

- 1. Budget Addendum and Replacement Recommendations**
- 2. Liberal Democrat Group Amendment**
- 3. Labour Group Amendment**

This document is for Members of the Council to note the Budget Amendment report and replacement recommendations commencing on page 2

The Liberal Democrat Group Amendment to the Budget to be moved by Councillor Mackrory and seconded by Councillor Kendall commencing on page 13 and

The Labour Group Amendment to the Budget to be moved by Councillor Henderson and seconded by Councillor Young commencing on page 17

Agenda item 7 – addendum report and replacement recommendations

1 Purpose of the Report

- 1.1 Since the publication of the Organisation Plan and Budget 2021/22, we have received the National Non-Domestic Rating return (NNDR1) from Harlow District Council.
- 1.2 The information on the NNDR1 from Harlow District Council means that there are some changes to make to the overall budget, but without changing the precept:
- The anticipated income from non-domestic rates (NDR) has been increased by **£206,000**
 - The deficit in the NDR collection fund has increased by **£111,000**
 - Additional Business Rates Compensation Grant of **£210,000** which is money paid to billing authorities by the Government to compensate for a reduction in income caused by business rate relief granted centrally.
- 1.3 The net impact of these changes is an increase in the Council's funding of **£305,000** over that published in the Council agenda. It is proposed that the additional funding is applied to the Collection Fund Risk Reserve.
- 1.4 The recommendations in section 2 below sets out the revised recommendations that will be moved by the Leader of the Council. They do not change the overall precept.
- 1.5 A summary of the changes in the recommendations is as follows:

Paragraph	Original	Change
2.1	Approve the Organisational Plan as appended.	Approve the plan subject to changes in paragraph 2.18 below.
2.2	Figure of £1,037.6m	Figure of £1,037.9m
2.3	Figure of £894.8m	Figure of £894.9m
2.18	New recommendation -not in original report.	New paragraph changing Organisational Plan.

2 Recommendations to the Council

Revenue and Capital Budget

- 2.1 That the Organisation Plan be approved in the form appended to this report (Appendix A) subject to the changes set out in paragraph 2.18 below.
- 2.2 The net cost of services to be set at **£1,037.9million (m)** for 2021/22 – Appendix A (page 37).

- 2.3 The net revenue budget requirement to be set at **£894.9m** (net cost of services less general government grants) for 2021/22 – Appendix A (page 41).
- 2.4 The total council tax funding requirement be set at **£717.5m** for 2021/22 – Appendix A (page 41).
- 2.5 That Essex County Council's element of the council tax be increased by 1.5% for the adult social care precept, using the flexibility set out by government to raise a precept of up to 3% for the 'adult social care precept'. Therefore the Essex County Council element of the council tax charge for a Band D property in 2021/22 will be **£1,340.91**. A full list of bands is as follows:

Council Tax Band	2020/21 £	2021/22 £
Band A	880.74	893.94
Band B	1,027.53	1,042.93
Band C	1,174.32	1,191.92
Band D	1,321.11	1,340.91
Band E	1,614.69	1,638.89
Band F	1,908.27	1,936.87
Band G	2,201.85	2,234.85
Band H	2,642.22	2,681.82

- 2.6 Full Council approve the Essex County Council element of the council tax for each category of dwelling and the precepts on each of the council tax billing authorities for 2021/22, together with the final tax base, as set out in the table below:

Billing Authority	2021/22 Final Tax Base Band D Equivalent	2021/22 Gross Precept £000
Basildon	60,840	81,581
Braintree	53,721	72,035
Brentwood	33,250	44,586
Castle Point	30,965	41,521
Chelmsford	68,580	91,959
Colchester	62,776	84,178
Epping Forest	54,019	72,434
Harlow	27,386	36,722
Maldon	24,959	33,468
Rochford	32,052	42,979
Tendring	48,436	64,948
Uttlesford	38,108	51,100
Total for ECC	535,092	717,510

- 2.7 Agree that, subject to the funding position prevailing next year, the Council intends to raise council tax in 2022/23 to use the remaining 1.5% adult social care precept in 2022/23.
- 2.8 That the proposed total schools budget be set at **£567.4m** for 2021/22 which will be funded by the Dedicated Schools Grant, Universal Free School Meals Grant, Pupil Premium Grant, PE and Sports Premium Grant, Sixth Form Grant and the COVID-19 Catch-up Grant. The majority of this will be passed through to maintained schools.
- 2.9 That the underlying balance on the General Balance be set at **£65.5m** as at 1 April 2021 (Appendix A, Annex 1, page 68).
- 2.10 That the capital payments guideline be set at **£290.3m** for 2021/22.
- 2.11 That for the purposes of section 52ZB of the Local Government Finance Act 1992 the Council formally determines that the increase in council tax is not such as to trigger a referendum.

Strategic Performance Measures

- 2.12 That the strategic performance measures as set out in Annex 2 (Appendix A) be approved, noting that Annex 2 was not in the information submitted to Cabinet.

Capital Strategy

- 2.13 That the 2021/22 to 2024/25 Prudential Indicators and limits, together with updated limits for 2020/21 as set out in Annexes 3A and 3B of the Capital Strategy (Appendix A) be approved.
- 2.14 That the Treasury Management Strategy for 2021/22 be approved, comprising:
- a. Borrowing strategy, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 85).
 - b. Treasury management investments strategy, as set out in Annex 3 and Annex 3D of the Capital Strategy (Appendix A, Annex 3, page 92).
 - c. Indicative strategy for commercial investment activities, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 95).
- 2.15 That the policy for making a prudent level of revenue provision for the repayment of debt, (the Minimum Revenue Provision policy) as set out in Annex 3C of the Capital Strategy (Appendix A, Annex 3, page 103), be approved.

Pay Policy Statement

- 2.16 The Pay Policy Statement for 2021/22 as set out in Appendix C be approved.

Flexible Use of Capital Receipts Strategy 2021/22

- 2.17 The Flexible Use of Capital Receipt Strategy for 2021/22 (Appendix E) be approved, using the short term discretion from government to use £1.3m of capital receipts to fund transformation projects that save money or reduce costs.

Changes

- 2.18 That the following figures be amended to the Organisation Plan which forms Appendix A to the report (which starts at page 56 of the published agenda pack) as shown on the replacement pages annexed to the addendum report.
- (a) Where the net cost of service currently shows **£1,037,615,998** (page 96 of the agenda pack), this is amended to **£1,037,921,368**
 - (b) Where the Collection Fund Risk Reserve shows **£12.112m** total net expenditure (page 119 of the agenda pack), this is amended to **£12.418m**
 - (c) Where the Other Operating costs portfolio shows **£114.789m** total net expenditure budget (starts at page 118 of the agenda pack), this is amended to **£115.094m**.
 - (d) That pages 92, 94, 96, 118, 119 and 120 of the agenda be replaced with those appended to the addendum report circulated at the meeting.
- 2.19 That the Section 151 Officer be authorised to amend other figures in the Organisation Plan which need to change as a result of the mathematical changes of the above consequences.

Replacement for page 92 of the Agenda

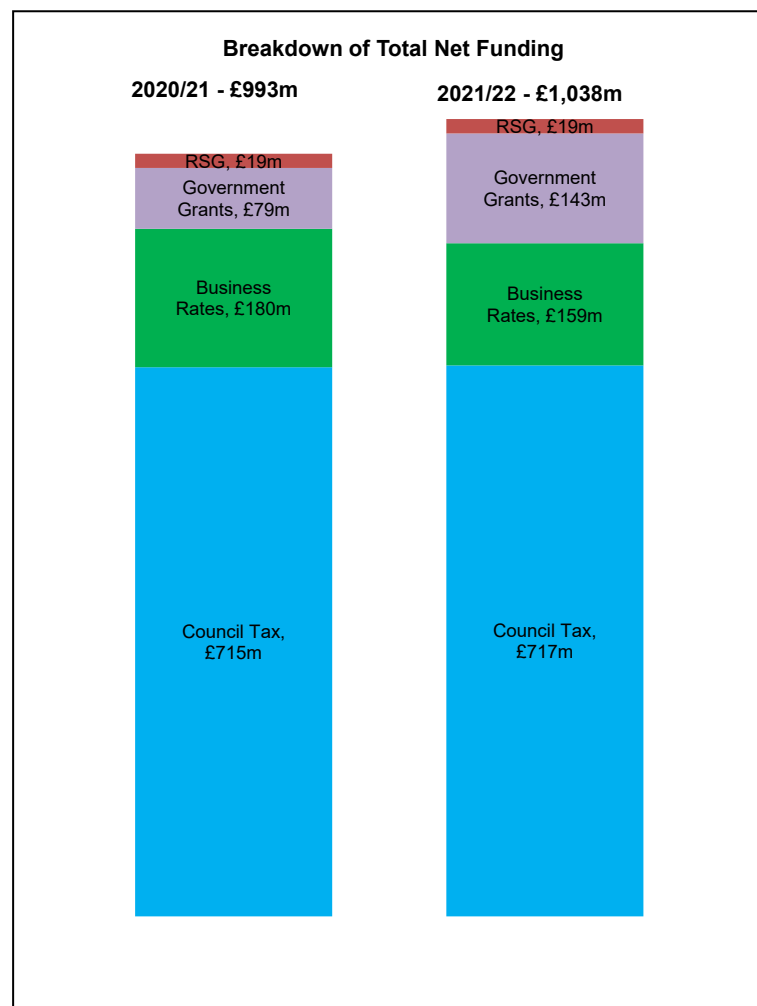
2021/22 Revenue Overview

Despite the financial challenges facing local government, the budget for 2021/22 is increasing. Gross expenditure to be incurred in the delivery of Council services in 2021/22 is **£2,014m**. After taking income and specific grants into account, the net costs of services amounts to **£1,038m**, an increase of **£45m** or 5% over 2020/21. £29m of this increase is driven by the COVID-19 emergency grant announced as part of the Provisional Financial Settlement from government. There has been an increase in the Non-Domestic Rates collection fund deficit, which is largely due to the additional reliefs awarded in 2020/21, for which the offsetting S31 Business Rates Compensation Grant is included within General Government Grants.

Budget breakdown

	2020/21 £m	2021/22 £m
Gross Expenditure	1,944.0	2,014.0
<i>Deduct:</i>		
Income	(279.1)	(269.6)
Specific Government Grants (excluding DSG)	(166.4)	(165.8)
Specific Government Grants (DSG)	(505.8)	(540.7)
Subtotal: Net Cost of Services	992.7	1,037.9
<i>Deduct:</i>		
Council Tax Requirement	(707.8)	(717.5)
Revenue Support Grant (RSG)	(18.6)	(18.7)
Non-Domestic Rates	(180.2)	(180.2)
Non-Domestic Rates Collection Fund Deficit *	0.1	21.2
General Government Grants	(79.1)	(143.0)
Council Tax Collection Fund (Surplus)/ Deficit*	(7.1)	0.3
Subtotal: Total Funding	(992.7)	(1,037.9)
Balanced budget	0.0	0.0

*Estimate of the variation of actual council tax and non-domestic rates revenue 2020/21 compared to that budgeted (technical adjustment).



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Revenue Budget Summary

2019/20	2020/21	2020/21			2021/22		
Actuals	Original	Latest		Gross	Income	Specific	Total Net
£000	Budget	Budget	Portfolio	Expenditure	£000	Grants	Expenditure
	£000	£000		£000		£000	£000
122,909	129,041	130,673	Children and Families	155,662	(8,912)	(14,906)	131,844
16,571	18,317	21,858	Customer, Communities, Culture and Corporate	27,919	(9,897)	(49)	17,972
6,692	6,262	9,378	Economic Development	6,737	(777)		5,960
89,591	78,331	82,038	Education and Skills	691,196	(28,699)	(578,858)	83,639
81,071	77,582	82,983	Environment and Climate Change Action	93,480	(9,176)	(65)	84,239
15,439	17,461	16,090	Finance	10,433	(2,309)	(256)	7,869
407,305	423,018	466,718	Health and Adult Social Care	699,544	(145,476)	(112,167)	441,902
48,058	44,257	50,440	Infrastructure	67,600	(18,235)	(221)	49,144
5,860	7,551	8,062	Leader	5,659			5,659
88,686	102,872	34,509	Other Operating Costs	136,794	(21,700)		115,094
1,740	1,902	2,948	Performance, Business Planning and Partnerships	2,647			2,647
61,774	54,620	69,747	Customer, Communities, Culture and Corporate RSSS	72,977	(13,101)		59,876
17,528	18,867	21,814	Finance RSSS	31,163	(10,691)		20,471
2,226	2,292	2,719	Leader RSSS	2,231			2,231
7,959	10,295	9,470	Performance, Business Planning and Partnerships RSSS	10,014	(640)		9,374
973,409	992,669	1,009,448		2,014,056	(269,613)	(706,522)	1,037,921

Recharged Strategic Support Services (RSSS) relates to functions which support all services across the organisation and are allocated out on a recharge basis.

The latest budget figures for 2020/21 have, for some portfolios, been materially impacted by one-off expenditure pressures and income losses caused by the COVID-19 pandemic, resulting in significant increases over the original budgets set. The additional budget has been funded by emergency funding and other support made available from central government and is drawn down through “other operating costs” netting off a significant amount of the pressure. As such, the 2020/21 original budget is a more meaningful comparator to the draft budget for 2021/22.

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Council Tax Requirement

Under sections 42A and B of the Local Government Finance Act 1992, as inserted by the Localism Act 2011, there is a requirement to disclose the budget requirement and associated council tax requirement for the year. This is set out below.

Statutory disclosure requirement

	£
Net cost of Services	1,037,921,368
General Government Grants *	(143,013,795)
Budget requirement	894,907,573
Less funding available:	
Revenue Support Grant	18,701,052
Non-Domestic Rates	180,208,593
Non-Domestic Rates Collection Fund deficit	(21,233,764)
Council Tax Collection Fund deficit	(278,709)
	177,397,172
Council tax requirement	717,510,401
Tax base (Band D equivalent properties)	535,092.14
Band D council tax	1,340.91

The Band D council tax charge is **£1,340.91**. The provisional council tax charge by band is set out in the table below.

	2020/21	2021/22
Council Tax Band	£	£
Band A	880.74	893.94
Band B	1,027.53	1,042.93
Band C	1,174.32	1,191.92
Band D	1,321.11	1,340.91
Band E	1,614.69	1,638.89
Band F	1,908.27	1,936.87
Band G	2,201.85	2,234.85
Band H	2,642.22	2,681.82

* General Government Grants includes PFI grants £23m, Social Care Support Grant £38m, COVID-19 grant £28.8m and Business Rates Compensation Grant £33m

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Other Operating costs

The revenue budget in 2021/22 is **£115m**. The expenditure includes the net appropriations to reserves and restricted funds as described in the Reserves section (starting on page 67) of **£61m** and the costs of financing the capital programme of **£57m**.

The movement since 2020/21 is mainly due to changes in the appropriations and withdrawals from the reserves between the years, in line with changes in the specific liabilities, for example changes in PFI payment profiles.

2019/20	2020/21	2020/21			2021/22	
Actuals	Original	Latest		Gross	Income	Total Net
£000	Budget	Budget		Expenditure		Expenditure
	£000	£000		£000	£000	£000
27,651	30,989	30,989	Capital Financing	33,476		33,476
(334)			Dividends received		(850)	(850)
			Interest Payable			
(1,036)	(671)	(671)	Contributions - Transferred Debt		(802)	(802)
19,337	23,334	23,334	External Interest Payable	23,436		23,436
(100)			Loan Charges Grant			
			Interest Receivable			
(3,732)	(2,779)	(2,779)	External Interest Receivable	100	(981)	(881)
1,549	1,531	1,531	Interest Reallocated		173	173
43,336	52,405	52,405		57,012	(2,460)	54,552

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2019/20	2020/21	2020/21			2021/22	
Actuals	Original	Latest			Gross	Total Net
£000	Budget	Budget			Expenditure	Expenditure
	£000	£000			£000	£000
			Approps To/(From) Reserves and Restricted Use Funds (i)			
(3,077)	(4,652)	(3,049)	A130 PFI Reserve		(9,255)	(9,255)
(2,387)		(2,458)	Adults Digital Programme			
			Adult Social Care Risk		10,089	10,089
(2,046)		236	Building Schools for the Future			
500			Bursary for Trainee Carers			
	1,000	1,000	Capital Receipts Pump Priming			
(1,681)	(76)	282	Carbon Reduction Reserve		(76)	(76)
(8,446)		(12,339)	Carry Forwards Reserve		(3,260)	(3,260)
			Collection Fund Risk Reserve			
(1,999)		(271)	Clacton PFI Reserve			
			Collection Fund Risk Reserve		12,418	12,418
12,583			Commercial Investment in Essex Places Reserve			
(667)	350	194	Community Initiatives Fund		350	350
			COVID Equalisation		28,808	28,808
(3,022)		(501)	Debden PFI Reserve			
4,000			EES Pension Risk Reserve			
	10,000	8,637	Emergency		4,000	4,000
			Emergency Planning Reserve			
250	5,000	4,750	Essex Climate Change Commission			
37,217		(39,072)	Grant Equalisation Reserves			
2,219		(906)	Health And Safety Reserve		2,038	2,038
	5,000	5,000	Highways			
(650)	(1,151)	(1,151)	Insurance Reserve			
(162)			Partnership Reserves			
			Pension Deficit Reserve			
326	326	326	Property Investment		326	326
475	500	500	Quadrennial Elections Reserve		500	500
2,900		3,659	Recovery Reserve			
(13,056)	4,074	(1,268)	Reserve For Future Capital Funding		3,074	3,074
(3,383)			Schools Reserves			
3,971	2,750	2,346	Service Improvement Reserve		2,700	2,700
900			Social Distancing and Hygiene Reserve			

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2019/20 Actuals £000	2020/21 Original Budget £000	2020/21 Latest Budget £000		Gross Expenditure £000	2021/22 Income £000	Specific Grants £000	Total Net Expenditure £000
Approps To/(From) Reserves and Restricted Use Funds (cont'd) (i)							
3,785	5,000	1,335	Technology Solutions	10,000			10,000
(193)			Tendring Public Private Partnership				
(808)	(413)	(304)	Trading Activities Reserves		(304)		(304)
12,208	22,760	15,158	Transformation Reserve	5,480			5,480
8,645			Waste Reserve		(6,344)		(6,344)
48,403	50,467	(17,896)		79,782	(19,240)		60,543
Reserves Closed							
(3,053)			Digital Infrastructure Reserve				
(3,053)	-	-		-	-		-
88,686	102,872	34,509	Total Other Operating Costs	136,794	(21,700)		115,094

i Within appropriations to/from reserves, expenditure means a contribution to a reserve, and income means a withdrawal from the reserve.

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	Estimated closing balances						
			Budgeted Contributions/ Withdrawals £000	2021/22	2021/22		2022/23
	Balance at 1 April 2020 £000	Balance at 1 April 2021 £000		Assumed usage £000	Closing balance £000	£000	£000
General Balance	(56,439)	(65,484)	-	3,720	(61,764)	(61,764)	(61,764)
Reserves earmarked for future use							
Adults Digital Programme	(2,869)	(0)	-	-	(0)	(0)	(0)
Adult Social Care Risk	-	-	(10,089)	-	(10,089)	(10,089)	(10,089)
Bursary for trainee carers	(500)	-	-	-	-	-	-
Capital Receipts Pump Priming	(3,204)	(3,704)	-	1,500	(2,204)	(2,704)	(3,204)
Carbon Reduction and Energy Risk	(622)	(904)	76	(38)	(866)	(748)	(596)
Carry Forward	(14,804)	(11,463)	3,260	8,203	-	-	-
Collection Fund Risk	(1,412)	(3,986)	(12,418)	10,286	(6,118)	(6,118)	(6,118)
Commercial Investment in Essex Places	(12,583)	(12,583)	-	-	(12,583)	(12,583)	(12,583)
Community Initiatives Fund	(487)	(497)	(350)	350	(497)	(497)	(497)
COVID Equalisation	-	(24,595)	(28,808)	53,403	-	-	-
EES Pensions	(4,000)	(4,000)	-	-	(4,000)	(4,000)	(4,000)
Emergency	-	(7,829)	(4,000)	4,000	(7,829)	(7,829)	(7,829)
Emergency Planning	(300)	(300)	-	-	(300)	(300)	(300)
Essex Climate Change Commission	(250)	(4,000)	-	1,250	(2,750)	(250)	(250)
Essex Crime and Police	(73)	(73)	-	-	(73)	(73)	(73)
Future Capital Funding	(1,905)	(495)	(3,074)	3,074	(495)	(495)	(495)
Health and Safety	(3,100)	(1,920)	(2,038)	2,200	(1,758)	(1,758)	(1,758)
Insurance	(7,411)	(6,260)	-	-	(6,260)	(6,260)	(6,260)
Newton Reserve	(122)	(122)	-	-	(122)	(122)	(122)
Property Investment	(651)	(977)	(326)	-	(1,303)	(1,629)	(1,955)
Quadrennial Elections	(1,093)	(1,593)	(500)	2,000	(93)	(593)	(1,093)
Recovery	(2,900)	(5,745)	-	5,745	-	-	-
Service Improvement	(3,971)	(9,330)	(2,700)	6,430	(5,600)	(5,100)	(5,100)

Liberal Democrat Amendment to the Budget: 23rd February 2021

Proposed by Councillor Mackrory and seconded by Councillor Kendall.

That the net effect of the budget resolution be amended as set out for the reasons and purposes set out below:

1.0 Recognising the enormity of the Climate Change Emergency

1.1 The recommendations of the Essex Climate Change Commission need to be implemented immediately to tackle what is unquestionably an emergency (Climate Change Action portfolio). An additional £2m funding is proposed to:

- Promote a sustainable approach to growth, development and a low carbon future.
- Implement measures to improve the green infrastructure of Essex and increase biodiversity.
- Improve the environmental quality, attractiveness and recreational potential of public spaces in ECC ownership.
- Implement measures to reduce waste, lower energy consumption and improve air quality in identified hot spots and introduce Clean Air Zones.

1.2 This to be funded by drawing down an additional £2m from the £4m Essex Climate Change Commission Reserve in 2021/22 with a further £2m in 2022/23.

2.0 The following items, 3.1, 4.1, 5.1 and 6.1, to be funded by a 1% increase in Council Tax (£7.1m) and that the budget recommendation be amended as detailed in the section 151 officer's commentary and statement below.

3.0 Supporting the needs of children and young people with mental health issues

3.1 The huge increase in numbers of young people requiring advice and treatment for mental health issues due to Coronavirus is well documented. Current demand is not being met fast enough as shown by waiting times, to the detriment of those young people. Therefore, it is proposed to Increase the Children and Families budget by £2m (Health and Adult Social Care portfolio). This additional funding to enable more vital work with children and young people with mental health issues. Measures to tackle suicide prevention and sexual health conditions will also reduce costly treatment to the NHS. We will promote the benefits of investing in match-funding this significant additional expenditure with the Clinical Commissioning Groups to provide more mental health counselling support in all schools to help identify and address mental health issues at an early age with the intention of reducing demand on services in the future.

4.0 Supporting Essex's young people

- 4.1 An increase of £500,000 in the budget provision for Youth Services (Education and Skills portfolio) for the provision of Youth Service projects including, support, mentoring and respite for young carers, school lunchtime clubs/drop in sessions run by youth workers and outreach work, including detached working.

5.0 Supporting low income families £2.1m

- 5.1 Protect low income families from the 1% increase in Council Tax by adding £2.1m to the proposals being developed for the remainder of the £10m Local Council Tax Support grant for 2021/22 (after recompense for any loss of Council Tax base). This scheme will be developed in partnership with Essex District, Borough and City Councils. In 2020/21 District, Borough and City Councils within Essex have supported approximately 52,300 households by applying up to £150 council tax discount to all Local Council Tax Support claimants, at a cost of £7.9m, funded from the government's Council Tax Covid-19 hardship fund.

6.0 Investing in our infrastructure and keeping Essex safe

- 6.1 An increase of £2.5m in the Highways Capital programme (as a revenue contribution to capital) provision for Road Maintenance (Infrastructure portfolio) to start to clear the massive backlog of footway, cycleway and drainage repairs. Roads Maintenance will be increased by £1.99m, Footway Maintenance by £390,000 and Surface Water Alleviation by £120,000.

7.0 Reducing Fly Tipping

- 7.1 An increase of £250,000 in the budget provision for Waste Disposal (Environment and Waste portfolio) to tackle the scourge of fly tipping which is blighting both the countryside and urban areas, in particular to pursue and prosecution of offenders. This increase is to be funded from the Waste Reserve in 2021/22.

Section 151 Officer's Commentary on Liberal Democrat Budget Amendment

8.0 Summary of Proposals

- 8.1 A number of the amendments that are proposed to be funded from reserves in 2021/22 and other amendments are funded from an additional 1% increase in Council Tax. These have an ongoing impact on the Medium Term Resource Strategy (MTRS) from 2022/23 onwards by the amount shown in the table below:

Description	2021/22 £000	2022/23 £000	2023/24 £000
Investment in Mental Health Services	2,000	2,000	2,000
Investment in Youth Services	500	500	500
Supporting low income families	2,078	2,078	2,078
Increase in Highways Maintenance Capital Programme (revenue contribution to capital)	2,500		
Ongoing impact	7,078	4,578	4,578
Investment in Climate Change Emergency	2,000	2,000	-
Investment in Fly Tipping reduction	250	-	-
One off cost in 2020/21	2,250	2,000	-
Total cost	9,328	6,578	4,578

8.2 It is recognised that there will be increase of £7.078m to the 2021/22 budget arising from the proposed changes, which will be funded by an additional increase in Council Tax of 1%. There is proposed to be an increase of £4.578m to the revenue budget and £2.5m increase to the capital programme as a revenue contribution to capital. The remainder of the proposals will have no overall impact on the 2021/22 budget as funds identified will be drawing down from Reserves.

8.3 The impact on reserves in 2021/22 is summarised in the below table.

Reserve	Current estimated closing balance £000	2021/22		Current estimated closing balance £000	2022/23	
		Proposed additional usage £000	Revised estimated closing balance £000		Proposed additional usage £000	Revised estimated closing balance £000
Essex Climate Change Commission	4,000	(2,000)	2,000	2,000	(2,000)	0
Waste	100,532	(250)	100,282	100,532	0	100,532

8.4 The amendments also impact on the 2021/22 capital programme as follows

Description	Current 2021/22 Budget £000	Proposed 2021/22 Budget £000	Increase/ (decrease) £000
Increase to Highways Maintenance - Roads Maintenance	40,750	42,740	1,990
Increase to Highways Maintenance - Footway Maintenance	8,000	8,390	390
Increase to Highways Maintenance - Surface Water Alleviation	2,500	2,620	120

9.0 S151 Officer's Statement on the Liberal Democrat Budget Amendment

- 9.1 The proposals have set out clearly the funding sources for 2021/22, which includes an additional 1% increase in Council Tax and use of the Essex Climate Change Commission reserve (£2m in 2021/22 and 2022/23) and Waste reserve (£250,000 in 2021/22). The additional increase in Council Tax will be used to fund the ongoing annual costs of the proposals. The table below shows the impact on the Council Tax bandings of the additional 1% increase. It would be lawful to increase council tax 1% without triggering a referendum on council tax increases.

If the amendment is passed then the County Council's share of the council tax will be as follows:

Council Tax Band	2021/22 1.50% £	2021/22 2.50% £	2021/22 Increase £
Band A	893.94	902.76	8.82
Band B	1,042.93	1,053.22	10.29
Band C	1,191.92	1,203.22	11.30
Band D	1,340.91	1,354.14	13.23
Band E	1,638.89	1,655.06	16.17
Band F	1,936.87	1,955.98	19.11
Band G	2,234.85	2,256.90	22.05
Band H	2,681.82	2,708.28	26.46

Labour Party Amendment to the Budget: 23rd February 2021

Proposed by Councillor Henderson and seconded by Councillor Young

That the net effect of the budget resolution be amended for the reasons and purposes set out below:

Supporting the Community

- 1) An increase of **£600,000** in supporting the community in 2021/22, on a one-off basis to assist the most vulnerable residents across Essex from isolation and loneliness.

This would require an increase in the budget for Customer, Communities, Culture & Corporate portfolio by **£600,000** and a reduction of the same sum in the Transformation Reserve.

- 2) An increase to the Youth Service revenue budget by **£200,000** on a one-off basis to provide a further 8 commissioners for 12 months to help support the additional demand caused during COVID-19 in the most deprived areas within Essex.

This would require an increase in the Education and Skills portfolio budget by **£200,000** and a reduction of the same sum in the Service Improvement Reserve.

Getting Residents Walking

- 3) An increase in the annual Footway Maintenance capital programme by **£1.8m** to get more people walking through out Essex.

This would require an increase to the Infrastructure portfolio budget by **£1.8m**, funded by borrowing, the revenue servicing of which will be funded through a withdrawal from the earmarked Transformation Reserve totalling **£13,000** for 2021/22.

- 4) An increase in the annual Public Rights of Way capital programme by **£100,000**, maintaining levels of spend in line with previous years. This is to ensure that there is improvement and maintenance of targeted routes to provide adequate and safe paths, allowing children and parents to walk to school.

This would require an increase in the Infrastructure portfolio capital programme by **£100,000**, funded by borrowing, the revenue servicing of which will be funded through a withdrawal from the earmarked Transformation Reserve, totalling **£1,000** for 2021/22.

Highway's Quality Assurance

- 5) Increase to the 2021/22 Infrastructure revenue budget by **£45,000**, on a one-off basis to support an independent review of the criteria assessment used by Ringway Jacobs. The review will assess the quality criteria applied when approving maintenance and repairs, carried out under the existing Ringway Jacob contract to quality assure their remedial work.

This would require an increase in the budget for Infrastructure portfolio by **£45,000** which will be funded through a withdrawal from the earmarked Service Improvement Reserve.

- 6) Increase to the annual Infrastructure revenue budget for three years, from 2021/22 to 2023/24, by **£38,000 per annum**. This is to fund twice yearly, independent inspections of highway repair work carried out under the existing Ringway Jacobs contract, sampling a range of completed repairs across the county.

This would require an increase in the budget for the Infrastructure portfolio by **£38,000 per annum** which will be funded through withdrawals from the Service Improvement Reserve for 2021/22 through to 2023/24, a total reduction to the reserve of **£114,000**.

S151 Officer's Commentary on the Budget amendment Proposal

Two of the proposed amendments require an increase in borrowing totalling **£1.9m**, the servicing of which for 2021/22 will be through a revenue drawdown from the earmarked Transformation Reserve. This additional borrowing will have an ongoing impact on the medium term resource strategy from 2022/23 onwards, increasing the gap by **£92,000**.

The proposals have set out clearly the funding sources, which includes the following:

- **£614,000** withdrawal from the Transformation Reserve, taking the balance on this reserve to **£23.4m** at the end of 2021/22
- **£283,000** withdrawal from the Service Improvement Reserve, taking the balance on this reserve to **£5.3m** at the end of 2021/22, subsequent withdrawal for 2022/23 and 2023/24, will further reduce the balance to **£5.2m**

The reduction in transformation reserve will impact the capacity to invest in change to enable financial sustainability given the £91m gap over the medium term.