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# Essex County Council

9 February 2023

## Order Paper

### Agenda item 4

### Public Speakers

The following question will be asked by a member of the public registered to speak in accordance with Standing Order 16.12.8.

**Question 1:** from **Mr Kelly**, a resident of Maldon, who is to ask a question on the subject of Pavement Parking and dangerous parking in Maldon. The question is:

‘What action will the County Council take to prevent the risk of a serious accident being caused by repeated pavement obstruction and dangerous parking in the ‘up lane’ of London Road, Maldon, in the vicinity of the junction with Beacon Hill and the bridge over the Maldon bypass?’

Cllr Lee Scott, Cabinet Member for Highways Maintenance and Sustainable Transport will respond.

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### Agenda item 8

### Budget 2023/24

Members have been sent an addendum to the budget report with revised recommendations. This was produced following the supply of further information relating to the final local government finance settlement, the final council tax base, the deficit/surplus from the prior year, and the Non Domestic Rates (NNDR) information from all 12 billing authorities.

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**Agenda item 8****Budget 2023/24****Amendment to the Budget – Non-aligned Group Amendment**

An amendment to be moved by **Cllr Martin Foley** and seconded by **Cllr Michael Hoy**.

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

**1. Supporting the mental health needs of children and young people:**

- 1.1 **A one-off increase of £120,000 for the Emotional Wellbeing and Mental Health Service** (Children's Services and Early Years portfolio) to support the delivery of the recommendations from the Mental Health Services for Young People joint Task and Finish Group, which was set up following the carried motion at Council in May 2022.
- 1.2 The mental health of children and young people has worsened in recent years. The review has shown that there is a lot of good, positive and helpful support available to young people requiring mental health support, however what is less clear, is how they can access this and also determine the right service that they need. The review set out a number of recommendations including a single contact hub for young people requiring mental health support, lobbying for additional funding and support, and further training and guidance for schools, as well as addressing recruitment and retention issues.
- 1.3 The cross-party Task and Finish Group will work together to determine the priorities for the funding at their next meeting on 10 February 2023. They will also monitor the outcomes and effectiveness of the funding.
- 1.4 It is not expected to add any pressure to funding gap in 2024/25 onwards. If there is a need for additional one-off or ongoing funding, a separate case will be made.
- 1.5 It is proposed **to be funded by reducing the Children's Transformation reserve by £120,000 to £3.4m** at the end of 2023/24.

**2. Section 151 Officer's Commentary on Independent Group Budget Amendment**

- 2.1 It is proposed that the amendment is to be funded from reserves in 2023/24 and therefore there will be no overall impact on the budget in this financial year. The investment will amend the following tables in the Annual plan and Budget 2023/24.

## Children's Services and Early Years Revenue Budget

2021/22	2022/23	2022/23			2023/24	
Actuals	Original	Latest		Gross	Income	Specific
£000	Budget	Budget		Expenditure		Grants
£000	£000	£000		£000	£000	£000
1,940	2,008	2,008	Emotional Wellbeing and Mental Health Service	2,135	(7)	2,128

## Other Operating costs

2021/22	2022/23	2022/23			2023/24	
Actuals	Original	Latest		Gross	Income	Specific
£000	Budget	Budget		Expenditure		Grants
£000	£000	£000		£000	£000	£000
			Approps To/(From) Reserves and Restricted Use Funds (i)			
5,873		(503)	Childrens Transformation Reserve		(120)	(120)

## Reserves

	2023/24	2024/25	2025/26	2026/27
	Budgeted			
	(Contributions)/			
	Withdrawals			
	£000	£000	£000	£000
Balance as at	Balance as at			
1 April 2022	1 April 2023			
£000	£000			
Reserves earmarked for future use				
Childrens Transformation Reserve	(7,188)	(6,016)	120	2,496
			(3,400)	(2,887)
			(2,887)	(2,887)

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## Amendment to the Budget – Labour Group Amendment

An amendment to be moved by **Cllr Ivan Henderson** and seconded by **Cllr Aidan McGurran**.

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

### 1. Highways Quality Assurance

Increase to the 2023/24 Highways Maintenance and Sustainable Transport revenue budget of **£50,000**, on a one-off basis to support an independent review of the criteria assessment used by Ringway Jacobs. The review will assess the quality criteria applied when approving maintenance and repairs, carried out under the existing Ringway Jacobs contract to quality assure their remedial work.

This would require an increase in the budget for the Highways Maintenance and Sustainable Transport portfolio of **£50,000** which will be funded through a withdrawal from the earmarked Ambition Fund reserve.

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Increase to the annual Highways Maintenance and Sustainable Transport revenue budget for three years, from 2023/24 to 2025/26, of **£43,000** per annum. This is to fund twice yearly, independent inspections of highway repair work carried out under the existing Ringway Jacobs contract, sampling a range of completed repairs across the county.

This would require an increase in the budget for the Highways Maintenance and Sustainable Transport portfolio of **£43,000** per annum which will be funded through withdrawals from the Ambition Fund Reserve for 2023/24 through to 2025/26, a total reduction to the reserve of **£129,000**.

## **2. Youth Service**

An increase to the Youth Service revenue budget of **£500,000** to enable the setup of a dedicated team to target specific areas of high deprivation and mental health in young people. This will fund one Senior Targeted Youth Advisor, ten Targeted Youth Advisors and ancillary costs.

This would require an increase to the Community, Equality, Partnerships and Performance portfolio budget of **£500,000** per annum and a reduction of the same sum to the budgeted appropriation to the Transformation Reserve.

## **3. Careers Advice**

An increase to the Schools revenue budget of **£262,000** per annum to enable creation of a taskforce of careers advisors up to 2025 (2 years). It is proposed that this be funded from reserves for a two year period after which time the impact will be assessed and decision made about whether it should become base budget.

This would require an increase to the Education Excellence, Life Long Learning and Employability portfolio budget of **£262,000** and a reduction of the same sum in the Transformation Reserve.

## **4. Adult Community Learning Nursery Provision**

An increase to the Adult Community Learning revenue budget of **£139,000** to reverse the proposed saving regarding removal of nursery provision.

This would require an increase to the Education Excellence, Life Long Learning and Employability portfolio budget of **£139,000** per annum and a reduction in the budgeted appropriation to the Transformation Reserve of the same amount.

## 5. Promotion of Adult Community Learning Take up

An increase to the Adult Community Learning revenue budget of **£50,000** to fund one-off promotional activity that will increase the take up of Adult Community Learning courses.

This would require a one-off increase to the Education Excellence, Life Long Learning and Employability portfolio budget of **£50,000** and a reduction of the same sum in the Ambition Fund Reserve.

## 6. Street Lighting

An increase to the Street Lighting revenue budget of **£675,000** to reverse the proposed saving regarding reducing the hours of operation of some of our streetlights.

This would require an increase to the Highways Maintenance and Sustainable Transport portfolio budget of **£675,000** per annum and a reduction in the budgeted appropriation to the Transformation Reserve of the same amount.

## S151 Officer's Commentary on the Budget amendment Proposal

The proposals have set out clearly the funding sources, which will amend the following tables in the Annual plan and Budget 2023/24:

### Highways Maintenance and Sustainable Transport

2021/22	2022/23	2022/23			2023/24	
Actuals	Original	Latest		Gross	Specific	Total Net
£000	Budget	Budget		Expenditure	Income	Expenditure
£000	£000	£000		£000	£000	£000
12,298	14,337	14,081	Roads And Footways	14,771	(123)	14,649
6,653	7,538	12,374	Street Lighting	16,074	(1,209)	14,865

### Community, Equality, Partnerships and Performance

2021/22	2022/23	2022/23			2023/24	
Actuals	Original	Latest		Gross	Specific	Total Net
£000	Budget	Budget		Expenditure	Income	Expenditure
£000	£000	£000		£000	£000	£000
2,678	3,425	3,551	Youth Services	4,549	1,270	(1,963)
						3,855

### Education Excellence, Life Long Learning and Employability

2021/22	2022/23	2022/23			2023/24	
Actuals	Original	Latest		Gross	Specific	Total Net
£000	Budget	Budget		Expenditure	Income	Expenditure
£000	£000	£000		£000	£000	£000
(525)	(452)	(416)	Adult Community Learning	11,643	(3,249)	(8,279)
385	(1,201)	740	Schools	4,761	(4,969)	(46)
						(254)

## Other Operating Costs

2021/22 Actuals £000	2022/23 Original Budget £000	2022/23 Latest Budget £000		Gross Expenditure £000	2023/24 Income £000	Specific Grants £000	Total Net Expenditure £000
<b>Approps To/(From) Reserves and Restricted Use Funds</b>							
(10,055)	8,800	4,208	Ambition Fund Reserve	4,000	(143)		3,857
(6,181)	11,823	13,127	Transformation Reserve	10,506	(262)		10,244

## Reserves

	Balance at 1 April 2022 £000	Balance at 1 April 2023 £000	2023/24 Budgeted (Contributions) / Withdrawals £000	Assumed usage £000	Closing balance £000	2024/25 £000	2025/26 £000	2026/27 £000
Reserves earmarked for future use								
Ambition Fund	(6,523)	(6,403)	(3,857)	3,468	(6,792)	(3,468)	-	-
Transformation	(48,506)	(47,829)	(10,244)	12,500	(45,573)	(43,317)	(41,323)	(38,118)

- £143,000 withdrawal from the Ambition Fund, taking the balance on this reserve to £6.8m at the end of 2023/24, with further proposed withdrawals of £43,000 in both 2024/25 and 2025/26. It is currently assumed that the balance of the reserve is fully drawn down by the end of 2025/26, however it is not fully committed so this does not change our planning assumptions.
- £1,314,000 reduction in the annual budgeted appropriation to the Transformation Reserve across the MTRS, and withdrawals from the reserve of £262,000 in 2023/24 and 2024/25. Proposals will reduce the balance of the reserve to £45.6m at the end of 2023/24.

The reduction in the annual budgeted appropriation to the Transformation Reserve will impact the capacity to invest in change to enable financial sustainability given the £75m gap over the medium term.

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### Amendment to the Budget – Liberal Democrat Group Amendment

An amendment to be moved by **Cllr David King** and seconded by **Cllr Mike Mackrory**.

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

- ##### 1.1 Recognising the pressures on the most vulnerable and just about managing from the energy and cost of living crisis. Recognising the many challenges for our residents, from the state of our highways to the pressures on adult social care and the NHS and for the mental health of young people we propose additional help and support as detailed below.

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- 1.2 To increase the proposed Council Tax increase from 3.5% to the full 4.99% possible, generating additional income of some £11.6m in 2023/24. **This, with an additional £10m funded through borrowing will enable a total of £21.6m to be made available in 2023/24** from which the following revenue and capital investment proposals are to be funded and the budget recommendation be amended as detailed in the Section 151 officer's commentary and statement below.
  - 1.3 To further protect low income families from the impacts of the increases in Council Tax by **doubling ECC's investment into the district led hardship scheme**, adding an additional £300,000 to the base budget over each of the 4 years of the MTRS. This scheme is developed in partnership with Essex District, Borough and City Councils who in past years have generously supported many households, so reducing hardship and the pressure of their Council Tax bills.

## 2 Supporting the mental health needs of children and young people

- 2.1 The huge increase in numbers of young people requiring advice and treatment for mental health issues due to Coronavirus is well documented. Current demand is not being met fast enough as shown by waiting times, to the detriment of those young people. Pressures made worse by the impact on wider NHS capacity. It is accordingly **proposed to increase the Children and Families base budget by £3m** (Children's Services and Early Years portfolio) over each of the 4 years of the MTRS.
- 2.2 £1m of this additional funding is to enable **more vital work with children and young people with mental health issues**, in the knowledge that any such measures may reduce the risk of harm and suicide prevention, and benefit the NHS. We will promote the benefits of investing in match-funding this significant additional expenditure with the Integrated Care Systems to provide more mental health counselling support in all schools to help identify and address mental health issues at an early age with the intention of reducing demand on services in the future.
- 2.3 £1m additional **investment in the Family Innovation Fund**, working with children and young people to achieve stable, resilient and safe family environments, delivering services including coaching, mediation, conflict resolution and counselling through 1:1, group and family/parent/couples work.
- 2.4 A further **£1m invested in Essex Short Breaks**, a service that provides clubs and activities for young people with SEND and also offers parents and carers of children and young people with special educational needs and/or disability a break from their additional caring responsibilities which enables them to maintain their ability to support their children and manage work and family life balance.

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- 2.5 An increase of **£2.14m in the base budget provision for Active Essex** (Community, Equality, Partnerships and Performance portfolio), specifically to invest in sport and activity by extending school and club capacity and resource in the community.
  - 2.6 A further increase of **£1.572m (in 2023/24) in the base budget provision for Youth Services** (Community, Equality, Partnerships and Performance portfolio) reducing to £1m for the remaining 3 years of the MTRS from 2024/25. To enhance the provision of Youth Service projects including, support, mentoring and respite for young carers, school lunchtime clubs/drop in sessions run by youth workers and outreach work, including detached working.

### 3 Investing in additional social care capacity

- 3.1 It is proposed **to increase the adult social care base budget** (Adult, Social Care and Health portfolio) by £1.5m over each of the 4 years of the MTRS to address care and support for older people, specifically to invest in additional social care bed capacity. In addition, £1.5m per annum to be invested into enhancement of the Discharge Fund which, through agreement with Better Care Fund partners, would further support additional bed capacity and enhance outcomes by expediting hospital discharges.

### 4 Investing in our response to the climate emergency

- 4.1 Recognising the gravity of the Climate Emergency to accelerate our response, by agreement with the independent Essex Climate Action Committee, investing a further **£500,000 annually into the Essex Forest Initiative to enhance urban tree planting and “tiny forest” initiatives**. So increasing public engagement and awareness of our work.

### 5 Investing in our infrastructure and quality of life

- 5.1 The reinstatement of **the Highway Rangers** as an essential service highly valued by residents, to best practice management and delivery arrangements to be agreed with District Councils, at a cost of some £860,000 (Highways Maintenance and Sustainable Transport portfolio).
- 5.2 A one off increase of £5m in the Highways Capital programme provision in 2023/24 for Road Maintenance (Infrastructure portfolio).
- 5.3 **To increase footway maintenance spend**, as the most neglected and in need of repair area of highways, so helping meet the wider aims of **Active Travel**, by an additional one off capital investment of £2m in 2023/24.



- 5.4 To **help Local Highways Panels delivery** with an additional £2m invested as a one off in 2023/24 to enable delivery of priority highways schemes in local areas.
- 5.5 A one off increase in our **capital investment in new cycling and walking infrastructure** of £750,000 in 2023/24, improving thus our prospects of attracting match and grant funding from Government and other partners, such as the NHS.
- 5.6 A one off increase in **Electric Vehicle Infrastructure** of £250,000 in addition to the existing capital budget in 2023/24, as a contribution to our efforts to respond to the Climate Emergency and to improve air quality across Essex.

## 6 Cost and Use of Reserves

- 6.1 These measures contained within this proposal will be an increase of £11.6m to the 2023/24 gross expenditure budget (around 0.5%) and are funded in full by increasing the rise in Council Tax from 3.5% to 4.99%. One off capital investments will be funded through borrowing and there will be no draw on unrestricted reserves.

## 7 Section 151 Officer's Commentary on Liberal Democrat Budget Amendment

- 7.1 It is proposed that the revenue amendments to budget are to be wholly funded from the increase to the rise in council tax from 3.5% to 4.99% in 2023/24, which is estimated to generate circa £11.6m in additional funding. The table below sets out the revised tax levels by band as a result of the proposed 4.99% increase and the equivalent annual increases;

	Council tax rate		
	2022/23	2023/24 4.99% rise	2023/24 Annual increase
Band A	£934.08	£980.76	£46.68
Band B	£1,089.76	£1,144.22	£54.46
Band C	£1,245.44	£1,307.68	£62.24
Band D	£1,401.12	£1,471.14	£70.02
Band E	£1,712.48	£1,798.06	£85.58
Band F	£2,023.84	£2,124.98	£101.14
Band G	£2,335.20	£2,451.90	£116.70
Band H	£2,802.24	£2,942.28	£140.04

- 7.2 The proposed investments will have an ongoing impact on the Medium Term Resource Strategy (MTRS) from 2023/24 onwards as detailed in the table below;

	2023/24	2024/25	2025/26	2026/27
Revenue investment: Description	£000	£000	£000	£000
Supporting low income families	300	300	300	300
Investment in children's services	3,000	3,000	3,000	3,000
Investment in children's sport and activity	2,140	2,140	2,140	2,140
Investment in youth services	1,572	1,000	1,000	1,000
Social care bed capacity	3,000	3,000	3,000	3,000
Investment in climate change emergency	500	500	500	500
Re-instatement of Highways Rangers services	860	860	860	860
Additional capital expenditure; Interest on borrowing	228	455	455	455
Additional capital expenditure; Minimum Revenue Provision (MRP)	0	345	345	345
<b>Total cost</b>	<b>11,600</b>	<b>11,600</b>	<b>11,600</b>	<b>11,600</b>

7.3 The amendments required to the portfolio tables in the Annual Plan and Budget 2023/24 are set out in Appendix A.

7.4 The impact of the proposed amendments to the 2023/24 capital programme is detailed in the table below;

<b>Capital investment: Description</b>	<b>Current budget 2023/24 £000</b>	<b>Proposed budget 2023/24 £000</b>	<b>Increase/ (decrease) £000</b>
Highways maintenance	35,150	40,150	5,000
Footways maintenance	8,000	10,000	2,000
Local Highways Panel investment	4,800	6,800	2,000
Cycling and walking infrastructure	2,300	3,050	750
Electric vehicle infrastructure	200	450	250
<b>Total cost</b>	<b>50,450</b>	<b>60,450</b>	<b>10,000</b>

7.5 The estimated revenue borrowing costs for the additional capital expenditure of £10m have been calculated using the assumption that MRP is charged over 30 years and using the 2023/24 budgeted interest rate of 4.55%. These costs are set out within the revenue investment summary table at paragraph 7.2. There is no assumption as to ongoing revenue commitment from the incremental capital spend proposal in 2023/24.

7.6 The following table summarises and reconciles the proposed budget amendment as set out above across the life of the MTRS;

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
<b>Budget amendment reconciliation</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Budget amendment proposals</b>				
Revenue investments	11,600	11,600	11,600	11,600
<b>Proposed funding streams</b>				
Increase to council tax	11,600	11,600	11,600	11,600
<b>Total remaining funding gap</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

7.7 These amendments do not add to the pressures and forecast funding gap from 2024/25 onwards which must be addressed by the County Council, through further efficiencies and or additional funding streams.

## Appendix A: Amended tables in Annual Plan and Budget 2023/24

### Finance, Resources and Corporate Affairs

2021/22	2022/23	2022/23		Gross	2023/24	Total Net
Actuals	Original Budget	Latest Budget		Expenditure	Income	Expenditure
£000	£000	£000		£000	£000	£000
2,058	7,648	7,648	Council Tax Sharing Scheme	6,948		6,948

### Childrens Services and Early Years

2021/22	2022/23	2022/23		Gross	2023/24	Total Net
Actuals	Original Budget	Latest Budget		Expenditure	Income	Expenditure
£000	£000	£000		£000	£000	£000
15,134	16,959	18,253	Childrens Family Support	20,445	(76)	20,368
1,940	2,008	2,008	Emotional Wellbeing and Mental Health Service	3,015	(7)	3,008

### Community, Equality, Partnerships and Performance

2021/22	2022/23	2022/23		Gross	2023/24	Total Net
Actuals	Original Budget	Latest Budget		Expenditure	Income	Expenditure
£000	£000	£000		£000	£000	£000
623	623	1,064	Sports Development	2,824	(438)	2,386
2,678	3,425	3,551	Youth Services	5,621	1,270	(1,963)
						4,927

### Adult Social Care and Health

2021/22	2022/23	2022/23		Gross	2023/24	Total Net
Actuals	Original Budget	Latest Budget		Expenditure	Income	Expenditure
£000	£000	£000		£000	£000	£000
101,750	100,160	111,808	Older People	303,254	(130,473)	(48,489)
						124,292

### Highways Maintenance and Sustainable Transport

2021/22	2022/23	2022/23		Gross	2023/24	Total Net
Actuals	Original Budget	Latest Budget		Expenditure	Income	Expenditure
£000	£000	£000		£000	£000	£000
1,102	1,008	1,063	Flood Management	1,768	(135)	1,633
1,277	455	1,270	Localism	860		860

### Other Operating Costs

2021/22	2022/23	2022/23		Gross	2023/24	Total Net
Actuals	Original Budget	Latest Budget		Expenditure	Income	Expenditure
£000	£000	£000		£000	£000	£000
20,045	25,349	25,349	External Interest Payable	28,722		28,722