

General Fund Revenue Investment

Appendix 3 (i)

Reference	Reason for Investment	2023/24 Total £000
<b>Cross-Organisational Pressures</b>		
01-COP	<p><b>Staffing Establishment Costs 2022/23</b> An extra £1.15 million is required to update the 2023/24 base budget for the final pay award that was agreed for 2022/23.</p>	1,150
02-COP	<p><b>Staffing Establishment Costs 2023/24</b> £4.43 million has been provided for a pay award of up to 5% and the impact of officers moving through their contractual scale point increments. The actual pay award is not yet known and could result in either a budget surplus or pressure, this estimate is based on the best information currently available.</p>	4,425
03-COP	<p><b>Contractual Inflation (Not Energy Related)</b> This amount will be allocated to our Corporate Contingency budget and initially drawn upon by services throughout 2023/24 to fund increases in contractual costs as a result of inflation clauses. Services will be expected to try to manage their 3rd Party contracts as cash limited budgets at 2022/23 levels wherever possible.</p>	600
04-COP	<p><b>Energy Inflation Costs 2022/23</b> £2.10 million is required to correct the 2023/24 base budget permanently for the impact of inflation on energy prices during 2022/23.</p>	2,100
05-COP	<p><b>Energy Inflation Costs 2023/24</b> Based on forecast market prices and initial negotiations with providers £2.350 million is estimated to be required for further increases in energy costs for the Council in 2023/24.</p>	2,350
06-COP	<p><b>Levies</b> An extra £35,000 has been provided to cover the inflationary increases in the levies that the Council is required to pay.</p>	35

Reference	Reason for Investment	2023/24 Total £000
07-COP	<p><b>Investment, income &amp; financing alignment</b>            This £802,000 increase is required to cover the increase in General Fund financing costs as a result of the forecast capital financing activities in 2022/23.</p>	802
<b>Cross-Organisational Pressures Total</b>		<b>11,462</b>

<b>Investments Specific to Portfolio Services</b>		
<b>Leader: Corporate Matters and Performance Delivery</b>		
01-L	<p><b>Technology Transition and Systems Modernisation</b>            The Council is committed to reducing its significant and traditional ICT 'on-premise server and infrastructure' associated costs and moving the arrangements to a modern 'software as a service' offering based on a more secure and updated 'cloud based provider'. The programme will also deliver a circa £6.00 million capital cost avoidance benefit and provide improved agile performance and latest technology to drive our desire to improve our customers experience. This first phase will help to provide the technological platform to deliver our transformational blueprint. This initiative forms part of the Capital Investment Programme for 2023/24 and will be funded by a combination of revenue (£1.00 million), earmarked reserves and capital resources.</p>	1,000
<b>Leader: Corporate Matters and Performance Delivery Total</b>		<b>1,000</b>

Reference	Reason for Investment	2023/24 Total £000
<b>Deputy Leader (Nov-May): Public Protection</b>		
01-DLPP	<p><b>Waste Collection Contract</b></p> <p>A contract break clause has been triggered from October 2023. The Council has taken the decision to 'test' the market and assess the costs, VFM and service delivery options through a comprehensive new procurement exercise. Due to the time required to complete this complex procurement the current contract will need to be extended until such time that the new contract can commence. Negotiations are ongoing with the current contractor to finalise this arrangement.</p> <p>This investment is the initial estimate of the cost of the new contract for 6 months (not the extension) based on an indicative estimate provided by the incumbent some time ago.</p> <p>Given the volatility caused by inflation and the specific requirements requested of potential providers for this major contract it is currently not possible to estimate what the outcome of the tendering process will be. Careful evaluation of the market response will be required and appropriate further budget considerations will need to be made when this information is available.</p>	800
<b>Deputy Leader (Nov-May): Public Protection Total</b>		<b>800</b>
<b>Adult Social Care and Health Integration</b>		
01-ASCHI	<p><b>Provider Inflationary Uplift: National Living Wage</b></p> <p>This additional investment is to cover the increases in costs for providers of adult social care. It is intended to cover costs relating to increases in National Living Wage commitments and other costs increases faced by providers. This will help to improve the pay and conditions of the social care workforce and support the stability of the provider market. The additional monies set aside for this area will support an increase in prices paid for care and enable care providers to increase minimum wages so that they are able to meet statutory requirements.</p>	4,950

Reference	Reason for Investment	2023/24 Total £000
02-ASCHI	<p><b>ASC Demographic Demand: Transitions, Older People &amp; Working Age Adults</b></p> <p>Every year the number of people eligible for adult social care increases. This increase is made up of people receiving services as children who turn 18 and are eligible for adult social care (transitions), adults of working age and older people who become newly eligible for support through a change in personal circumstances, and people whose needs increase as a result of increased frailty or complexity. This amount is calculated from known costs for children turning 18, and a set of assumptions about population change for older people and adults of working age.</p>	1,336
<b>Portfolio for Adult Social Care and Health Integration Total</b>		<b>6,286</b>
<b>Asset Management and Inward Investment</b>		
01-AMII	<p><b>LHCS and Southend Travel Partnership Ltd (T/A Vecteo)</b></p> <p>Due to the impact and delays caused initially by COVID-19 to the original business plan (Approved by Cabinet March 2019) for this Joint Venture, together with the financial and operational performance issues that have been previously reported, this £1.40 million investment is required to 'reset' the financial parameters and reflect the new operating environment. Major improvements in service quality and financial grip have been delivered over the last 6 months and these need to continue in the face of significant inflationary cost pressures for this service.</p>	1,400
<b>Asset Management and Inward Investment Total</b>		<b>1,400</b>

Reference	Reason for Investment	2023/24 Total £000
<b>Children and Learning and Inclusion</b>		
01-CLI	<p><b>Children's Social Care: Independent Placements</b></p> <p>Throughout 2022/23 the Council has seen significant increases in the costs across the residential care market and unfortunately has been forced to increase its reliance on placements with independent providers. A key medium term priority is to reduce the number of children in care and for those that are our responsibility then increase the number that are supported by local inhouse foster carers to reduce reliance on independent placements. This strategy is demonstrated by the new inhouse foster care improved remuneration package approved by Cabinet from April 2023. This initiative should also help to deliver better outcomes for children at lower cost to the local taxpayer. The safety and welfare of each child will remain of paramount importance. The cost of independent placements is currently estimated to be overspending by around £5.90 million in 2022/23. This investment, will help to alleviate some of that financial pressure. The service will endeavour to reduce the cost and number of independent placements and facilitate the expansion of the Council's inhouse foster care offer. The Council is also working collaboratively across the region to influence a reduction in the level of costs charged by the independent sector where possible.</p>	2,500
<b>Children and Learning and Inclusion Total</b>		<b>2,500</b>
<b>Highways, Transport and Parking</b>		
01-HTP	<p><b>Street Lighting Dimming</b></p> <p>In response to consultation the cost avoidance/overspend reduction option SOC-17 (Appendix 6b) has been removed. To prevent the service starting the year with insufficient budget this investment has been added to the budget package.</p>	25
<b>Highways, Transport and Parking Total</b>		<b>25</b>
<b>Total Investments Specific to Portfolio Services</b>		<b>12,011</b>

Reference	Reason for Investment	2023/24 Total £000
	Cross-Organisational Pressures	11,462
	Leader: Corporate Matters and Performance Delivery	1,000
	Deputy Leader (May-Oct): Environment, Culture and Tourism	-
	Deputy Leader (Nov-May): Public Protection	800
	Adult Social Care & Health Integration	6,286
	Asset Management and Inward Investment	1,400
	Children and Learning and Inclusion	2,500
	Economic Recovery, Regeneration and Housing	-
	Highways, Transport and Parking	25
	<b>Revenue Investment Total</b>	<b>23,473</b>