



Essex County Council

Summons

To all Members of Essex County Council

You are hereby summoned to attend the meeting of the County Council to be held as shown below to deal with the business set out in the Agenda.

10:00	Tuesday, 23 February 2021	Online Meeting,
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Gavin Jones
Chief Executive

Officer Support to the Council:

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Prayers The meeting will be preceded by Prayers led The Right Reverend Hugh Allan O. Praem, the Titular Abbot of Beeleigh and Chaplain to the Chairman of Essex County Council.

Pages

1	Apologies for Absence	
2	Declarations of Interest To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct.	
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10	Clarification of answers provided in response to written questions asked by Members of the Council	
11	Oral questions to the Leader, Cabinet Members, chairman of a committee or the council's representative on the Essex Police, Fire and Crime Panel	

Essex County Council and Committees Information

All Council and Committee Meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972. If there is exempted business, it will be clearly marked as an Exempt Item on the agenda and members of the public and any representatives of the media will be asked to leave the meeting room for that item.

The agenda is available on the [Essex County Council website](#) and by then following the links from [Running the Council](#) or you can go directly to the [Meetings Calendar](#) to see what is happening this month.

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How to take part in/watch the meeting:

Participants: (Officers and Members) will have received a personal email with their login details for the meeting. Contact the Democratic Services Officer if you have not received your login.

Members of the public:

Public Questions:

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Online:

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Audio recording of meetings

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If you are unable to join the virtual meeting and wish to see if the recording is available, you can find out by checking the [Calendar of Meetings](#) any time after the meeting starts. Any audio available can be accessed via the 'On air now!' box in the centre of the page, or the links immediately below it.

Should you wish to record the meeting, please contact the officer shown on the agenda front page.

Minutes of the meeting of the Full Council, held virtually on Tuesday, 8 December 2020

Present: Chairman: Councillor J G Jowers
Vice-Chairman: Councillor E C Johnson

J Abbott	A Goggin	Dr R Moore
J F Aldridge	R J Gooding	J Moran
B Aspinell	I Grundy	M Platt
J Baker	C Guglielmi	C Pond
T Ball	M Hardware	R Pratt
S Barker	D Harris	J M Reeves
K Bentley	A M Hedley	P Reid
D Blackwell	I Henderson	S Robinson
A Brown	J Henry	W Schmitt
M Buckley	S Hillier	L Scordis
G Butland	P Honeywood	A Sheldon
S Canning	A Jackson	K Smith
J Chandler	D J Kendall	C Souter
P Channer	S Lissimore	J Spence
A Davies	D Louis	M Stephenson
J Deakin	J Lumley	M Steptoe
M Durham	M Mackrory	A Turrell
B Egan	R A Madden	L Wagland
A Erskine	B Massey	S Walsh
D Finch	P May	C Weston
R Gadsby	L McKinlay	C Whitbread
M Garnett	V Metcalfe	A Wood
	R Mitchell	J A Young

Prayers

The meeting was preceded by prayers led by Councillor J Spence.

The Chairman, Councillor Jowers, formally opened the meeting

The Chairman welcomed members to the meeting.

The Chairman reminded members that although attendance at the meeting was 'remote' they should remain engaged in the meeting and refrain from responding to emails and texts during the meeting.

Members were also reminded to keep their microphone on mute for the duration of the meeting unless they wish to speak, and they should remember to address all remarks through the Chairman.

The Chairman confirmed that he had received a list of members wishing to speak on agenda items in advance and that he would call everyone on that list, however if others wish to speak or to raise a point of order or personal explanation the 'raise hand' function was to be used. He then gave other more advice concerning the management of the remote meeting.

The Chairman advised members that the meeting was being streamed live over the internet via the ECC Democracy YouTube channel in addition to the audio broadcast. Recordings of both would be found on the internet after the meeting.

1. Apologies for Absence

Apologies for absence were received on behalf of Councillors Beavis, Maddocks and McEwen.

2. Declarations of Interest

The following declarations were made:

- A code interest by Councillors Durham and Young as Trustees of Firstsite, Colchester.
- Councillor Wood also declared that his wife worked for the Clacton Coastal Academy.

3. Confirmation of the minutes of the meeting held on 13 October 2020**Resolved:**

Councillor Pond asked that there be a correction at page 3, paragraph 3, to note that the late and former Councillor Bass was first elected to represent Maldon Rural District Council and not Maldon District Council as the latter body did not exist at that time.

Subject to that correction, the minutes of the meeting held on 13 October 2020 were approved as a correct record and signed by the Chairman

4. Public Questions

The Chairman welcomed Mr Lee Scott, a resident of Chigwell, who asked a question concerning potholes. He asked: 'Can the Cabinet Member please tell me how priority for pothole repairs is decided and can I thank him on behalf of residents for the recent repair to the dangerous large pothole at junction of Forest Lane and Chigwell High Road Chigwell Essex.'

Cllr Bentley, Cabinet Member for Deputy Leader and Cabinet Member for Infrastructure replied: 'The service delivers repairs in accordance with our published Highways Maintenance Strategy which is available on the Essex Highways website. We have a team of highway inspectors that inspect all highways features at different frequencies depending on the category of road. Each defect that meets our investigatory level is risk assessed and logged onto our asset management database. The risk assessment is a risk-based judgement about likelihood of interaction with each defect and the potential outcome of that interaction by a highway's user.

'Our primary aim is to provide a safe and available highway, so this means that we prioritise those defects that are likely to cause the most interactions but are also likely to cause the most harm or damage.

'As a County Council we aspire to repair all highway defects in good time. Essex is an extremely large county and the reality is that across a network covering more than 5000 miles of road, with more than 1500 structures and 127,000 street lights, there is the need to prioritise how we spend your council tax money to best effect of all residents.'

5. Chairman's Announcements and Communications

Breaks

The Chairman informed members of the arrangements he proposed for adjournments.

Death

The Chairman informed members that that former County Councillor, Mr Douglas Rice had died on 13 October. He had represented the Division of Braintree West from 1993 until 2001 and during his term of office, he had been Vice-Chairman of the Environment Committee and Vice-Chairman of the Planning Committee as well as a member of the Education Committee, the Highways and Transportation Committee, Development Control and various other committees.

Members observed a minute's silence in remembrance.

Awards

At the invitation of the Chairman, Councillor Walsh, Cabinet Member for Environment and Climate Change Action was invited to speak, he informed members that the County Council had been awarded the Building with Nature Accreditation for the Essex Green Infrastructure Strategy. He congratulated the team.

He also asked members to note that the Council had once again been successful in being awarded seven Green Flag Awards across the county's Country Parks. The Country Parks had proved themselves to be a valued resource in these difficult times. He congratulated the County Parks staff.

6. Receipt of petitions and deputations

There were no petitions presented.

7. Executive Statement

The Leader of the Council, Councillor Finch, made a statement 'Thanking the people of Essex.' The statement was subsequently [published on the website](#).

8. Motions

1. Enabling Pedestrians to Travel Safely

- Councillor Pond declared an interest as he lived close to a primary school where pavement parking was prevalent.

It was moved by Councillor Smith and seconded by Councillor Pond that:

'Council seeks to help all Essex residents, especially those who are elderly, infirm or disabled, to travel about safely on foot (as well as those who need to use wheelchairs, powered or otherwise). Actions taken by the Cabinet Member so far are appreciated, and Council calls upon the Cabinet to take following steps without delay, especially during the need to distance socially and to avoid public transport;

1. write to the Government to call for the swift introduction of a default pavement parking ban (as enacted in London by the Greater London Council (General Powers) Act 1974) to Essex and the rest of England.
2. create a programme to install tactile paving on the footway at crossing points. This could be achieved if all members were asked each year to nominate a set number of locations to the Cabinet Member for Highways, rather than use the expensive and lengthy LHP process,

3. develop a smartphone app that connects with signalised pedestrian crossings to help less able residents to cross busy roads with far greater safety and
4. institute a programme for the prompt and consistent installation across all parts of the county of pedestrian route signage, school streets, residential quiet zones, and appropriate cycling infrastructure.'

Having been put to the meeting the motion was **carried**.

2. Tackling Inequality Across Essex

- Councillor Smith declared that the first Youth Zone had just commenced in Basildon in his Division of Westley Heights.
- Councillor Aspinell declared that he was a Manchester United season ticket holder and the motion referred to Marcus Rashford MBE who plays for that team.

It was moved by Councillor Scordis and seconded by Councillor Henderson that:

'Covid-19 has exposed the huge inequalities in our county after ten years of cuts to public services. Families that were 'just about managing' have faced an uncertain future, while our most disadvantaged have been relying on the kindness of the community to make it through lockdown. We now face the biggest economic crisis since the 1930s, where thousands of Essex residents face the possibility of redundancy or their business folding. Youth unemployment is already at record highs.

This council resolves to send its thanks Marcus Rashford MBE for his extraordinary work to expose holiday hunger, and to all the charitable organisations, teachers, residents and businesses of Essex that went above and beyond to help others. Their kindness exemplifies the best of Britain.

The council calls upon

1. the Cabinet to:
 - ensure that the "holiday activity and hunger" programme to be appropriately resourced and delivered in partnership with schools and partner agencies targeted to the most in need,
 - work with local district and borough councils to create youth zones, initially targeted at the areas of highest deprivation, to support the needs of all young people in Essex,
 - investigate the council's contract with Virgin Care to ensure lost children and families are identified and supported, and
2. the People and Families Policy and Scrutiny Committee to create a task and finish group with the role of scrutinising how to maximise opportunity for young people across Essex.'

It was moved by Councillor Gooding, and seconded by Councillor Madden that the motion be amended to read:

‘Covid-19 has exposed the huge inequalities in our county and the need for “levelling up” through the continued and targeted support for our most vulnerable residents and communities. Families that are ‘just about managing’ are facing an uncertain future, while our most disadvantaged have been supported unprecedentedly by the government, ECC, third sector and the kindness of the community to make it through lockdown. We now face the biggest economic crisis since the 1930s, where thousands of Essex residents face the possibility of redundancy or their business folding. Youth unemployment is already at record highs.

This council resolves to acknowledge Marcus Rashford MBE for his extraordinary work to raise the profile, need and opportunities around holiday hunger, and to all the charitable organisations, teachers, residents and businesses of Essex that went above and beyond to help others. Their kindness exemplifies the best of Britain.

The council supports the continued efforts of Essex County Council and welcomes and recognises

- The extension of the “holiday activity and hunger” programme, to be appropriately resourced and once again, delivered in partnership with schools and partner agencies, targeted to those most in need.
- The expansion of the work being done with local district and borough councils as we continue to deliver our outstanding youth services, targeted not only at the areas of highest deprivation but universally across the County to support the needs of all young people in Essex,
- The importance of the Council’s contract with Virgin Care to ensure vulnerable children and families are identified and supported, and

Council calls upon the People and Families Policy and Scrutiny Committee to consider the creation of a task and finish group with the role of scrutinising how to maximise opportunity for young people across Essex.’

Having been put to the vote the amendment moved by Councillor Gooding seconded by Councillor Madden was put to the meeting and was **carried** and became the substantive motion.

The motion was then put to the meeting and was **carried**.

.....

- Councillor Butland raised a Point of Order expressing the concern that electronic voting may be discriminatory as two members had a disability and were unable to use the electronic voting system and being asked to orally declare their vote whereas those voting electronically did not have to reveal how they voted. The Chairman acknowledged the Point of Order and noted that the matter would in any event be resolved once members

were able to return to the Council Chamber when we could revert to the former systems of voting. At this point both members concerned indicated that they had been consulted on the proposed method of voting and were content that it happy with it. One of the members affected additionally commented that he found the electronic system a great improvement on the roll-call votes used at previous meetings

.....

9. Adjournment

With the agreement of Council, the Chairman adjourned the meeting at 12:10. The meeting reconvened at 12:20.

10. Motions (continued)

3. ECC support for residents and businesses

It was moved by Councillor McKinlay and seconded by Councillor Ball that:

'This Council recognises the fears and concerns of residents as we enter a new year and are positioned between a post lockdown and pre vaccine COVID-19 era.

This Council will ensure that we are there to support our residents, businesses and those families and children in the greatest need.

The Council notes that it has already invested hundreds of thousands of pounds to run a holiday hunger programme, provide summer camps and given money to foodbanks and organisations to help the most vulnerable in our communities. We recently announced a multi-million-pound rescue package to support communities and small firms with the assistance of our district colleagues.

Now, we must work with partner organisations as we plan for the new challenges and opportunities of the post lockdown, post Brexit, pre-vaccine world.

The Council calls upon the Leader and Cabinet to build on the work already undertaken with a focus on:

1. Ensuring support is given to young people and families across Essex to help them develop and seize opportunities.
2. Building resilience for families and communities as we ensure our vulnerable young people are protected.
3. Promoting and developing the conditions for businesses to grow the Essex economy, with a focus on the hospitality and leisure sectors.'

Having been put to the meeting the motion was **carried**.

4. Acknowledgement to the Response to the COVID-19 Pandemic

At the invitation of the Chairman, and before the debate began, Councillor Spence asked all those present to think of those Essex residents who had lost their lives to Covid-19 and at his request there was a moment of silent remembrance.

It was then moved by Councillor Spence and seconded by Councillor Henry that:

‘This Council recognises that 2020 has been an unprecedented year and wishes to formally thank all its employees, those of our partner organisations who have worked with us, the volunteers who have stepped forward from their community and the residents of Essex for their forbearance and resilience.

The Council particularly recognises all those across Essex who have been involved in creating a Covid-19 response that is regarded as being one of the best in the country. The level of support and performance given by our staff across all portfolios is something of which they should be rightly proud.

This Council commits, as we move into 2021, to maintain its high standards of financial probity and efficiency, and to expand still further the scale of its effectiveness. We recognise that innovation and focussed prioritisation will be required if we are to continue to deliver on the aims of the Organisational Strategy.

For the health and adult portfolio, this will require us to address the wider determinates of health, prevention agenda, and the ambition to optimise the quality of life and provide high standards of service to all in our care.’

It was moved by Councillor Young and seconded by Councillor Reid that the motion be amended to read:

‘This council formally thanks all its employees and those of partner organisations and all those residents of Essex who have volunteered, all of whom have shown great forbearance and resilience in their support the of Essex response to the pandemic which is regarded as being one of the best in the country.

The Council considers that the level of effort and performance given by our staff across all portfolios is something they should be rightly proud of and appropriately paid for and therefore commits to lobby national Government to reconsider the public sector pay freeze.

This Council commits, as we move into 2021 to maintain its high standards of financial probity and efficiency, and to expand still further the scale of its effectiveness. We recognise that innovation and focussed prioritisation will

be required if we are to continue to deliver on the aims of the Organisational Strategy of helping people get the best start and age well, help create great places to grow up, live and work, enable inclusive economic growth and transform the council to achieve more with less.'

Having been put to the vote the amendment moved by Councillor Young seconded by Councillor Reid was put to the meeting and was **lost**.

The motion was then put to the meeting and was **carried**.

11. Adjournment

With the agreement of Council, the Chairman adjourned the meeting at 13:30. The meeting reconvened at 13:50.

12. Annual Report of the Audit, Governance and Standards Committee

Councillor Hedley, Chairman of the Audit, Governance and Standards Committee presented the report.

It having been moved by Councillor Finch and seconded by Councillor Hedley it was

Resolved

That the report be noted.

13. Flexible Use of Capital Receipts Strategy

Councillor Finch, Leader of the Council presented the report

It was noted that there was an error in the report at paragraph 1.5 where the date shown was '2019/20' and it should read '2020/21' although the appendix and the recommendation in the report were correct. It was moved by Councillor Finch and seconded by Councillor Whitbread and

Resolved

That the report be noted.

14. Access Pension Scheme

Councillor Barker, Chairman of the Essex Pension Board presented the report.

It having been moved by Councillor Barker and seconded by Councillor Platt it was

Resolved

That the report be noted.

15. The Leader's Report of Cabinet Issues

Councillor Finch, the Leader of the Council, presented the report.

It having been moved by Councillor Finch and seconded by Cllr Bentley it was

Resolved

- a) To receive the minutes of the Cabinet meetings held on 20 October and 24 November 2020 and attached to the report as appendices 1; and
- b) To note those decisions that have been taken as urgent key decisions, not on the forward plan (Constitution para 19.17), or non-key decisions exempt from call-in on the grounds of urgency (Constitution para 20.15) as attached as Appendices to the report.

16. Written Questions

The published answers to the 18 written questions submitted in accordance with Standing Order 16.12.1 were noted.

Members sought points of clarification from the relevant Cabinet Members, details of which are available on the ECC [website via the audio recording of the meeting or on the ECC Democracy YouTube channel](#).

The written questions were:

1. By Councillor Mitchell of the Cabinet Member for Customer, Corporate, Culture and Communities

‘As a Royal Navy Veteran myself, I’ve recently been made aware of the Veterans Railcard scheme.

As a Climate Action Commissioner, I’m very keen to encourage more sustainable transport options for all, especially for those who have stepped up to serve their Country in times of conflict.

I would therefore ask if the Cabinet Member could share details with all Members so they can also support this honourable initiative throughout their Divisions?’

Reply

‘Essex County Council proudly hosts the Essex Civilian Military Partnership Board (CMPB) which offers strategic direction to the county's shared Armed Forces community covenant commitments. The Board is made up of representatives from the armed forces, Veterans' charities, Essex councils, and a range of public sector bodies.

As part of the work we do with Board members, we have shared with them, and promoted through our channels, details of the new Veterans Railcard scheme. This is a fantastic new initiative that helps enable Essex veterans and their families to have access to cheaper rail travel, in order to visit family and friends or simply enjoy a day out (covid restrictions permitting). It also encourages the use of more sustainable transport.

The Railcard is now on sale and is available to those that have served for at least one day or more in Her Majesty's Armed Forces (Regular or Reserve) and can be purchased for an introductory price of just £21 for one year until 31 March 2021.

Like other Railcards, the Veterans Railcard offers savings of 1/3 on most rail travel. It can be purchased online at: <https://www.veterans-railcard.co.uk/>.

I would encourage members to share these details throughout their divisions to enable as many veterans to take advantage of the introductory offer.

More information about what support is available to veterans can be found here: <https://www.essex.gov.uk/essex-armed-forces-community-covenant>.

2. By Councillor Young of the Cabinet Member for Health and Adult Social Care

‘Given that suicide rates in Tendring and Colchester appear to be higher than other districts, please can you let me know the levels of spending on mental health services by this authority every year during the past ten years and whether additional resources are going to be made available to target Colchester and Tendring and other areas with a high number to try to improve things?’

Reply

‘Suicide is a devastating and tragic event which, although comparatively rare, has profound impacts on families and communities. The latest suicide data, covering 2019, was published in

September 2020 by the Office of National Statistics. This shows that Essex has a higher rate of suicides than the national average and has had so for the past five years. Suicide rates in Tendring and Colchester are higher than the norm, based on their socio-economic ranking nationally and the reasons are unclear. On average, between 150 and 165 people die by suicide in Essex each year and every one of these deaths is a tragedy. This calendar year there have very sadly been four suicides in the under 18 population. Two of the young people were from Colchester; one from Basildon; and one from Braintree.

Essex invests significant funds in mental health services for both children and adults across the County. It is not possible to provide the full ten years of data. However, the previous five years, plus the committed funding for this financial year is available. The figures for children's services include the contribution that Essex County Council makes to the collaboratively commissioned Emotional Wellbeing and Mental Health Service (EWMHS) and funding for early intervention programmes. Within the figures for 2020/21 is included the committed funding for a pilot project which commences for a period of 18 months from January 2021. This project establishes a new multidisciplinary team, which will be focused on Tendring and provide mental health support alongside drug and alcohol misuse support. The spend on Adults' services includes our spend on Assessment and Case management, Care and Support and commissioned services.

Financial Year	Children's Mental Health Service	Adult's Mental Health Services
2015/16	£2,768,727	£19,318,000
2016/17	£2,115,319	£19,507,000
2017/18	£2,137,242	£19,407,000
2018/19	£1,957,634	£18,960,000
2019/20	£1,984,684	£19,495,000
2020/21	£2,557,081	£21,182,000

Suicide is very complex and most individuals who take their own lives have a history of mental illness, especially depression, and there are often a range of additional underlying risk factors, such as unemployment, debt, or other adverse life events. Services do play a role, but it is important to note that the national data shows that only about one in four of those who take their own lives are known to mental health services. Therefore, investment in broader, early intervention and prevention and awareness campaigns are paramount. Essex County Council commissions a range of early intervention and prevention support, including our Family Innovation Fund services for children and families and the Futures in Mind community support offer for adults. The Essex Adult Mental Health and Wellbeing Team also provides direct, early help to adults in Essex who are beginning to experience poor emotional wellbeing who do not meet the threshold for statutory services. Essex County Council has also recently run an

Adult Mental Health communications campaign across social and mainstream media and are continuing to develop and publish content to highlight the services available and encourage anyone who is experiencing poor emotional wellbeing or mental health to access help.

There are specific interventions already in place in Colchester and Tendring, with two mental health hubs in those areas. There is targeted work to support Veterans and the 'Never too late Mate' campaign is focusing on improving the knowledge and understanding of local providers and businesses in the area to be more mental health and suicide aware. Other services include the two crisis cafes in Colchester and Clacton, commissioned by Essex County Council and North East Essex CCG, and the Men's Mental Health Community Fund, which is being run by Tendring CVS. There is also a task and finish group being established to cover both Tendring and Colchester to carrying out a deep dive into the suicide rates there to get a better understanding of the issues and potential mitigations.

Finally, suicide was a major topic of discussion at the most recent Essex Health and Wellbeing Board, reflecting the concern felt across the whole system, and where we were grateful to the office of HM Coroner for Essex for their engagement.'

3. By Councillor Harris of the Deputy Leader and Cabinet Member for Infrastructure

'Could I ask the portfolio holder for an update on the Review of the Essex Speed Strategy mentioned at last Full Council meeting please. How is the review going for 20mph Policy please, and will the LHP be consulted in the next few months?'

Reply

'I thank the member for Maypole for his question on the review of the Essex Speed Strategy.

Since the last full council, I have had a meeting with officers to discuss the Essex Speed Strategy to start the review process and make it fit for purpose. We will also be bringing in Hertfordshire County Council Officers in the new year to discuss how they changed their policy to be more effective with their strategic aims such as sustainable transport and clean air.

We currently intend to formally consult with the LHPs in the spring but of course we first need to make sure we have looked into all the options as we normally do before consulting on topics.'

4. By Councillor Young of the Cabinet Member for Health and Adult Social Care

‘One of my constituents has raised the important issue of malnutrition of the elderly. She has urged us to review the council’s spending on food for older and disabled people in the Wivenhoe area and in the rest of Essex, and in particular to ensure that funding for meals on wheels services is made available.

Across the country, numerous community groups have started providing meal delivery services for those in need during the initial lockdown. But to be sustainable, these groups need financial backing as well as support to integrate with adult social care so that they can access regular and appropriate referrals.

My constituent has requested that Essex County Council takes the following action;

- protects or reintroduces and enhances a local meals on wheels service,
- promotes a ‘more than meal’ approach where services include welfare checks, links to other support, and a lifeline of regular contact and
- champions innovative and strategic approaches that recognise the long-term benefits and cost-savings of meals on wheels for older people, for communities, and for the public purse.

Please can I request that an urgent review is conducted focusing on the existing arrangements and addressing these specific points.’

Reply

‘Essex County Council mobilised the Essex Welfare Service (now known as the Essex Wellbeing Service) in March 2020 with the aim of deploying food and medical supplies and supporting people’s wellbeing during lockdown and in recovery from COVID-19. This involved:

- Deploying emergency supplies to those people identified as Clinically Extremely Vulnerable who had not received food supplies from Central Government
- Working with over 3,000 volunteers to provide shopping for people who were unable to do so themselves
- Working with the district, borough and city councils through community hubs to connect people to volunteers and services that provided support with food, (be it through shopping or direct food bundles)
- Funding foodbanks to support the most vulnerable members of our community.

It must be remembered that ECC moved away from providing a 'meals on wheels' service because of the falling demand from residents, which led inevitably to the meals merely being delivered without the social interaction that residents so appreciate. We are working with local communities to promote the 'more than meals' offering to which you refer, as evidenced by the grant schemes that have been announced. One of these provides a facility for local councillors to provide funding to organisations and community groups in their own area, for the very purposes you describe. We believe that councillors, faith groups and other community organisations are the best placed to identify where the hidden needy are.'

5. By Councillor Reid of the Cabinet Member for Education and Skills

'Two-thirds of schools have students who are self-isolating. Government statistics reveal that almost two in three secondary schools in England had at least one student self-isolating as a result of potential contact with Covid-19 last week. Nearly two-thirds of secondaries are sending pupils home and we have a chaotic system rota system by default.

Schools need to give the latitude to move to a planned system. Teacher absence also mean many schools face closures. The impacts of loss of schooling over the pandemic is going to have an enormous impact on those students who are taking exams this year.

Can we as a County Council put pressure on the Government to decide what form of attainment is going to be used in England (Scotland and Wales students already know what they will be assessed on) so that students can feel more confident about their expectations and teachers know what they are going to base the assessments on.'

Reply

'I share the concerns raised about the impact of further loss of in school learning on pupils this year, especially on those taking exams in the summer of 2021. As a result I wrote to the Secretary of State for Education on 13 November 2020 to request urgent information is provided by the DfE in respect of the contingency arrangements that will need to put into place to ensure a fair and equitable examinations system for all pupils next summer. The letter was copied to the Schools' Minister and Children's Minister. We are awaiting a response to my letter.

In addition, the government last week issued further information around their plans for exams for 2021 to address the disruption faced by students during the pandemic.'

6. By Councillor Reid of the Cabinet Member for Education and Skills

‘Home schooling numbers are up by 38%. A survey of 151 councils by the Association of the Director of Children’s Services (ADCS) has found that the number of home-schooled children in England has risen by 38% year-on-year from 54,656 on 1 October 2019 to 75,668 on the same date this year.

Councils have reported that fears around Covid-19 were the top reason given by parents for home-schooling their children with many parents saying that they would send their children back to school once they feel it is safe to do so.

The ADCS ‘want to be able to support these families to make an informed choice and are equipped to offer a good and broad education’ but cautioned that without a statutory register it is impossible to know every child or young person who is being electively home educated.

We know the impacts of the pandemic will be far reaching for all of us and especially for our young children. We realise this also will come with safe-guarding issues. Over this period, we feared an invisible crisis and that abuse and other issues were going unnoticed behind closed doors and it has been reported that since the first lockdown has ended, we have seen a rise in referrals to Children’s Social Care.

Can we put pressure on the Government to revisit, at the earliest convenience, the response to a 2019 Department of Education consultation on setting up a register of children and young people who are not educated in school?’

Reply

‘The Education Select Committee recently conducted an Inquiry/Call for Evidence, specifically linked to the topic of ‘home education’. Essex County Council submitted, at the start of November 2020, a thorough response to this Inquiry and, on the matter of setting up a mandatory register of all home educated children and young people, we stated the following:

To reiterate some of the points made within our responses to previous DfE consultations/calls for evidence on this exact point, Essex County Council would welcome a duty to maintain a register of ALL children and young people who are home educated within our jurisdiction for the following reasons:

In Essex a voluntary registration scheme is in operation and we do not believe that this has been fully utilised by our local home education community. Our available data shows that on 1 October 2020, we had 2018 children and young people, falling within cohorts Reception through to Year 11 registered in Essex as home educated. This is compared to 1,578 on the same date in 2019 and 1,510 on the same date in 2018 - an increase of 33.64% over two years.

It is our view that the advantages of mandatory registration of children educated at home (with duties on both local authorities and parents in this respect) would be:

- all children and young people will be known to the local authority whose jurisdiction within which they reside. Local authorities will be better equipped to safeguard their children and to ensure that the right level of school places are available, should parents elect to return their children to the school system at any point;
- the local authority would be in a position to ensure that all key services available to children and young people are aware of every child that is eligible for their services. Currently, much information is shared by these services via schools but children and young people not on roll at a school are not in receipt of information which may be of use to them. By introducing mandatory registration, a fairer system can be introduced by local authorities to address this current issue.
- Currently, home educating families are able to move from the jurisdiction of one local authority to another, without any expectation that they notify each relevant authority of their move. This leads to families 'falling off the radar' and causes significant work for local authorities who are forced to follow their 'children missing education' procedures in attempts to locate families who are found to have left their jurisdiction, often after some time has passed. By placing joint duties on both local authorities and parents, in respect of mandatory registration, any such provisions should include the need for families to alert their local authority when any significant changes to contact details take place e.g. address, email address, telephone contact number, etc.

I hope that the above information evidences that, as a local authority, we continue to urge the Department for Education to review existing practices and systems that are in place in respect of elective home education. We are taking every available opportunity to share our views in respect of the need to introduce a mandatory register to allow all local authorities to be better-informed regarding the size of their local home educated cohort and to enable them to plan, resource and safeguard this specific cohort as effectively as possible.'

7. By Councillor Davies of the Deputy Leader and Cabinet Member for Infrastructure

‘Will the Cabinet Member commit to reviewing the parameters and methodology for Essex speed surveys, in order to bring in lower speed limits and traffic calming measures based on safety?’

Reply

‘I thank the member for Laindon Park and Fryerns for his question on Essex Speed Surveys.

The methodology for Essex Speed surveys is designed purely to collect accurate data which then can inform decision making. The Essex Speed Strategy sets out the policy for that decision making and it is in the process of being reviewed.

Since the last full council, I have had a meeting with officers to discuss the Essex Speed Strategy to start the review process and make it fit for purpose. We will also be bringing in Hertfordshire County Council Officers in the new year to discuss how they changed their policy to be more effective with their strategic aims such as sustainable transport and clean air.’

8. By Councillor Scordis of the Deputy Leader and Cabinet Member for Infrastructure

‘Could I ask the portfolio holder to confirm the extent of ongoing works to resolve the flooding of Haven Road, Colchester at high tide?’

Reply

‘I thank the member for Abbey for his question on Haven Road, Colchester.

This is a longstanding problem and not one that can be solved by highways alone. ECC have a coordinating role as the Lead Flooding Authority and we have investigated several potential mitigation measures to try and address this issue over the last few years. After extensive feasibility studies, we delivered a flood alleviation scheme immediately upstream of Haven Road which has reduced flood risk to several residential properties. This involved reinforcing and ‘straightening’ an existing culvert to make it more hydraulically efficient. However, in relation to the flooding of Haven Road itself (downstream of our scheme), none of the proposed solutions were financially viable, meaning we have been unable to resolve this issue.

Water is constantly running through the whole system and discharging into the River Colne. When the tidal flap is shut, the water cannot outfall into the river meaning, backs up and floods Haven Road. We’ve explored the possibility of increasing the number of outfalls discharging

into the River Colne, installing pumping stations to get the water away from the low point on Haven Road and increasing the capacity of the upstream Distillery Pond. All of these would be extremely difficult to deliver and very costly.

Officers continue to look into this issue and work collaboratively with partners to explore what options there are to solve this longstanding issue.'

9. By Councillor Durham of the Cabinet Member for Customer, Corporate, Culture and Communities

'Can I ask the Cabinet Member to confirm that library membership is open to all Essex children free of charge and that Essex County Council will continue to offer the Book Start programme throughout the county.'

Reply

'Library Membership is open to all Essex children and adults free of charge and we are committed to continuing to offer the Bookstart Programme across the county. Bookstart is a national book gifting programme that offers free book packs for every child and guidance materials for parents and carers. The packs help families develop a daily reading habit at home and give every child a flying start in life.

In 2019-20 we gifted 15,006 Baby book packs (91% of the birthrate of 16,550) and 19,808 Treasure book packs, for children aged 3 (100% of eligible children). Despite a small pause as a result of COVID, we have continued to run the Bookstart programme this year.'

10. By Councillor Harris of the Cabinet Member for Education and Skills

'Local school, Thomas Lord Audley has reported the good news that more students than ever are cycling to school. It does create an issue for them though, as their existing storage facility for 60 bikes is insufficient. They've also said that they have limited money to match-fund anything that external funders such as ECC might contribute, claiming the money needs to be focused on the education of disadvantaged students.

A new cycle shelter is needed. They range in value from about £9,000 up to £21,000, both without VAT.

Are there any funding streams that the portfolio holder is aware of, other than the Local Highways Panel, which could contribute to this

cost? Is there anyone else you would recommend asking about funding or could Essex County Council portfolio holders provide assistance?’

Reply

‘It is really positive that more children are cycling to school than ever before at Thomas Lord Audley.

I have made some enquiries, there is, however, no funding available for such projects within the education portfolio. As the school is an academy it receives its funding directly from government and is responsible for its own budgeting.

One thing to consider is whether Cllr Harris might want to use some of the £10k County Council members locality funding that he received for local projects to help with the school’s expenses.’

11. By Councillor Scordis of the Cabinet Member for Health and Adult Social Care

‘Can the portfolio holder provide me with an update on the local test and trace scheme please? Specifically, how effective is it? And what could be improved about the system moving forward?’

Reply

‘Essex and Southend Contact Tracing Service (ESCTS) was set up to work closely with PHE Local Health Protection Teams to manage exposures, clusters and outbreaks in settings such as schools, universities, businesses, care homes and health care settings.

It is well thought of regionally and nationally and was asked to support Norfolk County Council around poultry farm outbreaks some weeks back.

The service also took over responsibility for what are called the ‘Lost to Follow Up’ cases (LTFU) from the national team on the 24/10/20. In doing so, ESCTS has improved the rate of positive cases successfully closed from 69% on the 24/10/20 to 86% on the 27/11/20

The number of settings and ‘Lost to Follow Up’ cases has significantly increased over time; the service dealt with in excess of 1,800 incidents in different settings in November. A number of service developments are currently underway including increasing capacity, providing backward contact tracing and welfare calls to all positive cases, and contacting all asymptomatic contacts of positive cases and encouraging them to get tested. This involves an additional £1.6m investment by Essex County Council.’

12. By Councillor Mackrory of the Deputy Leader and Cabinet Member for Infrastructure

‘Can the Cabinet Member explain the process for determining the order of repair for the ‘50 Worst pothole’ procedure within a Division? The question arises after potholes were repaired in one road in my Division on one day but another group in an adjacent road were repaired a week later and others mid-way between are still waiting as are others elsewhere in Springfield?’

Reply

‘I thank the member for Springfield for his question on the Member-Led Pothole Scheme.

The County Member might remember that this was covered in my note that launched the scheme where I advised that the highways teams would look to assess the requests to be deliver alongside other highways activities until the end of project which is due to finish at the end March 2021. I have added the notes that Members might find helpful below.

Members will no doubt appreciate that each defect needs to be considered for repair taking the road, speed limits and surrounding conditions into consideration. This also means that different traffic management and permitting requirements may be required.

The team are circulating a weekly email to all councillors advising them of road repairs that are happening in the following week too.

For information:

- a. Repairs will be grouped into areas that will benefit from the same method for repair, so we gain the greatest efficiency of operations. This may mean that repairs may be made at different times/dates, in different parts of your division. We will try to let you know ahead of time when repairs will be carried out so that you can attend if desired.
- b. Where your list identifies a fault that we already know is already going to be resolved through a future confirmed programme of work such as major resurfacing, we will inform you.
- c. Some faults may meet our criteria for ‘making safe’ urgently, in which case we will do that urgently as we cannot compromise road users’ safety.
- d. Repair crews will, where possible, repair adjacent carriageway defects where the defect is also inside the marked traffic management zone, and when the gang have the right materials and equipment immediately to hand. This may mean that you get more defects repaired nearby in one road than you had listed.

- e. Scheduling and completion of works will be subject to prevailing weather conditions.
- f. We will maintain all necessary social-distancing guidelines related to Covid-19.'

13. By Councillor Mackrory of the Deputy Leader and Cabinet Member for Infrastructure

'Can the Cabinet Member ensure that highways works contractors remove their signage once the works are complete? For example in Epping High Street two road works signs have been propped up against a speed camera sign for two years and at the southern end of Main Road, Great Leighs a large 'Road closed ahead' sign has been prominently displayed for well over a year. Apart from being unsightly this leads to drivers doubting the relevance of current warning signage.'

Reply

'I thank the member for Springfield for his question on removing signage after works are completed.

Under the legislation governing roadworks, and through our roadworks permit scheme, ECC is able to impose a financial penalty on any organisation that leaves signage or other materials on the highway once they have completed works. We have a team of roadworks inspectors who undertake a variety of inspections of sites, who will pick up as many of these issues as possible; however, it is always helpful if these things can be reported to us so that we can direct the inspectors to specific issues/locations.'

14. By Councillor Baker of the Cabinet Member for Children and Families

'The Chief Executive of East Anglian Children's Hospice (EACH) has publicly stated that the hospice is in need of additional funding if it is to continue to provide the high quality health care for the children and young people of East Anglia who have life-limiting conditions or who require end-of-life care.

I understand that the National Health Service (NHS) currently provides 17 percent of the necessary funding to the hospice and that the remaining 83 percent of the funding comes from voluntary giving. Due to the current pandemic, the voluntary giving has reduced drastically, and this vital service provided by the hospice for the children of East Anglia, which includes Essex, is asking the NHS to increase its funding.

My question to the Cabinet Member is:

Will Essex County Council, on behalf of the children, young people and families of Essex, write to the Secretary of State responsible for the National Health Service requesting that the NHS review its financial support for East Anglian Children's Hospice (EACH) in order to compensate for the reduced funding it is currently receiving from voluntary giving because of the pandemic, in order to maintain its vital service of health care and support for those children and families in Essex requiring it.'

Reply

'Thank you for the question. While we have highest regard for the wonderful work that children's hospices do, we do not think it is in the remit of Essex County Council to seek to persuade the government to ask the NHS to allocate more money – particularly given the other huge strains on their resources at the present time.

We are, however, aware of considerable pots of money being made available to the voluntary sector by the government at this time and would suggest that this is where the hospices could consider looking for increased resources.'

15. By Councillor Deakin of the Cabinet Member for Children and Families

'Does this council have any concerns over the procedures to enable the Half Term Grants to be issued quickly?

Were appropriate checks on the details of the applications thoroughly checked and verified?

I do understand the necessity for speed and I'm sure the grants were welcomed by the successful charities. Many have posted photos on social media showing families eating or volunteers delivering bags of food. These tell a good story but it's not evidence.

With another funding stream now open, what checks are in place to ensure all the funding is actually spent on purchasing and providing of supplies for those families most in need?

Does this council have assurances from EALC that the successful charities will be required to provide evidence, such as invoices, on how their grants were spent?'

Reply

'The applications come from locally trusted organisations, many whom ECC teams already work with as well as the Essex Association of

Local Councils (EALC). Where there is an application, and the applicant is not known, then the EALC team will do additional checks and have a phone call conversation to find out more about the project.

There is a certain degree of trust as these not-for-profit organisations are going to use the funding to reach families and individuals most in need, for many they have been set up specifically to support the most vulnerable residents.

Officers have been managing the relationship with foodbanks across Essex since the beginning of lockdown and so we have a good understanding of the work they deliver and how they target those most in need.

With the foodbank fund it is clear in the criteria what this funding is to be used for and there is a list of conditions that projects have to agree to. EALC are clear on the criteria and we get sent a list of applications each day and we have the opportunity to ask questions about any of the applications before an acceptance letter is sent out.

We check the expenditure and monitor this against the grant conditions set by the DWP to ensure that the fund is being used correctly. Third-party organisations must stipulate their estimates for target volumes they intend to achieve, and this is calculated at the end of the process to ensure that the funding is being used as it should.'

16. By Councillor Deakin of the Deputy Leader and Cabinet Member for Infrastructure

'In Chelmsford we have a number of underpasses which link communities and key areas such as the city centre, railway station, bus station, schools and several industrial areas.

Every time there is a heavy downpour the underpasses flood and force people to have to cross some very busy roads, including Parkway, to continue their journeys.

Will the Cabinet Member expedite the clearing and cleaning of the drainage systems and associated gullies for these underpasses as the safety of our residents is paramount?'

Reply

'I thank the member for Chelmsford West for her question on underpasses in Chelmsford.

Flooding may occur after very heavy rainfall over a relatively short period means the drains don't have the capacity as water always finds the lowest point and this usually means subways flood.

Officers are aware of the importance of these underpasses and action is swiftly taken when problems occur, we are also aware that not all subways have pumps. It needs to be appreciated that a number of different agencies have a direct influence on the successful workings of the drainage systems given that Chelmsford City Council are the street cleaning authority and these systems discharge into a water authority outfall.'

17. By Councillor Abbott of the Deputy Leader and Cabinet Member for Infrastructure?

'The recent closures of the A12 by Highways England for roadworks led to significant disruption, several incidents of damage to ECC highways infrastructure (streetlights, a bridge, highway signs and verges) and damage to private property - all caused by HGVs diverting through villages including Rivenhall. The police, ECC Highways and UKPN all had to be called out several times.

Whilst the roadworks were necessary, surely the disruption and damage caused by HGVs was avoidable if better planning had been put in place?

Is ECC satisfied with the arrangements made by Highways England for the diversions - and what lessons can be learned for the future?'

Reply

'I thank the member for Witham Northern for his question on Highways England's roadworks on the A12.

The A12 roadworks were part of Highways England's (HE) Concrete Roads repair programme and necessitated several periods of complete road closure. We know that disruption to local journeys was at times severe and yes, we do have some evidence of damage to assets on our network. We have to be careful here. Where it was an obvious consequence of the works, we will take these matters up with HE. However diversionary routes properly signed and used are a feature of such works, and the routes, whilst not always ideal, are the ones that have been used for many years. In some cases they are the only ones available for the largest of vehicles which is why they are signed as they are. Better planning is always at the forefront of everybody's minds when things go awry, we have already spoken at member and senior officer level about the change to the road closure programme made at short notice and with ineffective on-street signing. We have reminded HE that although there are many social media and

electronic means of conveying changes to programmes of work these cannot be assumed to be read by the public at very short notice. To be fair to HE, managers were attempting to compress the works programme to save on the need for further road closures later in the month. I think we have to remember that if we want an efficient programme of work that responds to circumstances that this may come with short notice changes to traffic management. The alternative is to stick to an original schedule even when it is obvious that work could be completed more efficiently and in shorter time. We will review the diversionary routes with HE especially with the road widening in mind. We will look for alternatives but ultimately in many cases the options are limited and we do have to sign routes for the largest vehicles on the network although drivers of smaller vehicles will inevitably use their sat navs to use other routes.'

18. By Councillor Henderson of the Cabinet Member for Children and Families

'I am sure the Portfolio Holder for Children and Families is aware of Tendring District Council's recently published 2020-25 Housing Strategy. The publication refers to Government welfare reforms in recent years and highlights how they have impacted on the lives of children and families living within the Tendring District.

The publication states that 'There have also been a number of welfare reforms in recent years that have impacted on the housing market and the lives of residents in the district.'

Tendring has suffered disproportionality from benefit cuts, the spare room subsidy, the introduction of universal credit, the freezing of the local housing allowance and the reduction of Council Tax Benefits. Consequently, it has increased deprivation and has a high prevalence of mental health disorders in children, which is not surprising given the high levels of child poverty and deprivation in the district. Mental health disorders in children have an impact on educational attainment and Tendring generally ranks poorly compared to the rest of Essex in terms of educational attainment.

Can I ask the Portfolio Holder, having now been made aware of the hard evidence highlighting how recent welfare reforms are having a serious, lasting impact on the lives of children and families living within this county, does she still stand by her publicly made statement that: "These are promising times and it is great to see the Conservatives tackling the issues that really matter; cutting benefits..."?

Reply

'I stand by what I said in 2015, which was a blog that I wrote in relation to the first 100 days of the Conservatives winning the general election.

The government's approach through universal credit, replacing the out-dated, bloated and complicated benefits system, combined with support for return to work, has clearly developed greater opportunities for people to enter employment and be rewarded for it. Indeed, the UK employment rate was estimated at a joint record high of 76.6% between January and March 2020. This means more people able to earn a living, start careers and become more self-reliant.

In March 2020, the whole world entered a once in a century pandemic which obviously has had a vast impact on the economy, employment, needs and welfare of communities. The repercussions of the COVID-19 crisis will be felt for years to come. Using a partial quote from 2015 during an unprecedented global crisis is certainly taking things out of context.

The question appears to suggest that the challenges in Tendring have only come about since the Conservatives made changes to welfare and benefits, which we all know is not the case. Furthermore, whilst there is clearly much more to do, this administration at Essex County Council has done much to support the area and continues to do so. From building new roads to providing key programmes of intervention to help the most vulnerable.

In just the last year, we have supported families through the Working Families Programme, which is an ongoing suite of initiatives to help those families who are working or seeking employment. The summer camp scheme, which offered free childcare over the summer to families right across Essex was hugely successful and is set to be expanded further. I draw Cllr Henderson's attention to the holiday hunger programme and winter food money which is supported by vast investment from the government and the County Council. I led the introduction of a laptop scheme to provide children in need with the technology to do their schoolwork at home. We have identified young people leaving care as a vulnerable group and are providing additional support for them and removed the need to pay council tax until they are 21. Finally, on 7 December, I will be in front of the People and Families Policy and Scrutiny Committee and will be talking to them about a new project specifically for the Tendring area, designed to focus additional resources and look at new forms of intervention for vulnerable families.'

17. Oral Questions of the Leader, Cabinet Member, a chairman of a committee or the representative of the Essex Police, Fire and Crime Panel.

A recording of the questions is available on the ECC website [via the audio recording of the meeting.](#)

The questions asked were:

Question asked by:	Question to:	Concerning:
Councillor Aspinell	Leader of the Council	Mis-sold PPE.
Councillor Aspinell	Deputy Leader and Cabinet Member for Infrastructure	Removal of temporary signage.
Councillor Young	Deputy Leader and Cabinet Member for Infrastructure	Highway repairs.
Councillor Pond	Leader of the Council	Postal service delays.
Councillor Pond	Cabinet Member for Communities, Customer, Culture and Corporate	Loughton Library.
Councillor Abbott	Deputy Leader and Cabinet Member for Infrastructure	Lit highways assets.
Councillor Robinson	Deputy Leader and Cabinet Member for Infrastructure	Plans for the delivery of the Chelmsford City Growth Package.
Councillor Smith	Deputy Leader and Cabinet Member for Infrastructure	Lack of signage at Cherrydown East.
Councillor Smith	Leader of the Council	Coronavirus restriction tiers.
Councillor Reid	Cabinet Member for Health and Adult Social Care	Lateral Flow Tests.
Councillor Wood	Cabinet Member for Education and Skills	Redundancies at schools.
Councillor Wood	Cabinet Member for Health and Adult Social Care	Suicide rates.
Councillor Henry	Cabinet Member for Health and Adult Social Care	Coronavirus levels in the Borough of Basildon.
Councillor Egan	Cabinet Member for Health and Adult Social Care	The Council's response to the coronavirus pandemic.
Councillor Davies	Leader of the Council	Youth zones.
Councillor Garnett	Cabinet Member for Communities, Customer, Culture and Corporate.	Refurbishment of Harlow Library.
Councillor Kendall	Cabinet Member for Environment and Climate Change Action	Problem parking associated with Thorndon and Weald Country Parks.

Councillor Kendall	Deputy Leader and Cabinet Member for Infrastructure	Funding for highways scheme at Devils Head crossroads, Warley.
Councillor Butland	The Leader of the Council	2021/22 Budget setting to tackle inequalities in pay.

18. Closure of Meeting

The Chairman closed the meeting by thanking all of the Council's employees, partners, the residents of Essex and members for the hard work and dedication demonstrated over the previous 10 months. The Chairman noted that it had been the most challenging of times and would continue to be so.

However, he wished everyone a restful and peaceful break and expressed the hope that 2021 would be a healthy and happy year for the residents and businesses of Essex and the council's employees and partners.

He wished everyone a very Merry Christmas and a happy healthy New Year.

Finally, the Chairman thanked all those involved for the support he had received to ensure the smooth running of the meeting.

Chairman

Agenda Item 7

Report title: Organisation Plan and Budget 2021/22 – Part 1: Section 151 Officer Report	
Report author: Nicole Wood, Executive Director for Finance and Technology	
Date: 23 February 2021	For: Discussion
Enquiries to: Nicole Wood, Executive Director for Finance and Technology	
County Divisions affected: All Essex	

1 Purpose of the Report

- 1.1 The report sets out the Section 151 (S151) Officer's statement on the adequacy of reserves, robustness of the 2021/22 revenue budget, as well as the Financial Strategy and the Capital and Treasury Management Strategy. The S151 Officer for the Council is the Executive Director for Finance and Technology.

2 Recommendations

- 2.1 To note this report before making a decision on the recommendations on the budget and capital programme.

3. Assurance Statement of the S151 Officer (Executive Director for Finance and Technology)

- 3.1 I have examined the budget proposals and, whilst the spending and service delivery proposals are challenging, they are achievable given the political and management track record and current plans to implement the changes.
- 3.2 The Council has a good track record on financial management and delivering savings. The Council's external auditor recently concluded that adequate arrangements are in place for budget monitoring and taking mitigating actions to eliminate the impact of any over spends and undeliverable savings and that the Council is on track to deliver its required savings in 2020/21. The external auditor also concluded that the medium-term resourcing strategy reflects known savings and cost pressures and that key assumptions are reasonable and hence that the Council has adequate arrangements in place to remain financially sustainable in the medium term.
- 3.3 The level of reserves are appropriate but require continual monitoring given the risks and we will continue to report quarterly to Cabinet on the reserves position.
- 3.4 The 2021/22 revenue budget and the capital programme are included elsewhere on the agenda. Whilst the budget shown is balanced, there remains a gap between our estimated spend and assumed funding for 2022/23 and onwards. The Council only has certainty of funding for 2021/22 and

considerable uncertainty remains in the sector around the funding structures for local government beyond 2021/22; a multi-year settlement is expected from 2022/23. It is imperative the Council maintains focus on financial sustainability and produces a balanced budget over the medium term.

4. Background

- 4.1 The S151 Officer is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act.
- 4.2 The budget is a financial plan of the Organisation Strategy and forms part of the annual Organisation Plan. The budget is delivered through Cabinet Members who have a portfolio responsibility for several services, which will deliver the strategic aims and priorities of the Organisation Strategy.
- 4.3 This report concentrates on the draft 2021/22 revenue budget, level of reserves and capital programme as set out elsewhere on this agenda, but in addition it also considers key medium-term issues faced by the Council.

5. Financial Context

- 5.1 COVID has resulted in exceptional patterns of spend and activity. During 2020/21 we expect to have incurred additional exceptional expenditure and lost income of circa £160m against our 2020/21 budget, an increase of 16% against our originally approved budget. Most of the cost has been met through additional exceptional grant to local authorities. For 2021/22 and beyond, it is difficult to precisely forecast the new demand patterns that will continue as the pandemic continues and we will need to closely monitor the underlying pent up demand that may not be visible during lockdown and new patterns of demand that will emerge as the pandemic ends.
- 5.2 Before the pandemic, the Council was already experiencing increasing demand for our services notably increasingly complex packages for children; increasing demand for home to school and special educational need transport; and higher demands across adult social care including adults with learning disabilities and older people. The pandemic will inevitably change demand and we will need to monitor and respond to those emerging patterns closely.
- 5.3 The Final Settlement from Central Government confirmed the announcements in the Spending Review. This included new monies for social care as well as further funding to support the COVID-19 pressures. In addition to this, for the Dedicated Schools Grant (DSG), an additional £18.7m in respect of the High Needs Block was received. There was only a one year funding announcement for DSG.
- 5.4 The Final Settlement also confirmed the continuation of Revenue Support Grant (RSG) of £19m. The Council has seen its RSG significantly reduce from £232m

in 2013/14, a reduction of £213m over 6 years. The medium-term strategy assumes that RSG will continue at this level, however there is no formal confirmation from government of funding beyond 2021/22, so this presents an inherent uncertainty from 2022/23.

- 5.5 The future of local government finance remains uncertain. The Government has committed to review Business Rates. It has also committed to a review of the allocation of funding across local authorities; this is known as the Fair Funding review. However, given delays as a result of the pandemic, there is no certainty as to when these are now to be implemented. However, there remains an overriding commitment to a multi-year settlement for local government from 2022/23.
- 5.6 The uncertain funding position makes it more complicated to plan for the long term. We expect to receive £166m of government grants in 2021/22, aside from grants passported to schools. These grants are only guaranteed to 31st March 2022. Without certainty of multi-year agreements we need to plan on a broad range of funding assumptions. Further, we rely on a significant amount of income for fees and charges, budgeted at £120m in 2021/22. During the pandemic inevitably a number of these charges were hit, and these have been supported by an income guarantee from the Government until 30 June 2021. Whilst we are confident that the services paid for that underpin these charges will recover as the economy recovers, there is inherent risk. We will manage this through close monitoring of fees and charges (of which there are over 550) to ensure we are able to act as and when issues of sustainability arise.

6. Revenue Budget

- 6.1 If it accepts the recommendations in the budget report, the Council plans to spend £2bn in 2021/22 (including schools). After income, this equates to a net expenditure budget of £1bn (£1,037.6m), an increase of £45m, (4.5%) on 2020/21.
- 6.2 The 2021/22 budget includes inflationary pressures (including National Living Wage) of £23m, other service pressures totalling £15m (including £26m of changes in clients/packages across Adult Social Care, partially offset by one-off investment in 2020/21), and one off investment of £53m (including £29m to aid recovery from COVID-19 and £10m to provide support to vulnerable households following the pandemic). This is offset by additional funding of £45m resulting in a net pressure of £46m.
- 6.3 The budget assumes £46m of savings to balance the 2021/22 budget. Of these £30m are recurrent and £16m are one off savings. These include the Meaningful Lives Matter Programme supporting adults with learning difficulties, the Connect Programme that will ensure the most appropriate support is offered to older people going into and leaving hospital, making better use of technology solutions in provision of care, efficiency savings against waste treatment and recycling centres, back office savings through process efficiency and service

redesign within Customer, Communities, Culture and Corporate portfolio and Finance portfolio, and through the Corporate Finance Review which has identified opportunities to reduce planned contributions to reserves.

7. Funding and Taxation

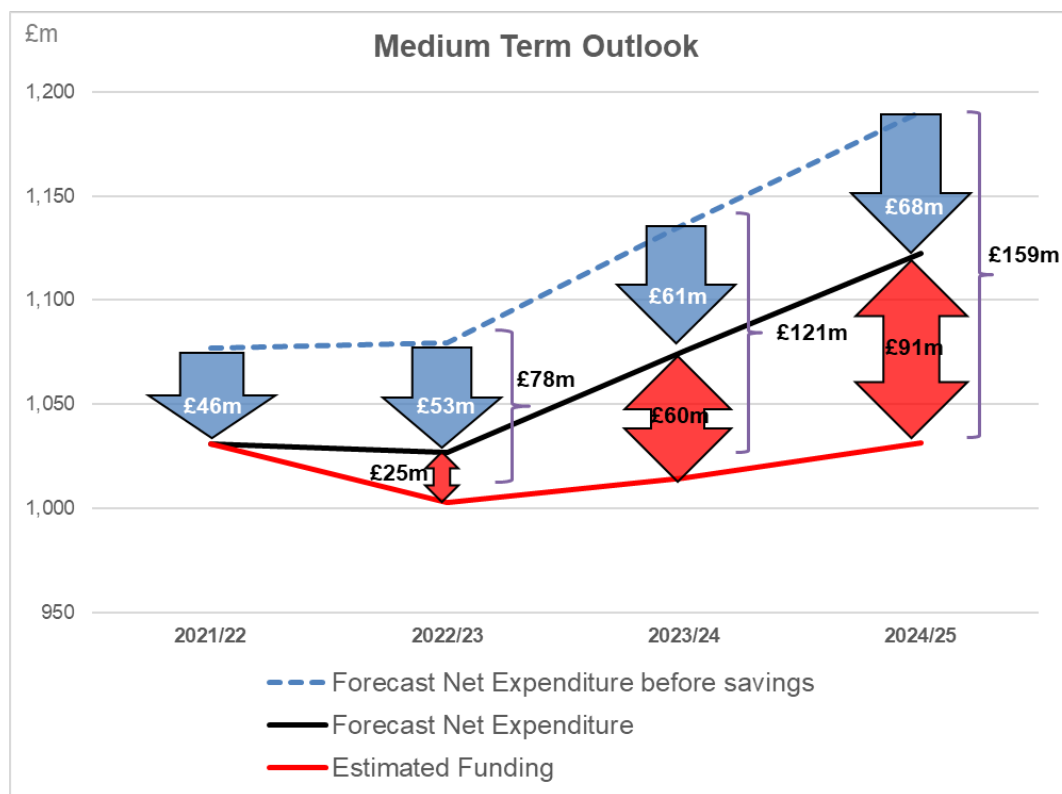
- 7.1 The taxbase for 2021/22 is 535,092 Band D equivalents, which is a 0.02% reduction from 2020/21. Whilst there has been 1% growth in housing across the county, there has been an increase in households claiming Local Council Tax Support (LCTS) due to a reduction in their household income. The reduction to the taxbase to account for the discount awarded to these households is 3.8% higher than compared to 2020/21. Additionally, there is a forecast reduction in the collection rate of 0.6%.
- 7.2 As part of settlement, two schemes were outlined by Government. The first is the Local Tax Income Guarantee, which will compensate for 75% of irrecoverable losses in council tax and business rates income in respect of 2020/21. There is an expectation that billing authorities will continue appropriate collection and enforcement action for outstanding council tax debt, therefore this 75% is designed to mitigate an element of the Collection Fund deficit arising from 2020/21.
- 7.3 The second scheme is a Local Council Tax Support Grant, whereby local government is being provided with one off funding in recognition of the increased costs of providing council tax support and other help to economically vulnerable households following the pandemic. ECC's allocation is £10.2m based on the caseload of LCTS claimants in the county.
- 7.4 Upper tier local authorities have the power to raise tax by a total of 5% in 2021/22 without a referendum. Government has set the referendum cap for core Council Tax at 2%, however the Council is not proposing to take up the option of raising Council Tax. In addition, local authorities with social care responsibilities can increase council tax if the money raised is spent on adult social care through the 'adult social care precept' of up to 3%.
- 7.5 An adult social care precept of 1.5% is proposed, this will yield £10.6m in 2021/22. This provides a partial contribution to the financial pressures in adult social care where the net expenditure is budgeted to increase from £423m to £442m, an increase of £19m. The primary drivers of the increase in cost are the National Living Wage (which has risen from £8.72 to £8.91 per hour), increases in care package costs, and demographic growth.
- 7.6 As part of the settlement, it was announced the Council will receive £28.8m of COVID-19 emergency grant funding for continuing one-off expenditure pressures resulting from the pandemic in 2021/22. These expenditure pressures are not built into the base budget, given the expected one-off nature during the pandemic. As these become clear appropriate decisions will be brought back to Cabinet. Examples of exceptional costs the Council has

experienced to date include market support to Adult Social Care providers, costs of providing PPE, test and trace functions, infection control support and increased volumes of domestic waste.

8. Financial Strategy

8.1 This report proposes a balanced budget for 2021/22. There is some reliance on one off savings to close the budget gap of £46m, resulting in a structural deficit of £16m or 2% which will need to be permanently resolved in future years. The reliance on one off savings is within the range of those managed within previous years and it is the opinion of the s151 that this is an acceptable level of risk, albeit will need managing through the 2022/23 budget.

8.2 The medium range scenario for future years indicates a gap between the Council's expected funding streams and the Council's expenditure. After delivering 100% of all existing planned savings, the gap is expected to be £25m in 2022/23 rising to £91m by 2024/25. The outlook for the authority is set out below, however this must be seen in the context of an uncertain funding horizon for local government from 2022/23, given the one year settlement for 2021/22:



8.3 It is imperative that the Council maintains focus on financial sustainability and continues to identify further income and opportunities for new savings. The Council must continue to explore the redesign of services and different ways of working with its partners, local communities and the voluntary sector to ensure essential services can be provided within the context of increasing demand.

9. Capital Programme and Treasury Management

- 9.1 The Council has indicated, within the budget proposals, an aspiration to invest considerable sums through the capital programme over the next four years. The capital programme aspirations will deliver a range of schemes to maintain, enhance and deliver new assets, such as investment in Chelmsford's proposed new Beaulieu Park Train Station and North Eastern Bypass and Colchester/Tendring A120 A133 link road, as well as highways maintenance and providing new school places. The capital programme also includes schemes to help to deliver revenue savings, such as the Essex Housing Programme to redevelop redundant Council property. To the extent that the Council must borrow to pay for this investment, it will incur borrowing costs, which must be funded from the revenue budget.
- 9.2 The revenue costs of borrowing to finance the capital programme will rise from 7.4% of the net budget in 2019/20, to an estimated 11.1% by 2024/25. In 2021/22, capital schemes which deliver a revenue saving greater than the associated borrowing costs amount to some 12% of the total programme. The Council's ability to deliver the future Capital Programme aspirations is therefore dependent on the achievement of savings, generation of income and maximisation of funding from a range of sources to fund the revenue borrowing costs.
- 9.3 Whilst the Council can determine its own programmes for capital investment that are central to the delivery of quality public services, it must be satisfied, and able to demonstrate, that these programmes are affordable, prudent and sustainable. In doing so, the Council must have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities (the Prudential Code) and the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (Treasury Management Code).
- 9.4 The Prudential and Treasury Management Codes require the Council to produce a Capital and Treasury Management Strategy which explains how the Council takes capital expenditure, investment and treasury management decisions and how it takes account of stewardship, value for money, prudence, sustainability and affordability. The full strategy is shown in Appendix A, Annex 3. The Executive Director for Finance and Technology is required to report explicitly on the affordability and risk associated with this strategy.
- 9.5 In order to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability, the Capital and Treasury Management Strategy:

- Sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- Provides an overview of the governance process for approval and monitoring of capital expenditure. These processes are well established and have been highly effective in recent years in ensuring the delivery of the Council's capital investment plans.
- Provides a projection of the Council's capital financing requirement, how this will be funded and repaid.
- Sets out the Council's borrowing strategy and explains how the Council will discharge its duty to make prudent revenue provision for the repayment of debt.

9.6 The Capital and Treasury Management Strategy, and the indicators provided in Annexes 3A and 3B, show that the capital financing requirement, external borrowing levels and costs of borrowing are all on an upward trajectory. This reflects the substantial level of capital investment being undertaken by the Council. A focus of some of the capital programme is upon 'invest to save' initiatives and upon economic regeneration. Hence, the increases in borrowing, and the costs associated with this borrowing, may be partly mitigated by revenue savings and additional income generation (e.g. additional housing and businesses providing tax revenues).

9.7 In the longer term, it will not be possible to sustain this level of capital investment without the greater achievement of savings, generation of income and increased funding.

9.8 The Council's approach to treasury management investment activities is set out in Appendix A (Annex 3 page 92) and includes the criteria for determining how and where funds will be invested to ensure that the principal sums are safeguarded from loss and that sufficient liquidity is maintained to ensure that funds are available when needed. The treasury management investment strategy proposed for 2021/22 is broadly consistent with that applied in previous years, although some changes are proposed to investment limits. That is, the following changes are proposed:

- AAA rated Money Market Funds (LVNAV) – increase from £35m to £60m
- UK Banks and Building Societies – increase from £70m to £75m and £60m to £65m (limit dependent on credit ratings)
- Local authorities (upper tier) – reduction from £50m to £30m per local authority
- Local authorities (lower tier) – reduction from £35m to £15m per local authority

9.9 The Council has a good track record with regard to its treasury investment activity, adhering to statutory guidance by giving priority to security and liquidity

over yield. In addition, Internal Audit has consistently issued ‘good’ assurance opinions on the management of these activities, confirming that internal controls are in place and adhered to.

- 9.10 The Council's policies, objectives and approach to risk management of its treasury management activities is set out in the Strategy, alongside the knowledge and skills available to the Council, and provides confirmation that these are commensurate with the Council's risk appetite.
- 9.11 The Capital and Treasury Management Strategy also provides an overview of the Council's current approach to other investment activities.
- 9.12 All other investment activities entered into so far have been subject to approval in accordance with the Council's governance framework for decision making and giving due regard to risk and proportionality.
- 9.13 The distinct, but inter-related, elements of the Capital and Treasury Management Strategy collectively demonstrate that the Council's capital expenditure and investment decisions properly take account of stewardship, value for money, prudence, sustainability and affordability, by setting out the long term context in which capital expenditure and investment decisions are made, and by having due consideration to both risk and reward and impact on the achievement of priority outcomes.

10. Dedicated Schools Grant (DSG)

- 10.1 The DSG is part of the Council's budget, and is made up of four blocks: Schools, High Needs, Early Years and Central School Services. A significant proportion of this grant is passported directly through to and managed by schools themselves and is known as the Schools Block. The remaining three blocks; High Needs, Early Years and Central School Services are managed by the Council.
- 10.2 There is an increase in funding of £18.7m for the High Needs Block (HNB) in 2021/22 which is forecast to return the HNB into a balanced position. High Needs expenditure continues to increase due to increasing pupils with special educational needs and disabilities. A further increase in funding is expected in 2022/23 which is the final year of the £7.1bn increase in school funding.
- 10.3 The DfE has stated that with the increase in funding to the High Needs Block that it expects local authorities to only request transfers from the Schools Block in exceptional circumstances. The Council has therefore made no request for a Schools Block transfer for 2021/22 on the assumption that funding will continue to increase in 2022/23. Should the increase in funding in future years not be enough the Council will request a transfer from the Schools Block.
- 10.4 The DSG overspend is being held in a DSG Deficit Reserve which has no effect upon the Council's balance sheet. It should be noted that the Special Educational Needs and Disabilities increased demand also impacts other Non

DSG services, namely, Home to School transport and Transitions. The increase in funding allows a £600,000 increased contribution to SEND Home to School Transport.

11. Reserves

11.1 Reserves are defined in Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992. This requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating their budget requirement.

11.2 Reserves play an essential part in the financial strategy and provide a cushion against the significant risks the Council faces, and a source of funding of business cases to change the way it provides services and achieves future savings. The continued provision of adequate reserves is essential. Without these, it may be necessary to take remedial urgent action in-year to mitigate challenges that arise, which could lead to longer term consequences.

11.3 We define our reserves in two ways:

- **Restricted reserves** – reserves where the authority to commit the funds rests elsewhere (e.g. amounts held on behalf of schools and partnerships) and those held for managing cyclical spending and long term financial commitments (e.g. those associated with long term contracts such as Private Finance Initiative (PFI) and the waste reserve). These total £181m.
- **Unrestricted reserves** – reserves earmarked to support the medium to longer term plans of the Council (e.g. those earmarked to enable it to transform and invest to save); and contingent reserves (amounts that are available to the Council to meet contingent expenditure, including COVID related exceptional expenditure). This category of reserves total £145m.

11.4 The authority also has a General Balance, which is an un-ringfenced reserve set aside to allow the Council to deal with unexpected events or costs at short notice. The general reserve balance is held at 6% in recognition of the level of risk associated with reductions in Revenue Support Grant and pressures the Authority faces. It is £65m which is enough to fund the Council's activities for 23 days.

11.5 During 2021/22, £137m is expected to be drawn down from unrestricted reserves – a significant proportion of this (£53m) is from the COVID Equalisation Reserve to utilise funding received from central government to manage the ongoing pandemic. The remainder is principally from the Transformation Reserve (£21m) and the Technology Solutions Reserve (£14m) to finance investment in ongoing change across the Council. Within the budget plans are in place for net contributions of £76m to reserves in 2021/22. In 2021/22 the largest contributions are to the COVID Equalisation Reserve (£29m) and Collection Fund Risk Reserve (£12m, or circa 2% tax base). The

latter is primarily funded through a change in the LCTS, where Government has newly directed the specific grant to upper tier authorities (set out at 7.3) to support schemes.

- 11.6 By 2023/24 it is anticipated that the balance of unrestricted reserves will have reduced to £74m (a reduction of £70m). The reduction mainly relates to the COVID Equalisation Reserve where it is assumed that all government funding will have been utilised (£25m), the Carry Forward Reserve where all amounts carried forward from 2020/21 will have been drawn down (£11m), and the Transformation Reserve where assumed annual utilisation exceeds current planned contributions (£30m).
- 11.7 Whilst the level of unrestricted reserves is not enough to cover the funding gaps longer term as set out earlier in this report, the authority's record on financial management and delivery of savings is such that it is highly unlikely that this level of usage of reserves would be required.
- 11.8 The Third Quarter report approved the creation of four new reserves:
- COVID Equalisation Reserve - to set aside funding received from government for exceptional one-off costs related to the COVID-19 pandemic. Funding will be placed here until decisions are made on its utilisation.
 - Children's Transformation Reserve - to set aside resources to support transformation capacity to deliver the Children's Sustainability programme.
 - Adults Transformation Reserve - to set aside resources to support transformation capacity to deliver ongoing future sustainability work.
 - Adult Social Care Risk Reserve to set aside resources to help manage commercial price pressures that may arise in meeting cost of care.

12. Risks

- 12.1 There are several risks associated with the budget:
- 12.2 The ongoing pandemic results in non-delivery of savings in 2021/22 with a knock on impact in 2022/23. Officers carry out a delivery risk assessment before the budget is set to test the readiness to deliver the savings as planned in the budget. At this stage, 64% (£29m) have a high level of confidence, with 28% medium risk and 8% of savings have a high level of delivery risk. At this stage these planned savings have a stronger delivery confidence than at this point last year.
- 12.3 The emergence of as yet unknown demand or cost pressures that arise as the pandemic recedes and as a result of the impact of EU exit, particularly in the areas of adults and children's social care.
- 12.4 There is not a full economic recovery and the local tax base is hit through unemployment or loss of business rates. The budget has assumed an economic

recovery scenario based on the central projection published by the Monetary Policy Committee and OBR macroeconomic data. If economic recovery is slower than this scenario, this could create further pressure on the medium term budget. The full impact of unemployment is now not expected to be seen until Spring 2021 when the Coronavirus Job Retention Scheme finishes. This could therefore hit our 2022/23 budgets more severely, particularly on the potential impact to the level of council tax and business rates collected. These funding sources are 84% of our total funding, with a 1% fall in council tax reducing funding by £7m.

- 12.5 If there is any material impact on fees and charges as a result of an economic downturn. The fees and charges budget for 2021/22 is £120m.
- 12.6 Any consequential impacts to recurrent government grants (which are currently assumed as continuing at 100%). The one year spending review for 2021/22 has created uncertainty around this.
- 12.7 The extent and management of social care demand is a significant risk given that people are living longer, may have more care needs, and the Council is experiencing more complex cases within Children's services too. However, these areas are monitored closely to allow action to be taken at the earliest opportunity to manage this risk position. The Council has a good record of managing this risk as is evident from the financial review reports provided to Cabinet during the year.
- 12.8 The single greatest inflationary pressure in the budget is National Living Wage; there are assumptions made about the increase in rate however any change to this by government will have a significant financial impact on the budget, because there will be increased demand for rate increases from contractors. The Conservative manifesto guarantee is to achieve a £10.50 wage by 2024, an increase of 18% on the rate set for 2021/22. The precise profile of this and implications for supply chain costs are forecast.

13. Control environment

- 13.1 In building the budget and considering the risks inherent within it, it is important that the Council considers not only the level of reserves available to support it, but the wider control environment which will help to manage and minimise those risks. This includes:
 - a. the approach to financial planning and monitoring with budget holders
 - b. a strong accountability framework which sets out clear roles and responsibilities in terms of financial management
 - c. regular and accurate reporting to Members and senior officers
 - d. performance reporting
 - e. internal audit function assessing controls and processes.

- 13.2 These processes are robust, and it is important that continued focus is given to these by the senior leadership of the Council to ensure this remains the case. These processes provide an early warning system to potential problems to enable appropriate action to be taken if necessary, in a calm and measured way.
- 13.3 However, it must be recognised that these steps will not eliminate risk entirely, especially for those that come externally. There are further measures that can be taken to diminish the overall financial effect of these risks, including:
- a. slowing down or stopping spending
 - b. increasing income elsewhere; or
 - c. moving funds around the organisation.

Agenda item 7

Report title: Organisation Plan and Budget 2021/22 – Part 2: Budget and Plan	
Report to: Council	
Report author: Councillor Christopher Whitbread, Cabinet Member for Finance and Councillor Dick Madden, Cabinet Member for Performance, Business Planning and Partnerships	
Date: 23 February 2021	For: Decision
Enquiries to: Nicole Wood, Executive Director for Finance and Technology email: nicole.wood@essex.gov.uk or Margaret Lee, Executive Director for Corporate and Customer Services email: Margaret.lee@essex.gov.uk	
County Divisions affected: All Essex	

1 Purpose of the Report

- 1.1 The report presents information to enable Full Council to consider and approve the Organisation Plan and Budget 2021/22 including the revenue budget, capital programme, financial strategy and capital strategy. In doing so, the report of the Section 151 (S151) Officer on the robustness of the 2021/22 Budget and adequacy of reserves, included elsewhere on this agenda, should be considered.
- 1.2 The Organisation Plan publishes the Council's achievements in 2020/21 and plans for 2021/22, highlighting those actions that the Council will focus on. It also includes a section on performance detailing how the Council will measure performance against the organisational aims and the outcomes the Council expects to see following the implementation of those actions.
- 1.3 The statutory process for setting the budget is that a budget is recommended to the Council made by or on behalf of the Leader. On 19 January 2021 the Cabinet made recommendations to the Council but the Cabinet Member for Finance was authorised to amend those recommendations in the light of any revised information, for example relating to council tax bases or actual council tax receipts collected by billing authorities.
- 1.4 The recommendations from the Cabinet, as amended by the Cabinet Member for Finance, are set out in section 2. The changes to the recommended budget since the Cabinet meeting are explained in section 3, but the proposed overall precept level and therefore the proposed level of council tax are the same as originally recommended by the Cabinet. The recommended changes to the organisation plan simply add in performance information in annex 2 of Appendix A to this report.
- 1.5 In addition, the statutory deadlines for the final information from the billing authorities was 31 January 2021. This report incorporates information that was

available at the time that the Council agenda was required to be published. At the time of publishing, the information from all districts other than Harlow District Council was available.

- 1.6 Any further revisions to the recommendations resulting from the confirmed district information will be circulated electronically to all members as early as possible and will also be posted on the council's website.

2 Decision Areas and Recommendations

Organisation Plan and Revenue Budget

- 2.1 That the Organisation Plan be approved in the form appended to this report (Appendix A).
- 2.2 The net cost of services to be set at **£1,037.6 million (m)** for 2021/22 – Appendix A (page 37).
- 2.3 The net revenue budget requirement to be set at **£894.8m** (net cost of services less general government grants) for 2021/22 – Appendix A (page 41).
- 2.4 The total council tax funding requirement be set at **£717.5m** for 2021/22 – Appendix A (page 41).
- 2.5 That Essex County Council's element of the council tax be increased by 1.5% for the adult social care precept, using the flexibility set out by government to raise a precept of up to 3% for the 'adult social care precept'. Therefore the Essex County Council element of the council tax charge for a Band D property in 2021/22 will be **£1,340.91**. A full list of bands is as follows:

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

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

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

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

Strategic Performance Measures

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

Capital Strategy

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

Pay Policy Statement

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

Flexible Use of Capital Receipts Strategy 2021/22

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

3 Background to the changes since the Cabinet Meeting

- 3.1 The changes to the recommendations since the Cabinet meeting have been made to reflect updated information from the billing authorities. They are required to provide a final estimate of the council tax base, the deficit/surplus from the prior year, the performance of the local discount scheme and the Non-Domestic Rates (NNDR) income on 31 January 2021. The recommendations in this report reflect the information received at the time that the Council agenda was required to be published. There may be further changes to this information. The recommendations made by Cabinet were based upon estimates of these figures, before receipt of the final submissions from the billing authorities. In addition, there have been changes in the amount of income anticipated to be received from central government.
- 3.2 This information has now been submitted to the County Council and as a result there have been the following changes:

- Council Tax income has reduced by **£1.6m** following receipt of revised figures from three authorities
- A reduction to the Council Tax Collection Fund Surplus of **£1m**
- The anticipated income from non domestic rates (NNDR) has been increased by **£2.3m**
- NNDR collection fund deficit has reduced by **£750,000**
- Increase in Benefit of Business Rate Pooling of **£1.3m**
- Increase in General Government grants of **£5.1m**

3.3 Harlow Council has not submitted a final NNDR return and have agreed an extension to the deadline granted by the Ministry of Housing, Communities and Local Government (MHCLG). It is not clear as to the materiality of the impact of receiving this return. Should this not be received in time to be dealt with at the meeting, the budgetary impact will be reported and dealt with in the First Quarter Report to Cabinet in July.

3.4 The net impact of the changes in 3.2 is an increase in the Council's funding of **£6.9m** over that used by the Cabinet to calculate the budget recommendations. Of this additional fund, **£5.1m** will be appropriated to the Adult Social Care Risk Reserve and **£1.8m** will be appropriated to the Collection Fund Risk Reserve. There is no change to the proposed increase in council tax to that recommended by the Cabinet at its meeting in January 2021.

3.5 The table below shows the recommendations made by the Cabinet and the revised recommendation to Council made by the Cabinet Member responsible for Finance:

	Cabinet Jan-21 £m	Council Feb-21 £m	Movement £m
Council Tax Requirement	(719.1)	(717.5)	1.6
Revenue Support Grant	(18.7)	(18.7)	-
Non-Domestic Rates	(176.3)	(180.0)	(3.7)
Non-Domestic Rates Collection Fund Deficit	21.9	21.1	(0.8)
General Government Grants	(137.7)	(142.8)	(5.1)
Council Tax Collection Fund (Surplus)/ Deficit	(0.8)	0.3	1.1
Total Funding	(1,030.7)	(1,037.6)	(6.9)
Net cost of services	1,030.7	1,037.6	6.9
Total Expenditure	1,030.7	1,037.6	6.9
Surplus / (Deficit)	-	-	-

3.6 A correction has been made to the Organisation Plan Restricted Funds reserve table (page 70) to remove the assumed usage of the Waste Reserve in 2021/22 (this only impacts the assumed closing balance of the reserve and has no impact on the revenue budget recommended by Cabinet).

- 3.7 Annex 2 “Strategic Performance Measures” did not feature in the information submitted to Cabinet as content was still being finalised. The proposals have since been signed off by the Political Leadership Team.

4 Statement of the Executive Director for Finance and Technology (S151 Officer)

- 4.1 The Executive Director for Finance and Technology is the Chief Finance Officer appointed under S151 of the Local Government Act 1972 and is also the Chief Financial Officer for regulatory and statutory purposes.
- 4.2 The report by the Executive Director for Finance and Technology (S151 officer) on the robustness of the estimates, reserves and capital strategy is set out in the separate report elsewhere on this agenda.

5 Other Issues

- 5.1 The findings of the Equality Impact Assessment (EIA) carried out are included in Appendix B of this report.

6 Relevance to the Council’s Organisation Strategy and Plan

- 6.1 The Organisation Plan for 2021/22 covers the action the Council will take next year to contribute to our Organisation Strategy, alongside the Budget. The Organisation Plan is set out in Appendix A.

7 Internal and External Consultation

- 7.1 All Executive Directors and Directors have been involved in the preparation of the Organisation Plan and the Budget.
- 7.2 Through budget consultation meetings the Council engages with representatives from the unions.
- 7.3 A budget consultation was undertaken during September to November 2020, for 6 weeks. It was open to the public and promoted through social media, print media, business, voluntary and charity sector networks.
- 7.4 Six ‘small group’ workshops with Essex residents were undertaken online, allowing for deeper discussions and full conversations.
- 7.5 There were 238 responses to the consultation. The full report on the budget consultation is shown in Appendix D. The key messages from respondents to the consultation are that:

- The majority of participants (58%) felt well informed about public services.
- Residents felt the most important issues facing Essex today are:
 - Coronavirus (36%)
 - Environment and Climate Change (25%)
 - Economy and the economic situation (20%)
- There are 4 areas where residents have the most concern from an individual perspective
 - physical health and fitness (45%)
 - the local environment and pollution (44%)
 - climate change (41%)
 - mental health (34%)
- Over two thirds (68%) of participants think that their household or business will be affected by the budget setting decisions taken for 2021/22
- Residents have a clear view on the approaches that ECC should take in managing financial pressures. There is strongest support for strategies that seek to:
 - prioritise spending to protect the most vulnerable and those without choices
 - help build self-reliance and reduce dependency on public services; and
 - streamline services so that they can deliver the same outcomes.

The consultation suggests that participants are unlikely to support reducing or stopping services wholesale to protect others.

- Over half of participants felt ECC should consider increases in council tax under the following circumstances:
 - to protect services for the most vulnerable (68%)
 - when opportunities to streamline services have been exhausted (59%)
 - when the only alternative is to stop delivering some services (55%)
- Residents want to see key services protected in the face of financial pressure. Nearly 90% of participants identified care and support for vulnerable older people and those with mental health needs, and over half (53%) the maintenance of roads, footways and bridges as services which should be protected.

7.6 Taken together, these results suggest that Essex residents recognise the continuing financial pressures facing the Council, the impact of Coronavirus and the need to prioritise and make efficiencies. They also recognise the need to

balance spending on protecting the most vulnerable and on providing good universal services that most residents use.

- 7.7 In response to the key messages, the Council is investing an additional £33m in portfolio budgets for 2021/22 (£45m including other operating costs). The most significant part of the budget is spent on social care services (54% of gross expenditure, excluding dedicated schools grant (DSG)). The Council is also continuing to invest in the maintenance of roads and footways, children's services and waste. This budget will not result in proposals for the Council to reduce or stop services.
- 7.8 A briefing on the budget for members of the Corporate Policy and Scrutiny Committee was held on 26 January 2021.

8 Legal Implications (Monitoring Officer)

- 8.1 In each financial year the Council must make its budget calculation in accordance with sections 42A and 42B of the Local Government Finance Act 1992. In particular, it must calculate the total of:
- The expenditure the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year
 - Such allowance as the authority estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year
 - The financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure
 - Such financial reserves as are sufficient to meet any estimated revenue deficit for previous financial years which has not already been provided for.
- 8.2 Those calculations are then used to determine the council tax requirement for the year.
- 8.3 The Council is required to set a balanced budget and in considering the budget the Council must have regard to the advice of its Chief Finance Officer appointed under section 151 of the Local Government Act 1972.
- 8.4 The Council must issue any precept or precepts in accordance with section 40 of the Local Government Finance Act 1992. The section prescribes what must be included in the issue of the precept. It must be issued before 1 March in the financial year preceding the year for which it is issued but is not invalid merely because it is issued on or after that date.

- 8.5 Under section 25 of the Local Government Act 2003, the Chief Financial Officer (section 151 officer) is required to report to the authority on the robustness of the estimates made for the purposes of the calculations required to be made by the Council. These are the estimates which the Cabinet is required to determine and submit to Full Council and are contained within this report. The Chief Finance Officer is also required to report on the level of reserves.
- 8.6 In deciding its Capital Programme for the year, the Council must have regard to the 'Prudential Code' established by and under the Local Government Act 2003. This is addressed in the report.
- 8.7 The budget makes provision on the basis that a number of changes to Council services which are under consideration may be made. The budget does not itself authorise any changes to services and does not assume that changes will be made. Any changes to services will need to be the subject of appropriate consideration by the Cabinet Member or the Cabinet following, where appropriate, consultation and a full report setting out options for change, the impact of the proposed changes on service users, including in particular the impact on different equality groups. Where a decision is made not to implement any changes then budgetary adjustments may need to be made but the Council is confident that whilst savings over the 2021/22 budget are assumed, each can be implemented in a number of ways, thus no particular changes are assumed.
- 8.8 The setting of the budget is a function reserved to the Full Council, but the Cabinet is required to make recommendations to Full Council on the various calculations the authority is required to make. Once the budget is agreed by Full Council, the Cabinet cannot make any decisions which conflict with that budget, although virements and in year changes may be made in accordance with the Council's Constitution and Financial Regulations which have been adopted by the Council. Similarly, any decision made by the Cabinet or by an officer exercising executive functions must be made in accordance with the policies, plans and strategies agreed by Full Council, including the Council's Organisation Strategy.
- 8.9 Section 106 of the Local Government Finance Act 1992 restricts any member of the Council from voting on the budget or council tax requirement if they owe any amount of council tax to any local authority which has been outstanding for more than two months. If this applies to a member and they attend a meeting at which the council tax requirement is to be set they must declare this fact and they cannot vote. It is an offence to vote or to fail to make this declaration. A letter has been sent to all members to advise them on this
- 8.10 Section 52ZB of the Local Government Finance Act 1992 requires the Council, when setting council tax, to determine whether or not the increase is 'excessive'. An increase is excessive unless it is within parameters determined by the Secretary of State. If an increase is 'excessive' it can only be implemented if supported by a referendum.

- 8.11 The principles for 2021/22 published by the Secretary of State on 4 February 2021 state that for the Council any increase of 2% or more (excluding 'social care precept') would be defined by the then Secretary of State as 'excessive'. The recommendations in this report would not see any increase in the council tax other than the social care precept.
- 8.12 In addition, social care authorities are permitted to levy a 'social care precept' of up to a further 3% without the overall increase being considered 'excessive'. There is no legal requirement for the money raised to be used for adult social care services, but the Secretary of State has indicated that he will ask local authorities how they have spent the money. If an authority is unable to demonstrate usage for social care purposes, he may restrict that authority's ability to raise council tax in future years. The draft principles only cover the year 2021/22 but the covering letter states that the government intends the 3% social care premium to cover a two year period; in other words if the Council raises a 3% 'social care precept' this year, it may not be able to further increase the 'social care precept' next year. The recommendations in this report would see the Council raising 1.5% this year and signalling an intention to raise the remaining 1.5% in 2022/23. There is, however, no guarantee that the Council will be able to do this - because it depends on the principles set for 2022/23 - and the Council clearly cannot bind itself as to the future budgetary position.

9 Staffing and Other Resource Implications

- 9.1 An element of reorganisation and reshaping will be required to support efficiency gains in some operational areas. Staffing implications which may arise as a result of operational plans flowing from this budget will be addressed under their specific implementation plans.

10 Equality Impact Assessment

- 10.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. In addition, marital status is a relevant protected characteristic for 9.1(a).

- 10.3 The equality implications have been assessed as part of the budget setting process as detailed in Appendix B. Equality impact assessments will be carried out before any decision is taken to change any services in response to the budget or otherwise - please see paragraphs 5.1 and 8.7 of this report for further information.

11 List of Appendices

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Essex County Council Organisation Plan 2021/22

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1. Foreword by the Leader

This Organisation Plan has been produced under the most testing circumstances that the Council and our communities have ever faced. It sets out how we have responded to the challenge of Covid-19. It reflects the fact that we have had to make some incredibly tough decisions in the short term to reflect the need to protect our communities and economy in the long term. But it also demonstrates that we are on the path to recovery and that we have a strategy and an investment plan to improve the lives of our residents and begin to mitigate some of the impacts we have all felt in the last year.

The Plan sets out the commitments we are making to improve the lives of the people of Essex – from increasing the number of apprenticeships in the county and helping the recently unemployed to start their own businesses, to delivering an additional 1500 school places and transforming the support for older people so that even more of our elderly relatives can continue to live in their own homes.

As well as older people, we are focusing on improving mental health services, and support for people with learning disabilities. We continue to build on our leading reputation as one of the best children's services authorities in the country. And as well as focusing on our people, we will continue to invest in our infrastructure and environment – fixing our roads, prioritising action to address climate change by planting a further 50,000 trees this year to aid in carbon capture and investing over £2.5m in flood defences as well as welcoming in the Summer the full report of the Essex Climate Commission.

We will do all this against a backdrop of severe financial, social and economic pressures. The challenge of Covid has been layered on top of the already existing financial stress that public services have been under for a decade. It is because the Council has focused relentlessly on reducing bureaucracy and improving productivity that we have been consistently identified as one of the ten most efficient Councils in the country, allowing us to keep Council Tax increases to a minimum whilst delivering on our strategy.

- A. Securing inclusive economic growth** – this was the right priority before the onset of Covid and it is the right priority now. Our plan sets out what we are doing to support the Essex economy: from spending our money with Essex businesses, to supporting schemes for youth unemployment to investing in our economic centres. There is nothing more important to the long-term well-being of our communities than the health of our economy.
- B. Helping People get the Best Start and Age Well** – it is our responsibility to make sure that we help and support those people in our county who are least able to help themselves – everyone has the right to live the best life they can and this year, more than any, we have seen just how important strong communities are to our well-being.
- C. Helping to create great places** – we are the guardians of the county for future generations – the decisions we make today will affect the lives of those who follow us. Our natural environment is one of our greatest assets. We must balance the need to protect that asset with the housing and economic demands of our growing population which is why we are pleased to be investing over £137.8m in our infrastructure this year.
- D. Transforming the Council** – I am proud of the Council but we will never rest on our laurels. We believe we have a responsibility to the people of Essex to constantly strive to be better, more efficient, and more effective in securing outcomes. And we believe that that drive fosters the creativity and imagination needed to confront the challenges we face.

The experience of the last twelve months has also highlighted that the Council can only be effective if it works closely with our communities and with our partners in the public sector, the private sector and the voluntary sector, as well as with Essex MPs and with national government. I want to pay tribute to our communities and to all our partners and to the excellent work we have been able to do together. We remain committed to working in partnership with you.

It has been a challenging year and the next few months promise to be no less challenging. We know how hard it has been for you and the pressures you have faced. That is why we make one simple promise – we are on your side and we will work day and night to support you, your families, and your neighbourhoods.

2. Covid-19: What has been the impact and how have we responded?

The last twelve months have been dominated by the impact of Covid on our communities. Not since the Second World War have we faced such a grave challenge to our way of life. And many of us will have lost dear friends, family members, or colleagues to this dreadful virus. But we cannot allow ourselves to be bowed down before this threat, your Council least of all. I have been proud of the work we have done with our communities to try and keep people as safe and secure as possible in the face of this challenge.

For the economy, we estimate we spend over £900m with businesses that are based in Essex, with over a third of this spend with SME's. In addition we have piloted a Business Accelerator Scheme to support people who have been made redundant as a result of this crisis to start their own businesses. We have launched our own Kickstart programme to support new jobs in the county, working with small businesses to help them access government support to take on new recruits. We set up a Covid-19 Business Information Service to provide businesses with advice on any issues they had in relation to Covid and we commissioned Let's Do Business to provide support for employers across the county to safeguard jobs. We are establishing a new £100m Economic Growth and Investment fund to promote the county and we provided £2.2m to Districts to be distributed to Essex businesses through adaptation grants. We successfully bid for and secured £26.5m of Getting Building Fund for projects across the County. We have begun work to construct an Anchor Partnership with Essex organisations – designed to help us protect and safeguard employment in the county and secure the wider well-being of the economy.

For our vulnerable people, requiring social care support, at the start of the pandemic we moved hundreds of staff onto 7-day working rotas to support hospital discharge. We created a Covid-19 Response Fund worth £12m to support the additional costs that care providers had to meet to keep people safe. We secured additional capacity for Care beds to ensure that people could be discharged from hospital into an appropriate setting. We used technology to support disabled people who could no longer access day opportunities, as well as making use of Care Phones to enable people to stay connected to their loved ones during lockdown. And for our young people, not only were we able to maintain critical children's services but we have also worked very closely with our schools to ensure they have been able to operate safely and, where appropriate, safeguard the access to education for the children of key workers and the most vulnerable.

For our Communities, we set up Operation Shield, working with the Community and Voluntary sector and our district, city and borough Councils to enable the 60,000 people who had to Shield to access the support they needed to do that effectively. We recruited 7,000 volunteers to the Essex Well-being Service to undertake 40,000 tasks on behalf of members of their local community who were unable to do those things for themselves. To help hard-pressed families we delivered 22,850 free Summer holiday activity places, ensuring that throughout the summer holidays children could participate in physical activities and get a nutritious lunch, whilst parents were supported with free childcare.

To Protect Lives, and finally I want to say how proud I am of the work that we have done through Our Public Health and Adult Social Care teams to protect lives and safeguard our people. This has been fraught with difficulty in terms of the changing nature of the pandemic, our understanding of it, and therefore the appropriate courses of action to be taken but I think Essex has demonstrated throughout our willingness to be guided by the evidence and to take action in the best interests of our communities, regardless of how difficult some of those decisions might have been. Our work included developing an Infection Control Plan - distributing more than £31m in funding to support infection control in our Care settings. We set up the Essex Contact Tracing Service to manage outbreaks in sensitive settings. To support the pathway out of the pandemic, we have been working with partners to manage the set-up of vaccination sites

and the recruitment of Vaccination Marshall Volunteers. Throughout we have tried to communicate openly and transparently with the public on the Essex position, key data, and the rationale for taking the decisions we have taken.

Over the last twelve months we have worked with singular focus on addressing the challenges of Covid. We will continue to do that over the next twelve months. There is no more fundamental responsibility for government than to save lives; and working with our partners and with central government we will do whatever it takes to protect you and your families from this dreadful virus.

Strategic Aims:

Enable inclusive economic growth

Help people in Essex prosper by increasing their skills

The challenge

Despite being a major part of the UK economy, Essex has some long-term systemic economic challenges which have been exacerbated by Covid. The number of well-qualified adults (with skills at Levels 3 and above) is increasing but remains below the national average, limiting the employment opportunities available to those Essex residents. The unemployment claimant count is now at a 30-year high due to Covid-19 with young people under 25 years old feeling the greatest impacts. Covid-19 has overturned previous success in terms of low unemployment and low numbers of young people not in employment, education and training. Working with partners, we will support those made unemployed to retrain and we will support our whole workforce to upskill to enable it to progress into more gainful and sustainable employment in growing sectors of the economy. This will also deliver the necessary skilled labour supply to enable businesses to recover, adapt, innovate and grow.

Our response to Covid-19 & other major achievements this year:

- We have created a new skills strategy to respond to the economic impact of COVID-19 and increase in unemployment.
- We piloted a Business Accelerator scheme to support people made redundant to set up their own businesses, giving them the confidence and the skills to become self-employed.
- We launched a Kickstart Essex scheme to support new jobs by enabling small and medium sized enterprises in Essex to access Government funding for taking on new recruits.
- We launched the Health and Social Care Nightingale bursary to deliver training for staff currently working in the Health and Social Care sector. The project will support 195 existing Health and Care employees who are ineligible for apprenticeships or full government funding to access qualifications.
- We have developed a local pilot with Suffolk and North East Essex (SNEE) NHS trust to enable individuals in the Clacton/Tendring area to gain access to a career in nursing.

Key areas of focus for the Council over the next year:

- Through collaboration with colleagues in Health and Care sectors e.g. NHS and Health Education England, we will develop programmes of work, such as the Tendring Health and Care Academy, that support localised need to close skills gaps, attract new talent, develop skills at higher levels and future proof services.
- We will work closely with delivery partners to increase the number of apprenticeship opportunities across the county, including those within ECC, through innovative delivery models and projects e.g. the Essex Apprenticeship Levy Transfer Service, that will address localised skills gaps and support the growth of priority employment sectors.
- We will facilitate 500 apprenticeships through a managed matching service to provide employment opportunities to young people across Essex.
- We will develop a wide range of employment based digital and face to face learning programmes to give residents access to skills and qualification opportunities for work.
- We will create a new integrated One-Stop Online Shop for Jobs, Job Matching, Training Opportunities for Essex residents.

- We will facilitate 500 Kickstart Essex placements by enabling SMEs to access the Government funding scheme.
- We will ensure that Essex residents who become unemployed can access the right information on support and finding a new job quickly by establishing a new Essex Information Advice and Guidance Portal.
- Working with the Department for Work and Pensions, we will ensure enhanced employment support is meeting the needs of Essex residents and that opportunities for a new job matching capability are delivered.
- Building on the pilot, we will deliver a business accelerator programme to support those at risk of unemployment or the recently unemployed to set up their own businesses.
- We will develop new approaches for reskilling residents in growth areas such as in the health and social care, construction and the green economy.
- We will take forward programmes to implement our new skills strategy.
- We will support organisations to identify and source appropriate training for their workforce, ensuring they have the skills and knowledge to engage and motivate Essex residents to be more physically active.
- We will launch the Active Essex Local Delivery Pilot (LDP) Coach Core apprenticeship that provides employment and training opportunities for young people from under-represented groups.

Enable inclusive economic growth

Enable Essex to attract and grow firms and support existing businesses

The challenge

Essex has a very significant small and medium size business sector, with a strong entrepreneurial culture highlighted by a sixth of workers in the county being self-employed. These firms have been hit hard by the pandemic, putting jobs and livelihoods at risk. We are working hard to support businesses affected by the pandemic, so that they can protect jobs and resume profitable trading once pandemic restrictions are lifted. As well as supporting existing businesses, we want to attract new medium sized and larger firms to locate to Essex, particularly those in rapidly emerging economic sectors. Productivity in Essex lags behind the East and South East averages but in recent years has shown signs of improvement that we want to continue to build on. In line with the government's Industrial Strategy, we will set out a number of key missions to support economic growth including through low carbon and green growth. Essex has great connectivity to London, Cambridge and through its ports and airports to Europe and the rest of the world. We are also working hard to ensure our road, rail, and bus infrastructure serves the needs of our communities and a strong and resurgent economy – bouncing back from the slowdown that Covid-19 has caused.

Our response to Covid-19 & other major achievements this year:

- We provided a dedicated Covid-19 Business Information service to support Essex businesses with any queries they had around financial support, PPE, staffing, trading standards and COVID testing - the service dealt with over 350 individual enquiries and helped businesses to access an estimated £2.5m of government grant funding.
- We commissioned Let's Do Business Group to provide a fully funded business support service for employers across Essex to help safeguard and create jobs. This offer includes up to 12 hours of support services to individual businesses.
- We have worked with business support organisations to form an Essex wide response to Covid-19 and worked in partnership to deliver a monthly Best Big Essex Business Briefing.
- We provided £2.2m funding to Districts to be distributed to Essex businesses through business adaptation grants.
- We have supported the economic recovery through:
 - The commitment to establish a new £100m fund for Economic Growth to promote the county as an area for investment, business creation and growth.
 - Establishing a new Digital Connectivity strategy, investing in broadband connectivity with further public investment of £6.6m planned over the coming financial year (and exploring the potential of accelerated 5G roll-out).

Key areas of focus for the Council over the next year:

- Supporting ongoing economic recovery will be a significant area of focus for the Council over the next year. We will be setting the strategy for and rolling out our £100m Economic Growth Investment fund to enable inward investment, new start-ups and growth, whilst seeking to ensure that our investments also generate social value for Essex Communities.
- We will develop a new Inward Investment Strategy, explore the need for a dedicated Inward Investment service and develop a new approach to Marketing Essex to attract new businesses, new residents, more visitors and more investment to our county.
- We will re-commission a Business Support Service for Essex which provides a range of support services including finance and innovation.

- We will develop new forums and networks to enhance our relationship with current and future businesses.
- We will deliver a Digital Connectivity Strategy for Essex to enable high-quality growth in the economy and to support the move from office-based to home working in parts of the economy.

Enable inclusive economic growth

Target economic development to areas of opportunity

The challenge

While Essex remains one of the largest economies in the country, performance is variable, and some areas of Essex have untapped potential for higher economic growth. As a result, the economic performance in some areas is not as strong as it could be. The impacts of Covid-19 have further widened economic differentials between places. Basildon and Colchester are long established economic successes. The challenge now is to increase productivity and make growth more inclusive and sustainable. Harlow is undergoing a transformation through the enterprise zone, the proposed move by Public Health England to Harlow, the relocation of the hospital and a new M11 Junction which all help with addressing inclusive growth. Tendring, despite some significant inward investment, remains one of the least economically productive areas in the country. We must continue working with District partners, the South East Local Enterprise Partnership (SELEP) and business representative groups Success Essex and Opportunity South Essex to secure external investment which can be targeted at areas of need and opportunity.

Our response to Covid-19 & other major achievements this year:

- We have worked with partners to submit Town Investment Plans for Harlow and Colchester, bidding for up to £25m each from the Government's Towns Fund.
- We have committed £5m to a new £50m Harlow Investment Fund with partners including Harlow District Council and Homes England
- We have secured £26.5m of Government funding through the Getting Building Fund for projects across Essex.
- We have made capital investments planned through Essex Housing and our own estate to replace poor condition temporary accommodation with new permanent buildings and delivering higher carbon neutral, energy efficient buildings.

Key areas of focus for the Council over the next year:

- We will develop a comprehensive anchor institutions programme to ensure spending from public and private sector organisations is focused on supporting the Essex economy.
- We will deliver the Getting Building Fund schemes within Essex to provide short-term construction jobs for residents and to provide a springboard for growth in key places.
- We will continue with our capital investments planned through Essex Housing and our own estate to help support the local construction industry and where possible create additional jobs for local residents.
- We will secure investment in key Town Centres via the Towns Fund and plan for regeneration delivery in key centres in 2022/23.
- We will maximise the economic opportunities of the North East Chelmsford, Harlow Gilston and Tendring/Colchester Borders Garden Communities while supporting additional strategic growth sites through the Planning process.

Help people get the best start and age well

Help keep vulnerable children safer and enable children & young people to fulfil their potential

The challenge

We have one of the most efficient and effective children's services in the country – described by Ofsted as outstanding. Our innovative approach has helped make it safer for children to live at home, reducing the number of children who live in care; but it remains a priority to improve outcomes for the most vulnerable children, young people and families in Essex. Like many other areas, Essex faces new challenges in the community that include dealing with sexual exploitation and gangs. The pandemic and lockdown restrictions have also had serious impacts on children and their families as well as impacting on how ECC and partners deliver services. School closures during lockdown have meant that many pupils have missed out on months of classroom-based education at a critical time in their development and education. We must continue to work with our schools to drive up the standard of education our children receive, so that every child has the chance to attend a good or outstanding school and achieve the best educational outcomes as possible. Covid-19 is also likely to have a disproportionate impact on the employment and housing opportunities for young people who are leaving our care to live independently. Going forward the challenge will be to continue to deliver good outcomes for children and their families, as demand on our services continues to increase.

Our response to Covid-19 & other major achievements this year:

- We took a leading role acting as a single point of contact for all schools and education settings across the county during the pandemic working alongside a range of partners including Southend-on-Sea and Thurrock Councils, Teaching Unions, and professional coordinating groups providing advice, guidance and joined-up messaging for schools during the pandemic.
- Up to 450 schools across the county were supported to stay open during lockdown for the children of key workers and other vulnerable children.
- We have worked with schools to enable their gradual reopening in June, enabling over 27,000 children and young people to return to in person learning in schools and colleges before full reopening in September.
- We have maintained the operation of an effective home to school transport service in very challenging circumstances due to the continual changes to pupil numbers linked to COVID.
- Faced with an unprecedented challenge to how we normally work we were able put in place a new operating model to maintain the provision of critical children's services during the pandemic including hosting Covid-safe face-to-face contact at our Family centres for children in care and their families, in the most pressing circumstances, such as the last contact, before adoption. Our Family Centres also provided a base for the delivery of food parcels, and children's activity packs (Boredom Boxes) for families who were struggling financially during lockdown.
- We also protected the viability of companies providing care placements by making £90,000 available to suppliers to maintain care placements to meet anticipated needs.
- Over the last year we have brought in further measures to support young people leaving our care including a 100% Council Tax exemption scheme for all care leavers up to the age of 21. During the pandemic we have also offered additional support to care leavers including financial support, increased contact (virtual or face to face) to provide extra support where needed and have ensured they have access to digital devices to help prevent isolation.
- We also reached out to all care leavers aged 21-24 who no longer receive services from us to offer help and support during the pandemic if they needed it.

Key areas of focus for the Council over the next year:

- Currently, 90% of schools in Essex are rated Good or Outstanding by Ofsted. Our ambition is to support all early years settings, schools and colleges to be rated Good or Outstanding. Delivery of this will be a key focus for our Essex Education Partnership Strategy and we will work towards the School Partnerships becoming a delivery vehicle for key priorities including our approach to supporting headteacher wellbeing.
- We will develop an overarching Education Strategy setting out how we will work with providers, parents and partners to achieve better educational outcomes for our children and young people. This will be underpinned by our Early Years, Disadvantaged, Essex Education Partnership and Special Educational Needs and Disability (SEND) strategies.
- Our Disadvantaged Strategy was launched in January setting out how we will enable schools to meet the needs of disadvantaged pupils. Over the next year we will work with schools and other education settings to help them understand the specific needs of their disadvantaged pupils and help develop plans to improve their outcomes.
- We will continue with our work to improve the SEND system for children young people and their families across Essex. Key priorities for this work are the implementation of the Inclusion framework, embedding new ways of working in our SEND Teams, rollout of Trauma Perceptive Practice in schools, and continuing our work with the Head Teacher Round Table on inclusive practice in schools.
- Through the implementation and early evaluation of our new Early Years Strategy and Early Years Charter we will enable more working parents to access childcare and early learning opportunities and support more children to be school ready.
- We will implement actions arising from our latest SEND Ofsted Inspection Written Statement of Action, focusing on Joint Commissioning, improving the Education, Health and Care Plan (EHCP) process and unpicking the over reliance on the identification of Moderate Learning Disability (MLD) as our strategy to support children with SEND
- We will undertake a programme of work reviewing the current journey in alternative education for pupils who are not in full time education, identify opportunities for improvements in provision and practice, and develop a refreshed vision for alternative education in Essex.
- It is important that we keep pace with the rising demand for school places, so that parents continue to be able to access a school of their preference. We will be investing over £27m to deliver over 1,500 additional mainstream school places in time to increase school intakes in September. We will also be investing over £5m in replacing ageing temporary classrooms with new, permanent, low carbon buildings.
- We will develop a new Family Resilience Strategy which will deepen our understanding of the issues being experienced by Essex children living in poverty and disadvantage and set out how we will work with partners across the system to address this long-standing challenge.
- We need to mitigate against expected increases in the number of children in the care system and the rising cost of external care placements. To help achieve this we will:
 - increase recruitment of foster carers into the Essex Fostering Service (our in-house service), to achieve 90% of all placements into foster care being made with Essex Fostering Service carers by 2028.
 - set up and embed the Tendring project, providing a multi-disciplinary response to help avoid the need for young people to enter the care system, keep families together as safely as possible, and deliver financial savings in the way we operate. We will share the learnings from this project across the county to help other young people and families in similar situations in the future.
- We will continue with the “Inside Out Project” pilot with DfE for children in care aged 13 and over, to help provide them with improved stability of care that will support them in achieving better long-term outcomes.
- We will commence an in-depth review of our services for children and families on Canvey Island, and develop a business case based on our findings for how we can deliver services going forward.

- We will commission innovative solutions to post-16 accommodation and residential care and will work with partners to find ways to mitigate the disproportionate economic and employment impacts on care leavers and young people with additional needs.
- Over the next year we will undertake a robust commissioning programme to improve our Short Breaks offer for disabled children and young people.
- Following the passage of the Government's Domestic Abuse Bill, we will review our services to ensure that we are in-line with Government Guidance and continue to deliver the best possible outcomes for young victims of domestic abuse.
- The Youth Offending Service will continue to work to reduce reoffending, with the goal of keeping the level of remand into custody to less than 5%. We will work positively with partners to prevent offending and we will second a manager to the Police Fire & Crime Commissioner's Violence and Vulnerability work programme to support their focus on reducing violent crime.
- We will continue to implement our response to the SEND and Ofsted inspection findings.
- We will join up funding from Active Essex/Sport England and The Essex Violence and Vulnerability board to provide targeted 1:1 and group interventions with vulnerable young people across the county through Essex Youth Service and Essex Council for Voluntary Youth Services.
- We will deliver online physical activity sessions for young people in care.
- Through the holiday activity clubs we will work with schools and education partners to provide young people who may have fallen behind in their learning the opportunity to catch up in a fun, inclusive way.

Help people get the best start and age well

Enable more vulnerable adults to live independent of social care

The challenge

Demand for care is growing, with the population of older people in Essex expected to grow by 21% over the next decade with those aged over 85 expected to grow by more than 60%. Longevity and improved health care mean that people needing social care support have a greater complexity of need than previously, and the pandemic has driven additional demand, especially for those needing mental health support or experiencing long-term effects. There are strong links between demand for social care and deprivation and there are increasing numbers of people living in deprived communities. We want people to live healthier lifestyles to help prevent the impact of ageing, reduce health inequalities - especially in deprived communities, and develop initiatives that improve mental health and well-being. The pandemic has exposed financial vulnerabilities within the residential care sector, and we must continue to work with providers during this time to ensure that the care market remains resilient to meet our needs in the future. Adult Social Care is moving actively towards a more community-based, all-age approach that is more local, more preventative and more integrated with partners – working closely with clients and carers in a strength-based way to ensure that people maintain their independence and quality of life. We will continue to work collaboratively across the complex health geography in Essex, and with the care sector and other partners.

Our response to Covid-19 & other major achievements this year:

- In response to the pandemic we moved 680 front line staff to 7-day working to support hospital discharge and also changed the way our social care teams were working to enable everyone to work from home and adapt to new technology.
- With financial support from government we created a COVID-19 Response Fund, worth £12m, to help providers access funding to reimburse up to 10% of certain costs (additional staffing, personal protective equipment etc) incurred as a result of the COVID crisis.
- We secured extra capacity in residential care homes through block purchasing an extra 600 residential beds to help meet the expected surge of discharges from hospital and worked with NHS partners to re-open a former care home to provide an additional 76 isolation beds.
- We established Care Home Hubs with health, public health and other partners to provide advice, guidance and practical support to over 400 residential care homes across Essex as they responded to the pandemic – a model and collaboration we will build on going forward.
- We worked closely with day opportunities' providers to help them to support 1,594 adults with disabilities and older people at home in different ways, for example outreach, technology and providing checks and welfare calls.
- We moved our Equipment Service to a 7-day per week basis so that anyone who needed equipment to facilitate their discharge from hospital could be supported.
- We procured and allocated over 1,700 Care Phones to vulnerable people with 102,000 video and voice calls made on these devices enabling people to stay connected to their care support and to their loved ones during lockdown and reduce loneliness and isolation.
- We established a new Intelligence Hub to bring together data and insights on pressures in hospitals, the care market and our workforce.
- We completed a diagnostic review of the arrangements currently in place to discharge older people from acute hospitals, and our approach to reablement. This work will continue through our 'Connect' programme which will transform support for older people leaving hospital.
- The Meaningful Lives Matter programme continued its work with people with Learning Disability and Autism, supporting more people into employment, improving choice and quality of accommodation, and developing alternatives to day centres including outreach options and the use of technology.

- Throughout the year we continued our planned programme of developments to provide a range of housing solutions to support the needs of older residents. We have worked with L&Q living to open Cornell Court in Saffron Waldon, enabling older people who need to care to live independently in high quality modern facilities, and broke ground on the Polly's Field housing scheme in Bocking, which will provide 99 apartments with access to extra care support. Alongside these we continued to progress eight other schemes.
- We have continued with our work to increase the provision of Supported Living schemes for Adults with Learning Disability and Autism across the county with a further four schemes in the pipeline, concepts for further complex needs schemes under development and additional capital funding of up to £7.8m over the next 4 years approved.
- We introduced a new partnership programme with Sport for Confidence and Active Essex which works with Occupational Therapists and Care Home Workers to promote the importance of physical activity in retaining people's independence.

Key areas of focus for the Council over the next year:

- Our ambition is to move to a more community-based model of social care that is more localised, more preventative and more integrated with partners. We will improve our integration with partners at local levels, building on successful models such as Care Home Hubs and the roll-out of Shared Care Records with all partners across the health sector to meet local priorities and promote joined-up services.
- Through our 'Connect' programme we will work with health partners to transform services for older people by making better connections to the right support in hospital and at home. This will ensure that reablement services are used to their full potential; focus our social care response on improved long-term outcomes for people after discharge from hospital; improve discharge pathways from acute hospitals so that people can return to their homes where possible. We will also work with Mid and South Essex Health and Care Partnership focusing on avoiding unnecessary admissions to hospital and identifying the right support, recovery and time at community hospitals.
- To help prevent, reduce and delay the need for care we will work more closely with residents and communities to improve access to early help and support.
- We will strengthen the voice of service users and further our commitment to co-producing solutions that meet the support needs of individuals, ensuring that wherever possible people have choice and control and can plan their care and support.
- The pandemic has had a serious impact on the financial viability of the care sector and we will work to support the market so that it can continue to meet the needs of residents now and in the future with stable, good quality provision.
- We will improve our support to adults with mental health problems and work with partners to address the mental health challenges that have resulted from Covid-19.
- We are committed to helping our residents find the best possible solution that enables them to regain or retain their independence and live in their own home wherever possible. Over the next year we will:
 - Increase accommodation options that promote independence including the development of Extra Care Housing for older people, Supported Living options for people with learning disability and autism, and improved accommodation options for people with mental health issues.
 - Work with partners to roll-out improved care technology.
 - Work with partner organisations to improve employment opportunities and life opportunities for those with learning disabilities and autism, and those with mental health problems.
 - Continue our work with communities to improve the support provided to family carers, recognising the vital role that they play in looking after family members and friends who require support.

Help people get the best start and age well

Improve the health of people in Essex

The challenge

Essex has a diverse economy with areas of affluence as well as areas of high deprivation. The wider determinants of health including income, employment, and education are the key drivers of health and inequalities and reducing these inequalities remains the key challenge for public health, especially in places where the gap is increasing. Life expectancy is higher than the national average but varies by geography within Essex and is lower for men as well as vulnerable and socially excluded groups partly due to deprivation. Lifestyle choices can exacerbate these inequalities. Avoidable deaths from heart disease and mental health including suicide remain key issues. Social isolation, low levels of physical activity, obesity, and diabetes are key challenges, and levels of substance misuse are increasing. The pandemic and lockdown restrictions have also impacted on residents' mental and physical health and wellbeing and we are working with health partners to promote all aspects of healthy lifestyles and wellbeing and improve long and short-term support to those with mental health needs. The impact of the pandemic on the care provider market has been severe and we have supported the challenges of managing infection control, protective equipment, and the rollout of vaccination programmes.

Our response to Covid-19 & other major achievements this year:

- We mobilised the Essex Resilience Forum (ERF) and 'Shielding the Vulnerable' Tactical Co-ordination Group (TCG) on 27 March to coordinate a pan-Essex, multi-agency approach to shield an initial cohort of 26,000 clinically extremely vulnerable Essex residents, plus an additional cohort of circa 400,000 residents at greater risk of severe illness from COVID-19.
- Working with NHS colleagues we developed an Infection Control Plan, in line with government requirements, to distribute £31m of funding from government to support providers on infection control, and provided advice and support to residential care homes via multi-agency Care Home Hubs to assist with infection control and the management of any outbreaks during the pandemic.
- With significant investment by the Council, we also set up the Essex Contact Tracing service to manage outbreaks in settings such as schools, universities, businesses, care homes and health care settings. The service works in partnership with District Environmental Health colleagues and others to provide advice, support and guidance on getting tested and follows up with every Covid-19 positive case and contacts of those cases in order to break the chain of transmission. The service is highly regarded by Public Health England and received a highly complementary report from the Government's Covid Task Force.
- We set up a purchasing and distribution system for PPE during the pandemic to source and supply over 1 million items of PPE to 361 care providers across Essex.
- To support the pathway to vaccinations we have worked with Essex Partnership University NHS Foundation Trust and West Essex CCG to recruit Vaccination Marshall Volunteers, and have undertaken research on the public perception of vaccination to help inform our response going forward.
- We worked with Provide (a community interest company) to launch the Essex Welfare Service to provide a single point of contact and enable vulnerable people in our communities to stay safe at home and get the support they needed during the coronavirus period.

- Our Essex-wide network for foodbanks and community organisations worked with local people with food insecurity to ensure that they had the support and resources needed to address food needs in Essex. We also launched the Essex foodbank fund, providing £285,000 of funding to support foodbank across the county meet the increased demand on their services.
- To ensure that residents could be kept informed of key developments and messages during the pandemic we launched a new communications and market strategy which included a new website and Facebook groups reaching over 3.8 million people.
- We created new resources using a variety of media to help people stay active whilst at home, including through our website, creating a 'Keep Essex Active' YouTube channel, and 'Better Health' campaign newspapers pull outs.
- We provided £220,000 of funding through our Tackling Inequalities fund which supported community groups to engage under-represented groups including people from disadvantaged backgrounds, ethnically diverse communities and those with disabilities the opportunities to get involved in regular physical activity to improve their physical and mental wellbeing.
- We worked directly with grassroots organisations to help them access over £600,000 of emergency Sport England Covid funding to maintain and increase physical activity levels. We also sourced funding and coordinated a countywide approach to support the leisure sector to reopen efficiently, effectively and safely.
- We were successful in securing an additional £2m from Sport England to enable the Local Delivery Pilot to extend its operation until to 2025.
- Over the last year the Local Delivery Pilot has also approved 4 investments, totalling over £500,000 aimed at increasing physical levels in older people, families and improving physical and mental health and wellbeing; and made a further 83 micro grants totalling £120,000 for projects to target low income and inactive communities.
- We were awarded £2.3m towards the Essex Pedal Power project, a new cycling project in Clacton and Jaywick Sands. Essex Pedal Power will come from the Government's Getting Building Fund, managed by the South East Local Enterprise Partnership (SELEP) and Essex Physical Activity Local Delivery Pilot (LDP). Essex Pedal Power is a community-based project, which provides residents with a free quality bike to get them more active and travel for work, school, college, shopping and leisure.
- We moved many of our Health Improvement services online including:
 - The Essex Sexual Health Service, which adapted its processes to enable safer medicine collection systems and provide direct contact for those who required it.
 - Our NHS Health Checks - offering a telephone consultation around lifestyle in advance of the biometrics (Cholesterol, Blood Pressure and BMI) being completed face to face, thus reducing contact with a health professional to a 10-minute appointment.
 - Smoking Cessation clinics - by negotiating with an online pharmacy to deliver the prescriptions to patients' homes with minimal disruption to services. This change received positive feedback from service users, many of whom felt that it was more convenient as they could arrange treatment and follow up calls with their stop smoking adviser at a time that suited them.
 - Weight management services were converted to online and supported telephone counselling to ensure people continue to receive the support they need.
- We worked with the Department for Health and Social Care to develop a pilot for community lateral flow testing focused on breaking asymptomatic chains of infection, working closely with District and Borough Councils and the voluntary and community sector.
- We created a charity to enhance funding for alcohol and drug misuse.

Key areas of focus for the Council over the next year:

- We will address the wider determinants of health by continuing to improve the quantity and quality of employment opportunities, especially in Tendring.
- We are committed to helping people stay healthy and independent for as long as possible. Over the next year our prevention agenda will include:
 - Working with partners across the county and within communities to increase physical activity levels within Essex's most deprived areas.
 - Supporting Essex businesses to improve the Health of their workforce, through the Working Well programme, to improve awareness and understanding, support the rising numbers of employees with both long term physical and mental health conditions, and support others with long term health conditions back into employment. We will also adapt the Working Well programme in order to respond to the impact of COVID-19 on workplaces and in turn our wider communities.
 - Continuing our programme of training employees as Mental Health First Aiders in workplaces across the County.
 - Continuing with our 'stop smoking service' focusing on health inequalities, in particular for those sub-groups who are likely to have been more negatively impacted by the virus. We will also build on the positive aspects of our shift to digital working and embed these changes into the service going forward.
 - Working closely with GP's and Primary Care Networks to:
 - reinstate the NHS Health Check programme to pre-pandemic levels, instigating any positive digital adaptations implemented as a result of Covid 19; and
 - through our NHS health checks programme, identify and support those at risk of Type 2 Diabetes by referring them to commissioned programmes to help them to lose weight and lead a more active lifestyle.
 - As the vaccination programme rolls out, we will develop communications programmes to help to dispel myths and misinformation and encourage uptake of the vaccine. This will include supporting Essex residents to use live links to question the scientists who have worked on the research and development of the vaccine through the UN backed initiative #TeamHalo (<https://teamhalo.org>).
- To support quality of life improvements for our residents we are developing a new integrated wellbeing specification setting out how we can bring together wellbeing and public health and relevant aspects of adult and children's social care into a single commission. This will take a much broader approach to community wellbeing than previous traditional lifestyle services, help to strengthen integration of health and social care, and engage many more people in supporting their wellbeing in the longer term. Using our Digital First Community Campaign Model we will seek to build digital, citizen-led, inclusive communities that focus on key themes including Social Isolation, Physical Activity, support to adults with a Learning Disability and their Carers, Suicide Prevention and Mental Health, Dementia Support and Obesity.
- In order to improve the quality of care to residents we will learn lessons from Covid, particularly where a move to online services has resulted in more efficient and patient-centred outcomes. We are currently reviewing a range of remote imaging and diagnostic software and systems to support the development of further virtual work.
- We will continue to commission effective substance misuse services and whilst ensuring positive outcomes we will work to launch the Essex Recovery Foundation to move to empowering the community to commission services, generate improved outcomes and put service users, their carers and families, at the heart of decision making.
- Through effective leadership and collaborative working with key partners we will deliver tangible improvements in mental health and wellbeing with the goal of reducing suicides and the impact of suicides. To achieve this, we will:
 - Work with children, young people and their families to facilitate stronger mental wellbeing and resilience.
 - Ensure that timely and effective services are available to best support people with emerging and established mental health illnesses and especially for those in crisis. This will include identifying & supporting people with undiagnosed anxiety and/or depression - which may be triggered by major life events such as suicide/death of someone close to them, unemployment etc.

- Closely monitor and respond to the current and emerging risks to mental health caused by the Covid-19 pandemic.
- Put in place mechanisms to better understand and respond to suicide risk:
 - implement improved surveillance allowing us to track suspected deaths by suicide in real-time, providing information that will help us implement targeted and timely support to prevent future suicides.
 - launch a dedicated 'suicide postvention' service in Essex providing targeted support for those family members, carers, staff and friends who have been bereaved by suicide, alleviating their distress and promoting the healthy recovery of those affected.
- Tackle underlying associated risk factors for suicide including wider determinants of health such as debt, unemployment, alcohol and substance misuse.
- Specifically target resources and support at those individuals and groups most at risk of suicide including e.g. middle-aged men and members of the LGBT community.

Help create great places to grow up, live and work

Help to secure stronger, safer and more neighbourly communities

The challenge

Communities are the best guardians of their own interests. We will support communities, and the individuals and families within them, to thrive by building community capacity, capability and connectedness. Volunteering and neighbourliness has been a strong and positive feature of the response to the Covid pandemic so far, helping to protect the most vulnerable and those dealing with social isolation and poor mental health. We will seek to build on and sustain this community spirit, working with communities themselves and with our district, health and voluntary sector partners. We recognise that communities across Essex are very diverse – mixing more affluent and less affluent places, rural and urban and more and less transient. Our approach to strengthening communities recognises this diversity and that different communities will have different assets, aspirations and needs.

Our response to Covid-19 & other major achievements this year:

- As part of Operation Shield, we worked with District and Community and Voluntary Sector (CVS) partners to establish 12 county-wide community hubs supported by DBS checked volunteers who could support shielders with essential tasks such as collecting medication and grocery shopping. Hubs were also tasked with contacting over 60,000 residents to confirm their shielding needs and carry out welfare checks.
- The Essex Welfare Service (EWS) recruited over 7,000 volunteers to support over 40,000 volunteer tasks supporting other members of their community who were shielding or self-isolating.
- In addition, almost 10,000 Hospital Discharge welfare checks were made through EWS to ensure our residents are safe and well. We created the Care Navigation Plus model with partners as part of EWS to ensure the most vulnerable in our community are supported, and since July 4,000 people have received the help they need through this model.
- We have launched a £750,000 community grant scheme, giving all elected Members of the County Council £10,000 to spend in their ward on community projects.
- We received and shared over 600 nominations for the Essex Activity Heroes celebration which recognised inspirational stories from across Essex
- We delivered holiday hunger clubs across the county providing free physical activity sessions and a nutritious lunch, targeting children eligible for free school meals and vulnerable families.
- We delivered the Summer holiday activity club programme which provided 22,850 free places on physical activity sessions across the 6 weeks of the summer holiday. These clubs provided fun physical activity and a free nutritious lunch and supported parents with free childcare.
- During the pandemic we adapted our library services through increased access to our online catalogue, and by increasing the number of e-titles available. Whilst libraries were closed, we provided a click and collect service, and made the changes needed to ensure our libraries were able to reopen to the public in a Covid-safe manner. These efforts ensured that residents and communities were able to continue to access books and other resources during this difficult time.

Key areas of focus for the Council over the next year:

- We will continue to grow our Digital First Community Campaign Model working across communities of place, identity and interest, collaborating with over 600 Facebook Community Leaders.
- We will continue to aid community and grassroots organisations to access the funds they need to survive and thrive and ensure the workforce are well equipped to return to play through learning events, advice, toolkits and resources.
- We will work with our Parishes to empower 150 Parishes to activate and support their communities to achieve better health and wellbeing, greater understanding of Climate Change and to reduce social isolation.
- We will commence a learning and investment programme to support the building of the diverse volunteering ecosystem that builds on the community spirit and activism engendered by the pandemic.
- We will grow our asset-based social isolation programme to encourage increased kindness and belonging in communities. Through this programme we will support 50,000 people across Essex in combating social isolation.
- We recognise that there are a large number of families in Essex who are working hard and not typically in receipt of Council services targeted at vulnerable people, but who nonetheless face financial insecurity and other pressures. We will be implementing a programme of work this year to provide support to these families, building on the measures we have already put in place to provide free school holiday activities, laptops to schools and colleges, and support with holiday hunger.
- We will develop the Holiday Hunger holiday programme to support some of the most vulnerable children and families and those who are eligible for free school meals across each of the school holidays.
- We will extend the summer holiday activity club offer which provides parents who are just about managing with free childcare so that they can continue to work through the school holidays.
- We will continue to support reductions in crime and the fear of crime across Essex by developing a clear and consistent system of effective interventions supporting offenders and victims, working closely with the Office of the Police, Fire and Crime Commissioner, Community Safety Partnerships and other key stakeholders including through the following partnerships:
 - Safer Essex
 - Southend Essex and Thurrock Reducing Re-offending Board
 - Southend Essex and Thurrock Sexual Assault Strategic Partnership
 - Southend Essex and Thurrock Violence and Vulnerability Board
- We will enable enhanced access to the library service as a key service for our communities, enabling digital access through our online offer for books, magazine, activities including Rhymetime, and learning.
- We will be joining the Library Consortium which will give our customers access to an additional 6 million items of stock. Customers will also be able to use the same library card in any library within The Library Consortium, increasing reading and learning opportunities for Essex residents. Work is currently underway to ensure the customer and stock information on our current database is up to date and accurate, providing a better customer experience.

Help create great places to grow up, live and work

Help secure sustainable development and protect the environment

The challenge

We have a key role to play as a custodian of both the natural and built environment for current and future generations. This stewardship requires that less waste is produced, less carbon emitted, more homes and businesses protected from flooding, and the use of green space is maximised. To help achieve our ambitions, we have set up a new, independent, cross-party Essex Climate Action Commission. The Commission will make recommendations to the Council on ways in which we can mitigate the effects of climate change, improve air quality, reduce waste across Essex and increase the amount of green infrastructure and biodiversity in the county; and on exploring how we attract investment in natural capital and low carbon growth.

The Clean Growth Strategy has set out a target for zero avoidable waste by 2050. Producing less waste in Essex is better for the environment, will reduce the cost to taxpayers of its disposal and will support our own ambitions to respond to the demands of climate change. The world of energy is changing. The push to reduce carbon emissions and the deployment of new technologies, such as battery storage, gives us the opportunity to shift our energy system to a more sustainable and flexible model. We are also focusing on managing our own Country Parks and woodlands effectively, greening our urban spaces and planting more trees, and supporting our young people to develop the skills to enjoy the outdoors, which are all beneficial for physical and mental health as well as the environment. At the same time, we need to adapt to an already changing climate, including building our resilience to flooding, coastal erosion and extreme weather events.

Our response to Covid-19 & other major achievements this year:

- The Essex Climate Action Commission has produced its interim report setting out a range of recommendations to help the Council be more ambitious in tackling climate change and supporting growth of the green economy. The Council will be publishing its response to the interim report at February Full Council.
- We have put in place a range of temporary travel measures in response to Covid-19 to support social distancing and to support active travel through safe walking and cycling.
- We have ensured that our recycling centres are able to operate safely when allowed to do so during the pandemic.
- We have kept Essex Country Parks open as a key resource during the pandemic to enable people to access green spaces and seven of our country parks have been awarded Green Flags by Keep Britain Tidy.
- We have secured multi-million-pound external grant funding to support environmental projects in Essex including projects to support businesses, households and schools.
- We have supported a successful £5.3m bid to Innovate UK to bring forward the UK's first electric vehicle charging station which opened in Braintree in December 2020. This is entirely powered by renewable energy.
- The Essex Green Infrastructure strategy has achieved a Building with Nature Accreditation of Excellent, one of only 8 local authority areas in the country to achieve this accreditation so far.
- We have secured a grant of £3.1million from the ERDF for our Modern Methods of Construction Project that will contribute towards more environmentally friendly building practices.
- We have secured grant funding to retrofit fuel poor households to reduce heat loss and improve energy efficiency.

- We have invested a further £1.7m in flood defences as part of our ongoing programme of flood defence improvements, of which £1m was grant funded.
- We have planted 25,000 trees as part of the Essex Forest Initiative.
- We have installed solar panels on Essex Outdoors Danbury and Danbury Park Community Primary School with a grant from the European Commission and are continuing a Department for Education grant funded program of solar installations on schools across Essex.
- We have developed and launched the Active Travel Toolkit to encourage schools and their local communities to get involved in ECC active travel programmes.
- We have been selected to take part in a national pilot for e-scooter use with our first locations going live this year.
- We completed the Cowdray Avenue/Ipswich Road transformational project to completely redesign and reconstruct two major junctions on one of the main traffic arteries in Colchester.
- At the Army and Navy roundabout in Chelmsford we safely removed the old life expired flyover and have developed options for its long-term replacement to create a new gateway entrance to the city of Chelmsford.
- We completed a three-year project to deliver a series of targeted sustainable transport improvements across Chelmsford city centre.
- Over the last year we have repaired more than 12,000 potholes on roads across the county.
- The broadband rollout under our Superfast Essex programme continues to bring faster internet connections to areas not reached by commercially funded networks. The programme is on track to reach some 145,000 premises by March 2021 with superfast or ultrafast connectivity, ensuring that more than 98% of all properties in Essex have access to this vital service.

Key areas of focus for the Council over the next year:

- We will maintain a strong focus on tackling fuel poverty, delivering energy efficiency advice to Essex households, installing solar panels on households and rolling out a new scheme to retrofit over 100 fuel poor households to improve insulation and energy efficiency.
- We will continue to take forward the greening of our estate through the greater use of renewables and building retrofits.
- The Essex Forest Initiative continues to grow. With the support of partners, we will plant a further 50,000 new trees to aid in carbon capture.
- We will continue to enable residents to shift away from car travel by increasing and improving our walking and cycling infrastructure in key urban areas, offer and by setting up sustainable transport corridors.
- We will develop and implement our vehicle electrification strategy including vehicle charging point trials across the county.
- We will bring our integrated waste handling contracts back in-house to better manage the changes and challenges effecting waste handling.
- We will deliver a £972,000 grant funding programme to support Circular Economy projects.
- We will support the development of Community Energy Groups, working with a first cohort of 30 groups, to deliver projects in their local communities.
- The Essex Climate Commission will be publishing its full report in summer 2021 and the Council will be considering and responding to its recommendations, with a view to reducing the county's impact on climate change and achieving the transition to net-zero carbon emissions.
- We will invest £2.6m in Flood Defences of which £1m will be grant funded from the Environment Agency as part of our ongoing commitment to flood defences in Essex.
- We will continue with the roll out and monitoring of our e-scooter pilot programme across 6 separate pilot locations in the county.
- Plans will be put in place for the next three years to reach the remaining poorly served premises in Essex with ultrafast internet connections and to support the rapid expansion of commercially funded ultrafast broadband as well as 4G and 5G mobile networks.

Help create great places to grow up, live and work

Facilitate growing communities and new homes

The challenge

Essex has a target to build at least 140,000 new homes by 2035 - a 22% increase at twice the recent rate. We are committed to ensuring that new developments are supported with appropriate infrastructure properly financed by developers, which protects and enhances the characteristics of the county, and delivers sustainable development which is net zero carbon by 2030. We are not just building new homes but building sustainable and connected communities with employment, community spaces and access to nature, enhancing community wellbeing. District Councils' Local Plans are the key to securing good growth and we will work with our Districts to support the local planning process.

Our response to Covid-19 & other major achievements this year:

- Working in close collaboration with partners, including ECC, Police and the voluntary sector we supported 348 rough sleepers into safe accommodation during lockdown, sourcing emergency accommodation where existing provision was insufficient, utilising vacant hotels and B&Bs, ensuring provision of food and other essential goods was in place, and putting floating support services to ensure that all rough sleepers were registered with a GP, could apply for benefits, and access substance misuse services if needed.
- We secured approval for the Colchester Tendring Borders Garden Community to provide for land for business, leisure, green space, schools, and 7,000 – 9,000 new homes and jobs. This includes securing planned investment of £109m in a rapid transit system and link road to bring forward transport infrastructure ahead of housing development.
- We secured final approval for the Chelmsford Garden Community to provide land for business, leisure, green space, schools and 10,000 new homes and jobs.
- We have worked with south Essex authorities to develop a pipeline of infrastructure investment required to unlock homes from Government
- We have delivered with partner authorities the Local Plans for Chelmsford and Harlow which provide the strategic blueprints for sustainable growth in these districts for the next 10-15 years.
- We have consulted on and published Essex County Council's first housing strategy, setting out the Council's role in support of new development, and helping vulnerable people to be well housed.
- We have entered into a contract for a £99m project building the A120/A133 link road and Rapid Transit system with Homes England and work has commenced on site for the new M11 J7A.
- Working with Chelmsford City Council, Sport England and Active Essex we have developed the "Live Well Developer Accreditation" to encourage developers to make the built environments they create more conducive to physical activity.

Key areas of focus for the Council over the next year:

- We are focused on ensuring that new housing developments are supported by infrastructure development. We will therefore continue bidding to government for further infrastructure funding ahead of housing developments planned for the coming year.
- Essex Housing will complete construction of phase 1 of Rocheway and will commence construction on up to 10 new schemes next year.
- We will work with District partners to support the adoption of four further Local Plans in 2021/22.

- We will continue to secure and deliver infrastructure funding and improvements through the Community Infrastructure Levy. Over the coming year, we will be taking this forward in Maldon and Castle Point.
- We are continuing to develop the Essex Design Guide as a nationally leading tool to improve the design and delivery of new housing developments. Over the coming year we will introduce an additional chapter of the guide to increase developer contributions to support skills training.
- We will engage in our role as a strategic planning authority in the first phase of the national planning process for Bradwell B Power Station.
- We will commence work on site for the Fairglens Interchange upgrade and also for the M11 J8 upgrade.
- We will deliver a £86m programme of capital investment in the maintenance of our highway network.
- We will initiate a widespread roll out of LED street lighting to reduce energy consumption and the impact upon the environment.
- We will complete delivery of Essex Active Travel Phase 2 schemes across the county.
- We will roll out the Live Well Developer Accreditation across Essex.

Transform the council to achieve more with less

Limit cost and drive growth in revenue; Develop the capability, performance and engagement of our people; Re-imagine how residents' needs can be met in a digital world

The challenge

Before the pandemic we faced a very challenging economic outlook and that challenge has been amplified in the last year. As a result we need to work harder than ever to maximise the value of every pound of taxpayers' money. We aim to be the most efficient and effective county council in the country because that is how we make sure that we are achieving the best possible outcomes for our residents. That means getting the best out of our people, assets and technology. As an employer of 6,500 people, we recognise the need to invest in and develop our workforce, so we are fit to meet the challenges of the twenty-first century. The pandemic has accelerated the move towards remote and digital working and our residents rightly expect to be able to take advantage of the simplification and streamlining of their engagement with public services that digital transformation can bring, including accessing services when and where it suits on their preferred device and with inclusive accessible interfaces. We need to harness this acceleration of digital transformation, changing how we interact with residents and businesses in an internet age, and making best use of the data assets we hold to achieve better outcomes for our residents.

Our response to Covid-19 & other major achievements this year:

- We have ensured that most financial assessments required to access services can be done via electronic self-completion or by telephone, enabling more assessments to be completed, and in a more timely way.
- We accelerated the roll out of remote working technologies to allow ECC to continue delivering services for the people of Essex during the first national lockdown, with very high user satisfaction and improved levels of resilience.
- Our new procurement framework helped us manage the financial resilience of our suppliers by ensuring the ongoing monitoring of their financial health and, where required, actions to mitigate.
- We provided public health surveillance data to support our efforts to understand the spread of the disease in Essex and support our local track and trace requirements. We also made data available to the public and partners to support transparency and their efforts to support their communities.

Key areas of focus for the Council over the next year:

- We will work with our partners to continue to ensure that Essex public services add up to more than the sum of their parts through programmes such as our Anchor Partnership which uses the employment, buying, and environmental weight of key Essex bodies to achieve core outcomes.
- We will continue to develop the work of the Essex Centre for Data and Analytics with Essex Police and Essex University, building on the successful procurement of our data sharing platform, the recruitment of our ethics committee, and the ground breaking work on knife crime and other areas delivered in 2020.
- We will develop a new organisation strategy reflecting key priorities which are informed by the needs arising from the pandemic. Over the coming year, we will continue to embed strong business planning across the organisation, in our culture and our operations.
- We will identify effective channels of contact for our customers, maximising online access and use wherever possible, in order to register life events, plan wedding ceremonies and make our high-volume customer transactions easier (including Highways; Blue Badge; Schools Admissions and Appeals).
- We will actively sponsor the Leading Greater Essex programme – bringing together 80 public sector leaders from across public and voluntary organisations in Essex to address some of our most complex challenges whilst developing their system-level knowledge and skills.

- We will continue to help our workforce to be high performing, productive and engaged, and make the council an attractive place to work that retains the best talent. To do this we will:
 - Create a new “People Plan” setting out the ways we will ensure that staff can continue to learn and develop in their careers.
 - Launch our new recruitment website and employer brand to help attract the right skills, experience and leadership to the council.
 - Continue with our entry to work schemes to provide opportunities and pathways for young people and work returnees to positively contribute in our organisation
- We are committed in our aim of becoming a learning organisation, empowering our workforce to learn, continually reflect on performance and seek opportunities for growth. We will embrace new technology to enable our workforce integrate learning into the flow of their everyday work activities.
- The Covid-19 pandemic has shown us that we can drastically change our ways of working so that work becomes a thing we do, not a place we go. We will continue to explore what our new normal looks like for our workforce, how our residents engage with us, access our services and how our services are designed.
- We’re actively seeking how we can improve our diversity across the entire council. This includes taking steps to reduce our gender pay gap and continue to attract employees that are representative of the people we serve. We will also continue to support, promote and listen to our employee communities including our BAME, women, LGTBQ+, and disability networks so together we can strengthen the inclusivity of our organisation.
- We will use our understanding of data and how our residents engage with the Council to deliver at scale, high quality, cost-effective, and user-centred services for Essex residents. To achieve these ambitions, we will be:
 - creating a vision and approach that will support the digital transformation opportunities across the organisation,
 - expanding on ideas such as our practice leaders and communities of practice,
 - working with the colleagues from across the organisation to ensure that the organisation design changes are more organic and fit for purpose.
- We will continue to improve the resilience and reliability of technology services moving to cloud based technology, ensuring our teams can operate flexibly and effectively in a rapidly changing environment, and that our customers are always able to contact us when they need to.
- We will ensure that all our charges can be made through mobile devices with ease, and that financial assessments can be completed online.
- Our new procurement policy will enable advancement of our social value agenda, notably increasing employment opportunities, through capitalising on our influence in the market.

Equalities

Our equality objectives have been set out in the Organisation Strategy 2017-21:

<p>Objective 1: We will tackle the causes of disadvantage, ensuring that all Essex residents can access good jobs and an excellent education, regardless of their backgrounds.</p>	<p>Objective 2: We'll remove the obstacles that hold Essex residents back, tackling inequalities between children and supporting older people to live independently with dignity.</p>	<p>Objective 3: We will help make it easier for people to travel across Essex, bringing communities together and connecting people to services, employment and learning opportunities.</p>	<p>Objective 4: We will employ a diverse workforce, drawing on the different values and experiences that reflect the communities we serve.</p>
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We strive to embed these in all policies, procedures, day-to-day practices and external relationships. The Equality Act 2010 compels us and others carrying out public duties to pay due regard to equality in all areas of work – advancing equality of opportunity, eliminating discrimination and fostering good relations with different groups. We were accredited as ‘excellent’ by the Local Government Association (LGA) under the Equality Framework for Local Government in 2019. The LGA recognised that the principles of equality and inclusion are firmly rooted within the corporate health of our organisation.

While everyone in Essex has been affected by either the Covid-19 pandemic itself or the restrictions imposed in response to it, it is clear that the negative impact has been more severe for some groups than others. The virus has highlighted the persistent and structural disadvantages that have faced certain groups in our communities. It is therefore even more critical that we intensify our efforts to understand and respond to the drivers of disadvantage, deprivation and inequality across the county. We will do this by continuing to work innovatively, focused on the causes as well as the symptoms and on the long-term as well as the short-term. We recognise the need for interventions to be tailored on a locality basis with community engagement as part of our approach.

The following activities support one or more equality objective. This list is not exhaustive.

In the last year we have:

- responded to the pandemic by setting up the Faith and Communities Tactical Coordination Group to provide information and advice to faith and community groups and also to inform development of future resilience / recovery / pandemic response work.
- supported the continued growth of the Essex Faith Covenant, with an increase in signatories from public services and faith-based organisations.
- worked with Provide (a community interest company) to launch Essex Welfare Service to help vulnerable people in our community who are staying at home and in need of support during the coronavirus period.
- provided £220,000 of funding through our Tackling Inequalities fund which supported community groups to engage under-represented groups including Low Socio-Economic Groups (LSEG), ethnically diverse communities and those with disabilities the opportunities to get involved in regular physical activity to improve their physical and mental wellbeing.
- as part of Operation Shield, worked with District and Community and Voluntary Sector (CVS) partners to establish 12 county-wide community hubs supported by DBS checked volunteers who could support shielders with essential tasks such as collecting medication and grocery shopping. Hubs were also tasked with contacting over 60,000 residents to confirm their shielding needs and carry out welfare checks.
- have consulted on and published Essex County Council's first housing strategy, setting out the Council's role in support of new development, and helping vulnerable people to be well housed.

Next year we will:

- develop a system wide understanding of the unfairness that exists for some people living in Essex and look into why these inequalities exist and persist, through Making Essex Fairer.
- continue to improve our equalities performance reporting framework.
- facilitate 500 apprenticeships through a managed matching service to provide employment opportunities to young people across Essex.
- continue with our work to improve the SEND system for children young people and their families across Essex. Key priorities for this work are the implementation of the Inclusion framework, embedding new ways of working in our SEND Teams, roll out of Trauma Perspective Practice in schools whilst continuing our work with the Head Teacher Round on inclusive practice in schools.
- implement actions arising from our latest SEND Ofsted Inspection Written Statement of Action, focussing on Joint Commissioning, improving the Education, Health and Care Plan (EHCP) process and unpicking the over reliance on the identification of Moderate Learning Difficulties (MLD) as our strategy to support children with SEND.
- develop a new Family Resilience Strategy which will deepen our understanding of the issues being experienced by Essex children living in poverty and disadvantage and set out how we will work with partners across the system to address this long-standing challenge.
- over the next year, undertake a robust commissioning programme to improve our Short Breaks offer for disabled children and young people.
- help our residents find the best possible solution that enables them to regain or retain their independence and live in their own home wherever possible. Over the next year we will:
 - Increase accommodation options that promote independence including the development of Extra Care Housing for older people, Supported Living options for people with learning disability and autism, and improved accommodation options for people with mental health issues.

- Work with partners to roll-out improved care technology.
 - Work with partner organisations to improve employment opportunities and life opportunities for those with learning disabilities and autism, and those with mental health problems.
 - Continue our work with communities to improve the support provided to family carers, recognising the vital role that they play in looking after family members and friends who require support
- improve our support to adults with mental health problems and work with partners to address the mental health challenges that have resulted from Covid-19.
- specifically target resources and support at those individuals and groups most at risk of suicide including e.g. middle-aged men and members of the LGBTQ+ community.
- grow our asset-based social isolation programme to encourage increased kindness and belonging in communities. Through this programme we will support 50,000 people across Essex in combating social isolation.
- maintain a strong focus on tackling fuel poverty, delivering energy efficiency advice to Essex households, installing solar panels on households and rolling out a new scheme to retrofit over 100 fuel poor households to improve insulation and energy efficiency.
- explore how we can improve our diversity across the entire council. This includes taking steps to reduce our gender pay gap and continue to attract employees that are representative of the people we serve. We will also continue to support, promote and listen to our employee communities including our BAME, women, LGBTQ+, and disability networks so together we can strengthen the inclusivity of our organisation.

Resources

Financial Strategy 2021/22 – 2024/25

The 2020/21 financial year has been challenging in the face of the COVID-19 pandemic. There have been significant levels of spend to support the continuation of Adult Social Care and frontline services being delivered to residents, as well as support for those hardest hit by the pandemic, working in conjunction with partner organisations. We have also seen reductions in the level of income we receive where we charge for services, as a result of lockdowns and restrictions on activities, alongside changes in residents' behaviours. At the time of writing, spending pressures and income losses in relation to the pandemic are estimated at over £160m for ECC. To support this we have received significant funding from government, however the medium to long term impact of the pandemic on the economy and demand for services is still unknown, and leaves us with a level of uncertainty in our medium term financial strategy.

We have a legal responsibility to operate within a balanced budget. With the changes and reductions in Government grant funding over recent years, coupled with increasing and more complex demand for core services such as caring for the elderly, protecting vulnerable children and supporting those families who need it, the financial situation continues to be challenging. However, it continues to provide an opportunity to question how services are currently provided and where necessary, redesign them to better meet the needs of residents and communities now and in the future.

The budget sets out the financial resources that we have available to deliver our statutory requirements, political priorities and the Organisation Plan and therefore achieve the Organisation Strategy. In 2021/22, we will spend a gross budget (including schools) of **£2,014m**, which, after taking income and specific grants into account, amounts to a net cost of services of **£1,038m**, some £45m or 5% more than originally budgeted in 2020/21, and invest **£290m** in our capital programme. This budget is underpinned by a financial strategy to ensure that we can continue to live within our means, whilst also continuing to deliver essential services to residents and keep council tax as low as possible.

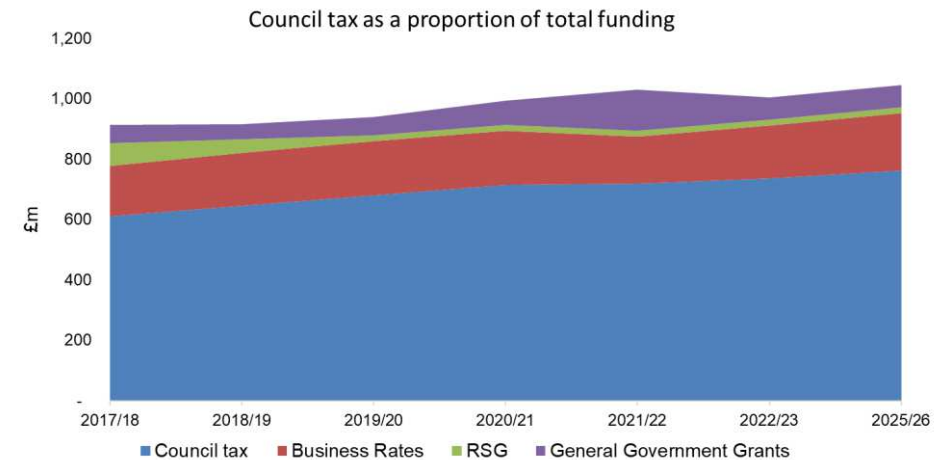
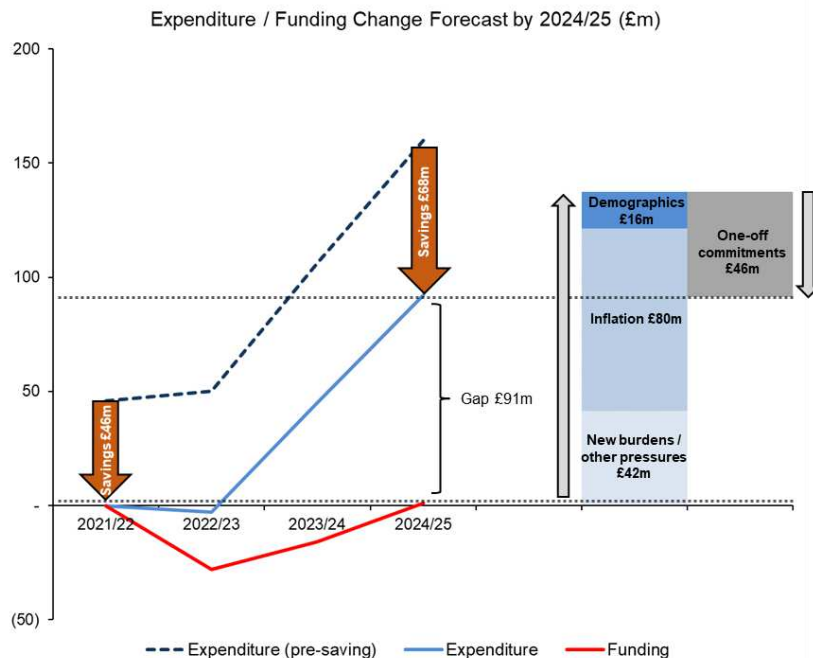
We have a strong record of sound financial management, and over the last 4 years have generated savings to taxpayers of **£282m**. A further **£46m** of new savings are forecast to be delivered by the end of 2021/22 (**4%** of net budget). The planned savings are focused around contract efficiencies, back office savings through process efficiency, service redesign and use of technology, one off opportunities and transformation of community care for Older People to deliver better outcomes. We have an outstanding track record of delivering savings, generating income and delivering value to our residents, with a constant focus on strategic outcomes and financial prudence. We are listed in the top ten most efficient Councils for the second year in a row.

The Final Settlement from Government has confirmed the announcements in the Autumn Spending Review. This includes continuation of the Revenue Support Grant (RSG) and existing social care grants, as well as a new grant for social care recognising the pressures in this area. Temporary grants for 2021/22 to support the continuing pandemic response and the pressures on expenditure, income losses and council tax support and guarantees were also announced.

Our long-term funding position is less clear. There is no funding certainty from Government beyond 2021/22, which makes it difficult to plan for the longer term. Our medium-term strategy assumes the continuation of Revenue Support Grant at the 2021/22 level of **£19m**, and the continuation of the new social care grants based on the commitment within the Conservative Party manifesto.

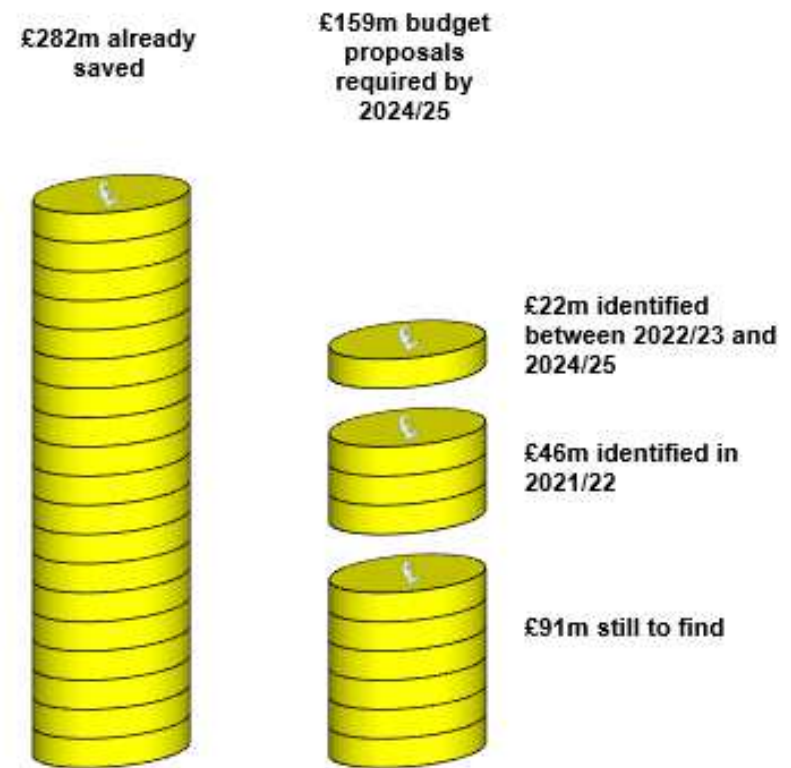
Our budget for 2021/22 assumes the utilisation of 1.5% of the 3% Social Care precept flexibility offered by Government, and no increase in Council Tax. In line with the flexibilities, it is our intention to raise the remaining 1.5% Social Care precept in 2022/23. The precept is being used to insulate Adult Social Care from higher savings and support growth in demographics and inflation. Taking these increases into account, the council tax for a band D property will be **£1,340.91; this is an increase of 38p per household per week.**

Net expenditure of **£1,038m** is funded by Council Tax, Business Rates, RSG and General Government Grants. Income from Council Tax is the largest funding stream at **£718m** and will make up **69%** of our funding in 2021/22.



Based on latest intelligence on demand for services, inflation, and likely funding levels, we are forecasting a budget gap of £25m in 2022/23 rising to £91m in 2024/25. The most significant driver of the gap is inflation which accounts for £80m, followed by new burdens and other cost pressures (£42m), including financing of the capital programme, then demographic growth of £16m. These are partially offset by one off income in 2021/22 of £46m, including £29m of Emergency COVID-19 funding received from central government and £10m of local council tax support grant from government which is set aside to support vulnerable households following the pandemic.

Some progress has been made towards balancing the budget over the medium term. The remaining 1.5% of social care precept in 2022/23 will increase funding through council tax. We have identified further new savings of £23m in 2022/23 (although these only benefit the position by £7m after allowing for the impact in 2022/23 of one-off savings in 2021/22) and a further £9m and £7m in 2023/24 and 2024/25 respectively, and these initiatives are included in the forecast gap. However, we need to identify options for addressing the budget gap. Work will continue during 2021/22 to identify proposals to close the funding gap beyond the next year. We are fully cognisant of the challenges faced, including the funding uncertainty, and we are determined to continue to transform how we operate to tackle this enormous task. We are committed to delivery of savings and generating the income required to reach a balanced budget position but also to deliver better services for residents.



There will be a continued focus on commercialism where possible, effective contract management and working with partners to secure value for money in delivering our strategic aims and priorities. We will be redesigning services where appropriate to ensure they remain modern and fit for purpose. The capital programme will also have elements which result in cash savings or reduced costs thus reducing the burden on taxpayers.

Capital

The capital programme presented is fully developed for 2021/22 and provides the current view of the programme for 2022/23 to 2024/25.

The longer-term capital programme aspirations remain significant and we recognise that investments are essential to meet future needs, generate additional income including capital receipts and deliver revenue savings and reductions in cost. We will continue to develop a future programme of investment which is affordable within the financial envelope available and will help transform service delivery to improve the quality of life for residents.

The overall aim for the capital programme is to have a diverse portfolio of activity ensuring, where appropriate, the creation of new assets and maintaining the quality of existing infrastructure, for the benefit of our residents and businesses.

The approach to the development of the capital programme is:

- Ensuring activity is prioritised in line with the organisation strategy, with robust delivery plans in place, enabling delivery on time and at value, for example maintaining the road network and ensuring every child has a place at school.
- Utilising and leveraging the existing asset base to ensure it is fit for purpose, creating value and ensuring external funding is leveraged, especially from development, which will maximise the financial envelope available for capital projects such as funding for road improvements, new road junctions and building new schools.

Over the last three years we have invested over £154m on improving the quality of the roads and footways. As a result, we have seen significant improvements in the condition of the main road network, local roads and improvements to relieve congestion in several key locations.

Continued investment is vital to achieving the ambitions for the county which are aligned to the district's local plans, from schemes to generate economic growth to reducing congestion and unlocking land to develop homes. Following the notable achievement last year in securing Housing Infrastructure Funding (HIF) to support this ambition, schemes are now progressing through the design phase such as Beaulieu Station and Chelmsford North-East bypass that will deliver a new train station and road improvements, and the A133-A120 Link HIF and Colchester Rapid Transit System (RTS) schemes supporting delivery of the Tendring Colchester Borders Garden Community.

The success this year in securing £26.5m Get Britain Building Funding will support economic recovery and our economic growth and regeneration programme currently focusing on town and city centre modernisation through targeted infrastructure investments that unlock longer term economic potential, create new jobs and homes.

Over the next three years delivery will continue on significant packages of improvement work such as new junctions at M11 Junction 7a, M11 Junction 8 and at the A127 / A130 Fairglens Interchange. We will continue to work closely with the Department for Transport and Highways England to secure funding for our longer-term pipeline covering the next 10 to 15 years that is in the development stage, which will provide greater opportunities to leverage external funding and work with third parties to enable greater outcomes for Essex.

Continued investment into the Superfast Essex Broadband programme will ensure that 98% of all fixed addresses in the county have access to superfast broadband, with many rural installations now being delivered via full-fibre connectivity, capable of ultrafast speeds.

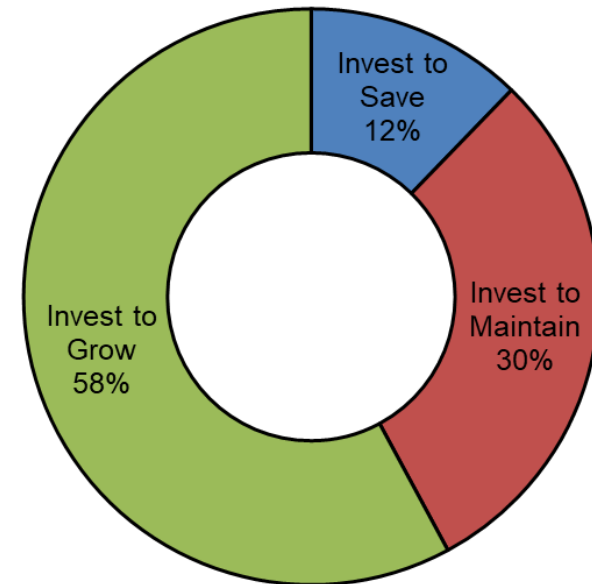
Essex Housing is our housing development arm which works with public sector partners across Essex to identify and bring forward surplus land in order to help address general, specialist and affordable housing need, generate capital receipts and deliver revenue benefits. A number of schemes have already been delivered and the ambitious programme continues in bringing forward private units which offset the costs of the affordable and specialist units to ensure the model is financially sustainable for ECC. Specialist units such as Independent Living for Older People and People with Learning Disabilities help promote the independence of some of the most vulnerable in the County, improve outcomes and reduce the costs of social care provision.

Our collaboration with Essex Schools has seen our special school places increase and we will continue with this programme of works focusing on new schools and the start of the pupil referral unit programmes. This continues to represent a step change in the provision and helps to reduce distances children with Special Educational Needs and Disabilities need to travel, keeping them closer to their family and reducing associated costs. This programme continues with a further £49m being spent over the next 4 years. On top of this there is £173m being spent on mainstream education over the next 4 years to ensure that additional pupil places are being delivered in the areas of need.

The total of the 2021/22 programme is **£290m**. This can be analysed as follows:

- **Invest to Maintain** totals £87m and includes areas where the Council is maintaining (but extending the life of) its current assets, for example, highways and the flood programme.
- **Invest to Save / Generate Return** totals £36m and includes areas where the Council is investing to generate a return or saving, for example, accommodation for older people with disabilities, LED lighting and the Essex Housing Programme.
- **Invest to Grow** totals £168m and includes areas where the Council is expanding its capacity, for example, economic growth schemes in infrastructure and highways, creating new school places to meet additional demand from demographic changes, new housing developments and enhancing skills in key growth areas.

Capital Programme 2021/22 £290m



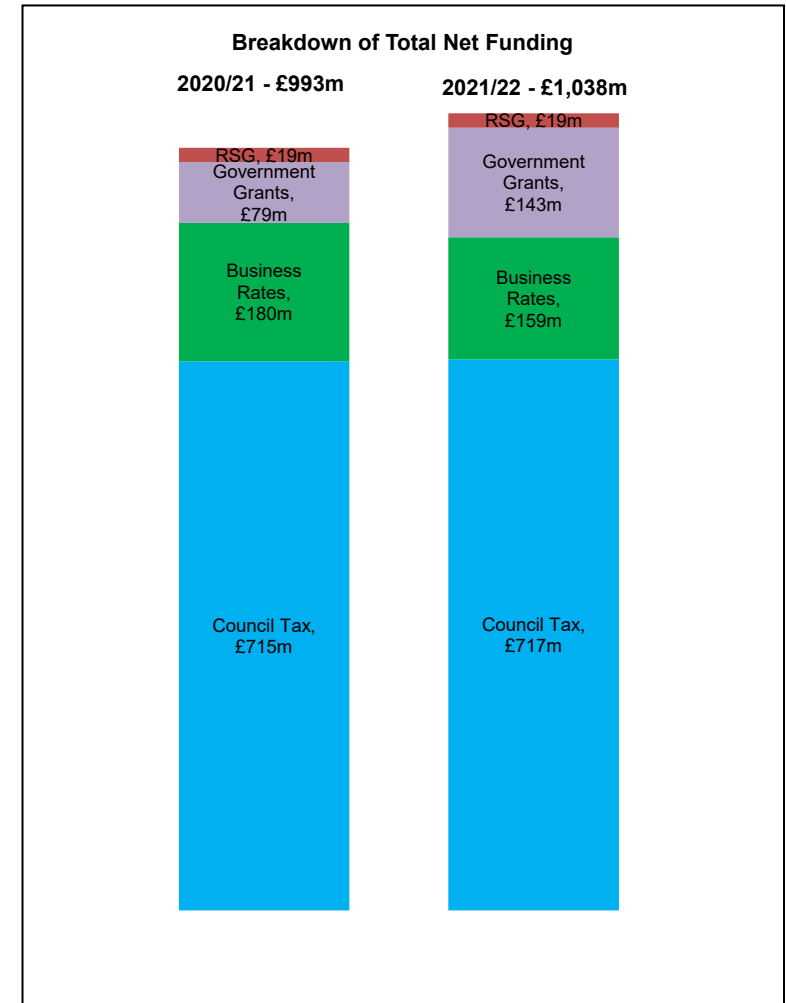
2021/22 Revenue Overview

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

Budget breakdown

	2020/21 £m	2021/22 £m
Gross Expenditure	1,944.0	2,013.7
<i>Deduct:</i>		
Income	(279.1)	(269.6)
Specific Government Grants (excluding DSG)	(166.4)	(165.8)
Specific Government Grants (DSG)	(505.8)	(540.7)
Subtotal: Net Cost of Services	992.7	1,037.6
<i>Deduct:</i>		
Council Tax Requirement	(707.8)	(717.5)
Revenue Support Grant (RSG)	(18.6)	(18.7)
Non-Domestic Rates	(180.2)	(180.0)
Non-Domestic Rates Collection Fund Deficit *	0.1	21.1
General Government Grants	(79.1)	(142.8)
Council Tax Collection Fund (Surplus)/ Deficit*	(7.1)	0.3
Subtotal: Total Funding	(992.7)	(1,037.6)
Balanced budget	0.0	0.0

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



Income

Within the budget, income of **£270m** is expected in 2021/22, a reduction of **£9.5m** when compared to 2020/21. The breakdown of income streams by portfolio is shown on page 39.

Over **44%** of income shown in the table is derived from fees and charges; of this the majority is raised from means tested charges for adult social care. Fees and charges are subject to an annual review.

There has been an £11.3m reduction in the fees and charges budget, which primarily relates to charges levied to adult social care clients (£6.6m) due to the number of excess deaths associated with COVID-19 and reductions in income forecast in green spaces.

A significant proportion (**82%**) of the income recharges relate to the Better Care Fund.

	2020/21 £m	2021/22 £m
Fees and Charges	(131.2)	(119.9)
Contributions from Other Bodies	(53.8)	(50.5)
Interest Receivable	(1.3)	(0.8)
Rents and Lettings	(5.8)	(6.0)
Sales	(2.3)	(0.7)
Other Income:		
Appropriations Income*	(7.5)	(20.0)
Dividends	-	(0.9)
Income Recharge	(59.1)	(53.4)
Other Recharges	(18.0)	(17.4)
Capital Grants	-	-
TOTAL	(279.1)	(269.6)

* Appropriations Income is the budgeted drawdown from reserves, such as the PFI and Waste reserve, as well as the budgeted surplus from trading accounts that is attributable to the County Fund. The increase in appropriations income mainly relates to (a) smoothing the impact of increased cost of PFI contracts in 2021/22 and (b) planned use of carry forwards as part of our savings strategy.

Specific Government Grants

The budget also includes **£707m** of specific government grants, the most significant are the Dedicated Schools Grant (**£541m**), the majority of which is passed through to schools, and Public Health grant (**£61m**), which is ring-fenced to public health activity.

Revenue Budget Summary

2019/20	2020/21	2020/21			2021/22		
Actuals	Original	Latest		Gross		Specific	Total Net
£000	Budget	Budget	Portfolio	Expenditure	Income	Grants	Expenditure
	£000	£000		£000	£000	£000	£000
122,909	129,041	130,673	Children and Families	155,662	(8,912)	(14,906)	131,844
16,571	18,317	21,858	Customer, Communities, Culture and Corporate	27,919	(9,897)	(49)	17,972
6,692	6,262	9,378	Economic Development	6,737	(777)	(0)	5,960
89,591	78,331	82,038	Education and Skills	691,196	(28,699)	(578,858)	83,639
81,071	77,582	82,983	Environment and Climate Change Action	93,480	(9,176)	(65)	84,239
15,439	17,461	16,090	Finance	10,433	(2,309)	(256)	7,869
407,305	423,018	466,718	Health and Adult Social Care	699,544	(145,476)	(112,167)	441,902
48,058	44,257	50,440	Infrastructure	67,600	(18,235)	(221)	49,144
5,860	7,551	8,062	Leader	5,659			5,659
88,686	102,872	34,509	Other Operating Costs	136,489	(21,700)		114,789
1,740	1,902	2,948	Performance, Business Planning and Partnerships	2,647			2,647
61,774	54,620	69,747	Customer, Communities, Culture and Corporate RSSS	72,977	(13,101)		59,876
17,528	18,867	21,814	Finance RSSS	31,163	(10,691)		20,471
2,226	2,292	2,719	Leader RSSS	2,231	(0)	(0)	2,231
7,959	10,295	9,470	Performance, Business Planning and Partnerships RSSS	10,014	(640)		9,374
973,409	992,669	1,009,448		2,013,751	(269,613)	(706,522)	1,037,616

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

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

2021/22 Capital Programme overview

The Capital Programme for 2021/22 is £290m. We will deliver our education programme, with over 1,500 places required across primary and secondary schools in 2021/22, continue delivering the new special school places for children with special educational needs and we will be investing over £5m in replacing ageing temporary classrooms with new, permanent, zero carbon buildings. We will continue with Essex Housing (our in-house development arm) which works with public sector partners across Essex to identify and bring forward surplus land in order to help address general, specialist and affordable housing need, generate capital receipts and deliver revenue benefits. There is significant investment for maintaining and improving the highway network to continue ensuring the county keeps moving. We will continue investing in the Superfast Essex Broadband programme which will ensure more of the county have access to superfast broadband and continue to deliver schemes that support economic growth and regeneration focusing on town and city centre modernisation through targeted infrastructure investment that unlock longer term economic potential and create new jobs and homes.

2019/20 Actuals	2020/21 Latest Budget		2021/22 Budget	2022/23 Aspirational	2023/24 Aspirational	2024/25 Aspirational	Four Year Total
£000	£000	Portfolio	£000	£000	£000	£000	£000
400	545	Children and Families	650	650	650	650	2,600
6,854	5,398	Customer, Communities, Culture and Corporate	5,590	5,195	5,100	5,100	20,985
10,511	19,891	Economic Development	47,147	74,158	40,571	9,273	171,149
47,540	40,972	Education and Skills	63,594	77,621	60,989	63,970	266,174
3,447	3,012	Environment and Climate Change Action	4,005	5,281	6,470	5,990	21,746
654	208	Health and Adult Social Care	1,160	3,701	2,200	2,200	9,261
108,597	129,429	Infrastructure	134,825	141,505	111,279	108,520	496,128
5,508	11,972	Leader	33,004	100,031	145,189	76,555	354,778
183,511	211,427	ECC Capital Programme	289,975	408,142	372,448	272,257	1,342,821
(379)	840	Schools Cash Balance					
3,174	1,061	Devolved Formula Capital	366				366
2,795	1,901	Total School Balances	366				366
186,306	213,328	Capital Programme	290,341	408,142	372,448	272,257	1,343,187

2019/20	2020/21		2021/22	2022/23	2023/24	2024/25	Four Year Total
£000	£000	Financing	£000	£000	£000	£000	£000
17,935	9,581	Capital Receipts	5,000	5,000			10,000
21,774	12,999	Contributions	16,028	21,225	21,734	9,089	68,076
90,204	110,173	Grants	151,870	160,150	198,132	133,815	643,966
		Reserves	2,900	2,900	3,000		8,800
56,393	80,576	Unsupported borrowing	114,543	218,868	149,582	129,353	612,345
186,306	213,328		290,341	408,142	372,448	272,257	1,343,187

Council Tax Requirement

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

Statutory disclosure requirement

	£
Net cost of Services	1,037,615,998
General Government Grants *	(142,803,534)
Budget requirement	894,812,464
Less funding available:	
Revenue Support Grant	18,701,052
Non-Domestic Rates	180,002,902
Non-Domestic Rates Collection Fund deficit	(21,123,182)
Council Tax Collection Fund deficit	(278,709)
	177,302,063
Council tax requirement	717,510,401
Tax base (Band D equivalent properties)	535,092.14
Band D council tax	1,340.91

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

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

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

Annex 1: Revenue and capital budgets

Enable inclusive economic growth

Economic Development portfolio (Cllr Tony Ball)

Revenue Budget

2019/20	2020/21	2020/21			2021/22		
Actuals	Original	Latest			Gross	Income	Total Net
£000	Budget	Budget			Expenditure	£000	Expenditure
	£000	£000			£000		£000
2,505	3,034	5,573	Economic Regeneration		2,690	(63)	2,627
847	995	1,007	Environmental Planning		1,342	(324)	1,018
546		162	Housing				
767	434	464	Housing Growth and Strategic Sites		445		445
362	336	636	Inward Investment		336		336
879	804	875	Skills		830		830
610	597	598	Strategic Spatial Planning		880	(275)	606
177	63	63	Tourism		214	(115)	99
6,692	6,262	9,378	Total Economic Development		6,737	(777)	5,960

Enable inclusive economic growth

Economic Development portfolio (Cllr Tony Ball)

Capital Programme

2019/20 Actuals	2020/21 Latest Budget		2021/22 Budget	2022/23 Aspirational	2023/24 Aspirational	2024/25 Aspirational
£000	£000		£000	£000	£000	£000
		Employment Space	186			
		Harlow Town Regeneration		3,000	5,028	2,412
		University of Essex Parkside Phase 3	2,000	3,000		
	171	Jaywick Market & Commercial Space	1,801			
		Enterprise Centre for Horizon 120 Business Park	7,000			
	104	Remodelling of buildings at Harlow College to provide new 'T'-levels	1,396			
		Tindal Square, Chelmsford	750			
	586	Nexus	1,014			
	2,047	Swan Modular Housing Factory	2,483			
	326	Labworth Car Park, Canvey Island	374			
		Harlow Development Fund	5,000			
		Harlow Library GBBF	1,153			
	672	Jaywick Bikes GBBF	1,734			
		Colchester Towns Fund & Regeneration		2,500		
	150	Clacton Town Centre FHSF		7,724	4,274	855
	4,055	Sub-total Economic Development	24,891	16,224	9,302	3,267

Enable inclusive economic growth

Economic Development portfolio (Cllr Tony Ball)

Capital Programme (cont'd)

2019/20 Actuals	2020/21 Latest Budget		2021/22 Budget	2022/23 Aspirational	2023/24 Aspirational	2024/25 Aspirational
£000	£000		£000	£000	£000	£000
487	3,624	Essex County Hospital	6,269	9,513	7,233	3,159
	483	Essex Housing Programme	1,238	3,843	932	4
150	247	Harlowbury	235	6,677	4,220	2
117	356	Loughton Library	515	10,658	722	1
111	48	Maldon Friary	2,006	2,949	2	0
904	33	Moulsham Lodge	33			
145	117	Purford Green	2,865	3,062	9	
237	2,970	Rocheway	1,246			
164	64	Shernbroke Hostel	2,136	2,903	4	
242	986	St Peters College	1,927	10,024	11,057	2,813
31	53	Westfield	10	8	12	
53	167	Shenfield Library	630	2,403	4	
47	173	Primrose Meadow	3,147	5,895	7,074	27
7,823	6,514	Schemes completing in 2020/21 or earlier				
10,511	19,891	Total Economic Development	47,147	74,158	40,571	9,273

Enable inclusive economic growth

Education and Skills portfolio (Cllr Ray Gooding)

Revenue Budget

2019/20	2020/21	2020/21			2021/22	
Actuals	Original	Latest			Gross	Total Net
£000	Budget	Budget			Expenditure	Income
	£000	£000			£000	£000
						Specific Grants
						£000
						£000
			Education and Life Learning DSG			
(2,136)	(401)	(401)	Early Years Block		84,859	(85,260)
(1,958)	(73)	9,262	i Schools and Central Services Block		330,974	(330,146)
4,544	(2,589)	(11,726)	High Needs Block		148,525	(152,014)
			Education and Life Learning Non DSG			
51,573	46,890	47,429	Access To Education		61,840	(12,805)
(1,143)	(1,094)	(332)	Adult Community Learning		9,809	(2,742)
1,937	2,202	2,238	Early Years		1,772	(155)
3,542	1,819	3,637	ii Schools		13,089	(7,743)
30,287	28,679	28,954	Passenger Transport		32,313	(856)
2,064	2,355	2,389	Special Educational Needs		7,258	(3,988)
882	542	588	Strategic Management		758	(410)
89,591	78,331	82,038	Total Education and Skills		691,196	(28,699)
						(578,858)
						83,639

i Includes borrowing costs for some capital projects in schools

ii Includes Youth Services

Enable inclusive economic growth

Education and Skills portfolio (Cllr Ray Gooding)

Capital Programme

2019/20 Actuals	2020/21 Latest Budget		2021/22 Budget	2022/23 Aspirational	2023/24 Aspirational	2024/25 Aspirational
£000	£000		£000	£000	£000	£000
24,110	27,475	Basic Need Schemes	35,218	40,701	42,811	53,770
366	1,015	Early Years	1,585			
221	300	Schools Feasibilities	250	300	300	300
15,148	1,969	Special Schools including Pupil Referral Unit	14,006	26,568	7,978	
1,482	370	Temporary Accommodation and Relocatable Replacement	6,134	3,652	3,500	3,500
6,222 (8)	9,843	Schools Capitalised Building Maintenance Schemes completing in 2020/21 or earlier	6,400	6,400	6,400	6,400
47,540	40,972	Total Education and Skills	63,594	77,621	60,989	63,970

Enable inclusive economic growth

Infrastructure portfolio (Cllr Kevin Bentley)

Revenue Budget

2019/20	2020/21	2020/21			2021/22	
Actuals	Original	Latest			Gross	Total Net
£000	Budget	Budget			Expenditure	Income
	£000	£000			£000	£000
404	22	382	Superfast Broadband		33	
			Highways And Transportation			
3,167			Additional pothole works			
1,596	1,245	1,522	Bridges		1,312	(48)
462	204	715	Congestion		8,325	(7,889)
1,138	(2,423)	177	Highways Management and Administration		1,122	(3,280)
12,297	13,810	12,206	i Ongoing Operator Payments for A130 PFI		18,413	
1,995	510	510	Localism		548	
689	613	1,830	Park and Ride		2,886	(2,148)
1,332	1,798	1,763	Public Rights Of Way		1,994	(185)
484	727	662	Road Safety		907	(11)
513	612	612	Highways Asset Management		504	(221)
14,937	13,984	16,673	Roads And Footways		14,279	(155)
6,749	8,101	7,903	Street Lighting		8,062	(694)
(2,817)	(109)	216	Traffic Management Act		3,663	(3,569)
2,895	3,206	3,206	Winter Service		3,283	
110		60	International Trade		256	(256)
2,108	1,956	2,004	Transport Strategy		2,011	
48,058	44,257	50,440	Total Infrastructure		67,600	(18,235)
						(221)
						49,144

i PFI = Private Finance Initiative - a means of funding large scale capital projects

Enable inclusive economic growth
Infrastructure portfolio (Cllr Kevin Bentley)
Capital Programme

2019/20 Actuals	2020/21 Latest Budget		2021/22 Budget	2022/23 Aspirational	2023/24 Aspirational	2024/25 Aspirational
£000	£000		£000	£000	£000	£000
650	150	A120 Millennium Way Slips	120	687	7,105	3,692
1,676	5,000	A127 Fairglen Interchange	5,000	13,398	2,000	
511	650	A127 Corridor Improvements	1,985	9,256	8,878	4,439
107	10	A134 Colchester St Botolphs Access to Canvey Island		6,000	2,903	
	481	Active Travel	7,606	200	100	
963	2,650	Advanced Scheme Design	5,000	4,000	4,000	4,000
1,022	1,350	Army and Navy, Chelmsford	3,092	6,444	7,999	21,142
1,612	8,956	Broadband Delivery UK Essex Superfast Programme	6,618			
9,306	8,900	Bridges	9,520	9,450	9,450	9,450
152	120	Bus and Passenger Transport Infrastructure	500			
280	150	Bus Lane Camera Enforcement	150	150	150	150
		Cambridge Road Junction	500	3,500		
5,379	5,905	Chelmsford Growth Area	1,100			
21,658	34,323	Sub-total Infrastructure	41,191	53,085	42,585	42,873

Enable inclusive economic growth

Infrastructure portfolio (Cllr Kevin Bentley)

Capital Programme (cont'd)

2019/20 Actuals	2020/21 Latest Budget		2021/22 Budget	2022/23 Aspirational	2023/24 Aspirational	2024/25 Aspirational
£000	£000		£000	£000	£000	£000
3,569	2,044	Colchester Integrated Transport Plan (Borough Wide)	50			
1,018	400	Cycling Infrastructure	857	750	2,000	2,000
9,788	8,700	Footway Maintenance	8,000	7,200	7,200	7,200
1,120	1,236	LED Rollout	5,000	7,000	7,000	5,270
4,270	4,276	Local Highways Panels	4,022	4,000	4,000	4,000
4,674	19,450	M11 Junction 7A and Gilden Way Upgrading	21,216	13,686		
439	100	M11 Junction 8	3,327	7,814	605	
168	281	Passenger Transport	300	1,603	1,604	891
460	400	Public Rights Of Way	400	360	360	360
38,002	39,807	Road Maintenance	40,750	36,675	36,675	36,675
2,735	2,000	Safety Barrier Replacement	2,000	2,000	2,000	2,000
2,954	2,500	Street Lighting Replacement	3,000	3,000	3,000	3,000
2,181	2,250	Surface Water Alleviation	2,500	2,250	2,250	2,250
2,016	2,404	Traffic Signal Refurbishment	2,211	2,082	2,000	2,000
13,545	9,258	Schemes completing in 2020/21 or earlier				
108,597	129,429	Total Infrastructure	134,825	141,505	111,279	108,520

Help people get the best start and age well
Children and Families portfolio (Cllr Louise McKinlay)
Revenue Budget

2019/20	2020/21	2020/21			2021/22		
Actuals	Original	Latest			Gross	Income	Total Net
£000	Budget	Budget			Expenditure		Expenditure
	£000	£000			£000	£000	£000
			Childrens Services				
10,772	12,467	12,467	Childrens Adoption and Special Guardianship Orders		15,386	(2,105)	12,206
13,602	14,727	15,157	Childrens Family Support		12,506	(81)	12,425
29,849	28,671	29,740	Childrens Fieldwork		33,997	(1,272)	28,954
51,144	54,211	54,408	Children Looked After		67,867	1	59,504
5,589	7,312	7,275	Childrens Strategic Management and Development		7,459	(105)	7,131
315	344	344	Domestic Violence		949	(606)	344
7,378	7,073	7,073	Early Years and Childcare		11,214	(4,141)	7,073
1,920	1,964	1,964	Emotional Wellbeing and Mental Health Service		2,135	(171)	1,964
2,340	2,272	2,244	Youth Offending Service		4,150	(432)	2,244
122,909	129,041	130,673	Total Children and Families		155,662	(8,912)	131,844

Help people get the best start and age well
Children and Families portfolio (Cllr Louise McKinlay)
Capital Programme

2019/20 Actuals	2020/21 Latest Budget		2021/22 Budget	2022/23 Aspirational	2023/24 Aspirational	2024/25 Aspirational
£000	£000		£000	£000	£000	£000
234	171	Adaptations	450	450	450	450
167	259	Children With Disabilities	200	200	200	200
400	545	Total Children and Families	650	650	650	650

Help people get the best start and age well

Health and Adult Social Care portfolio (Cllr John Spence)

Revenue Budget

2019/20 Actuals				2020/21 Original budget				2021/22			
Gross Expenditure £000	Income £000	Specific Grants £000	Total Net Expenditure £000	Gross Expenditure £000	Income £000	Specific Grants £000	Total Net Expenditure £000	Gross Expenditure £000	Income £000	Specific Grants £000	Total Net Expenditure £000
Access Assessment and Care Management											
8,390	(64)		8,326	9,005	(3)		9,002	8,865	3		8,868
7,085	(148)		6,938	7,979	(161)		7,818	8,357	(170)		8,187
6,957	(100)		6,857	8,152	(86)		8,066	8,269	(83)		8,186
8,291	(434)		7,858	8,915	(464)		8,451	9,244	(414)		8,831
5,353	(97)		5,256	5,771	(95)		5,676	6,042	(98)		5,944
Care and Support											
211,126	(16,156)		194,970	219,435	(15,454)		203,981	231,361	(17,823)		213,538
243,134	(113,530)	(39,983)	89,622	251,145	(123,868)	(39,097)	88,180	249,856	(113,260)	(45,017)	91,579
49,038	(5,261)		43,777	50,595	(4,543)		46,052	53,448	(4,306)		49,142
174			174	139			139	142			142
560		(328)	232	420		(328)	92	420		(328)	92
227			227	252			252	255			255
3,946	101	(135)	3,911	3,793			3,793	4,025			4,025
22,695	(3,200)		19,495	23,599	(2,741)		20,857	23,217	(2,317)		20,900
Other Social Care											
267	(275)		(7)	326	(326)			317	(317)		
3,060	(60)	(470)	2,530	3,459	(25)	(470)	2,964	3,426		(470)	2,956
65,416	(205)	(66,566)	(1,355)	63,923	(3,938)	(62,735)	(2,750)	64,178	(187)	(65,742)	(1,750)
23,445	(5,732)	(105)	17,608	25,911	(6,323)	(114)	19,474	27,047	(6,400)	(610)	20,036
330			330	348			348	349			349
556			556	763	(141)		621	726	(105)		621
660,052	(145,160)	(107,587)	407,305	683,929	(158,167)	(102,744)	423,018	699,544	(145,476)	(112,167)	441,902
Net Cost of Services											

The presented 2021/22 Total Net Expenditure budget for Public Health is shown as negative £1.75m. It is shown this way because of accounting requirements. While the total Public Health grant of £65.742m exceeds the amount of Public Health spend detailed within the Health and Adult Social Care portfolio, the balance of £1.75m, though shown as a negative here, is still spent on related public health support activity. The balance of spend is covered in the Customer, Communities, Culture & Corporate and Finance RSSS (Recharged Strategic Support Services) portfolios, therefore creating an apparent negative budget in the Health and Adult Social Care portfolio.

Help people get the best start and age well

Health and Adult Social Care portfolio (Cllr John Spence)

Capital Programme

2019/20 Actuals	2020/21 Latest Budget		2021/22 Budget	2022/23 Aspirational	2023/24 Aspirational	2024/25 Aspirational
£000	£000		£000	£000	£000	£000
11	8	Independent Living Older People Ninefields Waltham Abbey	408	401		
648		Independent Living Older People Pollysfield	648			
10	0	Independent Living Older People Coppins Court	4			
		Supported Living Accommodation	100	3,300	2,200	2,200
(15)	200	Schemes completing in 2020/21 or earlier				
654	208	Total Health and Adult Social Care	1,160	3,701	2,200	2,200

Help create great places to grow up, live and work

Customer, Communities, Culture and Corporate portfolio (Cllr Susan Barker)

Revenue Budget

2019/20	2020/21	2020/21			2021/22	
Actuals	Original	Latest			Gross	Total Net
£000	Budget	Budget			Expenditure	Income
	£000	£000			£000	£000
691	629	689	Communities		679	(44)
352		156	Community Initiatives Fund			
2,523	2,564	4,804	Coroners		3,596	(797)
236	1,698	1,871	Customer Services and Member Enquiries		1,890	(266)
(557)	(485)	(483)	Deputyship Service		897	(1,373)
442	549	550	Emergency Planning		609	(33)
967	910	1,084	Heritage and Cultural Services		1,259	(460)
			Libraries			(6)
11,105	10,563	11,236	Library Operations		12,143	(1,417)
1,856	1,957	1,949	Countywide Support		1,807	(238)
(2,415)	(1,501)	(1,501)	Registrars		2,565	(4,314)
1,006	1,051	1,120	Trading Standards		1,407	(316)
364	382	384	Travellers		1,066	(683)
16,571	18,317	21,858	Customer, Communities, Culture and Corporate		27,919	(9,897)
						(49)
8,092	8,123	8,813	Business Support		8,464	
1,638	(2,357)	3,583	Customer Services		454	
759	691	810	Democratic Services		1,115	(220)
6,817	5,394	7,127	Human Resources		9,069	(2,307)
25,280	22,514	28,717	Information Services		23,772	(1,027)
4,431	4,904	4,817	Legal Services		6,199	(1,291)
14,393	14,908	15,424	Property		22,994	(7,816)
364	442	456	Risk Management		910	(440)
61,774	54,620	69,747	Customer, Communities, Culture and Corporate RSSS		72,977	(13,101)
78,345	72,937	91,605	Total Customer, Communities, Culture and Corporate		100,896	(22,998)
						(49)
						77,849

Community Initiatives Fund expenditure is funded via draw down from reserves and does not form part of the base budget.

Help create great places to grow up, live and work

Customer, Communities, Culture and Corporate portfolio (Cllr Susan Barker)

Capital Programme

2019/20 Actuals	2020/21 Latest Budget		2021/22 Budget	2022/23 Aspirational	2023/24 Aspirational	2024/25 Aspirational
£000	£000		£000	£000	£000	£000
		Changing Places	300	100	100	100
122	122	Next Generation Networks	122	95		
4,682	5,200	Capitalised Building Maintenance (Non School estate)	5,000	5,000	5,000	5,000
17	76	Social Care Case Management	168			
2,033		Schemes completing in 2020/21 or earlier				
6,854	5,398	Total Customer, Communities, Culture and Corporate	5,590	5,195	5,100	5,100

Help create great places to grow up, live and work

Environment and Climate Change Action portfolio (Cllr Simon Walsh)

Revenue Budget

2019/20	2020/21	2020/21			2021/22	
Actuals	Original	Latest		Gross	Income	Total Net
£000	Budget	Budget		Expenditure	£000	Expenditure
	£000	£000		£000		£000
1,240	1,245	1,366	Development Management	1,479	(122)	1,357
57			Environmental Strategy			
20			Historic Environment			
			Leisure			
52	95	95	i Contributions To Other Bodies	101		101
648	(203)	1,776	Country Parks	3,170	(2,291)	814
21	107	207	Cressing Temple	236	(86)	150
(2)	150	255	Management and Support Services	250		250
125	(722)	2,372	Outdoor Education	3,480	(3,561)	(81)
175	178	178	Rural Issues	175		175
			Waste Management			
12,278	11,194	11,194	Civic Amenity Service	10,909		10,909
1,232	2,951	2,951	Courtauld Road Waste Treatment	3,665		3,665
101	94	94	Exceptional Waste	96		96
356	276	276	Landfill Aftercare	430	(7)	423
22,570	23,391	23,391	Recycling Initiatives	25,238		25,238
770	499	499	Tipping Away Payments	969		969
(2,575)	(3,141)	(3,141)	Trade Waste Income		(3,170)	(3,170)
42,243	40,495	40,495	Waste Disposal	42,283		42,283
(5)	(137)	(137)	Waste Management and Support Services	(126)	61	(65)
1,765	1,110	1,112	Waste Strategy	1,124		1,124
81,071	77,582	82,983	Total Environment and Climate Change Action	93,480	(9,176)	84,239

i Contributions to external bodies including Woodland Trust

Help create great places to grow up, live and work

Environment and Climate Change Action portfolio (Cllr Simon Walsh)

Capital Programme

2019/20 Actuals	2020/21 Latest Budget		2021/22 Budget	2022/23 Aspirational	2023/24 Aspirational	2024/25 Aspirational
£000	£000		£000	£000	£000	£000
2,816	1,686	Flood Management	2,550	3,500	4,000	4,500
315	87	Country Parks	10	750	1,500	1,490
	539	Country Parks Maintenance	60	60		
		LoCase II (public estate)	187	563	465	
	18	ERO Heating upgrade	523			
146	321	Energy Efficient Lighting	184			
	126	ECC Estate energy storage	184			
		LECSEA	107	108		
171	96	Essex Outdoors Centres	200	300	505	
	140	Schemes completing in 2020/21 or earlier				
3,447	3,012	Total Environment and Climate Change Action	4,005	5,281	6,470	5,990

Transform the council to achieve more with less

Performance, Business Planning and Partnerships (Cllr Dick Madden)

Revenue Budget

2019/20	2020/21	2020/21			2021/22	
Actuals	Original	Latest		Gross	Income	Total Net
£000	Budget	Budget		Expenditure	£000	Expenditure
£000	£000	£000		£000	£000	£000
1,576	1,902	2,948	Service Design	2,647		2,647
164			Strategic Partnerships			
1,740	1,902	2,948	Performance, Business Planning and Partnerships	2,647	-	2,647
3,556	4,923	3,264	Performance, Business Intelligence, Planning and Partnerships	4,275	(640)	3,635
4,403	5,372	6,206	Transformation Support Unit	5,739		5,739
7,959	10,295	9,470	Performance, Business Planning and Partnerships RSSS	10,014	(640)	9,374
9,699	12,198	12,418	Total Performance, Business Planning and Partnerships	12,661	(640)	12,021

Transform the council to achieve more with less

Leader portfolio (Cllr David Finch)

Revenue Budget

2019/20	2020/21	2020/21			2021/22	
Actuals	Original	Latest		Gross	Income	Total Net
£000	Budget	Budget		Expenditure	£000	Expenditure
	£000	£000		£000		£000
42		156	EU Exit			
858	932	1,108	Corporate Policy	963		963
933	1,009	1,009	Democratic Core	1,024		1,024
626	1,577	1,547	Garden Communities	434		434
281	239	389	Initiatives and Partnerships	189		189
101		59	Innovation Fund			
	750	750	Locality Fund			
1,763	1,788	1,788	Members Support	1,796		1,796
1,256	1,256	1,256	Olympics and Sports Development	1,254		1,254
5,860	7,551	8,062	Leader	5,659	-	5,659
1,875	1,830	1,857	Communications and Customer Relations	1,810		1,810
352	462	862	Equality And Diversity	421		421
2,226	2,292	2,719	Leader RSSS	2,231	-	2,231
8,087	9,843	10,781	Total Leader	7,890	-	7,890

Transform the council to achieve more with less

Leader portfolio (Cllr David Finch)

Capital Programme

2019/20 Actuals	2020/21 Latest Budget		2021/22 Budget	2022/23 Aspirational	2023/24 Aspirational	2024/25 Aspirational
£000	£000		£000	£000	£000	£000
2,016	2,649	A133/A120 Link Road	7,029	32,865	24,439	
896	1,800	Beaulieu Park Station	3,164	17,000	43,000	59,000
2,114	4,243	Chelmsford North Eastern Bypass	8,230	32,158	46,615	
	2,680	Colchester Rapid Transit	12,080	10,008	8,135	10,000
482	600	Harlow Sustainable Transport Corridors North/South (Phase 1: Gilston to Town Centre)	2,500	8,000	23,000	7,555
5,508	11,972	Total Leader	33,004	100,031	145,189	76,555

Transform the council to achieve more with less
Finance portfolio (Cllr Christopher Whitbread)
Revenue Budget

2019/20	2020/21	2020/21			2021/22	
Actuals	Original	Latest			Gross	Total Net
£000	Budget	Budget			Expenditure	Income
	£000	£000			£000	£000
			Central Services To The Public			
5,900	6,374	6,374	Council Tax Sharing Scheme		5,203	
6,761	9,968	8,595	Other Services		3,084	(2,309)
			Precepts			(256)
1,674	1,721	1,721	Environmental Agency		1,757	
384	384	384	Kent and Essex Sea Fisheries		390	
721	(1,042)	(984)	Traded Strategy			
56			Vehicle Lease Management			
15,439	17,461	16,090	Finance		10,433	(2,309)
						(256)
945	1,002	1,133	Capital Programme, Implementation and Delivery		1,369	(270)
(461)		56	Car Provision Scheme		2,706	(2,617)
10,293	8,929	11,169	Finance		15,175	(4,453)
2,881	4,691	4,691	Insurance		7,095	(3,274)
3,870	4,244	4,765	Procurement		4,819	(77)
17,528	18,867	21,814	Finance RSSS		31,163	(10,691)
						-
32,967	36,328	37,904	Total Finance		41,596	(13,001)
						(256)

Other Operating costs

The revenue budget in 2021/22 is **£115m**. The expenditure includes the net appropriations to reserves and restricted funds as described in the Reserves section (starting on page 67) of **£60m** and the costs of financing the capital programme of **£57m**.

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

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

Appendix A Organisation Plan 2021/22

2019/20	2020/21	2020/21			2021/22	
Actuals	Original	Latest			Gross	Total Net
£000	Budget	Budget			Expenditure	Expenditure
	£000	£000			£000	£000
			Approps To/(From) Reserves and Restricted Use Funds (i)			
(3,077)	(4,652)	(3,049)	A130 PFI Reserve		(9,255)	(9,255)
(2,387)		(2,458)	Adults Digital Programme			
			Adult Social Care Risk	10,089		10,089
(2,046)		236	Building Schools for the Future			
500			Bursary for Trainee Carers			
	1,000	1,000	Capital Receipts Pump Priming			
(1,681)	(76)	282	Carbon Reduction Reserve		(76)	(76)
(8,446)		(12,339)	Carry Forwards Reserve		(3,260)	(3,260)
			Collection Fund Risk Reserve			
(1,999)		(271)	Clacton PFI Reserve			
			Collection Fund Risk Reserve	12,112		12,112
12,583			Commercial Investment in Essex Places Reserve			
(667)	350	194	Community Initiatives Fund	350		350
			COVID Equalisation	28,808		28,808
(3,022)		(501)	Debden PFI Reserve			
4,000			EES Pension Risk Reserve			
	10,000	8,637	Emergency	4,000		4,000
250	5,000	4,750	Essex Climate Change Commission			
37,217		(39,072)	Grant Equalisation Reserves			
2,219		(906)	Health And Safety Reserve	2,038		2,038
	5,000	5,000	Highways			
(650)	(1,151)	(1,151)	Insurance Reserve			
(162)			Partnership Reserves			
326	326	326	Property Investment	326		326
475	500	500	Quadrennial Elections Reserve	500		500
2,900		3,659	Recovery Reserve			
(13,056)	4,074	(1,268)	Reserve For Future Capital Funding	3,074		3,074
(3,383)			Schools Reserves			
3,971	2,750	2,346	Service Improvement Reserve	2,700		2,700
900			Social Distancing and Hygiene Reserve			

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

Appendix A Organisation Plan 2021/22

2019/20	2020/21	2020/21			2021/22	
Actuals	Original	Latest				
£000	Budget	Budget				
	£000	£000				
				Gross	Income	Total Net
				Expenditure		Expenditure
				£000	£000	£000
			Approps To/(From) Reserves and Restricted Use Funds (cont'd) (i)			
3,785	5,000	1,335	Technology Solutions	10,000		10,000
(193)			Tendring Public Private Partnership			
(808)	(413)	(304)	Trading Activities Reserves		(304)	(304)
12,208	22,760	15,158	Transformation Reserve	5,480		5,480
8,645			Waste Reserve		(6,344)	(6,344)
48,403	50,467	(17,896)		79,477	(19,240)	60,237
			Reserves Closed			
(3,053)			Digital Infrastructure Reserve			
(3,053)	-	-		-	-	-
88,686	102,872	34,509	Total Other Operating Costs	136,489	(21,700)	114,789

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

Trading Activities

This section sets out the budgets relating to those services that are currently set up as Trading Activities, which operate under separate Trading Accounts. For 2021/22, the Trading Activities have a target operating surplus of **£304,000**

	Revenue reserve 1 April 2021	Income	Expenditure	(Surplus) / deficit	Appropriations		Revenue reserve 31 March
	£000	£000	£000	£000	To County Revenue Account £000	To Trading Activity reserve £000	£000
Place Services	(796)	(2,892)	2,592	(300)	(300)	(0)	(796)
Music Services Traded	(119)	(4,035)	4,031	(4)	(4)	-	(119)
Total	(915)	(6,927)	6,623	(304)	(304)	(0)	(915)

Reserves

Any organisation which is being prudently managed, whether in the commercial, charitable or public sector, will maintain a level of reserves to deal with future or unexpected pressures.

Much has been written about Local Authority reserves and much is misunderstood.

We have built specific reserves to manage known financial liabilities and possible risks – as good financial practice would dictate; these can be split into three types:

- Those reserves which are for known current and future contractual liabilities or are beyond the control of the Council. These are restricted in use and cover items such as Private Finance Initiative (PFI) contracts and Schools Balances
- Those reserves which are for more general purposes such as the Transformation Reserve, used to fund revenue investment in areas such as new ways of working and more efficient services, and
- The General Balance.

To provide greater clarity in reporting, these are presented under two headings of 'Restricted Funds' which covers the first bullet point above and 'Reserves', which covers the last two.

Among the restricted funds, there are items to cover the waste strategy and the associated PFI, and also the PFI contracts for the A130 and various schools. This approach effectively smooths what could be significant year on year increases in budget requirement and contract costs to more manageable levels.

We also use these specific cash backed reserves to generate interest receipts and minimise the cost of debt. We expect to earn **£300,000** in 2021/22 from temporarily investing surplus cash in the market, which is included in the budget, and will be used to fund services. However, it saves substantially more by using the reserves to offset what would otherwise be external borrowing costs. In 2021/22, it is estimated that this will enable us to avoid borrowing costs of **£6.5m**, thereby allowing funds to be used instead for front line service delivery.

Reserves

	Estimated closing balances						
	Balance at 1 April 2020 £000	Balance at 1 April 2021 £000	Budgeted Contributions/ Withdrawals £000	2021/22	Closing balance £000	2021/22	2022/23
				Assumed usage £000		£000	£000
General Balance	(56,439)	(65,484)	-	3,720	(61,764)	(61,764)	(61,764)
Reserves earmarked for future use							
Adults Digital Programme	(2,869)	(0)	-	-	(0)	(0)	(0)
Adult Social Care Risk	-	-	(10,089)	-	(10,089)	(10,089)	(10,089)
Bursary for trainee carers	(500)	-	-	-	-	-	-
Capital Receipts Pump Priming	(3,204)	(3,704)	-	1,500	(2,204)	(2,704)	(3,204)
Carbon Reduction and Energy Risk	(622)	(904)	76	(38)	(866)	(748)	(596)
Carry Forward	(14,804)	(11,463)	3,260	8,203	-	-	-
Collection Fund Risk	(1,412)	(3,986)	(12,112)	10,286	(5,812)	(5,812)	(5,812)
Commercial Investment in Essex Places	(12,583)	(12,583)	-	-	(12,583)	(12,583)	(12,583)
Community Initiatives Fund	(487)	(497)	(350)	350	(497)	(497)	(497)
COVID Equalisation	-	(24,595)	(28,808)	53,403	-	-	-
EES Pensions	(4,000)	(4,000)	-	-	(4,000)	(4,000)	(4,000)
Emergency	-	(7,829)	(4,000)	4,000	(7,829)	(7,829)	(7,829)
Emergency Planning	(300)	(300)	-	-	(300)	(300)	(300)
Essex Climate Change Commission	(250)	(4,000)	-	1,250	(2,750)	(250)	(250)
Essex Crime and Police	(73)	(73)	-	-	(73)	(73)	(73)
Future Capital Funding	(1,905)	(495)	(3,074)	3,074	(495)	(495)	(495)
Health and Safety	(3,100)	(1,920)	(2,038)	2,200	(1,758)	(1,758)	(1,758)
Insurance	(7,411)	(6,260)	-	-	(6,260)	(6,260)	(6,260)
Newton Reserve	(122)	(122)	-	-	(122)	(122)	(122)
Property Investment	(651)	(977)	(326)	-	(1,303)	(1,629)	(1,955)
Quadrennial Elections	(1,093)	(1,593)	(500)	2,000	(93)	(593)	(1,093)
Recovery	(2,900)	(5,745)	-	5,745	-	-	-
Service Improvement	(3,971)	(9,330)	(2,700)	6,430	(5,600)	(5,100)	(5,100)

Reserves

	Estimated closing balances						
				2021/22		2021/22	2022/23
	Balance at 1 April 2020 £000	Balance at 1 April 2021 £000	Budgeted Contributions/ Withdrawals £000	Assumed usage £000	Closing balance £000	£000	£000
Reserves earmarked for future use (cont'd)							
Social Distancing and Hygeine	(900)	-	-	-	-	-	-
Technology Solutions	(3,785)	(4,358)	(10,000)	13,940	(418)	-	(2,163)
Tendring PPP	(303)	(303)	-	-	(303)	(303)	(303)
Transformation	(37,401)	(39,630)	(5,480)	21,140	(23,970)	(15,990)	(9,810)

Restricted Funds

	Estimated closing balances						
			Budgeted Contributions/ Withdrawals	2021/22	2022/23	2023/24	
	Balance at 1 April 2020 £000	Balance at 1 April 2021 £000		Assumed usage £000	Closing balance £000	£000	£000
Long Term Contractual Commitment							
PFI Reserves							
A130 PFI	(39,278)	(36,230)	9,255	-	(26,975)	(16,525)	(6,427)
Building Schools for the Future PFI	(233)	(468)	-	(159)	(627)	(790)	(957)
Clacton Secondary Schools' PFI	(532)	(261)	-	(104)	(365)	(472)	(582)
Debden School PFI	(630)	(129)	-	(513)	(642)	(1,170)	(1,714)
Waste Reserve	(112,276)	(112,276)	6,344	-	(105,932)	(99,588)	(93,244)
Grant Equalisation Reserve	(49,853)	0	-	-	0	0	0
Trading Activities	(828)	(915)	304	(304)	(915)	(915)	(915)
Partnerships and Third Party	(1,458)	(1,458)	-	-	(1,458)	(1,458)	(1,458)
Schools	(29,283)	(29,283)	-	-	(29,283)	(29,283)	(29,283)

Annex 2

Strategic Performance Measures

Introduction

The strategic measures outlined below are identified as critical to delivery in the coming year to make progress towards our ambition for Essex. Strategic measures are limited in number to provide clarity and focus for strategic discussions and will be the focus of future reporting at this level. Some strategic measures may be reported annually, but regular updates will be provided for most indicators, and have been chosen as it is anticipated that ECC can influence performance improvement over the coming year.

These measures will be supported by high level measures that describe the ambition of ECC and its partners for improving the lives of Essex residents. They may be long term (aligned to the wider Organisational Strategy) or span multiple ECC functions and wider Essex organisations. We are calling these contextual measures.

Cabinet members and executive directors will also use a suite of operational measures that help to improve services and underpin how we deliver services.

The Organisation Plan measures outlined here will be finessed further to feedback, and some are currently noted as ‘placeholders’, but also need to flex to continue to be agile to respond to immediately pressing and changing priorities. These are likely to include:

- Commitments to addressing youth unemployment.
- Outcome of Climate change commission
- Pledges made as part of our work with Essex’s “Anchor institutions”

Measures relating to educational attainment and progress (such as at the “key stages” of the national curriculum) are NOT included in this report, as these will be incorporated into an annual deep dive report.

Strategic Measures: Enable inclusive economic growth

- ❖ Help people in Essex prosper by increasing their skills
- ❖ Enable Essex to attract and grow large firms in high growth industries
- ❖ Target economic development to areas of opportunity

Indicator	Rationale and description of measure	Baseline	Direction of travel / target	Function lead	Cabinet member
Number of apprenticeships	Supporting an expanded apprenticeship offer through Adult Community Learning (ACL), will help ECC deliver priorities to increase skills. This measure includes the brokerage of new Apprentice starts by ACL and other training providers.	New measure	Increase	Mark Carroll	Cllr Gooding and Cllr Ball
New employment opportunities secured for young people in Essex	Improving employment of young people will have a long-term positive impact on their economic wellbeing and of the County. This measure monitors Kickstart Places via ECC, Anchors & Essex Businesses (including Inclusive Apprenticeships) to provide greater opportunities for young people (up to 25years).	0	Number of placements	Mark Carroll	Cllr Gooding and Cllr Ball
Jobs Safeguarded and created as a result of ECC business support service.	This measure reports on the Business support implemented through the Economic Growth Recovery programme and the numbers of people supported to sustain employment rates.		Number of jobs safeguarded or created	Mark Carroll	Cllr Ball and Cllr Gooding
Adults with learning disabilities supported by social care in paid employment	Adults with learning disabilities are considerably less likely to be in work. This can have a significant impact on their wellbeing. Calculated as people with LD in employment as a % of all known to ASC	4.9%	Increase	Nick Presmeg	Cllr Spence
Adults known to secondary mental health services in paid employment	Adults in contact with our mental health services are considerably less likely to be in work. This can have a significant impact on their wellbeing. Calculated as people supported through the Care Programme approach (CPA) as a % of all on a CPA		Increase	Nick Presmeg	Cllr Spence
Planning Permission granted for Essex Housing Units	Increase the availability of housing in Essex and promote the building and construction industry. This measure relates to Essex Housing planning applications projects only.	0	439	Mark Carroll	Cllr Ball

Strategic Measures: Help people get the best start and age well *(Page 1 of 2)*

- ❖ Help keep vulnerable children safer and enable them to fulfil their potential
- ❖ Enable more vulnerable adults to live independent of social care
- ❖ Improve the health of people in Essex

Indicator	Rationale and description of measure	Baseline	Direction of travel / target	Function lead	Cabinet member
Rate of admissions (adults 65+) to residential / nursing homes	Supporting people in the community promotes older people's independence and is often their preference. Measure calculated as the number of new admissions to residential settings per 100,000 population aged 65+	510 (2019/20)	Reduce	Nick Presmeg	Cllr Spence
Adults in receipt of long-term services who are satisfied with these services	Giving an indicator of satisfaction and helping to improve services, this is calculated from the annual survey, collecting the people satisfied or very satisfied as a % of all respondents.	64.5% (2019/20)	Increase	Nick Presmeg	Cllr Spence
Adults self-caring following reablement	Reablement services help people to improve or regain their independence. Calculated as the people not requiring ECC ASC services as a % of people accessing reablement		Increase	Nick Presmeg	Cllr Spence
Place holder – carers measure	Carers provide vital support for people with social care needs in Essex, identifying and supporting them helps residents.	Placeholder	Placeholder	Nick Presmeg	Cllr Spence
The number of children known to social care per 10,000 of the population	This indicator identifies children supported by the council. This is defined as the rate of Children in Need as published by the DFE, annually through the statistical returns.	197 (2019/20)	190-210	Helen Lincoln	Cllr McKinlay
The number of children subject to Children in Need plans	To identify current demand on children's social care, and supported by the council, this measure is defined as the number of children, aged under 18, subject to a children in need plan at each quarter end. Supporting measures provide detail, including children with disabilities.	1568 (Dec 2020)	1700-2000	Helen Lincoln	Cllr McKinlay
The number of children subject to child protection plans	A strategic indicator to identify demand for child protection services. Defined as the number of children, aged under 18, subject to a child protection plan at each quarter end	634 (Dec 2020)	550-650	Helen Lincoln	Cllr McKinlay

Strategic Measures: Help people get the best start and age well *(Page 2 of 2)*

- ❖ Help keep vulnerable children safer and enable them to fulfil their potential
- ❖ Enable more vulnerable adults to live independent of social care
- ❖ Improve the health of people in Essex

Indicator	Rationale and description of measure	Baseline	Direction of travel / target	Function lead	Cabinet member
Number of looked after children	Understanding demand through the number of looked after children and ECC's corporate parenting responsibilities is essential to discharging these duties. Supporting measures identify how children are supported (fostering, residential care etc)	1112 (Dec 2020)	1100-1250	Helen Lincoln	Cllr McKinlay
The number of new Education, Health and Care Plans (EHCPs) issued	EHCPs are increasing, and require ongoing monitoring. Timeliness is reported as part of the supporting measures. This measure is defined as the number of new EHCPs issued within the quarter.	New measure	Increase	Helen Lincoln	Cllr Gooding
Number of childcare places utilised	Increasing use of childcare places supports the economy and increases opportunities to support children in early years	New measure	Increase	Helen Lincoln	Cllr Gooding
Placeholder - Improving Health – meaningful outcome-based measure	To be defined using a timely measure to turn the curve of wider Health determinants	Placeholder	Placeholder	Mark Carroll	Cllr Spence

Strategic Measures: Help create great places to grow up, live and work

- ❖ Help to secure stronger, safer and more neighbourly communities
- ❖ Help secure sustainable development and protect the environment
- ❖ Facilitate growing communities and new homes

Indicator	Rationale and description of measure	Baseline	Direction of travel / target	Function lead	Cabinet member
Decrease total kg waste per household.	Reduction in waste is a core indicator towards our environmental commitments. This measures the total waste per household, including landfill, recycling and composting	1020kg	Reduce	Mark Carroll	Cllr Walsh
Increase total % recycled and composted	Increasing recycling reduces the impact on the environment defined as total recycled and composted (excl. business waste)	54.6%	Increase	Mark Carroll	Cllr Walsh
Reduce ECC estate Greenhouse Gas Emissions	Reducing the environmental impact of its estate. Measure quantifies Greenhouse Gas Emissions from the ECC core estate and maintained schools	85,457 (2018-19) tonnes of CO2e	Reduced by 10%	Mark Carroll	Cllr Walsh
Progress towards achieving Net Zero emissions in Essex for Scope 1 and 2	ECC is committed to reducing the carbon footprint of Essex. The definition of this measure is the tonnes of Co2 Emissions excluding scope 3 (Government lead scope definitions)	16,244 (2018-19) tonnes of CO2e	Reduced by 15%	Mark Carroll	Cllr Walsh
Increased number of green spaces created across Essex	Improving access to green spaces improves the environment and is beneficial to resident wellbeing defining green spaces as Est 2 hectares per space	2 green spaces	Progress towards 10 green spaces	Mark Carroll	Cllr Walsh
Increase the % of ECC lease fleet that is Electric, including the reduced number of fleet vehicles	ECC is committed to leading by example by reducing the environmental impact of its services. This measure is defined as the % of the ECC fleet that is converted to Electric – excluding gritters, Ringway Jacobs and other contractors and personal employee vehicles used for business purposes	0%	10% reduction (National target) Reduce number of fleet vehicles	Mark Carroll / Margaret Lee	Cllr Bentley
Number of air quality exceedances in specific locations	Reducing incidents of poor air quality indicates an improved environment, and improves health outcomes. This measure is defined as the number of poor air quality incidents reported	12	Reduction	Mark Carroll	Cllr Walsh
Increase the number of Independent Living housing units to provide availability and options for Adult Social Care clients	Increase the availability of independent living options for people supported by adult social care, through increasing the number of units developed by ECC capital funding	0 for 21/22	Increase (one project of 99 units planned)	Mark Carroll	Cllr Ball

Strategic Measures: Help create great places to grow up, live and work

- ❖ Limit cost and drive growth in revenue
- ❖ Develop the capability, performance and engagement of our people
- ❖ Re-imagine how residents' needs can be met in a digital world

Indicator	Rationale and description of measure	Baseline	Direction of travel / target	Function lead	Cabinet member
Deliver social value through procurement and practice to increase availability of entry level jobs	The number of entry level jobs to be created.	0	210	Nicole Wood	Cllr Whitbread
Increase the number of customers completing transactions online (digital take up rate)	The number of digital transactions that our customers complete as a proportion of the total number of digital transactions started.	30%	Increase	Pam Parkes	Cllr Barker
Implement the Data Strategy	This will be a programme tracking measure. There are multiple projects within the data strategy, all of which will be given a RAG rating and there will be one overall RAG rating.	New measure	Green RAG	Margaret Lee	Cllr Madden
Representativeness of workforce (Gender, BAME, Disability)	Workforce as a % of all ECC employees	BAME – 12.1% Disability – 4.1% Female 74%	Improve representation at all levels	Pam Parkes	Cllr Barker
Number of complaints and average response time	% of complaints responded to within SLA	80%	Increase	Margaret Lee	Cllr Barker
Customer satisfaction with the contact centre	% of satisfied customers following an interaction with the contact centre.	New measure	Increase	Margaret Lee	Cllr Barker
Staff wellbeing	% of workforce who feel satisfied with frameworks and practices in place to help manage their wellbeing	58%	Increase	Pam Parkes	Cllr Barker

Annex 3

Capital and Treasury Management Strategy

CAPITAL AND TREASURY MANAGEMENT STRATEGY

This Strategy explains how decisions are made about capital expenditure, investments and treasury management. The Strategy contains several elements as follows:

Further details are provided in the following sections.

- **Capital expenditure**

In this section, the process for approving, monitoring and financing capital projects is explained.

- **Capital financing and borrowing**

This section provides a projection of the Council's Capital Financing Requirement and the external borrowing required. It also explains how the Council will discharge its duty to repay debt.

- **Treasury management investments**

This section explains how and where cash balances arising as a result of the Council's day to day activities will be invested to ensure that the funds are protected from loss and are available when needed.

- **Other investments**

This section contains an overview of the Council's other investment activities.

- **Knowledge and skills**

The final section explains the knowledge and skills available to the Council in relation to management of borrowing and investment activities.

CAPITAL EXPENDITURE

Capitalisation policies

Capital expenditure is expenditure on the acquisition or construction of land, buildings, roads and bridges, vehicles, plant and equipment and other assets that:

- Will be held for use in the delivery of services, for rental to others, or for administrative purposes; and
- Will be of continuing benefit to the Council for a period extending beyond one financial year.

Subsequent expenditure on existing assets is also classified as capital expenditure if these two criteria are met.

There may be instances where expenditure does not meet this definition but would still be treated as capital expenditure, including:

- Where the Council has no direct future control or benefit from the resulting assets, but would treat the expenditure as capital if it did control or benefit from the resulting assets; and
- Where statutory regulations require the Council to capitalise expenditure that would not otherwise have expenditure implications according to accounting rules.

The Council operates several limits for capital expenditure which means that items below these limits are charged to revenue rather than capital.

The limits are currently as follows:

De-minimis limits	£
General limit (applied where no specific limit is applicable)	10,000
Specific limits:	
▪ Schools' capital projects funded or supported by Formula Capital Grant	2,000
▪ Transport (highways) infrastructure	Nil
▪ Land	Nil

Governance

The Cabinet Member for Finance, in conjunction with the Executive Director for Finance and Technology, manages the preparation of a capital programme, on behalf of the Council, on an annual basis in accordance with the Council's capital projects governance arrangements and capitalisation criteria.

Each scheme that is added to the Capital Programme is allocated:

- A 'start date' for planning purposes;
- An overall 'scheme approval' which sets the overall budget for the scheme; and
- An 'annual payments guideline' which sets the parameters for expenditure in each of the financial years over which the scheme is expected to span.

Once the capital programme or a scheme is approved, Executive Directors are, subject to the rule in the Constitution that officers may not take a Key Decision and limits within the scheme of delegation to officers, authorised to progress with capital projects that have:

- An approved 'start' date in the current or a prior financial year (i.e. schemes with a start date in a future financial year are indicative only, and do not constitute approval to spend); and
- Adequate scheme and payments approval in the capital programme to finance these projects.

Schemes will usually only be added to, or removed from, the Capital Programme as part of the annual budget setting process. Any request outside of this process to change the capital programme by adding or removing schemes, or by allocating additional scheme and payment approvals to an approved scheme, must be approved by the Cabinet Member for Finance (up to a limit of **£5m**) or by the Cabinet (for schemes of **£5m** or more).

Executive Directors will ensure that:

- All officers responsible for committing expenditure on any approved capital project comply with all relevant guidance and follow approved certification processes;
- Budget holders are accountable for the effective management of the scheme and payment approvals allocated to them to either oversee or directly manage;
- Appropriate monitoring processes are in place to ensure that the scheme and payment approvals for a capital project are not overspent; and
- Reports are made to the relevant Cabinet Member(s) on expenditure compared with the scheme and payment approvals for the capital projects for which they are accountable.

The Executive Director for Finance and Technology will ensure that timely information is available on expenditure for each capital project, which is sufficiently detailed to enable Executive Directors and their managers to fulfil their budgetary responsibilities.

The Executive Director for Finance and Technology will also monitor performance against the Council's approved capital programme on an on-going basis and will advise upon the overall financial position. Specifically, the Executive Director for Finance and Technology will prepare financial overview reports for the Cabinet Member for Finance to present to Cabinet on a regular basis. These financial overview reports will provide a comparison of the Council's projected expenditure with the latest approved capital programme and assess the financing implications of variations in forecast under / over spends against payment approvals.

Capital Expenditure Plans

The proposal is for capital investment of **£290m** for the 2021/22 programme, with an indicative programme for the subsequent three years totalling **£1.053bn**. These planning levels represent a continued major investment in the infrastructure and economy of Essex. Further details are presented elsewhere within the Council's 2021/22 Organisation Plan.

When expenditure is classified as capital expenditure for capital financing purposes, this means that the Council can finance that expenditure from any of the following sources:

- **Capital grants and contributions** - amounts awarded to the Council in return for past or future compliance with certain stipulations.

- **Capital receipts** – amounts generated from the sale of assets and from the repayment of capital loans, grants or other financial assistance.
- **Revenue contributions** – amounts set aside from the revenue budget in the Reserve for Future Capital Funding.
- **Borrowing** - amounts that the Council does not need to fund immediately from cash resources, but instead charges to future years' revenue budgets in annual instalments.

Actual capital expenditure and financing sources for 2019/20, together with the original and updated plans for 2020/21, proposals for 2021/22 and the indicative guidelines for the subsequent three years, are summarised in **Annex 3A**, with detailed plans presented elsewhere within the Organisation Plan.

CAPITAL FINANCING REQUIREMENT AND BORROWING

Context

The Council is required by regulation to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities (the 'Prudential Code') when assessing the affordability, prudence and sustainability of its capital investment plans.

Fundamental to the prudential framework is a requirement to set a series of prudential indicators. These prudential indicators are intended to collectively build a picture that demonstrates the impact over time of the Council's capital expenditure plans upon the revenue budget and upon borrowing and investment levels and explain the overall controls that will ensure that the activity remains affordable, prudent and sustainable.

A summary of the Prudential Indicators for the period 2019/20 through to 2024/25 is provided in **Annex 3A**. Explanatory comments are provided in the following paragraphs.

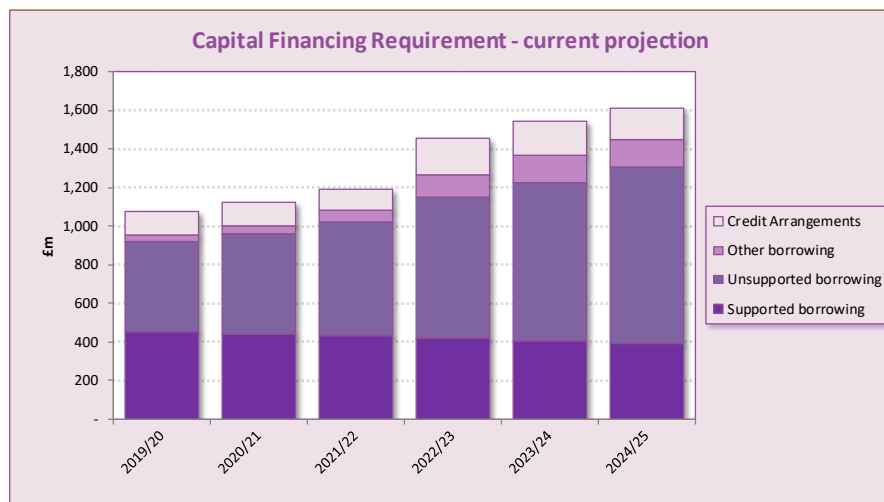
Capital Financing Requirement

When the Council finances capital expenditure from borrowing, this means that it can charge the expenditure to the revenue budget in annual instalments over a number of years into the future. It does this in accordance with its policy for the repayment of debt (see **Annex 3C**).

The actual Capital Financing Requirement (CFR) for 2019/20 provides a measure of the amount of capital expenditure that the Council has already spent that has yet to be funded from cash resources. That is, it provides a measure of the Council's indebtedness, and hence of its need to borrow for capital financing purposes.

Credit arrangements are also included in the calculation of the CFR because they have the same practical impact as borrowing; credit arrangements are those that enable the Council to acquire the use of assets on deferred payment terms – typical examples include finance leases and Private Finance Initiative schemes.

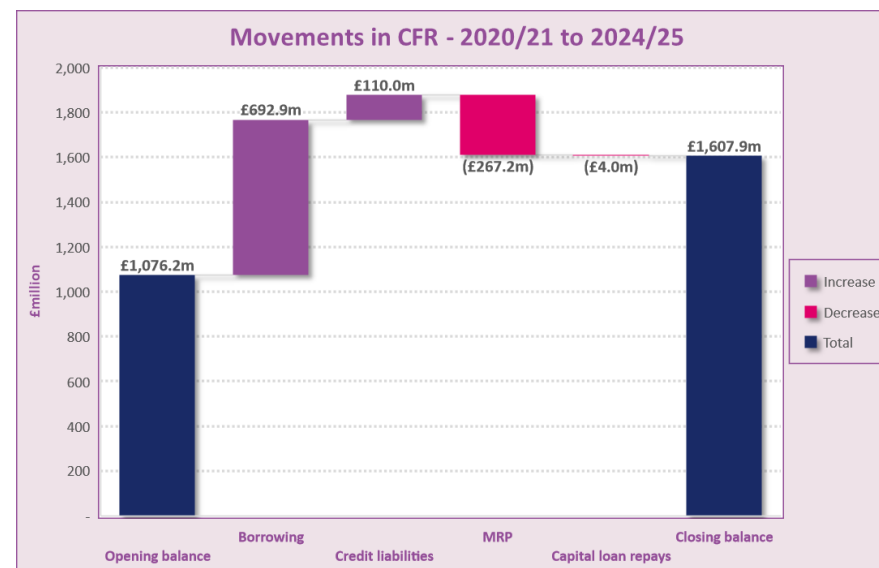
The actual CFR for 2019/20 and forward projections for the current and forthcoming years are illustrated in the graph below:



The forward projections of the CFR incorporate the Council's plans to:

- Finance further capital expenditure from borrowing and credit arrangements (*which **increases** the CFR*); and
- Make provision for the repayment of debt (*which **reduces** the CFR*).

The CFR is on an upward trajectory because the amount of capital expenditure that the Council plans to finance from borrowing over the period to 2024/25 exceeds the annual provision for the repayment of debt over the same period.



There is also substantial increase in credit arrangements in 2022/23, reflecting the estimated impact of bringing leases currently classified as operating leases onto the Council's Balance Sheet in that financial year, which is a requirement of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. This does not change the costs to the Council of these arrangements.

The estimates of the CFR assume that the Council will repay debt on the basis set out in **Annex 3C**.

External Borrowing Limits

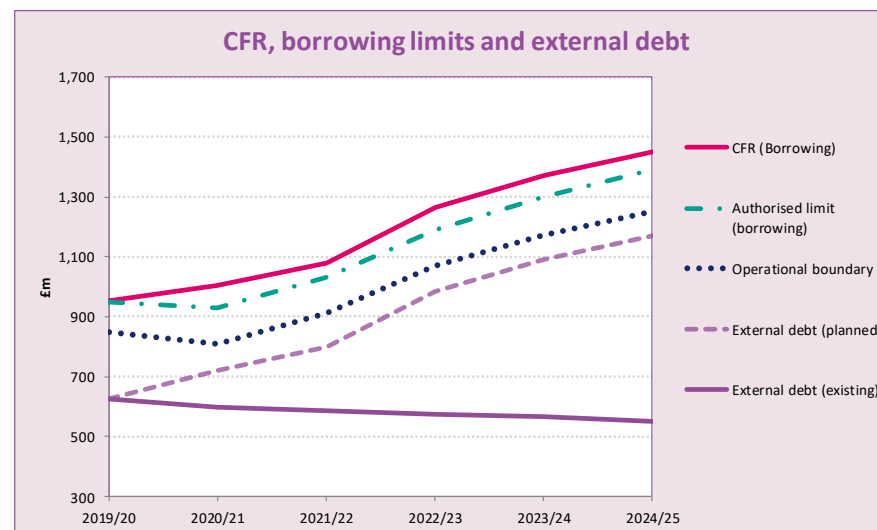
The Council is only permitted to borrow externally (including via credit arrangements) up to the level implied by its Capital Financing Requirement (CFR).

To ensure that external borrowing does not exceed the CFR, other than in the short term, limits are established for external debt, as follows:

- **Authorised limit** – this defines the maximum amount of external debt permitted by the Council, and represents the statutory limit determined under section 3 (1) of the Local Government Act 2003.
- **Operational boundary** – this is an estimate of the probable level of the Council's external debt and provides the means by which external debt is managed to ensure that the 'authorised limit' is not breached.

The proposed limits, which are set out in **Annex 3A**, make separate provision for external borrowing and other long-term liabilities, and are based upon an estimate of the most likely but not worst-case scenarios. They allow enough headroom for fluctuations in the level of cash balances and in the level of the Capital Financing Requirement.

As illustrated in the following graph, the authorised limit and operational boundary related to external borrowing are below the current estimates of the Capital Financing Requirement for borrowing.



This graph also shows the current level of external borrowing and how this is expected to increase as a result of the Council's current capital expenditure plans.

Borrowing Strategy

The Capital Financing Requirement (CFR) provides a measure of the Council's need to borrow in order to manage the cash flow implications of incurring capital expenditure that it does not immediately fund from cash resources.

Currently, long-term external borrowing amounts to **£598m**, which will equate to around **60%** of the estimated CFR for borrowing at 31 March 2021. It is however possible (and assumed, for the purposes of this Strategy) that further

external borrowing (up to **£124m**) will be undertaken before 31 March 2021; this additional borrowing would increase external borrowing to **72%** of the estimated CFR at 31 March 2021.

The Council is able to sustain external borrowing at a level below its Capital Financing Requirement because it is able to temporarily utilise its cash balances as an alternative to external borrowing. This practice, which is referred to as 'internal borrowing', does not reduce the magnitude of funds held in reserves and balances; the funds are merely being borrowed until they are required for their intended purpose.

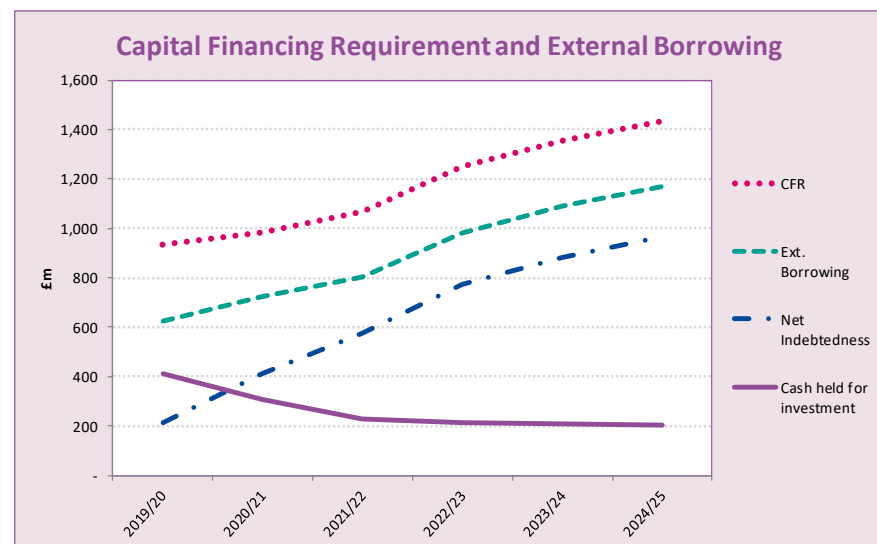
The use of internal borrowing will:

- Enable the Council to avoid external borrowing costs of up to **£6.5m** in 2021/22); and
- Partly mitigated the risks associated with investing cash in a challenging market.

However, it will be necessary to keep under review the Council's capacity to 'internally borrow', and to plan to replace internal for external borrowing as cash balances change.

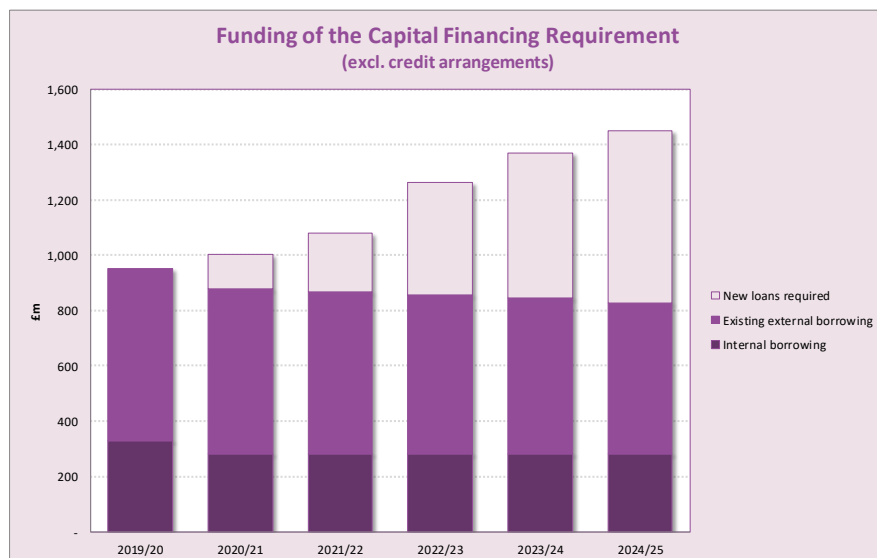
It has been assumed that long term external borrowing will be undertaken at a level to ensure that the Council's underlying cash balances held for investment are maintained at around **£200m**.

The graph below provides a graphical representation of this position – that is, it shows that the Council expects to maintain external borrowing at a level well below its Capital Financing Requirement.



The graph also shows that that net indebtedness is lower than external borrowing because the Council expects to maintain some cash balances for investment.

The following graph shows how it is anticipated to fund the Capital Financing Requirement:



That is, it shows how much will be funded from internal borrowing and how external borrowing is expected to increase.

This translates into the following levels of long-term external borrowing over the period covered by this strategy:

Current Forecast	Long term borrowing requirement				
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Existing external loans	598,360	585,723	575,296	564,735	548,929
Requirement for further borrowing					
2020/21	124,000	124,000	124,000	124,000	124,000
2021/22	-	91,000	91,000	91,000	91,000
2022/23	-	-	193,000	193,000	193,000
2023/24	-	-	-	117,000	117,000
2024/25	-	-	-	-	97,000
Total new borrowing	124,000	215,000	408,000	525,000	622,000
Total external borrowing	722,360	800,723	983,296	1,089,735	1,170,929
Internal borrowing	280,828	280,192	279,976	279,674	279,668
Total borrowing	1,003,188	1,080,915	1,263,272	1,369,409	1,450,597

Further long-term external borrowing may be undertaken, in excess of the amounts shown above, if it is not possible or desirable to sustain internal borrowing at the current forecast level.

The external borrowing requirement will be kept under review, and long-term external loans will be secured within the parameters established by the authorised limit and operational boundary for external debt (as set out within **Annex 3A**).

Opportunities to generate savings by refinancing or prematurely repaying existing long-term debt will also be kept under review. Potential savings will be considered in the light of the current treasury position and the costs associated with such actions.

Prospects for interest rates

The Council predominantly expects to satisfy its borrowing requirement from the Public Works Loan Board (PWLB).

PWLB interest rates are set with reference to gilt rates. Gilt yields and hence PWLB rates are currently at remarkably low levels and there is only expected to be minimal upward movement in these rates over the next two years. This is because it is likely to take economies, including the UK, a prolonged period to recover all the momentum lost in the sharp recession caused by the coronavirus.

Gilt yields, and therefore PWLB rates, may be subject to occasional volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment (as was the case when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

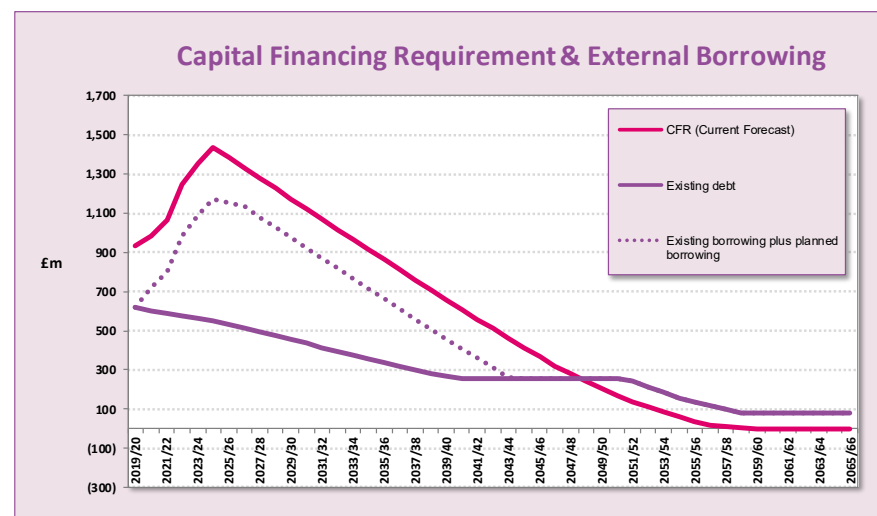
Maturity structure of borrowing

Limits are proposed, in **Annex 3C**, for the maturity structure of borrowing. The purpose of these limits is to guide decisions

about the period over which new borrowing will be secured, to ensure that the Council does not have:

- A large amount of debt maturing in any one year that it may need to refinance in that year alongside any new borrowing that may be required; and
- External loans in excess of its CFR, other than in the short term.

Although external borrowing is currently at a level well below the CFR, this only remains the case until 2048/49; in 2048/49, the CFR falls below existing loans on a sustained basis, as illustrated in the graph below:



However, no assumptions are included in the above forecast of additional capital expenditure beyond the current planning horizon. Therefore, it is probable that the longer term forecast of the CFR will exceed that shown above. However,

any new loans secured over the period covered by this Strategy will be repaid before 2048/49, to ensure that external loans do not further exceed the longer term forecast of the CFR.

Interest rate exposure

In order to manage and minimise the impact of movements in interest rates, limits are proposed within **Annex 3C** that will establish the ranges within which fixed and variable rate borrowing will be undertaken.

The Council usually secures its long-term loans at fixed rates of interest, to provide certainty over the cost of maintaining the loans over their lifetime (indeed, all the Council's current long-term borrowing is at rates of interest that were fixed at the outset, for the whole duration of the loans).

Whilst any new loans secured over the period of this strategy are likely to also be secured at fixed rates of interest, up to **30%** could, alternatively, be secured at variable rates of interest.

Performance indicators

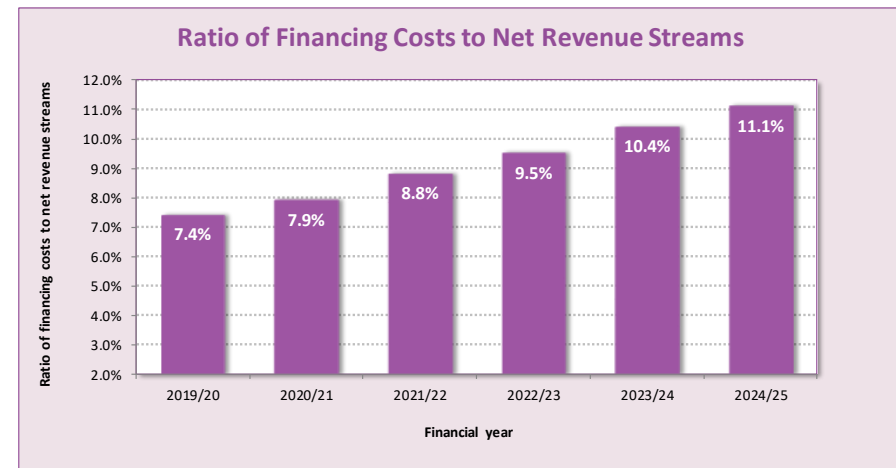
If long-term borrowing is undertaken, performance will be assessed against the average PWLB rate for the year for the applicable loan type and interest rate banding.

Short term borrowing will be assessed against the average 7 Day London Inter Bank BID Rate (**7DLIBID**) for the year.

Ratio of financing costs to net revenue streams

The trend in the 'cost of capital' is provided by the 'ratio of financing costs to net revenue streams'. This ratio provides a key indicator of affordability, as it shows the proportion of the annual revenue budget that is being consumed year on year in order to finance the costs of borrowing (i.e. interest and debt repayments, net of investment income).

The actual ratios for 2019/20 and the latest estimates for the current and forthcoming three years, are provided in **Annex 3C**. The trend in this ratio over this period is illustrated as follows:

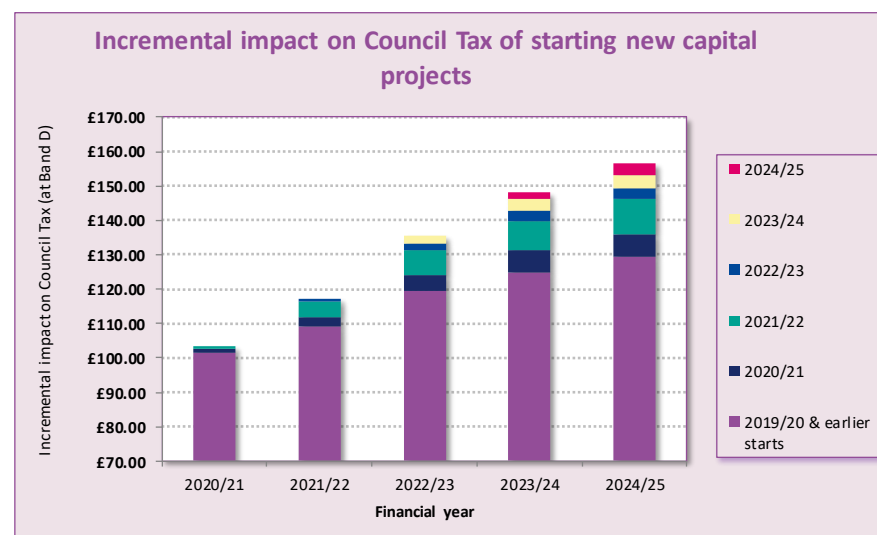


This shows that the proportion of the revenue budget that is required to fund borrowing costs is expected to increase from **7.4%** in 2019/20 to **11.1%** by 2024/25.

Incremental impact upon Council Tax

Another measure of the affordability of the capital programme proposals is their impact upon council tax. The incremental impact upon council tax (at **band D**) from continuing with capital schemes started in, and prior to, 2019/20 and the additional amounts that result from commencing new capital projects in the current and subsequent three years is set out in **Annex 3A**.

The following graph shows the amount of council tax income required to meet debt financing costs, split between the amounts that arise because of capital projects that started in 2019/20 or earlier years, and the amounts arising as a consequence of commencing additional capital projects in each year of the Council's current planning horizon:



The actual impact upon council tax may be lower than that implied in **Annex 3A** because:

- The indicator is calculated on the basis that the revenue implications of borrowing decisions will be funded entirely from council tax; the Budget Requirement is funded from a combination of financing sources, including council tax, business rates and general government grants.
- No account has been taken of the savings that may accrue from invest to save / improve schemes.

Revenue Provision for the repayment of debt policy

When the Council finances capital expenditure from borrowing, it does not immediately fund the expenditure from cash resources. Instead, the Council sets cash resources aside from the Revenue Budget each year to repay the borrowing. This practice is referred to as making minimum revenue provision (or MRP) for the repayment of debt.

The Capital Financing Requirement (CFR) provides a measure of the amount of capital expenditure which has been financed from borrowing that the Council has yet to fund from cash resources.

Statutory guidance requires MRP to be provided annually on a prudent basis, and interprets 'prudent' to mean that:

- MRP charges on government **supported** and **pre-April 2008** borrowing should (as a minimum) be made over a period commensurate with the period implicit in the determination of the original grant; and
- MRP charges on **unsupported** borrowing should be made over a period commensurate with the period the capital expenditure provides benefit.

The Secretary of State does not rule out or otherwise preclude the use of alternative methods to those listed above if another method is considered more appropriate.

In accordance with the requirement to make a prudent 'revenue provision for the repayment of debt', the Council ensures that debt is repaid over a period that is commensurate with the period over which the capital expenditure provides benefit. This is achieved by applying the methodology explained in **Annex 3C**.

The revenue budget provision for 'revenue provision' charges in 2021/22 has been compiled on a basis consistent with the policy set out in **Annex 3C**.

TREASURY MANAGEMENT INVESTMENTS

Introduction

The Council's treasury management investment activities must be undertaken in compliance both with the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (referred to as the Treasury Management Code) and with statutory guidance. The Treasury Management Code and statutory guidance require the Council to prepare an annual strategy that explains how the Council will invest its funds, giving priority to security and liquidity, and then to yield.

Economic Outlook

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March 2020 to cut the Bank Rate firstly to **0.25%**, and then to **0.10%**, it has subsequently left the Bank Rate unchanged. Although there has been some suggestion that interest rates could move into a negative position, the Governor of the Bank of England has made it clear that such a move could do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary.

As shown in **Appendix 3C**, the Bank Rate is expected to remain at its current level for some time, as the economic recovery is expected to be gradual and, therefore, prolonged.

Consequently, the Council is unlikely to achieve a material return from its traditional deposits.

Investment projections

The Council has cash backed resources which it has set aside for longer term purposes (such as funds set aside in reserves and balances), and working capital balances, that can either be invested or temporarily utilised to defer the need for external borrowing.

Forecasts of the investment balances for the forthcoming three years are set out in **Annex 3C**.

Investment strategy

When the Council has surplus cash balances, these are invested until they are next required. Usually, this means that funds are invested on a short-term basis (i.e. up to a maximum period of 365 days), but up to **£50m** may be invested for periods beyond 365 days.

In accordance with regulatory requirements, the primary objectives, when investing the Council's funds, are **security** (*protecting the capital sum invested from loss*) and **liquidity** (*ensuring the funds invested are available for expenditure when needed*). The generation of **yield** is distinct from these prudential objectives. However, this does not mean that the

Council ignores yield; once proper levels of security and liquidity are determined, yield is then considered.

The Council's funds will primarily be invested according to the Secretary of State's definition of **specified** investments. Specified investments are sterling deposits made for periods of less than one year with investment schemes of high quality and which are not defined by regulation as capital expenditure. Specified investments include deposits with the UK Government, other local authorities, money market funds and bodies of high credit quality.

Funds may also be invested according to the Secretary of State's definition of **non-specified investments**. Non specified investments are any financial investments that are not loans and do not meet the criteria to be treated as a specified investment. The inclusion of non-specified investments in the investment strategy is to allow funds (up to a maximum of **£50m**) to be invested for periods of in excess of one year.

A lending list will be compiled to include counterparties satisfying the criteria set out within **Annex 3D**. The lending limits that will be applied to counterparties satisfying these criteria are also set out within **Annex 3D**. Additional operational market information (e.g. Credit Default Swaps, negative rating watches/outlooks etc.) will also be considered before making any specific investment decisions.

The criteria for choosing counterparties (as set out within **Annex 3D**) provide a sound approach to investing in normal market circumstances. However, the Executive Director for

Finance and Technology will determine the extent to which the criteria set out within **Annex 3D** will be applied in practice.

Interest rate exposure

In order to manage and minimise the impact of movements in interest rates, limits are proposed within **Annex 3B** that will establish the ranges within which fixed and variable rate investments will be undertaken. As noted elsewhere, most of the Council's investments are made for periods of less than 365 days, for durations that ensure that the cash is available to meet expenditure when needed. Because of the relatively short-term nature of these deposits, there is little to differentiate between fixed and variable rates of interest – funds could equally be invested fully at fixed rates of interest or fully at variable rates.

Liquidity

Liquidity is defined as having adequate, but not excessive cash resources, borrowing arrangements and overdraft or standby facilities to ensure that funds are always available for the achievement of the Council's objectives. In this respect, the Council will seek to maintain liquid short-term deposits of at least **£20m** available with a week's notice.

Performance

Performance on cash invested short term, in order to maintain liquidity of funds, will be benchmarked against the Seven Day London Inter Bank Bid Rate (**7DLIBID**) rate; the aim being to

achieve investment returns that are equivalent to, or greater than, the average 7-day LIBID rate for the year.

Treasury Management advisors

The Council employs **Link Asset Services, Treasury Solutions** to provide it with treasury management advice.

The services provided by Link Asset Services, Treasury Solutions include advice on treasury matters and capital finance issues, economic and interest rate analysis and creditworthiness information. Notwithstanding this, the final decision on all treasury matters remains vested with the Council.

The services received from Link Asset Services; Treasury Solutions are subject to regular review.

Other matters

The Council currently provides treasury management support to its local trading companies (Essex Cares Ltd and, with effect from February 2021, Essex Housing LLP) and holds cash balances on behalf of the partnerships for which it is the 'accountable' body (principally the South East Local Enterprise partnership). As part of the agreement to provide treasury management support to these organisations, the Council may borrow their surplus funds, or lend to them to cover temporary shortfalls of cash. Any amounts borrowed from, or lent to, these organisations are consolidated with the Council's own cash balances daily, and the Council invests or

borrowes on the net position. The Council charges interest on amounts lent to these organisations, and pays interest on amounts borrowed, in accordance with the terms of a formal agreement between the respective parties.

Accounting arrangements were introduced from 1 April 2018 which require an increasing range of investments to be classified as 'fair value through profit and loss' (FVPL) and carried at 'fair value'. Statutory regulations allow revaluation gains and losses on investments classified as FVPL to be held in an unusable reserve, but only until **31st March 2023**; thereafter, revaluation gains and losses will be recognised in the Revenue Account as they arise. Use of FVPL investments will be considered carefully.

OTHER INVESTMENTS

Statutory guidance on local authority investments (issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003) classifies local authority investments into the following categories:

- Investments held for treasury management purposes
- Other investments

Investments held for treasury management purposes are dealt with in the 'Treasury Management Investments' section of this document. This section deals with 'other investments', where the intention is for investments to contribute to the Council's service delivery objectives and/or place making role of the Council.

Investment properties

The Council acquired three properties, at a total cost of **£33.9m** (two in 2017/18 and one in 2018/19), which are held for capital appreciation and/or to earn rental income.

These properties are measured at their fair value (which ensures the valuation reflects the market conditions at the end of each reporting period). The fair value measurements enable the Council to assess whether the underlying assets provide security for capital investment.

Shareholdings

Medtech Accelerator Ltd

The Council holds **500,000** ordinary **£1** shares in the company **Medtech Accelerator Ltd** (this represents a **20%** holding in the company). The company facilitates the early stage development of innovations in medical technology by financing projects at an early stage in order to maximise the potential for success in bringing new life enhancing technologies to patients.

If the company seeks to raise new funds in 2021, the Council's shareholding may be depleted unless, of course, it chooses to invest in the next round.

Harlow Investment Fund

The Cabinet recently agreed, in principle, to enter into an agreement to subscribe for or purchase shares in the **Harlow Investment Fund Ltd** partnership, a proposed fund seeking to invest in property to secure the growth and regeneration required in Harlow.

The Council's investment in the Fund will be capped at **£5m** (equivalent to a 10% equity holding).

Loans to local enterprises and third parties

The Council has agreed several loans towards expenditure which would, if incurred by the Council, be capital expenditure. The loans that are currently outstanding are as follows:

South East Local Enterprise Partnership loans	Year advanced	Loan amount (£000)	Loan term (years)	Interest rate (%)	Balance at 31/3/2021 (£000)
Essex University - Centre for advanced engineering					
First instalment	2017/18	1,373	5	0%	1,373
Second instalment	2018/19	627	4	0%	627
Colchester Northern Gateway					
First instalment	2019/20	1,350	3	0%	1,350
Second instalment	2020/21	650	2	0%	650
Total		4,000			4,000

Support to subsidiaries

The Council provides cash management support to its local trading companies (i.e. to **Essex Cares Ltd**, **SEAX Trading Ltd** and, from February 2021, the **Essex Housing Development LLP**).

As part of the agreement to provide cash management support to these organisations, the Council may borrow their surplus funds, or lend to them to cover temporary shortfalls of cash.

In addition to providing these overdraft facilities, the Council has also agreed to and/or will provide capital loans, for the following purposes:

- **Essex Cares Ltd**

The Council awarded a loan of **£610,000** to Essex Cares in 2014/15 for the refurbishment of the Freebournes site. The loan is repayable over 10 years; the principal sum outstanding at 31 March 2021 is **£244,000**.

- **Essex Housing Development LLP**

The Council will provide a credit facility to the LLP in relation to approved housing development projects. A separate loan agreement will be put in place for each project that will set out the repayment terms and interest charges. Each loan will be subject to Cabinet approval, following submission of robust business cases and delivery plans.

KNOWLEDGE AND SKILLS

The Council recognises the importance of ensuring that all officers involved in the treasury management function and other investment activities are fully equipped to undertake the duties and responsibilities allocated to them. The Executive Director for Finance and Technology is responsible for recommending and implementing the necessary arrangements and does this by:

- **Appointing individuals who are both capable and experienced**

All individuals involved in the delivery of the treasury management function are required to be professionally qualified accountants, who have a responsibility to undertake continuing professional development.

- **Providing training and technical guidance**

All individuals involved in the delivery of the treasury management function are provided with access to relevant technical guidance and training necessary to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills to undertake the duties and responsibilities allocated to them.

- **Appointing a treasury management and other professional advisors**

By employing external providers of treasury management services, the Executive Director for Finance and Technology ensures that the individuals involved in delivery of the

Council's treasury management activities have access to specialist skills and resources.

In addition, professional advisors are employed as required to ensure that the Council has access to the specialist skills and resources necessary to undertake other investment activities.

The Executive Director for Finance and Technology will ensure that elected members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The statement by the Executive Director for Finance and Technology is set out in Part 1 of Organisational Plan and Budget 2021/22 report.

ANNEX 3A - PRUDENTIAL INDICATORS

Summary of prudential indicators		2019-20 Actual	2020-21		2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
			Original Estimate	Updated Estimate				
Capital expenditure & financing								
Capital Expenditure	£m	186	235	213	290	408	372	272
Capital Financing								
Borrowing	£m	56	103	80	115	219	149	129
Grants and contributions	£m	112	111	123	168	181	220	143
Capital receipts and earmarked reserves	£m	18	21	10	7	8	3	-
Total capital financing	£m	186	235	213	290	408	372	272
Capital financing requirement								
Capital financing requirement (CFR)								
Opening CFR	£m	1,057	1,104	1,076	1,123	1,192	1,456	1,543
Add								
Additional borrowing	£m	56	103	80	115	219	149	129
Additional credit liabilities (PFI / Finance leases)	£m	2	207	5	5	100	-	-
		1,115	1,414	1,161	1,243	1,511	1,605	1,672
Less								
Revenue provision for debt repayment	£m	(37)	(44)	(38)	(47)	(55)	(62)	(64)
Capital receipts applied to repay debt	£m	(2)	(5)	-	(4)	-	-	-
Capital Financing Requirement	£m	1,076	1,365	1,123	1,192	1,456	1,543	1,608

Summary of prudential indicators		2019-20 Actual	2020-21		2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
			Original Estimate	Updated Estimate				
Analysis of the Capital Financing Requirement								
Supported borrowing and pre 2008/09 unsupported borrowing	£m	454	442	442	430	418	406	394
Unsupported borrowing								
General	£m	480	585	534	606	744	835	926
Deferred (loans, housing and investment properties)	£m	19	13	28	45	101	129	130
Sub total - borrowing	£m	953	1,040	1,004	1,081	1,263	1,370	1,450
Credit arrangements (PFI / Finance leases)	£m	123	325	119	111	193	173	158
Total	£m	1,076	1,365	1,123	1,192	1,456	1,543	1,608
Gross borrowing and the CFR								
Medium term forecast of CFR	£m	1,192	1,506	1,456	1,543	1,608	1,541	1,478
Forecast external debt (long term) and credit arrangements	£m	747	848	718	697	768	738	706
Headroom	£m	445	658	738	846	840	803	772
External debt								
Authorised limit								
Borrowing	£m	620	930	930	1,030	1,190	1,300	1,390
Other long term liabilities	£m	284	325	119	110	192	174	157
Total authorised limit	£m	904	1,255	1,049	1,140	1,382	1,474	1,547
Operational boundary								
Borrowing	£m	520	810	810	910	1,070	1,170	1,250
Other long term liabilities	£m	265	305	115	107	184	164	148
Total operational boundary	£m	785	1,115	925	1,017	1,254	1,334	1,398
Actual external debt (incl. credit arrangements)	£m	511	N/A	N/A	N/A	N/A	N/A	N/A

Summary of prudential indicators		2019-20	2020-21		2021-22	2022-23	2023-24	2024-25
		Actual	Original Estimate	Updated Estimate	Forecast	Forecast	Forecast	Forecast
Financing to net revenue streams								
Financing to Net Revenue Streams	%	7.40%	8.70%	7.90%	8.80%	9.50%	10.40%	11.10%
Incremental impact on Council Tax								
Effect of capital schemes starting in:								
2019/20 and earlier years	£	78.34	92.15	97.08	101.38	109.31	119.59	124.78
2020/21	£	1.86	0.88	0.21	1.44	2.43	4.50	6.45
2021/22	£		-	-	0.61	4.77	7.26	8.53
2022/23	£		-	-	-	0.76	1.82	3.06
2023/24	£		-	-	-	-	2.39	3.50
2024/25	£		-	-	-	-	-	1.85
Total	£	80.20	93.03	97.29	103.43	117.27	135.56	148.17

ANNEX 3B - TREASURY MANAGEMENT SUMMARY

Treasury Management Summary		2019-20 Actual	2020-21		2021-22 Estimate	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
			Original Estimate	Latest Estimate				
Estimated debt and investments								
Investments (estimated balance at each 31st March)	£m	403	212	299	219	202	200	200
External debt (operational boundary for borrowing)	£m	520	810	810	910	1,070	1,170	1,250
Expected movement in interest rates								
Bank Rate (at each 31st March)	%	0.10%	0.75%	0.10%	0.10%	0.10%	0.10%	0.10%
PWLB (borrowing) rates								
5 year	%	2.00%	2.50%	0.85%	0.85%	0.90%	1.00%	1.10%
10 year	%	2.20%	2.70%	1.20%	1.20%	1.25%	1.30%	1.35%
25 year	%	2.70%	3.40%	1.65%	1.70%	1.75%	1.80%	1.85%
50 year	%	2.40%	3.30%	1.50%	1.55%	1.60%	1.60%	1.65%
Source: Link Asset Services (Treasury Solutions) (December 2020)								
Effect of 1% increase in interest rates								
Interest on borrowing	£000	N/A	1,897	620	1,695	3,115	4,665	5,735
Interest on investments	£000	N/A	-	(3,086)	(2,284)	(2,118)	(2,073)	(2,026)
Interest attributed to reserves & balances	£000	N/A	(2,211)	2,761	2,231	2,140	2,140	2,140
Interest attributed to other bodies	£000	N/A	1,230	36	36	36	36	36
Net total	£000	N/A	916	331	1,678	3,173	4,768	5,885
Borrowing requirement (external borrowing)	£m	106	186	124	91	193	117	97

Treasury Management Summary		2019-20 Actual	2020-21		2021-22 Estimate	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
			Original Estimate	Latest Estimate				
Interest rate exposures								
Upper limits for exposure to fixed rates								
Net exposure	£m	620	930	930	1,030	1,190	1,300	1,390
Debt	%	100%	100%	100%	100%	100%	100%	100%
Investments	%	100%	100%	100%	100%	100%	100%	100%
Upper limits for exposure to variable rates								
Net exposure	£m	186	279	279	309	357	390	417
Debt	%	30%	30%	30%	30%	30%	30%	30%
Investments	%	100%	100%	100%	100%	100%	100%	100%
Maturity structure of borrowing (upper limit)								
Under 12 months	%	1%	40%	40%	40%	40%	40%	40%
12 months and within 24 months	%	3%	40%	40%	40%	40%	40%	40%
24 months and within 5 years	%	5%	40%	40%	40%	40%	40%	40%
5 years and within 10 years	%	15%	40%	40%	40%	40%	40%	40%
10 years and within 25 years	%	35%	78%	62%	75%	61%	60%	60%
25 years and within 40 years	%	29%	40%	41%	40%	40%	40%	40%
40 years and within 50 years	%	0%	20%	20%	20%	20%	20%	20%
50 years and above	%	12%	20%	20%	20%	20%	20%	20%
Maturity structure of borrowing (lower limit)								
All maturity periods	%	0%	0%	0%	0%	0%	0%	0%
Total sums invested for more than 364 days								
Upper limit for sums invested for more than 364 days	£m	13	50	50	50	50	50	50

ANNEX 3C – REVENUE PROVISION FOR THE REPAYMENT OF DEBT POLICY

In accordance with the requirement to make a prudent 'revenue provision for the repayment of debt', the Council ensures that debt is repaid over a period that is commensurate with the period over which the capital expenditure provides benefit. This is achieved by applying the following methodology:

Borrowing	MRP repayment basis
Pre 1st April 2008 debt	This element of the Capital Financing Requirement is being repaid on a 50-year ' Equal instalments ' basis, with commencement of the 50-year term in 2007/08.
Government supported debt (2008/09 onwards)	This element of the Capital Financing Requirement is being repaid on a 50-year ' Equal Instalments ' basis, with commencement of the 50-year term in the financial year following the capital expenditure.
Unsupported borrowing General	This element of the Capital Financing Requirement is being repaid using the Asset Life method. This spreads the unsupported borrowing over the useful life estimated at the start of the relevant asset lives (or over a shorter period where use of the standard useful life would not be supportable as prudent).

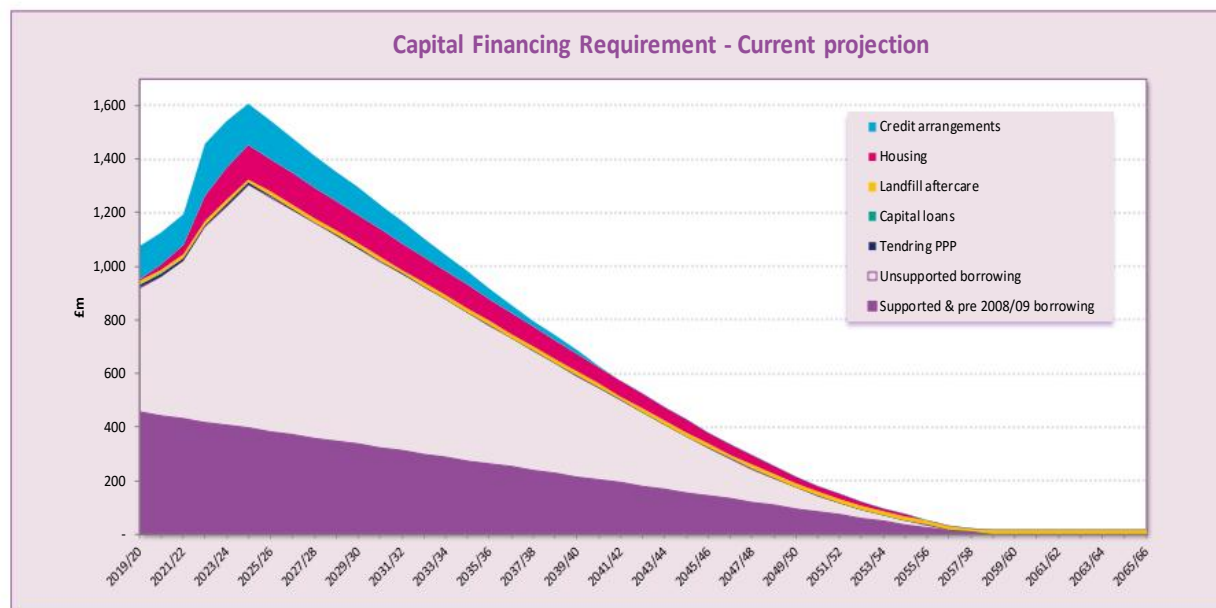
Borrowing	MRP repayment basis
Unsupported borrowing Loans awarded for capital purposes	<p>This element of the Capital Financing Requirement is being repaid using the Asset Life method, which spreads the unsupported borrowing over the estimated useful life of the assets for which the loans are awarded.</p> <p>Where the Council receives the repayment of an amount loaned, the income is classified as a capital receipt and it will be applied to repay the related Capital Financing Requirement.</p> <p>In the event that the loan repayment is sufficient to extinguish the original debt, any revenue provision made up to the point of the loan repayment may be returned to the General Fund.</p>
Unsupported borrowing Assets acquired or developed for resale	<p>Where expenditure is incurred to acquire and/or develop properties for resale, the Capital Financing Requirement will increase by the amount expended.</p> <p>Where the Council will subsequently recoup the amount expended via the sale of an asset, the income will be classified as a capital receipt.</p> <p>Where the capital receipts will be applied to reduce the Capital Financing Requirement,</p>

Borrowing	MRP repayment basis
	revenue provision will be made for the repayment of the debt liability where the fair value of the properties falls below the amount expended.
Credit arrangements	MRP is met by a charge equal to the element of rent/charge that goes to write down the balance sheet liability.

Revenue provision is chargeable in the first financial year after the relevant capital expenditure is incurred.

Where it is practical or appropriate to do so, the Council may make voluntary revenue provision, or apply capital receipts, to reduce debt over a shorter period.

On the basis of the MRP policies outlined above, and the capital programme proposals outlined elsewhere within the Capital and Treasury Management Strategy, the longer term forecast of the Capital Financing Requirement is as follows:



ANNEX 3D - COUNTERPARTY CRITERIA FOR INVESTMENTS

1. Context

In order to minimise the risk to investments, the Council stipulates the minimum acceptable credit quality of counterparties for inclusion on its lending list. Where applicable, it does this by reference to the credit ratings, watches and outlooks published by all three ratings agencies (i.e. Fitch, Standard and Poor and Moody's). Definitions of the credit ratings of the three main rating agencies are available upon request.

2. Banks and building societies

The Council will invest funds with:

- UK banks and building societies
- Non-UK banks domiciled in a country with a minimum sovereign rating of **AA-**

that have credit ratings equivalent to, or better than, the following:

Rating category	Credit rating agencies		
	Fitch	Standard & Poor's	Moody's
Short term	F1	A-1	P-1
Long term	A	A	A2

These ratings will be used to determine the pool of counterparties with whom the Council can transact for **term/call deposits** and **certificates of deposit**. This will ensure that funds are invested with high quality counterparties.

Where counterparties are rated by more than one credit rating agency, the lowest ratings will be used to determine whether they are included on the counterparty list.

The short and long-term ratings will be further applied to determine the maximum amount that will be invested with each of the counterparties in the 'pool', and for what duration.

Credit rating information is supplied by Link Asset Services, the Council's appointed treasury advisor, on all active counterparties that comply with the criteria above.

Credit ratings will be kept under review. Counterparties will be removed from the Council's lending list in the event that they receive a downgrading to their credit rating below the minimum criteria outlined above.

Counterparties placed on '**negative ratings watch**' (which indicate a likely change in the counterparty's credit rating) will remain on the Council's lending list at the discretion of the Executive Director for Finance and Technology, in consultation with the Cabinet Member for Finance.

Although non-UK banks domiciled in a country with a minimum sovereign rating of **AA-** may be included on the lending list, due regard will be given to the country exposure of the Council's investments.

In the event that the Council's own banker falls below the minimum credit rating criteria outlined above, and is not nationalised or part nationalised, the bank will be used for transactional purposes only, and not as an active outlet for investments.

3. Financial institutions nationalised (or part nationalised) by the UK Government

UK banks that do not fully meet the credit rating criteria outlined in the previous paragraph, but which have been nationalised or part nationalised, will remain on the counterparty list whilst they continue to be nationalised (or part nationalised).

4. Money Market Funds

Money Market Funds (MMFs) are short term, pooled investments that are placed, by a manager, in a wide range of money market instruments. The size of the investment pool of a MMF enables the manager to not only offer the flexibility of overnight and call money, but also the stability and returns of longer dated deposits.

Strict rules and criteria are set down by the official rating agencies, covering the types of investment counterparties used, the maturity distribution of the funds and investment concentrations.

There are three permitted structural options for money market funds, as follows:

- Constant Net Asset Value (CNAV)
- Low Volatility Net Asset Value (LVNAV)
- Variable Net Asset Value (VNAV)

The Council will only use **CNAV** and **LVNAV** MMFs with an **AAA** credit rating that are denominated in sterling and regulated within the EU and **VNAV** MMFs with an **AAA** credit rating and a minimum credit score of **1.25** that are denominated in sterling and regulated within the UK.

5. UK Government

No restrictions are placed on the amounts that can be invested with the UK Government for deposits of up to 364 days (i.e. with the Debt Management Office or via UK treasury bills or Gilts with less than 1 year to maturity).

Longer term deposits are restricted by the Council's upper limit for sums invested for more than 364 days.

6. Other local authorities

Other local authorities are included within the counterparty 'pool'. The amount that can be invested will be determined with regard to their size. That is:

- Upper tier local authorities comprise county councils, unitary and metropolitan authorities and London boroughs; and
- Lower tier local authorities include district / borough councils and police and fire authorities.

7. Property Funds

Property Funds are a long term, and relatively illiquid form of investment, which are expected to yield both rental income and capital gains.

They do not have a defined maturity date and the Funds may need to sell their underlying assets in order to repay the sums invested by the Council.

8. Time and monetary limits applying to investments

The time and monetary limits for counterparties satisfying the criteria outlined in the previous paragraphs will be determined with reference to the counterparties' short and long term credit ratings (or to other criteria where applicable), as outlined in the table overleaf.

Notwithstanding these limits, the Executive Director for Finance and Technology will ensure appropriate operational boundaries are in place to avoid over exposure to any country, sector or group.

Time and monetary limits

Counterparty type	Short and long term credit rating criteria						Investment Limit £m	Maximum duration (No. years)
	Fitch		Standard & Poor's		Moody's			
	Short term	Long term	Short term	Long term	Short term	Long term		
UK Banks and building societies	F1+	AA-	A-1+	AA-	P-1	Aa3	75	3 years
	F1	A	A-1	A	P-1	A2	65	1 year
UK banks and building societies (nationalised)							65	1 year
Non UK financial institutions	F1	A	A-1	A	P-1	A2	35	1 year
AAA' rated Money Market Funds (CNAV)							60	Not fixed
'AAA' rated Money Market Funds (LVNAV)							60	Not fixed
'AAA' rated / 1.25 credit score Money Market Funds (VNAV)							20	Not fixed
UK Government							No limit	1 year
UK Government							50	3 years
Local authorities - upper tier							30	3 years
Local authorities - lower tier							15	3 years
Property Funds							20	Not fixed

Notes:

Forward deals - If forward deposits are made, the forward period plus the deal period should not exceed the maximum duration specified above.

Appendix B – Equality Impact Assessment (Organisation Plan and Budget)

1. Overview

- 1.1 This appendix describes the most significant equality pressures confronting each main service area, informed by an equality analysis. It highlights the effect of policy and governance changes; an overview of positive and neutral impacts; and a service impact overview. These outcomes are based upon spending decisions taken during the last two years and changes resulting from the 2021/22 budget. The analysis also highlights a number of cumulative impacts that may arise resulting from the 2021/22 budget.
- 1.2 It is important to note that the budget is the financial expression of the Organisation Plan and our operational intent, and where known, the equality impact of change is disclosed. However there are a number of individual decisions that will arise over the period of the 2021/22 budget. These will be subject to specific and more detailed equality impact assessments in line with the Council's Equality Impact Assessment (EIA) guidance. Political decisions will only be taken once effective and meaningful engagement has taken place on a need by need basis.
- 1.3 In making this decision we must have regard to the Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010, i.e. have due regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - (c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
- 1.4 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In addition, marital status is a relevant protected characteristic for 1.3(a)
- 1.5 The PSED is a relevant factor in making this decision but does not impose a duty to achieve the outcomes in s149. It is only one factor that needs to be considered and may be balanced against other relevant factors.
- 1.6 Part of the equalities governance is to ensure that equality impact assessments are undertaken when considering new and/or revised policies to inform and underpin good decision making processes. This also helps us pay due regard to our equality obligations.
- 1.7 The Equality Act also says that public bodies must pay 'due regard' to equality. This means that we must:
 - move or minimise disadvantages suffered by people due to their protected characteristics;

- take steps to meet the needs of people from protected groups where these are different from the needs of other people.

2. Identified high level cumulative equality impact

- 2.1 At this stage, it is not possible to fully measure the impact of the proposals on those people who have protected characteristics under the Equality Act 2010, or how the geographic spread of budget proposals will be felt across rural and urban areas of Essex
- 2.2 However, a preliminary equality analysis of the planned activity and budget proposals for 2021/22 indicates that the council is focused on making the majority of identified savings through efficiencies linked to internal systems and processes. The Covid-19 pandemic has changed the way in which most council employees carry out their work. Services that are provided to our citizens have also had to adapt to this change in circumstances, with more being offered online and in more cost-effective ways. Consequently, it is likely that the budget proposals will have limited negative impacts on the communities that we serve.
- 2.3 Key impacts from this initial analysis across the portfolios are outlined from section 5 below.

3. Mitigating actions which will be considered

- 3.1 **Monitoring of impact:** Services must ensure ongoing equalities monitoring of the impact of service changes, to identify trends in disproportionate or unanticipated impact at an early stage to address them. This reporting should be monitored Council-wide at senior levels within the Council in order to identify cumulative impacts and mitigating actions. Consideration should be given to working with other partners in this monitoring and evaluation where appropriate.
- 3.2 **Informing decision-making:** The findings of this monitoring should be used to inform the budget-setting process year on year.
- 3.3 **Equality Impact Assessments:** As the budget proposals are developed, individual equality impact assessments will be undertaken. This will include an assessment of who is likely to be impacted by the changes, whether they are considered to have 'protected characteristics' under the Equality Act 2010 and if they are, what mitigation activity is proposed to ensure that they will not be disproportionately affected. These will all be reviewed to provide an assessment of the cumulative impact of the budget decisions.
- 3.4 **Targeting based on need:** Resources and services should clearly identify specific needs of different groups at an early stage in order to be most effective and meet needs at first contact wherever possible e.g. through consultation.
- 3.5 **Gaps in monitoring:** Where gaps in monitoring have been identified during the equality impact assessment process, steps should be taken to fill these in the forthcoming year. This will enable better modelling of potential impacts and assessments in future.

4. Identified Positive Impacts

4.1 The Council is fully committed to addressing the challenges facing communities and supporting residents to live better lives. The Organisation Strategy 2017/21 sets out how services are responding to and are planning for these challenges with a key focus on tackling inequalities across the County. This commitment to equality and inclusion is shared by partners and is firmly rooted in the long-term Vision for Essex: The Future of Essex. This outlines commitments to improve the life chances and experiences for all Essex residents. A key ambition within the Vision for Essex is to share prosperity with everyone, an ambition that is vitally important to the Council.

4.2 The Organisation Plan and Budget for 2021/22 gives effect to this in the following ways:
By ensuring that the savings are balanced across service areas and are not targeted at the most vulnerable
By driving savings through the delivery of efficiencies and through the reform of services to improve outcomes and make them more cost effective
By continuing to invest in services and activities that will reduce inequalities and support better lives for all residents

4.3 Examples of areas where the Council will be taking forward action to achieve this include:

Exploring the development of a new Child Poverty Strategy/Family Resilience Strategy which will deepen our understanding of the issues being experienced by Essex children, and set out how we will work with partners across the system to address this long-standing challenge.

Increasing accommodation options that promote independence for vulnerable people including the development of Extra Care Housing for older people, supported living options for people with learning disability and autism, and improved accommodation options for people with mental health issues.

Improving our support to adults with mental health problems and work with partners to address the mental health challenges that have resulted from Covid-19.

Specifically targeting resources and support at those individuals and groups most at risk of suicide including e.g. middle-aged men, members of the LGBT community

Growing our asset-based social isolation programme to encourage increased kindness and belonging in communities. Through this programme we will support 50,000 people across Essex in combating social isolation.

Signposting, connecting and enabling working families with children to remain financially resilient.

5. Policy and Governance Context

- 5.1 The proposed social care precept may adversely impact some residents of Essex; however residents on the lowest incomes will remain eligible for support with their bills via their local council tax support schemes (operated and maintained by the city, district and borough councils). The increase proposed relates to a specific social care precept that will be ring-fenced for adult social care. This should positively impact on vulnerable adults within Essex by helping to protect and improve social care services.
- 5.2 The localisation of council tax benefit (introducing new payees to council tax as a result of national policy changes) was implemented in 2013/14 alongside a scheme for hardship and investment in collection initiatives including Citizens Advice support. Over this time, the 12 billing authorities have sustained collection rates against this backdrop, ensuring no negative impact on other council tax payers. However, during the COVID-19 pandemic we have seen a reduction in collection rates, although they are still at a high level. Our budget proposes continuation of the investment into collection and hardship for 2021/22.
- 5.3 We have joined forces with the borough, district and city councils and police and fire authorities to tackle council tax fraud across the county. The programme:
- ensures those entitled to discounts or exemptions on their council tax are receiving the right support;
 - has introduced extensive regular reviews to ensure the levels of benefits people receive are correct;
 - encourages people to notify councils if their circumstances change, and the consequences of not doing so, to enable councils to take swift and appropriate action against people fraudulently claiming council tax benefit.
- 5.4 The budget will be discharged against a background of continuing intense pressure across the health and care system in Essex, particularly in light of the ongoing Covid-19 pandemic.
- 5.5 With the impact of the COVID-19 pandemic impacting household incomes, there has been an increase in the number of claims for the local council tax support schemes. In 2020/21, the Government allocated a grant to allow households in receipt of local council tax support to receive a further £150 reduction to their bill. In 2021/22, an unringfenced grant has been allocated and we will be working with the district, borough and city councils to identify how this can be best used in a targeted manner to help those households hardest hit.

6. Portfolio Impacts Overview

Children and Families

- 6.1 The Children and Families Service's purpose is to protect children and young people from neglect and abuse, and to promote their development and wellbeing. The Council will continue to work with partners to provide a wide range of early help, family support and social work interventions, to help families improve their lives and support children to overcome early childhood trauma, look forward to a brighter future and achieve their aspirations. As Corporate Parents, the Council will do its best to see that this happens for children in care and care leavers.
- 6.2 To do this well and get best value for money, the Council aims to be at the forefront of best practice. It will always learn from the most forward-thinking innovations and positive developments in the social work profession, as well as from the children, young people and families the Council works with.
- 6.3 The portfolio has identified budget savings proposals of **£5.8m** for 2021/22.
- 6.4 Of this, **£4.9m** will have no impact to service users as the saving is made through one-off use of carried forward under spend (from 2020/21), drawdown from reserves or contribution from grants.
- 6.5 Under the Placement Strategy the Council is seeking to place children in care within a family setting where possible, realising an in year saving of **£398,000** through the Council's fostering programme. Additionally, the Council will deliver a further **£542,000** saving through our Divisional Based Intervention Teams (DBIT) re-unification programme for under-10s which aims to help re-integrate children in care back into a family members care. Both of these initiatives are expected to have a positive impact on the children and their families.
- 6.6 In order to ensure that the Council pays due regard to the PSED, individual equality impact assessments will be undertaken in order to ensure there are mitigating actions, where possible, to minimise any adverse impact on children, young people and their families.

Customer, Communities, Culture and Corporate

- 6.7 The portfolio has identified budget savings proposals of **£3.7m** in 2021/22, the majority of which relate to efficiencies following lean reviews, support service redesign and efficiencies across the technology estate. These changes are not expected to impact on the level of service provided to residents. Individual equality impact assessments will be undertaken where necessary.

Deputy Leader and Infrastructure

- 6.8 Budget proposals of **£856,000** have been identified for the 2021/22 financial year. These are categorised into the 3 main areas outlined below:

- (a) Partnership improvements and efficiencies within the Essex Highways partnership (highways maintenance) has proposals totalling **£381,000**; Benefits are being achieved through seeking continuous improvements, economies of scale and different ways of delivering services more efficiently. This may have an impact on the level of reactive maintenance on the highway network.
- (b) Combined approach to working with other partners. Financial benefits of **£200,000** will be achieved through one-off opportunities, different methodologies, reducing subsidies and increasing income opportunities.
- (c) Reduced energy consumption from the phasing of LED street lighting and of **£275,000**

6.9 In order to ensure that the Council pays due regard to the PSED, individual equality impact assessments will be undertaken in order to ensure there are mitigating actions, where possible, to minimise any adverse impact.

Education and Skills

- 6.10 The portfolio has identified budget savings of **£654,000** for 2021/22, of which the most significant is an increased contribution to SEND Home to School Transport of **£600,000** from the High Needs Block within the Dedicated Schools Grant. There is no reduction in the service, but a reduction in the cost funded by the Council.
- 6.11 It is not considered that savings proposals will have an adverse impact on persons who share any relevant protected characteristic. However, an equality impact assessment will be completed as part of the governance and decision making for each individual project.
- 6.12 In order to ensure that the Council pays due regard to the PSED, individual equality impact assessments will be undertaken in order to ensure there are mitigating actions, where possible, to minimise any adverse impact on children, young people and their families.

Environment and Climate Change Action

- 6.13 Efficiency savings of **£3m** (3.58% of net budget) have been proposed for 2021/22. The largest efficiencies are predominantly associated in the following two areas of activity:
- (a) Waste Treatment – The Council is responsible for making suitable arrangements for the treatment and disposal of waste. Savings have been identified as a result of the re-tendering and re-direction of waste to cheaper disposal solutions, and the reduction in kerbside waste tonnage requiring treatment as a result of historic service changes and changing public behaviour. This has no impact on service delivery and therefore no impact on protected groups has been identified as a result of the delivery of this saving.

- (b) Recycling Centre Operation – More robust enforcement of existing recycling centre policies regarding access will deliver continued tonnage reductions and operational savings at the network of centres. This saving is associated with existing policies and has no identified additional impact on protected groups.

6.14 In order to ensure that the Council pays due regard to the PSED, individual equality impact assessments will be undertaken in order to ensure there are mitigating actions, where possible, to minimise any adverse impact.

Finance

6.15 The portfolio has identified budget savings proposals of **£2.4m** in 2021/22, these relate to a number of efficiency savings across support services. These changes are not expected to impact on the level of service provided to residents.

6.16 It is not considered that savings proposals will have an adverse impact on persons who share any relevant protected characteristic. However, an equality impact assessment will be completed as part of the governance and decision making for each individual project.

Health and Adult Social Care

6.17 The priority is to operate sustainably while fully meeting our legal obligations and in so doing ensure adults, carers and families have access to the information, advice and tools they need to enable them to live ordinary lives, safely and independently, for as long as possible. The Council currently supports around 16,200 adults, of which about 9,300 are older people, over 4,000 are people with learning disabilities, over 2,050 are people with physical or sensory impairments and 770 are people with mental health needs.

6.18 Included within the total net budget of **£438.5m** (total gross budget is **£630.1m**) are budget savings proposals of **£18.4m** (4.2% of the net budget or 2.9% of the gross budget) that need to be made in order to achieve financial sustainability and to accommodate demographic and inflationary pressures in 2021/22.

6.19 The main areas that will see changes as a result of our budget proposals are set out in the following paragraphs.

- (a) **Learning Disability** – The Council aims to support individuals with learning disabilities and/or autism to ensure their needs are being met and to enable them to achieve their outcomes and life aspirations. The main vehicle for this is the Meaningful Lives Matter Programme (MLM) which is now in its second year.

The programme seeks to:

- a) develop individual potential and independence by providing the infrastructure, opportunities and support people need to flourish and

- b) to make this happen by working with the market to ensure there are appropriate alternatives to traditional care models that support this approach, including reducing reliance on residential care.

It is anticipated that MLM will ensure that people's needs are appropriately and sustainably met, promote better and more sustainable long-term outcomes and in so doing generate **£3.5m** in efficiencies.

- (b) **Mental Health** – We are undertaking a review of our partnership arrangements and a new partnership agreement with our provider has been put in place to support the delivery of the outcomes of this review as they emerge. The intention is to ensure that we provide effective support for adults in the most efficient manner possible. It is anticipated that this review will generate efficiencies of some **£500,000** in 2021/22 whilst allowing us to continue to fully meet our legal obligations and provide more person centred support for individual adults for example through the development of more flexible accommodation options that better reflect individual needs.
- (c) **Technology, and Information Advice and Guidance (IAG)** - We are developing our care technology offer with the objectives of:
 - a) enabling adults with lower level of need to remain independent in their own homes for longer without ongoing care and support from ASC and
 - b) where appropriate, using technology to replace traditional means of providing support, for example prompting a person to take medication, or providing a means of checking a person is safe.

We will only use technology solutions to meet need where we have assessed this option as being safe and appropriate for the adult. Where it is not appropriate, we will ensure alternative support is offered where the adult has been assessed as having eligible needs in line with provisions of the Care Act 2014.

Through a combination of more efficient provision and the cost avoidance that appropriately meeting need through technology solutions provides we expect to generate efficiency savings of **£1m** in 2021/22.

- (d) **Older People** – Through our “Connect” programme we are undertaking a full review of the critical pathways that support adults going into and leaving hospital. The objective is to ensure that the adult is offered the most appropriate support for them, with an emphasis on people being enabled to return home where this is possible, with support to regain as much independence as possible. It is anticipated that this approach will enable us to both fully meet the needs of adults and generate some **£5.8m** in efficiencies in 2021/22 and pave the way for a more sustainable operating model in future years.
- (e) **All care groups** - In addition to the work set out above we will continue to work with our market to develop new models for meeting need, for example through the development of micro-providers to enable adults with Direct

Payments to have more choice over how they use them. In parallel we will develop the infrastructure required to support this new approach. We anticipate that as this model develops it should generate some **£640,000** in efficiencies in 2021/22.

- 6.20 In order to ensure that the Council pays due regard to the PSED, individual equality impact assessments will be undertaken in order to ensure there are mitigating actions, where possible, to minimise any adverse impact on citizens accessing Adult Services.

Leader

- 6.21 The portfolio has identified budget savings proposals of **£171,000** in 2021/22, the majority of which relate to efficiencies through support services. These changes are not expected to impact on the level of service provided to residents. Individual equality impact assessments will be undertaken where necessary.

Performance, Business Planning and Partnerships

- 6.22 The portfolio has identified budget savings proposals of **£151,000** in 2021/22, the majority of which relate to efficiencies through support services. These changes are not expected to impact on the level of service provided to residents. Individual equality impact assessments will be undertaken where necessary.

Other Operating Costs

- 6.23 The portfolio has identified budget savings proposals of **£10.9m** in 2021/22. Most of the saving is through the Corporate Finance Review which has identified opportunities to reduce planned contributions to reserves, with a reduction of £10m in 2021/22, with an anticipated ongoing impact of £5m per annum. These changes will not impact on the level of service provided to residents. Individual equality impact assessments will be undertaken where necessary.

Appendix C

Essex County Council Pay Policy Statement 2021/22

1. Introduction

This is the Council's Pay Policy Statement adopted under the Localism Act 2011.

The Council seeks to be able to recruit and retain employees in a way which is externally competitive and internally fair.

2. Determination of Grade and Salary for chief officers and lowest paid employees

The Council's pay policy is influenced by a number of factors which include market information, market forces, economic climate, measures of inflation and budgetary position and political context. Pay is revisited from time to time to ensure they remain appropriate when benchmarked against external independent appropriate compensation surveys, applicable to each role.

The Essex Pay policy referred to in this Statement is relevant to the majority of Council employees. However, the scope of this Statement does not include all Terms and Conditions as some are set on a national basis. Those outside the scope include:

- Teachers who are covered by the national conditions for school teachers pay and conditions in England and Wales,
- Soulbury Committee, Adult Education, Joint National Council (JNC)
- people on National Health Service (NHS) terms and conditions.

For the main pay scales the appropriate grade for a job is established through the KornFerry HAY job evaluation methodology which provides the basis for grade determination based upon a range of established factors.

No evaluation process exists for Soulbury or Youth and Community conditions, but employees are placed within Nationally defined grading structures.

3. Salary

The Essex Pay scheme operated by the Council consists of local grades A to J for the main scales and grades SCC to SCH for specialist social care roles. The Chief Executive is on a negotiated rate outside these grades. Each job is assigned the appropriate grade and salary (known as the 'rate for the job'). Details of these grades can be found on the Council's website.

The details of the salary package for the Chief Executive, and all members of the Corporate Leadership Team are published and updated on the Council's web site.

The definition of the lowest paid employee used by the Council is for those undertaking an approved apprenticeship programme and where the apprenticeship pay rate of the

national minimum wage applies as described by law. For all other employees on Essex Main Pay, salaries will be no less than the National Living Wage, or 85% of the rate for the job, whichever is the highest.

All employees who are new to, or secure a new job within the organisation are appointed at a salary in accordance with Essex Pay / Essex Pay Social Care guidance agreed by the Chief Executive. Employees will be provided with an appropriate progress plan in accordance with the Essex Pay Policy and subject to satisfactory progress, salary will be increased accordingly. Further consideration is given to the level of salaries of existing employees to prevent pay inequality.

Pay is reviewed annually, usually in April, as follows:

- The 'rate for the job' for each job that is on Essex Pay main grades is reviewed in line with policies by the Chief Executive.
- For Essex Social Care roles, the pay is reviewed and, where increased, a percentage increase is applied to all employees in these roles by the Chief Executive.
- For employees appointed at grades A and B of the main grades, the pay is reviewed and, where increased, the minimum, mid-point and maximum pay rates will be increased by the same percentage.

No other payments are generally made as part of salary. In exceptional circumstances, the use of an individual supplement may be required where a business case exists.

4. Appointment of Chief Officers

Generally new employees will start at either the bottom of the grade or at the mid-point for Grade A or B, or by exception at the maximum rate of pay.

The appointment of individual chief officers, including those receiving salaries in excess of £100,000, is in accordance with the pay structure and the principles outlined in the Essex Pay / Essex Pay Social Care guidance. No chief officer is appointed to a job without being approved by the Councillors who are members of the Senior Managers Employment Committee.

5. Appointment of other employees paid above £100,000

The appointment of Deputy Chief Officers are also the subject of a vote by the Senior Managers Employment Committee (SMEC), which is a committee of elected councillors.

There are a small number of senior posts which are neither Chief Officer nor Deputy Chief officer posts which may attract a salary of £100,000 and which are not subject to a decision by the SMEC.

6. Pay Progression for Chief Officers

Levels of increase and any unconsolidated payments for Chief Officers

are set by the Committee for determining the terms and conditions of employment of Chief Officers annually; considering a number of factors including market conditions, benchmarking data and affordability.

The pay of Chief officers does not currently include a performance related element. Any change to this would result in a change to the pay policy statement.

Where a Chief Officer has been appointed to a role at the minimum salary for grade, accelerated base pay towards mid-point may take place in accordance with a progression plan. Any pay increase for a Chief Officer or any pay increase for beyond the mid-point for a Deputy Chief Officer requires the approval of SMEC and will be considered on exceptional circumstances for example where performance, retention or specific market pressures may exist.

7. Other Allowances/Payments

As a general rule, all other forms of payments/allowances are applicable to all employees or specific groups of employees (such as pension contributions, childcare vouchers etc). As an exception, Chief Officers, Deputy Chief Officers and other employees at Grade C may also receive:

- Annual Allowance Payment in lieu of a lease car (other eligible employees may receive a lease car subject to eligibility criteria but they are not entitled to an allowance in lieu)
- Private Medical Health Insurance – This is not contractual but is currently applicable to Chief Officers and roles at grade C and above

8. Definition of Lowest and Highest Paid Employees

The lowest paid employees are defined as those currently on an approved apprenticeship scheme. This excludes some interns who, although employees, are subject to significant investment in terms of training and learning.

The highest paid employee is the Chief Executive. Other than the Chief Executive, the highest paid posts within the Council fall within posts evaluated at grade A.

9. Pay Ratios

The recommendation of the Hutton Report into “Fair Pay in the Public Sector”, as recognised by the Government in the Code of Recommended Practice for Local Authorities on Data Transparency, was that a pay ratio of the Chief Executive compared to the median average salary in the organisation should be published.

For the start of financial year 2021/22 that ratio is 1:7.0 This is a reduction in the differential from last year, driven by increases in pay to the wider workforce which was greater than the increase paid to the Chief Executive.

10. Publication of Pay Data

The Council will publish the number of people and job title by salary band. This is from £50,000 to £54,999 and then by pay bands of £5,000 thereafter. This will include elements made on a repeatable or predictable basis such as market premium payments.

The pay of all Chief Officers is published on the Council's website.

11. Governance

The Council's policy is to delegate authority for decision-making to the appropriate level and to detail such delegations within the Constitution.

Under the Council's Constitution, the Chief Executive is the Head of the Paid Service and has delegated authority to appoint, dismiss and determine pay for all employees except where this function is specifically delegated to Members under the constitution or by law. The Chief Executive has authorised certain other officers to appoint and dismiss certain staff.

Full Council appoints Members to a politically balanced committee called the 'Senior Management Employment Committee (SMEC)'. This committee has authority to:

- to recommend to Full Council the appointment of the Head of the Paid Service
- to appoint and dismiss Chief and Deputy Chief Officers (other than the Chief Executive, the s151 officer and the monitoring officer) this may be through the appointment of sub-committees of three Members to deal with particular appointments, dismissals or appeals or through authorising the Chief Executive or his nominee to deal with a particular appointment or dismissal;
- to consider and approve the recommendations of the Chief Executive and the Leader of the Council in respect of unconsolidated payments (if made) for the Chief Executive and Executive Directors
- to determine pay levels for Chief and Deputy Chief Officers including market supplements and retention payments (which may only be made in exceptional circumstances).

The Committee can delegate functions relating to Layer 2 employees (Directors and Heads of Service) to a Sub-Committee.

Any change of pay for Chief Officers and for Layer 1 (Executive Directors) and Layer 2 employees other than in accordance with normal progression through the grade including market supplements or other retention payments must be approved by the Committee.

The appointment or dismissal of the Head of the Paid Service, the section 151 officer or the monitoring officer is required to be approved by the full Council.

The authority must consult with the Secretary of State before dismissing its Director of Public Health.

12. Termination of Employment of Chief Officers

The Council's Policy on the termination of Chief Officers' employment is as detailed at paragraph 11 of this Statement and within the Constitution.

The Council's early retirement Policy is that requests for early payment of Pension benefits will be agreed (before the age of 60) only if there is a compelling business reason for doing so.

The Council's redundancy policy may be implemented and enacted if, a Chief Officer position is made redundant. All payments will be made in accordance with the redundancy policy and subject to any legal restrictions regarding Public Sector Exit payments.

In exceptional circumstances to avoid or settle a claim or potential dispute, the Council may agree payment of a settlement sum in line with the restrictions regarding Public Sector Exit payments. All cases must be supported by a business case and take account of all legal, financial, contractual and other responsibilities.

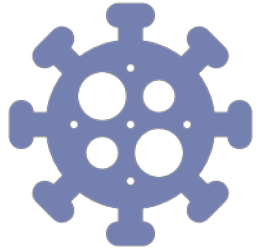


Consultation on the 2021/22 budget

Strategy, Insight and Engagement
December 2020

Budget Consultation: resident priorities

The most important issues facing Essex today



The **COVID-19** pandemic, and the impact this has on healthcare services is viewed by participants as the **most important issue facing Essex today**. Participants were also concerned about the impacts of the COVID-19 pandemic on **businesses, jobs** and the **local economy**.

Areas of greatest personal concern

When asked about their own personal situation, participants were most concerned about their **physical and mental health**. Participants also thought that ECC should be prioritising **climate change** and the **local environment** more highly.



Things that need improving in their own local area



When asked about factors that most need improving in their local areas, residents identify:

- road and pavement repairs;
- traffic congestion;
- levels of crime & ASB;
- Health services; and
- Activities and facilities for teenagers.

Things they value most about their communities

When asked about factors that they value most about their local areas, residents identify:

- parks and open spaces;
- community relations;
- shopping facilities; and
- low levels of crime and ASB.



Budget Consultation: resident views



Participants were largely **understanding** of the pressures facing ECC and empathise with decision-makers.

Many perceive that councils have been “**cut to the bone.**” They also recognise the difficulties of **balancing competing views and priorities.**



Some participants see Council Tax rises as inevitable and expected, while some strongly resent tax increases.

The majority of participants were accepting of the need for Council Tax rises, but only because they could not support service reductions or charging for services.



Despite feeling reasonably well informed, **participants crave more information** from ECC, and from local government partners in Essex, on how Council Tax is used.

They feel this would enhance transparency, and accountability.

Approach

Online survey

- Questions developed with finance colleagues and in consultation with PLT
- Hosted on ECC's consultation platform for six weeks
- Promoted via ECC's corporate communications and through digital and social media
- Responses received from c.300 residents*

Resident workshops

- Six 'small group' workshops with Essex residents undertaken online via MS Teams
- Up to six participants in each group, allowing for deeper discussions and full conversations
- Small groups session observed by both Cabinet Members and ECC research team members
- 15th October – 12th November

*We have seen a reasonably good spread of participants this year from across different areas and age groups. Nevertheless, participants are 'self-selecting' and tend to be slightly older and slightly more engaged than the average. This should be considered as we interpret the findings and draw conclusions.

This reflects the fact that, in undertaking consultation, ECC must invite and consider all responses equally – it cannot design a representative sample of residents with which to engage to the exclusion of others.

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The report therefore supplements consultation results with data from ECC's 2020 Residents Survey – a survey that is representative of the whole population.

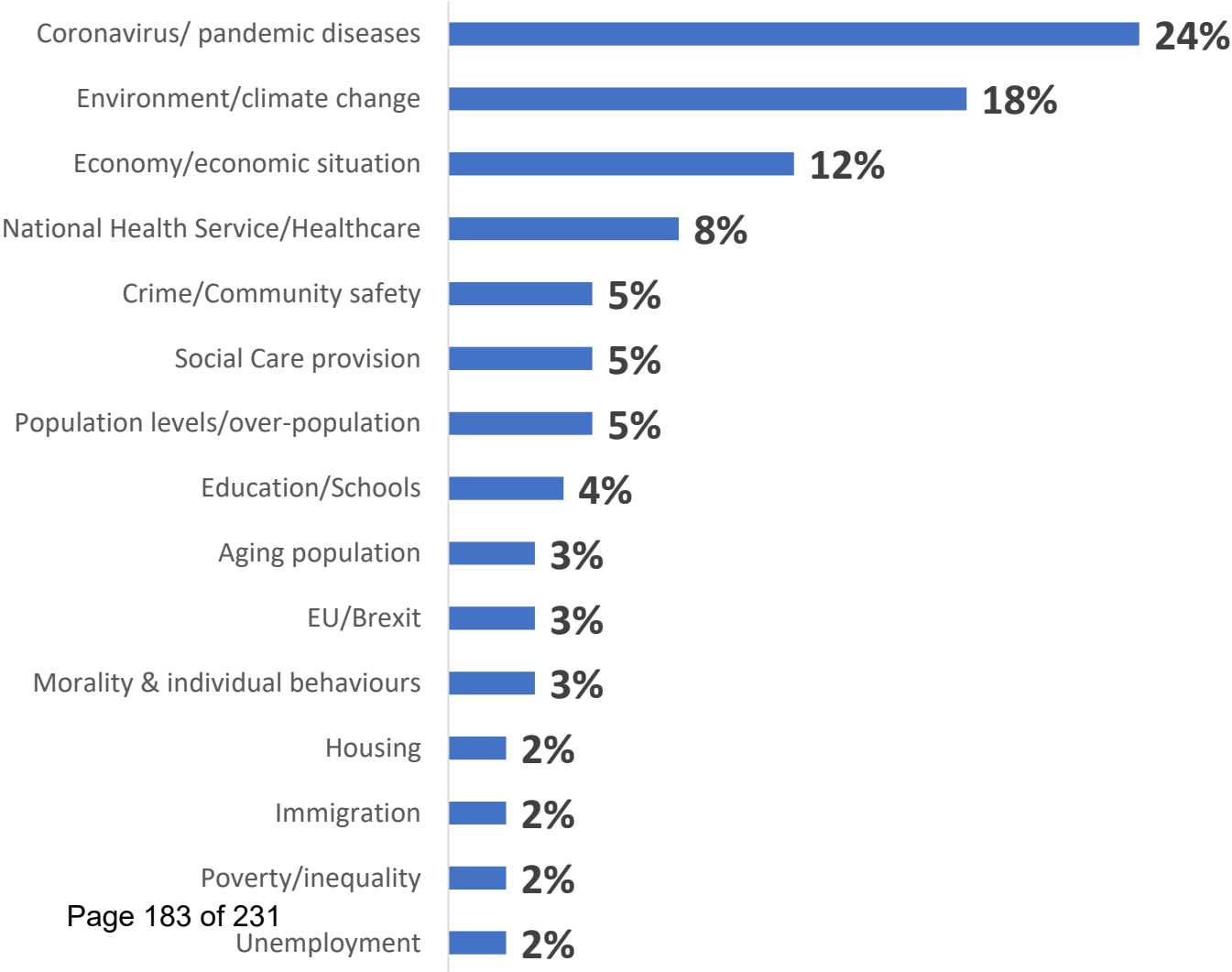


Resident priorities

Perhaps unsurprisingly, most participants identify the COVID-19 pandemic as the most important issue facing Essex today.

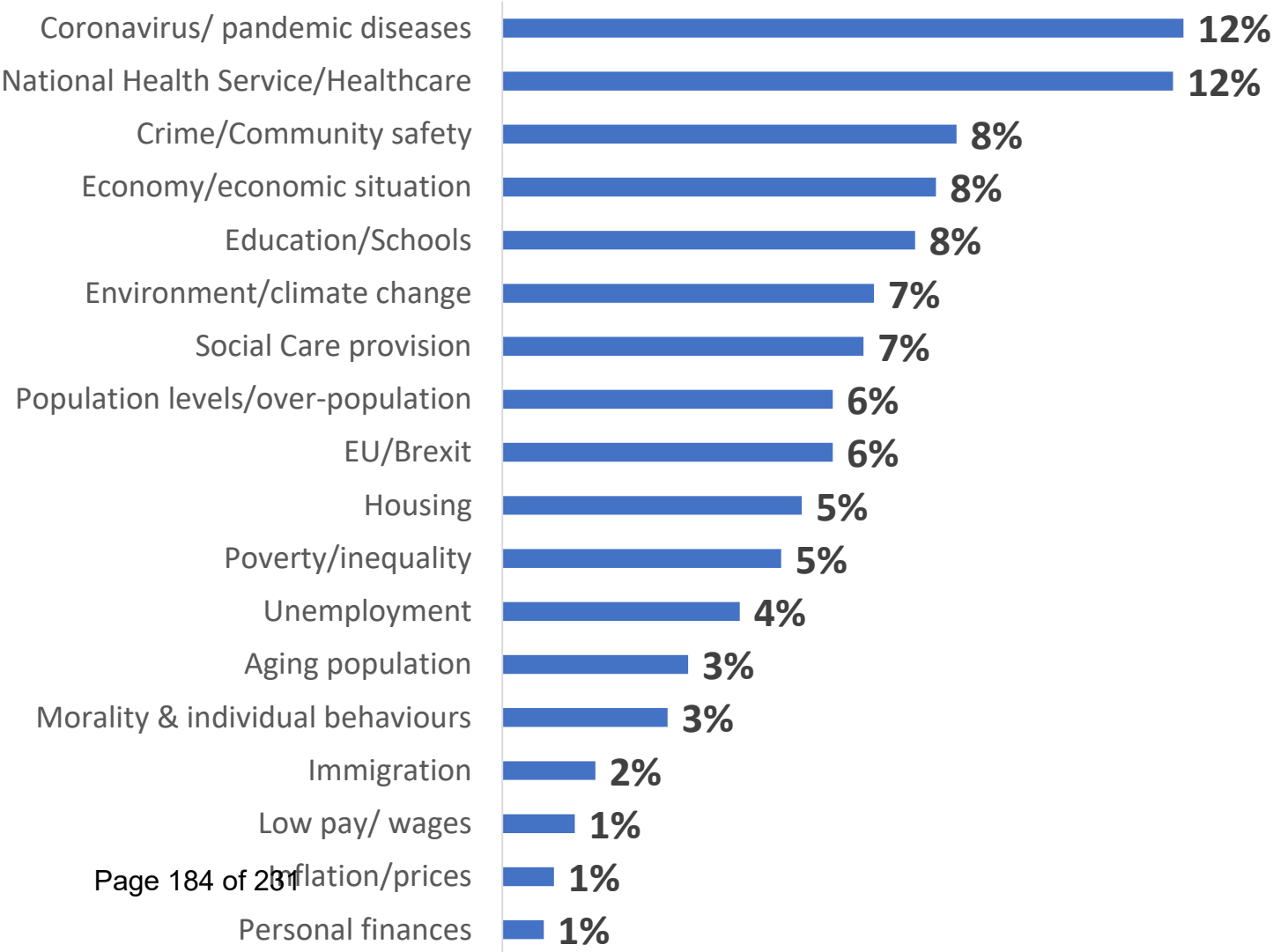
But despite the immediate pressures of the pandemic, many indicate that climate change and the local environment should be prioritised.

What is the most important issues facing Essex today?



When asked to identify other important issues facing the county, many point to the impacts of the pandemic on health services and the economy.

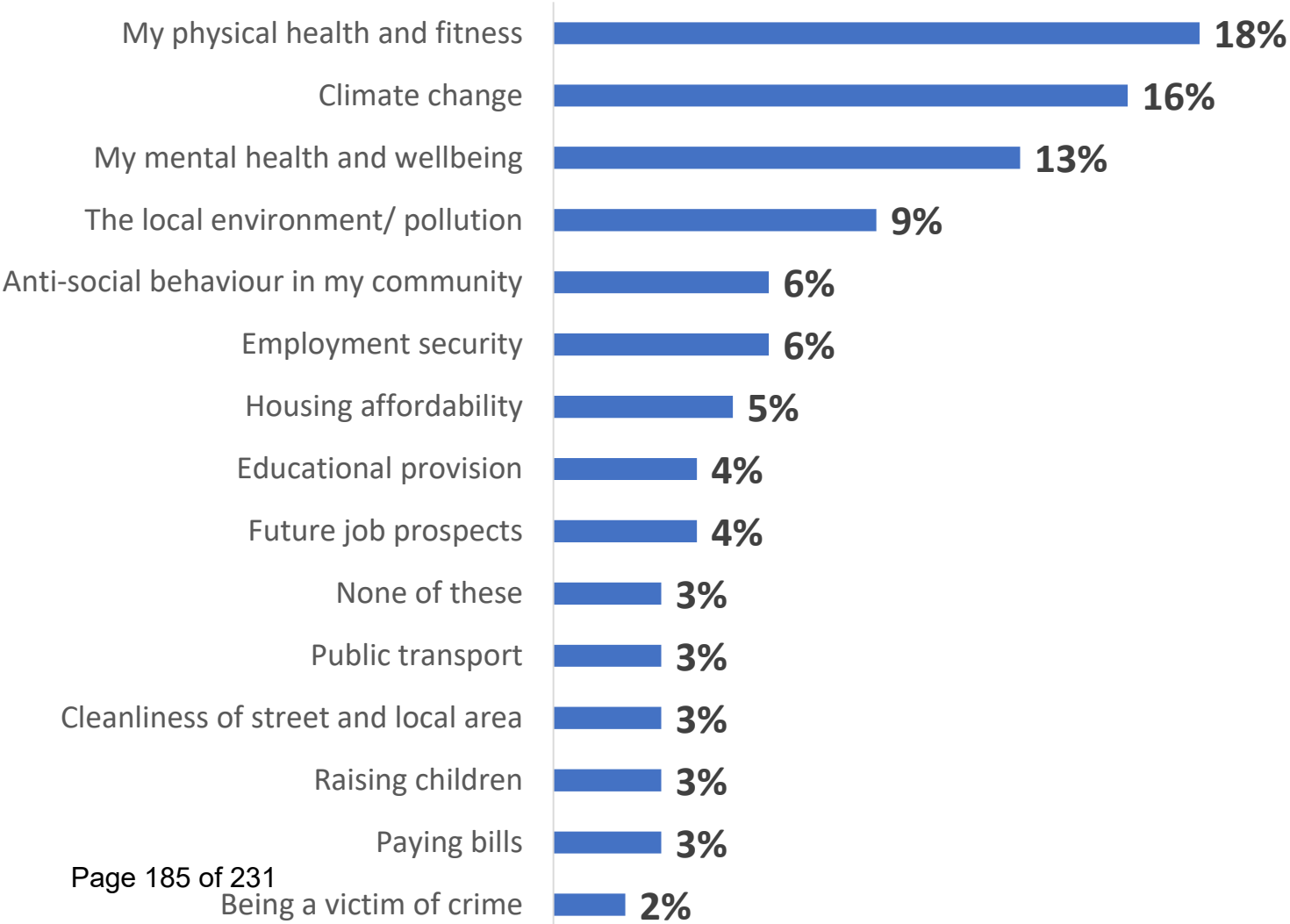
What are the other important issues facing Essex today?



These patterns are broadly mirrored when participants were asked about their own personal concerns.

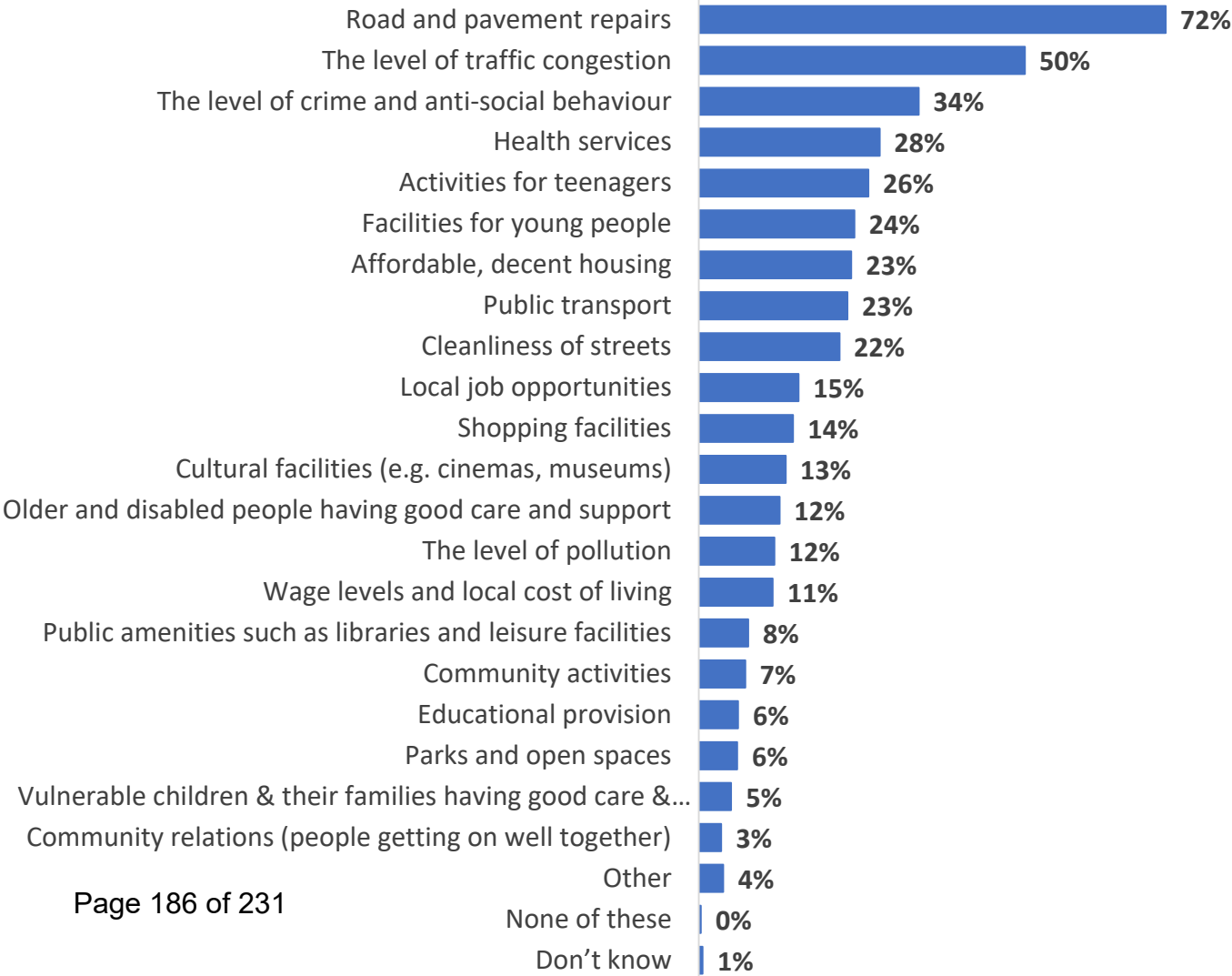
Concerns about physical and mental health, and climate change and the local environment, account for over 50% of residents' responses.

Which of the following are you most concerned about?



When asked about factors that most need improving in their local areas, 72% of residents identify road and pavement repairs and 50% identify traffic congestions as priorities.

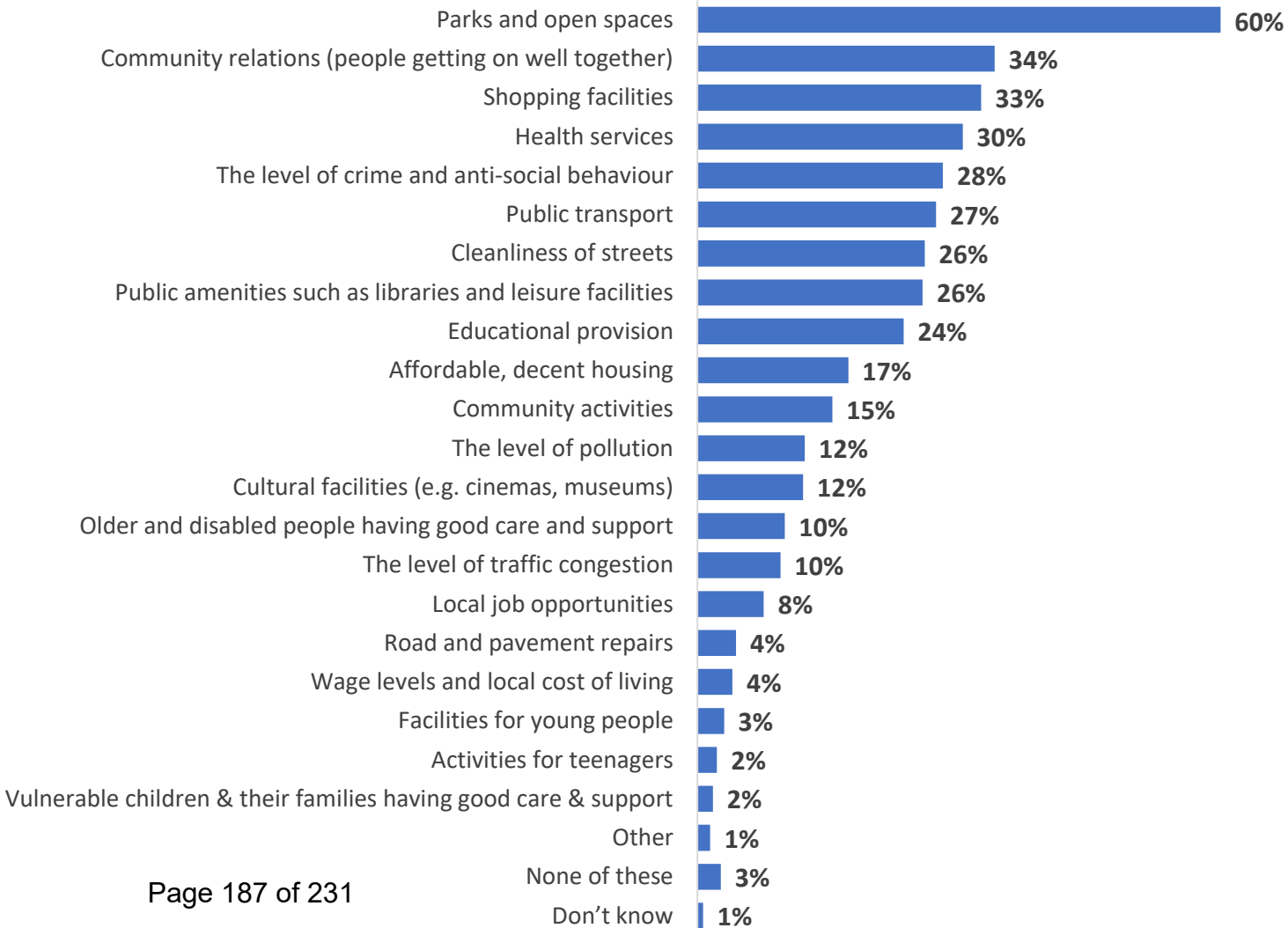
Which, if any, do you think most need improving in your local area?



When asked about what makes their local area a good place to live – the things that residents value most their areas, residents identify:

- parks and open spaces (60%)
- community relations (34%);
- shopping facilities (33%); and
- health services (30%).

What makes your local area a good place to live?



Three white curved lines, resembling a stylized 'C' or a series of arcs, are positioned on the left side of the slide. They are stacked vertically and have a slight gap between them.

Budget setting and managing resources

Participants were largely understanding of the pressures facing ECC and empathise with decision-makers.

In small group discussions, residents were largely **understanding of the pressures facing ECC**, naming various challenges including COVID-19 and its related impacts, “balancing the books,” the social care crisis and climate change.

Some participants were also cognisant of the difficulty of **balancing the views and priorities** of Essex residents, local government and central government, and empathise with the Council.

They also suggest **that central government funding reductions have** “cut councils to the bone” and are not helping in addressing budget constraints to meet demand for delivering vital services.

This left participants feeling **disheartened** and reluctant to make difficult decisions between raising Council Tax, cutting services or charging for them.

*“I think it’s a very **difficult one for the Council** because I don’t know what their financial position will be after COVID”*
Male, Group 6

*“It’s about trying to get a balance, **give a slice to everyone**. Which is really difficult considering the loss of so much income in business rates etc. So, I think it’s a really tight spot.”*
Male, Group 5

*“I think it just comes back to the issue that the council just **doesn’t get enough money** from central government.”*
Female, Group 6

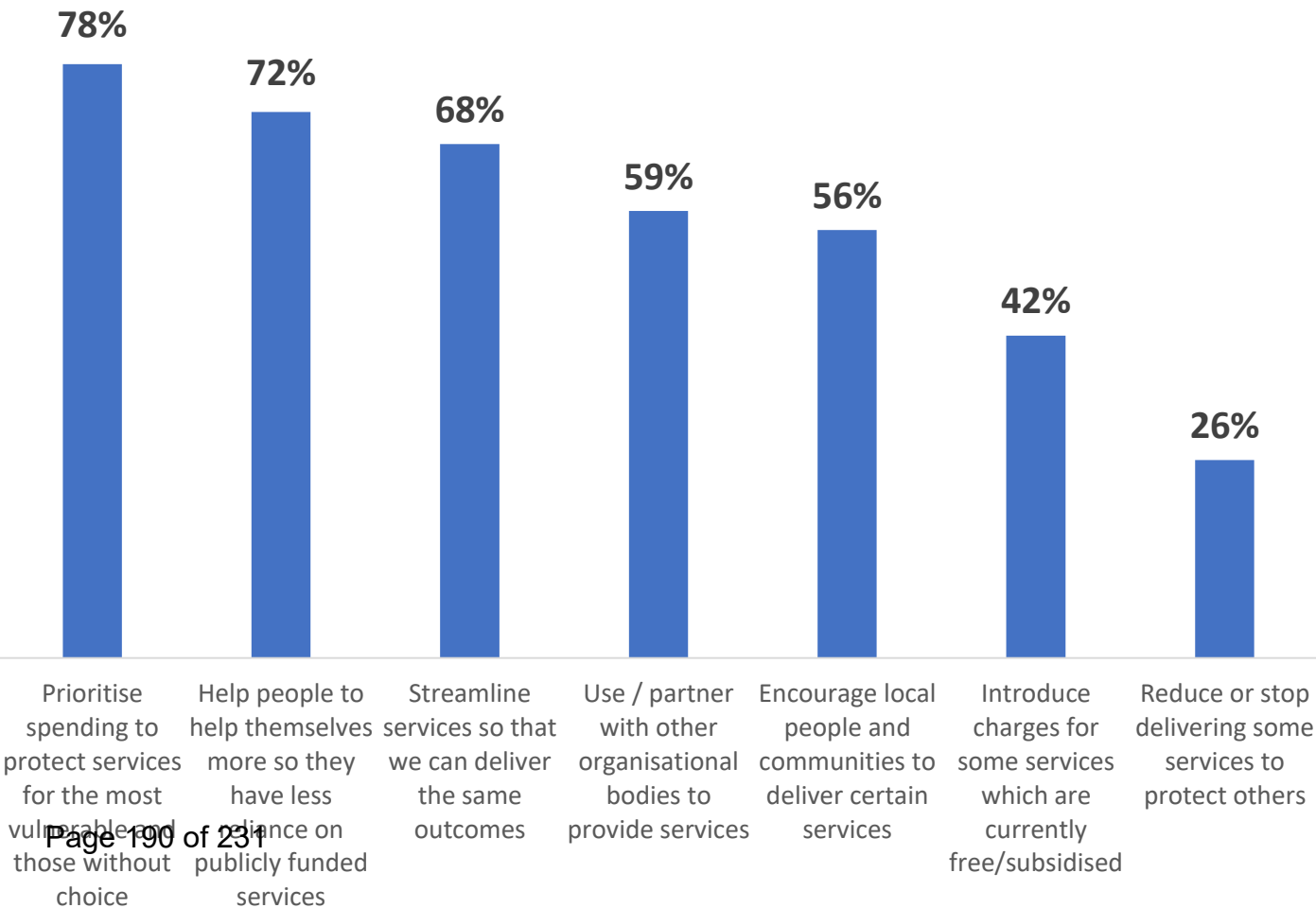
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When asked about the different options available to ECC in managing financial pressures, residents would favour a strategy that:

- Prioritises spending on services for vulnerable people
- Reduces demand by encouraging independence
- Streamlines services to secure efficiencies.

Most are sceptical about the value of means-testing and/or outsourcing provision.

When faced with financial pressures, to what extent do you agree/disagree that Essex County Council should...
(% respondents who agree/ strongly agree)



Participants considered options that ECC could employ where budget gaps remain

Service reductions

Overall participants were least keen on reducing or stopping services. The majority **struggled to identify any areas of council activity that could be reduced in scope.**

Most feel that councils have **already been “cut to the bone”** and are sceptical about the prospects for making savings through outsourcing or means-testing.

Residents recognise that some services could be reduced in scope on the basis that people could ‘live without them’ (mentioning libraries, cultural events and highways maintenance), but felt that this would **disproportionately affect quality of lives** – particularly those who are older, lonely or digitally excluded; or **create public safety issues.** They felt the scale of the savings available through reductions to these services did not justify the impact.

“It’s a balance between what is absolutely essential (for example, adult social care) to the cultural things that make life worthwhile, so you’re not just existing, you’re thriving.

Unfortunately, the bits you’re going to charge [or cut] are normally in the thriving list, libraries, cultural events and activities, the things that makes it worth living in Essex as opposed to anywhere else. And that’s the challenge.”

Participants considered options that ECC could employ where budget gaps remain

Charging for services

Participants were **not keen on charging for services** with many are unsure which services could realistically be provided on a chargeable basis.

Participants were most concerned about **those at risk of being 'squeezed out'** from using services because of their ability to pay.

There was also widespread concern amongst participants that charging for services may create financial pressure in the long run due to **unforeseen knock-on effects and perverse incentives** (e.g. charging for waste disposal leading to costly fly-tipping).

Participants were at pains to stress that all financial and non-financial **impacts should be assessed and understood before any approach to charging is adopted.**

"Making sure that you don't take things away from those who are less fortunate." – Female, Group 4

"If they dropped the prices a bit, you would actually encourage more people to avail of those services because it won't be as prohibitive." – Female, Group 4

Participants considered options that ECC could employ where budget gaps remain

Council tax increases

Some participants viewed Council Tax increases as inevitable and expected, while some strongly resented the idea of potential tax increases. Nevertheless, after considering alternatives, **most participants would accept increasing Council Tax** – mainly because they cannot see any way to cut services or charge for them.

Participants set out several **conditions that would make local tax increases more acceptable:**

- where increases are progressive and based on people's ability to pay – avoiding disproportionate increases hit those in need.
- tax increases must be **clearly and honestly communicated** to inform residents and explain how much is being raised and for what purpose; and
- increases are presented alongside an explanation of the **alternatives that have been considered.**

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*"The **least-worst option** - I don't see how you can do the other two. But if it's raised too much, it's going to **push people into poverty.**" – Female, Group 2*

*Probably **the fairest.**" – Male, Group 3*

*"Sometimes people start to **wonder what they're paying for.**" – Male, Group 5*

*"Counter with **accountability, transparency** and good messaging." – Female, Group 4*

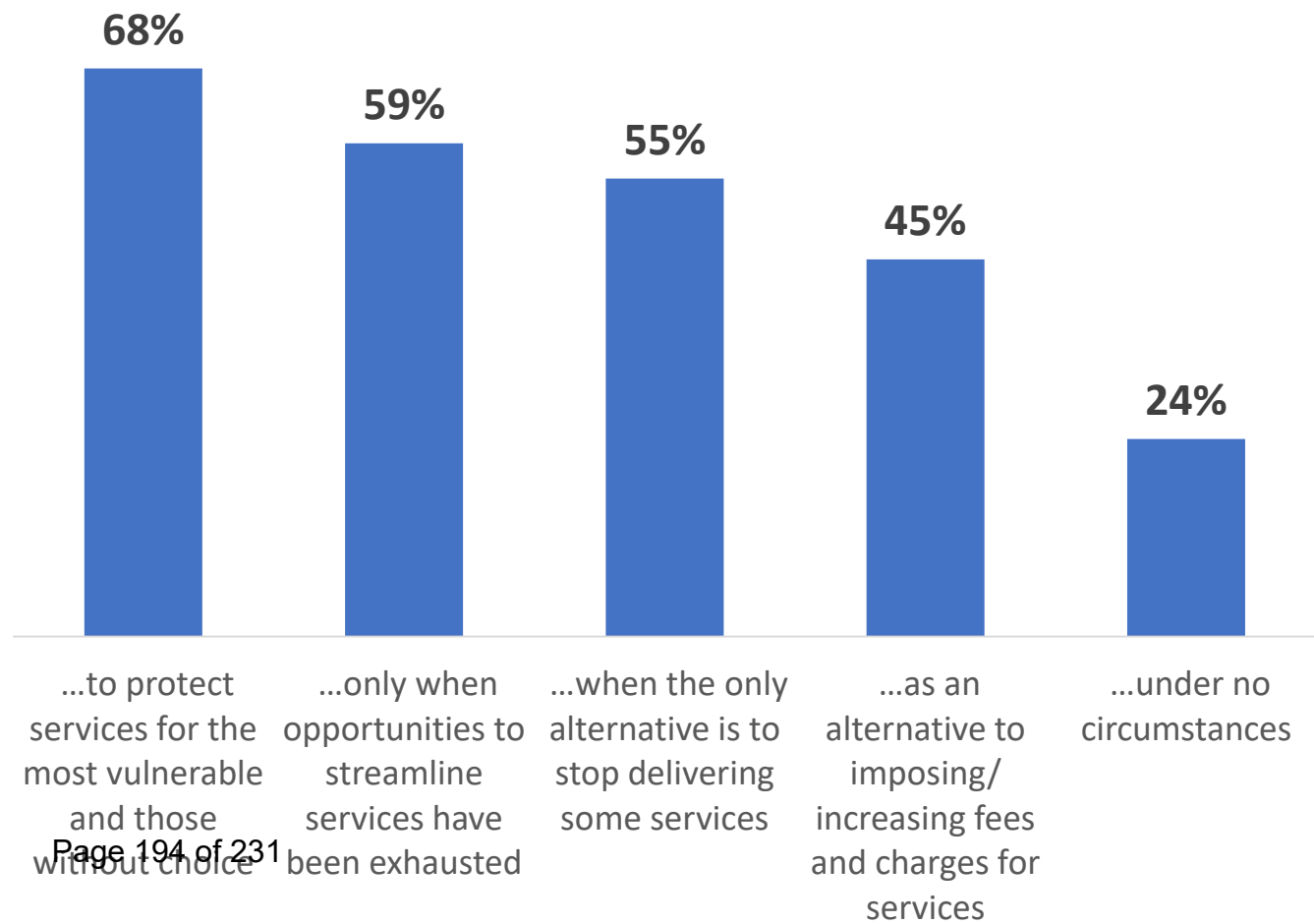
*"If there was a clear, demonstrable **impact on everybody's lives**, then I think we'd all sign up for that. [But] if you're saying that it will keep County Hall running, that's not a very good argument." – Male, Group 5*

Participants’ conditional acceptance of council tax increases is reflected in the survey results.

Nearly seven in ten participants agree that increase in council tax are justified to protect services for the vulnerable, while a majority would accept increases when efficiency opportunities had been exhausted or when the alternative was to stop some services.

Only a quarter of participants suggest that ECC should not increase council tax under any circumstances.

To what extent do you agree or disagree with the following statements?
ECC should consider increases in council tax...
(% respondents who agree/ strongly agree)

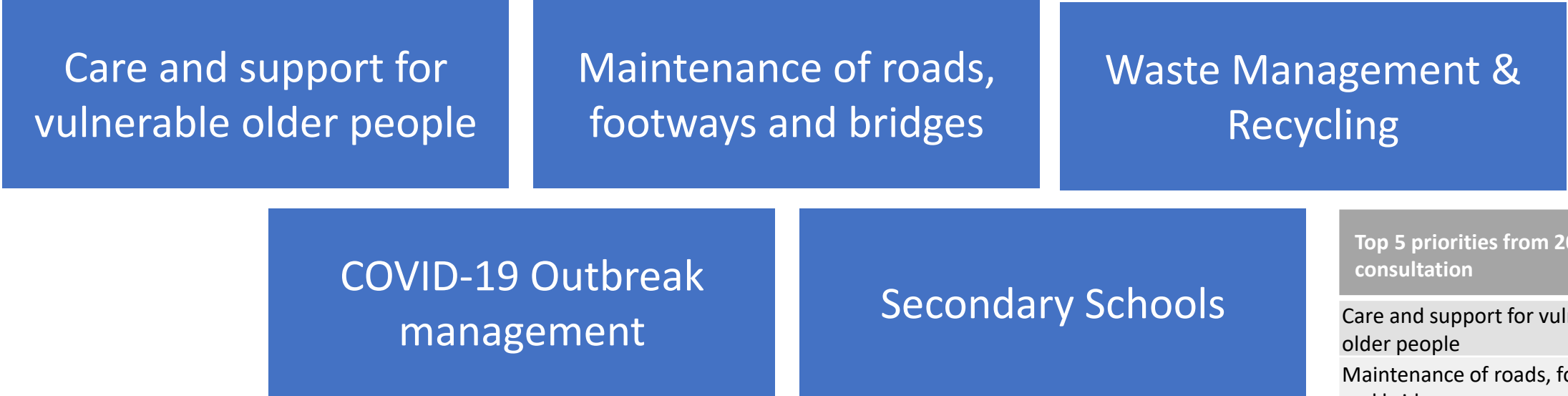


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Service priorities

Top five service priorities

Which, if any, of the following should be prioritised as we set Essex County Council's budget for next year?



Top 5 priorities from 2019-20 consultation
Care and support for vulnerable older people
Maintenance of roads, footways and bridges
Children’s mental health services
Care and support for people with mental health needs
Child protection services

Lowest priority services

Which, if any, of the following should be prioritised as we set Essex County Council's budget for next year?

Youth Offending Support

Adult Education

Home to school transport

Fostering & adoption Services

Tourism

Bottom 5 priorities from 2019-20 consultation

Home to school transport

Tourism

Adult Education

Obesity programmes

Smoking Cessation

This information is issued by:
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The information contained in this document can be translated, and/or made available in alternative formats, on request.

Published December 2020

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Essex County Council

Flexible Use of Capital Receipts Strategy for 2021/22

Introduction

A Capital receipt as defined in regulations is any sum received in relation to disposal of an asset for which, if the authority had been acquiring the asset, expenditure on its acquisition would have been classified as 'capital'. It also includes repayments of loans, grants or other financial assistance given towards capital expenditure incurred by others.

Limitations on use require that Capital Receipts can only be spent on; Capital financing of new expenditure, repayment of debt (reduction of the CFR), or Funding costs of disposal

As part of the finance settlement for 2016/17, the government announced new flexibilities giving local authorities greater freedoms with how capital receipts received in 2016/17, 2017/18 and 2018/19 could be utilised.

This flexibility was extended in the 2018/19 finance settlement as part of the Local Government Finance Settlement for a further three years until 2021/22.

The Secretary of State has extended this flexibility on the basis that authorities are best placed to decide which projects will be most effective for their areas, with the stipulation that capital receipts are only applied to fund projects that will generate ongoing savings.

A requirement of this flexibility is that the County Council approve a Flexible Use of Capital Receipts Strategy and the business cases for their use.

There is no prescribed format for the Strategy, but the underlying principle is to support the delivery of more efficient and sustainable services by extending the use of capital receipts to finance costs of efficiency initiatives that deliver significant savings. A list of each project should be incorporated in the strategy along with the expected savings each project is expected to realise.

Rules of Qualification

Statutory Guidance on the Flexible Use of Capital Receipts is clear that capital receipts may only be used for revenue expenditure if it is qualifying expenditure

Qualifying expenditure is expenditure on any project that is;

- Designed to **generate ongoing revenue savings** in the delivery of public services
- And/or transform service delivery to **reduce costs**

- And/or transform service delivery in a way that **reduces costs or demand** for services in future years for any of the public sector delivery partners.

Set up and implementation costs of any new processes or arrangements can be classified as qualifying expenditure.

The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure. In addition, one off costs, such as banking savings against temporary increases in costs/pay cannot be classified as qualifying expenditure.

Government direction also contains the following additional caveats:

- Local authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years in which this flexibility is used.
- The direction makes it clear that local authorities cannot borrow to finance qualifying expenditure, and local authorities may not use their existing stock of capital receipts to finance the revenue costs of reform.

It is a question of fact whether or not a project qualifies for the flexibility. The Local authority is not required to meet all qualifying expenditure from capital receipts, but it cannot use the flexibility other than in accordance with a strategy approved by full Council on the recommendation of the Cabinet.

Strategy for use of Flexibility – 2021/22

Essex County Council will only use the flexibility on projects which:

- Are for qualifying expenditure
- Are supported by a robust business case demonstrating future savings or demand reduction
- Do not adversely impact on prudential indicators unless specifically justified in this strategy
- Are approved in this strategy as such a project.

Planned use of flexibility – 2021/22

A short description of each project and the expected benefits is set out in the following section, with an initial estimate of the qualifying costs and the potential future saving in the table below.

There is one project for 2021/22:

Corporate Systems Programme (CSP)

This project will move the Council from current corporate IT solution to Oracle Fusion Cloud to provide a simpler system with improved functionality, improved user

experience across all user groups (professional and end users), enhanced reporting capabilities, as well as facilitating new ways of working in the current environment.

Revenue cost avoidance is presented by not having to upgrade the existing product, and further ongoing savings are expected as a result of implementing the new solution due to additional productivity and efficiency benefits potential as well as facilitating new ways of working in the current environment.

Whilst the full ongoing benefit / savings projections are expected to be fully detailed by mid-March 2021, a commitment to savings of £600,000 has already been agreed in order to satisfy further cost avoidance of additional running costs identified when the new solution goes live.

Investment initiative	Total scheme spend (£m)	2020/21 scheme spend (£m)	2021/22 scheme spend proposed for Flexible Use of Capital Receipts	Associated Revenue savings (£m)		
				2020/21	2021/22	2022/23
Corporate Systems Programme - Tranche 1	13.6	3.6	1.3			0.6

Strategy on the use of the Flexibility for 2021/22

For 2021/22 the Council will use the flexibility to fund £1.3m qualifying transformation expenditure from the project summarised above.

Any change to this will require the approval of full council.

Impact on prudential indicators

The £1.3m will be financed using Capital Receipts currently ringfenced in the Usable Capital Receipts Reserve, which are not used to finance the capital programme in this year. Therefore, this strategy will not result in any additional requirement for external borrowing and the use of the flexibility in the manner authorised by this strategy does not impact on the prudential borrowing indicators.

Review of Previous Years' use of the Flexibility

It is a requirement that all strategies include details on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised.

In 2020/21, the Council approved Flexible Use of Capital Receipts strategy included £4.9m of qualifying expenditure from the Corporate Systems Project (CSP) - the same project being requested in 2021/22.

The planned transformation expenditure for this project in the year 2020/21 has been revised downwards from the £4.9m referenced in the approved strategy to £3.6m. The overall cost of the project remains at £13.6m.

The unused 2020/21 Flexible Use of Capital Receipts balance of £1.3m remains ringfenced in the Usable Capital Receipts Reserve for the purpose of Flexible Use of Capital Receipts and is to be carried forward into 2021/22 for use against the same project.

Given the project is still in the design and implementation phase, planned savings are not due to be delivered until 2022/23.

Approved expenditure in the 2020/21 Flexible Use of Capital Receipts Strategy was as follows:

Investment initiative	Total scheme spend (£m)	2020/21 planned scheme spend (£m)	Associated Revenue savings (£m)		
			2020/21	2021/22	2022/23
Corporate Systems Programme - Tranche 1	13.6	4.9			0.6

The Constitution

1. Increase in the number of proper officers for the purposes of countersigning declarations of acceptance of office by newly elected councillors.

Those persons elected to become Councillors at the next County Council Election are required to sign a Declaration of Acceptance of Office to be witnessed by the holder of certain offices, one of whom is a proper officer of the Council. Arrangements for the May 2021 elections are progressing but induction arrangements may need to take place in stages and they are likely to need to take place in a socially distanced way. It is proposed that the Chief Executive, the Director, Legal and Assurance and the Head of Democracy and Transparency are formally appointed as proper officers to increase the number of persons who can countersign declarations of acceptance of office.

Recommended

That there be an amendment to the Constitution paragraph to read:

‘4.4 Statutory Officers

Full Council has designated the following posts as shown:

Post	Designation
Chief Executive	Head of the Paid Service under Section 4 of the Local Government and Housing Act 1989 and a proper officer for the purposes of section 83 of the Local Government Act 1972 (declaration of acceptance of office)
Executive Director, Finance and Technology	Chief Finance Officer appointed under section 151 of the Local Government Act 1972
Executive Director, Children and Families	Director of Children’s Services appointed under Section 18 of the Children Act 2004
Executive Director, Adult Social Care	Director of Adult Social Services appointed under section 6 of the Local Authorities Social Services Act 1970
Director, Legal and Assurance	Monitoring Officer under Section 5 of the Local Government and Housing Act 1989 and a proper officer for the purposes of section 83 of the Local

	Government Act 1972 (declaration of acceptance of office)
Director, Well-being, Public Health and Communities	Director of Public Health under section 73A of the National Health Service Act 2006
Head of Democracy and Transparency	Scrutiny Officer under Section 9FB of the Local Government Act 2000 and a proper officer for the purposes of section 83 of the Local Government Act 1972 (declaration of acceptance of office)

The Post titles as shown in the first column of the above table may be varied by the Chief Executive.'

2. Remote Meetings

Remote meetings have been a success. Members have worked hard and adapted to the new technology. Remote meetings are more accessible to the public and better attended by the public and members alike. They are easier to arrange and save time and money on travel times. They have also had significant public health benefits and avoided the expenditure which would have been needed to meet in person during the pandemic, given that our Council Chamber has a 'covid secure' capacity of 49 people. ECC's experience is shared by other local authorities. Whilst there is no desire to move to a fully remote method of operating, it would significantly improve flexibility and agility and reduce cost if ECC retained the power to meet remotely.

Unfortunately, the emergency legislation to facilitate meetings to be held remotely expires on 6 May 2021. The Government is understood to be working on extending this power. The Secretary of State has the power under section 16 of the Local Government Act 1999 to allow remote meetings to continue, but is understood to be reluctant to do so because this power does not extend to parish Councils and some other bodies. We continue to exert pressure on MHCLG to clarify the law as quickly as possible.

Meanwhile we have been investigating the existing law. We have sought legal advice from leading counsel who considers that the Cabinet, which operates under different legislation to full Council and Committees, can continue to meet remotely. The safest way to allow this would be for the meeting to take place in a physical location County Hall but with the constitution amended to make it clear that some or all members of the Cabinet can participate in the meeting remotely.

In the absence of a clear national solution, it is proposed that the constitution is varied to facilitate this.

Recommended:

That a new paragraph 17.4 be inserted in the constitution as set out below and that paragraphs 17.4 and 17.5 are renumbered to 17.5 and 17.6 and all cross-references are updated.

17.4 Remote participation

Notwithstanding any provision in the constitution to the contrary, any Member of the Cabinet (including the Leader) may participate in a meeting of the Cabinet and vote on any item of business notwithstanding that they are not present at the place where the meeting takes place, if:

- (a) the agenda for the meeting includes instructions on how members may participate in the meeting remotely
- (b) the Member concerned has been able to hear and, where practical, see the meeting; and
- (c) persons present at the meeting have been able to hear and, where practical, see the member during all or most of the discussion of the item; and
- (d) the Member concerned is able to indicate how they wish to vote
- (e) the Member is not prevented by the Code of Conduct from being present or voting.

3. Approved Bodies

Appendix 3 of part 26 of the Constitution is a list of Approved Bodies. Members appointed as County Council representatives to Approved Bodies may claim expenses from the Council for attending meetings if they do not receive payment from any other organisation.

Amendments to the list are frequently required as new Approved Bodies are created, names of Approved Bodies change, requirements for elected representation is amended, or they cease to operate.

1. The Basildon Bus Forum continues to operate but an Essex County Councillor is no longer required to attend.
2. The name of the Regional Flood and Coastal Committee Anglian (Central) has changed its name to the Regional Flood and Coastal Committee Anglian (Great Ouse).

Recommendations:

That the list of Approved Bodies in Appendix 3 of Part 26 of the Constitution be amended as follows:

1. Remove the reference to the Basildon Bus Forum.

2. Amend the reference to the 'Regional Flood and Coastal Committee Anglian (Central)' to the 'Regional Flood and Coastal Committee Anglian (Great Ouse)'.

4. Date of annual meeting 2021

The County Returning Officer has agreed that the count of the elections need not take place overnight on election night, which means that it will be difficult to make the necessary arrangements to take place to issue summons to all members for the annual meeting on Monday 10 May, which would be necessary for the meeting to take place on Tuesday 18 May. Accordingly it is proposed to move the date of the annual meeting.

We do not yet know whether or not it will be lawful to meet remotely and we have not determined a suitable physical venue, since if social distancing requirements are still in place in May we will not be able to accommodate all members in the Council Chamber.

Recommended:

That the annual meeting of the Council for the 2021/22 municipal year be held at 10 am on Tuesday 25 May at such venue or by such remote means as the Chairman may determine.

The Leader's Report of Cabinet Issues

This report is

- a) To note decisions that have been taken as a urgent key decisions, not on the forward plan (Constitution para 19.17) as attached as Appendix 1 to the report since the last meeting of Council on 8 December 2020 and
- b) To receive the minutes of the Cabinet meetings held on 15 December 2020 and 19 January 2021 and attached to the report as appendices 2-3.

Recommendations

To receive the list of urgent decisions taken and the minutes of the Cabinet meetings held on 15 December 2020 and 19 January 2021.

Urgent Decisions**Part 1: Key decisions taken with no prior notice**

The following decisions were taken in circumstances where no prior notice was given. This is only possible if the Chairman of the Corporate Policy and Scrutiny Committee agrees to such action being taken. Decisions taken in this way are required by law to be reported to the Council.

These decisions were also exempted from call in.

DATE PUBLISHED	CABINET MEMBER	TITLE OF DECISION	REFERENCE NUMBER
27 January 2021	Leader	Approval for lateral flow test rollout process	FP/942/01/21
11 February 2021	Leader	Workforce Capacity Fund for Adult Social Care: COVID 19 Response	FP/979/02/21

Part 2: Decisions Exempt from Call-in

In addition to the key decisions taken which were taken with the agreement of the Chairman of the Corporate Policy and Scrutiny Committee, other decisions were taken which were either not key decisions or where prior notice was given, but the Chairman of the Corporate Policy and Scrutiny Committee agreed that it was in the best interests of the Council for the decision to be implemented urgently and the decision was therefore exempted from call-in.

DATE PUBLISHED	CABINET MEMBER	TITLE OF DECISION	REFERENCE NUMBER
4 December 2020	Cllr McKinlay	Allocation of the Covid Winter Grant Scheme and agreement to direct award for free school meal vouchers	FP/892/11/20
14 December 2020	Leader	Provision of Designated Isolation Settings for COVID-19	FP/885/11/20
24 December 2020	Leader	Allocation of Contain Outbreak Management Fund for self-isolation payments and community support	FP/916/12/20
24 December 2020	Cllr Barker	Temporary Cancellations of Wedding Ceremonies during Coronavirus Outbreak	FP/929/12/20
11 January 2021	Cllr Spence	Provider of Last Resort – Support from Domiciliary Care Providers	FP/940/01/21
18 January 2021	Leader	Temporary body storage facility for the management of excess deaths due to COVID-19	FP/944/01/21
26 January 2021	Leader	Funding for Adult Social Care: COVID 19 Response	FP/957/01/21
27 January 2021	Leader	Provision of Designated Isolation Settings for COVID-19	FP/943/01/21
2 February 2021	Cllr Gooding	Coronavirus Outbreak – payments to operators for local bus and home to school contracted services	FP/970/02/21
10 February 2021	Leader	Allocation of Contain Outbreak Management Fund – additional support to business	FP/964/01/21

Minutes of a meeting of the Cabinet that was held remotely on Tuesday 15 December 2020

Present:

Councillor	Cabinet Member Responsibility
Councillor D Finch	Leader of the Council (Chairman)
Councillor T Ball	Economic Development
Councillor S Barker	Customer, Communities, Culture and Corporate
Councillor K Bentley	Deputy Leader and Infrastructure
Councillor R Gooding	Education and Skills
Councillor L McKinlay	Children and Families
Councillor D Madden	Performance, Business Planning and Partnerships
Councillor J Spence	Health and Adult Social Care
Councillor S Walsh	Environment and Climate Change Action
Councillor C Whitbread	Finance

Councillors Pond, Turrell, Mackrory, Scordis and Mitchell were also present.

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

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

1. There had been no changes to membership since the last meeting of Cabinet.
2. Apologies were received from Councillor Henderson, for whom Councillor Scordis substituted.
3. Declarations were made during the meeting as follows:
 - Councillor R Gooding declared a disclosable pecuniary interest in agenda item 8 (Optimisation of Essex Housing) in that he was Chairman of the LLP Board, and that he would withdraw for this item.
 - Councillor S Barker declared a Code interest in agenda item 5 (The Helena Romanes School, Great Dunmow – a new learning village including primary provision) in that the school was within her division.

2. Minutes: 24 November 2020

The minutes of the meeting held on 24 November 2020 were agreed as a correct record and would be signed by the Chairman.

3. Questions from the public

No questions from members of the public were received.

4. SELEP Getting Building Fund: Shovel Ready Projects Approval (FP/828/10/20)

The Cabinet considered a report seeking approval for the passporting of a grant of twenty six million, five hundred and eight thousand pounds, £26,508,000 of Getting Building Funding (GBF) from the South East Local Enterprise Partnership (SELEP) to grant recipients that were detailed in the report. Approval was also requested to proceed with the Harlow Library refurbishment project, which was one of the projects that ECC as a scheme promoter had been successful in bidding for grant funding for under the GBF.

The Cabinet Members for Customer, Communities, Culture and Corporate, and Education and Skills responded to questions from Councillor Pond in respect of the proportion of space at Harlow Library post refurbishment, and the future usage of the existing Adult Community Learning (ACL) site. The Cabinet Member for Education and Skills also responded to a question from Councillor Mackrory regarding levels of attendance at the ACL site and arrangements for funding across the different types of courses offered. Councillor Mackrory also noted the need to acknowledge and appreciate the partnership work that took place at District level.

Resolved:

1. It was agreed to enter into a service level agreement with SELEP Ltd to accept the grant funding of the Getting Building Fund for the projects listed in appendix A.
2. Subject to the release of the funding by SELEP, it was agreed to enter into grant agreements with the promoters of those schemes in appendix A which were not promoted by ECC.
3. It was agreed to add £9,078,376 into the 2020/21 Capital Programme for planned expenditure in the current financial year as was set out in section 6.1.
4. It was agreed to procure a contract for the refurbishment of Harlow Library and the relocation of Adult Community Learning (ACL) Harlow as was set out in paragraph 3.8 and to authorise the Head of Infrastructure Delivery to enter into a contract for the necessary works.
5. To note that funding for the Tendring Bike Scheme and Cycle Infrastructure Project will not be released until authorised by Cllr Kevin Bentley Deputy Leader, Cabinet Member for Infrastructure.

5. **The Helena Romanes School, Great Dunmow – a new learning village including primary provision (FP/779/08/20)**

Councillor S Barker declared a Code interest in this item – minute 1 above refers.

Cabinet received a report seeking approval of the expansion of The Helena Romanes School (“HRS”) to include 420 primary school places as part of a new learning village on a relocated site on Buttley’s Way in Great Dunmow, to meet growing demand for primary age places in the local area.

Resolved:

1. It was agreed that ECC supported the proposed expansion of Helena Romanes School, Great Dunmow to include 420 primary school places with effect from September 2021 and the relocation of the new primary provision to a new learning village site in Buttley’s Way in September 2022.
2. The capital budget for the construction and associated project fees for the primary element of the new learning village and associated temporary accommodation were agreed as profiled in the confidential annex.
 - Including to increase the Capital Programme budget for HRS Primary element from £7.886m to £9.626m as detailed in the confidential appendix with the increase applying to 2022/23 financial year and the increase to be funded by ECC borrowing.
 - Including to re-profile the existing budget as follows: 2020/21 £1.524m decrease; 2021/22 £3.257m decrease; 2022/23 £4.781m increase.
 - The incremental requirement on the Capital Programme for this proposal will be covered by offsetting reductions elsewhere in the Education Capital Programme.
3. It was agreed to authorise the Head of Infrastructure Delivery to enter into a funding agreement with Saffron Academy Trust to provide temporary accommodation for the new primary element at the current HRS site for the 2021/22 academic year.
4. It was agreed to authorise the Head of Infrastructure Delivery, in consultation with the S151 Officer, to enter into a funding agreement with Saffron Academy Trust to deliver the expansion project at a value no greater than that set out in paragraph 1.3 of the Confidential Appendix once satisfied that the following have been met:
 1. satisfactory planning permission has been granted;
 2. the construction costs for the primary element of the school are within the agreed budget, compliant with ECC’s benchmarking rates, and so represent value for money

3. the Academy is permitted to expand under the terms of its agreement with the Secretary of State for Education
4. the Academy has appropriate authority in place to dispose of its existing freehold, and
5. the Academy has funding to construct the new learning village; and
6. the Academy has attained approval from the Education and Skills Funding Agency (ESFA) to enter into any necessary borrowing arrangements.

6. Re-procurement of bus services at Park and Ride Sites (FP/836/10/20)

Cabinet received a report requesting approval for supporting the continuation of the current service model for the park and ride bus services and the re-procurement of bus services for all three sites.

The Cabinet Members for Infrastructure, and Education and Skills provided responses to questions from Councillor Pond in respect of the need to build eco-friendly requirements into the service model.

Resolved:

1. That the procurement of the bus services for the three Park and Ride Sites for a four-year period from 25 September 2021 with the option of extending each contract for up to a further three-year period in one-year extensions was agreed on the basis set out in paragraph 3.7 of the report.
2. It was agreed that the Director, Highways and Transportation was authorised to approve the terms of the new contracts and the entering into such contracts following completion of the procurement process.
3. It was agreed to extend the agency agreement that was currently in place with Chelmsford City Council for the management of the two Chelmsford Park and Ride Sites for a further two-year period from September 2023 to September 2025.

7. Land for development in Colchester (FP/853/10/20)

A report was received asking the Cabinet to agree that the next phase of work should be undertaken to develop Essex County Hospital, Colchester for the development of 120 homes.

Resolved:

1. It was agreed to undertake a procurement process and to enter into a design and build contract for the first of the three construction phases as set out in paragraph 3.4 of the report with the award of contract to be delegated to the Director of Performance, Investment and Delivery.

2. It was agreed to undertake a procurement process for a demolition contractor via the Mitie Facilities Management contract with the award of contract to be delegated to the Head of Essex Housing.
3. It was noted that it was proposed to transfer the site to Essex Housing LLP and that this was the subject of a separate report to the meeting.

8. **Optimisation of Essex Housing – Contract Novation and Loan Agreements (FP/820/09/20)**

Councillor R Gooding declared a disclosable pecuniary interest in this item – minute 1 above refers.

The Cabinet received a report advising that in July 2020, Cabinet had agreed to the establishment of a limited liability partnership, Essex Housing Development LLP (the Development LLP). The Development LLP would be used to undertake all Essex Housing development activity in accordance with its delivery plan. Cabinet were now asked to approve the novation of the necessary contracts and provide loans to the Development LLP for each site to undertake these obligations.

Resolved:

1. The novation of all contracts set out in Appendix A to Essex Housing Development LLP were agreed.
2. It was agreed to provide Essex Housing Development LLP with a credit facility for each site up to the amount listed in the Confidential Appendix, with repayment terms to be set in accordance with paragraph 2.3.
3. It was agreed that interest rates would be set by the Section 151 Officer at the lowest benchmarked rate but that if it was not possible to benchmark then at the prevailing Public Works Loans Board (PWLB) rate at the time plus the applicable EU reference rate.
4. The disposal of Rocheway and Essex County Hospital to Essex Housing Development LLP following valuations at the point of disposal at a price to be approved by the Cabinet Member for Economic Development in accordance with paragraph 3.8 of the report was authorised.

9. **Award of Bio-Waste Service Orders (FP/850/10/20)**

The Cabinet received a report seeking approval to award eight service orders to multiple bio-waste treatment and transport providers following a mini-competition conducted pursuant to the Bio-Waste Disposal Framework Agreement (0554).

The Cabinet Member for Environment and Climate Change Action responded to questions from Councillors Mackrory and Pond regarding the cost

implications of distances travelled by lorries and the possible impact of the Environment Bill.

Resolved:

It was agreed to award service orders to the bio-waste service providers identified in paragraph 3.6 for the amounts and sites listed in the table.

10. Decisions taken by or in consultation with Cabinet Members (FP/831/10/20)

The report of decisions taken by or in consultation with Cabinet Members since the last meeting of the Cabinet was noted. It was also noted that decision FP/901/12/20 (Appointment and Re-Appointment of School Governors by Essex LA - Schedule 359) fell within the portfolio of the Cabinet Member for Education and Skills rather than the Cabinet Member for Children and Families as set out within the report.

11. Date of Next Meeting

It was noted that:

1. The next meeting of the Cabinet would take place via Zoom at 10.00am on Tuesday 19 January 2021.
2. The meeting of the Cabinet originally scheduled for Tuesday 23 February 2021 would now take place one week earlier, on **Tuesday 16 February 2021** in order to accommodate a change in the date for Full Council which would now meet on 23 February.

In addition, and following previous notification of meeting dates for 2021, dates for the early part of 2022 were confirmed as:

18 January, 15 February, 15 March, 19 April and 24 May.

12. Urgent Business

There was no urgent business.

Exclusion of the Press and Public

Resolved:

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

13. **Confidential Appendix: The Helena Romanes School, Great Dunmow – a new learning village including primary provision (FP/779/08/20)**
(Press and public excluded)

The Cabinet considered the Confidential Appendix to report FP/779/08/20 which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 5 above refers).

14. **Confidential Appendix: Land for Development in Colchester (FP/853/10/20)**
(Press and public excluded)

The Cabinet considered the Confidential Appendix to report FP/853/10/20 which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 7 above refers).

15. **Confidential Appendix: Optimisation of Essex Housing – Contract Novations and Loan Agreements (FP/820/09/20)**
(Press and public excluded)

The Cabinet considered the Confidential Appendix to report FP/820/09/20 which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 8 above refers).

16. **Confidential Appendix: Award of Bio-Waste Service Orders (FP/850/10/20)**
(Press and public excluded)

The Cabinet considered the Confidential Appendix to report FP/850/10/20 which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 9 above refers).

17. **Urgent Exempt Business**

There was no urgent exempt business.

There being no further business, the meeting closed at 10.43am.

.....
Chairman

19 January 2020

Minutes of a meeting of the Cabinet that was held remotely on Tuesday 19 January 2021

Present:

Councillor	Cabinet Member Responsibility
Councillor D Finch	Leader of the Council (Chairman)
Councillor T Ball	Economic Development
Councillor S Barker	Customer, Communities, Culture and Corporate
Councillor K Bentley	Deputy Leader and Infrastructure
Councillor R Gooding	Education and Skills
Councillor L McKinlay	Children and Families
Councillor D Madden	Performance, Business Planning and Partnerships
Councillor J Spence	Health and Adult Social Care
Councillor S Walsh	Environment and Climate Change Action
Councillor C Whitbread	Finance

Councillors Mackrory, Durham, Goggin, Turrell, Hedley, Aldridge, Young, Scordis, Wagland, Buckley, Steptoe, Mitchell, Harris, Henderson, Jackson, Wood, Grundy and Pond (for agenda items 1-4 only) were also present.

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

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

1. There had been no changes to membership since the last meeting of Cabinet.
2. Apologies were received from Councillor Pond for agenda items 5-17.
3. There were no declarations of interest.

2. **Minutes: 15 December 2020**

The minutes of the meeting held on 15 December 2020 were agreed as a correct record and would be signed by the Chairman.

3. **Questions from the public**

One question from a member of the public was received in relation to agenda item no.10, Education Travel Contract Extensions and Awards 2021 (FP/893/11/20):

“We are sure members will appreciate that Bus and Coach Operators across the country have been subject to a huge downturn in income since March

2020. Many companies have already ceased trading and the majority that are still trading are still under severe pressure to stay solvent.

The members of CPT Essex would implore you to consider extending all existing home to school contracts for another year irrespective of their term length. This would give stability during the rest of the pandemic and ensure continuity of revenue for a further 12 months”.

The Cabinet Member for Education and Skills responded to this question prior to his presentation of the report at item no.10 on the agenda.

4. **Beaulieu Park Railway Station Project: Commissioning of Network Rail GRIP Stage 4 – single option development including design (FP/840/10/20)**

The Cabinet considered a report advising that Essex County Council was in the process of working with Network Rail on the design and feasibility of the Beaulieu Park Station in accordance with a Memorandum of Understanding entered into in 2015. The report requested authority to enter into an agreement with Network Rail to develop a single option. It was advised that this next phase of work was known as ‘GRIP (Governance in Rail Investment Projects) stage 4’.

The Leader of Council responded to questions from Councillors Pond and Mackrory in respect of the impact of the Station on existing mainline services, the pattern of service provision, the number and configuration of platforms to be provided, the configuration of bus and rail interchanges, and the impact of GRIP stage 3 being over budget.

Resolved:

1. That ECC enters into the Development Services Agreement (DSA) with Network Rail for GRIP stage 4 to enable the Beaulieu Park Station Project to progress through GRIP Stage 4 for the sum of £5.903m.
2. That the Director, Highways and Transportation may:
 - 2.1 Undertake value engineering on the project to reduce the total scheme costs by £14m to bring it within budget provided it does not expose ECC to cost escalation funding risk; or
 - 2.2 Cancel the GRIP 4 agreement at the least possible cost to the Council if we cannot reach agreement with Homes England on the HIF funding agreement.

5. **A127/A130 Fairglen Interchange – Decision to acquire land by Compulsory Purchase (FP/875/11/20)**

The Cabinet received a report asking for agreement that a compulsory purchase order can be made if necessary, to progress the Fairglen Interchange project, and asking the Cabinet to agree that a Side Roads Order

can be made and/or traffic regulation and speed limit orders if necessary, to progress the Fairglen Interchange project.

Resolved:

1. That if the Director, Performance, Investment and Delivery was unable to acquire the land shown in Appendix 2.1 of the report by agreement on reasonable terms he may, after consulting the Leader of the Council and the Director, Legal and Assurance, authorise:
 - a) the making of one or more compulsory purchase orders for the construction of the A127/A130 Fairglen Interchange project for the purposes set out in the schedule at Appendix 3 of the report and publicise the same
 - b) the undertaking of additional processes (Side Roads Orders and/or traffic regulation and speed limit orders) required for the changes of the existing road network as a result of the project, and
 - c) to pursue the Orders to confirmation.
2. To authorise the Director for Performance, Investment and Delivery to agree minor changes to the proposed CPO schedules (Appendix 2.1) and to the boundaries of the land to be acquired (Appendix 3) after consulting the Leader of the Council.
3. To agree an updated project budget of £32.3m. This is a net increase of £3.6m from the value previously approved in the Capital Programme, reasons for which are included at 6.1 of the report:
 - The £3.6m is profiled as follows: 2021/22 - £4.7m reduction; 2022/23 - £6.3m increase; 2023/24 - £2m increase
 - £500,000 is a transfer from existing budget allocation for Cycling Infrastructure in 2022/23

6a. Organisation Plan and Budget 2021/22 – Part 1: Section 151 Officer Report (FP/696/05/20)

The Cabinet received a report setting out the Section 151 (S151) Officer's statement on the adequacy of reserves, robustness of the 2021/22 revenue budget, as well as the Financial Strategy and the Capital and Treasury Management Strategy.

The Leader of the Council advised that questions on both agenda items 6a and 6b would be taken prior to the presentation of the respective reports.

The Cabinet Member for Finance responded to questions from Councillors Henderson, Mackrory, Young and Turrell in relation to:

- The freeze on Council tax and the rationale for this;
- The borrowing required in relation to the Capital programme;
- The potential for cuts in service provision; and
- Whether lobbying had been undertaken in relation to the one year provision of the grant from central Government;

The Cabinet Member for Children and Families responded to questions from Councillors Henderson and Mackrory in respect of the Family Resilience programme and the impact of the earlier closure of Children's Centres.

The Cabinet Member for Health and Adult Social Care responded to a question from Councillor Mackrory concerning potential budgetary impacts on the Meaningful Lives Matters and Connect programmes.

The Cabinet Member for Environment and Climate Change Action responded to a question from Councillor Mackrory in relation to increases to fees and charges for car parking at country parks and fishing permits.

The Cabinet Member for Finance would also provide written answers to Councillor Mackrory in relation to:

- How the Council Tax collection rate had been forecast;
- The level of concern in relation to the level of the projected three year deficit;

to Councillor Young in relation to the intentions for future library provision, and to Councillor Turrell regarding the levels of the general reserves.

Resolved:

That the report was noted.

6b. Organisation Plan and Budget 2021/22 – Part 2: Budget and Plan (FP/696/05/20)

A report was received asking that the Cabinet makes a recommendation to the Council to adopt the Organisation Plan and Budget 2021/22 including the revenue budget, capital programme, financial strategy and capital strategy.

Resolved:

Organisation Plan and Revenue Budget:

Cabinet made the following recommendations to Full Council:

1. That the Organisation Plan be approved in the form appended to the report (Appendix A).
2. That the net cost of services to be set at £1,030.7million (m) for 2021/22 – Appendix A (page 37 of the report).

3. That the net revenue budget requirement to be set at £893m (net cost of services less general government grants) for 2021/22 – Appendix A (page 41 of the report).
4. That the total council tax funding requirement be set at £719.1m for 2021/22 – Appendix A (page 41 of the report).
5. That Essex County Council's element of the council tax be increased by 1.5% for the adult social care precept, using the flexibility set out by government to raise a precept of up to 3% for the 'adult social care precept'. Therefore the Essex County Council element of the council tax charge for a Band D property in 2021/22 will be £1,340.91. A full list of bands is as follows:

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

6. That, subject to the funding position prevailing next year, the Council intends to raise council tax in 2022/23 to use the remaining 1.5% adult social care precept in 2022/23.
7. That the proposed total schools budget be set at £567.4m for 2021/22 which will be funded by the Dedicated Schools Grant, Universal Free School Meals Grant, Pupil Premium Grant, PE and Sports Premium Grant, Sixth Form Grant and the COVID-19 Catch-up Grant. The majority of this will be passed through to maintained schools.
8. That the underlying balance on the General Balance be set at £65.5m as at 1 April 2021 (Appendix A, Annex 1, page 68 of the report).
9. That the capital payments guideline be set at £290.3m for 2021/22 and that the Executive Director for Finance and Technology, in consultation with the Cabinet Member for Finance, be authorised to make adjustments to the phasing of payments between years (should that be necessary) as the capital programme is finalised, and to report any impact on the Prudential Indicators at the subsequent quarterly review to Cabinet in July

2021. Any requests to change the prudential borrowing indicators would be brought back before Full Council.

Cabinet agreed the following:

10. That the Cabinet Member for Finance, in consultation with the Executive Director for Finance and Technology, may adjust the recommendations to Full Council upon receipt of:

(a) the final tax base and forecast business rates receipts for 2021/22 from the billing authorities (due by 31 January 2021)

(b) the final settlement from Government (expected early February 2021)

11. That the report by the Executive Director for Finance and Technology (S151 officer) on the robustness of the estimates, reserves and capital strategy be noted (as per the separate item on the agenda).

Capital Strategy:

Cabinet made the following recommendations to Full Council:

12. That the 2021/22 to 2024/25 Prudential Indicators and limits, together with updated limits for 2020/21 as set out in Annexes 3A and 3B of the Capital Strategy (Appendix A) be approved.

13. That the Treasury Management Strategy for 2021/22 be approved, comprising:

a. Borrowing strategy, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 79 of the report).

b. Treasury management investments strategy, as set out in Annex 3 and Annex 3D of the Capital Strategy (Appendix A, Annex 3, page 86 of the report).

c. Indicative strategy for commercial investment activities, as set out in Annex 3 of the Capital Strategy (Appendix A, Annex 3, page 89 of the report).

14. That the policy for making a prudent level of revenue provision for the repayment of debt, (the Minimum Revenue Provision policy) as set out in Annex 3C of the Capital Strategy (Appendix A, Annex 3, page 97 of the report), be approved.

Pay Policy Statement:

Cabinet made the following recommendation to Full Council:

15. To recommend that the Council adopts the Pay Policy Statement for 2021/22 as set out in Appendix C.

Flexible Use of Capital Receipts Strategy 2021/22:

Cabinet are requested to make the following recommendation to Full Council:

16. To recommend that the Council approves the Flexible Use of Capital Receipt Strategy for 2021/22 (Appendix E), using the short term discretion from government to use £1.3m of capital receipts to fund transformation projects that save money or reduce costs.

Cabinet noted:

17. That the medium term (2022/23 to 2024/25) revenue issues facing the Council as set out in the report (Appendix A, page 31 of the report); at present we do not have a balanced budget from 2022/23 and further action will be necessary to identify plans and savings to ensure financial sustainability. The position is based on the best intelligence available today including future funding, price rises and demand. However, in the absence of a government settlement beyond 2021/22 and the inherent uncertainty notably given the pressures arising as the pandemic recedes, the financial outlook is volatile.
18. That the recommendations in this report present a balanced budget for 2021/22. The Council's plans for 2022/23 to 2024/25 are not sufficiently firm as to allow for a balanced budget to be set. Further opportunities for improving income and funding, plus greater efficiencies, will need to be secured in the medium term which will be achieved by a focus on outcomes based commissioning and transformation.
19. That the above figures are based on a Band D equivalent tax base of 536,304 properties (see Appendix A, page 41 of the report).
20. That the Capital Strategy, which is presented as Annex 3 in Appendix A, sets out the long-term context in which capital expenditure and treasury management investment decisions are made by the Council and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. It comprises a number of distinct, but inter-related, elements as follows:
 - Capital expenditure – this provides an overview of the governance process for approval and monitoring of capital expenditure, including the Council's policies on capitalisation, and an overview of its capital expenditure and financing plans.
 - Capital financing and borrowing – this provides a projection of the Council's capital financing requirement, how this will be funded and repaid, sets out the Council's borrowing strategy and explains how the Council will discharge its duty to make prudent revenue provision for the repayment of debt.
 - Treasury management investments – this explains the Council's approach to treasury management investment activities, including the

criteria for determining how and where funds will be invested to ensure that the principal sums are safeguarded from loss and that sufficient liquidity is maintained to ensure that funds are available when needed.

- Other investments – this provides an overview of the Council's intended approach to investment activities, including processes, due diligence and defines the Council's risk appetite in respect of these, including proportionality in respect of overall resources.

7. 2020/21 Financial Overview as at the Third Quarter Stage (FP/695/05/20)

The Cabinet received a report setting out the forecast financial position of Essex County Council's (ECC) revenue and capital budgets as at the third quarter stage of the 2020/21 financial year.

The Cabinet Member for Finance responded to questions from Councillors Mackrory and Henderson in relation to:

- The estimated reduction in council tax collection income;
- Unbudgeted Asylum income;
- The decision not to purchase a Storage Area Network (SAN);
- Whether the loss of income of £798,000 in relation to the Business Rates Pool was linked to the closure of businesses; and
- The closure of the Highways Reserve;

The Cabinet Member for Education and Skills responded to a question from Councillor Mackrory in relation to the lower than expected numbers seen in relation to high needs learners; further detail on this would be provided in writing.

The Cabinet Member for Infrastructure and Deputy Leader responded to a question from Councillor Young in relation to slippage against the Highways Maintenance Budget.

Resolved:

1. To draw down funds from reserves as follows:
 - i. £1.2m from the COVID Equalisation Reserve to the Customer, Communities, Culture and Corporate portfolio relating to Libraries and Registrars income losses not covered as part of the Government Income Loss Guarantee. (section 5.2.iii)
 - ii. £772,000 from the COVID Equalisation Reserve to the Health and Adult Social Care portfolio for additional costs relating to COVID-19 (section 5.9.iv)
 - iii. £142,000 from the Reserve for Future Capital Funding to the Deputy Leader and Infrastructure portfolio relating to the creation of a provision for potential Part 1 compensation claims from property owners where

the completion of major highways schemes has resulted in a negative impact to the value of their property due to factors such as noise or light pollution (section 5.3.iii)

- iv. £96,000 from the Recovery Reserve to the Leader RSSS portfolio relating to COVID-19 pandemic work undertaken by Communications and Marketing (section 5.15.ii)
 - v. £49,000 from the COVID Equalisation Reserve to the Customer, Communities, Culture and Corporate RSSS portfolio relating to additional staffing resources required in response to COVID-19 for the Wellbeing Team and the Service Centre (section 5.13.iii)
 - vi. £133,000 from the Transformation Reserve to the Customer, Communities, Culture and Corporate RSSS portfolio for redundancy costs associated with the new Occupational Health contract and a Union Representative (section 5.13.iii)
 - vii. £27,000 from the Transformation Reserve to the Economic Development portfolio relating to organisational design pension strain costs in Culture and Green Spaces (section 5.4.ii)
 - viii. £7,000 from the Transformation Reserve to Economic Development portfolio to fund a post for Viability Transformation. (sections 5.4.ii)
 - ix. £5,000 from the Community Initiatives Reserve to the Leader portfolio to fund Challenge Prize costs to date (section 5.10.ii)
2. To appropriate funds to reserves as follows:
- i. £11.1m to the Carry Forward Reserve from the following portfolios:
 - Health and Adult Social Care: £4.5m
 - Customer, Communities, Culture and Corporate Recharged Strategic Support Service (RSSS): £2.2m • Finance RSSS: £2m
 - Children and Families: £1.9m
 - Other Operating costs: £200,000
 - Performance, Business Planning and Partnerships RSSS: £94,000
 - Leader: £50,000
 - Customer, Communities, Culture and Corporate: £103,000
 - Leader RSSS: £47,000

to support delivery of the 2021/22 budget. Specific detail can be found in section 5.
 - ii. £10.2m to the COVID Equalisation Reserve from the Health and Adult Social Care portfolio due to lower demand levels than originally anticipated for COVID-19 funding originally approved in relation to alternative day care provision, funding recovered from Health for their COVID-19 cost liabilities and loss of income now lower than anticipated (section 5.9.iv)

- iii. £2.6m to the Collection Fund Risk Reserve from the Finance RSSS portfolio towards mitigating the forecast decrease in funding from council tax and business rates in future years (section 5.14.ii)
 - iv. £1.3m to the Technology Solutions Reserves from the Customer, Communities, Culture and Corporate RSSS portfolio to support the Corporate Services Programme (CSP) and device information technology in future years (section 5.13.iii)
 - v. £457,000 to the Transformation Reserve from the Health and Adult Social Care portfolio relating to the Adult Sustainability Programme and for use in 2021/22 (section 5.9.iv) vi. £200,000 to the Transformation Reserve from the Children and Families portfolio to return placements under spend for use in future years (section 5.1.iii)
3. To approve the following adjustments:
- i. Vire £1.2m to Customer Services within the Customer, Communities, Culture and Corporate RSSS portfolio from the following portfolios:
 - Customer, Communities, Culture and Corporate: £568,000
 - Health and Adult Social Care: £168,000
 - Customer, Communities, Culture and Corporate RSSS (other policy lines): £151,000 • Finance RSSS: £141,000
 - Leader: £62,000
 - Performance, Business Planning and Partnerships RSSS: £40,000
 - Leader RSSS: £28,000

relating to the realigning of under spends within the Corporate and Customer function. (sections 5.2.iii, 5.9.iv, 5.13.iii, 5.14.ii, 5.10.ii, 5.16.ii & 5.15.ii)
 - ii. Vire £70,000 from the Customer, Communities, Culture and Corporate portfolio to the Customer, Communities, Culture and Corporate RSSS portfolio (£48,000) and the Health and Adult Social Care portfolio (£22,000) to fund a webchat team. (sections 5.2.iii & 5.9.iv)
 - iii. Vire £1.2m from the Customer, Communities, Culture and Corporate RSSS portfolio to the Finance portfolio to mitigate the unachievable income target for the Commercial programme due to the economic climate. (section 5.8.ii & 5.13.iii)
 - iv. Vire £33,000 from Customer, Communities, Culture and Corporate portfolio to Leader portfolio relating to funding of a Trading Standards post. (section 5.2.iii & 5.10.ii)
 - v. Adjust the profile of spend of the Future Library Services Strategy 2019-2024 as originally set out and approved in FP/461/06/19 to £1.5m

in 2021/22 and £1.2m in 2022/23 in order to reflect the current anticipated spend.

- vi. To create a new COVID Equalisation Reserve to set aside funding received from government for exceptional one-off costs related to the COVID-19 pandemic. Funding will be placed here until decisions are made on its utilisation. This reserve will also be used for where funding is returned to reserves where COVID-19 costs have been lower than originally anticipated for decisions taken (section 9.3)
- vii. To create a new Children's Transformation Reserve to set aside resources to support transformation capacity to deliver the Children's Sustainability programme. (section 9.3)
- viii. To create a new Adults Transformation Reserve to set aside resources to support transformation capacity to deliver ongoing future sustainability work. (section 9.3)
- ix. To create a new Adults Risk Reserve to set aside resources to help manage commercial price pressures that may arise from meeting cost of care. (section 9.3)
- x. To close the Highways Reserve and transfer the residual balance of £5m to the Service Improvement Reserve (section 9.4)
- xi. Transfer £16.4m, consisting of part of the third tranche (£4.7m) and all of the fourth tranche (£11.8m) of COVID emergency funding, to the COVID Equalisation Reserve (see 2.3.vi above) in order to support the Council's ongoing response to and recovery from the COVID-19 impact
- xii. To return supplementary funding of £2.2m for supporting businesses to the General Balance, following the receipt of Contain Outbreak Management Funding specific grant which can now be applied to provide this support instead.
- xiii. To amend the capital budget as shown in Appendices C (i) and C (ii) which allows for capital slippage of £19.5m, capital budget additions of £2.2m, capital budget reductions of £2.5m and advanced works of £3m (see section 7.2).

8. Semi-Independent Accommodation and Support: Decision to Recommission a Framework from October 2021 (FP/842/10/20)

The Cabinet received a report setting out a recommendation to commission a framework agreement to provide Semi-Independent Accommodation to defined cohorts of young people and families, commencing in October 2021 for a period of 4 years, including the opportunity to re-open the framework to new entrants after a period of 2 years.

The Cabinet Member for Children and Families responded to a question from Councillor Henderson regarding the monitoring arrangements that were in place for the placements and support for young people; a fuller answer would be provided in writing.

Resolved:

1. That the Council procures a framework agreement for the provision of SIA in four Lots for the following cohorts:
 - Lot A - SIA and support for eligible and relevant young people aged 16 and 17.
 - Lot B - SIA and support for Unaccompanied Asylum-Seeking Children (UASC) aged 16 and 17, including initial age assessment where required.
 - Lot C - Accommodation for families and young people 18+ with no recourse to public funds (NRPF) where the Council has a duty to provide them with accommodation.
 - Lot D - SIA and support for eligible and relevant young people aged 16 and 17, who have complex needs that require extended, intensive support and supervision.
 2. That the procurement is carried out using a single-stage, open tender process via the Council's e-sourcing portal.
 3. That the high-level evaluation criteria for the procurement will be 60% for quality and 40% for price and agree that the Executive Director, Children and Families is authorised to approve the detailed evaluation criteria sitting below this.
9. **Recommissioning of the Emotional Wellbeing and Mental Health Services for children and young people (FP/852/10/20)**

Cabinet received a report advising that the provision of services for Children and Young People's Emotional Wellbeing and Mental Health was a joint responsibility of local authorities and the NHS. Since 2015, the Emotional Wellbeing and Mental Health Service (EWMHS) had been commissioned collaboratively by Essex County Council, Southend-on-Sea Borough Council, Thurrock Council and NHS partners as an integrated service. The report proposed that ECC continued to work in a collaborative way to commission an integrated service when the existing contract expires in January 2022.

The Cabinet Member for Health and Adult Social Care responded to questions from Councillors Henderson and Mackrory in relation to the times between assessment and treatment, agreeing also to provide the data on this matter to Councillor Henderson in writing, and the total forecast budget for the new service.

Resolved:

1. To work with Southend-on-Sea Borough Council, Thurrock Council and the seven Clinical Commissioning Groups in Greater Essex (the Collaborative) to scope and re-procure an integrated service for child and adolescent mental health services in Essex.
2. To participate in a procurement exercise, led by West Essex CCG, to determine the successful provider for the child and adolescent mental health service for an integrated model from 2022.
3. To agree that the Cabinet Member for Health and Social Care in consultation with the Cabinet Member for Children and Families is authorised to:
 1. Agree the procurement process to be followed including the evaluation criteria to be applied;
 2. Agree the terms of the contract with the successful provider following completion of the procurement process; and
 3. Agree to the terms of the collaboration agreement with the Collaborative.

10. Education Travel Contract Extensions and Awards 2021 (FP/893/11/20)

Cabinet received a report seeking the extension of existing contracts and the procurement of new education transport contracts which along with the provision of travel allowance, hired transport and public transport tickets enabled the Council to fulfil its statutory and policy-based obligations to provide transport to school for children meeting the eligibility criteria.

The Cabinet Member for Education and Skills provided an answer to the question submitted by a member of the public under item no. 3 of the Agenda, advising that it was not possible to award an extension to all contracts as a number of them had already expired or were subject to other factors that would not allow such an extension.

The Cabinet Member for Education and Skills also responded to a question from Councillor Mackrory in relation to the energy efficient and eco-friendly credentials of the vehicles used.

Resolved:

1. That the Director, Highways and Transportation, is authorised to extend any education transport contracts which expire in July 2021 for a one year period where extension is permitted under the terms of the contract and where he considers this to be in the Council's best interests.
2. That the Director, Highways and Transportation, is authorised to procure new contracts via the Council's existing dynamic purchasing system where extension is not permitted or where extension is not considered to be in

the Council's best interests. Any new such contract is to be for a period determined by the Director, Highways and Transportation initially for a maximum of three years and on terms which give the Council the right to extend for up to a further 3 years.

3. That the Director, Highways and Transportation, is authorised to approve the entering into of such contracts following completion of the procurement process subject to sufficient funding being available.

11. Award of Residual Waste Service Orders (FP/851/10/20)

Cabinet received a report seeking approval to award sixteen service orders to five waste disposal providers following a mini-competition conducted pursuant to the Residual Waste Disposal Framework (0538).

The Cabinet Member for Environment and Climate Change responded to questions from Councillor Mackrory regarding the disposal method used, and the impact of there being no bids for Lot 5.

Resolved:

To award service orders to the waste disposal providers detailed in paragraph 3.5 of the report for a period of 18 months commencing on 1 April 2021.

12. Decisions taken by or in consultation with Cabinet Members (FP/906/12/20)

The decisions taken by or in consultation with Cabinet Members since the last meeting of the Cabinet were noted.

13. Date of next meeting

It was noted that the next meeting of the Cabinet would take place online at 10am on Tuesday 16 February 2021.

14. Urgent Business

There was no urgent business.

Exclusion of the Press and Public

Resolved:

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

15. **Confidential Appendix: A127/A130 Fairglens Interchange - Decision to acquire land by Compulsory Purchase (FP/875/11/20)**
(Press and public excluded)

The Cabinet considered the Confidential Appendix to report FP/875/11/20 which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 5 above refers).

16. **Confidential Appendix: Award of Residual Waste Service Orders (FP/851/10/20)**
(Press and public excluded)

The Cabinet considered the Confidential Appendix to report FP/851/10/20 which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 11 above refers).

17. **Urgent Exempt Business**

There was no urgent exempt business.

There being no further business, the meeting closed at 11.30am.