

## REPORT OF THE CABINET

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The Cabinet met on 8 June and 5 July 2010. Attendances:-

Councillor Jones (Chairman) (2)  
Councillors Bentley (2), Elkin (2), Glazier (1), Lock (2), Maynard (2),  
Reid (1) and Mrs Stroude (2)

### **1. Reconciling Policy and Resources – In Year Grant Reduction**

1.1 As reported to the Cabinet in June, the new Coalition Government has announced £6.2billion of in-year cuts as part of the national deficit reduction priority. The Departments of Communities and Local Government (£533m), Education (£311m), Transport (£309m) and Defra (£8m) are required to contribute to the total of £1,165m of in year grant cuts. The cuts are being passed onto local government through cuts to certain area based and specific grants but with protection being given to main schools grants, Sure Start, core Supporting People and core 16-19 funding. Grants to Local Government from other departments, including the Department of Health's grants for preserved rights etc, are not included in those to be cut. The Government has not ring fenced the cuts to their respective specific grants, so in responding the County Council is able to use all areas of our expenditure to ease the effects of other grant reductions (although what is and is not included in the un-ringfenced grants has been subject to change by the Department for Education, which has limited the choices which can be made).

1.2 The work to anticipate the in year cuts that has been underway since the announcement was made in late May. Combined with the preparation for the difficult medium term financial outlook agreed by Cabinet in the Autumn, this has meant we are able to respond effectively to the in year challenge of £8.4m cuts. As well as cuts to specific and area grants, the total includes the fact that the remaining 50% of the Local Area Agreement Performance Reward Grant that was due to be paid this year has also been cancelled. The appendices to the report considered by the Cabinet provided detail on both the grants being cut and the proposed departmental responses. It is however worth summarising some of the scale effects. For example, £8.4m is more than twice the total increase in formula grant we received for 2010/11. The cuts in Education are equivalent to a 24% reduction in children's related Area Based Grants. The cuts in the integrated transport block is equivalent to 75% of the specific capital grant involved and the cut to road safety are equivalent to 40% of the combined capital and revenue grant involved.

1.3 The County Council's share of the grant cuts is detailed below although it is important to note that there remains potential for further cuts either directly on local government or, more likely, as collateral damage from central government department or partners. (In addition to the below, some £1.4m of reward grant planned to be forwarded direct to partners has also been withdrawn).

	<b><u>£000</u></b>
Children's Services	2442
Adult Social Care	257
Governance and Community Services	50
Corporate Resources	171
Transport and Environment	1939
	<u>4859</u>
LAA Reward Grant to ESCC direct	1224
LAA Reward Grant to ESCC as lead	2274
	<u>8357</u>

1.4 The scale of the savings and the County Council's strong track record on delivering efficiency savings means that front line service impacts are unavoidable. As well as detailing the funding streams involved, Appendix 1 of the report to the Cabinet outlined the strategic approach taken by the departments facing the bulk of the in year grant cuts and across the Authority to protecting investment in our highest priority areas. Appendix 2 of the report to the Cabinet detailed the specific proposed savings and actions. The proposals include provision for redundancy and restructuring costs and make use, where appropriate of flexibilities in existing budgets including underspends from 2009/10.

1.5 The specific impacts of the grant changes on performance are being assessed and any changes to the agreed targets in the 2010/11 Council Plan will be reported in the Autumn. The proposals have been identified with, as far as possible given the timescales, consideration being given to equalities impacts of both services and the overall programme. The work cannot be completed until full implementation plans are in place.

1.6 Appropriate communication arrangements have been put in place with staff and partners, especially those directly affected, and as far as possible consultation undertaken. Scrutiny Chairmen and opposition Lead Members and Trade Unions were also consulted prior to the Cabinet meeting. The whole Council Forum held on 5 July provided all Members with an opportunity to contribute to the deliberations.

1.7 Making significant in-year grant cuts is a major challenge, but the County Council is able to draw on the work and discipline of Reconciling Policy and Resources to manage its approach. Reductions will be delivered, but will inevitably have significant service impacts.

1.8 The scale of cuts this year is a pointer to an even greater challenge in future years. The in year cuts to specific grants will continue in future years and will probably increase – and this is a crucial point to bear in mind in terms of our response now. The planning principles, set by Cabinet last summer, anticipated significant possible cuts to specific and special grants and asked all services to work on the assumption of 'consuming their own smoke'. The consequent cuts involved add to the £60m savings we already anticipate as a result of the squeeze on core spending financed by Council Tax and Formula

Grant. The 'State of the County' report to be considered by the Cabinet on 27 July 2010 will be a key planning milestone for the medium term policy and financial planning from 2011/12.

1.9 The Cabinet has approved the specific actions in relation to in-year savings as set out in Appendix 2 or the report to the Cabinet.

## 2. Provisional Outturn 2009/10

2.1 The Cabinet has considered the provisional outturn position in respect of revenue and capital spending for 2009/10. The summary of variances is shown below

<b>Revenue</b>				
<b>Description</b>	<b>January £000</b>	<b>This report</b>		<b>Movement £000</b>
		<b>£000</b>	<b>%</b>	
Service Spend (excl DSG Related)	1,884	3,804	1.1%	1,920
Treasury Management, etc.	-	723	-	723
<b>Total (excl DSG Related)</b>	<b>1,884</b>	<b>4,527</b>	<b>1.3%</b>	<b>2,643</b>
DSG Related (i.e., Schools)	1,048	1,359		311
<b>Total (incl DSG Related)</b>	<b>2,932</b>	<b>5,886</b>	<b>1.7%</b>	<b>2,954</b>

*Note: % = percentage of underspend compared with the 2009/10 Current Budget*

<b>Capital</b>			
<b>Description</b>	<b>Last report</b>	<b>This report</b>	<b>Movement</b>
	<b>£000</b>		
<b>Capital Programme</b>	<b>757</b>	<b>(147)</b>	<b>904</b>

*Note: X = Underspend; (X) = Overspent*

### Revenue Budget

2.2 The revenue projections show an increase in the expected underspend of most of the departments. Appendix A of the report to the Cabinet set out the overall position and more detailed departmental information is contained in Appendix B of the report to the Cabinet. Excluding direct schools spend and treasury, the final underspend of £3.8m is 1.1% of the net budget. The overall underspend is now forecast to be £5.89m (1.7%) of which Treasury Management and schools budget account for £2.1m (0.7%).

### Children's Services

2.3 The underspend for the full year on Children's Services is £2.32m of which schools is £1.36m and Children's Services Authority (CSA) is £0.96m.

### Adult Social Care

2.4 The Adult Social Care financial position at the end of March 2010 shows an overall net projected outturn underspend of £82,000, comprising an

underspend within directly provided services, arising primarily from a number of staff vacancies and service restructure and an overspend on the provision of Independent Sector Care. There continues to be sustained pressure on Independent Sector Care budgets, particularly within Older People Services, from a high level of activity within the County's acute hospitals and service user demand.

#### Transport & Environment

2.5 Transport & Environment forecasts an underspend of £1,693,000 (previous forecast was an underspend projection of £1,382,000). The movement reflects a number of underspends forecast across the Department in addition to previous major forecast variances, which remain unchanged. These include, the decisions to use some of the flexibility provided by one-off underspends to undertake additional investment in priority areas; underspend within street lighting due to joint energy procurement contract with the corporate energy contract; review of Environmental Action spending; various project slippage within Community Transport and the delayed completion of statutory Waste & Minerals Core Strategy now scheduled for 2010/11; unallocated underspend brought forward from last year.

#### Net Impact

2.6 The variations reported by departments will largely be carried forward to be spent in the new financial year. The forecast saving on Treasury Management activities and other ad hoc changes have been assigned to the priorities set in the 2010/11 budget or added to balances.

#### Capital Programme

2.7 Appendix C of the report to the Cabinet sets out the outturn for the capital programme. Overall there is a net variation of £2.6m on a programme of £35m. This is the net effect of £3.8m slippage, offset by £0.1m overspend and £1.1m spending in advance. The net variation from forecasts provided to the Cabinet in March, is just £147k. This reflects the continued focus on improving capital programme management.

### **3 Council Plan 2009-10 Monitoring**

3.1 The Cabinet has considered the Council Plan 2009-10 monitoring report and was pleased to note the following achievements:

#### Portfolio for Strategic Management and Economic Development

67,407 forms and documents were downloaded or submitted from the Council's website (target 61,000 – 65,000). Findings through the Reconciling Policy and Resources process and other major consultations have been used to inform decision-making in areas such as helping residents during the recession and the Council's road safety education programme. The 2009/10 sickness outturn figure is 7.27 days per FTE (target 7.83 days), an 8% reduction on last year.

### Portfolio for Corporate Resources

A secure email facility was launched enabling County Council staff to send sensitive and confidential information safely and securely to any external mailbox. 70 ICT servers have been consolidated down to five virtual servers, improving service availability for the applications that run on them and reducing energy use. Using the Next Generations Network infrastructure, a centralised data backup solution has been implemented, reducing the risk of data being stored insecurely and enabling quicker restoration of data where necessary. The Sussex Improvement Partnership Procurement Project (led by East Sussex County Council) was successfully completed and an agreement was reached to develop a joint procurement hub (or shared service) for East Sussex districts and boroughs.

### Portfolio for Community Services

192 first time passes in Level 1 and 2 qualifications were delivered between August 2008 and July 2009 (target 150 – 160). 8 additional No Cold Calling Zones were created in 2009/10 (target 5). There were 60 additional Buy with Confidence members in 2009/10 (target 50 additional members).

### Portfolio for Adult Social Care

Information leaflets were updated and are available on the website. Approximately 40,000 leaflets were posted to 251 locations including GPs, hospitals and citizens advice bureaus. The number of older people helped to live at home increased from 7,507 in March 2009 to 7,944 in March 2010. We have reduced permanent admissions to residential care by 29% for working age adults and 6% for older people. 48.5% of staff from independent sector providers received safeguarding adults training (target 38%). 95.09% of services are provided within 28 days of the end of the assessment (target 90%). 85.95% of people receiving a Supporting People service have been supported to achieve independent living moving on from supported accommodation in a planned way (target 70.73%).

### Portfolio for Children's Services

A total of 157 families have received an intervention from the family substance misuse service (target 115). 72 new families with children identified with complex social, emotional, behavioural difficulties were helped in 2009/10 (target 60). 100% of secondary schools and 97% of primaries are now able to provide access to the full core offer of services. Contextual Value Added Key Stage 2-4 scores for Eastbourne (1007.6) and Hastings (1011.6) were both above the national (1000) and the East Sussex average (1004.3), representing significant improvement. In the calendar year 2009, 534.5 days were lost through fixed term exclusions in the secondary phase in Hastings, a reduction of 74.5% compared with 2008. The percentage of 17 year olds participating in education and training in 2009/10 was 86%, an increase of 5.2% from the previous year. A total of 1,445 parent/carer interaction groups were held in 2009/10 (target 700). The Family Outreach Service worked with a total of 2,049 families in 2009/10 (target 1,000).

### Portfolio for Transport and Environment

The Council exceeded its target for salting strategic routes across the county during the worst winter for nearly three decades and has fixed over 30,000 pot

holes since January. Road condition survey results for A, B and C roads exceeded the local, stretching targets set for 2009/10, continuing the trend of year on year improvements to the principal and non principal network. We have developed a two year programme of £23m worth of work to improve significantly the condition of our principal and non-principal roads. Traffic levels have only increased by 1.6% since 2008/09. There is a downward trend in the number of trips to school by car and a substantial take up of cycle and pedestrian training. We have provided kick-start funding for 14 new or enhanced Community Transport schemes across East Sussex. A Joint Waste Agreement is now in place enabling us to provide an agreed system of financial incentives to encourage further recycling.

### Performance Overview

3.2 Appendix 1 of the report to the Cabinet (previously circulated to all members) shows the year end position for all 218 Council Plan 2009/10 targets and, where available, end of year outturns and the direction of travel from 2008/09. Where targets have been exceeded by 10% or more this is indicated.

3.3 There were 218 Council Plan targets due to be achieved in 2009/10, of these:

- 152 targets were achieved (33 exceeded by 10% or more)
- 47 targets were not achieved
- 13 targets for which data is not yet available (12 because they relate to the academic year)
- 6 targets have been agreed to be carried over to quarter 1 of 2010/11 reporting (as set out in Appendix 3 of the report to the Cabinet)

3.4 Of the 47 targets not achieved, 3 were due to external factors and 2 because of agreed changes to plans. Further details were outlined in Appendix 2 of the report to the Cabinet.

3.5 Of the 218 targets, 112 have comparable data for 2008/09. Of these the performance of 63 have improved since last year, 13 showed no change and 36 deteriorated. For academic year measures comparisons between 2008/09 and 2007/08 show 6 targets with improved performance and 5 where it has deteriorated. More detail on both the performance and areas for improvement will be given in the State of the County report to Cabinet at the end of July.

### Implications for the Council Plan 2010/11

3.6 The purpose of the Council Plan is to ensure that the Council's policy steers, associated services and targets are delivered efficiently and effectively within available resources. Each year when reviewing the past year's performance the Council needs to look back for any lessons that can be learnt about how services are performance managed and to ensure that future targets and expectations are both appropriate and realistic.

3.7 The medium term outlook for public finances and the immediate need to address in year budget reductions for 2010/11 means that some of the targets set in the Council Plan 2010/11 may need to change. Any such adjustments

to Council Plan 2010/11 performance measures and targets will be reported for consideration by the Cabinet in autumn 2010.

#### **4 South Downs National Park – Arrangements for Handling Planning Applications**

4.1 From 1 April 2011 the South Downs National Park Authority will become the Planning Authority for the National Park area. This role is currently carried out by the 15 local authorities with land in the National Park, handling some 4000 applications annually between them. There are two options for handling applications from 1 April 2011. The National Park Authority (NPA) could set up a complete planning service, which the NPA has suggested could require 110 staff, and handle all applications itself. Alternatively, the NPA may only consider those applications that are of significance to the National Park, possibly around 150 annually, and delegate consideration of the remainder back to the 15 local planning authorities. Discussion of a scheme of delegation has been ongoing for several months.

4.2 In broad policy terms delegation of planning applications is desirable, in that it gives the County Council an influence in planning within the National Park. Most of the 14 other local authorities favour delegation. Whilst delegation is welcome, the County Council does require financial clarity in supporting this approach. Given this, I recommend not signing an agreement which effectively binds the County Council without having clarity of funding.

4.3 The Cabinet **recommends** the County Council to -

- ☆ agree that the County Council continues to engage with the South Downs National Park Authority to progress a scheme of delegation but does not sign a binding agreement until funding issues have been clarified.

PETER JONES  
Chairman

5 July 2010

