ADVANCED SCHEME DESIGN - ECONOMIC GROWTH | - | - | (200) | - | (200) |
| Economic Renewal, Infrastructure and Planning | - | 4,826 | (12,401) | - | (7,575) |
| BASILDON PRIMARY BASIC NEED | - | - | (70) | 269 | 199 |
| HARLOW PRIMARY BASIC NEED | (2,379) | - | - | - | (2,379) |
| EPPING FOREST PRIMARY BASIC NEED | (90) | 180 | - | - | 90 |
| EPPING FOREST SECONDARY BASIC NEED | (400) | - | - | - | (400) |
| ROCHFORD PRIMARY BASIC NEED | - | 101 | - | - | 101 |
| BRAINTREE PRIMARY BASIC NEED | - | 1 | - | - | 1 |
| MALDON PRIMARY BASIC NEED | - | - | (70) | - | (70) |
| TENDRING PRIMARY BASIC NEED | (256) | - | - | 225 | (31) |
| UTTLESFORD PRIMARY BASIC NEED | (324) | 350 | - | - | 26 |
| SPECIAL SCHOOLS | (231) | 1,081 | (1,161) | 169 | (142) |
| TEMPORARY ACCOMMODATION | (338) | 973 | (2,673) | - | (2,038) |
| Education Excellence, Lifelong Learning and Employability | (4,018) | 2,686 | (3,974) | 663 | (4,643) |
| SALIX GRANT ERO | - | 65 | - | - | 65 |
| Finance, Resources and Corporate Affairs | - | 65 | - | - | 65 |
| LOCAL HIGHWAYS PANELS | - | 600 | (600) | - | - |
| ROAD MAINTENANCE | - | 450 | - | - | 450 |
| SECTION 106 | - | 120 | - | - | 120 |
| RFM VEHICLE PURCHASE | - | 14 | - | - | 14 |
| Highways Maintenance and Sustainable Transport | - | 1,184 | (600) | - | 584 |
| ENERGY EFFICIENCY LIGHTING PH3 | - | - | (65) | - | (65) |
| Leader | - | - | (65) | - | (65) |
| ECC Capital Programme | (4,019) | 10,752 | (17,040) | 663 | (9,644) |
| Devolved Formula Capital | - | 93 | - | - | 93 |
| Total Capital Programme | (4,018) | 10,847 | (17,039) | 663 | (9,547) |

Reserves

| | 2022/23 movements | | | | Adjustments proposed in quarterly report included within this £000 |
|--|------------------------------------|---|-------------------------------|---|--|
| | Balance at 1 April 2022 £000 | (Contributions)/ Withdrawals agreed £000 | Future commitments £000 | Estimated Closing balance £000 | |
| Long Term Contractual Commitment | | | | | |
| PFI Reserves | | | | | |
| A130 PFI | (28,181) | 10,308 | - | (17,873) | |
| Building Schools for the Future PFI | (1,237) | - | (798) | (2,035) | (151) |
| Debden School PFI | (1,743) | - | 173 | (1,570) | 491 |
| Clacton Secondary Schools' PFI | (960) | - | 312 | (647) | 170 |
| Waste Reserve | (114,870) | 6,209 | 3,728 | (104,933) | |
| Grant Equalisation Reserve | (36,839) | - | 2,422 | (34,417) | |
| Trading Activities (not available for use) | (1,514) | 304 | (408) | (1,618) | |
| Partnerships and Third Party (not available for use) | (2,376) | - | - | (2,376) | |
| Schools (not available for use) | (49,212) | - | - | (49,212) | |
| General Balance | (68,096) | - | - | (68,096) | |
| Reserves earmarked for future use | | | | | |
| Adults Digital Programme | (275) | - | 247 | (28) | |
| Adults Risk | (14,221) | - | 6,736 | (7,485) | 22 |
| Adults Transformation | (12,718) | - | 7,911 | (4,807) | 3,723 |
| Ambition Fund | (6,523) | (8,800) | 9,552 | (5,771) | |
| Bursary for Trainee Carers | (338) | - | 338 | - | |
| Capital Receipts Pump Priming | (4,034) | (6,000) | 2,500 | (7,534) | |
| Carbon Reduction | (982) | 114 | 192 | (676) | |
| Carry Forward | (24,742) | - | 24,742 | (0) | |
| Childrens Risk | - | (2,500) | 625 | (1,875) | |
| Childrens Transformation | (7,188) | - | 1,859 | (5,328) | 76 |
| Collection Fund Risk | (7,587) | (9,497) | - | (17,084) | |
| Commercial Investment in Essex Places | (15,658) | 170 | 800 | (14,688) | (114) |
| Community Initiatives Fund | (376) | (350) | 350 | (376) | 99 |
| Covid Equalisation Reserve | (40,769) | 1,831 | 20,305 | (18,634) | 2,450 |
| EES Pension Risk | (4,000) | - | - | (4,000) | |
| Emergency | (17,564) | (9,094) | 10,087 | (16,571) | |
| Emergency Planning | (300) | - | - | (300) | |
| Equalities Fund Reserve | (261) | - | - | (261) | |
| Essex Climate Change Commission | (4,331) | - | 2,730 | (1,601) | 1,241 |
| Essex Crime and Police | (73) | - | - | (73) | |
| Everyones Essex | (47,273) | (1,000) | 15,333 | (32,940) | 562 |
| Future Capital Funding | (14,437) | (14,674) | 16,483 | (12,628) | |
| General Risk | (13,858) | - | - | (13,858) | 2,486 |
| Health and Safety | (4,657) | - | 103 | (4,554) | |
| Insurance | (6,260) | - | - | (6,260) | |
| Newton | (149) | - | - | (149) | |
| Property Fund | (1,303) | - | - | (1,303) | |
| Quadrennial Elections | (999) | (500) | 22 | (1,477) | 22 |
| Renewal Fund | (2,523) | - | 273 | (2,250) | |
| Social Distancing & Hygiene | (900) | - | - | (900) | |
| Technology and Digitisation | (11,640) | (10,000) | 13,033 | (8,608) | 324 |
| Transformation | (48,506) | (11,823) | 12,500 | (47,829) | (3,812) |

Work Programme

Reference Number: CPSC/20/22

| | |
|---|---|
| Report title: Work Programme | |
| Report to: Corporate Policy and Scrutiny Committee | |
| Report author: Graham Hughes, Senior Democratic Services Officer | |
| Date: 22 September 2022 | For: Discussion and identifying any follow-up scrutiny actions |
| Enquiries to: Graham Hughes, Senior Democratic Services Officer at graham.hughes@essex.gov.uk. | |
| County Divisions affected: Not applicable | |

1. Introduction

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

2. Action required

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

3. Background

3.1 Developing a work programme

Issues identified during induction sessions in summer 2021 and subsequent formal meetings continue to be incorporated into the work programme by the Chairman and Vice Chairmen.

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

4. Everyone's Essex

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

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

Work Programme

also include scrutinising the People Plan in the strategy which aims to ensure that the County Council has the capability to meet the demands ahead.

5. Update and Next Steps

See Appendix.

6. Appendix

- Current Work Programme.

APPENDIX**Corporate Policy and Scrutiny - Work Programme – 22 September 2022**

| Provisional Date | Topic Title | Lead Contact | Purpose and Target Outcomes | Relevance to Scrutiny Theme * | Cross-Committee Work Identified |
|-------------------------|--|---|---|--|--|
| 22 September 2022 | 2022 First Quarter financials | Cabinet Member Finance, Resources and Corporate Affairs/ Director Finance | To consider (i) latest financial performance and update on recent economic events, impacts and risks; (ii) preliminary briefing on budget process for 2023 and next steps | Ability to deliver Everyone's Essex Strategy | Not applicable |
| November 2022 - TBC | Everyone's Essex Strategy | Leader/Deputy Leader/ Director, Policy and the Head of Performance and Business Intelligence | To consider latest update to monitor progress | Scrutiny of the Everyone's Essex Strategy | Invite other Chairmen/ Vice Chairmen |
| November 2022 | Preliminary early budget assumptions /Half Year Financials | Cabinet Member Finance, Resources and Corporate Affairs/ Director Finance | To consider latest financial performance and preparation of 2023/24 budget | Ability to deliver Everyone's Essex Strategy | Not applicable |
| November 2022 | Ways of Working – accommodation/ estate strategy | Cabinet Member Finance, Resources and Corporate Affairs/ Executive Director, People and Transformation | To consider the review underway and the proposed approach. | Ability to deliver Everyone's Essex Strategy | TBC |

| Provisional Date | Topic Title | Lead Contact | Purpose and Target Outcomes | Relevance to Scrutiny Theme * | Cross-Committee Work Identified |
|-------------------------|---------------------------------------|--|--|--|--|
| 26 January 2023 | Everyone's Essex Strategy | Leader/Deputy Leader/ Director, Policy and the Head of Performance and Business Intelligence | To consider latest update to monitor progress | Scrutiny of the Everyone's Essex Strategy | Invite other Chairmen/ Vice Chairmen |
| TBC | Commercial (non-property) investments | Cabinet Member Finance, Resources and Corporate Affairs/ Director Finance | To understand investments made and review current approach and performance | Ability to deliver Everyone's Essex Strategy | Not applicable |
| TBC 2022 | Essex Archive Services | Cabinet Member Devolution, Art, Heritage and Culture | Influence future approach on the delivery of services including use of digitalisation. | Ability to deliver Everyone's Essex Strategy | Not applicable |

Joint scrutiny with Place Services and Economic Growth Policy and Scrutiny Committee (PSEG)

Corporate Economic Renewal Fund/Strategy – follow up (arrangements TBC)

Further issues not scoped or currently being scheduled (themes and issues highlighted during induction discussions with Cabinet Members)

Essex Housing - ECC's strategies and plans, including environmental considerations. Could be led by another scrutiny committee.

Essex Outdoors - Increasing usage and making it more commercial. Could be led by another scrutiny committee.

Faith covenant - Role of ECC and the wider Equalities agenda

Procurement - Percentage of procurement with Essex businesses, social value contracts, autonomy of service areas