

# Executive Scrutiny Committee

<b>10:00</b>	<b>Monday, 05 November 2012</b>	<b>Committee Room 1, County Hall</b>
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**Quorum: 4**

## **Membership**

Councillor M Mackrory  
Councillor G Butland  
Councillor S Candy  
Councillor W Dick  
Councillor N Edey  
Councillor A Hedley  
Councillor S Mayzes  
Councillor V Metcalfe  
Councillor G Mitchinson  
Councillor M Page  
Councillor J Pike  
Councillor I Pummell  
Councillor J Roberts  
Councillor A Turrell  
Councillor B Wood  
Councillor J Young

Chairman  
Vice-Chairman

Vice-Chairman

## **For information about the meeting please ask for:**

Robert Fox, Governance Officer  
Vivien Door , Committee Officer

**Telephone:** 01245 430935

**Email:** [vivien.door@essex.gov.uk](mailto:vivien.door@essex.gov.uk)



Essex County Council

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## Part 1

(During consideration of these items the meeting is likely to be open to the press and public)

	<b>Pages</b>
<b>1 Apologies and Substitution Notices</b> The Committee Officer to report receipt (if any)	
<b>2 Declarations of Interest</b> To note any declarations of interest to be made by Members	
<b>3 Minutes 11/09/12</b> To approve as a correct record the minutes of the meeting held on 11 September 2012.	<b>5 - 10</b>
<b>4 2012-13 Financial Review as at the Half Year Stage ES01812</b>	<b>11 - 28</b>
<b>5 Corporate Plan Progress Report as at the Second Quarter Stage ES/019/12</b> The Committee is requested to consider the progress of the Corporate Plan as at the second quarter 2012/13	<b>29 - 48</b>
<b>6 Procurement Strategy ES/020/12</b> The Committee will receive a presentation from Councillor David Finch, Deputy Leader of the Council and Cabinet Member for Finance and Transformation Programme and Anthony Doyle, Chief Procurement Officer. See scoping document attached as agreed at the last meeting of the Committee (ES/020/12)	<b>49 - 52</b>
<b>7 Forward Look ES02112</b> To consider the latest work programme	<b>53 - 60</b>
<b>8 Date of Next Meeting</b>  <b>Dates of Future Meetings 2012/13</b>	

The following dates have been reserved for this Committee:

Date	Time	Venue
Tuesday, 4 December	10 a.m.	Committee Room 2
Tuesday, 22 January	10 a.m.	Committee Room 2
Tuesday, 25 February	10 a.m.	Committee Room 2
Tuesday, 26 March	10 a.m.	Committee Room 2
Tuesday, 23 April	10 a.m.	Committee Room 2

**9 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)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

**10 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.

**MINUTES OF A MEETING OF THE EXECUTIVE SCRUTINY COMMITTEE  
HELD AT COUNTY HALL, CHELMSFORD ON 11 SEPTEMBER 2012**

**Present**

W J C Dick	J W Pike
A M Hedley	J Roberts
M Mackrory (Chairman)	A Turrell
G McEwen	R Walters
Mrs V Metcalfe	J A Young (Vice-Chairman)
M Page	

Councillor M Lager was also in attendance

The following officers were present in support of the meeting:

Robert Fox	Governance Officer
Vivien Door	Principal Committee Officer

**1. Apologies for Absence and Substitutions**

The Committee Officer reported apologies for absence from Councillors G Butland, N Edey, G L Mitchinson, Mrs I Pummell and B Wood.

**2. Declarations of Interest**

The following Councillors declared a personal interest for Item 5, The Changing Pattern of Finance within Local Government.

W J C Dick	Personal interest as Member of Castle Point Borough Council and Member of Essex Fire Authority
A M Hedley	Personal interest as Member of Basildon Borough Council and Chairman of the Essex Fire Authority
G McEwen	Personal interest as Member of Essex Fire Authority
M Page	Personal interest as Member of Tendring District Council
J Roberts	Personal interest as Member of Essex Fire Authority
A Turrell	Personal interest as Leader of Colchester Borough Council, Member of the Essex Fire Authority and Member of the Myland Community Council
R Walters	Personal interest as Member of Braintree District Council
J A Young	Personal interest as Member Colchester Borough Council and Member of Essex Fire Authority

**3. Minutes**

The minutes of the meeting held on 24 July 2012 were approved as a correct record and signed by the Chairman with the following amendment:

Minute 4, 2011-12 Annual Report,

- Third paragraph, “ ... which would provide £5 million savings ...”;
- Fifth bullet point, should read land fill tax.

Minute 5, 2012/13 Financial Overview as at the First Quarter Stage, second paragraph, "Children's Services had an overspend of £1.604 million ..."

Minute 4, the 2011-12 Annual Report, Members requested more information on the interventions made by Essex Trading Standards which provided the £262,555 savings. The Committee Officer would request the information.

In reference to minutes of the meeting held on 3 April 2012, Minute 15, Corporate Human Resources issues, Keir Lynch, Executive Director for Transformation, provided the following response.

"Following the discussion at the last meeting of the Committee, there had been little progress in respect of either negotiation over National Pay Awards or the Government's proposals on Regional Pay. The usual consultation processes around National Pay bargaining would commence in the autumn with no decision on a cost of living offer expected until the New Year. The Regional Pay bodies (Civil Service Pay, Police Pay etc.) were requested to report back to Government on the concept of Regional Pay by the end of the summer. No news had been received on this matter to date although early indications suggest that Regional Pay might not be progressed. Once further information was available on both these issues we would review our situation."

The Committee **Agreed** that it would request an update on this information at a future meeting.

#### **4. The Changing Pattern of Finance within Local Government**

The Committee considered the Changing Pattern of Finance within Local Government, (ES/016/12), presented by Anna Casbolt, Senior Financial Analyst. As yet, funding levels have to be confirmed.

##### **National Non-Domestic Rates (NNDR) and Local Council Tax Support (LCTS)**

The LGRR (Local Government Rates Retention scheme) consultation was released in July with responses due by September 2012. Council Tax Benefits are being replaced by local council tax support as part of its Welfare Reform changes. The billing authorities are currently consulting on their proposed schemes. The Government will issue responses to consultations in December 2012 together with the funding settlement. Changes will be implemented from April 2013. Borough and District Councils in Essex have been working together with the County to design, develop and deliver a framework for the new LCTS schemes to deal with the reduction in funding. The public consultations are being undertaken by billing authorities and a report will be brought back to Cabinet for information, with the understanding that it was a local decision for all Local Authorities within Essex.

Currently Borough and Districts Councils collect the NNDR; the funds are re-distributed by the Government to the Local Authorities and Fire Authorities.

From 2013/14 all risks regarding poor collection would be borne by the Local Authorities including Counties. Levies and safety nets will be introduced to offset disproportionate levels of change, for example, when a major employer moves location or goes out of business.

Government funding allocated to councils for LCTS would fall to 90% of its current Council Tax Benefit spend. Pensioners were protected from any reduction to their benefit payments; however, the support given to those of working age will need to be reduced, to compensate for reduced funding. The Grants were based on the current population in the authority. The County will have to provide for appeals by setting aside funds to recognise some of the NNDR may be lost at a future date through appeals.

### **Council Tax Benefit**

It is a means tested benefit reducing the council tax liability of low income households, administered by billing authorities on behalf of the Department of Work and Pensions. These billing authorities will receive 90 percent of the grant. Although the 10 percent cut could be closer to 15 percent once growth in demand is accounted for. These schemes will be agreed in January 2013. Each billing authority would make its own decision regarding the Council Tax Benefit. There was a group of Essex Benefit Managers working together across Essex, although due to the differences of demographics in the Districts the same scheme cannot be used throughout although there could be common elements to these schemes.

### **Community Infrastructure Levy (CIL)**

In terms of other funding opportunities the Community Infrastructure Levy (CIL) can be used to support any infrastructure development. Authorities may be able to apply different levy rates to different geographical areas to encourage or discourage development. The Local Development Framework (LDF) enables authorities to locally determine a reasonable levy.

### **Business Improvement Districts (BIDs)**

NNDR payers within an area could vote for an additional levy, to be used to implement specific projects or initiatives within the area within a specific time limit. It could only be implemented if approved in a ballot of the business ratepayers in the area. Money collected must be kept separate and only used for its specific purpose. This would most likely be used by a District, for example, for a set of shops. There was currently a scheme in Witham.

### **Tax Increment Financing (TIF)**

The Tax Increment Financing (TIF) allows the Local Authority to borrow against future growth although it could incur future risks. The TIF would be approved by Government.

### **Social Investment Bonds (SIB)**

This was used to provide a financial return alongside a positive social impact, for example, in relation to Children's Services for the "Edge of Care". Payments to providers were linked to outcomes. This way of working could lead to lower ongoing costs as outcomes improve.

During the discussion the following points were made:

- That all County Councils would be in the same position, the low funding percentage would mean that the County was not subjected to the same reduction in funding that the Districts and Boroughs Councils would be;
- All top up Authorities were not as exposed to funding risks as Districts and Boroughs could be;
- 50 percent of any Business Growth stimulated by the Local Authority would be given to the Government. Any Business Growth would be linked to the baseline spending needs of the Local Authority;
- There was an expectation that the Retail Price Index growth should be achieved before any benefit was given to the Local Authority, the protection would only come into place if the Local Authority had been very disadvantaged and funding had dropped sufficiently below the baseline;
- Members were concerned that Districts that had a larger proportion of older people may have difficulty with their budgets for the LCTS schemes.

The Committee **Agreed** that all Members should receive a briefing on the changes to Local government funding when more information was available.

The Chairman thanked Anna Casbolt for her information.

## **5. External Communications Task and Finish Group Interim Report**

The Committee considered the oral update on the External Communications Task and Finish Group presented by Councillor Pike and Robert Fox, Governance Officer.

The Task and Finish Group had met twice. The External Communications Service had produced a new strategy in line with the new Corporate Vision and Plan 2012-17 in order to: protect and enhance the reputation of the County; support the County to achieve its objectives as outlined in the Corporate Vision and Plan; and to recognise the County's drive towards commissioning services.

The Service would run eight focused campaigns aligned to the Corporate Vision and Plan to:

- Support World Class education;
- Support the infrastructure and environment to enable business to grow;
- Improve health and wellbeing;
- Protect and safeguard vulnerable people;
- Support the Olympics and legacy for the County;
- Work in partnership with districts/boroughs to support the Good for Essex agenda;
- Support the Transformation agenda.

These campaigns would be benchmarked; this process should be completed by the end of September.

The Task and Finish Group discussed the resources and budget of External Communications and how the budget was allocated with respect to staffing, campaigns and savings and the knowledge base within the team. Links were investigated between External and Internal Communication teams. Internal Communications Service were being benchmarked by Price Waterhouse Cooper, a report should be available in October 2012. A solution to the provision of effective communications for Members was being sought. Relationships with the Broadcast media and the Press have been discussed. Discussion centred on the capacity of the team based upon current and increased workloads; marketing skills; team restructure; the procedure related to Press Releases; the number of Press Office enquiries received; and media training for Members.

Related to this the Task and Finish Group have agreed that amongst its recommendations would be that all Members receive an email informing them of a Press release or campaign in advance of it being published to the Press and public; and that Members should receive media training and guidance.

The Task and Finish Group received a report from the Chief Information Officer on social media which was rapidly changing the way in which corporate external communications work. Members expressed their concern that they were not made aware that External Communications had made use of social networking sites to commentate on the Olympic Torch Relay through Essex.

The next meeting of the Task and Finish Group would receive the benchmarking against the eight campaigns. There would also be an invitation to media organisations to enable them to give their views on the County's External Communications. A Price Waterhouse Cooper review on the integration of External and Internal Communications would be received. This meeting would take place in early October

The Committee **Agreed** that the Task and Finish Group's remit should be extended to include the Internal Communications Service.

The Chairman thanked Councillor Pike and Robert Fox for their report.

## 6. Forward Look

The Committee considered the Forward Look (ES/017/12).

The Committee **Agreed** the Forward Look with the following amendments/additions.

**Transformation** – Keir Lynch for the December meeting;

### **Absence Management**

The Community Wellbeing and Older Persons Policy and Scrutiny Committee had undertaken the Scrutiny of Absence Management across all Directorates. It had scrutinised the Absence Management for Adults Social Care, Schools Children and Families and Environment, Sustainability and Highways Directorates. The committee proposed to discontinue this work as the County

does not have an issue of high absence rates and was lower in comparison than other Local Authorities. This Committee suggested that Executive Scrutiny should look at this issue annually, and if it finds a problem then to ask the specific Policy and Scrutiny Committee to look at it in detail.

**Coroner's Service** – a report would be brought to the January 2013 meeting

**Procurement Strategy** – Scoping Document attached would be presented to the October meeting. Members agreed that the scoping document should include lessons learnt from previous procurements, and also local purchasing to aid local businesses, linking in with the NNDR. The review should take place of the current and future strategy.

**Health and Safety** – report to be brought to the October meeting.

**Member Development** – A presentation will to be taken at the March/April meeting from Joanna Boaler.

## 7. Dates of Future Meetings 2012

The Committee **Agreed** the following dates:

<b>Date</b>	<b>Time</b>	<b>Venue</b>
Wednesday, 24 October	10 a.m.	Committee Room 2
Tuesday, 4 December	10 a.m.	Committee Room 2
Tuesday, 22 January	10 a.m.	Committee Room 2
Tuesday, 25 February	10 a.m.	Committee Room 2
Tuesday, 26 March	10 a.m.	Committee Room 2
Tuesday, 23 April	10 a.m.	Committee Room 2

There being no urgent business the meeting closed at 11.35 pm.

Chairman  
24 October 2012

		<b>AGENDA ITEM 4</b>
		<b>ES/018/12</b>
<b>Committee:</b>	<b>Executive Scrutiny Committee</b>	
<b>Date:</b>	<b>5 November 2012</b>	
<b><u>2012/13 FINANCIAL OVERVIEW AS AT THE HALF YEAR STAGE</u></b>		
<b>Enquiries to:</b>	<b>Margaret Lee, Executive Director for Finance 01245 431010 Margaret.lee@essex.gov.uk</b>	

The attached report (FP/693/11/11) was considered at Cabinet on 30 October 2012. The report is being submitted to the Committee given that one of its specified roles is “scrutinising the revenue and capital outturns”.

**Issues for the Committee to consider**

Some potential questions are set out below, which the Committee might find useful in its scrutiny role. (They have been deliberately framed in such a way as to make them applicable to a review of all outturn reports rather than being specifically tailored to this particular report.)

1. Does the report provide an adequate summary of the authority’s financial stewardship?
2. Do the report and the decisions taken by the Cabinet Member demonstrate that the policy aims of the Council are being met – has the link been made between policy and spend?
3. Are there any issues where further information or clarification is necessary in order to understand what has occurred and its implications?
4. Does the report highlight any issues that raise concerns about the financial control and financial standing of the authority?
5. Are there any issues that have potential ongoing significance?
6. In the light of the above questions does the Committee require a more detailed review and associated report on any issues?

Cabinet	<b>FP/693/11/11</b>
Date: 30 October 2012	

## 2012/13 FINANCIAL OVERVIEW AS AT THE HALF YEAR STAGE

Report by Deputy Leader and Cabinet Member with responsibility for Finance & Transformation

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### Enquiries to:

Margaret Lee    Executive Director for Finance    **Extn:** 21010    **Tel. No:** 01245 431010

### Purpose of Report

The purpose of this report is to provide an updated assessment of the financial position of the Council in 2012/13, based upon the position at the half year stage.

### Decision Areas and Recommendations

- (i) That Cabinet Members note the current revenue outturn forecast, which is a projected under spend for the year of **£11.750m** as detailed in Appendix A (ii). Cabinet Members should also note a projected under spend of **£41.423m** against the approved capital payments guideline, after proposed adjustments. Within the projections the Emergency Contingency of **£8m** is currently assumed fully spent, whilst no usage has as yet been proposed or agreed.
- (ii) That approval is given to appropriate:
  - a. **£750,000** from the Transformation Reserve to the Highways and Transportation Portfolio
  - b. **£47,000** from the Grant Equalisation Reserve to the Community and Planning Portfolio.
  - c. **£321,000** from the Health and Safety Reserve to the Deputy Leader Portfolio.
  - d. **£178,000** from the Transformation Reserve to the Deputy Leader Portfolio.
  - e. **£500,000** to the Transformation Reserve from Other Operating Costs.
  - f. **£113,475** to the Partnership Reserve from the Transformation Reserve.
  - g. **£60,000** from the General Balance to the Deputy Leader Portfolio.
  - h. **£890,000** from the General Balance to the Customer Services, Environment and Culture Leader Portfolio.

- (iii) That approval is given to draw down carry forward of **£389,000** from the General Balance to Customer Services, Environment and Culture Leader Portfolio.
- (iv) That approval is given to set trading targets for the Slough Libraries contract, as shown on page 5 and to appropriate **£400,000** into the revenue budget to support a supplementary estimate to the Libraries service from the trading reserve.
- (v) That approval is given to vire **£957,000** from the Older People Care and Support Service to the Working Age Adults Care and Support Service within the Adult Social Care Portfolio.
- (vi) That approval is given to vire **£3.399m** from Recycling to Civic Amenity sites. This adjustment is between policy lines within the same portfolio.
- (vii) Within the Capital Programme approval is sought for slippage of **£32.864m**, budget additions of **£5.734m**, budget reductions of **£16.169m** and advanced works of **£28,000**. These are in addition to the budget changes approved in the 2012/13 First Quarter Cabinet Report.  
The impact upon the capital payment profile of making these changes is summarised in **Appendix C**.

# 1. Financial Overview

## 1.1 Revenue

An assessment of the Revenue budget, at the half year stage of the 2012/13 financial year, shows a net residual under spend of **£11.750m** after taking into account a number of actions recommended in this report.

Comments are included below on the most significant of the variances reported:

### **Children's Services - £2.690m under spend (compared to £1.604m over spend at quarter 1)**

The under spend is predominantly due to the Child Placement Strategy being updated to reflect a revised and reduced projection of Children in Care, lower spend on High Level Family Support and External Supervised Contact.

### **Other operating costs - £7.400m under spend (compared to £4.567m under spend at quarter 1)**

A combination of reduced borrowing to support the 2011/12 capital programme and higher than expected cash balances has led to lower net borrowing costs. The forecast assumes that no external borrowing will be undertaken this year as it is currently more cost effective to use internal cash resources to defer borrowing than to hold the balances for investment.

### **Education and 2012 Games - £699,000 over spend (compared to £3.318m over spend at quarter 1)**

This over spend is predominately in two areas: Essex Property and Facilities due to additional vacant buildings and the restrictions around how they are dealt with; and Director of Transformation and Performance, due to a delay in improvements to Protocol, the records management system for child care records.

### **Communities and Planning - £471,000 under spend (compared to £191,000 over spend at quarter 1)**

The under spend is within Children's Policy - Anti Social and Community Safety due to reduction to third party payments with some payments not now being made at all and Corporate Policy - Big Society making the links project; funding claims are lower than budgeted.

### **Recharged Support Services – Deputy Leader (Procurement) - £ 397,000 under spend (compared to an on line position at quarter 1)**

This under spend is predominantly as a result of the time taken to recruit to the new staffing structure along with lower than budgeted travel and supplies and services costs.

### **Recharged Support Services - Customer Services, Environmental and Culture (Customer Services)**

The customer excellence project is projected to over spend by £837,000 as project timing, scope and assumptions around capitalisation of IT costs have moved on from the original project specification. The service will be submitting a Change Control Notice

to Outcomes Board in October which will request funding of **£652,000** to help mitigate against these pressures. Although this adjustment appears on the variance plan no approval is being sought in this forum.

**Approval is sought in relation to the following actions:**

To draw down funds from reserves as follows:

- Highways and Transportation - **£750,000** from the Transformation Reserve, in relation to the Automatic Vehicle Location Project.
- Community and Planning - **£47,000** from the Grant Equalisation Reserve to fund the new smart meters required by the Gypsy and Traveller Service.
- Deputy Leader - **£321,000** from the Health and Safety Reserve to enable the asset management service to ensure all ECC sites are maintained fit for purpose. **£178,000** from the Transformation Reserve to enable the Transformation Support Unit to fund resources on the Systematic Review and Single Commissioning Hub Projects.

To appropriate funds to reserves as follows:

- Other Operating Costs - **£500,000** to the Transformation Reserve in relation to under spends on the interest budget which will be set aside to cover further costs relating to Welfare Reform Support and Health and Safety.

To withdraw funds from the General Balance as follows:

- Customer Services, Environment and Culture - **£890,000** in respect of the Carbon Reduction Credit within Spatial Planning and regeneration; **£180,000** carry forward in respect of Heritage and Arts Treasurers of China and Essex Ancestors; **£209,000** carry forward in respect of Community Services Projects.
- Deputy Leader - **£60,000** from the General Balance to enable the Transformation Support Unit to commission Proteus to support the development of the Transformation Mark 2 Programme.

To approve a virement within the Adult Social Care Portfolio:

- A forecast under spend of **£957,000** due to inflation efficiencies within the Older People Care and Support service are proposed to be vired to Working Age Adults Care and Support to help mitigate pressures that have arisen within the service.

To approve a virement within the Economic Growth and Waste & Recycling portfolio:

- It is proposed to vire **£3.399m** from Recycling to Civic Amenity Sites to correct the alignment of savings. This adjustment is between policy lines within the same portfolio.

To appropriate between reserves:

- Surplus partner contributions of **£113,475** for 2011/12 were moved to the Transformation Reserve, approval is sought to appropriate them to the Partnership Reserve.

To set trading targets (expenditure target of **£1.894m** and Income target of **£2.140m**) for the Slough Libraries contract and to appropriate **£400,000** into the revenue budget to support a supplementary estimate to the Libraries service.

**Appendix A** provides a summary, by portfolio, of the current forecast outturn on the revenue budget, and summarises the mitigation proposed regarding the under and over spends that it is proposed are retained and the underlying outturn forecast by portfolio.

## 1.2 Trading activities

At this stage, it is anticipated that the Trading Activities' will underachieve their planned surplus by **£74,000** as shown in **Appendix C**. Essex Legal Services are showing a deficit of **£263,000**, although the Head of Service believes there is an opportunity to recover this position. Slough libraries are projecting a net surplus of **£246,000**, and there are various other small variances making up the balance of this position.

Commission and Traded Services in the Education, Lifelong Learning & 2012 Games Portfolio are declaring a risk in their trading account of **£500k**; it is anticipated that this will be drawn down in 2012/13 from the Traded Service reserve.

**Appendix B** summarises the traded services position as at the half year stage.

## 1.3 Capital

The projected under spend on the capital programme totals **£41.423m (20%)** against the latest capital budget of **£204.371m**. Excluding Cash Balances Held by Schools and Devolved Formula Capital, the projected under spend totals **£40.513m (21%)** against a latest budget of **£191.793m**. Budget approvals totalling **£43.272m** are sought in report, as detailed in Appendix C. After accounting for proposed amendments to the programme the residual variance is a projected over spend of **£2.759m** against the latest capital budget of **£191.793m (1%)**. This over spend relates to budget changes that are not being requested as part of this report.

Approval is sought for slippage of **£32.864m**, budget additions of **£5.734m**, budget reductions of **£16.169m** and advanced works of **£28,000**. These are in addition to the budget changes approved in the 2012/13 First Quarter Cabinet Report.

The key points to note are:

#### **Deputy Leader and Finance and Transformation**

- Property Transformation – Approval is sought to re-profile current year forecast under spend of **£677,000** into 2013/14 due to several factors including political challenge, technical, legal and decisions surrounding the target operating model.
- BDUK Essex Next Generation Access – Award of contract is currently anticipated to take place in February 2013, with project expenditure occurring in 2013/14. Approval is sought to re-profile **£2.860m** into 2013/14.
- Corporate Systems Upgrade – Maximum budget required in current financial year is **£200,000**. Approval is hence sought to re-profile **£2.300m** into 2013/14.
- ICT Modernisation – Over 3,000 users have been migrated to End User Computing to date, with overall spend forecast to be in line with budget. Approval is sought to reduce the budget by **£363,000** to correct the budget and bring it in line with project requirements.
- Social Care IT – Approval is sought to re-profile the budget of **£5.200m** into 2013/14. A final Business Case is due to be completed later this financial year.

#### **Education and 2012 Games**

- BSF Schemes – Overall budget covers named schemes, investment in the Special Purpose Vehicle (SPV) and capital contributions to Wave 4 Schools to cater for affordability gap. Total budget reductions of **£3.418m** are sought due to procurement savings and budgets for capital contribution expenditure already being included within the main BSF schemes.
- Capitalised Building Maintenance – Current forecasts exceed budget due to recent bad weather. A Business Case to request an additional **£2.000m** to be added to the education capitalised building maintenance programme budget has been approved by the Capital Programme Board. The Key Decision is expected to be approved by Cabinet Members shortly.
- Edith Borthwick Relocation – There is a proposed reduction of **£998,000** (grant funding) to the budget as the project build will be provided and procured via the Priority Schools Building Programme (PSBP). The remaining budget of **£1.500m** (ECC funding) will be used for the site acquisition.

## Highways and Transportation

- NAR3 Northern Approaches Road – Following a recent tender exercise, the scheme currently has insufficient funding to cover implementation costs. The Homes and Communities Agency (HCA) and Mental Health Trust (MHT) will consult their respective Boards in October and November with options to proceed. Construction start date is anticipated to be early 2013, hence approval will be sought to re-profile **£7.000m** into 2013/14.
- South Essex Rapid Transit (SERT) – Currently awaiting DfT decision on overall funding for the scheme, with further delays expected due to change in Cabinet Minister. Forecast outturn for 2012/13 is **£683,000**. Approval is sought to re-profile **£2.500m** into 2013/14. The 2012/13 budget is mainly funded by proposed grant funding.
- Street Lighting Central Management System (CMS) – Projected current year under spend of **£2.000m** for the three-year CMS programme, for which approval to re-profile into 2013/14 is sought.
- Colchester Park & Ride, Cuckoo Farm – Design work is continuing, with increased spend expected from Quarter Three onwards. Approval is sought to re-profile **£1.500m** into 2013/14.

## Economic Growth, Waste and Recycling

- Waste Strategy – The overall budget has been re-profiled to take account of changes to its ongoing requirements since the 2012/13 budget approval. Budget reduction of **£9.259m**, addition of **£1.446m** and slippage of **£4.015m** is sought to reflect latest requirements, including re-profiled costs associated with land acquisitions for the remaining transfer station sites, the re-profiled spend for the Courtauld Road scheme and the removal of the Biowaste scheme budget (£3.137m). The Biowaste scheme will no longer require any capital contribution due to the revised procurement strategy, whereby future treatment capacity will be secured through service provision contracts.

Approval is sought for other requests, totalling **£4.812m** for slippage, **£4.288m** additions, **£2.131m** reductions and **£28,000** advanced works.

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

## 1.4 Balance Sheet

### 1.4.1 Reserves

**Appendix D** provides a year end estimate of the position on the General

Balance, the Emergency Contingency and earmarked revenue reserves as at the end of August 2012.

#### **1.4.2 Treasury Management and Prudential Indicators**

A summary of the investment and borrowing levels is provided in **Appendix E**.

#### **Relevance to ECC's corporate plan and other Strategic Plans**

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 corporate plan were approved in parallel in February 2012.

#### **Internal and External Consultation**

Portfolio holders have been consulted in preparing the proposed budget actions within the report. External consultation is not appropriate in relation to this report.

#### **Legal Implications (Monitoring Officer)**

The Council is responsible for setting the budget each year at the budget and Council Tax meeting. Once agreed the executive then have to implement the policy framework within that budget. The executive cannot change the budget set by Council. The section 151 officer confirms that nothing in this report constitutes a departure from the budget previously agreed by Full Council.

#### **Finance and Resources Implications (Section 151 Officer)**

The report is authored by the S151 Officer and all actions proposed within this report are within the available funding and are considered appropriate actions to deal with variances arising. Overall, there is a forecast under spend. Given the current economic climate, and the continuing requirement by central government to reduce public spending to contribute to the resolution of the structural deficit, it is important that continued scrutiny is applied at all levels to ensure overall spending stays within budget. This will be particularly important as we go into the winter and are subject to season specific pressures.

#### **Human Resources Implications**

There are no human resource implications associated with this report.

#### **Equality Impact Assessment**

Not appropriate for this report

#### **Background papers**

Not applicable for this report

# APPENDIX A (i)

REVENUE										
2012/13										
	Year to Date			Budget Movement			Forecast Outturn			RAG Status
	Latest Budget	Actual	Variance	Original Budget	Movement	Latest Budget	Outturn Forecast	Forecast Variance		
	£000	£000	£000	£000	£000	£000	£000	£000		
<b>Health and Wellbeing</b>	6,564	5,520	(1,044)	22,772	1,249	24,021	24,123	102	❖	
<b>Adults Social Care</b>	133,484	134,752	1,268	319,126	1,784	320,910	320,744	(166)	■	
<b>Children's Services</b>										
Dedicated Schools Budget	13,807	16,223	2,416	29,387	3,750	33,137	34,789	1,652	❖	
Non dedicated Schools Budget	62,832	58,074	(4,758)	155,616	(5,213)	150,403	147,713	(2,690)	■	
<b>Education and 2012 Games</b>										
Dedicated Schools Budget	(14,616)	(23,627)	(9,011)	(32,171)	(3,422)	(35,593)	(38,695)	(3,102)	●	
Non dedicated Schools Budget	26,908	26,168	(740)	56,013	12,175	68,188	68,885	697	❖	
Lee Valley Park and 2012 Games	2,116	2,195	79	3,302	(166)	3,136	3,138	2	❖	
<b>Highways and Transportation</b>	38,364	39,036	672	90,651	2,952	93,603	94,347	744	❖	
<b>Economic Growth &amp; Waste &amp; Recycling</b>	27,321	27,340	19	64,813	379	65,192	64,940	(252)	■	
<b>Customer Services, Environment and Culture Leader</b>	5,042	5,298	256	13,502	(1,131)	12,371	13,735	1,364	◆	
Leader	4,200	3,258	(942)	7,986	2,034	10,020	10,079	59	❖	
<b>Communities and Planning</b>	3,136	1,512	(1,624)	6,238	291	6,529	6,105	(424)	●	
<b>Fire Reinstatement Works</b>	-	(172)	(172)	-	-	-	-	-	■	
<b>Deputy Leader</b>	8,255	7,441	(814)	17,965	(502)	17,463	17,493	30	❖	
<b>Recharged Support Services</b>										
Highways and Transportation										
Car Provision Scheme	-	142	142	(5)	5	-	58	58	◆	
Transport Coordination Centre	512	390	(122)	1,228	-	1,228	1,109	(119)	●	
Customer Services, Environment and Culture										
Customer Services	2,312	3,122	810	3,366	2,145	5,511	6,167	656	◆	
Leader										
Communications and Customer Relations	782	1,065	283	1,954	1,330	3,284	3,074	(210)	●	
Equality and Diversity	85	53	(32)	209	(5)	204	154	(50)	●	
Deputy Leader										
Asset Management	882	341	(541)	2,283	(165)	2,118	2,297	179	◆	
Democratic Services	288	290	2	592	53	645	655	10	❖	
Essex Legal Services	254	263	9	609	-	609	699	90	◆	
Facilities Management Services	8,527	7,995	(532)	18,421	2,373	20,794	20,676	(118)	■	
Finance	5,636	4,644	(992)	11,452	2,073	13,525	13,255	(270)	■	
Human Resources	2,365	1,846	(519)	6,407	(267)	6,140	6,041	(99)	■	
Information Services	6,363	5,506	(857)	11,712	3,944	15,656	15,490	(166)	■	
Insurance Cost Recovery Account	1,551	(897)	(2,448)	4,644	-	4,644	4,811	167	❖	
Performance	937	814	(123)	1,524	724	2,248	2,200	(48)	■	
Procurement	1,223	824	(399)	2,184	750	2,934	2,537	(397)	●	
Transformation Support Unit	1,796	2,148	352	2,275	2,036	4,311	4,219	(92)	■	
Other Operating Costs	7,919	5,138	(2,781)	113,852	(12,825)	101,027	93,127	(7,900)	●	
<b>Net Expenditure</b>	<b>358,845</b>	<b>336,702</b>	<b>(22,143)</b>	<b>937,907</b>	<b>16,351</b>	<b>954,258</b>	<b>617,054</b>	<b>(10,293)</b>	<b>■</b>	
DSG offset								1,270		
<b>ECC Projected Outturn</b>								<b>(9,023)</b>	<b>■</b>	
<b>Financed by</b>										
General government grant				(79,764)	(9,211)	(88,975)	(88,975)	-		
General Balance - contribution/(withdrawal)				(2,356)	(6,648)	(9,002)	(9,002)	-		
Revenue Support Grant				(5,226)	-	(5,226)	(5,226)	-		
National non-domestic rates				(269,574)	-	(269,574)	(269,574)	-		
Council tax precept				(581,611)	-	(581,611)	(581,611)	-		
Collection fund surpluses				624	(492)	132	132	-		
<b>Total Financing</b>				<b>(937,907)</b>	<b>(16,351)</b>	<b>(954,256)</b>	<b>(954,256)</b>	<b>-</b>		

#### Rag Status

- Under spend of less than 5% of the budget
- Under spend of greater than 5% of the budget
- ❖ Over spend of less than 5% of the budget
- ◆ Over spend of greater than 5% of the budget

## APPENDIX A (ii)

### REVENUE VARIANCE PLAN

	Unadjusted Variance	Virement Requests	Amounts (to) / from reserve	Residual Variance	Quarter 1 Residual Variance
	£000	£000	£000	£000	£000
<b>Health and Wellbeing</b>	102			102	555
<b>Adults Social Care</b>	(166)			(166)	(866)
<b>Children's Services</b>					
Non dedicated Schools Budget	(2,690)			(2,690)	1,604
<b>Education and 2012 Games</b>					
Dedicated Schools Budget	(180)			(180)	-
Non dedicated Schools Budget	697			697	3,070
Lee Valley Park and 2012 Games	2			2	248
<b>Highways and Transportation</b>	744		750	(6)	472
<b>Economic Growth &amp; Waste &amp; Recycling</b>	(252)			(252)	113
<b>Customer Services, Environment and Culture</b>	1,364		1,279	85	420
<b>Leader</b>	59			59	36
<b>Communities and Planning</b>	(424)		47	(471)	191
<b>Fire Reinstatement Works</b>	-			-	-
<b>Deputy Leader</b>	30			30	(139)
<b>Recharged Support Services</b>					
Highways and Transportation					
Car Provision Scheme	58			58	-
Transport Coordination Centre	(119)			(119)	(68)
Customer Services, Environment and Culture					
Customer Services	656		652	4	(3)
Leader					
Communications and Customer Relations	(210)			(210)	117
Equality and Diversity	(50)			(50)	-
Deputy Leader					
Asset Management	179		321	(142)	(243)
Democratic Services	10			10	37
Essex Legal Services	90			90	(2)
Facilities Management Services	(118)			(118)	658
Finance	(270)			(270)	144
Human Resources	(99)			(99)	(74)
Information Services	(166)			(166)	(3)
Insurance Cost Recovery Account	167			167	-
Performance	(48)			(48)	(36)
Procurement	(397)			(397)	-
Transformation Support Unit	(92)		178	(270)	(87)
<b>Total</b>	<b>(1,123)</b>	<b>-</b>	<b>3,227</b>	<b>(4,350)</b>	<b>6,144</b>
Other Operating Costs	(7,900)		(500)	(7,400)	(4,567)
<b>Total (including Other Operating Costs)</b>	<b>(9,023)</b>	<b>-</b>	<b>2,727</b>	<b>(11,750)</b>	<b>1,577</b>

# APPENDIX B

## REVENUE

### TRADING ACTIVITIES

2011/12 Actual		Original Budget	Latest Budget	2012/13 Outturn Forecast	Variance	Forecast Variance
£000		£000	£000	£000	£000	%
(24,389)	Income	(18,218)	(21,545)	(23,427)	(1,882)	9%
22,767	Expenditure	16,303	19,630	21,586	1,956	10%
<b>(1,622)</b>	<b>(Surplus) / Deficit</b>	<b>(1,915)</b>	<b>(1,915)</b>	<b>(1,841)</b>	<b>74</b>	<b>(4%)</b>
	Appropriations					
(23)	to County Revenue Account	1,876	1,876	1,862	(14)	(1%)
1,645	to Trading Activity Reserves	39	39	439	400	1026%
-	<b>Net movement on the reserve</b>	-	-	<b>460</b>	<b>460</b>	-

CAPITAL

2012/13

	Year to date		Original Budget £000	Budget Movement		Revised Budget £000	Forecast outturn			RAG status
	Actual	% spend vs forecast		Approved changes from 2011/12	Approved changes		Outturn forecast	Forecast variance	Forecast variance	
	£000	%		£000	£000		£000	£000	%	
Adult Social Care	-	-	5,200	333	-	5,533	5,533	-	-	■
Children's Services	65	-	-	1,809	(330)	1,479	1,476	(3)	(0.2%)	■
Communities & Planning	513	-	1,500	413	-	1,913	1,913	0	0.0%	■
Customer Services, Environment & Culture	229	-	625	1,322	506	2,453	2,104	(349)	(14.2%)	●
Economic Growth, Waste & Recycling	254	-	21,339	11,015	(16,288)	16,066	4,066	(12,000)	(74.7%)	●
Education, Lifelong Learning & 2012 Games	23,929	-	40,773	27,459	(11,027)	57,205	53,105	(4,101)	(7.2%)	●
Finance & Transformation	2,113	-	10,550	4,359	3,290	18,199	6,802	(11,397)	(62.6%)	●
Highways & Transportation	12,818	-	52,594	26,241	8,081	86,916	74,261	(12,656)	(14.6%)	●
Leader	-	-	2,000	27	-	2,027	2,020	(7)	(0.3%)	■
<b>sub-total ECC Capital Programme</b>	<b>39,920</b>	<b>4.6%</b>	<b>134,581</b>	<b>72,979</b>	<b>(15,767)</b>	<b>191,793</b>	<b>151,280</b>	<b>(40,513)</b>	<b>(21.1%)</b>	●
<b>School Balances</b>										
Cash balance held by schools	2,236	-	-	2,236	0	2,236	4,472	2,236	100.0%	◆
Devolved formula capital	3,098	11.2%	-	2,393	7,949	10,342	7,196	(3,146)	(30.4%)	●
<b>sub-total School Balances</b>	<b>5,334</b>	<b>9.2%</b>	<b>-</b>	<b>4,629</b>	<b>7,949</b>	<b>12,578</b>	<b>11,668</b>	<b>(910)</b>	<b>(7.2%)</b>	●
<b>Total ECC &amp; Schools Capital Programmes</b>	<b>45,254</b>	<b>4.9%</b>	<b>134,581</b>	<b>77,608</b>	<b>(7,818)</b>	<b>204,371</b>	<b>162,948</b>	<b>(41,423)</b>	<b>(20.3%)</b>	●

Financed by

<b>ECC Capital Programme</b>					
Grants		76,891	32,862	(3,190)	106,563
Reserves		1,255	56	(9)	1,302
Developer contributions		18,875	8,198	(6,857)	20,216
Capital receipts		-	1,472	(619)	853
Unsupported borrowing		37,560	30,391	(5,093)	62,858
Borrowing funded by revenue		0	-	-	0
<b>sub-total ECC Capital Programme</b>		<b>134,581</b>	<b>72,979</b>	<b>-15,768</b>	<b>191,792</b>
<b>School Balances</b>					
Grants		-	4,630	3,500	8,130
Unsupported borrowing		-	-	4,449	4,449
<b>sub-total School Balances</b>		<b>-</b>	<b>4,630</b>	<b>7,949</b>	<b>12,579</b>
<b>Total ECC &amp; Schools Capital Funding</b>		<b>134,581</b>	<b>77,608</b>	<b>(7,818)</b>	<b>204,371</b>

Variance plan

Directorate	Approved changes					Variance Plan				
	Slippage	Additions	Reductions	Advanced Works	2012/13 Approved changes	Slippage	Additions	Reductions	Advanced Works	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	-	-	-	-	-	-	-	-	-	-
Children's Services	(301)	122	(151)	-	(330)	-	-	(3)	-	(3)
Communities & Planning	-	-	-	-	-	-	-	-	-	-
Customer Services, Environment & Culture	-	506	-	-	506	(349)	-	-	-	(349)
Economic Growth, Waste & Recycling	-	-	(16,436)	-	(16,436)	(4,015)	1,464	(9,449)	-	(12,000)
Education, Lifelong Learning & 2012 Games	(10,532)	2,636	(2,982)	-	(10,878)	(3,770)	6,268	(6,625)	28	(4,099)
Finance & Transformation	-	3,299	(9)	-	3,290	(11,037)	84	(447)	-	(11,400)
Highways & Transportation	(120)	23,974	(15,773)	-	8,081	(13,750)	7,436	(6,153)	-	(12,467)
Leader	-	-	-	-	-	-	-	(7)	-	(7)
Archived Capital Codes	-	-	-	-	-	-	-	(188)	-	(188)
<b>Total ECC Capital Programme</b>	<b>(10,953)</b>	<b>30,537</b>	<b>(35,351)</b>	<b>-</b>	<b>(15,767)</b>	<b>(32,921)</b>	<b>15,252</b>	<b>(22,872)</b>	<b>28</b>	<b>(40,513)</b>
<b>School Balances</b>										
Cash balance held by schools	-	-	-	-	-	-	2,236	-	-	2,236
Devolved formula capital	-	7,949	-	-	7,949	(3,360)	5,199	(4,985)	-	(3,146)
<b>Total School Balances</b>	<b>-</b>	<b>7,949</b>	<b>-</b>	<b>-</b>	<b>7,949</b>	<b>(3,360)</b>	<b>7,435</b>	<b>(4,985)</b>	<b>-</b>	<b>(910)</b>
<b>Total ECC &amp; Schools Capital Programmes</b>	<b>(10,953)</b>	<b>38,486</b>	<b>(35,351)</b>	<b>-</b>	<b>(7,818)</b>	<b>(36,281)</b>	<b>22,687</b>	<b>(27,857)</b>	<b>28</b>	<b>(41,423)</b>

Rag Status

- Under spend of less than 5% of the budget
- Under spend of greater than 5% of the budget
- ◆ Over spend of less than 5% of the budget
- ◆ Over spend of greater than 5% of the budget

# APPENDIX C

## CAPITAL PROGRAMME DETAILED VARIANCE PLAN

### Approval Sought in this Report

Portfolio & Scheme	Slippage £000	Additions £000	Reductions £000	Advanced Works £000	2012/13 Changes £000
<b>Leader</b>					
Essex Insight Information Systems	-	-	(7)	-	(7)
	-	-	(7)	-	(7)
<b>Deputy Leader</b>					
Lan Infrastructure		84			84
WAN Replacement			(81)		(81)
IS Development			(4)		(4)
ICT Modernisation			(363)		(363)
BDUK Essex Next Generation Access	(2,860)				(2,860)
Corporate Systems Upgrade	(2,300)				(2,300)
	<b>(5,160)</b>	<b>84</b>	<b>(447)</b>	-	<b>(5,523)</b>
<b>Finance &amp; Transformation</b>					
Property Transformation	(677)			-	(677)
Social Care IT	(5,200)	-	-	-	(5,200)
	<b>(5,877)</b>	-	-	-	<b>(5,877)</b>
<b>Children's Services</b>					
Minor Works - Leverton Secure			(3)	-	(3)
	-	-	(3)	-	(3)
<b>Economic Growth, Waste &amp; Recycling</b>					
Waste Strategy	(4,015)	1,446	(9,259)		(11,828)
Waste & Recycling		19	(190)	-	(171)
	<b>(4,015)</b>	<b>1,465</b>	<b>(9,449)</b>	-	<b>(11,999)</b>
<b>Education, Lifelong Learning &amp; 2012 Games</b>					
Hadleigh 2012 Games		607			607
Brentwood Endeavour School	(124)	-	-	-	(124)
Broomfield Primary School		-	-	1	1
St John's Primary School		278			278
Capitalised Building Maintenance 2012/13		150	(47)		103
Edith Borthwick Relocation			(998)		(998)
Essex Academies - Witham		559			559
Harlow Primary Additional Places			(14)		(14)
St Johns Abbeyfield Primary	(60)				(60)
St Marys Foundation School Stansted	(180)				(180)
Takeley Primary School Relocation				10	10
Basic Need	(1,427)	274	(140)	17	(1,276)
Primary Capital Programme		32	(293)		(261)
Temporary Accommodation	(434)	402	(54)		(85)
Other Projects	(826)	448	(746)		(1,124)
James Hornsby High BSF	(20)		(548)		(568)
De La Salle BSF	(533)		(1,522)		(2,055)
Shorefields BSF	(109)	842			733
Other BSF		1	(1,348)		(1,347)
Canvey Skills Centre			(402)		(402)
	<b>(3,713)</b>	<b>3,593</b>	<b>(6,112)</b>	<b>28</b>	<b>(6,204)</b>
<b>Highways &amp; Transportation</b>					
Highways Maintenance - schemes completing 2012/13				-	-
Localism - schemes completing 2012/13				-	-
Network Management - schemes completing 2012/13				-	-
Road Safety Asset Management - schemes completing 2012/13				-	-
Safety Camera Rollout				-	-
Passenger Transport				-	-
County Roads Maintenance				-	-
Footway Maintenance				-	-
Street Lighting Replacement				-	-
A130 Bypass PFI Improvement	(50)				(50)
County Bridges Maintenance and Strengthening					-
Safety Barrier Replacement					-
Street Lighting CMS	(2,000)				(2,000)
Section 106					-
Colchester Park & Ride, Cuckoo Farm	(1,500)				(1,500)
Colchester A134 St Botolphs	(500)				(500)
Basildon Enterprise Corridor		50			50
Harlow A414 Capacity Improvements	(200)	98			(102)
Hadleigh Farm Access Improvements		215			215
NAR3 Northern Approaches Road	(7,000)	51			(6,949)
South Essex Rapid Transit	(2,500)				(2,500)
Major Schemes Plan & Mgmt		177	(24)		153
Town Centre Improvements					-
Cycling Programme					-
Private Streetworks & PFI					-
Epping Forest Transport Strategy					-
Other Strategy & Engagement Group			(127)		(127)
	<b>(13,750)</b>	<b>591</b>	<b>(151)</b>	-	<b>(13,310)</b>
<b>Arts Heritage &amp; Culture</b>					
Public Realm	(349)				(349)
	<b>(349)</b>	-	-	-	<b>(349)</b>
<b>TOTAL APPROVAL REQUESTS</b>	<b>(32,864)</b>	<b>5,734</b>	<b>(16,169)</b>	<b>28</b>	<b>(43,272)</b>
<b>Not Requested</b>	<b>(57)</b>	<b>9,518</b>	<b>(6,703)</b>	-	<b>2,758</b>
<b>TOTAL VARIANCE</b>	<b>(32,921)</b>	<b>15,252</b>	<b>(22,872)</b>	<b>28</b>	<b>(40,513)</b>

# APPENDIX D

## BALANCE SHEET

### EARMARKED RESERVES

2012/13

	Balance at 1 April 2012	2012/13 movements						Net Movement	Balance at 31 March 2013 as at 12 September 2012
		Contributions agreed (on IFS)	Contributions agreed (not on IFS)	Contributions to reserves	Withdrawals agreed (on IFS)	Withdrawals agreed (not on IFS)	Withdrawals from reserves		
	£000	£000	£000	£000			£000	£000	£000
<b>General reserves</b>									
Transformation	(17,006)	(12,997)	(500)	(13,497)	10,082	928	11,010	(2,487)	(19,493)
Quadrennial Elections reserve	(506)	(500)		(500)			-	(500)	(1,006)
Capital receipts pump priming	(961)	(1,000)		(1,000)			-	(1,000)	(1,961)
Partnerships	(2,066)			-	186		186	186	(1,880)
Insurance	(6,883)			-			-	-	(6,883)
LAA Performance	(1,833)			-			-	-	(1,833)
Health and Safety Reserve	(969)			-		321	321	321	(648)
ESF Reserve	(2,805)			-			-	-	(2,805)
Carbon Reduction reserve	(1,536)	(1,419)		(1,419)			-	(1,419)	(2,955)
Highways Maintenance reserve	-	(2,000)		(2,000)	2,000		2,000	-	-
Essex Transport Reserve	(417)			-			-	-	(417)
Carry Forwards Reserve	-			-			-	-	-
Newton bequest reserve	(119)			-			-	-	(119)
Personal Care reserve	-	(3,483)		(3,483)			-	(3,483)	(3,483)
Severe weather reserve	(252)			-			-	-	(252)
Street Lighting reserve	(476)			-			-	-	(476)
Energy Inflation reserve	-	(1,200)		(1,200)			-	(1,200)	(1,200)
Building maintenance reserve	(713)			-			-	-	(713)
Procurement reserve	(24)			-			-	-	(24)
Redundancy reserve	(3,600)	(8,500)		(8,500)	76		76	(8,424)	(12,024)
Essex Crime and Police Panel reserve	-	(69)		(69)			-	(69)	(69)
Tending PPP	(422)			-			-	-	(422)
Trading activities	(3,381)	(39)		(39)			-	(39)	(3,420)
	<b>(43,969)</b>	<b>(31,207)</b>	<b>(500)</b>	<b>(31,707)</b>	<b>12,344</b>	<b>1,249</b>	<b>13,593</b>	<b>(18,114)</b>	<b>(62,083)</b>
<b>Future capital funding</b>									
General	(3,634)	(8,475)		(8,475)			-	(8,475)	(12,109)
Bellhouse landfill	(61)			-			-	-	(61)
Historic Building Reserve	(120)			-			-	-	(120)
	<b>(3,815)</b>	<b>(8,475)</b>	<b>-</b>	<b>(8,475)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,475)</b>	<b>(12,290)</b>
<b>Equalisation reserves</b>									
PFI equalisation reserves									
A130 PFI	(57,399)			-	634		634	634	(56,765)
Clacton secondary schools' PFI	(3,824)	(188)		(188)			-	(188)	(4,012)
Debden PFI	(4,683)			-	251		251	251	(4,432)
Building schools for the future PFI	(2,185)			-			-	-	(2,185)
Waste reserve	(44,054)	(17,550)		(17,550)	391		391	(17,159)	(61,213)
Grants equalisation reserve	(10,148)			-	688	47	735	735	(9,413)
	<b>(122,293)</b>	<b>(17,738)</b>	<b>-</b>	<b>(17,738)</b>	<b>1,964</b>	<b>47</b>	<b>2,011</b>	<b>(15,727)</b>	<b>(138,020)</b>
<b>Schools</b>	<b>(50,320)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,320)</b>
<b>Total</b>	<b>(220,397)</b>	<b>(57,420)</b>	<b>(500)</b>	<b>(57,920)</b>	<b>14,308</b>	<b>1,296</b>	<b>15,604</b>	<b>(42,316)</b>	<b>(262,713)</b>

### GENERAL BALANCE - Movement Analysis

	£000
Actual Balance 31 March 2012	(63,015)
2012/13 Planned Withdrawal	2,356
Proposed Withdrawals	
Highways Maintenance	1,000
Community Budgets and the systematic review	2,850
<b>Actual Balance 1 April 2012</b>	<b>(56,809)</b>
<b>Subsequent movements</b>	
Property Transformation Revenue Investment	1,040
Carry Forwards drawn down:	
AHCW	1,545
ESH	845
SCF	3,690
Strategic Services	581
Grant Variations	(1,546)
<b>Estimated balance at 31st March 2013</b>	<b>(50,654)</b>
<b>Proposals</b>	
<b>Contributions</b>	
<b>Withdrawals</b>	
Sustainable Environment and Enterprise Service (CRC budget reduction)	890
Carry Forward requests:	
ESH	389
<b>Updated Estimated Balance at 31 March 2013</b>	<b>(49,375)</b>

### Emergency Contingency

	£000
Actual Balance 1 April 2012	(8,000)
<b>Previously Approved Proposed Utilisation</b>	
<b>Assumed Withdrawals</b>	<b>8,000</b>
<b>Estimated balance at 31 March 2013</b>	<b>-</b>

# APPENDIX E

## PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT

### PRUDENTIAL INDICATORS

		Approved Indicator	Latest Estimate
<b>1 Affordability</b>			
Incremental impact on Council Tax	£	0.52	n/a
Ratio of financing costs to net revenue streams (revenue streams relate to Council tax, NNDR and general revenue grants)	%	5.5%	4.6%
<b>2 Prudence</b>			
Net borrowing v Capital Financing Requirement			Net borrowing is well within the medium term forecast of the Capital Financing Requirement.
<b>3 Capital Expenditure</b>			
Capital expenditure	£m	194	166
Capital financing requirement (excluding credit arrangements)	£m	779	731
<b>4 External Debt</b>			
Authorised limit (borrowing only)	£m	570	n/a
Operational boundary (borrowing only)	£m	470	n/a
Actual external borrowing ( <b>maximum level of debt during year to date</b> )	£m	n/a	368
<b>5 Treasury Management</b>			
Interest rate exposures :			
Upper limit for exposure to fixed rates			
Net exposure	£m	820	286
Debt		100%	100%
Investments		100%	55%
Upper limit for exposure to variable rates			
Net exposure	£m	240	(63)
Debt		30%	2%
Investments		100%	69%
Maturity structure of borrowing (upper limit)			
Under 12 months	%	40%	6%
12 months & within 24 months	%	40%	5%
24 months & within 5 years	%	60%	14%
5 years & within 10 years	%	60%	8%
10 years & within 25 years	%	60%	8%
25 years & within 40 years	%	50%	14%
40 years & within 50 years	%	50%	46%
50 years & above	%	10%	0%
Total sums invested for more than 364 days			
Authorised limit	£m	50	n/a
Actual sums invested ( <b>maximum position during year to date</b> )	£m	n/a	-
<b>6 Summary</b>			

All Treasury Management activities have been undertaken in accordance with approved policies and procedures.

External debt is within prudent and sustainable limits.

Credit arrangements have been undertaken within approved indicators.

Maturity Structure of borrowing : the maturity dates for market loans are based on the next review date, not the final maturity date.



<b>AGENDA ITEM 5</b>	
<b>ES/019/12</b>	
<b>Committee:</b>	<b>Executive Scrutiny Committee</b>
<b>Date:</b>	<b>5 November 2012</b>
<b>2012/13 Corporate Plan Progress Report as at the Second Quarter Stage</b>	
<b>Enquiries to:</b>	<b>Margaret Lee, Executive Director for Finance 01245 431010 Margaret.lee@essex.gov.uk</b>

The attached report (FP/904/08/12) was considered at Cabinet on 30 October 2012. The report is being submitted to the Committee to consider progress of the Corporate Plan 2012/13.

#### **Issues for the Committee to consider**

Some potential questions are set out below, which the Committee might find useful in its scrutiny role. (They have been deliberately framed in such a way as to make them applicable to a review of all outturn reports rather than being specifically tailored to this particular report.)

1. Does the report provide an adequate summary of the authority's Corporate Plan Progress?
2. Do the report and the decisions taken by the Cabinet Member demonstrate that the priorities of the Council are achieved?
3. Are there any issues where further information or clarification is necessary in order to understand what has occurred and its implications?
4. Does the report highlight any issues that raise concerns about the financial control and financial standing of the authority?
5. Are there any issues that have potential ongoing significance?
6. In the light of the above questions does the Committee require a more detailed review and associated report on any issues?

Cabinet	<b>FP/904/08/12</b>
Date: 30 October 2012	

## **2012/13 Corporate Plan Progress Report as at the Second Quarter Stage**

Report by the Deputy Leader and Cabinet Member for Finance and Transformation Programme

Enquiries to: Margaret Lee, Executive Director for Finance (01245 431010, ext 21010)

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### **1. Purpose of report**

- 1.1 The purpose of the 2012/13 Corporate Plan Progress Report is to provide an updated assessment of the progress made in delivering the Essex County Council's Corporate Plan Priorities in 2012/13, based upon the position at the second quarter stage (up to July 2012). This includes progress against specific performance measures within the 2012/13 Corporate Plan.

### **2. Decision Areas and Recommendations**

- 2.1 That Cabinet Members note the current performance outlined in the 2012/13 Corporate Plan Progress Report, along with the risks to delivery and plans in place to ensure that these priorities are achieved.

### **3 Background, context, and area of the County affected**

- 3.1 Cabinet will be aware of work undertaken earlier in the year to develop and agree a Corporate Plan (for the period 2012-2017). The Corporate Plan sets out the outcomes we will deliver under each priority (5 priorities, each with 3 outcomes) as well as the measures of success we will use to help us manage our performance.
- 3.2 Following a report presented to Executive Scrutiny Committee (and shared with Cabinet Members) in January 2012 outlining 2012/13 performance reporting proposals, there was agreement for a quarterly report to be presented to Cabinet (and also presented to Executive Scrutiny Committee) by the Deputy Leader, detailing progress against the outcomes as outlined in the Corporate Plan.
- 3.3 This report follows the Corporate Plan Progress Report as at the first quarter stage presented to Cabinet on 17<sup>th</sup> July 2012. It sets out, for the second quarter stage, progress against our measures of success and specified aspirations, the key activity being undertaken, where we can celebrate success and where further focus on improvement is needed.

3.4 Following Cabinet, the report will be presented at Executive Scrutiny Committee and then published on the public facing Essex County Council website.

#### **4. Relevance to ECC's corporate plan and other Strategic Plans**

4.1 The 2012/13 Corporate Plan Progress Report is directly related to the EssexWorks Commitment 2012/17 in that the purpose of the report is to provide an updated assessment of the progress made in delivering Essex County Council's Corporate Plan Priorities in 2012/13.

#### **5. Legal Implications (Monitoring Officer)**

5.1 There are no legal implications arising from this report.

#### **6. Finance and Resources Implications**

6.1 There are no financial implications as a direct result of this report.

#### **7. Human Resources Implications**

7.1 There are no human resources implications arising from this report.

#### **8. Equality Impact Assessment**

8.1 An Equality Impact Assessment was not required.

#### **9. Background papers**

9.1 There are no relevant background papers related to the report.



# Corporate Plan: Progress Report

**Quarter 2 2012/13**

Information and Intelligence Service

**This report will be circulated as follows:**

Operations Board – circulation

CLT – 8<sup>th</sup> October

Cabinet – 30<sup>th</sup> October

Executive Scrutiny Committee – Date to be advised 3 of 60

# Corporate Plan: Overview

## Quarter 2 2012/13 Summary: Overall delivery of our Corporate Plan

### How are we performing?

### What are we doing?

#### 1. World class education and skills offer

*Potential achieved through learning;*

*Opportunities to learn throughout lives;*

*Promote culture of aspiration;*



- Early Years Foundation Stage shows 7 percentage point improvement to 59%. Gap with England has narrowed but remain below national position.



- Improvements seen at KS1 and KS2 (latter showing a 5% increase compared to 1% increase last year).



- Increase in the number of schools in Special Measures (from 7 to 20).



- Fewer schools with a Notice to Improve (from 13 to 9).



- Physical library visits (number of physical visits still outweighs virtual) down 9% on last year.



- Virtual visits increased 9.7% on last year.

- On track to achieve the Essex Apprenticeship Scheme phase 2 target of 1,200 by March 2014. Between January 2012 and July 2012, 452 young people were supported into apprenticeships, but placement rate remains low for care leavers

- Range of initiatives underway to get schools on an improvement path including:

- Targeted intervention in Academic Year 12-13

- Aiming to increase standards in satisfactory schools

- Continuing to increase online presence as well as Reading Relay and annual summer reading challenge.

- Joint Marketing Strategy with National Apprenticeship service and STEM schools programme with schools and industry in Basildon, Harwich & Maldon.

#### 2. Highways, infrastructure and environment for business growth

*Support businesses to generate wealth, jobs & opportunity;*

*Enable physical & technological infrastructure for businesses;*

*Economic opportunity available for all;*



- Fewer business start-ups (and more business failing).



- JSA claimant rate (2.9%) continues to reduce and tracks lower than national (3.8%) and East of England (3.0%) levels.



- Condition of Principal and Non-Principal Classified road network maintained for a second year – early 2011/12 benchmarking suggests Essex in top quartile.



- NEET levels continue to reduce to 4.9% (July 2012), slightly above Statistical Neighbour levels (4.4%).

- Economic Growth Strategy agreed by Cabinet will look to promote growth across Essex via four key work-streams.

- 21,339 potholes repaired between 31<sup>st</sup> May and 19<sup>th</sup> September 2012 as part of the £11m pothole recovery programme.

- Early Intervention Tool will launch in October 2012 to identify potential NEET's.

### 3. Improving Public Health & Wellbeing

*Help residents live independent lives;*

*Encourage healthy lifestyles;*

*Promote and enhance the environment;*



- 549 (4.9%) more people receiving personal budgets, with 88% of those eligible receiving services this way.

- Work being undertaken to review suitability of remaining 12% of people eligible moving to a personal budget.



- Drop in reablement starts and increase in assessments via hospitals (up 19% in July 2012) indicative of more complex cases.

- Integration of Health and Social Care via Community Budgets could reduce demand on Acute Hospital care.



- Increase in those completing reablement leaving to self-care (up 8%).



- Year to date provisional data suggests recycling up from 51.95% in 2011/12 to 56.9%.

- Waste Strategy milestones are being met.



- Decrease in CO2 and Greenhouse emissions from ECC controlled buildings since 2010/11 (from 103,392 tonnes to 85,260 tonnes).

- Corporate Wide Emission Strategy with MITIE in place to ensure continued fall in emission levels.

### 4. Protecting & safeguarding vulnerable people

*Enable vulnerable people to enjoy a good quality of life;*

*Protect residents from harm and injury;*

*Support parents, carers and families;*



- Removal of Government Intervention for children's social care. Reduction in Child Protection and Children in Care numbers with average caseloads now within safe levels.

- Focus on ensuring a stable workforce including activity on Essex Social Care Academy.



- 76% of children in care now in foster care placements, above national average of 74%. As more children return home or are adopted, those left in our care are those with the most complex needs.

- Continued recruitment for foster carers through advertising campaigns.



- Care leaver adoption levels (9.4%) are below target (11%) but as more children have left care this impacts on results.

- Traditional carer's activity lower (57%) than in first four months of 2011/12- but due to recording changes and needs continue to be met in other ways. Levels of carers receiving direct payments (238) are similar to the same period last year (247).

- Working to develop a pan-Essex carer's strategy and commissioning delivery plan for 2013-2017, aligning to the National Carers Strategy.

## 5. Safer and stronger communities

Make Essex a safer County;

Encourage residents to influence decisions;

Help residents challenge local services;



- Provisional data for Q1 2012/13 shows 13.32 crimes reported per 1,000 populations, compared to 14.18 crimes per 1,000 population during the same period of 2011/12.

- Partnership working through the Safer Essex Partnership to ensure the delivery of Strategy.



- Bucking the national trend with a continued decrease in people killed on Essex roads (22% reduction in 2011 compared to 2010). 5% reduction for killed and seriously injured in 2011 compared to 2010 and further reductions seen this year.

- Successful engineering schemes and A127 Average Speed Camera Scheme achieved 63% reduction in KSI over 3 years following installation.

- 58% (7) districts have a Locality Board established or in process of establishing.

- Options for future development of Locality Boards are being explored.

### Key:



Performance is improving



Performance is decreasing



Gap exists between ECC and comparators

# Appendix

# Priority 1: Enabling every individual to achieve their ambitions by supporting a world-class education and skills offer in the county

## Outcome 1: Helping Essex residents achieve their full potential through learning

### Educational Attainment and School Performance

<b>EYFS shown improvement in 2012 but remain below national position</b>	Performance at age 5 (Early Years Foundation Stage) has improved by 7 percentage points from 2011 and is now 59% in 2012. For the first time, results are based on all pupils completing a whole reception year and could account for some of this increase. Early national figures show a 4 percentage point improvement to 63%, therefore the gap between Essex and England has decreased, but Essex remains below the national position. In Key Stage 1, the percentage of pupils achieving level 2b+ improved in all subjects between 2011 and 2012 (which is above the national requirement). Reading increased from 74% to 77%, Writing from 60% to 64% and Maths from 75% to 77%. In Key Stage 2, following two years of 1% attainment increases in those achieving level 4+ in English and Maths, 2012 saw an increase on 2011 of 5% to 79%, against an early national figure of 80%.
<b>Improvements in KS1 and KS2 English &amp; Maths</b>	
<b>More schools in Special Measures but fewer with Notice to Improve</b>	In September 2011 there were 7 schools in Special Measures and 13 with a Notice to Improve. As at July 2012, this has increased to 20 schools in Special Measures although the number of schools with a Notice to Improve has reduced to 9. There are 180 schools that are 'satisfactory' (there are 554 State Schools in Essex as at June 2012). Under the new Ofsted guidance, these will be labelled 'required to improve' if they do not become good within two inspections.
<b>Priority areas: provide enough places for growing child population, assisting underperforming schools to improve</b>	We need to improve educational outcomes for all pupils at the same time as narrowing the gap between the most vulnerable pupils and average attainment of their peers. To do this we need to provide places to accommodate the fast-growing child population - through school expansions and managing the market in terms of new schools, whilst assisting a large number of satisfactory and inadequate schools to improve significantly - through the use of statutory powers and encouraging partnership working.
<b>Range of initiatives underway to get schools on an improvement path as rapidly as possible</b>	A targeted programme of intervention in schools and settings has been mapped out for the forthcoming academic year 2012-13. This will involve an intense focus of Local Authority resources on identified schools, including alignment with the 'satisfactory' schools project, a revised programme of continuing professional development and consultancy packages for schools.  From May 2012, every school judged as requiring special measures will have their delegation withdrawn, and in most cases (unless the head is new or has been brought in) the head teacher will be put on capability. We are working closely with these schools to get them on an improvement path as rapidly as possible. At the same time, a major exercise is underway to assess the improvement potential and risks of all 180 schools assessed at their last regulatory inspections as 'satisfactory'. The aim is to identify schools most at risk and to assist them to be rated as 'good' within two inspections. In addition, there are major initiatives focusing on a large number of schools of concern in Basildon where we are exploring the possibility of multi-academy trusts sponsoring a number of schools. This is focused on the Primary sector in the first instance.

## Outcome 2: Providing opportunities for Essex people to learn throughout their lives

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### Use of Essex Libraries

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<b>Physical library visits down, but increase seen in virtual visits</b>	Physical visits to libraries have reduced, with a 9% drop between April 2012 and July 2012 compared to the previous year. However this is proportionally less than the reduction in opening hours (17% reduction since July 2011). Conversely, virtual visits between April 2012 to July 2012 are up by 9.7% on the previous year. Evidence nationally indicates that other library services are experiencing the same difficult decisions on service levels, which will also impact on visitor numbers.
<b>Aim to maintain top quartile position for library visits</b>	The balance between physical and virtual visits is continuing to change (although the number of physical visits still greatly outweighs that of virtual). The service aims to maintain the number of combined visits to the library, (both physical and virtual) at a level sufficient to meet top quartile performance in comparison to other library services in England.
<b>Continuing to increase on-line presence</b>	Essex Libraries continues to increase its on-line presence in a variety of ways. This includes further use of social networking, with over 30,000 people now signed up to the monthly newsletter, over 2,000 followers on Twitter and over 800 users on Facebook. Libraries are also increasing their provision of on-line services. A recent addition, launched in September, making use of national funding, provides over 400 courses free to library Members.
<b>Reading Relay and Summer Reading Challenge hoped to raise profile of service</b>	In relation to physical visits, Essex Libraries was the lead authority working with others in the Eastern region to create a Reading Relay inspired and recognised by the London 2012 games. This involved 131 Schools from Essex, Hertfordshire, Norfolk, Southend, Slough and Thurrock. Over 8,000 children have taken part across the region, and the project was in addition to the annual Summer Reading Challenge. The service hopes to maintain the numbers of participating children and young people compared to past years, with the added effect of raising the profile of the service with family members too.

## Outcome 3: Promoting a culture of aspiration for all

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### Supporting young people through apprenticeships

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<b>On track to achieve phase 2 target, but placement rate is low for care leavers</b>	Between January and the end of July 2012, phase 2 of the Essex Apprenticeship Scheme has supported 452 young people into an apprenticeship. It is too early to report against phase 2 completion rate, but we are on track to reach the current target of 1,200 by the end of Phase 2 in March 2014. Phase 2 includes specific focus on opportunities for care leavers and since 2011 to date, 24 care leavers have begun apprenticeships, from 80 referrals (we need to recruit a further 16 apprenticeship places by March 2013). This low placement rate is attributed to a lack of suitable referrals and lack of targeted support mechanisms before the interview and whilst on the Apprenticeship.
<b>Ambition to achieve 70% successful completion rate</b>	In 2012/13 The Essex Apprentice Scheme will continue to support young people to gain skills, with a 70% successful completion rate ambition. Close working with businesses and young people is essential to achieving this. Key risks to our Care Leavers Programme are a lack of suitable referrals. Our ambition remains, through the South East LEP Skills Working Group, to increase Apprenticeships across Essex, Kent and East Sussex by approximately 11,500 over the next two years, of which 4,604 will be within Essex.
<b>Marketing strategies in place to increase awareness of Apprenticeships</b>	Alongside continued exploration of apprenticeships with our own key suppliers, we have a joint marketing strategy with National Apprenticeship service to increase awareness of apprenticeships amongst businesses and young people. We have a Science, Technology, Engineering and Mathematics (STEM) schools programme working within schools and with industry in Basildon, Harwich and Maldon districts to raise awareness of the different types of career pathways and apprenticeships in related sectors.

## Priority 2: Securing the highways, infrastructure and environment to enable businesses to grow

### Outcome 1: Supporting business to generate wealth, jobs and opportunity

#### Economic Growth

**Fewer business start-ups (and more failing) but unemployment tracks lower than EoE levels**

Between April 2011 and March 2012, there were 690,700 people in employment. This represented 74.6% of the economically active population, which was above that of the East of England (74.3%). The numbers of business start-ups have reduced, from almost 7,000 in 2007 to fewer than 6,000 in 2010. Business failures have increased, from almost 6,000 in 2008 to just over 7,000 in 2009 and 2010. Unemployment (for economically active population) in Essex has always tracked lower than the national rate, but since July 2010 levels have also remained below that of East of England (6.0% April 2011 to March 2012 compared to 6.6% in East of England). In April 2012 the JSA claimant count in Essex represented 3.1% of the working age population, compared with 4.0% nationally. This has steadily reduced, remaining at 2.9% from June 2012 to August 2012. Essex continues to track at a lower rate than national (3.8%) and East of England levels (3.0%).

**Promoting economic growth through an outcome based Strategy**

The ambition is for Essex to be the location of choice for business. We want Essex businesses to thrive and grow, creating sustainable job opportunities for residents and growth opportunities for businesses with residents having the skills they need (and businesses need) to succeed in the future. To support this, a new Economic Growth Strategy (EGS) was agreed by Cabinet in September 2012, to promote growth across Essex through four key workstreams. The EGS will be supported by an EGS Implementation Plan and an EGS Performance Framework. Projects are being assessed for their potential to redesign public services to achieve economic growth objectives.

### Outcome 2: Ensuring the physical and technological infrastructure is in place to enable businesses to flourish

#### Broadband accessibility

**Essex local broadband plan agreed by Government**

Essex's ambition is to make improved broadband accessible to all by enabling 100% of homes and businesses to access a basic level of broadband by 2015 and 75% of households and businesses to access superfast broadband by 2017. A baseline needs to be established which will provide a robust, local picture of broadband accessibility and speeds. In order to achieve this Essex has produced a Local Broadband Plan which has been submitted to and approved by Government. Essex is now in a position to select a partner supplier from the Broadband Delivery Framework via Broadband Delivery UK to deliver the requirements of the Essex local broadband project. However, this will only happen in accordance with Essex's position within the Government prioritisation schedule for roll out across all authorities.

#### Maintaining condition of road network

**Condition of our principal and non-principal classified roads is being maintained, but unclassified roads are deteriorating**

Condition of the principal and non-principal classified road network has been maintained at a consistent level over the last two years. The target is to maintain principal and non-principal roads at their current level. 2011/12 local benchmarking shows Essex in top quartile (against County Councils) for condition of principal and non-principal classified road condition, third quartile for unclassified roads. The percentage of Unclassified roads where structural maintenance should be considered has increased by 10% over the past 4 years to its current level of 18%.

**Essex Pothole**

While over 50,000 potholes were fixed across Essex in 2011/12, extreme weather conditions including heavy snowfall in the winter followed by a hot dry spring and then by severe flooding, have caused damage to the county's roads and increased the need for repairs. This is being mitigated by the Essex Pothole Recovery Programme.

**Recovery Plan  
in place, 21,000  
potholes  
repaired**

Monitoring of the £11m pothole recovery programme has identified that 21,339 potholes were repaired between 31st May and 19 September 2012 (covering a mixture of those defects awaiting repair identified as part of phase 1, and newly reported defects). The Jetpatcher programme has been successfully rolled out to all Highways area offices with 13 machines due to be in use around the County by 19<sup>th</sup> September. The surface dressing and resurfacing programmes have also commenced, and the defects within these schemes are being treated. Currently there are 27 patching teams deployed throughout the county. The annual surface dressing programme was successfully completed, with surface dressing carried out on 1.6 million square metres of road across the county over a 13 week period.

**Outcome 3: Creating an environment in which economic opportunity is made available to all**

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**Young people not in education, training or employment (NEET)**

**NEET below  
England but  
slightly above  
statistical  
neighbours**

Since the 2011/12 16-19 year old NEET outturn of 6.4%, NEET levels have continued to reduce to 4.9% in July 2012 (down from 5.8% in July 2011). We are currently below England (5.9% - June 2012) but slightly above our statistical neighbours (4.4% - June 2012).

**Fall in 16-19  
year olds in  
post 16  
learning but  
attributable to  
new inclusion  
of 19 year olds**

In 2011/12 67.4% of 16-19 year olds continued in post 16 learning (education, training or employment with training to NVQ Level 2), compared with 81.3% of 16-18 year olds in 2010/11. This fall could in part be attributable to an expansion in the definition to include 19 year olds, alongside a high number of those for which we did not know their status at the time of reporting which may be masking the actual percentage.

**Achieved  
reduction in  
NEET and  
'Unknowns'  
since last year**

Actions to reduce the percentage of those whose occupation status is 'Unknown' over the last few months have shown significant impact. This now stands at 10.4%, just slightly above the 10% level acceptable to the DfE. This significant reduction has been acknowledged by the DfE.

The newly established team of Employability & Skills Advisors has directly supported 840 16-19 year olds into jobs, college courses or training programmes in its first year (September 2011 to August 2012) of operation. The team is currently working towards a target of 1,500 for the period April 2012 to March 2013, and have achieved 489, up to 27<sup>th</sup> September.

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**Take up of Pre-School / Full Time Day Care**

**Focus on  
ensuring  
sufficient,  
sustainable  
and flexible  
childcare to  
meet parents  
needs**

Local authorities are required to play a lead role in facilitating the childcare market within the broader framework of shaping children's services, in partnership with the private, voluntary and independent (PVI) sector. In Essex this is achieved by 'managing' the childcare market and working with childcare providers to continually improve quality. Although the number of childcare places has increased, demand has fallen slightly for the under 5 age group.

The Government plans to introduce a legal entitlement to free early education for the most disadvantaged two year olds. Approximately 20% (3,100 children) of disadvantaged two year olds will be entitled to a funded place by September 2013 and 40% (5,600 children) by September 2014. A key challenge going forward will be to approve sufficient high quality funded places for those meeting the agreed criteria. Ensuring that there is sufficient early years provision including free early education entitlement for 3 and 4 year olds and childcare for children of school age is a further priority for the service. The Service continues to monitor childcare provision at a local level, and publish District childcare sufficiency Action Plans. An on-line childcare search is currently being finalised to enable parents to search for the most appropriate childcare. A childcare brokerage system is provided for parents in need of support to find the most appropriate places, generally to source specialist childcare for children with additional needs. The new Childcare Provider Pathway ensures new providers are given sufficiency information on where there is the greatest need to create more places.

## Priority 3: Improving Public Health and Wellbeing

### Outcome 1: Helping Essex residents to live full and independent lives

	<u>Personalisation and choice in adult social care</u>
<b>88% of eligible for personal budgets are receiving services via these means</b>	Personalisation and choice is a significant priority, particularly supporting people in their own home. In the first four months of 2012/13, 11,710 social care users received personal budgets, up by 549 (4.9%) on this time last year and take up of cash payments are up 12% on this time last year. Of the 9,960 currently open service users eligible for a personal budget, a fairly static 88% are receiving services via this means, with the remaining 12% being investigated for their suitability for transfer to personal budgets.
<b>Drop in reablement starts, alongside 19% increase in assessments via hospitals</b>	Up to the end of Q1, 73% of those completing reablement left to self-care, up 8% on this time last year. The number of reablement starts has dropped which coincides with an increase in assessments via hospitals (up 19% in July 2012) and is indicative of more complex cases, not suitable for ward-led discharge direct to reablement. Admissions to residential care have been lower in Q1, with an expected 57% fewer admissions for adults with learning disabilities (which has historically been an area of higher spend) in 12/13 compared to 11/12. However, we need to be cautious given this is based on 3 months data only. Taken together this data suggests we are getting more complex cases but that we are supporting them at home, particularly in the older people and learning disability client groups. This results in pressure on the domiciliary care budget for new service users. With cases becoming increasingly complex this may cascade into greater requirement for residential placements; especially as national work and our own local analysis estimates reablement benefits are sustainable for limited periods of around 2 years on average.
<b>Residential care admissions are lower but increasingly complex cases</b>	
<b>Community Budgets remains key to address demand on acute hospitals</b>	In the long term, Community Budgets remains a key initiative – which through the health and wellbeing work-stream is looking at integrated commissioning of health and social care services to reduce demand on acute hospital care from which we have estimated that over a 1/3rd of our residential care admissions are made. In the shorter term, we are expanding coverage of our ward-led discharge process, helping reduce delayed discharges and possible increased dependency on acute care by allowing health staff to refer directly to reablement. The new reablement contracts which will commence in Q4 should incentivise delivery of good outcomes through payment by results (for percentages achieving self-care after discharge) and build in terms that help guarantee capacity for cases we refer to the service.
	<u>Bus passenger journeys</u>
<b>Bus passenger journey rises being maintained at 2011/12 level</b>	Provisional (including some estimated) figures for the number of bus passenger journeys recorded in the first quarter of this financial year indicate that the 4% rise in passenger journeys recorded during 2011/12 looks set to be maintained during 2012/13. These figures also compare well to national statistics which show non-metropolitan areas actually experienced a 0.2% decrease during 2011/12 compared to the previous year. It also provides some evidence that the trend of decline experienced in Essex between 2008/09 and 2010/11 may now have been fully arrested. Factors which have impacted on improved bus passenger numbers include ECC's continued support for local bus services including improved co-operation with commercial operators, plus prevailing economic factors such as the rising cost of running private cars and the increased use of the National Concessionary Fare Pass.

### Outcome 2: Encouraging healthy lifestyles & tackling wider causes of ill health

	<u>Ensuring an Olympic Legacy</u>
<b>Work underway to ensure Olympic</b>	Essex welcomed 40,000 spectators to the county, over two days, to watch the London 2012 Olympic Mountain Bike events at Hadleigh (on the basis of ticket sales). The focus of work has now moved to reinstating the track for public use (to support our Olympic Legacy). Adaption of the Hadleigh course for public use, and expansion and enhancement of Hadleigh

<b>Legacy at Hadleigh</b>	County Park will provide opportunities for people to fully access and enjoy this Olympic Legacy. However, until the Legacy works to adapt the course are completed the course will remain closed to public use. There remains opportunity to offer managed activity on the Hadleigh Mountain Bike track prior to the completion of Legacy works. For example, the British Cycling Youth inter-regional mountain bike championships for riders under 16 years is currently planned for October. Work also continues with local groups to deliver site walking tours and with stakeholders to invite further proposals for managed activity at the site.
<b>Use of Hadleigh Bike Track for managed events</b>	

Outcome 3: Protecting and enhancing the environment in Essex

Country Parks

<b>Satisfaction of visitors with our Country Parks remains high at 97%</b>	Country Park visitor satisfaction surveys completed so far this year have shown that 97% of those responding were satisfied with the service. This currently exceeds the overall 2012/13 target of 95% and continues the trend of high satisfaction levels experienced over recent years. All 7 Country Parks managed by ECC were awarded Green Flags for the 3rd year running this year. ECC's Country Parks Review project has been looking to secure the future of ECC Country Parks by considering alternative operating options. Cabinet approved alternative delivery models for both Cressing Temple and Marsh Farm in September 2012 - a partnership or concession arrangement at Cressing Temple in Braintree and tendering of a lease (due to start no later than April 2013) at Marsh Farm. Cressing Temple will now follow a rigorous procurement process to secure a preferred organisation/s to work with. It is expected that the new contract/s will start within the next financial year, 2013/14.
<b>Alternative delivery mechanisms for our Country Parks</b>	

Household waste and recycling

<b>Household waste &amp; recycling levels increasing &amp; reduction in waste generated</b>	Just under 52% of household waste was recycled in 2011/12 – up nearly 2 percentage points on the previous year. Current year to date provisional performance (unadjusted for any seasonal variation) is 56.9%. The total waste generated in 2011/12 reduced by 1.5% compared to the previous year. Current year to date provisional performance (unadjusted for any seasonal variation) is 169.3kg, compared to 176.5kg in July 2011. 11 out of the 12 Essex waste collection authorities now operate district/borough-wide collection service for the composting of food waste. Colchester Borough Council is currently exploring options to extend their trial service to the remainder of the Borough.
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<b>Waste Strategy milestones are being met</b>	A range of initiatives are underway to further improve recycling and waste collection, against which, milestones are being met. For example, the Essex and Southend Waste Infrastructure PFI project was approved by DEFRA on the 31st May 2012 and awarded PFI credits totalling £100.9m; The Mechanical Biological Treatment facility at Basildon was granted planning consent by the Development and Regulation Committee on the 27th July 2012. Scheduled to be operational by the end of 2014, it will treat household waste not collected for recycling or composting, reducing reliance on landfill. The Development and Regulation Committee resolved to grant planning permission for the proposed Harlow waste transfer station on 23 September 2011 and the Great Dunmow waste transfer station on the 22 June 2012. These form two of a planned network of five waste transfer stations in Essex to ensure efficient movement of waste to the final disposal points, and will be operational by mid-2014.
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CO2 and greenhouse gas emissions

<b>CO2 and greenhouse gas emissions are decreasing</b>	Latest data from both Carbon Reduction Commitment (CRC) and Greenhouse Gas reports show a decrease in CO2 emissions and greenhouse gases since the 2010/11 base year (from 103,392 tonnes to 85,260 tonnes). This is due to continued delivery of the property strategy and energy efficiency programme being implemented through the MITIE property and facilities contract. The adoption of a Corporate wide Emission Strategy together with ECC Facilities Management provider (MITIE) introducing behavioural and technical improvement programmes throughout the authority's immediate estate and Schools will ensure emission levels continue to fall and savings in energy are realised.
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## Priority 4: Protecting and Safeguarding Vulnerable People

### Outcome 1: Enabling Vulnerable People to enjoy a better quality of life

#### Adults with learning disabilities in employment

**Fewer people with learning disabilities in employment than last year but increase since March**

A key element of quality of life is the ability to be in paid employment. Essex's strategy is to promote employment opportunities for disabled people. At the end of June 2012 we had 370 people with Learning Disabilities (LD) in employment. This is above the number reported for March 2012 (362). Our target is to maintain performance which given the economic environment, is a stretching target as increased joblessness will put pressure on work opportunities for disabled people. Maintaining employment in these current economic times is also a challenge for the employment service, and whilst numbers are down compared to March 2011, this does not include re-employment (those people who have lost a job but found alternative employment) that constantly goes on within the employment service.

**All Age Disability Approach will help longer term**

The Final Business Case for an All Age Disability Approach is now due in November 2012. This will be based on a clearly defined outcomes framework, which includes outcomes relating to maximising work capacity, skills and employment. The impact of the All Age Approach is likely to be felt in the longer rather than shorter term. There will also be a review of the EssexCares inclusion and employment service later in the year.

### Outcome 2: Protecting Essex Residents from Harm and Injury

#### Safeguarding adults

**Increased adult safeguarding referrals – indicating raised awareness**

Adult safeguarding referrals have increased 25% over the past 12 months, largely due to efforts by the Safeguarding Essex team to raise awareness and make people more vigilant and less tolerant of poor care, neglect or any form of abuse. The adult social care user survey also picks up how safe service users consider themselves to be. In 2011-12 93% reported feeling adequately safe – consistent with levels last year. There are related Adult Social Care Outcomes Framework Measures, again from the user survey. These show 70.1% of people feeling as safe as they want (up from 63% in the previous survey which was a statistically significant change), and 89% saying the services they receive make them feel safe and secure (no similar question in 2010-11 survey).

**Capacity issues, if adult safeguarding referrals increase beyond predictions**

The increases in referrals will impact on the capacity of social work teams to complete planned assessment and care management activity if referrals increase beyond levels included in resource planning (2,300 in the year across Older People and Working Age Adult community teams).

**Projects underway to maintain adult social care user's feelings of safety**

The adult social care cases who reported feeling less than adequately safe were referred to their case managers for further contact and investigation of individual circumstances. Other projects are in train to help ensure good performance on the survey measure is maintained. For instance, we continue to develop and implement the LD 'Be Safe' project inclusive of all specialism's countywide within the 'all age' service model. We are also linking with transitions and schools to promote Think Safe and Hate Crime policies as well as working with the police on their hate crime reporting pathways.

#### Safeguarding children and young people

**Essex in 'a good position to build a really strong service'**

Following the removal of government intervention for children's social care in December 2011, and a successful LGA Peer Challenge, the Department for Education visited Essex in July 2012 to ascertain how sustained the improvements within Children's Services were. The Minister noted that Essex was in "a good position to build a really strong service" and confirmed that formal monitoring by government was no longer necessary. Essex has been going against the recent national trend of increasing numbers of Child Protection Plans and Children in Care.

**Child**

<b>Protection and children in care numbers continue to reduce and caseloads at safe levels</b>	Child Protection Plan numbers are down to 19.8 per 10,000 (593 children) from 25.9 per 10,000 (773 children) at 31 March 2012. Children in care are down to 46.2 per 10,000 (1384 children) from 49.6 (1483 children) at 31 March 2012. The Essex Children's Services Plan for Sustained Improvement 2012/13 targets a safe reduction of average caseload to levels between 12 and 18 per FTE by March 2013. Average caseloads are currently 16 per FTE in Assessment and Intervention teams; 17.7 per FTE in Family Support and Protection teams; and 15.2 per FTE in Children in Care teams.
<b>Reduced CSC caseloads to improve quality of support</b>	Children Social Care continues on the journey to improve social work practice through a stable workforce with low numbers of temporary staff, a social work development programme for staff at all levels and a focus on building relationships with families, persistent and robust interventions and care planning. The aim is for numbers of children in care to be around 1,300 by April 2013, and for overall caseloads to reduce, but for work with each family to be more intensive and purposeful.
<b>Essex Social Care academy will further enhance social work practice development, whilst D:BIT Pilot targeted at young people on edge of care</b>	The Essex Social Care academy for Children's Social Care launches in September 2012. This will, through partnership with the university, enhance social work practice development. We are developing a social work practice strategy, consulting with our partners around 'Early Help' and levels of need, and we are developing through community budgets a multi-agency model of working with troubled families and those with complex needs, establishing family teams in 2013. The Divisional Interventions Teams (D:BIT) Pilot targeted on young people on the edge of care is moving into its final phase with the Business as Usual case being developed for continued delivery beyond April 2013.

Outcome 3: Supporting parents, carers & families to create safe & stable homes

Supporting Carer's

<b>Continued decrease in traditional carer support activities – needs being met in other ways</b>	In the first 4 months of 2012-13, traditional carers' activity within the care management process stood at 57% of the amount we'd recorded up to the end of July 2011. This decrease is partly due to carers reviews no longer being automatic – carers are invited to reapply for one-off services and reassessment of need should they require it. Carers' needs are also being met in a variety of other ways and the service has sought to use appropriate signposting or provide care packages to people as a service user in their own right where they can. This has been done particularly through cash personal budgets which can offer creative and flexible support solutions. As regards volumes of carer's direct payments, figures are broadly similar to 2011-12. Up to the end of July 2012, 238 carers had received a direct payment in comparison to 247 for the same 4 months of 2011-12.
<b>White Paper may change duty on local authorities in regard to carer's assessments – potentially increasing demand</b>	The White Paper may change the duty on local authorities in regard to carer's assessments and support, potentially resulting in a greater demand. Carers' direct payments may therefore not be the most appropriate service measure to target (long or short term) given the constraints on both resources and budget. Previously reported findings based on a recent benchmarking exercise, suggest councils offering the greatest number of carer's direct payments have approached this through a blanket offer of a one-off payment at assessment yet there is little evidence that this approach has led to better outcomes for carers and focussing on pure cash direct payments may limit horizons as far as other approaches are concerned. This analysis is being picked up in work to reassess how we monitor carers and through the SP&C Prevention – Carer Commissioning Team. This analysis is also considering whether there may be more appropriate, quality and outcomes focussed measures we should be identifying.
<b>Viewpoint from carers being utilised to develop joint carer's commissioning framework</b>	There are two key pieces of work that will inform our approach to supporting unpaid carers. A task and finish group, chaired by Cllr Dick, is established to oversee the joint commissioning framework for carers across Health and Social Care. We are also working with the Clinical Commissioning Groups, with the support of the Health and Wellbeing Board, to develop a pan-

Essex carers strategy and commissioning delivery plan for 2013-2017. This strategy will align to the National Carers Strategy and support the strategic and policy objectives for both Health and Social Care.

### Stable placements for children and young people

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**Increase in foster care family placements**

Children's Social Care has progressed in securing stable placements for children in care, with more foster care family placements and fewer residential care placements. 76% of Essex children in care are now in foster care placements, above the 2011/12 national average of 74% (and July 2011 – 72%) and this is a level we are looking to sustain. However, as more children return home or are adopted, only those with the most complex needs remain.

**Challenge to recruit foster carers able to meet complex needs of children**

We wish children needing foster care to be placed in Essex County Council foster houses rather than expensive provision which can be at a considerable distance from a child's family, school and community. To do this we need to increase foster carer availability by 30 beds in the year 2012/13 and thus far have increased capacity by 12 beds. Recruiting carers able to meet the complex needs of children now coming into care is challenging. Advertising campaigns generate enquiries but many are from people who do not have a spare bedroom or who for a range of reasons are unable to meet the complex needs of children.

**Behind national average in time to match young person to adoptive family**

In 2011/12 13.5% of care leavers were adopted, which is in line with the recently released national position for 2011/12 (13%). At the end of July 2012, 9.9% of care leavers were adopted, under our target of 11%. This is also lower than the position in July 2011, but higher than our latest Statistical Neighbour comparisons (8.6%). The national adoption scorecard indicated that Essex was behind the national average when it came to the time between receiving court authority to place a child and deciding on a match to an adoptive family. However, the OFSTED inspection of the Adoption service (published in March 2011) noted the service identified drift early and took remedial action, with some cases being outside of our control. This was in the context of the Adoption service being rated as 'Good' overall with some strong features.

**Many adopters now already linked with waiting children at the point of their approval**

Prospective adopters enquiring about adoption are made aware immediately of the profile of children needing adoption. Acceptance of applications is prioritised and they are given details at an early stage of specific children needing adoption with the result that a number are already linked with waiting children at the point of their approval as prospective adopters. However, as more leave care to the legal permanency of special guardianship orders, this will impact on adoption figures.

# Priority 5: Giving People a Greater Say and a Greater Role in Building Safer and Stronger Communities

## Outcome 1: Making Essex a safer county in which to live and work

### Crime and Disorder

#### **Reduction in all-crime rate in Q1 of 2012/13**

Essex is one of the safest places to live in the UK. Provisional data for Q1 2012/13 shows 13.32 crimes reported per 1,000 population, compared to 14.18 crimes per 1,000 population during the same period of 2011/12. The Safer Essex Partnership is finalising the Essex Crime and Disorder Reduction Strategy, which focuses on three priority areas; domestic abuse, anti-social behaviour and serious acquisitive crime. Funding has been secured to support delivery of these plans. These are tackled using the enablers of drug interventions, integrated offender management and early intervention and prevention activities.

#### **Funding attached to new strategic action plans**

#### **Work with Police & Crime Commissioner Candidates underway**

Continued effective partnership working through the Safer Essex Partnership will help to ensure the delivery of the Essex Crime and Disorder Reduction Strategy and underpinning action plans. A potential risk exists around the incoming Police and Crime Commissioner (PCC) and how quickly they establish their policing priorities and any changes they wish to make around the existing crime and community safety system. This is being mitigated by the partners providing prospective PCC candidates with details of on-going activity and priorities.

#### **Progress in work to combat re-offending and Community Budget pilot**

The Integrated Offender Management project is now up and running, and initial data is emerging. It is anticipated that this project will impact on the number of re-offenders, which is estimated to be around 50%. The two community budget work-streams of domestic abuse and re-offending have been approved to proceed to full business cases. These projects have received the backing of Safer Essex and project sponsors. Initial presentations to Whitehall were also well received.

### Road casualties

#### **Continued reduction in the number of people killed or seriously injured on Essex roads**

Recent national publications have made reference to the increase seen in fatal and serious road casualties in Great Britain from 2010 to 2011. Essex however, is bucking the national trend. Latest information shows a 3% rise in the number of people killed on Britain's roads in 2011. In contrast to this Essex achieved a 22% reduction (35 people killed on the county's roads in 2011, compared to 45 in 2010). Overall, killed and seriously injured (KSI) casualties for Essex also fell 5% in 2011(630) compared to 2010 (662), set against a 2% increase nationally. Provisional data up to July 2012 suggests further improvement with 344 people killed or seriously injured in Essex compared to 347 people killed or seriously injured over the same period in 2011. Substantial reductions were also seen in young driver KSI Casualties with a 26% reduction from 131 in 2010 to 97 in 2011.

#### **Engineering schemes are helping to reduce road casualties**

Successful engineering schemes have contributed to reducing road casualties. The A127 average speed camera scheme evidenced a 63% reduction in KSI collisions in the 3 year period following installation, with little detrimental impact on identified journey times and a cost saving to society of over £12 million. This scheme has been accepted as a submission to the Prince Michael International Road Safety Award with results expected later this year.

## Outcome 2: Encouraging Essex residents to influence decisions & shape communities

### Local Highways Panels

#### **All 12 Local Highways Panels have been launched**

Local Highways Panels (LHPs) are a new forum for county and district/borough members to come together to jointly consider and prioritise elements of highways spend within their local district or borough boundaries. The ambition is that the Local Highways panels now move

<p><b>Local solutions to address local problems</b></p>	<p>forward in a positive way, ensuring that local Highways problems are identified and addressed using locally derived solutions.</p> <p>All 12 LHPs have now met at least once. Good progress has been made with meaningful discussions held at all meetings regarding highway schemes. These newly developed panels will have the freedom to naturally evolve over time to meet individual local needs and will not be constrained by a “one size fits all” approach.</p>
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Outcome 3: Helping communities play a greater role in challenging local services

<p style="text-align: center;">Locality Boards</p>	
<p><b>58% Districts with Locality Board (or in process of establishing)</b></p>	<p>Locality Boards have been introduced to involve communities in decisions impacting on them. As at July 2012, 58% (7) of Districts now have a Locality Board established or in the process of being established. Of the five Districts without a specific Locality Board, one has an existing Local Delivery mechanism for partnership working, two are engaged in ongoing discussions and two are dealing with locality board issues through their existing joint Local Strategic Partnership. A seventh Locality Board (Epping Forest) has recently been agreed, with membership consisting not only of the ECC Divisional Members and DC Cabinet, but also the three MPs for the area.</p>
<p><b>Powers not yet devolved to Locality Boards- in pilot phase</b></p>	<p>2012 is a pilot phase for the establishment of Locality Boards, and therefore in line with the Corporate Plan objective, financial resources and decision-making powers are not presently devolved to the boards. Different options for the future development of the boards are currently being explored and it is anticipated that these will be used as the basis for a discussion about next steps in Q4 of 2012. More widely, the Community Budgets programme has also more generally supported the objective of promoting closer working between local authorities across Essex and indeed this has been expanded to include other public sector bodies from around the county.</p>
<p style="text-align: center;">HealthWatch Essex Pathfinder</p>	
<p><b>HealthWatch progressing well</b></p>	<p>HealthWatch is being introduced to enable residents to feedback on health and social care needs, and to provide advice and advocacy services. HealthWatch is due to replace the Local Involvement Networks (LINK) in April 2013. Progress so far is good and the HealthWatch Pathfinder Executive has had an awayday to shape its strategy and operating practices. It has a set of projects that it will now start to work on given that the officer team is almost complete.</p>
<p><b>Interim project manager recruited via voluntary sector</b></p>	<p>Difficulties have been encountered in the release of an appropriately skilled programme and project manager from Essex County Council to join the Healthwatch Pathfinder Executive's officer team. However, action has been taken to overcome the problem by recruiting interim project managers via a voluntary sector organisation.</p>
<p><b>HealthWatch expected to launch operationally 3 months early</b></p>	<p>Negotiations taking place between Essex County Council and the Executive about the legal form and governance of Healthwatch Essex are now close to agreement. A report containing proposals was taken to the Health Overview Scrutiny Committee in September and will be presented to Cabinet in October. The intention is to dismantle existing LINK groups in December. Healthwatch Essex is expected to launch operationally in January 2013, 3 months ahead of the national start date.</p>

Essex County Council is working with the various adult social care user groups to reform the way they operate given the imminent arrival of Healthwatch Essex. The groups will develop work programmes in association with Healthwatch and commissioners and take a task and finish approach to shaping commissioning decisions. There is also a growing interest in using peer research techniques to ensure that the views of as broad a range of service users as possible are reflected. A conference is being held in the autumn to develop new working relationships and identify opportunities for the groups to work together and with Healthwatch.

# Policy and Scrutiny Scoping Document

<b>Committee</b>	Executive Scrutiny Committee	
<b>Topic</b>	Procurement Strategy	Ref: ES/12/??
<b>Objective</b>	To assess the outcomes and effectiveness of the existing Essex County Council Procurement Strategy and to make recommendations for improvement related to the revised strategy which is to be reviewed from September 2013 where considered necessary. A key focus is the delivery of cost-effective, high quality services as ECC moves to a Commissioning-based organisation.	
<b>Reasons for undertaking review</b>	<p>To ensure the existing strategy is ensuring the procurement of cost-effective, high quality services for the residents of Essex.</p> <p>The 2011/12 – 2013/14 strategy states that it would be subject to regular review to track progress and Members should review the performance of procurement</p> <p>As the strategy will be reviewed and revised in September 2013 the Committee should commence a review of the 2011/12 – 2013/14 strategy</p>	
<b>Method</b> <ul style="list-style-type: none"> <li>• Initial briefing to define scope</li> <li>• Task &amp; Finish Group</li> <li>• Commission</li> <li>• Full Committee</li> </ul>	Full Committee	
<b>Membership</b> <i>Only complete if Task and Finish Group or Commission</i>	N/A	

<p><b>Issues to be addressed</b></p>	<p>How has the development of a new operating model moving the Council to a customer-first commissioning organisation with procurement at the heart of that model (Procurement Strategy 2011/12 – 2013-14) been in working in practice?</p> <p>The Authority has recently signed high-profile agreements how have these procurements delivered:</p> <ul style="list-style-type: none"> <li>• Value for money?</li> <li>• Probity?</li> <li>• Professional management?</li> <li>• A strong Customer focus?</li> </ul> <p>Local Purchasing to support local businesses</p> <p>How is procurement of products benchmarked?</p> <p>Consultation and lessons learned prior to and following procurement</p>
<p><b>Sources of Evidence and witnesses</b></p>	<p>Deputy Leader Finance &amp; Transformation Programme</p> <p>Chief Procurement Officer</p>
<p><b>Work Programme</b></p>	<p>Review to commence October 2012 subject to Committee approval.</p> <p>The Chief Procurement Officer will be invited to attend the Committee's meeting in October, if the scoping document is approved, to provide initial evidence. It is envisaged that the review may need to be conducted over the course of several meetings.</p>
<p><b>Indicators of Success</b></p>	<p>The recommendation of improvements to the revised strategy.</p>
<p><b>Meeting the CfPS Objectives</b></p> <ul style="list-style-type: none"> <li>• <i>Critical Friend Challenge to Executive</i></li> <li>• <i>Reflect Public voice and concerns</i></li> <li>• <i>Own the scrutiny process</i></li> <li>• <i>Impact on service delivery</i></li> </ul>	<p>The Committee will be fulfilling its role as a Champion in the Council's Scrutiny Process.</p> <p>Action taken by the Committee to monitor the performance of the Procurement Strategy will reflect upon both current service delivery and future improvements.</p> <p>The Committee will carry out its role as a critical friend to the Executive.</p>

<b>Diversity and Equality</b> <i>Diversity and Equality issues are to be considered and addressed.</i>	Were EIAs undertaken as part of the existing Procurement Strategy?		
<b>Date agreed by Committee</b>	13 September 2012		
<b>Future Action</b>	To be agreed		
<b>Governance Officer</b>	Robert Fox	<b>Committee Officer</b>	Vivien Door
<b>Service Lead Officer(s)</b>	Anthony Doyle		



		<b>AGENDA ITEM 7</b>
		<b>ES/021/12</b>
<b>Committee:</b>	<b>Executive Scrutiny Committee</b>	
<b>Date:</b>	<b>5 November 2012</b>	
<b><u>FORWARD LOOK/ WORK PROGRAMME 2012/13</u></b>		
<b>Enquiries to:</b>	<b>Robert Fox, Governance Officer 01245 430526 robert.fox@essex.gov.uk</b>	

### **Purpose of Report**

The purpose of this report is to set out the Committee's latest work programme for its consideration. A scoping document for the Developing the Localism Agenda future item will be circulated to Members in advance of the meeting.

**Executive Scrutiny Committee:  
Schedule 2011/2012 (provisional)**

<b>Meeting</b>	<b>Topic</b>	<b>Approach</b>	<b>Current status</b>
<b>2012</b>			
Ongoing throughout 2011/12	Transformation Programme Scrutiny Review  (ES-SCR-003)	Full Committee and Task and Finish Groups	This Forward Look document sets out the proposed timetable for consideration of further topics as part of the ongoing review, and the arrangements for monitoring the Transformation Programme: Beyond 2012/13.
<b>Date to be agreed</b>	Transformation Programme Scrutiny Review: Shared Services	Full Committee	To consider the Essex Shared Services Strategy 2011-16. A scoping document will be prepared by Mark Hobson, Shared Services and presented to the December meeting of the Committee.
<b>Date to be agreed</b>	Transformation Programme Scrutiny Review: Beyond 2012/13	Full Committee	To consider the future plans for the Transformation Programme beyond Transitional State 3, scrutiny arrangements for commissioned services including the different types of delivery vehicles and Target Operating Models. Commissioned Services are key in terms of checking the arrangements and scrutiny adding value to the commissioned services.
<b>Winter 2012/13</b>	Transformation Programme: Property Strategy and Fixed Assets Register	Full Committee	Councillor David Finch to attend Committee (Scoping Document to be presented to the December meeting of the Committee)
<b>Winter 2012/13</b>	Coroner's Service	Full Committee	The Committee considered report ES/030/11 on 24 May, and received a report at its 31 January meeting. The Committee will receive a further update in February or March 2013.

<b>3 April 2012 and ongoing via T&amp;F Group</b>	External Communications	Task and Finish Group	The Committee considered a scoping document (ES-SCR-01/12) and agreed that a Task and Finish Group be convened. This Group has met twice to date, and it is anticipated there will be at least two further meetings. The Committee received an interim report in September 2012. Two further meetings, following a hiatus, have now been put into the calendar.
<b>October 2012</b>	Procurement Strategy	Full Committee	The Committee agreed at its 30 May 2012 meeting that the Deputy Leader be invited to attend the Committee to present on the strategy which is to be revised in September 2013 to ensure the strategy, as it exists and in future, ensures the procurement of cost-effective, high quality services for the residents of Essex. The report is being received in November 2012.
<b>November 2012</b>	Developing the Localism Agenda	Full Committee	The Committee agreed at its 30 May 2012 meeting that an update be invited from the Cabinet Member for Communities and Planning on the Big Society Revenue and Capital Fund. The review should also include elements of Partnership working, the elected Member as a Community leader, the General Power of Competence and communities being given the right to run services. The ECC Petitions Policy should also form part of the review. Partnerships and the Impact of the Localism Bill, Locality Boards and the Essex Partnership Forum refresh will also form part of this agenda item. A scoping document will follow to be presented at the November 2012 meeting.
<b>January 2013</b>	Health and Safety at Work	Full Committee	The Committee agreed at its 30 May 2012 meeting that as assessment of whether ECC fulfils its H&S legislative requirements in a scrutiny review

			which will look at the approach the Authority takes to H&S; and to ensure the Authority is fully compliant with relevant H&S legislation. A scoping document will be presented at the December meeting.
<b>Standing Items</b>			
<b>Ongoing</b>	Quarterly Budget Reports	The Committee will receive quarterly financial reviews.	The quarterly 2011/12 Financial Reviews were presented throughout the year. The 2012/13 quarterly reviews will be presented to Committee throughout the year.
<b>3 April 2012</b>	Performance Management		The Executive Scrutiny Committee takes an overview of the performance scorecard and referrals to other Policy and Scrutiny Committees. At its 15 February (ES/005/11, minute 7) and 26 April (ES/022/11, minute 33) meetings the Committee considered the new arrangements for reporting performance. Quarter One Performance Report will be presented in July 2012; with Quarter Two following in October 2012.
	Equality Impact Assessments (ES-SCR-004)	Full Committee	A scoping document setting out the suggested areas of focus for this review was agreed on 23 June 2011 (ES/041/11). Committee received an update on 29 November 2011. A further update will be received in the spring of 2013.
	Refresh of EssexWorks Corporate Vision (ES-SCR-006)	Full Committee	The Committee considered the refreshed EssexWorks Corporate Vision on 29 November 2011, following previous consideration of this topic at the 23 June meeting.
	Member support, development and effectiveness (ES-	Full Committee	The Executive Scrutiny Committee considered this topic at its 29 November 2011 meeting. The main

	SCR-005)		<p>areas of focus were:</p> <ul style="list-style-type: none"> <li>• Member Development Charter</li> <li>• Member effectiveness</li> <li>• Support for Members</li> <li>• Information and communication for and with Members</li> </ul> <p>A scoping document setting out the suggested areas of focus was agreed on 23 June 2011 (ES/045/11). An update will be received in early 2013 in advance of the County Council elections.</p>
<b>1 May 2012</b>	Capita Resourcing		<p>The final report prepared by a Task and Finish Group convened from the Central Services Policy and Scrutiny Committee was presented for consideration on 25 January 2011. Report ES/024/11 containing an update from the Task and Finish Group was presented on 26 April 2011 where it was subsequently agreed that the topic would be brought to the 1 May 2012 meeting for continued monitoring. This report was received in July 2012.</p>
<b>26 June 2012</b>	Customer Satisfaction, Complaints and Public Relations		<p>The Executive Scrutiny Committee considered report ES/029/11 at its meeting on 24 May meeting, with Duncan Wood, Head of Research and Intelligence in attendance to introduce the report, answer questions and provide an update. The Committee agreed that a report providing details of the current performance in this area was brought to the July 2012 meeting (minute 42, 2011). The Committee will receive annual customer satisfaction reports. The first of which will be <b>July 2013</b>.</p>

<p><b>5 November 2012</b></p>	<p>Absence Management</p>	<p>Task and Finish Group</p>	<p>The Community Wellbeing and Older Persons Policy and Scrutiny Committee undertook a review into Absence Management for its' relevant Directorate. The Executive Scrutiny Committee awaited the outcome of this scrutiny before continuing with their review. The final scrutiny review report was agreed at the Community Wellbeing and Older Persons Policy and Scrutiny Committee on 9 December. A copy of this report was presented at the 25 January 2011 meeting of the Executive Scrutiny Committee, along with absence figures for all service areas. The Committee agreed (25 January, minute 6) that the topic would be referred to the Scrutiny Board, with a view to discussing each Policy and Scrutiny Committee reviewing their respective directorate absence statistics. The Scrutiny Board subsequently agreed that the Community and Older People P &amp; SC undertakes this task on behalf of all P &amp; SC's and established a Task and Finish Group which would report to Executive Scrutiny. The Committee agreed in September 2012 that this review was now complete given that absence rates within ECC are lower than comparable public sector organisations. A final report was presented to the 5 November 2012 Committee. The Committee will receive updated data in <b>November 2013</b>.</p>
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**Completed Scrutiny Reviews by the Executive Scrutiny Committee**

<p><b>3 April 2012</b></p>	<p>Corporate Human Resources issues</p>	<p>Full Committee</p>	<p>The Committee will considered a scoping document (ES-SCR-02/12) was considered by the Committee at its 31 January 2012 meeting and a report was received on 3 April 2012 and the Committee agreed that the</p>
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			scrutiny review of this item was complete
<b>25 January 2011</b>	Facilities Management Overspend	The full Committee agreed the summary report	At its 30 November meeting the Committee requested further information about the Facilities Management Service overspend detailed in the Financial Review as at the Half-Year stage 2010/11. A summary report containing details of the overspend was presented at the 25 January meeting.
<b>24 May 2011</b>	Risk Management and contracting arrangements (report ES/33/10)	The full Committee undertook the review.	The Committee monitored the scrutiny review recommendations at 24 May 2011 meeting and received a response from Councillor Louis, Cabinet Member for Major Projects and Commercial Services (ES/031/11). The Committee found that the recommendations had all been accepted, and good progress had been made against them. The Committee agreed that no further action was required in relation to this topic.
<b>29 November 2011</b>	Essex People Strategy 2012 and beyond including staff survey results (ES-SCR-007)	Full Committee	Adam Bowles, Head of Corporate HR and Keir Lynch, Executive Director for Transformation were in attendance to provide an update on the Essex People Strategy, focusing on 2012 and beyond, and include details of the staff survey results and collection methods. A scoping document setting out the areas of focus for this review was agreed at the 23 June 2011 meeting (ES/044/11).  The Central Services Policy and Scrutiny Committee originally considered the Essex People Strategy at its September 2009 meeting.
<b>September 2012</b>	The Changing Pattern of Finance within Local	Full Committee	The Committee agreed at its 30 May meeting that it receive a presentation in how the Local Government Finance

	Government		Bill will affect ECC; what approach the County will be taking to the changes and the areas which might be affected. The review should include The Community Infrastructure Levy, Business Improvement Districts, Localism Benefits, National Non-Domestic Rates, and Tax Increment Financing. This report will be received at the 11 September meeting of the Committee. A Member Development Session has been arranged.
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