

## REPORT OF THE CABINET

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The Cabinet met on 24 July 2012. Attendances:-

Councillor Jones (Chairman)  
Councillors Belsey, Bennett, Bentley, Elkin, Glazier, Lock and  
Maynard

### **1 Reconciling Policy, Performance and Resources - State of the County**

1.1 The Cabinet has considered an overview of the national and local policy, financial and performance context for 2013/14 to 2015/16 which will provide the background for the development of detailed business and financial plans for consideration by the County Council.

1.2 The Cabinet has considered an overview of the Council's aims for local services for people, its approach to delivering those aims, the key risks to delivery in the short term and a look ahead to changes that will affect the Council in the future.

Corporate Infrastructure and Programmes to support delivery of the Council's Promise

Strategic Commissioning – a commissioning framework has been produced to help embed the introduction of systematic strategic commissioning across the Council. It is the approach which will underpin all the Council's business planning activity and will aim to deliver the best outcomes for East Sussex residents by understanding need, matching supply with need and making the most effective use of all available resources (the Strategic Commissioning Framework was attached as Appendix 5 to the report considered by the Cabinet)

Working in partnership – the Council will continue to work with a wide range of partners, locally and regionally, in different ways to make sure resources available to public services are used to the greatest effect.

Service Reviews – all services are being reviewed to ensure the Council is organised in the best way to deliver services that its customers need and value

Lean – is a philosophy designed to help organisations identify and eliminate activities and processes which prevent them being effective. A number of services have been reviewed with further Lean reviews planned

Agile Working Programme – this is a fundamental review of the way in which services are delivered and the tools used to deliver them. The programme will cover roles, workstyles, technology and physical estate

Customer focus – we will use the information we gain from contact and engagement activities to influence the services we provide and how and where they are delivered

### Key Strategic Risks for the Council in Delivering its Priorities

Economic Development – improving the Council's economic prosperity is a high priority. The Council is involved in a number of workstreams to support economic development and the delivery of the Economic Development Strategy including the Council's capital programme and the South East Local Enterprise Partnership

Providing sustainable help for vulnerable young people and families –  
a) THRIVE is a programme which aims to improve the outcomes for children and families. £9.7 million has been made available over three years to develop new ways of working and to ease the current pressures on social care budgets; b) the East Sussex Families with Multiple Problems Project aims to use public resources more effectively to address problems experienced and caused by those families currently involved with a number of agencies; c) the Welfare Reform Act 2012 legislates for a number of significant changes to the welfare system

Changes to Health Services – the Council will be responsible for the delivery and co-ordination of public health services from April 2013. The budget it receives from Government is likely to be significantly reduced from current levels. The Shadow Health and Wellbeing Board is developing a draft Health and Wellbeing Strategy and the Council has been working with stakeholders to develop the local vision for Healthwatch. The three Clinical Commissioning Groups in East Sussex are being assessed on their readiness to take on responsibility for healthcare budgets.

Relationship with schools – recent legislation outlines the significant and evolving role for local authorities in education. In East Sussex, the Council will discuss with all schools, no matter what their status, a proposition for working in partnership.

White Paper and Draft Adult Social Care and Support Bill – these will be considered and taken into account as they progress over the coming months

Other Developments which will affect the Council over the next year

Personalisation of Special Educational Needs and Disability Support – South East Seven Councils collectively were accepted on to the Department for Education's and Department of Health's pathfinder programme. East Sussex has been selected as a case study authority and will receive greater scrutiny and evaluation as well as opportunities to influence reform.

Localism - some of the key provisions of the Localism Act that will affect the County Council are the Community Right to Challenge, Planning related issues and the community infrastructure levy

Transparency and Open Data – the opportunities and threats of the transparency and open data agenda have been reviewed and actions are being integrated within existing work programmes.

Local Government Inspection and Sector Led Support – East Sussex Children's Services is taking a lead role in supporting sector lead improvement activities across the South East

### Policy Steers

1.3 The Council has agreed its overall Promise and supporting Policy Steers for each portfolio area to guide business and financial planning (as set out in Appendix 2 of the report to the Cabinet). These need to be reviewed to ensure that they reflect current circumstances. Any proposed changes will be reported to the Cabinet and County Council in October, following consultation with Scrutiny Committees.

### Strategic Performance

1.4 The Cabinet has considered a summary of key achievements during 2011/12 and the issues and focus for future work for each portfolio area (Appendix 3 of the report considered by the Cabinet). The Council Plan outturns for 2011/12 were reported to the Council in July and form the basis of the summary of achievements and issues considered by the Cabinet.

### Financial Context

1.5 The state of the UK economy is an important factor in setting the County Council's budget and Medium Term Financial Plan (MTFP) for the three years 2013/14 to 2015/16. The Chancellor confirmed in the budget in the spring that he will stick with the CSR 2010 spending plans even though the economic forecasts are more pessimistic than when they were set. He has indicated, however, that spending by Government departments will be cut by an annual average of 3.8% cent in real terms in 2015/16–2016/2017. This is half as much again as the 2.3% average annual cut that departments are working to during the current CSR period. The reduction in funding from central Government to Local Government is likely to be significantly higher than the average departmental spending reduction in the next CSR period.

### Local Position

1.6 The Council's MTFP has been updated to include forecasts for 2015/16 and to take account of the national developments that have taken place over the last year which will affect its planning. They are:

- expected changes in formula grant/business rates retention
- an adjustment for corporate grant reductions
- an estimate of the financial shortfall when schools become Academies
- the impact of Council tax benefit localisation

1.7 The effect of these changes is set out in more detail below. Using these refreshed and new estimates, the current forecast budget gap is £60.7m excluding service pressures to 2016. Savings already made between 2010/11 and 2012/13 total £37m including service pressures. The table below shows a summary of the MTFP, showing the budget gap once unavoidable cost drivers have been taken into account.

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**Table 1**

<b>Medium Term Financial Plan Summary</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	£'000	£'000	£'000	£'000
Net Expenditure brought forward (after savings)		407,834	399,867	380,992
Total unavoidable & corporate cost drivers		6,968	9,864	9,820
Total Expenditure (with cost drivers)	407,834	414,802	409,731	390,812
<b>Total Income from Grant and Council Tax</b>	<b>407,834</b>	<b>399,867</b>	<b>380,992</b>	<b>373,747</b>
<b>Budget Gap (Savings to be made)</b>		<b>14,935</b>	<b>28,739</b>	<b>17,065</b>
				<b>60,739</b>

Changes in Government Grants from 2013/14

1.8 Formula Grant will be replaced by Local Business Rate Retention. There will be top ups from a central pot held by the Government for authorities like East Sussex County Council whose business rates income is not sufficient to match their current formula grant level. Business rate retention commencing in 2013/14:

- a) will be consistent with previously set spending review totals for national formula grant distribution
- b) may roll core grants/what were formally specific grants into the new system.

The main grants that the County Council receives which could be affected are:

- Early Intervention Grant (excluding funding for free early education for two year olds)
- Department of Health Learning Disability and Health Reform Grant

1.9 The Business Rate top up and other grants are likely to be subject to reductions as part of the next CSR. For planning purposes, we have assumed a reduction of 10% per annum in 2014/15 and 2015/16. These changes are shown in the table below.

**Table 2**

<b>Corporate Grant and Council Tax Income</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	£'000	£'000	£'000	£'000
Formula Grant (12/13)	114,442			
Business Rates Retention initial estimate (from 13/14)		114,015	106,726	96,053
Grant entitlement -10% Reduction (from 13/14)			-10,673	-9,605
<b>Total Formula Grant or Business Rates Retention</b>	<b>114,442</b>	<b>114,015</b>	<b>96,053</b>	<b>86,448</b>
General Core Grants	8,514	2,514	2,489	2,106
Loss of grants Spending Review assumptions		-25	-149	0
Grant entitlement -10% Reduction (from 13/14)			-234	-211
General Core Grants	8,514	2,489	2,106	1,895
Non-ringfenced Core Grants	42,969	42,969	42,539	35,987

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Loss of grants Spending Review assumptions		-430	-2,552	
Grant entitlement -10% Reduction (from 13/14)			-3,999	-3,599
Non-ringfenced Core Grants total	42,969	42,539	35,988	32,388
<b>Total Corporate Grant Funding</b>	<b>51,483</b>	<b>45,028</b>	<b>38,094</b>	<b>34,283</b>
<b>Council tax income</b>	<b>241,909</b>	<b>240,824</b>	<b>246,845</b>	<b>253,016</b>
<b>Total Income from Grant and Council Tax</b>	<b>407,834</b>	<b>399,867</b>	<b>380,992</b>	<b>373,747</b>

### Cost Pressures

1.10 Academies will receive funding from the Government to provide services that were previously provided centrally by the County Council. The County Council will need to make savings to reflect this transfer of revenue to academies.

1.11 Council Tax support and benefits are currently administered by borough and district councils and central Government refunds the costs to those councils. From 1 April 2013, the Government will abolish this scheme, and it will be replaced by a system of locally determined council tax discounts. The Government will transfer the funding it currently has for Council Tax Benefits to councils, but it will reduce that funding by 10% before it does so. The Borough and District Councils will need to approve local benefits schemes which deal with the need to reduce the benefits paid by 10%. These changes may lead to some loss of income for the County Council because the schemes the borough and district councils produce mean that council tax collection rates are lower. We are working with the Borough and District Councils to try and devise a scheme that minimises any loss, but have made provision for such a loss in the MTFP.

1.12 Provision has also been made for capital financing costs and inflation at 2%. In addition, we got a one off council tax freeze in 2012/13 and will need to make savings because it is not available in future years.

**Table 3**

<b>Unavoidable &amp; corporate cost drivers</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	£'000	£'000	£'000	£'000
Inflation (2% across the board)		6,289	6,381	6,420
Capital financing costs		1,000	1,000	1,000
Academies effect on central services		1,200	1,400	1,400
Council Tax benefit shortfall/later contingencies		4,000	1,000	1,000
		12,489	9,781	9,820
One-off CERA funding 12/13		-4,000	0	0
Corporate Agreed Pressures & Contingency		-1,521	83	0
<b>Total unavoidable &amp; corporate cost drivers</b>		<b>6,968</b>	<b>9,864</b>	<b>9,820</b>

### Council Tax Strategy

1.13 In setting our Council Tax strategy, we must balance the need to ensure that we set a rate which is affordable to local people, with the need to ensure that the Council can continue to provide the services local people need. The reduction in

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Government Grants means that we will be more reliant on local income generation. The new business rate regime is unlikely to yield the resources needed to make up that shortfall over the period of the MTFP. The Council will need to continue to consider where the appropriate balance lies between affordability of Council Tax for local people and our ability to generate the efficiencies and savings which allow us to continue to deliver Our Promise. Decisions will be made by members on this each year as part of the budget setting process. The council tax increases which are presently factored into these plans are 0% for 2013/14 and in the range of 1.5% to 3.0% for the following years

### Budget Process

1.14 Through RPPR, our financial planning takes place in tandem with the business planning process. Whilst every effort will be made to ensure that outcomes for local people are not compromised by the level of savings required, this will not always be possible. The Cabinet has agreed that higher savings targets are set for management and support costs than for direct service spend to reflect the importance we place on front line services. To ensure full consideration of the cost base and opportunities for savings, targets ought to be set in the context of the gross budget. The targets below are calculated on the basis of the net budget, at 20% on management and support spend and 15% on direct services. This will show a higher level of savings that the £60.7m total savings we anticipate are needed, to allow members to consider savings options. The savings need to be made on the ratio of 1:2:1 over the next three years. The Cabinet agreed that Chief Officers prepare saving options for each of the service areas in their departments for consideration by members in the Autumn. This will include savings already identified in last year's MTFP.

Savings over three years	Savings basis	Adult Social Care	Children's Services	Economy, Transport & Environment	Governance & Community Services	Corporate Resources	Total Services
		£'000	£'000	£'000	£'000	£'000	£'000
Management & Support spend	20%	1,000	1,200	300	100	4,200	6,800
Direct Service spend	15%	33,100	12,800	14,400	2,800	1,600	64,700
<b>Total initial savings targets</b>		<b>34,100</b>	<b>14,000</b>	<b>14,700</b>	<b>2,900</b>	<b>5,800</b>	<b>71,500</b>

1.15 The MTFP will continue to be developed over the next months, leading up to the setting of the Council's budget in February and will take account of new information as it becomes available, for example interest rates, inflation, clearer definition on government grants, the impact of pension changes and the use of reserves and balances.

1.16 A new capital strategy is being developed to:

- prioritise and coordinate funding;
- invest in the most beneficial projects that will support the long term vision of the Council and the prosperity of East Sussex; and
- manage capital investment efficiently and effectively

1.17 The strategy will improve the planning, delivery, management and governance of all our capital projects. The aim is to secure successful outcomes and outputs, eradicate costly delivery failures and increase the confidence of our residents, elected members and staff. This will be done by:

- setting a 5 year rolling programme to provide certainty for projects and the benefits they offer;
- ensure investment is co-ordinated across the programme;
- underpinning programme planning with robust controls that will include a comprehensive initiation process including deliverability, gateway reviews against key milestones, financial and benefits realisation reporting, excellence in project and programme management; and
- contingency measures will allow for unforeseen circumstances in between major strategy and programme reviews.

1.18 Coinciding with the mid-term review of the existing programme, the refreshed capital strategy will be reconsidered in relation to a formal capital budget against which it will be necessary to prioritise and match projects to available resources.

### Reconciling Policy, Performance and Resources process

1.19 Each year the RPPR process is reviewed to identify improvements and recommend changes. One of the key issues identified was that whilst the County Council's high level priorities are set out in Our Promise, we could strengthen the link between those priorities and our activities and decision making. This is a key strategic issue given the challenging financial outlook. The Cabinet has therefore agreed that the Council Plan should no longer cover all services but should set out a clearer statement of the Council's priorities as articulated in Our Promise, with a description of the outcomes we want to achieve and targets against each element. Our Promise and the kinds of areas that might be included are set out below:

- *"We will, in partnership, make the best use of resources (e.g. strategic commissioning, Agile, SE7, Spaces) to:*
- *help make East Sussex prosperous and safe;* - (e.g. Economic Development, ESCC as a key local employer and purchaser of services, market development, education and skills, trading standards & community safety)
- *support the most vulnerable people;* (e.g. Children's Services, Adult Social Care).
- *improve and develop roads and infrastructure;* - (e.g. highways broadband and passenger transport)
- *encourage personal and community responsibility;* - (e.g. Families with multiple problems, self directed support, personalisation of SEN and disability services)
- *deliver the lowest possible council tax;* and
- *be a voice for East Sussex, listening and answering to local people"* – (e.g. customer focus).

1.20 This approach should mean that the Council articulates its top priorities more clearly and should facilitate a more cross cutting approach to its activities. The Council Plan is supported by Portfolio, departmental, team and individual targets, so all areas of activity would be managed effectively, but Members would have a focus on key outcomes and targets which show whether our priorities are being delivered.

1.21 The Cabinet has also agreed that the Council Plan will also include information about our gross budget and narrative about our Medium Term Financial

Plan, replacing the separated budget summary that is currently published. This will include the Council's gross income and expenditure, rather than the net expenditure which has been published in the past. This will bring our key planning documents together and increase transparency.

1.22 Last year Portfolio Plans were changed to include financial information against each policy steer. It was difficult to break budgets down to this level, as many contributed to more than one policy steer. The Cabinet has agreed that this year the format is changed to show spend and targets against service areas rather than policy steers, which should increase the accuracy of the information and avoid double counting. It is proposed that the structure of portfolio plans is changed to have:

1. Policy steers for the portfolio
2. For each service area
  - A data table with similar financial and performance information to that which is included in this year's portfolio plans.
  - A narrative of the issues and explanation of our forward plans.

1.23 It has been agreed that performance, savings and budget monitoring are reported together in one report to Cabinet with effect from 2012/13, with budget monitoring being carried out against service areas. There will be a need for separate reporting in quarter four, as the provisional budget outturn is reported in June, ahead of the statutory deadline for signing off the accounts for audit on 30 June.

### Conclusion

1.24 In October 2012 the Cabinet will consider any revisions to Our Promise and Policy Steers, following comments from the Scrutiny Committees in September. Proposals for high level Council Plan priorities based on Our Promise will also be included. Chief Officers will model savings options on the basis of 15% for direct services and 20% for management and support costs. This will produce £70 million of possible savings against a target of £60.7 million. Members will be asked to consider options in November in the light of priorities agreed in October.

## **2 South East Seven Partnership**

2.1 As the Council is aware, the South East Seven (SE7) Councils have committed to explore collaborative opportunities to improve the quality of services and to achieve efficiency savings. It is estimated that the total level of SE7 savings up to and including 2014/15 is £74.25 million with a potential saving for the County Council of £5.94 million. Updates on the workstreams were provided at the SE7 meeting on 15 June 2012. A summary of the update is set out below.

### ICT – Led by Brighton and Hove City Council

Workstream purpose – identification of collaborative opportunities. There is focus on different ICT aspects including Network Development, Procurement, Data Centres and Desktops/Mobile.

Workstream update – procurement activity and work on the Network of Networks aspect of the workstream are progressing well and have high potential in relation to achieving goals. The workstream has made tangible progress and has already produced savings. The workstream will consider ways in which ICT expertise can be used to support other workstreams. The workstream is exploring 'Cloud Computing' and will outline the



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potential SE7 approaches (including the potential for the SE7 to buy services from a commercial cloud or provide services using a private cloud) in more detail at the SE7 meeting in September 2012.

### Highways – Led by Surrey County Council

Workstream purpose – creation of a strong joint client group to share information, identify opportunities and develop sustainable solutions to the maintenance and construction of Highways.

Workstream update – the workstream is progressing well and is engaging with the Department for Transport in a number of areas, which has secured resources and raised the profile of the SE7. Benchmarking of costs and performance continues to progress. Areas for collaborative procurement have been identified, and the workstream has completed an innovative supply chain review using their collective purchasing power to secure improved deals from contractors and suppliers and are currently evaluating the findings of this review (the next phase will commence in July 2012). Building on this review, ESCC is working closely with Surrey County Council to explore opportunities for increased collaboration in relation to the common prime contractor, May Gurney. Shared services and resources are being explored. In terms of long term investment in skills, a 'first of its kind' MSc course in Highways Engineering was launched in February and has received significant publicity and national recognition. Sustainability will be a key priority for the programme of activities, with re-use and recycling receiving increased focus (the link to the Waste workstream is being considered).

### Waste – Led by Kent County Council

Workstream purpose – creation of a long-term vision for waste and the scoping of both short and long term savings. Consideration will be given to opportunities for two tier working, planning for regional infrastructure and monitoring and maintenance of closed landfill sites. It seeks to achieve waste prevention and minimisation by changing views of waste so that 'materials' are regarded as a resource, an economic opportunity and an opportunity for social enterprise.

Workstream update – the programme of activity is widely embraced by Central Government and has received resources to facilitate implementation of the proposed improvements. The Department for Environment, Food and Rural Affairs, the Environment Agency and its delivery arm, Waste and Resources Action Programme are considering how to align their resources and embed staff to support the SE7 programme. The workstream will explore ways to promote its approach and activities to district and borough councils (where relevant) and other partners in order to maximise benefits. In June 2012, SE7 Leaders agreed a draw down fund of £290,000 (the ESCC contribution of £50,000 has been identified from existing Economy, Transport and Environment resources) to be used to fund Waste activity and to secure technical expertise which will enable the workstream to secure maximum savings levels.

### Special Educational Needs and Disability (SEND) – Led by East Sussex County Council

Workstream purpose – work collaboratively in pursuit of value for money efficiencies and service improvements through piloting proposals to reform the SEND system as part of the Department for Education and Department of Health SEND Pathfinder programme.

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Workstream update – the workstream is fully engaged in the Pathfinder programme which will continue for another 9 months before closing in March 2013. The workstream has established a number of overarching principles which set out a commitment to working with and engaging parent carers. All seven authorities are exploiting the opportunities afforded by the Pathfinder to develop common frameworks in relation to:

- assessment and planning;
- parental engagement and participation;
- working with the voluntary and community sector; and
- individual budgets.

Once established, each of the SE7 authorities will reflect its own way of working whilst being guided by the regional frameworks. The goal is to deliver better outcomes for children and their families and by demonstrating that greater parental engagement, placing families at the centre of the process, will generate less conflict and dissatisfaction.

Legislation update: Government has confirmed its intention to publish a draft Children and Families Bill later this summer to improve provision for children with SEND. The draft Bill will be informed by early lessons emerging from the Pathfinder. It is anticipated that the Act would come into force in 2014.

Property Asset Management – Led by Hampshire County Council

Workstream purpose – opportunities to improve efficiency are being explored in relation to reducing buildings, associated costs and re-thinking work practices.

Workstream update – East Sussex, Kent, Surrey and West Sussex County Councils took part in Wave 2 of the Capital and Assets Pathfinder programme. The Pathfinder bids were submitted by the individual Authorities (with local partners). A number of the SE7 authorities are now submitting their business cases and implementation plans. Positive feedback has been received. Government is focused on how these projects can be implemented and how they can be used to promote growth.

The East Sussex Pathfinder project, Strategic Property Asset Collaboration in East Sussex (SPACES), mapped the assets of all partner organisations (from across the public and voluntary and community sectors) in the seven key towns in East Sussex. A 10 year plan and vision for collaborative asset management in East Sussex was approved by the SPACES Board in April 2012. The plan identifies a range of short term opportunities and long term aspirations that would support this group's key targets to:

- Achieve Capital Receipts in excess of £30 million through property disposal;
- Property revenue cost savings of £10 million per annum; and
- CO2 savings of 10,000 tonnes per annum by 2020.

SPACES participants are already pursuing a range of local initiatives in support of these objectives. Strong leadership for a culture shift is required in order for benefits to be realised. The workstream will continue to scope these savings and develop an action plan.

Further areas of shared ideas:

- SE7 officers are sharing best practice in relation to Academies, services to schools and future models.

- Leaders have agreed further exploration of administrative collaboration of the Local Government Pension Scheme and the potential for collaboration in the area of investment management contracts.
- As agreed at the December 2011 meeting, Lead Members and Chief Officers responsible for finance met in February and July to discuss various budget issues such as income generation, procurement and changes to Council Tax benefits. This group will meet approximately every six months.
- The relationship between local authorities and health organisations (specifically future Public Health arrangements) has been agreed as a new focus area for the SE7. Initial scoping of possible SE7 health and Public Health work to be undertaken with a report back to Leaders.

2.2 As a result of continuing discussions, SE7 Chief Executives will explore opportunities for the future direction of the SE7 partnership, including becoming a formal or trading organisation. This has previously been discussed by Cabinet and received cross party interest and support.

### Next steps

2.3 The workstreams will continue to develop and implement their action plans and will update on progress at the next full SE7 meeting on 28 September 2012. Where decisions need to be made which impact on service delivery across the Council, formal endorsement will be sought through Reconciling Policy, Performance and Resources and other relevant governance mechanisms.

## **3 Proposition for Partnership: Securing Educational Excellence**

3.1 Over the last two years, funding to Local Authorities for support for educational standards in schools has been significantly reduced by;

- cessation of specific grants; national strategies and school improvement grants
- the removal of ring-fenced initiative-based grants
- the mainstreaming of specific grants into school budgets

3.2 In East Sussex, the budget that supports school improvement activity has reduced significantly. In 2010/11 the total budget was £23,234,500 of which £11,944,800 was grant funding, of this £7,182,300 was devolved directly to schools, leaving a service budget of £16,052,200 for school improvement. As at 1 April 2012 the total budget was £6,574,000 of which £115,000 was grant funding leaving a service budget of £6,459,000.

3.3 Local Authorities (LAs) also need to manage the risks associated with a more autonomous school system, in which funding is being increasingly distributed directly to schools; whether this relates to the transfer of Local Authority Central Spend Equivalent Grant to academies, or in the form of the proposed school funding reform. Clearly, the redirection of funding requires a strategic and coherent approach to educational excellence across the county. The new funding formula proposals require that the maximum amount of Dedicated Schools Grant should be delegated to schools. This will mean that funding which has previously been devolved to schools from centre budgets, such as Headroom, former Pupil Retention Grant and former standards fund grants, will be delegated from 2013/14. Schools may agree to pool funding so that the services can continue to be provided centrally by the

authority for the following areas; contingency; behaviour support services, ethnic minority and bi-lingual services, county insurance, licenses and staff supply (trade union duties and jury service).

3.4 Currently, provision has been made in the Children's services Medium Term Financial Plan, to support services that contribute to improving outcomes for children and young people in East Sussex. However, there is a risk that this level of investment and spend cannot be sustained in the longer-term. The funding available to support the strategy for educational excellence is therefore a significant influencing factor in our response to the changing agenda and defining the role of the Local Authority in East Sussex.

3.5 Recent legislation outlines the significant and evolving role of the Local Authority in education. The Statutory Guidance, published April 2012, on the Role of the Director of Children's Services and Lead Member for Children's Services, sets out how these roles relate to Government expectations with regard to the professional and political accountability for children's wellbeing.

3.6 Recent research papers and reports focus on the LAs evolving role as the mediating layer supporting school improvement and their responsibility for schools causing concern. They also suggest that LAs should:

- Continue to demonstrate their commitment to keeping councils central to the pursuit of educational excellence to secure the best outcome for communities, and
- Visibly lead and shape the policy landscape of the coming months and years.

3.7 In East Sussex, Children's Services has actively engaged with headteachers and governors to develop a strategic vision for the future role of the Local Authority in education in the County. The key elements of the vision are brought together in 'A proposition for partnership: Securing educational excellence in East Sussex' (previously circulated to all members). The proposition outlines a revised role for the Council in relation to school improvement, which involves maintaining a link with all schools in order to discharge of the wider Council duties of ensuring fair access to services; supporting vulnerable children and young people and promoting educational excellence for all. The proposition is designed to ensure that all children attend an establishment that is at least good and make appropriate levels of progress.

## **4 Ashdown Forest Trust**

4.1 At its meeting on 3 July 2012 the Cabinet considered the Ashdown Forest Trust's Income and Expenditure Account for 2011/12 and Balance Sheet as at 31 March 2012. The Income and Expenditure Account shows an annual surplus in 2011/12 of £1,457 compared with a projected deficit of £80 reported to Cabinet on 26 January 2012. The difference is due to legal fees for enforcing Forest byelaws which were lower than anticipated. The final position for the year is an improvement compared to 2010/11 which showed an operating deficit of £339.

4.2 The main source of income was the rent from the Royal Ashdown Forest Golf Club, which was increased from £60,000 to £70,000 per annum from 1 January 2010. Most of the expenditure relates to the grant of £65,100 paid to the

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Conservators of the Ashdown Forest. The accumulated General Reserve totalled £204,985 at 31 March 2012.

4.3 A formal annual report and statement of accounts will be compiled in accordance with the Charity Commission's Statement of Recommended Practice. These accounts will be independently examined before being submitted to the Charity Commission by 31 January 2013.

Peter Jones  
Chairman

24 July 2012

