East Sussex County Council

COUNTY COUNCIL - TUESDAY, 9 FEBRUARY 2016

Documents being circulated with the County Council agenda

Document	**Report in County Council agenda to which it is related**
Draft Council Plan 2016/17 (Appendix 1 of the Cabinet report) (page 3)	Cabinet report, paragraph 1
Revenue Budget 2016/17 and 2018/19 and Capital Programme (including Budget Summary) (Appendix 2 of the Cabinet report) (Page 25)	Cabinet report, paragraph 1
Savings Plans (Appendix 3 of the Cabinet report) (Page 73)	Cabinet report, paragraph 1
Fees and Charges Schedule (Appendix 4 of the Cabinet report) (Page 133)	Cabinet report, paragraph 1
Precepts for 2016/17 (Appendix 5 of the Cabinet report) (Page 135)	Cabinet report, paragraph 1
Chief Finance Officer's statement on budget robustness (Appendix 6 of the Cabinet report) (Page 137)	Cabinet report, paragraph 1
Engagement Feedback (Appendix 7 of the Cabinet report) (Page 141)	Cabinet report, paragraph 1
Letter to the Government (Appendix 8 of the Cabinet report) (Page 169)	Cabinet report, paragraph 1
Comments by the Director of Children's Services on the Scrutiny Review of Raising the Participation Age (Appendix 9 of the Cabinet report (Page 173)	Cabinet report, paragraph 4
Treasury Management Policy and Strategy 2016/17 (Appendix 10 of the Cabinet report) (Page 179)	Cabinet report, paragraph 5

Documents that members have previously received and are asked to bring with them to the meeting:

Council Monitoring Appendices 1 to 7	Cabinet report, paragraph 2
Report of the Scrutiny Review of Raising the Participation Age	Children's Services Scrutiny Committee's report paragraph 1 and the Cabinet's report paragraph 4
Annual Audit Letter	Cabinet report, paragraph 7

PHILIP BAKER
Assistant Chief Executive

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Picture of the county

Introduction

This Council Plan sets out our ambitions and what we plan to achieve by 2019 for each of our four overarching priority outcomes: driving economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources.

The next few years will see a fundamental and permanent change to the way the Council operates. While the overall size of the public sector is reducing our responsibilities are likely to expand as powers are devolved from central government to council partnerships. Service demand will also increase, particularly for social care and health services, at the same time local authorities will be expected to raise all funding locally through council tax and business rates. We will continue to respond with strong leadership and stay focused on our priority outcomes, using them to guide our partnership working, direct our resources and actions, and set Council Plan targets.

We will clearly define what we wish to achieve, explore how we can work best with all our partners locally and in the region, and monitor and assess our progress. We will base our decisions on local evidence of need and what works and makes a difference locally.

We have set a number of delivery outcomes under each overarching priority outcome. These have been used to shape the Council Plan performance measures and the targets that are the main tool we use to assess our progress. We also keep track of a wide range of key data about East Sussex and related to our priority outcomes. These help us assess our impact more fully and respond appropriately when we need to do so. We review this data when making our plans and publish them with our State of the County report each year. A selection of this information is provided throughout the plan and listed in more detail at the end.

Keith Glazier
Leader

Becky Shaw
Chief Executive

Appendix A

1 April 2016

Our Priorities

The Priority Outcomes

The Council has identified four overarching priority outcomes: driving economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources. Making best use of resources is the gateway priority through which any activity and accompanying resources must pass. The remaining three priority outcomes guide our activities, direct our resources and are reflected in our Council Plan activities and targets. As resources tighten, we will need to have an ever sharper focus on these priority areas, define clearly the outcomes we wish to achieve, and monitor our success in delivering these outcomes for the county's residents, communities and businesses.

Driving economic growth - delivery outcomes

- Employment and productivity rates are high throughout the county
- Businesses are able to thrive in East Sussex and can access the skills and infrastructure they need
- Thriving East Sussex economic growth sectors
- All children progress well from early years to school leaver and into education, training or employment

Keeping vulnerable people safe - delivery outcomes

- All vulnerable people in East Sussex are known to relevant local agencies and services are delivered together to meet their needs
- People feel safe at home
- People feel safe with support services

Making best use of resources - delivery outcomes

- Applying strategic commissioning to ensure that resources are directed to meet local need
- Working as One Council, both through the processes we use and how we work, we will work in a well-connected way across Council teams to achieve our priorities
- Working in partnership to ensure that all publicly available resources are used to deliver maximum benefits to local people
- Ensuring we achieve value for money in the services we commission and provide
- Maximising the funding available through bidding for funding and through lobbying for the best deal for East Sussex

Helping people help themselves - delivery outcomes

- Commissioners and providers from all sectors put people first when providing services and information to help them meet their needs
- The most vulnerable adults get the support they need to maintain their independence and this is provided at or close to home
- Individuals and communities are supported and encouraged to be responsible, help others and make the most of community capacity and assets

Priority overview

A thriving economy in East Sussex is key to the wellbeing of the county. Ensuring that local people have access to well-paid employment will have positive impacts on their health and the education outcomes of our young people, and will mean that they are less dependent on shrinking public sector resources. A growing economy will increase the resources we can raise locally to provide the services needed by the most vulnerable people in our society.

Employment and productivity rates are high throughout the county

The county is an economy of small businesses with great potential for growth. We have established programmes that support small businesses, such as grants and loans to help them thrive.

As one of the bodies with the greatest spending power in the county we will continue to engage with and advise local suppliers to help them benefit from procurement and contract opportunities. We constantly review our procurement processes to ensure they are accessible to local suppliers and maximise the use of local providers in the supply chains. As a large employer, we will provide employment and development opportunities to local people, including apprenticeships and work placements.

We will encourage and support the growth of well paid employment across the county so that local people can afford a mortgage should they wish to own their home.

Businesses are able to thrive in East Sussex and can access the skills and infrastructure they need

Businesses can only thrive if they have the local infrastructure they need and access to the right skills in the local workforce.

A good transport infrastructure is important to support business. By maintaining and improving roads, co-ordinating street works and managing parking controls, we aim to help the local transport infrastructure cope with increasing demand. Our Public Transport Strategic Commissioning Strategy sets out how we prioritise support for bus services to meet local needs, such as transport to schools and key employment locations. Transport developments such as the Bexhill Hastings Link Road (named Combe Valley Way) will help provide new homes and business space.

Business in the 21st century also needs modern digital support. Our e-Sussex project to rollout faster broadband in previously isolated areas will improve access to services, jobs and education, and is a key driver of economic growth in the county. Over 65,500 premises have been connected so far, and we will further increase speeds and coverage to over 5,000 more premises between 2016 and 2018.

We want all local people to have the skills they need to succeed and for businesses to have access to a well skilled workforce. Skills East Sussex (the local employment and skills board) will continue to operate, bringing together education suppliers and businesses to make sure people have the skills businesses need to grow, and stimulating the uptake of apprenticeships in the county. We also work with schools, colleges and other skills providers, to ensure children and adults have opportunities to develop the key skills and qualifications to access good employment.

The devolution bid we have submitted as part of Three Southern Counties (3SC) has the potential to drive economic growth and increase local productivity. Greater local control will allow 3SC to address the skills and employment needs of the area and invest in a long-term infrastructure strategy.

State of the County 2014/15

- Working age residents with a level 4 (degree) qualification, 36.7% (England 35.7%)
- Working age residents with no qualifications or qualified only to NVQ1, 19.4% (England 20.6%)
- Gross Value Added (GVA) per head, £17,321 (UK £25,367)
- Working age population in employment, 73.1% (England 72.7%)
- Claimant rate including Job Seeker's Allowance and Universal Credit, 1.6 (England 2.0)
- New business registrations per 10,000 people over 16, 57.0 (England 71.2)
- New houses built, 1,277, including 364 affordable houses

Photo

Examples of planned work during 2016/17

- We will increase the number of apprentices in the Council through our new Apprenticeship Programme
- We will commence construction of the Newhaven Port Access Road
- We will make improvements to Terminus Road in Eastbourne (artist's impression to the right)
- We will increase the number of premises that can access improved broadband speeds and begin the second phase of works with BT
- We will increase the proportion of money the Council spends with local companies

Thriving East Sussex economic growth sectors

Our East Sussex Growth Strategy sets out our plans to support and improve the local economy. Following on from the peer review carried out in 2014, Team East Sussex (our locally federated board to the South East Local Enterprise Partnership), will continue to work with partners to create new jobs, homes and commercial spaces in the county.

East Sussex is a great place to live, work and visit. We will build on the county's economic strengths and unique characteristics to drive economic growth in business sectors with the most potential to grow and provide employment. We will build on the areas where the county already performs strongly, such as culture and tourism, but we will also look to the future to attract and retain new businesses that will provide the jobs of tomorrow.

We will continue to support Locate East Sussex, the one-stop shop for businesses seeking to move into the area, expand or access funding for growth.

State of the County 2014/15

- Children achieving a good level of development in the Early Years Foundation Stage, 74.3% (England 66.3%)
- Children achieving level 4 at key stage 2 in reading, writing and maths, 80% (England 80%)
- Pupils achieving 5+ A*-Cs at GCSE or equivalent including English and maths, 55.3% (England 56.3%)
- Average point score per entry for A levels and other level 3 exams, 207.2 (England 211.9)
- A level entries for STEM (Science, Technology, Engineering and Mathematics) subjects, 27.8% (England 32.5%)
- Exams awarded A/A* grades for A level STEM subjects, 20.0% (England 30.1%)

All children progress well from early years to school leaver and into education, training or employment

Our aim is to ensure that every child does well from the earliest years until they enter employment. Working with schools, colleges and early years providers, we want all children to attend a good school and make good progress at school each year. We want to narrow the gap between the most disadvantaged children and the rest.

Across East Sussex, children and young people have poorer rates of attendance and exclusion than their peers nationally. Although we saw a fall in the number of fixed term exclusions and persistent absences in 2015, we still need to improve. Additional funding was allocated for academic years 14/15 and 15/16 to increase targeted support and challenge to schools. We will continue to work closely with schools, Behaviour and Attendance Partnerships, and Education Improvement Partnerships (EIPs) to identify ways in which they can help bring about improvement.

We will work with our partners to increase the number of children in education or employment with training (EET) until they are 18 years old, to prepare children and young people for work, and to improve their employability and skills.

Notable progress has been made in educational attainment, but this is not consistent across all groups of pupils. Through dialogue with head teachers and governors, we published our second Excellence for All strategy in December 2015, setting out how we will build on the successes of the past two years to create a truly excellent and inclusive education system for all children.

Take a look at the targets we have set to measure our progress against delivering the aims under this priority on page 15

Priority overview

There will always be children and adults who cannot be looked after at home and with their families. Where it is clear this is the case for children, we will intervene early and find permanent or long-term placements for them through fostering or adoption where appropriate. We will also ensure that vulnerable adults are safeguarded whether they are looked after at home or in another setting.

Photo

All vulnerable people in East Sussex are known to relevant local agencies and services are delivered together to meet their needs

Ensuring vulnerable children and adults are safe is one of our key priorities and responsibilities to the community.

One of our key objectives is that there is an effective multi-agency early help and child protection system, which ensures that children and young people who are, or are likely to be, at risk of harm are identified, supported and protected. This is part of a wider multi-agency safeguarding system, underpinned by strong statutory multi-agency governance and scrutiny by East Sussex Safeguarding Children Board.

The new integrated Health Visiting and Children's Centre Service will respond to specific needs identified through development reviews and liaise closely with GPs to ensure that families receive coordinated support and where needed targeted early help.

For Looked After Children, we will be ambitious so that they can achieve their best and we will continue to introduce more cost effective placement planning to ensure that the right child is cared for, in the right place, for the right amount of time and at the most appropriate cost.

In April 2015 we implemented the changes set out in the Care Act 2014, including the national minimum eligibility threshold for support and new safeguarding adults arrangements. The Government has now delayed the introduction of the funding reform aspects of the Act until 2020; therefore the cap on care costs has been put on hold. The changes strengthen local safeguarding and ensure that partners work together to put the needs of vulnerable adults first, protect them and deal with any shortcomings across the health and social care system.

State of the County 2014/15

- Looked after children per 10,000 0-17 population, 52 (England 60)
- Children with a Child Protection Plan per 10,000 0-17 population, 44.5 (England 42.9)
- Previously looked after children adopted, 23% (England 17%)
- Hospital emergency admissions caused by injuries in children aged 0-14 per 10,000, 125.2 (England 112.2)
- Looked after children achieving 5+ A*-Cs at GCSE including English and maths, 12.5% (England 12.0%)

Photo

Examples of planned work during 2016/17

- We will maintain reductions to the number of children with a Child Protection Plan
- We will continue to increase the number of chronic victims of mass marketing fraud we help
- We will support people who have been a victim of sexual violence through the Independent Sexual Violence Advisor Service
- We will support and protect members of the community from rogue traders through our Trading Standards Rapid Action Team

People feel safe at home

We work with partners including health services, police, ambulance and fire and rescue services to ensure people are safeguarded and able to live independently and free from abuse. We aim to raise awareness of safeguarding issues and enquire into concerns of abuse.

We support the most vulnerable families, helping them to find ways to manage independently and cope with problems so that they can stay together and achieve better outcomes for children and parents.

We work in partnership to reduce crime, anti-social behaviour and domestic abuse and help victims to stay safe from harm. We work with a number of partners to provide support services and raise awareness of domestic abuse across the county.

Our Trading Standards Service helps to protect vulnerable people from exploitation such as rogue traders and cold callers. Our Super Sticker scheme gives a legally enforceable warning to stop cold callers. Consumers can say “no” to cold callers simply by displaying this sticker at their homes. Our Rapid Action Team intervenes to disrupt rogue traders and carries out proactive work in hotspots of doorstep crimes to advise and protect residents.

People feel safe with support services

While we aim to help people stay safe and independent, this is not always possible. There will always be children and young people who cannot be cared for at home and with families. Where it is clear this is the case for children, we will intervene early and find permanent or long-term, cost effective, placements for them through fostering or adoption where appropriate. Vulnerable adults that cannot cope by themselves need to have support services that are safe and of good quality; we will continue to monitor satisfaction with our commissioned services including service user evaluations.

State of the County 2014/15

- Adult Social Care service users who feel safe, 72.2% (England 68.5%)
- People aged 65+ still at home 91 days after discharge from hospital, 88.8% (England 82.1%)
- Suicide rate per 100,000, 10.7 (England 8.9)

Take a look at the targets we have set to measure our progress against delivering the aims under this priority on page 18

Priority overview

Whilst we must keep vulnerable people safe, people prefer and need to be independent. If we can encourage families and communities to work together to build better local communities, meet local need, and support individuals to stay independent, we can meet our objectives of breaking dependency, while reducing demand for services and therefore costs. Helping people to be self-supporting will become increasingly important as the resources available to public services decline.

Commissioners and providers from all sectors put people first when providing services and information to help them meet their needs

One of the best things we can do to support people is to focus very clearly on their needs when designing and providing services and when we make information available so people can help themselves.

Our website has been redesigned to make sure people can easily find the help and advice they require to meet their needs. East Sussex 1Space provides online access to a growing directory of wellbeing services and support groups for all ages across the county and Support With Confidence, a joint venture between Adult Social Care and Trading Standards, helps people find care and support services that they can trust.

Our Local Offer provides online access to information for children and young people with Special Educational Needs and Disabilities (SEND) and families, about services and expertise available in the area from a range of local organisations, including providers of education, health and social care. It also gives families the opportunity to feed back about services that are available in the area.

Looking forward, we will continue to promote these schemes to ensure that people are able to quickly find information about a range of support options available in their local area.

People generally prefer to have as much control and choice as possible over the services they receive. Self-directed support offers control to clients and carers over how their care and support is provided. The need for substantial savings will mean, however, that direct payments and personal budgets offered will focus on personal care needs rather than supporting daily living, as part of the re-defined Adult Social Care offer. Clients will be advised about how they can access support for daily living such as eating and shopping through other means.

Inclusion, Special Educational Needs and Disability (ISEND) has an important role to play in supporting children and young people to achieve their very best. The service helps children and young people with SEND achieve their ambitions and become successful adults. We will ensure that families and children are involved in the development and delivery of services, giving families more choice and control over the services they receive and providing a more personalised response.

We will provide and commission a range of early help services designed to increase the resilience of families, improve their lives, and manage demand on high cost services. We will target services working with individual families on a whole family basis, with a single keyworker supporting all members of the family and coordinating any additional specialist support required.

Photo

State of the County 2014/15

- Adult Social Care service users who find it easy to find information about services, 73.3% (England 74.5%)
- People who received short term services where no further request was made for ongoing support, 88.8% (England 74.6%)
- 4-5 year olds with excess weight, 20.0% (England 21.9%)
- 10-11 year olds with excess weight, 29.7% (England 33.2%)
- Older people admitted to residential and nursing care homes per 100,000, 545.5 (England 650.6)
- Younger adults admitted to residential and nursing care homes per 100,000, 13.9 (England 14.2)

Examples of planned work during 2016/17

- We will support up to 704 households as part of the government's Troubled Families Programme
- We will implement school safety zones at a number of high priority schools to help reduce the likelihood of people being killed or seriously injured (an example of a school safety zone is shown below)

- We will continue to offer health checks to those eligible, while encouraging those offered a check to take it up

The most vulnerable adults get the support they need to maintain their independence and this is provided at or close to home

It is often best if people in need of care and support receive this at home, if possible, with the help of friends and family. We work to ensure that people's homes are safe, providing access to care services, and personal budgets so that people can choose the care and support they need. We provide home adaptations for older people and people with disabilities. We promote the use of Telecare equipment in the community wherever it is suitable for the needs of the individual. This includes a range of personal and health monitoring devices that enable people to remain safe and independent at home. Continuous monitoring ensures that if an event occurs, an alarm is raised and the most appropriate response is implemented promptly.

Mr and Mrs Lawrenson, who use the dementia service

Individuals and communities are supported and encouraged to be responsible, help others and make the most of community capacity and assets

People, families and communities across East Sussex have huge potential to thrive and to support each other. There is a substantial infrastructure of public and voluntary and community sector work across the county that can seek to help local people achieve their ambitions. We work with partners and communities across the county to help local communities to thrive and tackle some of the most difficult issues that impact on people's happiness and wellbeing, such as loneliness. We will be exploring:

- evidence of the needs of our communities, both of localities and of communities of interest;
- building on the assets we have in communities, both physical and in terms of community activists; and
- evidence of what has given a good return on investment and is sustainable in the long term, from both local, national and, where applicable, international experience.

We will continue to work with partners to help keep people safe from road traffic collisions. We will encourage all road users to act responsibly so that the number of people killed or injured on our roads can be reduced.

State of the County 2014/15

- Adult Social Care service users who have as much social contact as they would like, 47.8% (England 44.8%)
- Older people (65+) offered reablement services following discharge from hospital, 1.5% (England 3.1%)
- Number of people killed and seriously injured on the roads, 390

Take a look at the targets we have set to measure our progress against delivering the aims under this priority on page 19

Priority overview

This priority cuts across all our activities and is a key measure of success for all our priority outcomes. It applies to all the resources available for East Sussex, not only within the Council, but across the public sector; voluntary and community sector and private partners, and within local communities. We will work as a single unified organisation to deliver our priorities; ensuring high quality, streamlined services are commissioned and developed in partnership; working to reduce demand for services and focusing on our residents and communities.

Strategic commissioning

We will consider the outcomes we are trying to achieve for local people first and then achieve those outcomes in the most effective way possible. Our strategic approach means investing in long term and preventative solutions rather than short term fixes that are more expensive overall. We will focus on early intervention to reduce demand and dependency on public services.

One Council

We will ensure that we work in a unified way so that resources are focused on delivering our priority outcomes. This means minimising the cost of back office services and directing resources to frontline services. We will focus on delivering services close to local people in the most cost effective way possible.

Value for money

Across all our resources, services and partnerships we will seek to achieve the maximum positive impact on our priority outcomes for people in East Sussex.

Maximising funding

We will seek out funding opportunities for the Council and our partners. We will lobby and coordinate our action with partners who share our ambitions to press for the best deal for the county.

Working in partnership

We will work in partnership to ensure that we use all the resources available in the public sector to improve outcomes. We will make the best use of our assets, sharing property, ICT and staff with partners so we work as efficiently as possible removing duplication and increasing flexibility. We will join with partners to achieve better value through procurement, and work with the voluntary and community sector through our Commissioning Grants Prospectus.

The East Sussex Better Together (ESBT) programme will provide more integrated health and social care services by April 2018. By reforming the way we commission and taking a more collaborative approach, we will become more efficient and will be in a better position to commission services that provide better outcomes for local residents.

We have expanded our partnership working with Surrey County Council for all Business Services through the Orbis partnership. Orbis will enable us to provide resilient services, whilst achieving savings, which will be used to sustain services for the residents of East Sussex and Surrey. Through Orbis, we will explore opportunities to work with other partners to expand the partnership and to increase commercial leverage.

In partnership with councils in Surrey and West Sussex, the East Sussex Fire and Rescue Service, Local Enterprise Partnerships, and other partners, we have formed Three Southern Counties (3SC) to submit a devolution bid to central government. Devolution has the potential to give local people more control over key areas such as skills and infrastructure which will help improve their quality of life. We will adopt a phased approach to negotiating our proposals.

Examples of planned work during 2016/17

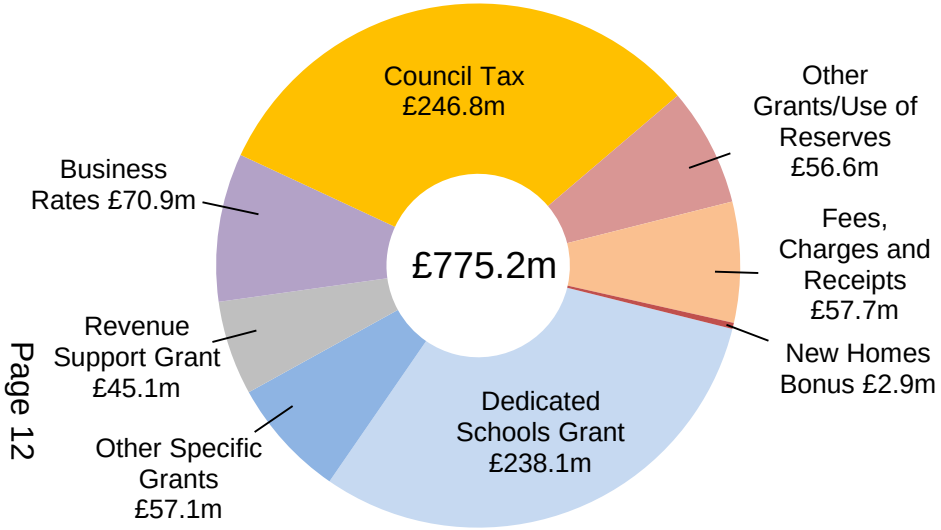
- We will work with partners through our East Sussex Better Together (ESBT) programme to provide better health and social care outcomes for local residents.
- We will expand our partnership working with Surrey County Council for back office services through the Orbis partnership, which will help us to make savings and be more resilient.
- We will work with Three Southern Counties (3SC) partners on our devolution bid, which has the potential to give local people more control over key services.

Take a look at the targets we have set to measure our progress against delivering the aims under this priority on page 21

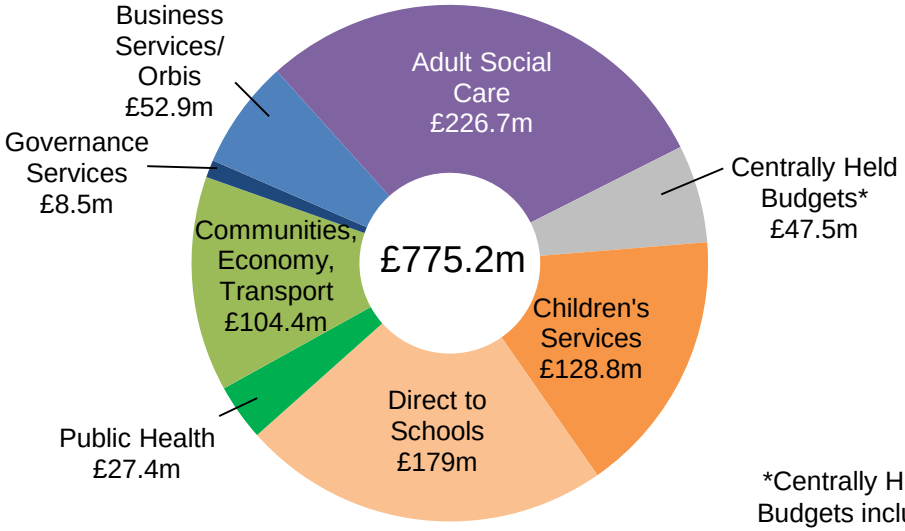
Revenue budget: gross and net

Please note charts are in draft to be updated when budgets are finalised. The pie charts below show where our revenue budget money will come from and how we will spend your money in 2016/17 (gross and net). More information on our revenue budget can be found in our financial budget summary.

Where the money comes from (gross)

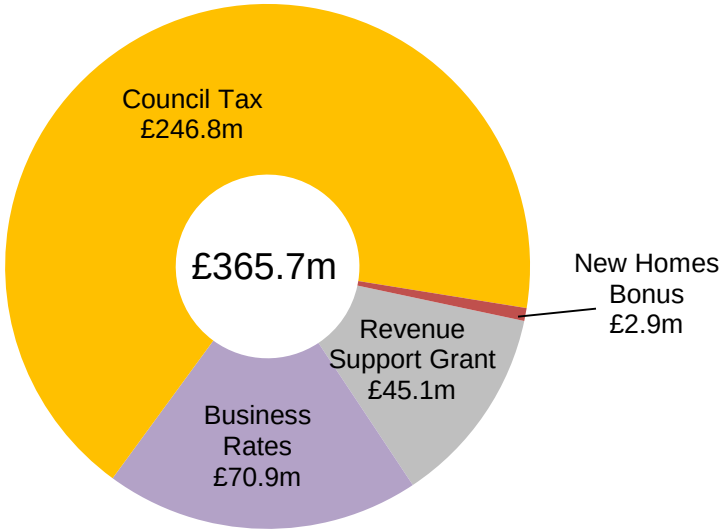


How we will spend your money (gross)

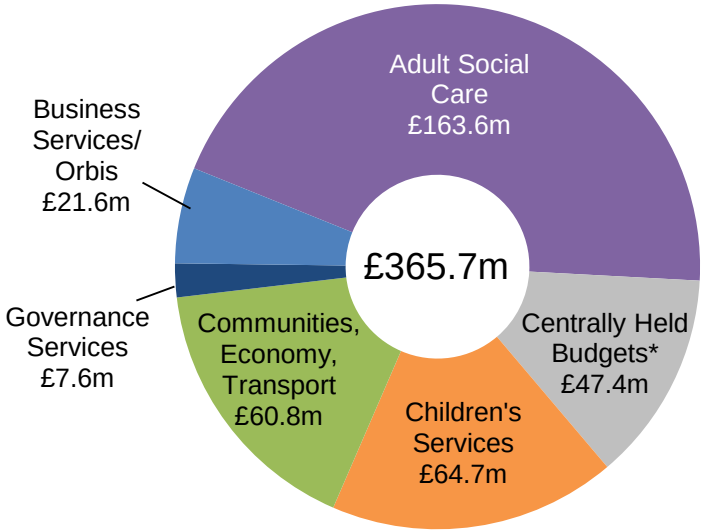


*Centrally Held Budgets include Treasury Management and contributions to the Capital Programme

Where the money comes from (net)

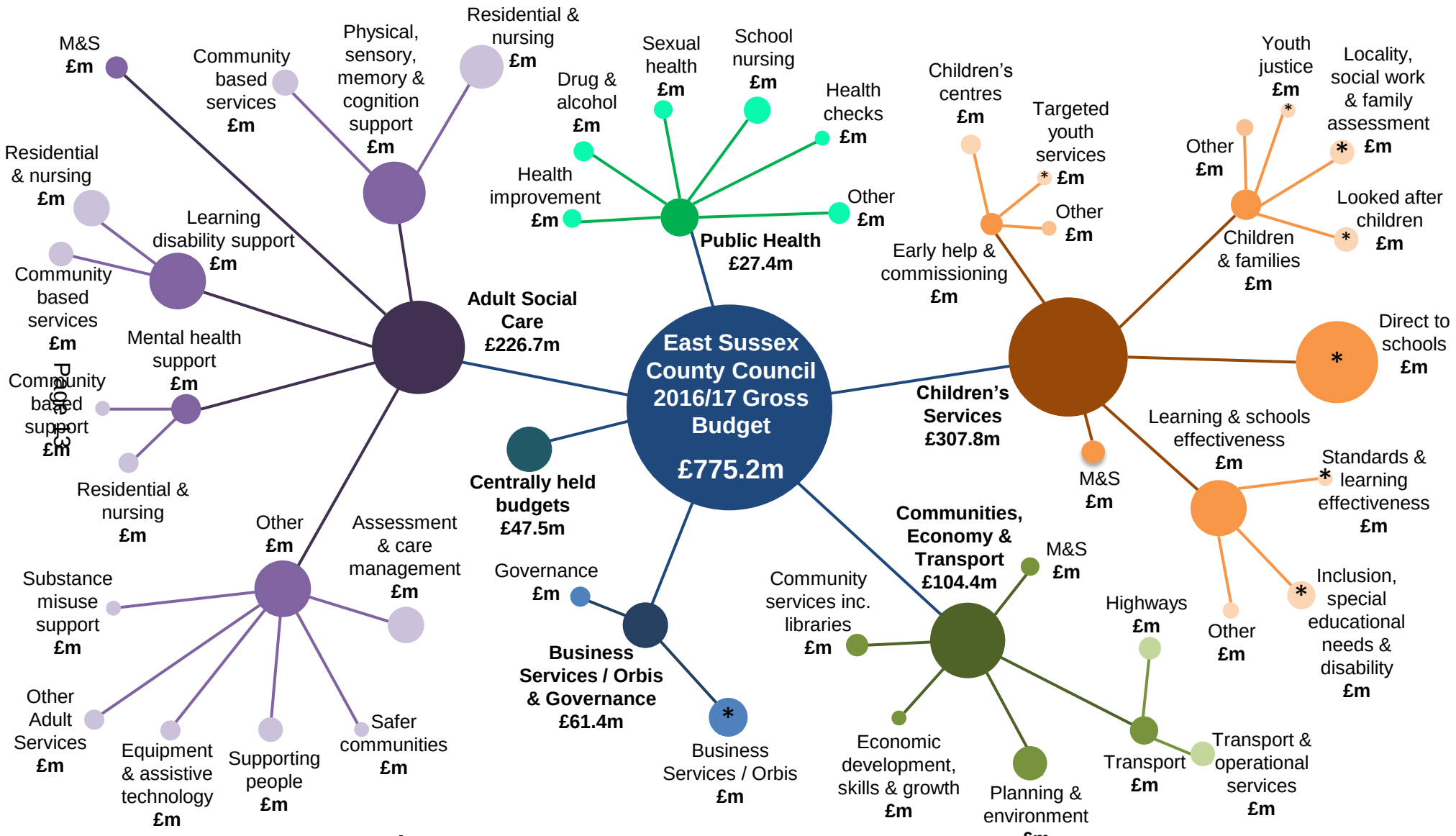


How we will spend your money (net)



Revenue spending

Please note diagram is in draft to be completed when budgets are finalised. The diagram below is a visual representation of our gross revenue budget for 2016/17. It also shows East Sussex County Council spend inclusive of partnership working where we are the lead authority. More information on our revenue budget can be found in our financial budget summary.



Notes: M&S = Management & Support costs; * Fully or partially funded by Dedicated Schools Grant (DSG).

A summary of the Capital Programme will be included here when budgets are set.

All Council Plan targets aim to deliver positive outcomes for the people of East Sussex. We challenge discrimination and encourage respect, understanding and dignity for everyone living, working in or visiting East Sussex. We do this through our influence in the community, strategic planning, employment policies, and service delivery.

Equality impact assessment summary report for Council Plan 2016/17

Date of assessment: ***To be updated.***

Summary of findings: All targets Council Plan targets aim to deliver positive outcomes for the people of East Sussex. This equality impact assessment has found that the majority of the measures in the Council Plan will have a positive impact upon the lives of groups of people with protected characteristics. There should not be any negative impacts on any equality target groups.

Summary of recommendations and key points of action plan: None.

Groups that this project or service will impact upon:

	Positive	Negative	Neutral
Age	x	-	-
Disability	x	-	-
Ethnicity	x	-	-
Gender/Transgender	x	-	-
Marital Status/Civil Partnership	-	-	x
Pregnancy and Maternity	x	-	-
Religion/Belief	-	-	x
Sexual Orientation	-	-	x
Other (carers, literacy, health, rurality, poverty)	x	-	-

In line with the Equality Act 2010 we no longer publish equality objectives in a separate equality scheme. Instead, equalities data has been taken into consideration when developing performance targets for our Portfolio Plans and this Council Plan.

We will continue to report on our progress in ensuring equality is embedded throughout our work while delivering our priorities. This will form part of our annual report, which will be published in Autumn 2016.

More information on equality and diversity can be found in our equality and diversity web page.

Driving economic growth – performance measures and targets

Performance measure	Outturn 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
Number of businesses supported and jobs created or protected via Regional Growth Fund 4 (East Sussex Invest 3) and deliver the new ESI 4 business growth funding	To be reported June 2016	Support 55 businesses create 86 jobs as per contracts	Support 55 businesses create 86 jobs as per contracts	TBC
Increase the percentage of Council procurement spend with local suppliers	To be reported June 2016	48%	>50%	To be set January 2016
Number of young people completing work readiness courses with the County Council	To be reported June 2016	80	To be set pending discussions re future skills strategy for the Council	To be set pending discussions re future skills strategy for the Council
Number of new apprenticeships with the County Council (ESCC and schools)	To be reported June 2016	52	To be set pending discussions re future skills strategy for the Council	To be set pending discussions re future skills strategy for the Council
Percentage of apprentices retained in their apprenticeship placement and/or moving into alternative training or paid employment	To be reported June 2016	70%	To be set pending discussions re future skills strategy for the Council	To be set pending discussions re future skills strategy for the Council
Percentage of new County Council procured contracts awarded following a tender process, that include an Employability and Skills Plan	To be reported June 2016	65%	70%	To be set January 2016
Complete the Bexhill to Hastings Link Road	To be reported June 2016	Completion of all works	Monitor impact	TBC
Deliver major transport infrastructure – Queensway Gateway Road	To be reported June 2016	Secure funding via the Local Enterprise Partnership	Monitor impact	TBC
Deliver major transport infrastructure – Newhaven Port Access Road	To be reported June 2016	Construction commenced	Construction complete and monitor impact	TBC
Deliver pedestrian improvements in Terminus Road (Eastbourne) using 'Shared Space' concepts to coincide with opening of the new Arndale Centre	To be reported June 2016	Continue construction	Construction complete summer 2017	TBC

Driving economic growth – performance measures and targets

Performance measure	Outturn 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
Percentage of principal roads requiring maintenance	To be reported June 2016	8%	8%	8%
Percentage of non principal roads requiring maintenance	To be reported June 2016	9%	9%	9%
Percentage of unclassified roads requiring maintenance	To be reported June 2016	21%	20%	20%
Number of additional premises with improved broadband speeds (5,000 by end of 2017/18)	TBC	1,835	3,440	TBC
Report progress on the level of broadband improvement in the Intervention Area	TBC	Report progress on the level of broadband improvement in the Intervention Area	Report progress on the level of broadband improvement in the Intervention Area	TBC
The number of people attending Trading Standards business workshops	TBC	210	240	TBC
In partnership with Learndirect and other funding organisations provide online learning (including skills for life and ICT courses) in libraries (subject to contract)	To be reported June 2016	250 courses completed (subject to contractual review, Q2 2016/17)	To be set 2016/17	TBC
The percentage point gap between disadvantaged pupils achieving at least the expected standard in reading, writing and maths combined at Key Stage 2, and their peers	TBC	Academic Year 2015/16 At or below the national average	Academic Year 2016/17 At or below the national average	Academic Year 2017/18 At or below the national average
The percentage point gap between disadvantaged pupils achieving 5 or more A*-C grades at GCSE or equivalent, including English and maths, and their peers	TBC	Academic Year 2015/16 At or below the national average	New targets to be developed following DfE changes	New targets to be developed following DfE changes
Proportion of pupils in all schools who achieve 5 or more A*-C grades at GCSE or equivalent including English and maths	TBC	Academic Year 2015/16 At or above the national average	New targets to be developed following DfE changes	New targets to be developed following DfE changes
Proportion of Looked After Children (LAC), who achieve 5 or more A*-C GCSEs including English and maths	TBC	Academic Year 2015/16 Equal to or above the national average for LAC	New targets to be developed following DfE changes	New targets to be developed following DfE changes
Deliver the new Employability and Skills Strategy: East Sussex business sector skills evidence base developed	To be reported June 2016	Deliver sector specific campaigns through Skills East Sussex	To be set pending discussions re future skills strategy for the Council	To be set pending discussions re future skills strategy for the Council

Driving economic growth – performance measures and targets

Performance measure	Outturn 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
Establish the East Sussex Growth Hub as the new 'one stop shop' for business support in the county	To be reported June 2016	To be set 2015/16	To be set 2015/16	TBC
The percentage of young people meeting the duty of RPA (Raising the Participation Age) by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 16 (Year 12)	TBC	97%	97%	97%
The percentage of young people meeting the duty of RPA (Raising the Participation Age) by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 17 (Year 13)	TBC	88%	88%	89%
The percentage of LAC participating in education, training or employment with training at academic age 16 (Year 12)	TBC	84%	84%	84%
The percentage of LAC participating in education, training or employment with training at academic age 17 (Year 13)	TBC	70%	70%	70%
Percentage of eligible 2 year olds who take up a place with an eligible early years provider	TBC	Above the national average	Above the national average	Above the national average
Percentage of pupils achieving a 'good level of development' at the Early Years Foundation Stage	TBC	Academic Year 2015/16 Above the national average	New targets to be developed following DfE changes	New targets to be developed following DfE changes
Deliver Cultural Destinations Action Plan as resources are secured	To be reported June 2016	Continue to grow Coastal and Cultural trail and develop new trail (if funding secured)	Deliver Coastal Cultural Trail and new trail (if funding secured)	Deliver Coastal Cultural Trail and Artists in Sussex Downs Trail (if funding secured)
Increase inward investment	To be reported June 2016	TBC March 2016	No further targets	TBC
Develop a 'Prospectus' for East Sussex with key partners	To be reported June 2016	To be confirmed if required	To be confirmed if required	TBC

Keeping vulnerable people safe – performance measures and targets

Performance measure	Outturn 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
Number of children with a Child Protection Plan (Equivalent rate per 10,000 population aged 0-17)	TBC	432 (41 per 10,000)	432 (41 per 10,000)	432 (41 per 10,000)
Number of Looked After Children (LAC) (Equivalent rate per 10,000 population aged 0-17)	TBC	522 (49.5 per 10,000)	522 (49.5 per 10,000)	522 (49.5 per 10,000)
The proportion of Adult Social Care Case File Audits that are graded as excellent or good	New Measure 2016/17	>90%	>90%	>90%
Health and Social Care Connect Key Performance Indicators TBC	New Measure 2016/17	To be set Mar 2016	To be set Mar 2016	To be set Mar 2016
The number of positive interventions for vulnerable people who have become the target of rogue trading or financial abuse	New measure 2016/17	80	To be set 2016/17	To be set 2017/18
Average time between a child entering care and moving in with its adoptive family, for children who have been adopted (days)	To be reported June 2016	Less than or equal to national threshold (426 days)	Less than or equal to national threshold	Less than or equal to national threshold
The percentage of Independent Domestic Violence Advisor (IDVA) service users who feel confident asking for help and support when they need it	To be reported June 2016	80%	80%	80%
The percentage of Independent Sexual Violence Advisor (ISVA) service users who feel confident asking for help and support when they need it	To be reported June 2016	80%	80%	80%
National outcome measure: the proportion of people who use services who say that those services have made them feel safe and secure	To be reported June 2016	84%	84%	84%
National outcome measure: the proportion of carers who say they have no worries about personal safety	No survey undertaken	85-90%	No survey undertaken	85-90%

Helping people help themselves – performance measures and targets

Performance measure	Outturn 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
Percentage of annual Special Educational Needs and Disabilities (SEND) review meetings where the child gave their view and/or participated	To be reported June 2016	90%	90%	90%
The proportion of respondents to the feedback surveys who agree that things have changed for the better as a result of getting 1:1 targeted support from early help services	To be reported June 2016	80%	80%	80%
Number of households eligible under the government's Troubled Families programme receiving a family support intervention	To be reported June 2016	704 (to be agreed with DCLG)	703 (to be agreed with DCLG)	703 (to be agreed with DCLG)
National outcome measure: proportion of working age adults and older people receiving self-directed support (new zero based review measure for people in receipt of long-term support)	To be reported June 2016	100%	100%	100%
National outcome measure: proportion of working age adults and older people receiving direct payments (new zero based review measure for people in receipt of long-term support)	To be reported June 2016	45%	45%	45%
Increasing the number of services registered on East Sussex 1Space	TBC	250 additional services	250 additional services	TBC
Increase the number of people accessing information and advice through East Sussex 1Space website	To be reported June 2016	20% increase on 2015/16 outturn	20% increase on 2016/17 outturn	TBC
Increase the number of providers registered with Support with Confidence	To be reported June 2016	10% increase on 2015/16 outturn	10% increase on 2016/17 outturn	10% increase on 2017/18 outturn
Design and implement an Integrated Strategic Commissioning Framework for East Sussex Better Together (Including Co-Commissioning)	To be reported June 2016	Reformed commissioning framework, functions and structure implemented by July 2016	No targets set beyond 2016/17	No targets set beyond 2016/17

Helping people help themselves – performance measures and targets

Performance measure	Outturn 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
East Sussex Better Together measures TBC	New measure 2016/17	To be set Jan 2016	To be set Jan 2016	To be set Jan 2016
Number of people receiving support through 'STEPS to stay independent', which supports people aged 65 and over to maintain independence within their own homes	To be reported June 2016	3,500	3,500	3,500
The proportion of people who received short-term services during the year, where no further request was made for ongoing support	To be reported June 2016	90%	90%	90%
40% reduction in the number of people killed or seriously injured (KSI) on the 2005/09 average by 2020 (no more than 227 KSI casualties)	TBC	Fewer than 289 KSI casualties	Fewer than 273 KSI casualties	TBC
Number of carers known to Adult Social Care (those assessed, reviewed and/or receiving a service during the year)	To be reported June 2016	7,890	7,890	7,890
Implement School Safety Zones to cover schools rated as high priority	To be reported June 2016	Implement School Safety Zones at four schools	Implement School Safety Zones at four schools	TBC
NHS Health Checks: Percentage of the eligible population offered an NHS Health Check	To be reported June 2016	20%	20%	20%
Smoking Cessation: number of persons attending East Sussex NHS Stop Smoking Services who quit smoking four weeks after setting a quit date	To be reported June 2016	3% increase on 2015/16 outturn	3% increase on 2016/17 outturn	3% increase on 2017/18 outturn
Access to Genito-Urinary Medicine (GUM) clinics: percentage of first attendances seen within 2 working days	To be reported June 2016	95%	95%	95%

Making best use of resources – performance measures and targets

Performance measure	Outturn 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence in non-school services	To be reported June 2016	9.24	9.24	To be set January 2016
Develop an asset investment strategy based on a balanced portfolio approach that will provide an annual income for the Council Pending Amendment	To be reported June 2016	To be set in 2015/16	To be set in 2015/16	To be set January 2016
Cost of occupancy of corporate buildings per sq metre	To be reported June 2016	2.5% reduction on previous year	2.5% reduction on previous year	To be set January 2016
IT business systems support the needs and priorities of the organisation: percentage of targeted applications achieving top quartile efficiency Pending Amendment	To be reported June 2016	50%	75%	To be set January 2016
New East Sussex Better Together measure TBC	New measure	To be set January 2016	To be set January 2016	To be set January 2016

We review a wide range of data about East Sussex to help us understand the context for our plans and the impact we are having through our work and in partnership. We publish this data each year in our State of the County report when we start the planning process that leads to this Council Plan.
A selection of this data is listed below. Unless otherwise stated the data refers to 2014/15 and the figures in brackets are the average results for England.

Percentage of children achieving a good level of development in all areas of learning ('expected' or 'exceeded' in the three prime areas of learning and within literacy and numeracy) in the Early Years Foundation Stage (EYFSP)	74.3% *(66.3%)*
Percentage of pupils achieving level 4 at key stage 2 in reading test, writing TA (Teacher Assessment) and mathematics	80% *(80%)* Provisional
Proportion of pupils in all maintained schools who achieve five or more A*-C grades at GCSE or equivalent including English and maths	55.3% *(56.3%)* Provisional
Average point score per entry for A levels and other level 3 exams (16-18 year olds)	207.2 *(211.9)*
Percentage of A level entries that were for STEM (Science, Technology, Engineering and Mathematics) subjects	27.8% *(32.5%)* Provisional
Percentage of exams awarded A/A* grades for A level STEM (Science, Technology, Engineering and Mathematics) subjects	20.0% *(30.1%)* Provisional
Percentage of working age residents (18-64 year olds) with a level 4 (degree) qualification	36.7% *(35.7%)*
Percentage of working age residents (18-64 year olds) with no qualifications or qualified only to NVQ1	19.4% *(20.6%)*
Gross Value Added (GVA) per head GVA is a measure of economic productivity	£17,321 *(£25,367)*
Percentage of working age population (16-64 year olds) in employment, April 2014 - March 2015	73.1% *(72.7%)*
Claimant rate including Job Seeker's Allowance (JSA) and Universal Credit: claimants as a percentage of working age population (16-64 year olds), March 2015	1.6 *(2.0)*
New business registration rate per 10,000 people over 16	57.0 *(71.2)*
New houses built, total completed / total affordable	1,277 / 364
Rate per 10,000 (aged 0-17 population) of Looked After Children	52 *(60)*
Rate per 10,000 (aged 0-17 population) of children with a Child Protection Plan	44.5 *(42.9)*

Percentage of children who ceased to be looked after adopted during the year ending 31 March	23% *(17%)*
Rate of hospital emergency admissions caused by unintentional and deliberate injuries in children and young people aged 0-14 years per 10,000 population, 2013/14	125.2 *(112.2)*
Proportion of Looked After Children who achieve five or more A*-C GCSEs including English and maths, 2013/14 Academic Year	12.5% *(12.0%)*
Proportion of people who use Adult Social Care services who feel safe	72.2% *(68.5%)*
Social Isolation: percentage of adult social care users who have as much social contact as they would like	47.8% *(44.8%)*
Percentage of people (65 and over) who were still at home 91 days after discharge from hospital	88.8% *(82.1%)*
Suicide rate per 100,000 of population, 2012-14	10.7 *(8.9)*
Proportion of people who use Adult Social Care services who find it easy to find information about services	73.3% *(74.5%)*
The outcome of short-term services: sequel to service: proportion of people who received short-term services during the year, where no further request was made for ongoing support or support of a lower level	88.8% *(74.6%)*
Proportion of older people aged 65 and over offered reablement services following discharge from hospital	1.5% *(3.1%)*
Number of people killed or seriously injured on the roads	390
Percentage of children aged 4-5 years with excess weight (overweight or obese)	20.0% *(21.9%)*
Percentage of children aged 10-11 years with excess weight (overweight or obese)	29.7% *(33.2%)*
Long-term support needs of older adults (aged 65 and over) met by admission to residential and nursing care homes, per 100,000 population per year	545.5 *(650.6)*
Long-term support needs of younger adults (aged 18-64) met by admission to residential and nursing care homes, per 100,000 population per year	13.9 *(14.2)*

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Revenue Budget for 2016/17 to 2018/19 and Capital Programme update

1. Introduction

1.1 The draft Revenue Budget for 2016/17, incorporating the first year of the proposed MTFP for 2016/17 to 2018/19, is set in section 5 of the report to Cabinet. The new savings plans are set out in Appendix 3.

1.2 2016/17 is the first year of the new three year Council Plan which will run until 2018/19. The proposed MTFP covers a period of significant uncertainty and while for 2016/17 there is a 'balanced' budget position. The budget contains a proposal to allocate funding to address areas of pressure particularly in ASC (at Q2 2015/16 a £4.3m overspend was being estimated) that are already emerging this year and are potentially being managed through contingency. Further work will be required to refine estimated pressures and consider future savings as further information is made available. The updated MTFP pressures against the savings identified are summarised in the table below. Noting that the deficit remaining in year 2, reported to October Cabinet, was in the region of £9.0m. This has been exacerbated by the RSG reduction:-

Table 1 - Summary of savings against pressures

	2016/17 £m	**2017/18 £m**	**2018/19 £m**
Estimated Deficit	19.6	47.5	70.2
Savings identified (cumulative) [1]	(19.6)	(36.9)	(64.3)
(Surplus)/Deficit remaining	0	10.6	5.9

[1] Excludes £1.8m Council Tax Reduction Scheme savings now included in Council Tax. Adult Social Care 2016/17 savings have been reduced by £1.921m.

1.3 The table below summarises the changes to the ASC 2016/17 savings reported to the October Cabinet:

Table 2 – Changes to Adult Social Care Savings 2016/17

	2016/17 £m
Supporting People funding – learning disability accommodation schemes	0.152
Supporting People funding for short term mental health housing support services for people aged 16+	0.341
Supporting People funding for on-site support for single homeless people	0.287
Refocus Supporting People funding on high risk groups for young people	0.380
Young Mothers: review and realign service provision	0.050
Home Works: review and realign service provision to target people with the highest needs.	0.535
HIV Services	0.048
Through the East Sussex Better Together Programme, review funding arrangements for Prospectus services and support funded by health and social care.	0.128
Revised Total ASC savings	**1.921**

2. Provisional Grant Settlement 17th December 2015

2.1 A new methodology for determining authorities' RSG allocations has been proposed within the provisional settlement. Rather than applying the same pro rata cut to all authorities, the new approach takes into account individual authorities' council tax raising ability and the type of services provided. For East Sussex further reduced RSG funding, as it has for all counties, although to differential levels. By the end of 2018/19, ESCC RSG will be £14.966m compared to £18.561m estimated previously (an additional loss of £3.6m). The impact from the provisional settlement is detailed in the table below:-

Table 3 – Provisional Settlement RSG Adjustment

	2016/17 £m	**2017/18 £m**	**2018/19 £m**
Cabinet 13/10/15 MTFP	47.453	32.261	18.561
Provisional Settlement	45.107	26.727	14.966
Cumulative	2.346	5.534	3.595
Annual Change	2.346	3.188	(1.939)

2.2 We await information on specific grants and levies.

2.3 The current allocations also do not include the final grant amount in respect of the Council's share of retained NNDR, which will not be known until the Department for Communities and Local Government have received the base estimates of potential NNDR yields for 2016/17 from the Borough and District Councils and published them as part of the Final Grant Settlement for 2016/17. We are working on getting early sight of this but this will be as late as the end of January.

3. Revenue budget updates 2016/17 to 2018/19

3.1 There are also a number of key areas impacted by other announcements since October. Updates for these and other areas of change are as follows:-

3.2 Council Tax –The proposed inflation uplift for council tax has been amended to 1.99% from 1.95% to secure the base budget as far as possible. This results in additional income of £0.093m for 2016/17, £0.099m for 2017/18 and £0.102m for 2018/19. The formal Precept notice for issuing to the Borough & District Councils will form part of the report for recommendation to County Council.

3.3 The Government has confirmed that authorities with social care responsibilities will have the ability to raise an additional 2% levy through council tax each and every year over and above the referendum threshold where they need additional money to address social care demand and cost issues. For the County Council, a 2% increase in council tax from 2016/17 will cumulatively raise in the region of £15m by 2018/19 (for 2016/17 this is estimated at £4.7m). It is proposed that the council implement this as pressures are estimated to be significantly more. This will also mean a technical change in software used as the precept needs to be shown on the council tax bill. As part of this agreement the County Council will have to pay for these changes at this stage the costs of this are unknown.

3.4 Income from council tax is projected to increase as a result of the changes in the council tax reduction scheme and additional properties. The Districts and Boroughs have provided updated projections for the council tax base for 2016/17; the overall council tax base has increased by 2.69% compared to 2015/16. The increase relating to the changes in the Council Tax Reduction Scheme of 1.88% which equates to additional income of £4.3m for 2016/17. The increase in base relating to additional properties is 0.81% rather than the

1.5% previously included for 2016/17; 1.5% remains for future years. In addition a contribution of £0.3m will be made to the Districts and Boroughs for collection costs and hardship fund. This will help to ensure that the council tax yield does not reduce as a result of the changes in the Council Tax Reduction Scheme. When all aspects of council tax receipts are taken together the result is additional income of £1.8m for 2016/17.

3.5 Confirmation of the collection fund surplus is awaited; however at this point an additional £2m surplus has been assumed for 2016/17, i.e. a total of £4.2m and £1m thereafter

3.7 Pay Award/Inflation – The National Living Wage impacts on care and other contracts. We are currently working towards the completion of competitive negotiations in relation to these.

3.8 For East Sussex the impact of the National Living Wage on Pay scales is complex, until national discussions have concluded, a local position is required to ensure the pay structure is legal. It is therefore considered prudent to provide for a provision of £0.5m to be set aside for the costs of supplements and any potential and national outcomes that are as yet to be agreed for 2016/17 and 2017/18.

3.9 Adult Social Care – growth and demography
The pressure for demography & service growth has been revised based on current data. ASC has used a range of models (internal and external) to assess the impact of demography. The level of growth and demography has been updated due to the increased demand and cost of care packages being experienced in the current financial year. The growth and demography projection in 2016/17 is higher than in future years due to the funding required to meet the cost of additional commitments arising from the increased demand in 2015/16. The new services being put in place through East Sussex Better Together will improve how demand is managed and the projections for 2017/18 onwards are therefore lower.

Table 4 –Summary of growth and demography

	16/17 (£'000)	**17/18 (£'000)**	**18/19 (£'000)**
Demography and future growth (reflecting activity in 15/16)	6.086	3.752	4.285
Cumulative effect	6.086	9.838	14.123

3.10 The total reduction to the revenue contribution to the waste reserve is £3.2m. Of this, £1.8m is proposed as a CET saving in the 2016/17 – 2018/19 MTFP. £1.25m is proposed to be used to mitigate unachieved Waste and Road Safety savings, and budgetary pressures within The Keep and Fleet Management. These unavoidable costs were reported in the Revenue Budget Summary of the Q1 report. They have been temporarily mitigated in the current year by underspends and one off income generated. The remaining £0.15m will be put into the Community Care budget (see para 3.11 of covering report) in line with our One Council approach to RPPR.

3.11 Waste contract - Recycling levels since the start of the joint collection contracts have not to date shown the improvements expected and income is significantly less than expected. The position is only forecast to show marginal improvement. The annual financial negative impact to the County Council is now estimated at £792k.

3.12 Business Rates - The Borough and District Councils have indicated that the yield from National Non-Domestic Rates (NNDR) is lower than originally planned for 2015/16 as a result of a significant increase in successful appeals against valuations. The projections for 2016/17 have therefore been reduced. There is a projected collection fund deficit of £0.646m in 2016/17 as a result of the reduced 2015/16 income. NNDR figures will be confirmed by early February. For East Sussex appeals have resulted in an estimated reduction of £0.2m annually, a result of reduced rates from successful appeals, and a one off reduction to the collection fund surplus of £0.6m. There has also been a slight reduction due to September's RPI being 0.8% rather than 1%.

3.13 Education Services Grant (ESG) - ESG will reduce by £0.6m in 2016/17. This is due to a change in the grant methodology (over and above the £0.3m that had been projected from revised estimates of academisation in November).

3.14 Treasury Management - The treasury management position has been further and robustly reviewed in the latest context of the markets and outlooks and a further £1m can be released in addition to the £2m already identified as a saving for 2016/17.

3.15 Apprenticeship Levy - The Levy will be introduced from April 2017 and Government has announced that the Levy will be set at 0.5% and will apply to an Employer's entire payroll (gross pay) cost. For ESCC that is currently in the region of £245m (including schools) and so the Apprenticeship Levy will be in the order of £1.2m annually. Costs are estimated at £0.6m, assuming we can recover the £0.1m costs of the current scheme, from 2017/18. This also assumes schools share is passported to schools and there is no expansion beyond the scope and scale of the existing apprentice scheme

3.16 Residential Children's Homes Improvements - Following Ofsted inspection as part of the Residential Children's Homes Improvement plan there is an additional pressure of £0.2m to meet management and staffing capacity requirements.

3.17 New Homes Bonus (NHB) - The figures for NHB have changed marginally to the estimates previously included in the MTFP. This is a net nil effect as NHB has always been assumed to support capital. Given the uncertainties around the scheme figures are also only included in the capital programme up to and including 2016/17.

3.18 Funding changes - The nature of expenditure has altered with regard to Microsoft licenses (£0.5m) and part of the building maintenance programme (£1.0m). This work is now categorised as revenue rather than capital. The contribution to capital from revenue has been reduced to £6.0m to reflect this. The adjustment has no impact on the overall funding position.

3.19 Over this period there are a number of significant areas of change that will impact on the Councils budget but that remain unknown. A number of announcements that will be subject to later government announcements and further consultation and consideration; including the detail on specific grant allocations.

3.20 The movements in the MTFP since the October Cabinet are summarised in the table below:

Table 5 – Summary of movements from Cabinet 13th October 2015

	2016/17 £m	2017/18 £m	2018/19 £m
Cabinet 13/10/15	**22.962**	**49.473**	**75.947**
Business Rates	0.972	0.532	0.591
Council Tax	(5.718)	(6.301)	(7.989)
Council Tax Social Care Precept	(4.657)	(4.667)	(4.667)
Revenue Support Grant	2.346	5.534	3.595
Pay /Inflation/NLW	(1.495)	(4.163)	(5.974)
Adult Social Care Growth & Demography	3.986	5.314	6.830
Waste Contract	0.292	0.292	0.292
Education Services Grant	0.664	0.664	0.664
Apprenticeship Levy		0.600	0.600
OFSTED	0.200	0.200	0.200
General Contingency	0.090	0.050	0.080
Cabinet 26/1/15	**19.642**	**47.528**	**70.169**

4. Fees and Charges

4.1 As part of setting the budget, the Council is required to review the charges it makes for services and approve a schedule of revised charges for:-

- The requirement that all fees and charges to be reviewed on an annual basis will continue,
- To streamline the approval process, the budget process will identify a prescribed level of increase for all Fees and Charges, this is 2% for 2016/17.
- Any individual fee or charge that is increased up to this prescribed rate will then not require any formal approval as part of the budget report, only those that have a higher rate applied to them will require specific approval.
- Where there is either a statutory requirement for the Council to have to formally approve an increase, or new charges are being proposed or the level of the proposed fee or charge is to be reduced then these will continue to be reported for specific approval as part of the annual budget report.
- This will remove the need for individual fees & charges to be reported, but they will be required to be reported as part of any formal review of the policy to which to they relate.

4.2 The schedule of the fees and charges requiring specific approval is set out in Appendix 4.

5. Reserves

5.1 As part of the annual budget setting process, work to review current reserves has been undertaken to ensure the level of reserves are appropriate. In addition a detailed review of the £34.8m Waste Reserve has been carried out and it is proposed that the reserve is not topped up by the current contribution made as part of the Communities, Economy and Transport's budget (see para 3.10 above). It is proposed that the Waste

reserve be reviewed annually to assess the next 4 years of risks, rather than the lifetime of the PFI contract therefore it is proposed to drawdown £22.0m. This is achieved by the Corporate Waste Reserve being set at a level which covers the worst case scenario over the following four years. This is currently £12.8million. Of the £22.0m draw, £20.9m be set aside for the future capital programme and £1.1m to increase the general fund from £8.9m to £10.0m, as provision for growing pressures on service budgets.

5.2 Having conducted a thorough review of reserves held by East Sussex the level of reserves held is considered appropriate.

6. 2013/14 to 2017/18 Capital Programme and assumptions for 2018/19 onwards

6.1 At July 2015 the County had a gross capital programme of £356.3m which after applying scheme specific income of £102.8m resulted in a net programme to be financed of £253.5m.

6.2 The Council also held a contingency of £12.9m (3.6% of gross expenditure). As agreed at Council in February 2015, the contingency is held to manage a number of risks. These include inflationary pressures on constructions costs, uncertainty regarding delivery of projects, still unknown requirements and the uncertainty regarding the level of government grants.

6.3 Work has been ongoing to update the capital programme, its profile across financial years and the available resources that support it. The full proposed capital programme is set out in the Capital Programme section of appendix 2a.

6.4 This work has identified additional resources of £19.9m, however, £8.4m of these relate to confirmation of grants to support work that had previously been funded through borrowing. This leaves £11.5m additional resource. The detail of which is set out in the tables below:-

Table 6a – Change in resource

Change in Resources	£m
Additional non ring fenced capital grants – Schools basic need grant (£7.4m) and highways incentive grant (£1m)	8.4
New Homes Bonus 2016/17 (see para. 3.12)	3.0
Schools condition grant – used to increase the capital programme	3.6
Reported underspend (Hastings Library, Westfield Lane, Bridge Strengthening) and other minor adjustments	2.2
Additional scheme specific income (revenue contributions from departments and S106 etc.)	3.7
Reduced capital receipts	(1.0)
Total	**19.9**

Table 6b – Change in resource

Change in Resources	£m
Total Change in Resource	19.9
Used to reduced borrowing	(8.4)
Resource remaining after offsetting borrowing	**11.5**

6.5 Part of the current programme is funded by £91.6m borrowing, as last reported in the Q2 Monitoring report in December. The Council has a strategy of repaying debt and reducing its borrowing to provide savings. The £8.4m additional grant is provided to support core need for transport and school places for the period up to 2017/18. It is therefore

proposed that this be used to offset the borrowing that provided for this work. Therefore reducing borrowing by £8.4m to £83.2m.

6.6 Further savings of approximately £5m are likely to arise by postponing the requirement to secure external borrowing with the effect of delaying the impact of debt servicing costs. This would reduce borrowing further to £78.2m. At this point it is not proposed to finance the contingency so the borrowing is reduced by a further £8.7m (see para. 6.9 below) to £69.5m.

6.7 The Government will consult on reforms to the New Homes Bonus including means of sharpening the incentive to reward communities for additional homes. It will further consult on reducing the length of payments from 6 years to 4 years. In the circumstances it is considered prudent to forecast a grant for 2016/17 but not to rely upon New Homes Bonus grant beyond that.

6.8 The availability and value of Government grants has been reviewed and no further new announcements or increases in grants are forecast over the life of the programme except for changes in New Homes Bonus.

6.9 A number of pressures have been identified that would add to the current approved programme for the period up to 2017/18. They are as follows:-

Table 7 – Programme pressures

Programme Pressures	**£m**
Bexhill Hastings Link Road (see para. 6.11 below)	7.9
Lewes Station Bridge, Newhaven Swing Bridge (see para. 6.12 below)	0.5
Capital Building Improvements – financed from schools condition grant	3.6
A number of variations funded by scheme specific resource as set out in para. 3.18 including Microsoft licences and building maintenance charged to revenue (see para. 6.13 below)	3.7
Total	**15.7**

It is proposed that £15.7m is allocated as laid out above to be funded by the £11.5m additional resource identified (see para. 6.4 above) and by £4.2m from the capital contingency reducing the contingency being held from £12.9m to £8.7m.

6.10 The proposed allocation of resources is in response to a number of budget pressures and changes to essential need and other new requirements.

6.11 Bexhill Hastings Link Road: The latest estimate of the total cost on the Bexhill Hastings Link Road scheme is forecast to increase by a further £3.4m, in addition to the £4.5m identified in Q2. The final cost of the scheme has now been re-assessed at a cost of £124.3m. The reasons for this are due to an updated construction cost of £4.6m, 50% of which is payable by ESCC plus indexation making a total of £2.4m, costs of post excavation archaeology of £0.7m and additional consultant's costs of £0.3m. The post excavation archaeological survey may be offset by grant from Historic England which as yet has not been assumed. It should be noted that as there are a number of claims from the contractor still to be resolved there remains a risk of further increases in the forecast outturn, which would be funded from the capital contingency.

Other Pressures

6.12 Works on the Lewes station bridge uncovered worse than anticipated structural deterioration and there were also additional costs on the Newhaven swing bridge.

Other Net Nil Variations

6.13 Since July a number of scheme specific grants and contributions have been confirmed that provide a source of finance for equivalent spending. This includes developer

contributions towards sustainable transport and increased grant towards Universal Infant Free School Meals and Schools Delegated Capital as well as revenue contributions towards ICT Strategy Implementation. The award of additional grant from the DoE presents an opportunity to increase spending on the school estate and mitigate deterioration in the County's assets. There are also changes to the financing of Microsoft software licences from capital to revenue (£0.5m) and for revenue maintenance of buildings (£1m) for the remainder of the programme. In each instance there is a corresponding adjustment to the revenue contribution to capital so that the overall programme remains in balance.

Review of Scheme Profiling

6.14 Significant work has been undertaken to robustly review the spending profiles within the programme to identify slippage and/or other changes to the predicted cash flows on individual projects. This does not affect the overall requirement for resources.

Capital Programme 2018/19 to 2022/23

6.15 There will be a new, five-year Capital Programme from 2018/19 to 2022/23 and work has been undertaken to identify and quantify the Council's core need. Initial estimates of core needs are being reviewed, but currently, a total need of £414m has been identified, made up as follows:

- School Places (primary, secondary and special) - £229m;
- Highways Improvements - £122m;
- Rights of Way - £2m;
- Property Building Improvements - £40m;
- and ICT strategy - £21m.

6.16 The level of core need identified to date is not affordable within current estimates of resources. Work is continuing to find ways to manage the diminished level of resources and the increasing core need. During 2015/16 a high level capital programme management review was commissioned in recognition that firm targets need to be set to focus and shape the forward capital programme.

6.17 The capital position is as difficult, if not more so, than the revenue challenge; it is likely that it will be July 2016 before a balanced capital budget can be proposed to and agreed by members.

7. Council Tax requirement

7.1 The Council's original budget projections for 2016/17 were based on the continuation of the 2015/16 Council Tax policy of increasing the Council Tax precept by inflation. The Government has confirmed that the referendum limit for 2016/17 will remain at 2%. The draft budget therefore assumes a Council Tax increase of 1.99%.

7.2 In addition in the Settlement the new Social Care Precept was announced. The County can raise an additional 2% levy through council tax to address social care demand and cost issues. Local authorities will be required to demonstrate that an amount equivalent to the additional council tax has been allocated to adult social care. Tax payers must be informed on the face of the council tax bill and in the accompanying information how much of the council tax increase is being used to fund adult social care.

7.3 It is therefore proposed that the council be asked to consider increasing the Council Tax for 2016/17 by 1.99%. This would increase the annual precept from £1,203.93 to £1.227.83 an increase of £23.90 pa on a Band D property. It is also proposed that there should be a further 2% increase in respect of the adult social care precept as announced in the Spending Review. This results in a further increase of £24.07 on a Band D property.

The proposed band D charge for 2016/17 would therefore be:

Changes in Council tax	Council tax
Band D 2015/16	£1,203.93
1.99% Council tax increase *	£23.95
2% ASC Levy *	£24.02
Band D 2016/17	£1,251.90

* Rounded

7.4 The formal Precept notice for issuing to the Borough & District councils will follow, for formal recommendation to council. This will be subject to change following the final settlement and confirmation of NNDR for 2016/17.

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Appendix 2 a

Budget Summary 2016/17

Revenue Budget 2016/17
Medium Term Financial Plan
2016/17 to 2018/19 and
Capital Programme to 2017/18

East Sussex
County Council

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Appendix C

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Further information can also be obtained from our website:
eastsussex.gov.uk

or by writing to:
Marion Kelly
Chief Finance Officer
East Sussex County Council
County Hall, St Anne's Crescent
Lewes
East Sussex BN7 1UE
or by email to:
finance@eastsussex.gov.uk

Chief Finance Officer's Foreword

Introduction

This budget summary provides detail on the 2016/17 revenue budget and the Capital Programme to 2017/18. It gives analysis of expenditure by type and also by accountability, along with detail of our resources to finance that expenditure. The summary provides a useful source of information for Council officers, elected members and the public alike. A more detailed budget book will be produced in March.

The 2016/17 Approved Budget

In 2016/17 the Council (including schools) will spend £775.2m to deliver services to the people of East Sussex, with a further £128.6m of investment in infrastructure and assets through its capital programme. The Council's stated priorities outcomes are:-

- *Economic Growth*
- *Helping people to help themselves*
- *Keeping vulnerable people safe*
- *Making the best use of resources*

Revenue Budget

Making best use of our resources means achieving all stated outcomes within the diminishing resources available to the Council. 2016/17 is the first of a three year plan which will deliver in excess of £70m of savings; over £64m of which have been identified. While for 2016/17 the budget is balanced, there is a budget gap for 2017/18 and 2018/19 and work will be ongoing to adress this. At the same time, key services have been protected as far as possible from the effects of increased prices and demand.

Government grants amount to £295.2m (38.0%) of the total expenditure of the Council.

Council tax finances approximately 31.8% of the total expenditure of the Council. It is the ongoing funding source over which the Council has the greatest control. For 2016/17 it is proposed to increase the council tax by 3.99%; 2% of which relates to the Adult Social Care precept. Band D council tax would therefore be £1.251.90p per annum, an increase of £47.97p on the current year.

Capital Programme

Of the initial five year programme, the amount remaining to be spent is £363.4m gross, £262.8m net from 2015/16 to 2017/18 (£128.6m gross, £98.0m net in 2016/17) on capital investments such as road improvements, school need, libraries, social care facilities and measures to stimulate the local economy. Of this, 59.3% will be funded by government grants and scheme specific income.

Marion Kelly
Chief Finance Officer
February 2016

Medium Term Financial Planning

	Medium Term Financial Plan 2015/16 Budget £m	2016/17 Estimate £m	2017/18 Forecast £m	2018/19 Forecast £m
RESOURCES				
Business Rates & S31 Grants	(70.785)	(70.903)	(73.119)	(75.440)
Revenue Support Grant	(65.093)	(45.107)	(26.727)	(14.966)
Council Tax	(231.775)	(247.213)	(252.183)	(261.025)
New Homes Bonus	(2.497)	(2.886)	(2.902)	(1.823)
TOTAL RESOURCES	**(370.150)**	**(366.109)**	**(354.931)**	**(353.254)**
PLANNED EXPENDITURE				
Net Service spend *	309.792	318.306	334.340	355.254
Treasury Management *	30.566	27.566	27.566	27.566
Contributions to Capital Programme				
- Revenue contribution	13.400	6.000	6.000	6.000
- New Homes Bonus	2.497	2.886	2.902	1.823
Contingency	3.500	3.350	3.240	3.230
Contribution to balances and reserves	4.542	0.648	0.648	0.648
Pensions	5.479	6.299	7.429	8.559
Levies	0.432	0.441	0.450	0.459
Contribution to collection costs & hardship fund	0.000	0.300	0.300	0.300
Corporate Grants - Fisheries & Conservation Authority	(0.058)	(0.058)	(0.058)	(0.058)
Net Centrally held budgets	60.358	47.432	48.477	48.527
TOTAL PLANNED SPENDING	**370.150**	**365.738**	**382.817**	**403.781**
BUDGET GAP	**0.000**	**(0.371)**	**27.886**	**50.527**
PLANNED SAVINGS			(17.255)	(44.621)
DEFICIT/(SURPLUS)	**0.000**	**(0.371)**	**10.631**	**5.906**

The Medium Term Financial Plan

There is a new three year medium term financial plan starting in 2016/17, at the end of which in excess of £64m savings will have been achieved.

The Council's medium term financial plan is driven by the need to address two basic and conflicting pressures, namely:-
• reducing funding from government and other sources;
• increasing costs arising from increasing service demand, inflation and contract costs rising at rates greater than the council can counter through increases in its own fees & charges.

The plan takes a prudent approach to funding given the uncertainty and expectation of further government spending cuts. Equally, reasonable estimates have been made for other economic challenges such as increasing demands on services and price inflation.

A financially robust medium term financial plan is essential, underpinned with developed and emerging plans that span the full financial cycle, allowing time to develop new thinking on prevention strategies, staffing costs, and essential resource allocation, whilst at the same time being able to deliver the agreed savings requirements to balance the budget.
2016/17 is the first of a three year plan which will deliver in excess of £70m of savings; over £64m of which have been identified.

* These budgets have been reduced in line with savings plans

Resources - funding / spending power

Provisional Settlement Funding Assessment 2016/17

The Government's primary economic objective remains to reduce the national deficit and so Government funding to local authority services continues to decrease year on year.

Settlement Funding Assessment (SFA):

Funding	2015/16	Adjusted 2015/16	2016/17	Change	Percentage Change
	£000	£000	£000	£000	
Business Rates Retention	11,302	11,302	11,396	94	0.8%
Business Rates Top-up	56,828	56,828	57,302	474	0.8%
Business Rates	68,130	68,130	68,698	568	0.8%
Revenue Support Grant (RSG)	65,093	68,875	45,107	-23,768	-30.7%
Total - ESCC	**133,223**	**137,005**	**113,805**	**-23,200**	**-16.9%**
National					**-12.5%**

The SFA represents the general funding level provided by Government to local authorities. The Government transferred into the SFA £3.782m in respect of new Care Act (£3.652m) & SUDS (£0.018m), and also Lead Local Flood Authority Funding (£0.112m), from it being a separate specific grant. This increased the like for like RSG from £65.093m to £68.875m. The general RSG grant has reduced by 30.7% or £23.8m.

Overall the Government's Settlement funding assessment has reduced by 16.9% (or £23.2m) to £113.805m, in comparison to a national (England) reduction of 12.5%.

Business rates retention is based on the Government's national assessment of business rate yield £11.396m in East Sussex. The County Council's budget for business rates retention reflects its 9% share of locally collected business rates £11.396m, which is shown on page 9 and from information provided by the District and Borough Councils.

Core Spending Power

"Core Spending Power" represents a basket of key revenue streams for local authorities, using a number of actual, provisional and indicative funding assumptions to provide Government with a view as to how local authority spending is changing overall. The Government has reduced the array of funding streams from 2015/16 to just include New Homes Bonus funding, revised Better Care Funding (from 2017/18) and Council Tax. As a result, for 2016/17 the national reduction in revenue spending power is 2.8%. For East Sussex County Council the records show revenue spending power will increase by 3.4% or £12.569m.

Resources - funding / spending power

Government Assessed Core Spending Power:

Core Spending Power	2015/16 £000	Adjusted 2015/16 £000	2016/17 £000	Change £000	Percentage Change
Settlement Funding Assessment	133,223	137,005	113,805	-23,200	-16.9%
Settlement Specific Grants	30,712	2,499	2,886	387	15.5%
Council Tax	221,111	227,220	237,464	10,244	4.5%
	385,046	366,724	354,155	-12,569	-3.4%
Pooled NHS & ESCC Better Care Fund	40,689				
Total	**425,735**	**366,724**	**354,155**	**-12,569**	**-3.4%**

The Council tax element of the Spending Power presumes an increase in Band D rate in line with inflation (CPI), and a 2% increase for the new social care precept provision. It also includes an ongoing forecast of increasing taxbase due to local housing development etc. (see below).

Four Year Offer:

As part of the 2016/17 Settlement, the Government has made a four year funding Offer to "guarantee" a minimum Revenue Support Grant funding level to authorities that take up the offer. For East Sussex CC the "offer" is reported as follows:

Core Spending Power -as at December 2015	2015/16 adj £'000	2016/17 £'000	one year change £'000	one year change %	2019/20 £'000	Four year change £'000	Four year change %
Business Rates retention	11,302	11,396	94	0.8%	12,345	1,043	9.2%
Tariff/Top up	56,828	57,302	474	0.8%	62,075	5,247	9.2%
Revenue Support Grant	**68,875**	**45,107**	**-23,768**	**-34.5%**	**3,491**	**-65,384**	**-94.9%**
Settlement Funding Assessment	**137,005**	**113,805**	**-23,200**	**-16.9%**	**77,911**	**-59,094**	**-43.1%**
New Homes Bonus	2,499	2,886	387	15.5%	1,749	-750	-30.0%
Improved Better Care Fund					14,902	14,902	
Council Tax	227,221	237,464	10,243	4.5%	275,801	48,580	21.4%
ESCC Core Spending Power	**366,724**	**354,155**	**-12,569**	**-3.4%**	**370,363**	**3,639**	**1.0%**
National							**-0.5%**

Resources - funding / spending power

The four year offer will require the County Council to submit an Efficiency Plan, and looks advantageous(+1%) purely because it assumes council tax increases over 4 years of 21.4% (including a forecast for housing development etc). It makes no assessment of cost pressures over the next four years due to inflation (including the implementation of a National Living Wage) and demographic changes such as due to an increasing population. Year -on -year the figures are as follows:

Core Spending Power	2016/17	2017/18	2018/19	2019/20
-as at December 2015	£'000	£'000	£'000	£'000
Business Rates retention	11,396	11,620	11,962	12,345
Tariff/Top up	57,302	58,429	60,153	62,075
Revenue Support Grant	**45,107**	**26,727**	**14,966**	**3,491**
Settlement Funding Assessment	113,805	96,776	87,081	77,911
New Homes Bonus	2,886	2,902	1,823	1,749
Improved Better Care Fund		286	7,814	14,902
Council Tax	237,464	249,371	262,127	275,801
ESCC Core Spending Power	354,155	349,334	358,845	370,363

Council tax element:

As mentioned above, the Council tax element of the Spending Power presumes an increase in Band D rate in line with inflation (CPI), and a 2% increase for the new social care precept provision. It also includes an ongoing forecast of increasing taxbase due to local housing development etc .

Annual council tax increases	2016/17	2017/18	2018/19	2019/20
-as at December 2015	%	%	%	%
Additional Social Care	2.0	2.0	2.0	2.0
Inflation (CPI)*	1.8	1.8	1.8	1.8
Local Housing Development (etc)	0.7	1.2	1.3	1.4
Annual Settlement council tax increase	4.5	5.0	5.1	5.2
Cumulative effect:	4.5	9.7	15.4	21.4

*The council tax inflation requirement has been estimated by the Government to assume that local authorities increase their Band D council tax in line with the OBR's forecast for CPI for each year (which is an annual average of 1.75%) throughout the period to 2019-20.

Resources - specific and special grant funding

Direct impact on County Council Services

	Budget 2015/16 £'000	Estimate 2016/17 £'000	Change £'000
Adult Social Care/Public Health			
Public Health Grant	24,067	26,223	2,156
Local Welfare provision grant	0	13	13
Stroke Strategy	0	0	0
Local Reform and Community Voices Grant	52	0	(52)
Care Act	4,251	0	(4,251)
	28,370	**26,236**	**(2,134)**
Children's Services			
Education Services Grant *	5,100	4,436	(664)
Adoption Reform Grant *	400	0	(400)
Staying Put	0	185	185
SEN Reform Grant	560	0	(560)
SEN New Burden Grant	268	0	(268)
Troubled Families Grant	1,081	1,081	0
Youth Justice Grant	592	541	(51)
LSSG - Extended Rights to Free Transportation	522	522	0
Asylum Seekers	270	270	0
KS2 moderation and phonics	28	24	(4)
	8,821	**7,059**	**(1,762)**
Communities Economy and Transport			
PFI Grant - Waste	2,996	2,996	0
DEFRA - AONB - High Weald	231	243	12
Dept of Transport	824	173	(651)
Bus Service Operators Grant	418	443	25
LSSG - DEFRA lead Local Flood Authority funding	112	112	0
Woman in Broadband Grant	0	51	51
	4,581	**4,018**	**(563)**
Governance Services			
Local Reform and Community Voices Grant	295	295	0
	295	**295**	**0**
Business Services			
PFI Grant - Peacehaven Schools	1,759	1,759	0
	1,759	**1,759**	**0**
Corporate items			
Local Service Support Grant			
- Sussex Fisheries & Conservation Agency	58	58	0
	58	**58**	**0**
Direct Impact	**43,884**	**39,425**	**(4,459)**

Indirect impact- where County Council acts as "agent" to transfer funds

	Budget 2015/16 £'000	Estimate 2016/17 £'000
Children's Services		
Higher Education Funding Council grant	909	909
Dedicated Schools Grant *	242,848	238,117
Pupil Premium Grant	11,767	11,311
Universal Infant Free School Meals	4,732	4,583
Community Learning	194	195
	260,450	**255,115**
Communities Economy and Transport		
Skills Funding Agency	680	613
Indirect Impact	**261,130**	**255,728**

Grant Funding Summary

Government Specific and Special Grants		
Direct Impact	43,884	39,425
Indirect Impact	261,130	255,728
	305,014	**295,153**
Grants from other agencies		
Federation of Music - Arts Council	513	656
Initial teacher Training Grant - Teacher Training Agency	420	289
English Heritage Grant	16	0
	949	**945**
Total	**305,963**	**296,098**

Summary by department		
Children's Services	269,271	262,174
Adult Social Care	28,370	26,236
Communities Economy and Transport	5,261	4,631
Governance Services	295	295
Business Services	1,759	1,759
	304,956	**295,095**
Corporate items	58	58
	305,014	295,153
Grants from other agencies	949	945
Total	**305,963**	**296,098**

* These are the only grants that have been confirmed to date for 2016/17; confirmation of all other grants is expected by the end of January.

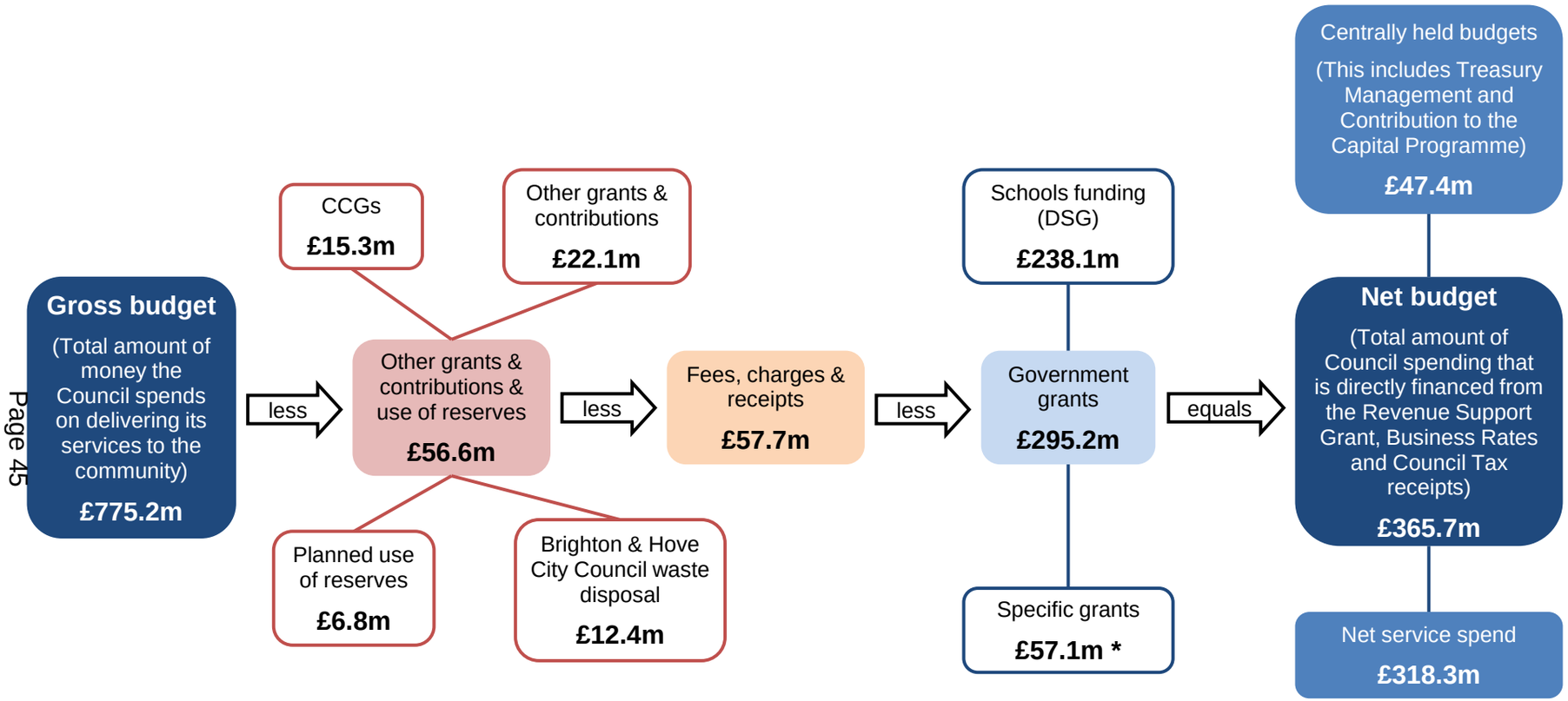
Revenue Budget 2016/17

	2015/16 £000	2016/17 £000	Change £000	%
Total Gross Spend	**785,828**	**775,236**	**(10,592)**	**-1.35%**
Less:				
Fees, Charges & Receipts *	(59,617)	(57,690)	1,927	
Specific Government Grants	(305,014)	(295,153)	9,861	
Planned use of reserves	(9,002)	(6,788)	2,214	
Other grants and contributions	(42,045)	(49,867)	(7,822)	
Total Net Budget	**370,150**	**365,738**	**(4,412)**	**-1.19%**
Made up of:-				
Net Service Spend	**309,792**	**318,306**	**8,514**	
Contributions to Capital Programme				
- Base contribution	13,400	6,000	(7,400)	
- New Homes Bonus	2,497	2,886	389	
Treasury Management	30,566	27,566	(3,000)	
Contingency	3,500	3,350	(150)	
Contribution to balances and reserves	4,542	648	(3,894)	
Pensions	5,479	6,299	820	
Levies	432	441	9	
Contribution to Collection & Hardship	0	300	300	
Corporate Grants - Fisheries & Conservation Authority **	(58)	(58)	0	
Net centrally held budgets	**60,358**	**47,432**	**(12,926)**	**-1.19%**
	370,150	**365,738**	**(4,412)**	
Funded by:-				
Business Rates & S31 Grants	(71,055)	(71,549)		
Revenue Support Grant	(65,093)	(45,107)		
New Homes Bonus	(2,497)	(2,886)		
Collection Fund: Business Rates (Surplus)/ Deficit	270	646		
Collection Fund: Council Tax (Surplus)/ Deficit	(4,554)	(4,210)		
Funding Other Than Council Tax	**(142,929)**	**(123,106)**	**19,823**	**-13.87%**
Council Tax Requirement	**227,221**	**242,632**	**15,411**	**6.78%**
Taxbase: Number of "Band D" equivalent dwellings	188,732	193,811		
Band D Council Tax	**£1,203.93**	**£1,251.90**		**3.98%**

* For 2016/17, Orbis fees, charges and receipts are included in the Orbis operating budget.

** Previously included in net service spend.

Revenue Budget 2016/17 - Gross Budget to Net Budget



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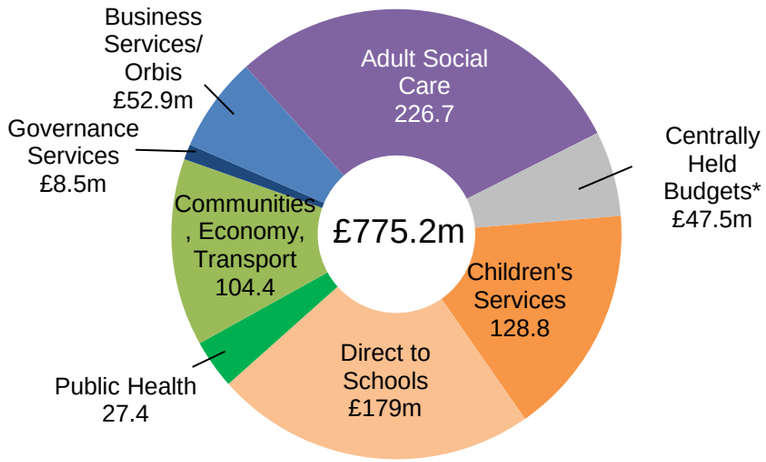
* See details on page 9; this includes -

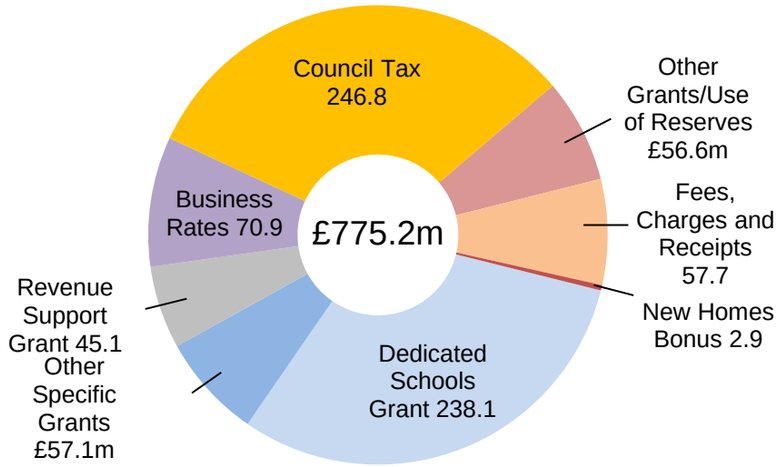
Public Health Grant	£26.2m
Pupil Premium Grant	£11.3m
Universal Free School Meals Grants	£4.6m
Education Services Grant	£4.4m
PFI Grant - Waste	£3.0m
PFI Grant - Peacehaven Schools	£1.8m

Gross Revenue Budget 2016/17

How we will spend your money (gross)

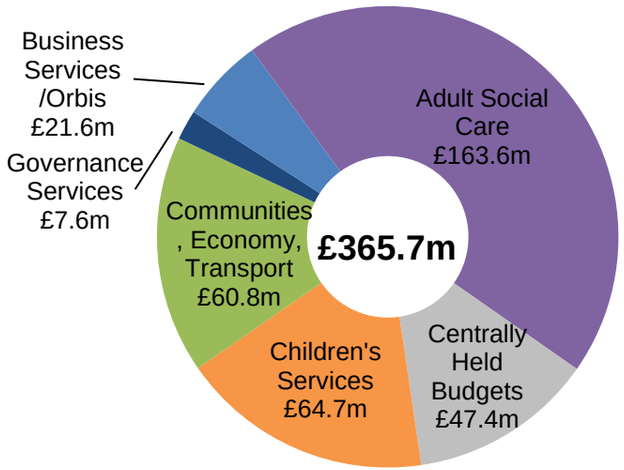


Where the money comes from (gross)

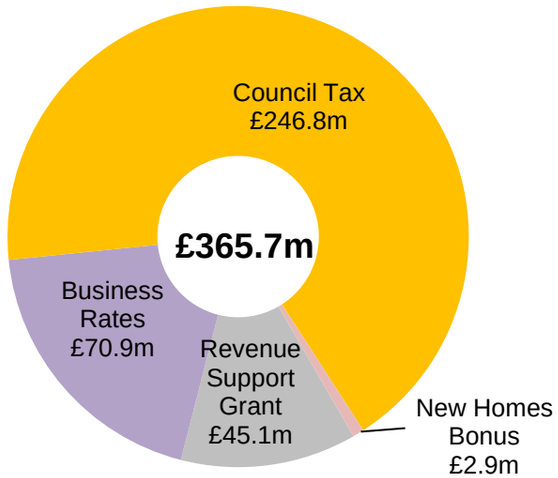


Net Revenue Budget 2016/17

How we will spend your money (net)



Where the money comes from (net)



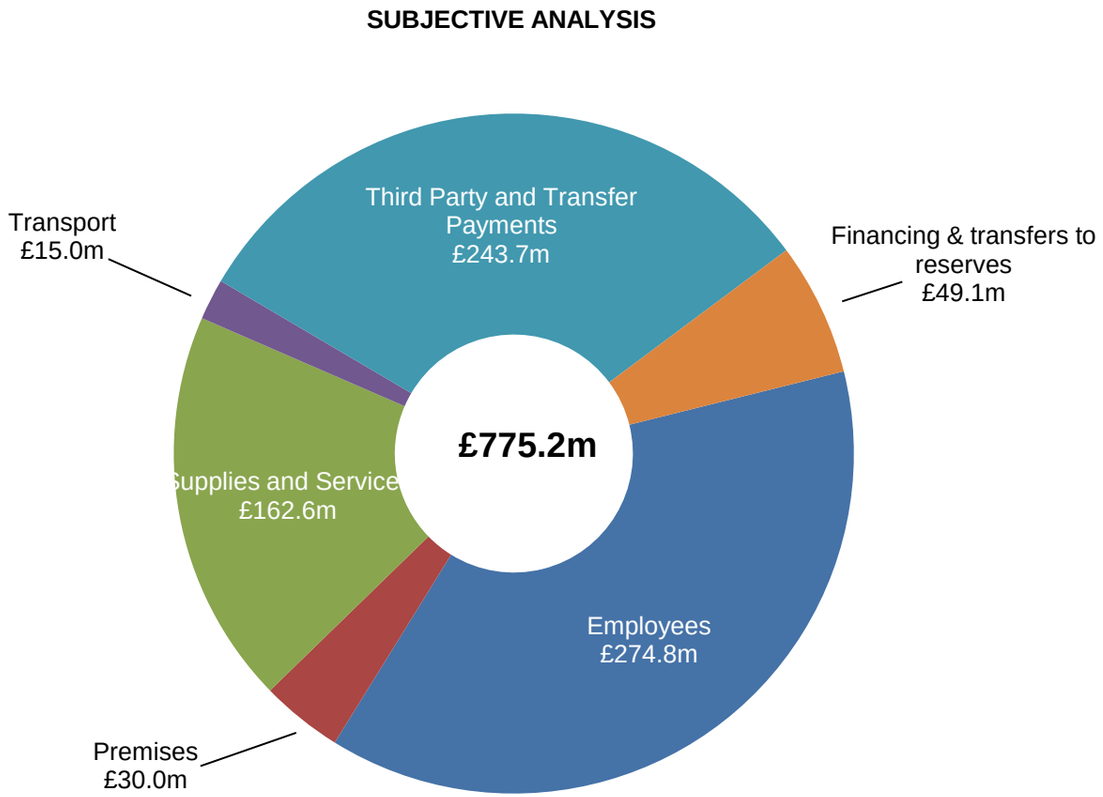
Revenue budget summary

Department	Employees #	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	**Total Expenditure**	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Planned use of Reserves	**Total Income**	Internal Recharges (exp & inc) *	**Net Service Expenditure**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	51,637	1,240	1,180	6,977	165,714	4	**226,752**	(13)	(30,290)	(33,629)	(225)	**(64,157)**	1,015	**163,610**
Public Health	1,940	-	15	160	25,260	-	**27,375**	(26,223)	-	-	(1,495)	**(27,718)**	343	**-**
Business Services / Orbis	374	10,707	180	40,094	1,548	11	**52,914**	(1,759)	(1,471)	(8,750)	(1,924)	**(13,904)**	(17,376)	**21,634**
Children's Services	198,480	13,559	1,654	46,498	47,629	-	**307,820**	(262,174)	(3,434)	(5,162)	(2,246)	**(273,016)**	29,901	**64,705**
Communities Economy & Transport	17,346	4,134	11,870	66,206	3,231	1,606	**104,393**	(4,631)	(14,234)	(9,997)	(877)	**(29,739)**	(13,883)	**60,771**
Governance Services	5,057	343	73	2,701	318	-	**8,492**	(295)	(438)	(152)	(21)	**(906)**	-	**7,586**
Services	274,834	29,983	14,972	162,636	243,700	1,621	727,746	(295,095)	(49,867)	(57,690)	(6,788)	(409,440)	-	318,306
Centrally held budgets	-	-	-	-	-	47,490	**47,490**	(58)	-	-	-	**(58)**	-	**47,432**
Total	274,834	29,983	14,972	162,636	243,700	49,111	775,236	(295,153)	(49,867)	(57,690)	(6,788)	(409,498)	-	365,738

* The largest element of internal recharges is schools related. The recharges are under review and may be amended when final budget book is released.

National Employers have made a final pay offer to Trade Unions who are currently balloting their membership on whether to accept the offer - we expect to know the outcome of this by the end of February. The impact of National Insurance changes should be known by the end of January.

Revenue budget - subjective analysis



Revenue Budgets - Adult Social Care

2015/16 Rebased Net Budget £'000		Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	Transfers & Third Party Payments £'000	Financing & Transfers to Reserves £'000	**Total Expenditure £'000**	Government Grants £'000	Other Grants & Contributions £'000	Fees, Charges & Receipts £'000	Planned use of Reserves £'000	**Total Income £'000**	Internal Recharges (exp & inc) £'000	**Net Service Expenditure £'000**
	Physical Support, Sensory Support and Support for Memory & Cognition														
28,183	Residential & Nursing	3,957	330	115	482	56,543	-	**61,427**	-	(10,042)	(20,383)	-	**(30,425)**	41	**31,043**
1,151	Supported & Other Accommodation	-	-	-	-	1,526	-	**1,526**	-	(237)	-	-	**(237)**	-	**1,289**
13,969	Home Care	4,760	2	311	49	12,263	-	**17,385**	-	(2,772)	-	-	**(2,772)**	(11)	**14,602**
1,930	Day Care	306	160	36	25	1,171	-	**1,698**	-	(186)	(294)	-	**(480)**	260	**1,478**
12,867	Direct Payments	-	-	-	-	20,107	-	**20,107**	-	(2,558)	-	-	**(2,558)**	-	**17,549**
1,958	Other Services	1,617	17	61	1,356	2,420	-	**5,471**	(13)	(3,400)	-	-	**(3,413)**	(718)	**1,340**
(5,546)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(6,797)	-	**(6,797)**	-	**(6,797)**
584	Meals in the Community	-	20	-	940	-	-	**960**	-	-	(476)	-	**(476)**	-	**484**
55,096	**Subtotal**	**10,640**	**529**	**523**	**2,852**	**94,030**	**-**	**108,574**	**(13)**	**(19,195)**	**(27,950)**	**-**	**(47,158)**	**(428)**	**60,988**
	Learning Disability Support														
32,400	Residential & Nursing	2,637	133	12	169	34,284	-	**37,235**	-	(762)	(3,070)	-	**(3,832)**	56	**33,459**
7,297	Supported & Other Accommodation	677	-	16	23	7,370	-	**8,086**	-	(233)	-	-	**(233)**	(238)	**7,615**
663	Home Care	-	-	-	-	706	-	**706**	-	(15)	-	-	**(15)**	-	**691**
3,872	Day Care	2,238	184	30	57	1,140	4	**3,653**	-	(141)	(184)	-	**(325)**	308	**3,636**
3,040	Direct Payments	-	-	-	-	3,512	-	**3,512**	-	(74)	-	-	**(74)**	-	**3,438**
2,251	Other Services	1,972	2	77	61	325	-	**2,437**	-	(139)	(124)	-	**(263)**	10	**2,184**
(941)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(972)	-	**(972)**	-	**(972)**
48,582	**Subtotal**	**7,524**	**319**	**135**	**310**	**47,337**	**4**	**55,629**	**-**	**(1,364)**	**(4,350)**	**-**	**(5,714)**	**136**	**50,051**
	Mental Health Support														
3,364	Residential & Nursing	-	-	-	-	4,380	-	**4,380**	-	(229)	(583)	-	**(812)**	-	**3,568**
1,018	Supported & Other Accommodation	-	-	-	-	1,154	-	**1,154**	-	(60)	-	-	**(60)**	-	**1,094**
348	Home Care	-	-	-	-	383	-	**383**	-	(20)	-	-	**(20)**	-	**363**
437	Day Care	-	3	-	1	1,558	-	**1,562**	-	(1,122)	-	-	**(1,122)**	-	**440**
1,700	Direct Payments	-	-	-	-	1,513	-	**1,513**	-	(69)	-	-	**(69)**	-	**1,444**
174	Other Services	-	-	-	-	739	-	**739**	-	(602)	-	-	**(602)**	-	**137**
(401)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(315)	-	**(315)**	-	**(315)**
6,640	**Subtotal**	**-**	**3**	**-**	**1**	**9,727**	**-**	**9,731**	**-**	**(2,102)**	**(898)**	**-**	**(3,000)**	**-**	**6,731**
	Substance Misuse Support														
254	Residential & Nursing	-	-	-	-	270	-	**270**	-	-	(8)	-	**(8)**	-	**262**
3	Supported & Other Accommodation	-	-	-	-	6	-	**6**	-	-	-	-	**-**	-	**6**
1	Home Care	-	-	-	-	1	-	**1**	-	-	-	-	**-**	-	**1**
207	Other Services	-	-	-	-	341	-	**341**	-	(133)	-	-	**(133)**	-	**208**
465	**Subtotal**	**-**	**-**	**-**	**-**	**618**	**-**	**618**	**-**	**(133)**	**(8)**	**-**	**(141)**	**-**	**477**

Revenue Budgets - Adult Social Care

2015/16 Rebased Net Budget £'000		Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	Transfers & Third Party Payments £'000	Financing & Transfers to Reserves £'000	**Total Expenditure** £'000	Government Grants £'000	Other Grants & Contributions £'000	Fees, Charges & Receipts £'000	Planned use of Reserves £'000	**Total Income** £'000	Internal Recharges (exp & inc) £'000	**Net Service Expenditure** £'000
	Other Adult Services														
2,283	Other Services	878	5	5	349	3,436	-	**4,673**	-	(2,332)	-	(12)	**(2,344)**	76	**2,405**
100	AIDS/HIV	-	-	-	-	100	-	**100**	-	-	-	-	**-**	-	**100**
2,383	**Subtotal**	**878**	**5**	**5**	**349**	**3,536**	**-**	**4,773**	**-**	**(2,332)**	**-**	**(12)**	**(2,344)**	**76**	**2,505**
2,381	**Equipment & Assistive Technology**	52	-	-	2,163	2,478	-	**4,693**	-	(2,087)	(150)	-	**(2,237)**	-	**2,456**
9,861	**Supporting People**	171	13	4	220	7,232	-	**7,640**	-	-	-	(213)	**(213)**	988	**8,415**
416	**Safer Communities**	462	-	3	278	20	-	**763**	-	(337)	-	-	**(337)**	4	**430**
23,967	**Assessment & Care Management**	24,644	38	452	364	610	-	**26,108**	-	(1,053)	(181)	-	**(1,234)**	108	**24,982**
7,919	**Management & Support**	7,266	333	58	440	126	-	**8,223**	-	(1,687)	(92)	-	**(1,779)**	131	**6,575**
157,710	**Total**	51,637	1,240	1,180	6,977	165,714	4	226,752	(13)	(30,290)	(33,629)	(225)	(64,157)	1,015	163,610

* Fairer Charging is income from clients for non residential/nursing services. This represents contributions towards packages of care that may include a combination of Supported Accommodation, Home Care, Day Care, Direct Payments or Other Services.

Main changes between years	£'000
Rebased Net Budget 2015/16	**157,710**
Growth & Demography	3,250
Inflation	6,281
Savings	(10,049)
Other Adjustments	218
2% CT Levy	4,657
Provisional pay award & NI allocation #	1,543
Departmental Estimate 2016/17	**163,610**

National Employers have made a final pay offer to Trade Unions who are currently balloting their membership on whether to accept the offer - we expect to know the outcome of this by the end of February. The impact of National Insurance changes should be known by the end of January.

Better Care Fund 2016/17

East Sussex County Council is the host authority for the Better Care Fund section 75 pooled budget between East Sussex County Council and East Sussex Clinical Commissioning Groups.

Contributions	**£'000**
Eastbourne, Hailsham and Seaford CCG	12,749
Hastings and Rother CCG	13,188
High Weald Lewes Havens CCG	10,614
East Sussex County Council	5,663
Total	**42,214**

Estimated Application	**£'000**
Clinical Commissioning Groups	7,907
Adult Social Care	18,392
District & Borough Councils	3,107
Service Reinvestment & Contingency	12,808
Total	**42,214**

Revenue Budgets - Public Health

2015/16 Rebased Net Budget £'000		Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	Transfers & Third Party Payments £'000	Financing & Transfers to Reserves £'000	**Total Expenditure £'000**	Government Grants £'000	Other Grants & Contributions £'000	Fees, Charges & Receipts £'000	Planned use of Reserves £'000	**Total Income £'000**	Internal Recharges (exp & inc) £'000	**Net Service Expenditure £'000**
4,428	Health Improvement Services	-	-	-	39	3,350	-	**3,389**	-	-	-	-	**-**	-	**3,389**
6,382	Drug & Alcohol Services	-	-	-	-	5,189	-	**5,189**	-	-	-	-	**-**	-	**5,189**
4,266	Sexual Health Services	-	-	-	28	4,083	-	**4,111**	-	-	-	-	**-**	50	**4,161**
1,856	School Nursing Services	-	-	-	-	8,508	-	**8,508**	-	-	-	-	**-**	-	**8,508**
881	NHS Health Checks	-	-	-	-	930	-	**930**	-	-	-	-	**-**	-	**930**
(17,813)	Other programmes and Non-contracted Services	1,940	-	15	93	3,200	-	**5,248**	(26,223)	-	-	(1,495)	**(27,718)**	293	**(22,177)**
-	**Total**	1,940	-	15	160	25,260	-	27,375	(26,223)	-	-	(1,495)	(27,718)	343	-

Main changes between years	£'000
Rebased Net Budget 2015/16	**-**
Inflation	-
Savings	-
Other Adjustments	-
Departmental Estimate 2016/17	**-**

Revenue Budgets - Business Services / Orbis

2015/16 Rebased Net Budget		Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	**Total Expenditure**	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Planned use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1,515	Business Operations	-	-	-	-	-	-	**-**	-	-	-	-	**-**	15	**15**
5,455	Finance	126	560	178	1,575	20	-	**2,459**	-	-	(4)	-	**(4)**	(1,687)	**768**
5,406	ICT Services	-	-	-	5,923	-	-	**5,923**	-	(1,347)	(268)	(102)	**(1,717)**	(3,661)	**545**
(756)	Management & Support	-	-	-	-	-	-	**-**	-	-	-	-	**-**	(287)	**(287)**
1,400	Personnel & Training	11	-	-	177	-	6	**194**	-	-	(6)	-	**(6)**	(319)	**(131)**
833	Procurement	-	-	-	-	-	-	**-**	-	-	(87)	-	**(87)**	4	**(83)**
	Agile	-	-	-	1,772	-	-	**1,772**	-	-	-	(1,772)	**(1,772)**	-	**-**
6,196	Property	237	10,147	2	11,373	1,528	5	**23,292**	(1,759)	(124)	(8,385)	-	**(10,268)**	(8,095)	**4,929**
-	Orbis *	-	-	-	19,274	-	-	**19,274**	-	-	-	(50)	**(50)**	(3,346)	**15,878**
20,049	**Total**	**374**	**10,707**	**180**	**40,094**	**1,548**	**11**	**52,914**	**(1,759)**	**(1,471)**	**(8,750)**	**(1,924)**	**(13,904)**	**(17,376)**	**21,634**

Main changes between years	£'000
Rebased Net Budget 2015/16	**20,049**
Insurance Premium allocation	362
Inflation	724
Savings	(312)
Other Adjustments	(1,250)
Property	1,000
ICT	500
Provisional pay award & NI allocation #	561
Departmental Estimate 2016/17	**21,634**

* The above figures shown for Orbis do not reflect the subjective headings but reflect the cost to ESCC of the services provided by Orbis.

National Employers have made a final pay offer to Trade Unions who are currently balloting their membership on whether to accept the offer - we expect to know the outcome of this by the end of February. The impact of National Insurance changes should be known by the end of January.

Revenue Budgets - Children's Services

2015/16 Rebased Net Budget £'000		Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	Transfers & Third Party Payments £'000	Financing & Transfers to Reserves £'000	**Total Expenditure** £'000	Government Grants £'000	Other Grants & Contributions £'000	Fees, Charges & Receipts £'000	Planned use of Reserves £'000	**Total Income** £'000	Internal Recharges (exp & inc) £'000	**Net Service Expenditure** £'000
	Early Help & Commissioning														
6,128	Children's Centres	6,196	429	99	368	122	-	**7,214**	-	(30)	(321)	(561)	**(912)**	(370)	**5,932**
1,965	Policy Support & Commissioned Services	563	-	10	382	720	-	**1,675**	(2,018)	(30)	-	-	**(2,048)**	937	**564**
1,982	Targeted Youth Support	2,454	95	85	8	-	-	**2,642**	(225)	(31)	(89)	-	**(345)**	(286)	**2,011**
10,075	**Subtotal**	**9,213**	**524**	**194**	**758**	**842**	**-**	**11,531**	**(2,243)**	**(91)**	**(410)**	**(561)**	**(3,305)**	**281**	**8,507**
	Children & Families														
704	Youth Justice	1,252	58	45	136	148	-	**1,639**	(599)	(388)	-	-	**(987)**	(94)	**558**
20,351	Looked After Children	9,218	140	564	788	13,909	-	**24,619**	(1,482)	(408)	(1,384)	-	**(3,274)**	517	**21,862**
12,548	Locality Social Work & Family Assessment	8,070	-	185	373	3,768	-	**12,396**	(366)	(202)	-	-	**(568)**	(230)	**11,598**
1,643	Other Children & Families	2,379	63	86	61	1,616	-	**4,205**	(1,039)	(706)	-	-	**(1,745)**	(151)	**2,309**
35,246	**Subtotal**	**20,919**	**261**	**880**	**1,358**	**19,441**	**-**	**42,859**	**(3,486)**	**(1,704)**	**(1,384)**	**-**	**(6,574)**	**42**	**36,327**
	Learning & Schools Effectiveness														
9,720	ISEND	11,896	61	284	1,167	26,501	-	**39,909**	(28,932)	(180)	(989)	-	**(30,101)**	175	**9,983**
3,292	Standards & Learning Effectiveness	3,672	-	90	19,200	547	-	**23,509**	(20,674)	(355)	(420)	(248)	**(21,697)**	1,410	**3,222**
480	Other Learning & Schools Effectiveness	427	-	-	103	-		**530**	(455)	-	(18)	-	**(473)**	448	**505**
13,492	**Subtotal**	**15,995**	**61**	**374**	**20,470**	**27,048**	**-**	**63,948**	**(50,061)**	**(535)**	**(1,427)**	**(248)**	**(52,271)**	**2,033**	**13,710**
-	**Schools**	143,764	12,605	87	22,469	58	-	178,983	(191,879)	-	-	(50)	(191,929)	12,946	-
	Management & Support														
430	Music Service	2,087	81	44	303	-	-	**2,515**	(150)	(656)	(1,507)	-	**(2,313)**	(140)	**62**
10,282	Admissions & Transport	424	-	6	14	114	-	**558**	(672)	-	(12)	-	**(684)**	11,359	**11,233**
1,284	Safeguarding	1,240	-	36	78	3	-	**1,357**	-	(69)	(28)	-	**(97)**	27	**1,287**
(5,751)	Management & Support	4,838	27	33	1,048	123	-	**6,069**	(13,683)	(379)	(394)	(1,387)	**(15,843)**	3,353	**(6,421)**
5,858	**Subtotal**	**8,589**	**108**	**119**	**1,443**	**240**	**-**	**10,499**	**(14,505)**	**(1,104)**	**(1,941)**	**(1,387)**	**(18,937)**	**14,599**	**6,161**
64,671	**Total**	**198,480**	**13,559**	**1,654**	**46,498**	**47,629**	**-**	**307,820**	**(262,174)**	**(3,434)**	**(5,162)**	**(2,246)**	**(273,016)**	**29,901**	**64,705**

Main changes between years	£'000
Rebased Net Budget 2015/16	**64,671**
Extension of Foster Care to 21 years of age	1,700
Education Services Grant	664
Inflation	534
Savings	(4,985)
Other Adjustments	285
Ofsted requirement for Residential Homes	200
Provisional pay award & NI allocation #	1,636
Departmental Estimate 2016/17	**64,705**

National Employers have made a final pay offer to Trade Unions who are currently balloting their membership on whether to accept the offer - we expect to know the outcome of this by the end of February. The impact of National Insurance changes should be known by the end of January.

Revenue Budgets - Communities, Economy & Transport

2015/16 Rebased Net Budget £'000		Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	Transfers & Third Party Payments £'000	Financing & Transfers to Reserves £'000	**Total Expenditure £'000**	Government Grants £'000	Other Grants & Contributions £'000	Fees, Charges & Receipts £'000	Planned use of Reserves £'000	**Total Income £'000**	Internal Recharges (exp & inc) £'000	**Net Service Expenditure £'000**
	Community Services														
(218)	Registration	1,140	33	23	43	-	-	**1,239**	-	(10)	(1,423)	-	**(1,433)**	9	**(185)**
507	Road Safety	788	1	31	187	-	-	**1,007**	(123)	(33)	(74)	-	**(230)**	(30)	**747**
803	Trading Standards	667	-	17	156	-	-	**840**	-	(10)	(42)	(44)	**(96)**	19	**763**
62	Travellers Sites	175	55	3	126	-	-	**359**	-	(92)	(106)	(101)	**(299)**	8	**68**
122	Emergency Planning	232	-	4	7	-	-	**243**	-	(84)	-	-	**(84)**	2	**161**
1,276	**Subtotal**	**3,002**	**89**	**78**	**519**	**-**	**-**	**3,688**	**(123)**	**(229)**	**(1,645)**	**(145)**	**(2,142)**	**8**	**1,554**
	Libraries														
5,616	Libraries	3,818	1,348	45	1,128	-	3	**6,342**	-	(176)	(629)	(99)	**(904)**	(126)	**5,312**
587	Archives & Records	655	530	1	785	-	-	**1,971**	-	(1,115)	(101)	-	**(1,216)**	6	**761**
421	Customer Care	139	-	2	15	-	-	**156**	-	-	-	-	**-**	2	**158**
6,624	**Subtotal**	**4,612**	**1,878**	**48**	**1,928**	**-**	**3**	**8,469**	**-**	**(1,291)**	**(730)**	**(99)**	**(2,120)**	**(118)**	**6,231**
	Transport & Operational Services														
9,325	Passenger Services	501	-	1	9,765	-	-	**10,267**	(426)	(244)	(28)	(26)	**(724)**	(236)	**9,307**
-	Home to School and ASC Transport	139	-	10,589	823	-	-	**11,551**	(17)	-	(132)	-	**(149)**	(11,398)	**4**
(305)	Parking	656	-	5	2,330	98	653	**3,742**	-	(226)	(4,342)	(87)	**(4,655)**	(3)	**(916)**
25,951	Waste Disposal	300	326	8	37,665	3,008	-	**41,307**	(2,996)	(11,574)	(931)	-	**(15,501)**	5	**25,811**
603	Other Transport & Operational Services	1,494	130	1,072	339	3	100	**3,138**	(50)	(82)	(400)	-	**(532)**	(1,899)	**707**
35,574	**Subtotal**	**3,090**	**456**	**11,675**	**50,922**	**3,109**	**753**	**70,005**	**(3,489)**	**(12,126)**	**(5,833)**	**(113)**	**(21,561)**	**(13,531)**	**34,913**
	Highways														
1,882	Asset & Network Management	1,474	70	5	1,196	-	850	**3,595**	-	(75)	(137)	-	**(212)**	37	**3,420**
5,730	Maintenance & Minor Works	57	-	-	9,728	19	-	**9,804**	-	-	-	(63)	**(63)**	(30)	**9,711**
950	Structures	35	22	-	67	-	-	**124**	-	-	-	-	**-**	(16)	**108**
3,697	Lighting & Signals	24	1,485	-	196	-	-	**1,705**	-	(12)	(12)	-	**(24)**	(1)	**1,680**
408	Other Highways	121	-	2	195	-	-	**318**	-	(1)	-	(208)	**(209)**	(72)	**37**
12,667	**Subtotal**	**1,711**	**1,577**	**7**	**11,382**	**19**	**850**	**15,546**	**-**	**(88)**	**(149)**	**(271)**	**(508)**	**(82)**	**14,956**

Revenue Budgets - Communities, Economy & Transport

2015/16 Rebased Net Budget £'000		Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	Transfers & Third Party Payments £'000	Financing & Transfers to Reserves £'000	**Total Expenditure £'000**	Government Grants £'000	Other Grants & Contributions £'000	Fees, Charges & Receipts £'000	Planned use of Reserves £'000	**Total Income £'000**	Internal Recharges (exp & inc) £'000	**Net Service Expenditure £'000**
	Planning & Environment														
300	Environment	283	70	4	50	76	-	**483**	-	-	(197)	-	**(197)**	3	**289**
458	Planning	1,375	-	21	463	-	-	**1,859**	(112)	(94)	(1,023)	(115)	**(1,344)**	(41)	**474**
22	High Weald	312	16	5	79	-	-	**412**	(243)	(170)	(9)	-	**(422)**	42	**32**
780	**Subtotal**	**1,970**	**86**	**30**	**592**	**76**	**-**	**2,754**	**(355)**	**(264)**	**(1,229)**	**(115)**	**(1,963)**	**4**	**795**
680	**Economic Development, Skills & Growth**	1,581	48	20	540	27	-	**2,216**	(664)	(110)	(411)	(134)	**(1,319)**	(171)	**726**
1,206	**Management & Support**	1,380	-	12	323	-	-	**1,715**	-	(126)	-	-	**(126)**	7	**1,596**
58,807	**Total**	**17,346**	**4,134**	**11,870**	**66,206**	**3,231**	**1,606**	**104,393**	**(4,631)**	**(14,234)**	**(9,997)**	**(877)**	**(29,739)**	**(13,883)**	**60,771**

Main changes between years	£'000
Rebased Net Budget 2015/16	**58,807**
Waste Disposal	792
Inflation	2,861
Savings	(3,117)
Other Adjustments	909
Provisional pay award & NI allocation #	519
Departmental Estimate 2016/17	**60,771**

National Employers have made a final pay offer to Trade Unions who are currently balloting their membership on whether to accept the offer - we expect to know the outcome of this by the end of February. The impact of National Insurance changes should be known by the end of January.

Revenue Budgets - Governance Services

2015/16 Rebased Net Budget £'000		Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	Transfers & Third Party Payments £'000	Financing & Transfers to Reserves £'000	**Total Expenditure £'000**	Government Grants £'000	Other Grants & Contributions £'000	Fees, Charges & Receipts £'000	Planned use of Reserves £'000	**Total Income £'000**	Internal Recharges (exp & inc) £'000	**Net Service Expenditure £'000**
2,624	**Corporate Governance**	1,696	1	48	938	8	-	**2,691**	-	(27)	(3)	(21)	**(51)**	35	**2,675**
	Corporate Support														
1,219	Communications	1,110	-	4	202	-	-	**1,316**	-	(46)	(27)	-	**(73)**	(67)	**1,176**
1,795	Legal	1,870	-	14	198	-	-	**2,082**	-	(287)	(122)	-	**(409)**	23	**1,696**
3,014	**Subtotal**	**2,980**	**-**	**18**	**400**	**-**	**-**	**3,398**	**-**	**(333)**	**(149)**	**-**	**(482)**	**(44)**	**2,872**
	Community Services														
908	Coroners	189	330	4	399	-	-	**922**	-	(9)	-	-	**(9)**	1	**914**
571	Third Sector	65	-	1	561	310		**937**	(295)	(69)	-	-	**(364)**	1	**574**
1,479	**Subtotal**	**254**	**330**	**5**	**960**	**310**	**-**	**1,859**	**(295)**	**(78)**	**-**	**-**	**(373)**	**2**	**1,488**
463	**Senior Management & Organisational Development**	127	12	2	403	-	-	**544**	-	-	-	-	**-**	7	**551**
7,580	**Total**	**5,057**	**343**	**73**	**2,701**	**318**	**-**	**8,492**	**(295)**	**(438)**	**(152)**	**(21)**	**(906)**	**-**	**7,586**

Main changes between years	£'000
Rebased Net Budget 2015/16	**7,580**
Inflation	19
Savings	(100)
Other Adjustments	(64)
Provisional pay award & NI allocation #	151
Departmental Estimate 2016/17	**7,586**

National Employers have made a final pay offer to Trade Unions who are currently balloting their membership on whether to accept the offer - we expect to know the outcome of this by the end of February. The impact of National Insurance changes should be known by the end of January.

Capital programme to 2017/18

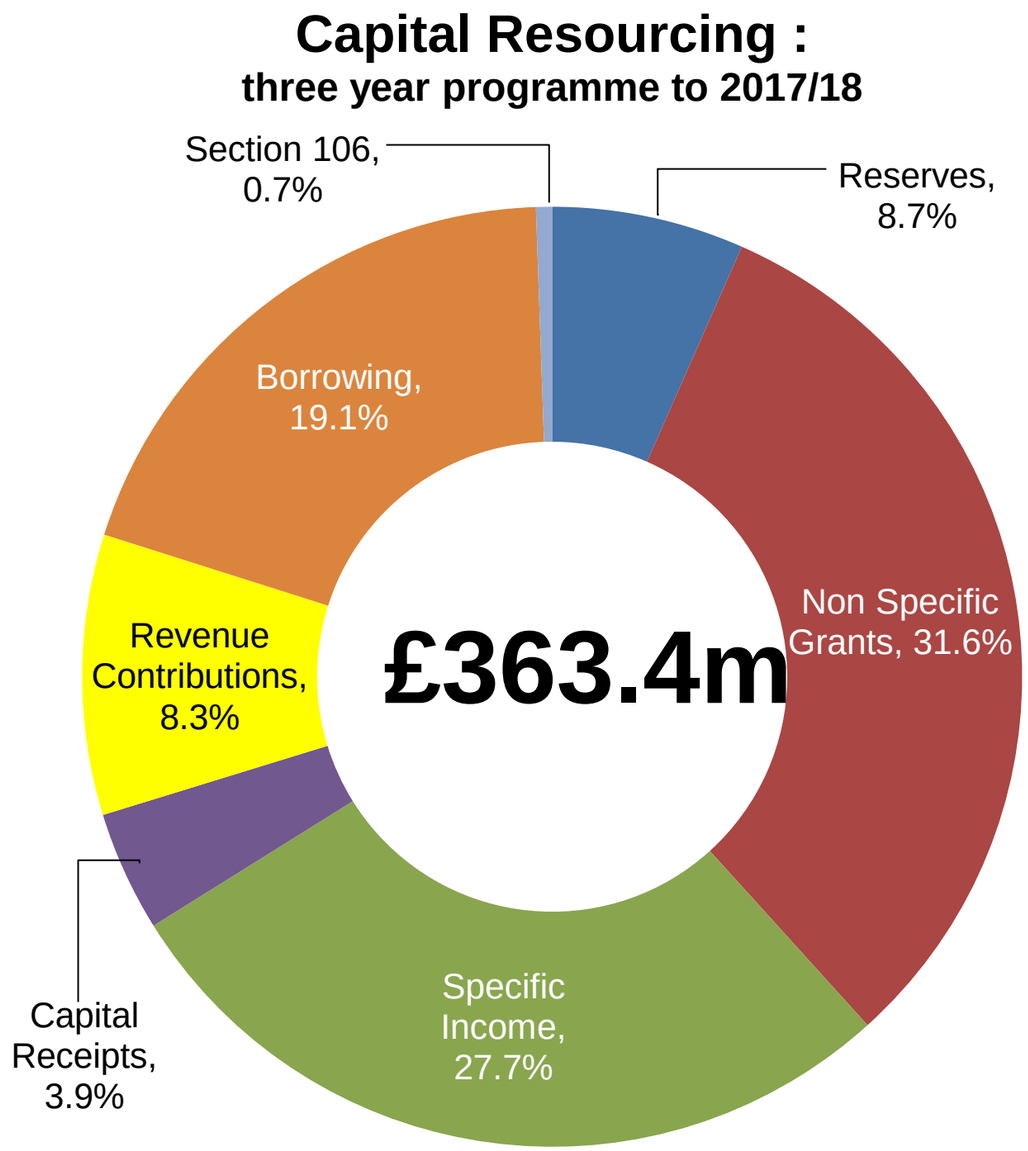
Introduction

The capital programme sets out the Council's investment plans to support its core services in the delivery of the promise to 2017/18. It includes new buildings, extensions, investments in roads and transport infrastructure and improvements to existing assets.

The Council plans to spend £363.4million as part of its programme to 2017/18 on capital investments such as road improvements, schools, libraries and social care facilities.

The projects included in the programme support our priorities and will include contributions to economic generation, school places and new schemes including invest to save and revenue efficiencies, and support for infrastructure. The proposed programme includes:

- Structural maintenance of roads and bridges;
- Integrated transport schemes;
- School updating and demand for places, school access initiatives, safeguarding and temporary accommodation.
- Building maintenance, energy saving measures;
- Supported accommodation and improvements;
- Libraries, including a major improvement to facilities in Hastings;
- Economic Growth and Strategic Infrastructure programme.



An estimated 59**%** (£215.4million) will be funded from Government grants and scheme-specific income, with the remainder (£148.0million) funded through borrowing, capital receipts and use of reserves set aside for the purpose.

Capital programme - current programme and resources

Capital Programme	Total Budget £'000	Total Previous Years Spend £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Remaining Budget Total £'000
Gross Expenditure	698,747	335,304	150,064	128,592	84,787	363,443
Scheme Specific Income	(141,885)	(41,196)	(33,695)	(30,572)	(36,422)	(100,689)
Net Expenditure	**556,862**	**294,108**	**116,369**	**98,020**	**48,365**	**262,754**
Adult Social Care	23,518	15,080	5,079	2,592	767	8,438
Business Services	67,270	29,411	13,740	13,410	10,709	37,859
Children's Services	115,430	47,324	32,732	27,448	7,926	68,106
Communities, Economy & Transport	492,372	243,482	98,363	85,142	65,385	248,890
Governance	157	7	150			150
Net Expenditure by Department	**698,747**	**335,304**	**150,064**	**128,592**	**84,787**	**363,443**

Current Funding Assumptions	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total Resource £'000
Capital Reserves	29,418			29,418
Contributions from Revenue Reserves set aside	1,233	1,050		2,283
Section 106	2,395			2,395
Non Specific Grants	55,259	27,524	31,890	114,673
Capital Receipts (including VPN)	5,526	5,043	3,750	14,319
Revenue Contributions	14,979	6,000	6,000	26,979
New Homes Bonus		2,999		2,999
Departmental Contributions	232			232
Borrowing	7,327	55,404	6,725	69,456
	116,369	**98,020**	**48,365**	**262,754**

Capital programme - Adult Social Care

Social Care	Total Budget £'000	Total Previous Years Spend £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Remaining Budget Total £'000
Older People's Service Improvements	536	329	207			207
Ninfield Road, Bexhill - MH Supported Accommodation	410	205	205			205
Greenwood, Bexhill-on-Sea	463	412	51			51
Extension to Warwick House	7,339	7,120	219			219
Social Care Information Systems	4,000	1,766	2,234			2,234
LD Service Opportunities	4,907	1,035	1,030	2,342	500	3,872
LD Extra Care Project	350	150	200			200
Battle Road, Hailsham	1,000	500	500			500
Extra Care Housing - Bexhill-on-Sea	790	720	70			70
Refurbishment of Facilities to meet CQC Standards	374	310	64			64
House Adaptations	3,349	2,533	299	250	267	816
Gross Expenditure	**23,518**	**15,080**	**5,079**	**2,592**	**767**	**8,438**
Scheme Specific Income	**(2,720)**	**(1,282)**	**(1,028)**	**(410)**		**(1,438)**
Net Expenditure	**20,798**	**13,798**	**4,051**	**2,182**	**767**	**7,000**

Capital programme - Business Services

Business Services	Total Budget £'000	Total Previous Years Spend £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Remaining Budget Total £'000
Core Back Office Services (formerly CBOSS)	1,470	769	80	621		701
The Link	2,718	2,701	17			17
SALIX Contract	2,644	1,934	379	331		710
Solar Panels	103		103			103
Property Agile Works	9,029	3,373	3,535	2,121		5,656
Core Programme - Capital Building Improvements	40,267	15,438	7,203	8,027	9,599	24,829
Core Programme - ICT Strategy Implementation	11,039	5,196	2,423	2,310	1,110	5,843
Gross Expenditure	**67,270**	**29,411**	**13,740**	**13,410**	**10,709**	**37,859**
Scheme Specific Income	**(2,085)**	**(1,375)**	**(379)**	**(331)**		**(710)**
Net Expenditure	**65,185**	**28,036**	**13,361**	**13,079**	**10,709**	**37,149**

Capital programme - Children's Services

Children's Services	Total Budget £'000	Total Previous Years Spend £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Remaining Budget Total £'000
Access to Short Break Strategy for Disabled Children (formerly ASDC 2012/13)	497	59	438			438
Diploma Exemplar Programme Strand 2 Outreach creative learning centres	1,357	1,300	57			57
Mobile Replacement Programme	7,392	5,907	1,335	150		1,485
Etchingham	6,995	7,375	(380)			-380
Family Contact	346	231	115			115
House Adaptations for disabled children's carers homes	1,255	760	254	150	91	495
Universal Infant Free School Meals	1,961	540	1,421			1,421
Schools Delegated Capital	3,890	2,923	967			967
Early Years 2yr Old Grant	3,031	782	2,149	100		2,249
Core Programme - Schools Basic Neec	88,706	27,447	26,376	27,048	7,835	61,259
Gross Expenditure	**115,430**	**47,324**	**32,732**	**27,448**	**7,926**	**68,106**
Scheme Specific Income	**(13,767)**	**(6,514)**	**(7,253)**			**(7,253)**
Net Expenditure	**101,663**	**40,810**	**25,479**	**27,448**	**7,926**	**60,853**

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	Total Budget £'000	Total Previous Years Spend £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Remaining Budget Total £'000
New Archive and Record Office - "The Keep"	20,236	19,906	330			330
Rye Library	87	21	66			66
Hastings Library	8,846	1,793	1,022	6,031		7,053
Newhaven Library	1,754	1,597	157			157
Southover Grange (formerly The Maltings	1,200	54	836	310		1,146
Library Refurbishment	1,983	1,565	418			418
Newhaven Household Waste Recycling Site	2,041	2,036	1	4		5
Travellers Site Bridies Tan	1,348	1,314	34			34
Broadband	25,600	4,334	17,023	4,243		21,266
Bexhill & Hastings Link Road	124,326	94,108	25,459	1,384	3,375	30,218
BHLR Complementary Measures	1,800	213	722	820	45	1,587
Exceat Bridge Maintenance	500		80	420		500
Reshaping Uckfield Town Centre	2,500	787	930	783		1,713

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	Total Budget £'000	Total Previous Years Spend £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Remaining Budget Total £'000
Economic Growth & Strategic Infrastructure Programme						
Economic Intervention Fund	7,945	2,061	1,614	1,763	2,507	5,884
Regional Growth Fund	4,000	2,142	1,858			1,858
Catalysing Stalled Sites	916		100	816		916
EDS Upgrading Empty Commerical Property	500		120	380		500
EDS Incubation Units	1,500			900	600	1,500
North Bexhill Access Road	16,603		5,403	7,200	4,000	16,603
Queensway Gateway Road	6,084		3,084	3,000		6,084
Newhaven Flood Defences	1,500		400	700	400	1,500
Sovereign Harbour/Site Infrastructure	1,700		700	1,000		1,700
Swallow Buisness Park	1,400		1,250	150		1,400
A22/A27 Junction Improvement Package	4,500				4,500	4,500
Newhaven Port Access Road	23,219	170	344	22,705		23,049
Street Lighting Invest to Save	920	903	17			17
LSTF - ES Coastal Towns	2,561	1,684	877			877
LSTF - Travel Choices Lewes	1,196	1,081	115			115
Eastbourne and Hastings Light Reductio	3,704	3,657	47			47
Lewes Station Bridge	1,118	234	884			884

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	Total Budget £'000	Total Previous Years Spend £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Remaining Budget Total £'000
Eastern Depot Development	1,586	190	300	1,096		1,396
Newhaven Swing Bridge	1,528	927	566	35		601
Waste Leachate Programme	250			250		250
North East Bexhill Roundabout	1,206	338	868			868
Integrated Transport - LTP plus Externally Funded						
Hastings & Bexhill Junction Walking & Cycling Package	6,250		250	750	5,250	6,250
Eastbourne Town Centre Movement & Access Package	6,300		150	2,800	3,350	6,300
Eastbourne/South Wealden Walking & Cycling Package	8,850		850		8,000	8,850
Hastings & Bexhill Junction Improvement Package	6,400		400		6,000	6,400
Hailsham/Polegate/Eastbourne Sustainable Transport Corridor	2,350				2,350	2,350
Other Integrated Transport Schemes	47,310	33,072	5,029	4,709	4,500	14,238
Speed Management	2,803	2,698	90	15		105
Terminus Road Improvements	3,250	106	950	2,194		3,144

Capital programme - Communties, Economy & Transport

Communities, Economy & Transport	Total Budget £'000	Total Previous Years Spend £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Remaining Budget Total £'000
Pebsham S106	200	62	138			138
Core Programme - Highways Structural Maintenance	103,038	43,744	23,027	18,250	18,017	59,294
Core Programme - Bridge Assessment Strengthening	16,945	14,045	575	1,145	1,180	2,900
Core Programme - Street Lighting - Life Expired Equipment	7,902	5,289	869	861	883	2,613
Core Programme - Rights of Way Surface Repairs and Bridge Replacement Programme	4,617	3,351	410	428	428	1,266
Gross Expenditure	**492,372**	**243,482**	**98,363**	**85,142**	**65,385**	**248,890**
Scheme Specific Income	**(123,313)**	**(32,025)**	**(25,035)**	**(29,831)**	**(36,422)**	**(91,288)**
Net Expenditure	**369,059**	**211,457**	**73,328**	**55,311**	**28,963**	**157,602**

Capital programme - Governance

Governance	Total Budget £'000	Total Previous Years Spend £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Remaining Budget Total £'000
Case Management System/Committee Management System	115	7	108			108
ICT for Members	42		42			42
Gross Expenditure	**157**	**7**	**150**	**0**	**0**	**150**
Scheme Specific Income						
Net Expenditure	**157**	**7**	**150**	**0**	**0**	**150**

Resources - reserve balances

	Opening Balance 1st April 2015 £'000	Net Forecast Movements 2015/16 £'000	Estimated Opening Balance 1st April 2016 £'000	Net planned Movements 2016/17 £'000	Anticipated Balance 1st April 2017 £'000
Named Service Reserves					
Held on behalf of other or statutorily ringfenced					
Schools	15,546	0	15,546	0	15,546
Dedicated Schools Grant	1,976	(1,129)	847	(847)	0
Extended Schools	433	0	433	0	433
Public Health Pandemic	2,450	(1,250)	1,200	0	1,200
Public Health Recommissioning	10,352	(879)	9,473	(2,566)	6,907
ACRES (Adult College of Rural East Sussex)	378	(14)	364	0	364
The Keep - Archive Service	121	91	212	0	212
High Weald	106	(4)	102	0	102
Virtual Colleges	65	0	65	0	65
Sussex Air Quality Partnership	0	36	36	0	36
On Street Car Parking	2,033	(1,564)	469	390	859
Claverham Adult Education	20	0	20	0	20
Capital Programme	24,449	(24,449)	0	0	0
Lewes Athletics Track	31	(31)	0	0	0
Ouse Valley Commuted Maintenance	17	0	17	0	17
Subtotal held on behalf of other or statutorily ringfenced	**57,977**	**(29,193)**	**28,784**	**(3,023)**	**25,761**
Corporate Waste	34,843	(22,000)	12,843	0	12,843
2018-23 Capital Programme	0	20,900	20,900	0	20,900
Insurance Risk	6,351	100	6,451	100	6,551
Total Service-Specific Reserves	**99,171**	**(30,193)**	**68,978**	**(2,923)**	**66,055**
Strategic Reserves					
Risk	2,392	(245)	2,147	0	2,147
Transformation	5,212	(39)	5,173	(1,984)	3,189
Service Development	1,172	(889)	283	(263)	20
Infrastructure	7,498	(1,204)	6,294	(242)	6,052
Financing	14,376	(2,639)	11,737	(2,336)	9,401
Service	493	(487)	6	(275)	(269)
Total Strategic Reserves	**31,143**	**(5,503)**	**25,640**	**(5,100)**	**20,540**
Total Reserves	**130,314**	**(35,696)**	**94,618**	**(8,023)**	**86,595**

This table provides a summary of the effects of planned movements in and out of the individual reserves over the financial years 2015/16 and 2016/17.

The named reserves have been set up to either fund specific future activity (e.g Capital Programme, ACRES, or Corporate Waste) or to mitigate identified risks (e.g Insurance Risk or Public Health Pandemic).

There is a proposed transfer of £22.0m from the Corporate Waste reserve, consisting of £1.1m to the General Fund plus £20.9m to fund the 2018-23 Capital Programme.

The General Fund balance is currently £8.9m, rising to £10.0m after the transfer from Corporate Waste.

The Financing reserve includes an estimate for redundancies which is not included in departmental budgets.

Explanation of key terms

Balances
A working balance is needed so that payments can be made before income is received, and as a cushion against unexpected expenditure during the year.

Band D Property
Property band commonly used to specify the average council tax. The band includes property values between £68,001 and £88,000 (as at 1st April 1991).

Budget
An expression mainly in financial terms of the Council's policy for a specified period.

Business Rates
A charge on commercial and industrial buildings fixed by the Government and collected by District and Borough Councils. As of 2013/14 a proportion is retained and shared locally amongst authorities (including Fire & Rescue), rather than going to the Government for redistribution on a national basis. That part of business rates going to Government is redistributed as "Top-Up" grant, where local need is assessed as greater than the share of business rates retained locally. All County Councils are "Top-Up" authorities, receiving only a small share of business rates.

Depreciation
Amounts charged to services revenue for the use of assets/ infrastructure.

Capital Expenditure / Capital Programme
Expenditure on the acquisition of assets, or which adds to rather than maintains the value of existing assets. It is financed mainly from borrowing and charged to the revenue account over a number of years.

Capital Financing
Capital expenditure is financed by loans, Government grants, external contributions (e.g. developers' contributions to specific schemes) contribution from the revenue account, and proceeds from the sale of assets. The revenue budget bears the cost of direct revenue contributions, together with interest and the provision for repayments of these loans.

Capital Receipts
Income received from the sale of capital assets, together with specific contributions, including Government grants, towards capital expenditure.

Contingency
A sum set aside to meet future pay and price rises over and above provision made in departmental budgets.

Council Tax Requirement
This is an amount calculated, in advance of each year, by each billing authority (e.g. Lewes District Council) and by each major precepting authority, (e.g. East Sussex County Council). It is the amount of revenue to be met from Council Tax, and is equivalent to an authority's Band D Council Tax multiplied by its council tax base.

Dedicated Schools Grant (DSG)
A major ring-fenced government specific grant, introduced in 2006/07, which provides funding for schools and schools-related expenditure.

Earmarked Reserves
Reserves which are set aside for specific purposes.

Government Grants
Contributions by central Government towards either the revenue or capital cost of local authority services.

Levies
A contribution which the County Council is required to make towards the costs of Ashdown Forest Conservators, Environment Agency (for flood defence) and Sussex Inshore Fisheries and Conservation Authority.

Net Budget Requirement
The total expenditure (after deduction of income) that the Council can finance from the aggregation of Revenue Support Grant, Business Rates and Council Tax.

New Homes Bonus
A government grant which is aimed at encouraging local authorities to increase the number of homes in their area.

Precept
The income which the Council requires a District or Borough Council to raise on its behalf from Council Tax.

Provisions and Reserves
Provisions are made for liabilities and losses which are likely or certain to be incurred but the amount or dates on which they will arise cannot be determined accurately. Internal reserves are set aside to finance future expenditure for purposes falling outside the definition of provisions.

Revenue Expenditure
Expenditure that the Council incurs on the day-to-day costs of providing services including principally on pay, running costs of buildings, equipment, third party payments and capital financing costs.

Revenue Support Grant (RSG)
Additional funding received from central government, outside that received through the business rates retention scheme.

Slippage
Actual capital payments or income, spent or received in a year different to that planned in the capital programme.

Specific and Special Grants
Grants paid by central Government for specific services and allocated to local authorities according to specific policies criteria.

Supported Borrowing
The level of borrowing that the Government will support via grant towards interest and principal repayments.

Tax Base
All domestic properties are placed in one of eight valuation bands. The council tax base is calculated according to Government regulations to assess, by proportion, the equivalent number of Band D properties. The County's net expenditure is divided by this number to give the council tax levy.

Third Party Payments
Payments made to agencies and contracted service providers, e.g. payments to private sector nursing homes.

Transfer Payments
Money paid by a local authority to an individual specifically to enable them to pay someone else e.g. awards paid to students to enable them to pay fees.

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East Sussex County Council
BN7 1UE

February 2016

Equality Impact Assessment for CAPITAL PROGRAMME 2016/17

Following the introduction of the Equality Act 2010 ('the EA') a public authority must, in the exercise of its functions, have due regard to the need to –

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
(b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics set out in the EA are age, disability, race, pregnancy/ maternity, religion or belief, gender (including gender reassignment) and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. When making decisions the County Council also considers other matters such as the impact of rurality, deprivation and being a carer.

The 5 year Capital Programme originally approved in 2013-14, required members to have due regard to the Equality Duty contained in Section 149 of the EA as set out above.
Having "due regard" does not necessarily require the achievement of all the aims set out in section 149 of the EA. Instead it requires that members' understand the consequences of the decision for those with the relevant protected characteristics and consider these alongside other relevant factors when making the decision to pursue one course of action rather than another, alternative course of action that may have different consequences. The regard which is necessary will depend upon the circumstances of the decision in question, and should be proportionate. Where a decision is likely to have an impact on a significant number of people, or where it is likely to have a significant impact on even a small number of people, the regard required will be high.

This means that in setting the Capital Programme, the three equality aims set out above had to be considered as a relevant factor alongside financial constraints and all other relevant considerations. Members must consider the equalities impacts of the continuing the capital programme as agreed last year. Specifically, Cabinet needs to take account of these matters in deciding upon the additions to the previously agreed programme for which approval is being sought for inclusion within the 2016-17 Capital Programme.

The EA does not require an equality impact assessment (EIA) to be carried out; however the recent cases considering the public sector equality duty have held that an EIA is the best way to demonstrate that the equalities impacts have been identified and considered. Where a project which was included in the Capital Programme is likely to have impacts upon equalities, officers have considered the consequences for those with protected characteristics of that particular project or bid not being included in the Programme up to 2017/18, and have summarised these impacts for members to consider. Where EIAs have been conducted these are available as background documents.

Dept	Bid Name	Impact on Protected Characteristics								Comments
		Age	Disability	Ethnicity	Gender & transgender	Marriage and Civil Partnership	Pregnancy and maternity	Religion & Belief	Sexual Orientation	
Communities, Economy & Transport	Bexhill to Hastings Link Road									Difficult construction conditions. EqIA completed
Communities, Economy & Transport	Newhaven Swing Bridge									No significant relevance to equality
Communities, Economy & Transport	Lewes Station Bridge									No significant relevance to equality

East Sussex County Council
Savings Plans 2016/17 to 2018/19

Department	Proposed Savings				% of 15/16 Rebased Gross Budget
	2016/17 £'000	2017/18 £'000	2018/19 £'000	Total £'000	
Adult Social Care	10,049	10,000	20,000	40,049	17%
Adult Social Care levy	(1,921)			(1,921)	
Business Services/Orbis	312	981	1,396	2,689	5%
Children's Services (excl. schools)	4,985	3,175	4,972	13,132	10%
Communities, Economy & Transport	3,117	999	894	5,010	5%
Governance Services	100	100	104	304	4%
Subtotal Departments	**16,642**	**15,255**	**27,366**	**59,263**	**-**
Treasury Management	3,000	0	0	3,000	10%
Capital Programme Management	0	2,000	0	2,000	n/a
Subtotal Centrally Held Budgets	**3,000**	**2,000**	**0**	**5,000**	**-**
TOTAL SAVINGS	**19,642**	**17,255**	**27,366**	**64,263**	**-**
Public Health savings to offset the proposed reduction in grant (and therefore nets nil); allocation still to be confirmed	4,813	0	0	4,813	**20%**

GENERAL NOTE:

All savings proposals will be seeking a decision from Cabinet at the cabinet meeting to recommend to County Council the budget cash limit unless specifically referenced otherwise in the column of the savings schedule headed 'Amendments and Cabinet Decisions'.
Implementation of any saving proposal, that is not specifically referenced, would if necessary then be subject to the appropriate decision making process required to confirm and deliver the proposal.

Note 1: Implement
Requires a decision from Cabinet at the January cabinet meeting to agree the savings target and implement the savings proposal as appropriate consultations and impact assessments have been undertaken. These are also highlighted in yellow.

Note 2: Deleted
The savings proposal will be deleted.
The savings proposal will remain on the savings schedule, with the record of deleting the proposal, in order to maintain tracking for the overall RPPR process.

Note 3: Part Deleted
The savings proposal will be partially deleted.
The savings proposal will remain on the savings schedule, with the record of partial implementation of the savings proposal, in order to maintain tracking for the overall RPPR process.
Requires a decision from Cabinet at the cabinet meeting to agree the savings target and implement the savings proposal as appropriate consultations and impact assessments have been undertaken. These are also highlighted in yellow.

Summary of Equality Impact Assessment for RPP&R 2016/17

Equalities Implications

Following the introduction of the Equality Act 2010 ('the EA') a public authority must, in the exercise of its functions, have due regard to the need to –

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
(b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics set out in the EA are as follows:

- Age
- Disability
- Gender Reassignment
- Pregnancy/ maternity
- Race
- Religion or Belief
- Sex
- Sexual Orientation
- Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination.

Prior to making a decision as to which savings proposals should be agreed in the budget, Members must have due regard to the Equality Duty contained in Section 149 of the EA.

Having "due regard" does not necessarily require the achievement of all the aims set out in section 149 of the EA. Instead it requires that Members' understand the consequences of the decision for those with the relevant protected characteristics and consider these alongside other relevant factors when making the decision to pursue one course of action rather than another, alternative, course of action that may have different consequences. The regard which is necessary will depend upon the circumstances of the decision in question, and should be proportionate. Even though not all decisions will be made about which saving proposals to pursue at this stage it is necessary for the Council to begin to understand the potential impacts.

This means that in setting the Budget, the three equality aims set out above must be considered as a relevant factor alongside financial constraints and all other relevant considerations. Members' must have in mind the equalities impacts, and in particular the negative impacts, that agreeing savings will have for those with protected characteristics. Despite maximising efficiency and exploiting new ways of working, the business planning process for 2016/17 and beyond requires difficult choices to be made both within and between portfolios and services.

It is open to the Council to formulate its budget proposals (having regard to the likely impact on protected characteristics, as set out in the table), and then, at the time of developing the policies, the Council will consider in greater detail the specific impact of the proposed policies that might be implemented within the budgetary framework. Assessing the impact of proposed changes to policies, procedures and practices is not just something the law requires, it is a positive opportunity for ESCC to ensure it makes better decisions based on robust evidence.

The EA does not require an equality impact assessment (EqIA) to be carried out; however, cases considering the public sector equality duty have held that an EIA is the best way to demonstrate that the equalities impacts have been identified and considered. As such, prior to implementation, an assessment of the likely impacts of proposals or policies on those with protected characteristics will be carried out at a formative stage, and before implementation. In this way, the EIA will form an integral part of the Council's policy setting. Proposals will only be implemented after due regard has been paid to the need to achieve the three aims set out in Section 149 of the EA.

It is open to the Council to formulate its budget proposals (having regard to the likely impact on protected characteristics, as set out in the table), and then, at the time of developing the policies, to consider in greater detail the specific impact of the proposed policies that might be implemented within the budgetary framework.

Where it is the case that decisions as to how achieve savings within the agreed budget limit will be taken in-year, a high level assessment of the equality impacts of the savings is set out within the table attached. Subsequently, specific executive decisions will be taken by the relevant portfolio holders and Directors, and shall be made based on a clear understanding of what the potential impacts of doing one thing rather than another will be for the communities in East Sussex. It will be open to Directors and Lead Members at the time of taking those decisions to spend more on one activity and less or none on another or, where necessary to go back to County Council and invite it to reconsider the allocation to different service areas.

Notwithstanding the above, in order to achieve full year savings, Cabinet are being asked to agree now to implement a number of savings, subject to the budget limit for that particular item being approved by Council. In those cases, a full equality impact assessment ('EqIA') has already been carried out following a period of consultation relating to those proposals. These proposals are highlighted in the table attached and set out in more detail in Appendix 3a and 3b. The full impact assessments relating to these proposals can be found online, with copies in the Members' room and are available for public inspection at County Hall on request. Members are required to read the EqIAs and have regard to the impacts identified therein when taking the decision to implement (or not) these savings proposals.

Findings on possible impact from an overall review of savings proposals

The tables attached show the potential impact of the initial, suggested reductions in budgets for each department and highlights that the budget reductions will broadly impact on the 'protected characteristics' of age and disability as people within these groups are those who are most likely to be accessing our services. It is possible that decisions will have a disproportionate impact due to geographic location, different communities such as disabled people, younger or older people, BME communities as well as the cumulative effect of any decisions made.

Members will need to ensure that the impacts on those with protected characteristics and the most vulnerable are considered when either revising or removing current services, or where services transfer to partner organisations. For those proposals which are to be considered in-year, additional work will be required to identify the impacts on those with protected characteristics, which will take place as policies are developed, following the setting of the revenue budget.

The public sector equality duty set out in the EA is a continuing one, and it will therefore be necessary to monitor the effects of decisions and policies, not only during their formulation, but also after implementation.

In preparing the budget and considering individual savings proposals, Members have, in addition to the Section 149 Public Sector Equality Duty, to consider whether the budget as a whole and the individual savings proposals identified will indirectly discriminate against persons with any of the protected characteristics. Indirect discrimination occurs where a practice, policy or rule of the County Council which otherwise seems neutral (i.e. it applies to everyone affected in the same way) nevertheless places people with one or more of the protected characteristics at a particular disadvantage.
Even where a particular disadvantage has occurred, the proposal will not amount to indirect discrimination if it can be demonstrated that there is an objective justification for the proposal; i.e. that the proposal is a proportionate means of achieving a legitimate aim. Where it can be demonstrated that a particular savings proposal is a proportionate means of achieving a legitimate aim, that proposal will not be indirectly discriminatory. However, if there is no legitimate aim, or if the means of achieving the aim are not proportionate, for a savings proposal which creates a particular disadvantage, that savings proposal would amount to indirect discrimination and would be unlawful under the Equality Act 2010.

The consideration of indirect discrimination has included an analysis of (a) whether there is any particular disadvantage as a result of each relevant proposal, (b) whether there is a legitimate aim and (c) whether the means of achieving the aim is proportionate. The legitimate aims that relate to the savings proposals are:
- the County Council must achieve savings to its budget;
- across the Council's budgets, all areas are facing a reduction in funding (and therefore, looking at the budget more broadly, all protected characteristics will be impacted by reductions in service); and
- the County Council must deliver its statutory services and therefore a significant proportion of the available funding must be used for those statutory services.

Where it has been identified that a proposal may have a particular disadvantage, consideration has to be given as to whether there may be a more proportionate means of achieving these aims. In respect of certain Adult Social Care savings, it is considered that a more proportionate means of achieving the aims identified above would be to use the 2% Adult Social Care precept to mitigate those savings, and this has influenced the final recommendations made. However, in all other respects, it is considered that both the overall budget, and the specific savings proposals identified in Appendices 3a and 3b are proportionate means to achieve its legitimate aims.

Adult Social Care			Gross budget	Savings £'000					Protected characteristics								
			2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000	£'000	£'000										
Supporting People																	
	Remove Supporting People funding in sheltered housing for long term services.	Impact will be the removal of the on-site support service and the communal hub which provide social activities; promote wellbeing; reduce social isolation and help older people to maintain their independence. STEPS (a commissioned service) will continue to provide a floating support service for people with the highest needs.		1,234			**1,234**	**Implement (see Note 1) See Appendix 3a Para 1.6**	-								
	Remove Supporting People funding for on-site support within Extra Care Schemes.	Impact will be a reduction in on-site support staff but care staff will remain in place. STEPS (a commissioned service) will continue to provide a floating support service for people with the highest needs.		103			**103**	**Implement (see Note 1) See Appendix 3a Para 1.7**	-								
	Partial removal of Supporting People funding from learning disability accommodation schemes.	Impact will be a reduction in long term housing and care services for people aged 18+on service users. On-site care provision will remain, limiting the impact on service users who have either significant or 1:1 care. STEPS (a commissioned service) will continue to provide a floating support service for people with the highest needs.		152			**152**	**Delete (see Note 2) See Appendix 3a Para 1.8**	-	-							
	Remove Supporting People funding for short term mental health housing support services for people aged 16+.	Impact will be a reduction in the level of accommodation/units of housing available and a loss of on-site support for people with mental health problems. The accommodation and support helps people with daily living skills required to achieve and maintain independent living. This proposal will reduce the number of housing units available for this type of support in Eastbourne, Hastings and Bexhill.		341			**341**	**Delete (see Note 2) See Appendix 3a Para 1.1**	-	-		-					
	Remove Supporting People funding for on-site support for single homeless people.	Impact will be a reduction in the level of accommodation/units of housing available and a loss of on-site support for single homeless people. The accommodation and support helps people with daily living skills required to achieve and maintain independent living. This proposal will reduce the number of housing units available for this type of support in Eastbourne, Hastings and Bexhill.	10,207	287			**287**	**Delete (see Note 2) See Appendix 3a Para 1.2**	-		-						
	Refocus Supporting People funding on high risk groups for young people.	The impact reducing this budget by around 50% will lead to a reduction in the number of accommodation units available to support young people at risk, including Care Leavers and homeless young people.		380			**380**	**Delete (see Note 2) See Appendix 3a Para 1.3**	-		-	-		-			
	Refuge Services: review and realign service provision.	Impact will be a reduction in the overall level of accommodation units available and a reduction in support provided. The impact will be relatively low local given the level of support which will remain available across East Sussex.		80			**80**	**Implement (see Note 1) See Appendix 3a See Appendix 3a Para 1.9**	-		-	-		-			
	Young Mothers: review and realign service provision.	Impact will be a reduction in the number of accommodation/housing units available and the level of on-site support for young pregnant women and new mums with complex needs.		50			**50**	**Delete (see Note 2) See Appendix 3a Para 1.4**	-		-			-			
	Home Works: review and realign service provision to target people with the highest needs.	Impact will be a reduction in the number of homeless people, or people at risk of homelessness who are supported by this service. The remaining service will target people with the highest needs. Prevention and early intervention support will be most affected.		835			**835**	**Part Deleted (see Note 3) Implement See Appendix 3a Para 1.5**	-								

Adult Social Care			Gross budget	Savings £'000					Protected characteristics								
			2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000	£'000	£'000										
	Reduction in staffing: Supporting People team	Reduction in staff within the Supporting People team which will reflect the reduction in programme size and reduction in ongoing project work.		95			**95**										y
	Further Review of Supporting People services				1,000		**1,000**										
		Sub total		**3,557**	**1,000**		**4,557**										
Commissioning Grants Prospectus	Review, reduce and recommission services and support funded through the Prospectus	Impact will be reduced availability of educational, occupational, leisure and activity based support across the county which will impact on individuals wellbeing and potentially increase social isolation. There will also be a direct impact on community and voluntary sector organisations as the funding available to provide this type of support reduces.		395			**395**	**Part Deleted (see Note 3) Implement see Appendix 3a Paras 2.1 - 2.11**	-	-	-	-					
Joint health and social care funded services	Through the East Sussex Better Together Programme, review funding arrangements for Prospectus services and support funded by health and social care.	Ongoing negotiation with Clinical Commissioning Groups to agree future commissioning arrangements for services and support jointly funded by Adult Social Care and Health in the Commissioning Grants Prospectus. Joint funded projects include health and wellbeing support for people with mental health problems; community based support for people with hearing impairments.	2,120	1,271			**1,271**	**Part Deleted (see Note 3) Implement see Appendix 3a Paras 3.1 - 3.25**									y
		Sub total		**1,666**			**1,666**										
Management and Support	Structural change: Adult Social Care	Commissioning reform and structural change	10,949	1,000	2,000		**3,000**										y
Joint Funding Arrangements	Realignment of services and support packages funded across health and social care.	Under East Sussex Better Together, support and services provided or commissioned by health and social care will be reviewed and prioritised to ensure delivery of East Sussex Better Together objectives.	132,803	2,500	6,000		**8,500**										y
East Sussex Better Together	Delivery of accountable care model.	Delivery of a fully integrated accountable health and social care organization(s) by 2018, as previously agreed. This will deliver whole person accountable care in a community based system which incentivises the lowest level of effective care and the highest possible quality of care.	212,587			20,000	**20,000**		+	+	+	+	+	+	+	+	

Adult Social Care			Gross budget	Savings £'000					Protected characteristics								
			2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000	£'000	£'000										
Service Efficiencies																	
Learning Disability Directly Provided Services: Group Homes	Consolidation of Group Homes	Three Learning Disability group homes will be consolidated onto one site. These savings are dependent on capital investment.	9,330	250			**250**		+/-								
Learning Disability Community Support and ChoicES employment service	Service reconfiguration	Consolidation of staffing structures and overheads will be sought to deliver this target, minimising the impact for service users. Any reductions to the scope or scale of community support services will directly impact adults with learning disabilities and their carers.		130			**130**										y
Mental Health Residential and Nursing Strategy	Reduce level of spend and numbers of people with mental health problems in residential and nursing care settings	Potential for service users to be unsettled with increased levels of anxiety if their care or care setting changes.	7,421	500	500		**1,000**			+/-							
SAILS (Supported accommodation and independent living solutions)	Reduction in the level of Supporting People weekly placement funding	Impact is reduced housing support activity for vulnerable adults.	3,909	346			**346**			-							
Fees and Charges	Review fees and charging policies and procedures	Charges for Learning Disability Day Services; meals and transport will be reviewed. Increased charges will result in an increase in the level of client contribution made, for those in receipt of these services.	9,330	100	500		**600**			-							
				10,049	**10,000**	**20,000**	**40,049**										

Public Health			Gross budget	Savings £'000 per year					Protected characteristics								
			2015/16	2016/17	2017/18	2018/19	3 year total										
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000	£'000	£'000	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Management and Support																	
Support for one-off Public Health initiatives which is used where performance against the Department of Health Public Health Outcomes Framework requires improvement.	Reduction in funds for one-off initiatives to improve health and wellbeing as evaluated against the Department of Health Public Health Outcomes Framework.	None	3,210	2,295			**2,295**										y
PH Structure	Refined budget for staffing from the original allocation.	None	1,877	125			**125**										y
Overheads	Refined budget from the original allocation plus improved allocation of budget against cost centres since transfer has helped to better define future costs.	None	340	75			**75**										y
Commissioning Grants Prospectus	Reduction in funding budget (£550,000) of approximately 20% to voluntary and community sector for preventative and wellbeing services.	Reduction in funding will reduce voluntary and community sector services and create potential pressure on core social care services.	550	111			**111**		-	-	-	-		-			
Partnerships - Creating Healthy Communities	These are community interventions to improve health through physical activity and healthy eating. The reductions arise as contracts cease, e.g. community health and veg and so the immediate impact is limited.	A reduction in physical activity and health eating may lead to a shift in the impact and result in an increase in demand for health and social care services.	508	64			**64**										y
Obesity - HEPA Adults	These are primary care and wider system capacity development interventions to improve health.	A reduction in physical activity and health eating may lead to a shift in the impact and result in an increase in demand for health and social care services.	856	78			**78**		-	-							
Smoking Cessation	Contract value for specialist service decreased when recommissioned to release resource for wider tobacco control.	A reduction in wider tobacco control activity which may lead to an increase in smoking related diseases impacting on demand for health and social care services.	1,198	305			**305**										y
Smoking Cessation	This is an estimated saving through better management of prescribing activity.	A potential cost pressure remains if there is an increased demand for smoking cessation services which in turn increases prescribing cost.	500	95			**95**										y

Public Health			Gross budget	Savings £'000 per year					Protected characteristics								
			2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Service description	**Description of savings proposal**	**Impact assessment**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**										
Tobacco Control	Removal of general tobacco control programme. This may lead to an increase in numbers of people starting smoking and consequently an increase in smoking related diseases. The impact may be shifted and result in an increase in demand for health and social care services.	reduction in wider tobacco control activity	150	51			**51**										y
Health Improvement and Health Promotion	Reduction in training budget for wider public health workforce. This could lead to an increase in unhealthy lifestyle behaviours. Consequently we may see an increase in preventable disease and increase in demand for health and social care services.	fewer people incorporating public health into their role	130	20			**20**										y
Alcohol Strategy	Reduction in alcohol prevention budget. We will run fewer health promotion campaigns relating to alcohol reduction and so will not be able to tackle harmful levels of drinking as effectively.	There will be fewer health promotion campaigns relating to alcohol reduction which may lead to increased levels of drinking.	50	25			**25**										y
Emergency Planning and Infection Control	Reflects a reduction from the original allocation and closer to actual spend in 2014/15. The new Health Protection Specialist role which will cover infection control work.	None	62	88			**88**										y
Warmer Homes	Reduction in spend on fuel poverty programme which risks an increase in seasonal mortality and morbidity associated with the cold and damp.	increase in people living in cold homes	325	75			**75**										y
Sexual Health Advice	Reduction from original allocation.	Planned increases in health promotion activity will not take place which may lead to an increase in unwanted pregnancies and sexually transmitted diseases.	87	15			**15**										y

Public Health			Gross budget	Savings £'000 per year					Protected characteristics								
			2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Service description	**Description of savings proposal**	**Impact assessment**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**										
Sexual Health	Reductions associated with savings against out of area recharges. Overestimate of budget and savings and reduced costs from tariff recharge	None expected	4,380	219			**219**										y
Drugs and Alcohol	Public Health drugs and alcohol services were allocated £6,162,000m which represented 24% of the original PH budget. We have identified that 20% savings will be made from this service. Allocated budget of £6,162,000 minus revised budget £4,929,600 equals savings of £1,232,400. Our unallocated sum for 2016/17 is £1,335,500 and we intend to allocate 24% of this (£320,520) to this service to alleviate the savings required of £1,232,400. Therefore, the new savings total required for 2016/17 is £911,880.		6,162	912			**912**	**Implement (see Note 1) See Appendix 3a Para 4.1**									y
Children's Public Health Services	Children's public health services were allocated £1.8m which represented 7.4% of the original PH budget. We have identified that 20% savings will be made from the budget for Children's Public Health services. Allocated budget of £1,800,000 minus revised budget £1,440,000 equals savings of £360,000. Our unallocated sum for 2016/17 is £1,335,500 and we intend to allocate 7.4% of this (£100,163) to Children's to alleviate the savings required of £360,000. Therefore, the new savings total required for 2016/17 is £259,837.		1,800	260			**260**										y
				4,813	**0**	**0**	**4,813**										

Business Services			Gross budget	Savings £'000 per year					Protected characteristics								
			2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy / Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Service description	**Description of savings proposal**	**Impact assessment**	**£'000s**	**£'000**	**£'000**	**£'000**	**£'000**										
Orbis Business Services partnership will deliver seamless and resilient business services, whilst providing savings to both authorities (East Sussex and Surrey County Councils). Bringing together services will create sufficient scale to drive shared efficiencies, enable us to share skills and knowledge, and invest in technology that could otherwise be prohibitively expensive for each organisation alone. Financial savings are based on management de-layering, process improvement and reduction of duplication. Orbis is expected to grow by bringing on public sector partners, and from the pursuit of income opportunities through the provision of services to public sector clients (on a contractual basis or by means of specific delegation of function). The 'compelling alternative'. The partnership incorporates the following services: • Personnel and Training (PAT); • Property and Capital Investment; • ICT; • Procurement; • Finance (including Internal Audit); and • Business Operations (Shared Services).	The savings proposals per year show the aggregate sum relating to the ESCC one-third share. A two-thirds share is attributable to SCC; however, it is important to remember that the one-third/two-thirds split cannot be disentangled as the proposals reflect the integrated service design. Phased changes to the Senior Management structure. Integrating and reducing, where appropriate, the layers of managerial hierarchy. The phasing allows for capacity retention during the first two years, with all savings expected to be delivered by 18/19. Phased changes to other staff costs that are based on both: existing operational delivery plan; together with (from 17/18 onwards) services that are currently being re-designed through the Orbis 'area for search' programme. These proposals will focus primarily on process improvement and the reduction of duplication of activity. Process Improvement - Making processes more efficient and effective through use of more standardised, streamlined processes. These can often be technology enabled to offer automation or user empowerment through self-service.	The first year will focus on: - stability of service; - embedding new senior management structures; - supporting other departments in the delivery of the change agendas; - planning and implementing the integration of all Orbis services Key factors for delivery of the Orbis Business Plan by the end of 18/19 include: - Clarity on level of interrogation of each function; - Recognising the needs of each partner, including agreement to changes in service offer as a result in service design (in line with the Target Operating Model). - Removal of cultural inertia and resistance to 'location based' support i.e. support will be provided by Orbis staff irrespective of whether they are based in Lewes, Kingston or elsewhere. Technology requirements and transitional/programme support to enable changes. Some initial modest growth proposals of currently offered services have been included. These will be dependent on being able to develop a 'marketable' offer through the business plan and a requirement for sufficient commercial skills to deliver new business. At this stage no assumptions of benefits arising from on boarding new public sector partners has been included. Again, that will be a feature of the forward-looking 'compelling alternative' Orbis strategy.	£21.562m ESCC share of the Orbis operating budget	312	981	1,396	**2,689**										y

Business Services			Gross budget	Savings £'000 per year					Protected characteristics								
			2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy / Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Service description	**Description of savings proposal**	**Impact assessment**	**£'000s**	**£'000**	**£'000**	**£'000**	**£'000**										
These services are fully described in the Orbis Business Plan and are provided from ESCC or SCC locations. There are already degrees of integration of each of these activities as Orbis has progressed along the Partnership route.	Removal of duplication - Where activity is common across the two organisations, there is potential benefit through economies of scale and scope to remove duplicated effort. Growth - an initial focus on offering specialist financial and internal audit advice (including expanding current offer e.g. to schools and other public sector organisations) and Business Operations services. Non-staff savings will focus on the ICT and Business Operations areas. The savings proposals are shown net of some additional revenue costs arising out of the investment need to improve IT capability to support the delivery of integrated Orbis services.																
	ESCC savings attributable to General Fund Expenditure			**312**	**981**	**1,396**	**2,689**										
	Savings attributable to the ESCC Pension Fund arising from using the same benefit levers and are mainly delivered through the Business Operations area.			*126*	*0*	*0*	***126***										y
	Total savings delivered by Orbis			***438***	***981***	***1,396***	***2,815***										

Children's Services			Gross budget	Net budget	Savings £'000 per year					Protected characteristics								
			2015/16	2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion /Belief	Sexual Orientation	No significant relevance
Service description	**Description of savings proposal**	**Impact assessment**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**										
Early Help	Withdraw from the current County Council funded universal open access/drop in activity sessions at children's centres; integration of health visiting and children's centres and streamlining of management; some reduction in years 2 and 3 in targeted one to one support for vulnerable families and young people.	Integration of health visiting, the Family Nurse Partnership Programme and children's centres provides the opportunity to look at how the national Healthy Child Programme 0-5 can be provided locally in the most cost effective way, but savings will mean the loss of some posts and changes in the mix of posts of different kinds. Open access activities are currently funded across the county. Ending these activities will reduce opportunities to build supportive connections between local families, promote positive parenting, support children to be ready for school and identify those families with emerging support needs e.g. low level mental health needs. Reduced opportunities to identify families with emerging support needs and reduced capacity for one to one support may impact on demand reduction for social care. The savings start in 16/17, but are being implemented over the 3 years to 18/19, and with significant management savings in 16/17.	21,483	17,501	1,914	577	1,838	**4,329**	**Implement (see Note 1) See Appendix 3b**	-	-	-	-				-	
	Withdraw from the current County Council funded universal open access/drop in activity sessions at youth clubs.	The proposal reduces 'places to go/things to do', the ability to identify emerging problems and provide information, advice and guidance, eg around sexual and mental health. Reduced opportunities to identify young people with emerging support needs and reduced capacity for one to one support may impact on demand reduction for social care.			157	0	0	**157**		-	-	-	-				-	
Children's Support Services (including Music, Watersports, DofE and Safeguarding qualify assurance)	Reduction of management and administrative posts, more agile working, reducing support to operational managers requiring managers to self serve. Enhancing digital offer and encouraging channel shift to reduce demand from the public and internal staff, reduction in training budget and income generation. Reviewing policies. Reduction in Safeguarding staffing based on on-going forecasted trend of reductions in LAC and CP plans. Greater use of digital technology for YP participation and CP and LAC reviews.	Review of Admissions policies may change the historical catchment areas for some schools but will also help to ensure efficient processing and policies should be clearer for parents. Reduction in support services and more self service has the potential to impact on operational management capacity and increase pressures on some managers and staff. Reduced opportunities for young people from low income families to learn a musical instrument. It is hoped that this can be mitigated by persuading schools to use pupil premium to part-fund music lessons. This is dependent on achieving the reductions in LAC and CP as the capacity of staffing is dependent on the number of meetings required. These changes will reduce our ability to reduce caseloads in line with recommended national levels for IRO's and could lead to poor case planning.	8,952	3,824	309	265	371	**945**		+/-	+/-		-					

Children's Services			Gross budget	Net budget	Savings £'000 per year					Protected characteristics								
			2015/16	2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion /Belief	Sexual Orientation	No significant relevance
Service description	**Description of savings proposal**	**Impact assessment**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**										
Home to School Transport	Review of post 16 discretionary transport and HTST policy, regular review of transport arrangements at pupil level to ensure most cost effective provision.	Regular reviews of transport provision at pupil level to ensure it is the most cost effective option may result in changes in the way children are transported in the year and longer journey times. Reduction in the number of pupils with less complex SEND who will receive travel assistance to get to college and the cessation of post 16 transport assistance for low income families. This is likely to increase the number of NEETs and could impact on the viability of some colleges and some courses.	11,046	10,918	173	488	566	**1,227**		-	-							
Home to School Transport	Review of unsafe routes	Review of unsafe routes could impact more on pupils in rural areas with a greater expectation on parents to accompany children to school or nearest bus stop. Savings TBC subject to further work which is currently in progress in CET.			0	TBC	TBC	**0**										
Locality Services	Reconfiguration of services and reduction in staffing at both practitioner and management levels and in ongoing support to families.	We will be reconfiguring services to provide social work expertise on the most complex families by effective joint working with the Police through the new MASH arrangement and effective Early Help hub that will redirect families that do not need social work involvement. Reduction in numbers of families who will be assessed and supported by social work teams with early help staff working with families with even more complex needs. The savings start in 16/17, but are being implemented over the 3 years to 18/19.	13,357	12,722	992	305	85	**1,382**		-	-	-	-					
Specialist Services	Reduction in staffing alongside income generation	Reduction in capacity to undertake specialist assessment and support which could result in a higher number of court ordered external assessments. Reduction could be mitigated by income generation from other funding streams and by accreditation by the Legal Aid Board so that assessment costs can be shared with other parties in legal proceedings. These plans may need to be reconsidered in light of future savings plans for DAAT. The savings start in 16/17, but are being implemented over the 3 years to 18/19.	4,915	2,029	138	275	0	**413**		-	-	-					-	
LAC	Reduction in LAC numbers and a continued focus on keeping children in more cost effective in-house placements. Reduction in staffing levels (including adoption services)	LAC modelling is showing decreasing numbers and costs for LAC. Keeping children in in-house provision rather than agency does result in more placement moves for children because effective matching is more limited, children may have to wait longer and sibling groups may be split. Also, reduction in staffing levels will mean reduced support for complex LAC in vulnerable in house foster placements, and young people at risk of being involved in Child Sexual Exploitation remaining at home. Reducing adoption services specifically follows a reduction in govt grant but also acknowledges decreasing numbers of children coming through for adoption. This may affect the capacity to recruit and approve adopters and provide support for adoptive placements leading to adoption disruption. The savings start in 16/17, but are being implemented over the 3 years to 18/19.	22,493	20,830	884	773	952	**2,609**		-	-	-	-				-	

Children's Services			Gross budget	Net budget	Savings £'000 per year					Protected characteristics								
			2015/16	2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion /Belief	Sexual Orientation	No significant relevance
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000	£'000	£'000	£'000										
YOT	Reduction in specialist posts in the YOT	Reconfiguration of services for young people along a 'health hub' model will mitigate some of these reductions. Will reduce the YOT offer to parents to support their young people to stop offending, as well as the ability to reintegrate offenders into education, provide health and lower level mental health support. Achieving these savings will be even more challenging in the light of recently reduced in year grant funding of 10% (£50.6k) from the YJB and ongoing pressure on the Remand budget (currently £50k). The savings start in 16/17, but are being implemented over the 3 years to 18/19.	1,931	705	124	40	12	**176**		-	-		-					
SLES	Reduction in specialist posts and staff numbers, increase in traded activity and school to school support	Reduction in SLES school improvement provision will reduce capacity to increase the proportion of good and outstanding schools that will provide capacity for school to school improvement support and limit the effectiveness of the LAs monitoring of the performance of all schools. This will impact negatively on pupil outcomes, increase the number of underperforming schools and schools in Ofsted categories of concern. Reduction in the statutory provision of Information, Advice and Guidance (IAG) to vulnerable young people will take the current provision below minimum standards. We will mitigate the impact through the use of online mechanisms for delivering information, advice and guidance to young people. However the impact of limited face to face support and tracking will reduce the participation of vulnerable young people in education, training and employment 16-19.	26,065	3,099	171	100	260	**531**		-	-	-					-	
ISEND	Reduction in staff posts, reduced placement costs and service redesign in Year 3	ESBAS will work to mitigate the impact on schools by extending the LA offer of traded work. Reduction in the provision of support to schools for improving behaviour and attendance and in early intervention for pupils facing barriers to engagement. Not all of this work is statutory but is key to managing the demand for expensive, statutory and more costly intervention. Reduction in the Short Term Agency Budget and Short Breaks provision will result in additional pressures on families. Reduction in ISEND assessment and planning will lead to delays in provision beyond statutory timescales. We would mitigate this by working to reduce the number of statutory assessments and plans, through building capacity in schools and colleges to support more young people with school/college based plans. The most significant savings have been delayed to Years 2 and 3 in the context of pressures and demands from the current SEN reforms.	42,680	9,905	123	352	888	**1,363**		-	-	-						
					4,985	**3,175**	**4,972**	**13,132**										

Communities, Economy & Transport			Gross budget	Savings £'000 per year					Protected characteristics								
			2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage/ Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000	£'000	£'000										
Operations and Contract Management																	
Transport and Operational Services	Use of the Parking Surplus to contribute towards the supported bus network and concessionairy fares budget	Historically, the Parking Surplus has been used to support integrated transport schemes. At the same time, we have funded a gap in the grant funding for the statutory concessionary fare scheme and used revnue budget for support parts of the bus network. Both of theses would be legitimate uses for any parking surplus. Any integrated bus schemes with comitted funding would not be impacted. However, there is likely to be a far reduced fund that may be available for integrated transport schemes in the future. There remains a risk that a parking surplus will not be generated, in which case the department would have to find alternative ways to meet this savings pressure. Gross budget referenced is the projected annual parking surplus for 2016/17.	970	630			630										y
Waste Operations	Leachate Disposal	More efficient and environmentally sustainable management of closed landfill sites.	563		85		85										y
Waste Disposal	Change to the management of the Corporate Waste Reserve; efficiency improvements, with partners, of the service; and maximising income generation opportunities	The proposed change to the management of the Waste Reserve includes a different approach to managing risk. Moving to a different approach over a four year period reduces the risk provision from around £30m to £13m. If risks occur and have a permanent effect on the revenue budget, there would need to be a matching increase to the base budget, however the proposed approach means that funding could be found if and when required, rather than kept in reserve to a greater extent than appropriate for the medium term. Impacts of efficency improvements will vary and, where appropriate, the relevant consultation and Member approval will be sought, with the detail of the impact defined at this stage.	30,642	1,780	25		1,805										y
Transport Hub	Restructure of Transport Hub teams	There will an impact on staff because of the reduction of staff numbers and a change of role for the staff within the teams in the Transport Hub, subject to staff consultation. There will be minimal impact on service users.	514	75	35		110										y
Rights of Way and Countryside Management	Efficiency savings in the Rights of Way and Countryside sites service	Mimimal impact, but subject to completion of the strategic commissioning piece of work and staff consultation.	1,325	50	50		100										y

Communities, Economy & Transport			Gross budget	Savings £'000 per year					Protected characteristics								
			2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage/ Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000	£'000	£'000										
Economy																	
Planning and Environment Service	Development Control, Transport Development Control and Enviroment	Review of team structures and income generation opportunities	1,904	20	40	0	60										y
Communities																	
Library and Information Service	Libraries Transformation Programme - internal review of the Library and Information Service	This extensive review of service delivery, the stock fund, opening hours and staffing structure will ensure that the current service is as lean and efficient as possible. Staffing levels and expenditure on the stock fund will be benchmarked against other authorities, and any changes will have a low impact on the majority of our customers. During the review of opening hours, we will use management information about libraries usage to minimise the impact of any potential changes on our customers. Subject to sign off from Cabinet, proposals to change the opening hours of libraries will be publically consulted on in early 2016.	6,724	425	700	125.0	1,250		+/-	+/-	+/-						
Library and Information Service	Libraries Transformation Programme - development and implementation of the Libraries' Strategic Commissioning Strategy	The outcome of the Strategic Commissioning Strategy will potentially affect change in the overall configuration and nature of the library service in East Sussex. The implementation of the Strategy itself will optimise how the Library and Information Service is delivered, responding to current and future need, to achieve the best possible service within available resources. The outcome of the Strategy is dependent on the findings of the needs assessment, however it is estimated that it could achieve further savings during 2018/19.				750	750		+/-	+/-	+/-						
The Keep	Improved staff utilisation across a range of functions, increased income generation and reduction in sinking fund	An Income Generation Strategy is currently being developed. The Governance Board has approved, in principle, the approach of the sinking fund.	527	77	4	19	100										y
Trading Standards	Continued modernisation of the Trading Standards Service	A current project specific, fixed term contract and pay protection for a number of staff end during March 15/16. In addition, there will be increased income raised through a new partnership with an approved trader scheme.	998	60	60		120										y
				3,117	**999**	**894**	**5,010**										

Governance Services			Gross budget	Savings £'000 per year					Protected characteristics								
			2015/16	2016/17	2017/18	2018/19	3 year total	Amendments and Cabinet Decisions (see Notes)	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000	£'000	£'000										
Comms	Service redesign and some income generation	To be assessed as part of a service review.		75	75	54	204										y
Legal Services	Income generation	Additional income generation from review of pricing and greater scale through partnership working.		25	25	50	100										y
				100	**100**	**104**	**304**										

The full impact assessments relating to these proposals can be found online, with copies in the Members' room and are available for public inspection at County Hall on request.

1. Supporting People Services

Supporting People accommodation based services for people with mental health issues and single homeless people		Proposal
1.1 Mental Health services (Supporting People) **Original Savings proposal: £341,000**	The service provides specialist on site housing support and accommodation to meet the complex and multiple needs of adults who are homeless / at risk of homelessness and have a mental health issue. The service provides specialist accommodation based housing support services for people aged 18 and over who are vulnerable as a result of a mental illness or disorder and aims to: • provide an intensive, flexible, outcome focussed, responsive on-site service within named accommodation; • prevent a wide range of crisis situations including homelessness; • support clients to keep themselves safe; • ensure clients develop and maintain the life skills and social skills required to achieve and maintain independent living; and • support clients to find and move on to a home of their own. This proposal affects the following three schemes: **Hastings:** Bal Edmund : (12 units or bedrooms); **Rother:** Pathways (12 units or bedrooms); **Eastbourne:** Hyde Gardens (19 units or bedrooms) **Remove 100% of Supporting People funding for short term mental health housing support services for people aged 16+**	**1.1 It is recommended not to proceed with the saving proposal (£341,000) as additional funding is available through the Adult Social Care Levy**

1.2 Single homelessness (Supporting People) **Original Savings proposal: £287,000**	The service provides specialist on site housing support service and accommodation for homeless people with complex needs including mental health, learning disabilities, physical and sensory impairments and drug and alcohol issues. The service provides accommodation and specialist housing support for homeless people aged 18 and over with housing support needs. The service aims to: • provide an intensive, flexible, outcome focussed, responsive on-site service within named accommodation; • prevent a wide range of crisis situations including homelessness; • support clients to keep themselves safe; • ensure clients develop and maintain the life skills and social skills required to achieve and maintain independent living; and • support clients to find and move on to a home of their own. This proposal affects the following three schemes: **Hastings:** Merrick House (12 units or bedrooms)**;** Priory Avenue (19 units or bedrooms, includes families); **Eastbourne:** St Aubyns Road (9 units or bedrooms) **Remove 100% of Supporting People funding for on-site support for single homeless people**	**1.2 It is recommended not to proceed with the saving proposal (£287,000) as additional funding is available through the Adult Social Care Levy**

Impact summary: The equality impact assessment 'Accommodation based services for people with mental health issues; Accommodation services for single homeless people' demonstrates the proposal is likely to have a negative impact on the people who are affected. This cohort of people have low incomes and poor mental health and it is likely they will suffer an increase in anxiety, depression and associated health disorders as a result of the proposal. The safety of this cohort is likely to be put at risk if alternative accommodation and support cannot be sourced, many will face street homelessness, food poverty and a risk to their safety which it is likely will result in an exacerbation of their physical and mental health needs. The proposal does not foster good relations as there is a risk of increasing the street and rough sleeping community; the number of mentally unwell people living unsettled lives in the community; the incidence of substance misuse; crime rates and inappropriate use of health services.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- Many comments raise objections to the savings in this area and cite their concerns about the impact on individuals and the community of removing or reducing Supporting People. The speed and scale of the proposals is viewed as a big risk.

- In particular, many people are concerned that the most vulnerable people in the county will be affected, with young people, young mothers, the homeless and those with mental health needs all being frequently mentioned as being at risk from the proposals. In the context of young people the impact on people's future and the serious negative knock-on effect is raised. For young mothers the negative impact on the whole family is raised. It is also recognised that the people who would be most affected often don't have family or support networks that could step into the breach.

Summary of key points: Impact if the proposals went ahead

- Many comments referenced groups of people that would be particularly affected, including women experiencing domestic violence, younger people, young mothers, carers and those with mental health needs. For younger people there is a particular risk of becoming homeless as a result of the proposals. The negative impact will also be felt across families and particularly by the children of those at risk of losing services. Some services and the building they are based in may close as a result. Once these services close it would be very hard to start them up again. Services that support recovery and give people the skills to manage for themselves won't be available. People will look more to acute services and become more dependent on them. There will also be more pressure on remaining services and longer waiting times than ever. The result is there will be less and less care available for people. In some cases people will be left with no community based support. The feedback from the consultation was that this will push people into crisis. Other statutory services would all be affected, including health, the police and fire services. There would be cost pressures and more need for support from these services. There would also be an economic impact on the county, with jobs being lost at many providers, tourism being affected by the community impact of the proposals and an increase in deprivation.

Supporting People Young Peoples accommodation services and Young Mothers service		Proposal
1.3 Young People at risk service (Supporting People) **Original Savings proposal: £380,000**	This service provides support for young people with complex needs, Care Leavers, young mothers, those at risk of domestic violence and those with special educational needs or disabilities. The service is available to vulnerable individuals aged between 16-25, who are homeless or at risk of homelessness and who need accommodation and on-site support. The service helps them to learn independent living skills so they can successfully move on to a home of their own. This proposal affects the following six services: **Hastings:** Brittany Road/Millward/Southwater (19 units or bedrooms)**; Eastbourne:** YMCA residential centre and Barnabus House (26 units or bedrooms)**;** Eastbourne Foyer and Hyland House (41 units or bedrooms)**; Wealden:** Hailsham Foyer and Grove House (10 units or bedrooms)**; Rother**: 181a and 181b London Road (13 units or bedrooms)**; Lewes:** Newhaven Foyer (37 units or bedrooms). **Remove 50% of Supporting People funding and refocus on high risk groups for young people aged 16-25**	**1.3 It is recommended not to proceed with the saving proposal (£380,000) as additional funding is available through the Adult Social Care Levy**
1.4 Young Mothers (Supporting People) **Original Savings proposal: £50,000**	The service provides specialist housing support and a pathway to independent living for vulnerable young mothers aged 16 to 25. This service provides support for young mothers with complex needs including Care Leavers, those at risk of domestic violence and those with special educational needs or disabilities. The service is available to individuals who are 16-25, pregnant or with a dependant child who need accommodation with on-site support to help them to learn independent living skills so they can successfully move on to a home of their own. This proposal affects the following three schemes: **Hastings:** Turner House (10 units or bedrooms)**; Eastbourne:** SAHA: (5 units or bedrooms); **Lewes**: SAHA (5 units or bedrooms). **Remove 24% of Supporting People funding. Review and realign service provision for accommodation based schemes for young mothers and their babies**	**1.4 It is recommended not to proceed with the saving proposal (£50,000) as additional funding is available through the Adult Social Care Levy**

Impact summary: The equality impact assessment 'Reduction to Supporting People Young Peoples accommodation services and Young Mothers service' demonstrates the proposal is likely to have a negative impact on the people who are affected.

Removal or reduction of this support may lead to more young mothers unable to cope and, increased rates of postnatal depression, which may lead to these children being at greater risk and therefore increased safeguarding concerns, and ultimately more children looked after. Young children, young people, females, pregnant women or women with children up to 28 weeks, Black and Minority Ethnic people, Disabled people, Lesbian, Gay, Bisexual , Transsexual and care leavers are all likely to be negatively affected by the proposal to reduce supported accommodation and young mothers accommodation as they are all over represented as users of these services. These groups are already vulnerable and this proposal places them at greater risk.

Those young people to whom the local authority has a statutory duty will be supported to find alternative accommodation. With the lack of available alternatives this is likely to be Bed and Breakfast with packages of support provided by Children's Services or Adult Social Care (if eligible). The quality of Bed and Breakfast accommodation available locally is poor and placement there is likely to increase safeguarding concerns. For some vulnerable young mothers, placement within a foster home may be offered which will increase costs to the County Council.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- Many comments raise objections to the savings in this area and cite their concerns about the impact on individuals and the community of removing or reducing Supporting People. The speed and scale of the proposals is viewed as a big risk.
- In particular, many people are concerned that the most vulnerable people in the county will be affected, with young people, young mothers, the homeless and those with mental health needs all being frequently mentioned as being at risk from the proposals. In the context of young people the impact on people's future and the serious negative knock-on effect is raised. For young mothers the negative impact on the whole family is raised. It is also recognised that the people who would be most affected often don't have family or support networks that could step into the breach.

Summary of key points: Impact if the proposals went ahead

- Many comments referenced groups of people that would be particularly affected, including women experiencing domestic violence, younger people, young mothers, carers and those with mental health needs. For younger people there is a particular risk of becoming homeless as a result of the proposals. The negative impact will also be felt across families and particularly by the children of those at risk of losing services.
- Some services and the building they are based in may close as a result. Once these services close it would be very hard to start them up again. Services that support recovery and give people the skills to manage for themselves won't be available. People will look more to acute services and become more dependent on them. There will also be more pressure on remaining services and longer waiting times than ever.
- The result is there will be less and less care available for people. In some cases people will be left with no community based support. The feedback from the consultation was that this will push people into crisis.

- Other statutory services would all be affected, including health, the police and fire services. There would be cost pressures and more need for support from these services.
- There would also be an economic impact on the county, with jobs being lost at many providers, tourism being affected by the community impact of the proposals and an increase in deprivation.

Service description: Supporting People Sheltered Housing Schemes; Extra care Housing Schemes; Learning Disability Housing Support; Home Works		**Proposal**
1.5 Home Works (Supporting People)	Home Works is a countywide service covering all areas of East Sussex and delivers floating housing support to people with multiple and complex needs who are homeless or at risk of homelessness. The service is usually delivered in the client's home, or in a community venue of their choice. The service aim is to support people who are homeless or at risk of homelessness to achieve and maintain suitable accommodation and build resilience. This service provides support to people aged 16 to 64 (a single person, a couple or a family) who are homeless or at risk of losing of their home, to help them keep or to access safe and affordable housing and to live independently. Home Works helps individuals to: • Learn how to stay in their home • Learn how to find and settle into a new home • Understand their tenancy or mortgage responsibilities • Develop online skills so they can use the internet and email • Manage their money and bills and reduce their debts • Know where to go for help and information, and how to access local service • Manage and improve your physical and mental wellbeing • Manage issues with alcohol or substance use or offending behaviour • Find out how to access volunteering, training, education and employment A reduction by the proposed amount would impact on an estimated 850 people who are homeless or at risk of homelessness.	**1.5 It is recommended to proceed with a reduced saving proposal of £300,000 as additional funding is available through the Adult Social Care Levy**
Original Savings proposal: £835,000	**Remove 24% of Supporting People funding for the Home Works service.**	

1.6 Sheltered Housing (Supporting People) **Original Savings proposal: £1,234,000**	On-site support service within sheltered housing schemes. The service supports people to improve their wellbeing; reduce social isolation; manage their physical and mental health and to maintain their independence. At present, a resident warden is on duty from Monday to Friday during normal office hours to provide support to residents. In particular, wardens help residents of sheltered housing to: • manage their physical health, • better manage their mental health, • maximise their income • acquire and use aids and adaptations to support their independence. Wardens also organise social activities such as coffee mornings and sightseeing trips. This proposal will affect 93 schemes with 3,445 households. **Remove 100% Supporting People funding in sheltered housing for long term services.**	**1.6 It is recommended to proceed with the savings proposal of £1,234,000 and to give notice to terminate the agreement and withdraw this funding**
1.7 Extra care schemes (Supporting People) **Original Savings proposal: £103,000**	On-site scheme managers provide support to households to support their independence and enable people to live in their own homes for longer. The on-site scheme manager helps people living within extra care schemes to better manage their physical health. The service is normally provided between 9-5 pm Monday to Friday and staff work alongside the care provider who offers 24 hr onsite care. This proposal affects the following schemes: **Eastbourne**: Cranbrook; **Wealden**: Margaret House and Bentley Grange; **Lewes**: Downlands; **Rother**: Newington Court and the Orangerie ; **Hastings**: Marlborough House **Remove 100% Supporting People funding for on-site support within extra care schemes**	**1.7 It is recommended to proceed with the savings proposal of £103,000 and to give notice to terminate the agreement and withdraw this funding**

1.8 Learning Disability services (Supporting People) **Original Savings proposal: £152,000**	On-site scheme managers provide support to individuals with a learning disability to support them to live independently. The scheme manager helps with communication issues. The service is normally provided between 9-5 pm Monday to Friday and staff work alongside the care provider who usually offers 24 hr onsite care. This proposal affects the following schemes: **Hastings:** East View Housing: 1 unit or bedroom**;** Royal Mencap: 18 units or bedrooms at 4, Victoria Road, 49, Lower Park Road 19, Millward Road; **Eastbourne:** Livability (Martello Road): 12 units or bedrooms; **Lewes:** Fiveways: 2 units or bedrooms in Peacehaven. **Remove 50% Supporting People funding from learning disability accommodation schemes**	**1.8 It is recommended not to proceed with the saving proposal (£152,000) as additional funding is available through the Adult Social Care Levy**

Impact summary: The equality impact assessment 'Sheltered Housing Schemes; Extra care Housing Schemes; Learning Disability Housing Support; Home Works' demonstrates the proposal is likely to have a negative impact on the people who are affected.

Homeworks:

- The large volume of people supported and the high level of vulnerability and complexity of the client group supported by Home Works is a particular concern.
- 26% of people receiving a Home Works service between 1 October 2014 and 30 September 2015 reported having a physical or sensory disability. 6% have a learning disability. 49% report having a mental health problem; 61% of people assessed between 1 January 2015 and 30 September 2015 have one or more long term conditions.
- Reductions to the Home Works service are likely to lead to an increase in safeguarding referrals. In addition Home Works saves on the cost of Personal Assistant packages and a reduction in available resources are likely to increase budget pressures on Adult Social Care Mental Health service costs.

Sheltered Housing:

- The impact will be negative on all ages living in sheltered housing as the removal of the onsite scheme manager will impact on all older people equally.
- In 2014/15, from a profile of 1166 people living in sheltered housing, 681 people were supported to manage their physical health and 171 to better manage their mental health, 558 to maximise their income and 514 were supported to acquire and use aids and adaptations to support their independence. It is reasonable to assume that people with sensory/physical disabilities benefited from having a relationship with the onsite scheme manager which helped them to achieve the above outcomes as well as reducing isolation and maintaining and improving their wellbeing. Although some

individuals will experience increased anxiety and a less effective level of personal contact and support current clients of sheltered housing will be supported to move on from the current arrangements. Care and support will remain in place for those with eligible needs.

- Funding reductions will impact on the availability of a range of services within sheltered housing. There will no longer be a general information and advice service provided, or a service promoting the well-being of all residents (unless provided through housing management). Services are unlikely to be able to support general social activities and there will be a reduction in the impetus for providers to use the buildings as a community hub. Residents in supported housing will, however, be able to access floating support. In addition, commissioners are working with providers to try and maintain an onsite scheme manager service using alternative funding streams building on the housing management rental income. There is no reason for these budget reductions to mean sheltered schemes cannot continue to have an available alarm system for residents to access emergency support 24/7.

Extra Care Schemes:

- The impact will be the same on all ages living in extra care as the removal of the onsite scheme manager will impact on all older people equally. In 2013/14, out of a sample of 108 clients living in extra care housing (and where a need was identified) 91% better managed their physical health. Although some individuals will experience increased anxiety and a less effective level of personal contact and support current clients of extra care housing will be supported to move on from the current arrangements. Disruption for extra care clients should be less than the impact on other services as care packages will remain in place.
- Funding reductions will impact on the availability of a range of services within extra care schemes. There will no longer be a general information and advice service provided, or a service promoting the well-being of all residents (unless provided through housing management). Services are unlikely to be able to support general social activities and there will be a reduction in the impetus for providers to use the buildings as a community hub. Residents living in extra care will, however, become eligible for a floating support service to address housing support needs. These services would visit eligible people in their home. These services can advise and signpost vulnerable people to other available provision, however funding reductions will impact on availability of a range of services. Within extra care, there will not be a general information and advice service and promotion of well-being for all residents unless provided through the onsite care team or housing management. Services are unlikely to be able to support general social activities and there will be a reduction in the impetus for providers to use the buildings as a community hub. Providers will be advised to refer people who may be eligible for support from Adult Social Care.

Learning Disability services:

- The potential removal of onsite housing support will reduce the resources available to support people with communication issues and impact their ability to achieve outcomes. People in learning disability services will, however, be able to access floating support. Both service providers and Learning Disability commissioners have expressed concern that clients with substantial learning disabilities will find it difficult to engage with floating support, and so the impact of removing this service will be more significant within this type of supported accommodation.
- Commissioners will work with the providers to aim to maximise rental income to minimise the impact. In addition, people with eligible care needs will continue to receive a care service onsite. All residents have a level of Adult Social Care funding which would indicate they have had a financial assessment and are eligible for ASC funding.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- Many comments raise objections to the savings in this area and cite their concerns about the impact on individuals and the community of removing or reducing Supporting People. The speed and scale of the proposals is viewed as a big risk.

Summary of key points: Impact if the proposals went ahead

- Many comments referenced groups of people that would be particularly affected, including women experiencing domestic violence, younger people, young mothers, carers and those with mental health needs. The negative impact will also be felt across families and particularly by the children of those at risk of losing services.
- Once these services close it would be very hard to start them up again. Services that support recovery and give people the skills to manage for themselves won't be available. People will look more to acute services and become more dependent on them. There will also be more pressure on remaining services and longer waiting times than ever.
- The result is there will be less and less care available for people. In some cases people will be left with no community based support. The feedback from the consultation was that this will push people into crisis.
- Other statutory services would all be affected, including health, the police and fire services. There would be cost pressures and more need for support from these services.
- There would also be an economic impact on the county, with jobs being lost at many providers, tourism being affected by the community impact of the proposals and an increase in deprivation.

Service description: Supporting People services for women and their children escaping domestic violence		Proposal
1.9 Refuge service (Supporting People) **Original Savings proposal: £80,000**	Refuge service for women and their children escaping domestic violence. This service provides emergency accommodation for women and children when they are most in need due to domestic violence. This proposal affects five refuges across the county, one in each District and Borough across East Sussex. **Remove 20% of funding from accommodation based schemes for women fleeing domestic violence (refuges)**	**1.9 It is recommended to proceed with the savings proposal of £80,000 and to give notice to terminate the agreement and to withdraw this funding**

Impact summary: The provider has proposed to reduce the service by 1 FTE of a post from onsite staffing and to remove the 1.5 peripatetic staff who currently work across the services. These peripatetic posts are not essential to the core service delivery within the onsite staff team. Refuge, the service provider, have advised that they can and will manage the funding reduction without a service closure and with a minimal reduction to onsite staffing so the impact of this reduction on the client group will be comparatively small. They will still be able to deliver the core service as specified in their contract however it should be noted that the loss of the peripatetic worker will reduce the overall service received by these vulnerable women.

Having agreed this approach with the provider we have undertaken a risk assessment which concludes the level of impact and risk to be small. By definition, these services do have a higher take up of people with the protected characteristic of gender as they are women only services. However the risk assessment concluded that there is no potential for or evidence that this service may adversely affect inclusiveness or harm good relations between different groups of people. The assessment also concluded that there is no potential for or evidence that any part of service could discriminate, directly or indirectly.

If a decision is made to progress this reduction to Refuge funding, commissioners will need to work with the provider to establish a staffing schedule and budget to meet contractual requirements.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- Many comments raise objections to the savings in this area and site their concerns about the impact on individuals and the community of removing or reducing Supporting People. The speed and scale of the proposals is perceived as posing a big risk to those who access the services.

- In particular, many people are concerned that the most vulnerable people in the county will be affected, with young people, young mothers, the homeless and those with mental health needs all being frequently mentioned as being at risk from the proposals. In the context of young people the impact on people's future and the serious negative knock-on effect is raised. For young mothers the negative impact on the whole family is raised. It is also recognised that the people who would be most affected often don't have family or support networks that could step into the breach.

Summary of key points: Impact if the proposals went ahead

- Many comments referenced groups of people that would be particularly affected, including women experiencing domestic violence, younger people, young mothers, carers and those with mental health needs. The negative impact will also be felt across families and particularly by the children of those at risk of losing services.

- The result is there will be less and less care available for people. In some cases people will be left with no community based support. This will push people into crisis.

- Other statutory services would all be affected, including health, the police and fire services. There would be cost pressures and more need for support from these services.

- There would also be an economic impact on the county, with jobs being lost at many providers, tourism being affected by the community impact of the proposals and an increase in deprivation.

Sections 2 and 3 cover the Commissioning Grants Prospectus. Section 2 relates to services funded by Adult Social Care, and Section 3 covers services jointly funded by Health and Social Care. For Adult Social Care, a saving of £1.667m needs to be made across the whole Prospectus, from the Adult Social Care Prospectus budget of £2m.

2. Commissioning Grants Prospectus (CPG): Adult Social Care funded services.

Summary: £1.667m savings proposed from the Adult Social Care Commissioning Grants Prospectus budget of £2m.

Commissioning Grants Prospectus	**Review, reduce and recommission services and support funded through the Prospectus** **Adult Social Care funded services**			
Learning disability and autism services				
Recommendations have been made for each individual service. For services where it is recommended to implement the saving proposal and give notice to terminate the agreement, it is unlikely that the service provision will continue following withdrawal of the funding. A summary of the impacts identified within the Equality Impact Assessment and key themes from the public consultation for the learning disability and autism service savings proposals are shown at the end of this section.				
Service type and provider	**Service description**	**CGP funding award 2015/2016**	**ASC funding /contribution**	**Proposal**
2.1 Autism Sussex **Original Savings Proposal: £20,000**	Pathways to Employment – volunteering, training and work opportunities. Job Coaches to support individual 'trainees' to develop practical and social skills to enable them to move along their pathway towards volunteering and employment. Trainees receive intensive, specialist input and training	£20,000 CGP total funding	All CGP funding provided by ASC	**2.1 It is recommended to proceed with the savings proposal of £20,000 and to give notice to terminate the agreement and to withdraw this funding**

2.2 Autism Sussex **Original Savings Proposal: £5,000**	Support groups online forum for Autism. Support for people with Autism and their families / carers through on-line methods, group support and 121 mentoring to strengthen personal development, increase self-esteem and improve social skills. The sessions include a wide variety of activities and social events.	£5,000 CGP total funding	All CGP funding provided by ASC	**2.2 It is recommended not to proceed with the savings proposal (£5,000) and for the service to be funded from the remaining Commissioning Grants Prospectus budget**
2.3 Culture Shift **Original Savings Proposal: £26,000**	Arts Connect 2 – creative activities, volunteer training and skills. Supporting adults with learning disabilities to develop their arts interests and skills, including through arts courses in film, music and dance.	£26,000 CGP total funding	All CGP funding provided by ASC	**2.3 It is recommended not to proceed with the savings proposal (£26,000) and for the service to be funded from the Better Care Fund**
2.4 Pepenbury **Original Savings Proposal: £33,000**	Steps – accredited training programme for LD adults to prepare for work through the setting up of charity shops. The programme enables LB adults to gain retail skills such as stock display, operating a till and dealing with customers by providing an opportunity to work in a charity shop.	£33,000 CGP total funding	All CGP funding provided by ASC	**2.4 It is recommended to proceed with the savings proposal of £33,000 and to give notice to terminate the proposal and withdraw this funding**
2.5 Project Artworks **Original Savings Proposal: £14,000**	Studio provision for arts activities. This service promotes the meaningful involvement of people who have complex impairments in visual art activity. The service involves artists working with service users who have communication difficulties and challenging behaviour to engage them in visual art activity.	£14,000 CGP total funding	All CGP funding provided by ASC	**2.5 It is recommended not to proceed with the savings proposal (£14,000) and for the service to be funded from the Better Care Fund**

2.6 Railway Land Wildlife Trust – Lewes **Original Savings Proposal: £48,000**	Nature Corridors for All – experience and education with local community wildlife trust. The project links adults with learning disabilities in Sussex and Normandie through project work at two wildlife sites – the Railway Land in Lewes and the Parc Naturel Guy Weber in St Aubin-le-Cauf, outside Dieppe	£48,000 CGP total funding	All CGP funding provided by ASC	**2.6 It is recommended to proceed with the savings proposal of £48,000 and to give notice to terminate the agreement and withdraw this funding**
2.7 Southdown Housing **Original Savings Proposal: £26,000**	Quality Checking Day Services –clients trained as volunteer quality checkers of day services. Clients who access learning disability services are trained and are supported to undertake quality checks of residential services offered by the provider.	£26,000 CGP total funding	All CGP funding provided by ASC	**2.7 It is recommended to proceed with the savings proposal of £26,000 and to give notice to terminate the agreement and withdraw this funding**
2.8 Stay Up Late **Original Savings Proposal: £15,000**	Gig Buddies – support to go out to events. The project pairs up people with and without learning disabilities to be friends and to go to events together.	£15,000 CGP total funding	All CGP funding provided by ASC	**2.8 It is recommended to proceed with the savings proposal of £15,000 and to give notice to terminate the agreement and withdraw this funding**
2.9 Zest (was Norwood) **Original Savings Proposal: £93,000**	Social enterprise car valet service offering training and work. The service offers work and training to LD adults.	£93,000 CGP total funding	All CGP funding provided by ASC	**2.9 It is recommended to proceed with the savings proposal of £93,000 and to give notice to terminate the agreement and withdraw this funding**

Impact Summary: The equality impact assessment 'De-investing of commissioning grants prospectus learning disabilities and autism outcome' demonstrates the proposals below are likely to have negative impacts on the people who are affected.

On their own each project represents a medium to low risk where a reduction in service provision may absorb the loss through other providers or provision. However, collectively all these services being de-invested in at the same time will mean a serious gap in service provision. An alternate provision would need to be considered to avoid increased levels of isolation, reduced levels of well-being and reliance on other service providers and their carers. Without these preventative activities or alternate provision this will result in increased reliance on other services such as mainstream health services such as Primary Care and Mental Health and also impact Adult Social Care. This will also result in increased levels of social isolation, reduction in aspirations to get paid employment, increased used of Short Breaks, increased levels of carers' physical and mental ill health.

The projects in question have consistently advanced equality of opportunity for people with a Learning Disability and / or Autism who are subject to inequality and discrimination as a result of their condition. The removal of the funding for these projects would mean that they would cease, and therefore this progress would at best stop, or at worst, the progressive work undertaken would be undone. The projects have also fostered good relations between different groups by opening up access to a range of community venues such as the libraries; the Towner Gallery; The De La Warr Pavilion; Hastings Museum and many social venues. This work would cease.

If these proposals are implemented, access to these type of services is likely to be reduced, which will increase social isolation and may lead to deterioration in the physical and mental well -being of those who previously accessed the service. Ultimately this may lead to increased health, care and support needs.
A further potential impact of implementing the proposals is that for people with autism there will be the breakdown of community life that has developed, increasing levels of isolation, loss of sense of belonging, loss of developed or developing skills, loss of promotion of good health and loss of social interactions.

A number of mitigations have been proposed in order to minimise the impacts of this proposal; including providing support and guidance to the individuals affected throughout the transition.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- A number of comments said the funding shouldn't be stopped and that services will have to close if funding is removed. Some people said the savings should at least be phased in so the services have time to become self-funding or find alternative funding.

- Comments raised the issue of people ending up in crisis and the increased risk of social isolation and exclusion. The impact on people of removing services, in terms of being involved in the community, supporting people to be independent and preparing them for employment was also raised.

- One comment said that the ASC funding is helpful in raising money from other sources and one person suggested that people could pay towards the services.

Summary of key points: Impact if the proposals went ahead

- Many of the comments talked about the significant impact on people: being stuck at home, not seeing friends, not being involved in the community,

losing opportunities to socialise and taking away people's jobs.

- The comments said this would affect people's general wellbeing, but also could have serious mental health implications for some, leaving them isolated and socially excluded. There would also be an impact on carers.
- All this would lead to additional costs elsewhere in the system and could push people into residential care. One comment also raised the issue of the wider impact on a charity's funding.

HIV services				
Service type and provider	**Service description**	**CGP funding award 2015/2016**	**ASC funding /contribution**	**Proposal**
2.10 Terrence Higgins Trust **Original Savings Proposal: £48,000**	Self-management support to enable people to more independently manage their long term condition (HIV). The service delivers self-management support enabling people with an HIV+ status to manage their long term condition as well as the impacts of medication side-effects and the stigma associated with HIV which isolates people from generic support. The service enables people to live more independently and healthily in the community, enabling many of whom have caring/parenting roles to continue, and to avoid onward transmission of HIV.	£48,000 CGP total funding	All CGP funding provided by ASC	**2.10 It is recommended not to proceed with the saving proposal (£48,000) as additional funding is available through the Adult Social Care Levy**

Impact Summary: The equality impact assessment 'Adult Social Care Revised Budgets for Physical Disability, Sensory Impairment and HIV Outcomes commissioned through the 2011 and 2014 Commissioning Grants Prospectuses' demonstrates the proposals below are likely to have negative impacts on the people who are affected.

- The proposals risk serious adverse impact for disabled people (specifically people with HIV) as a result of significantly increased early mortality or severe ill-health (HIV) and risk of loss of family life for children of people with HIV. There is an additional risk of increased HIV infection if vulnerable people are not aware of how the condition is transferred.
- Implementing this proposal may undermine the Council's efforts to advance equality of opportunity for some disabled and older people.
- Disabled people with will be disadvantaged by the removal or reduction in support and advice to live independently and have equality of opportunity in daily life, equal access and mobility.
- Information and advice and provision of equipment and training is a responsibility under the Care Act 2014

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- Removing this value for money service would leave people isolated and unable to cope. There would be a cost impact for the NHS and an equality impact of removing funding for the service.

Summary of key points: Impact if the proposals went ahead

- Comments talk about the value of the service, particularly for the NHS and the role THT plays in supporting people, which makes their health interventions more effective. People say they could not function without the support they are given. The way the organisation treats people, ensuring they are not stigmatised, was also seen as critical.
- The equality impact of removing funding for the service and the cost to other services was also raised.

Sensory impairment services				
Service type and provider	**Service description**	**CGP funding award 2015/2016**	**ASC funding /contribution**	**Proposal**
2.11 Action for Blind **Original Savings Proposal: £67,000**	Routeways to Work – supports people with sensory impairments to find and retain employment. Routeways to Work supports disabled people, people with sensory impairments and people with long term conditions, to find and retain employment, by specifically meetings the gaps in existing service provision and by providing pre-employment support, including motivational workshops, training, voluntary and work placement opportunities.	£67,000 CGP total funding	All CGP funding provided by ASC	**2.11 It is recommended to proceed with the savings proposal of £67,000 and to give notice to terminate the agreement and withdraw this funding**

Impact Summary: The equality impact assessment 'Adult Social Care Revised Budgets for Physical Disability, Sensory Impairment and HIV Outcomes commissioned through the 2011 and 2014 Commissioning Grants Prospectuses' demonstrates the proposals below are likely to have negative impacts on the people who are affected.

- Serious adverse impact is a risk for people with visual impairments or dual sensory loss where removal of services may result in increased likelihood of accident and injury.
- Implementing this proposal may undermine the Council's efforts to advance equality of opportunity for some disabled and older people.
- Disabled people with sensory impairments and physical disabilities will be disadvantaged by the removal or reduction in support and advice to live independently and have equality of opportunity in daily life, equal access and mobility.
- Disabled and older people who lack the communication skills, alternative personal support; or personal capacity will be disadvantaged as a result of their impairments to enable fair access to services. Other disabled clients without these needs who are not disadvantaged in this way will be more able to ensure that their eligible care and support needs are met.

- Information and advice and provision of equipment and training is a responsibility under the Care Act 2014
- If the proposals are agreed, ESCC proposes to work with current service providers so that actions can be taken to minimise the negative impacts on clients and their carers and better advance equality

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- People said the funding shouldn't be cut from critical services such as these, which encourage independence and reduce social isolation. These are value for money services which are already dealing with the impact of reduced funding. Services could be forced to close if the savings went ahead, leaving people isolated and unable to cope.

- There is also the equality impact to consider around people's communication needs, particularly relating to British Sign Language and managing written communications, and the wider implications of losing support in managing finances and health needs etc. People need to know what alternatives there would be if the funding was stopped.

Summary of key points: Impact if the proposals went ahead

- The impact would be on people's whole life, their health, wellbeing and mental health. People risk being isolated and getting into debt if their communication support needs and BSL needs aren't met. These services provide preventative support, so removing them would lead to costs elsewhere.

- One comment focused on the implications of the cuts across the voluntary sector and knock-on effect.

3. Commissioning Grants Prospectus (CPG): Joint health and Adult Social Care funded services.

Commissioning Grants Prospectus (CGP)	**Through the East Sussex Better Together Programme, review funding arrangements for Commissioning Grants Prospectus (CGP) services and support funded by health and social care** **Joint health and social care funded services**			
Long-term condition services				
Service type and provider	**Service description**	**CGP funding award 2015/2016**	**ASC funding /contribution**	**Proposal**
3.1 Stroke Association **Original Savings Proposal: £80,000**	Stroke survivors and their carers are supported to manage the condition and live independently. Including advice, communication cafes and exercise programmes. The service includes provision of emotional support to stroke survivors and their carers during the rehabilitation and post rehabilitation phases of recovery.	£159,000 CGP total funding	£80,000 ASC contribution to CGP funding	**3.1 It is recommended to proceed with the savings proposal of £80,000 and to give notice to terminate the agreement and withdraw this funding**

Impact Summary: The equality impact assessment 'Decommissioning of Commissioning Grants Prospectus Long Term Conditions Outcome' demonstrates the proposals are likely to have negative impacts on the people who are affected.

People affected by stroke will be disadvantaged by the removal or reduction in support and advice to live independently and have equality of opportunity in daily life, equal access and mobility. If it is necessary to close the communication cafes as a result of reduced funding, this will have an impact on the quality of life for those with an impaired ability to communicate following a stroke as well as their safety and equal access. If dedicated exercise programmes are not funded, it will be extremely difficult for stroke survivors to access other suitable facilities to support their recovery. Disabled and older people who lack the communication skills, alternative personal support, or personal capacity will be disadvantaged as a result of their impairments and this will seriously undermine the Council's efforts to advance equality of opportunity between different groups of people.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is

available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

It would affect peoples' lives and mean they would need more support from health and social care professionals and GPs, with the costs associated with that.

Summary of key points: Impact if the proposals went ahead

The comments said that people who've had a stroke need this valuable service. Removing funding would increase social isolation and affect people's quality of life. There is a national requirement to review people who've had a stroke so that need would still have to be met. This would put pressure on other services and budgets.

Long term condition and physical disability services				
Service type and provider	**Service description**	**CGP funding award 2015/2016**	**ASC funding /contribution**	**Proposal**
3.2 East Sussex Disability Association (ESDA) **Original Savings Proposal: £78,000**	A User-Led Centre for Independent Living to promote daily living equipment and telecare that helps people to live at home for longer. Support is provided to disabled people through the Daily Living Centre (DLC) and a specialist information service. The DLC offers independent community equipment information, advice and demonstrations which are tailored to individual's needs; and the information and advice service provides detailed information that supports local disabled people to live more independently.	£117,000 CGP total funding	£78,000 ASC contribution to CGP funding	**3.2 It is recommended not to proceed with the saving proposal (£78,000) as additional funding is available through the Adult Social Care Levy**

Impact Summary: The equality impact assessment 'Adult Social Care Revised Budgets for Physical Disability, Sensory Impairment and HIV Outcomes commissioned through the 2011 and 2014 Commissioning Grants Prospectuses' demonstrates the proposals below are likely to have negative impacts on the people who are affected.

Disabled people with sensory impairments and physical disabilities will be disadvantaged by the removal or reduction in support and advice to live independently and have equality of opportunity in daily life, equal access and mobility. Disabled and older people who lack the communication skills,

alternative personal support; or personal capacity will be disadvantaged as a result of their impairments. Other disabled clients without these needs who are not disadvantaged in this way will be more able to ensure that their eligible care and support needs are met.

Specific impacts of implementing this proposal include:

- Increased likelihood of experiencing isolation
- Increased likelihood of experiencing depression and other mental health issues
- Possible increased likelihood of safeguarding issues.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- There would be an impact on people's lives and independence, possibly leading more people to need to move into residential care. It would also remove a key independent resource for getting advice on the most suitable products.

- People felt this would put pressure on Adult Social Care workers, create budget pressures elsewhere and increase the risks of falls and injury from people buying unsuitable equipment.

Summary of key points: Impact if the proposals went ahead

- The comments noted the role ESDA has in helping people to be independent and live in the community. The service was described as a valuable resource, with a number of professionals noting that it is a key resource for staff to refer to.

- It is described as offering independent advice and providing a good resource for self-funders. A number of comments noted that removing the service could lead to people needing more Adult Social Care support in the community or to move into residential care.

Advocacy services				
Service type and provider	**Service description**	**CGP funding award 2015/2016**	**ASC funding /contribution**	**Proposal**
3.3 POhWER **Original Savings Proposal: £114,000**	Independent advocacy service that offers support or representation to vulnerable adults to speak up for themselves. POhWER provide a variety of advocacy support and interventions to enable people with a learning disability and those people with PDSI (Physical Disability and Sensory Impairment) to make informed choices, express their views and exercise full rights as citizens.	£250,000 CGP total funding	£114,000 ASC contribution to CGP funding	**3.3 It is recommended not to proceed with the saving proposal (£114,000) as additional funding is available through the Better Care Fund**

Impact Summary: The equality impact assessment 'Decommissioning of Commissioning Grants Prospectus Advocacy Outcome' demonstrates the proposals below are likely to have negative impacts on the people who are affected.

Disabled and older people who lack the communication skills, alternative personal support; or personal capacity will be disadvantaged as a result of their impairments in obtaining advocacy to enable fair access to services. Other disabled clients without these needs who are not disadvantaged in this way will be more able to ensure that their eligible care and support needs are met. Provision of advocacy support to disabled and older people who need care and support services is a requirement of the Care Act 2014.

It is likely that an impact of the proposals is that people who have a Learning Disability ('LD') or Physical Disability and Sensory Impairment ('PDSI'), will have reduced access to a range of services if they are unable to access advocacy. Without an advocacy service people will not be supported to understand their rights, and will therefore have less choice and control over their life and their support. It is possible that people with a LD or PSID will be less able to speak up for themselves in a range of settings without access to advocacy.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

People raised the fact that advocacy is an essential service helping people to be independent and is needed by the most vulnerable. Some people won't be able to speak up for themselves without this service. Social workers don't provide the same level of 1-2-1 support and BME people's ability to access support and services would be affected.

Summary of key points: Impact if the proposals went ahead

The comments said that advocacy has a vital role to play in giving people and their families a voice in their own care, particularly at times when people might need independent support to make choices about their health and wellbeing. If the service wasn't available people wouldn't get the support they need to access services and support, particularly mental health services and BME clients.

Mental health services

The total Adult Social Care contribution to Mental Health Services in the Commissioning Grants Prospectus is £819k. From this contribution £680k savings have been identified. Where savings are proposed, a percentage reduction of the Adult Social Care funding has been identified.

A summary of the impacts identified within the Equality Impact Assessment and key themes from the public consultation for the Mental Health service savings proposals are shown at the end of this section.

Service type and provider	Service description	CGP funding award 2015/2016	ASC funding /contribution	Proposal
3.4 Alzheimer's Society **Original Savings Proposal: £30,000**	Day support services for people with early onset dementia. Two separate drop-in days available in Bexhill and Eastbourne. This is support for carers as well as service users who are working age and diagnosed/assed with having dementia.	£68,000 CGP total funding	£30,000 ASC contribution to CGP funding	**3.4 It is recommended not to proceed with the saving proposal (£30,000) and for the service to be funded from the remaining Commissioning Grants Prospectus budget**
3.5 Hastings Advice and Representation Centre (HARC) **Original Savings Proposal: £2,000**	Hard to engage – welfare benefits advice and representation for vulnerable people. The service provides free advice, information and representation on all welfare benefits and tax credits.	£4,000 CGP total funding	£2,000 ASC contribution to CGP funding	**3.5 It is recommended not to proceed with the saving proposal (£2,000) and for the service to be funded from the remaining Commissioning Grants Prospectus budget**

3.6 Recovery Partners **Original Savings Proposal: £37,000**	Peer Support specialists – self management and recovery plans at hubs. Group and 1-1 support sessions with peer specialists.	£84,000 CGP total funding	£37,000 ASC contribution to CGP funding	**3.6 It is recommended not to proceed with the saving proposal (£37,000) and for the service to be funded from the remaining Commissioning Grants Prospectus budget**
3.7 Seaview Project **Original Savings Proposal: £52,000**	Open access drop-in centre for hard to engage people in St Leonards. A 6 day a week drop-in café style provision which engages people to partake in monitoring their health, drug and alcohol interventions and deals with issues such as homelessness homeless, street drinkers.	£115,000 CGP total funding	£52,000 ASC contribution to CGP funding	**3.7 It is recommended to reduce Adult Social Care funding by 90%, saving £48,000.** *£67,000 of joint funding will remain in place to ensure on-going viability of this service.*
3.8 Southdown Housing **Original Savings Proposal: £144,000**	Supported Employment using Individual Placement and Support Model enabling independence. Dedicated employment specialists offering employment as well as employment retention for people who become unwell and are at risk of losing their job.	£326,000 CGP total funding	£144,000 ASC contribution to CGP funding	**3.8 It is recommended to reduce Adult Social Care funding by 90%, saving £130,000.** *£196,000 of joint funding will remain in place to ensure on-going viability of this service.*
3.9 Southdown Housing **Original Savings Proposal: £115,000**	Community Links – tailored help for individuals (forensic history, personality disorder, substance misuse) to aid recovery and inclusion. Social inclusion support for people so they can develop support networks in their local communities. Includes a dedicated Autism Specialist who will deliver the above support focusing on people with Autism/Asperger's	£261,000 CGP total funding	£115,000 ASC contribution to CGP funding	**3.9 It is recommended to reduce Adult Social Care funding by 90%, saving £104,000.** *£157,000 of joint funding will remain in place to ensure on-going viability of this service.*

3.10 Sussex Oakleaf **Original Savings Proposal: £92,000**	Health and Wellbeing Hub – recovery orientated flexible/ personalised mental health support in Eastbourne. (Brightview) The Wellbeing Hub replaces traditional Mental Health Day centres. Centres also facilitate other service provision and clubs in evenings and weekends linking with other services including Health in Mind, alcoholics anonymous, Hearing Voices groups and LGBT groups.	£208,000 CGP total funding	£92,000 ASC contribution to CGP funding	**3.10 It is recommended to reduce Adult Social Care funding by 90%, saving £84,000.** *£124,000 of joint funding will remain in place to ensure on-going viability of this service.*
3.11 Sussex Oakleaf **Original Savings Proposal: £44,000**	Health and Wellbeing Hub – recovery orientated flexible/ personalised mental health support in North Wealden. North Wealden Wellbeing Hub – Bellbrook, Uckfield and surrounding area, Crowborough. The Wellbeing Hub replaces traditional Mental Health Day centres. Centres also facilitate other service provision and clubs in evenings and weekends linking with other services including Health in Mind, alcoholics anonymous, Hearing Voices groups and LGBT groups.	£99,000 CGP total funding	£44,000 ASC contribution to CGP funding	**3.11 It is recommended to reduce Adult Social Care funding by 90%, saving £40,000.** *£59,000 of joint funding will remain in place to ensure on-going viability of this service.*
3.12 Sussex Oakleaf **Original Savings Proposal: £40,000**	Health and Wellbeing Hub - recovery orientated flexible/personalised mental health support in South Wealden. The Wellbeing Hub replaces traditional Mental Health Day centres. Centres also facilitate other service provision and clubs in evenings and weekends linking with other services including Health in Mind, alcoholics anonymous, Hearing Voices groups and LGBT groups.	£90,000 CGP total funding	£40,000 ASC contribution to CGP funding	**3.12 It is recommended to reduce Adult Social Care funding by 90%, saving £36,000.** *£54,000 of joint funding will remain in place to ensure on-going viability of this service.*

3.13 Together **Original Savings Proposal: £263,000**	Health and Wellbeing Hub – recovery orientated flexible/ personalised mental health support in Hastings, Bexhill, Rother, Newhaven and Lewes. "Your Way" in Bexhill. The Wellbeing Hub replaces traditional Mental Health Day centres. Centres also facilitate other service provision and clubs in evenings and weekends linking with other services including Health in Mind, alcoholics anonymous, Hearing Voices groups and LGBT groups.	£596,000 CGP total funding	£263,000 ASC contribution to CGP funding	**3.13 It is recommended to reduce Adult Social Care funding by 90%, saving £238,000.** *£358,000 of joint funding will remain in place to ensure on-going viability of this service.*

Impact Summary: The equality impact assessment 'Voluntary and community based mental health support (Commissioning Grants Prospectus)' demonstrates the proposals below are likely to have negative impacts on the people who are affected.

There is potential for the proposals to have a significant adverse impact on individuals with mental health needs who will become unable to access suitable services and support as a result of the proportion of the budget savings being made through the Commissioning Grants Prospectus funded services. In particular, the following impacts were identified:

- Fewer effective opportunities to build plans towards their personal recovery goals, resilience and self-management,
- Less respite and practical support for carers, including support with their own mental health needs
- Significant reduction in engagement and access to services
- Less support with recovery and maintenance of good mental health and independent living over the longer-term

A small proportion of services are currently proposed to retain funding. A number of this cohort of people have in the last 3 years moved from residential care services into supported accommodation or independent living. This has been successful due to the support received from these services.

There is a high risk that individuals will develop needs that are a risk to themselves and others for example high levels of mental health distress, aggression, and potential for suicide (HRA Right to Life). The quality of life and safety is severely impacted by removing or significantly reducing mental health support services in the community.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- The majority of the comments talked about the value of the services in question: to the individual, their family and carers, and to the wider community. Many people also said they disagreed with the proposals, with some saying that mental health services would be disproportionally affected.
- The services are seen as critical, value for money services which support people's wellbeing, encourage independence and recovery, and support people into employment. In the case of the Alzheimer service a number of comments said this is a unique service with nothing else available for those suffering from early-onset Alzheimer's or dementia.
- Suggestions include streamlining services instead of cutting them, asking people to pay a contribution, cutting management costs and requiring providers to demonstrate the value of services.

The feedback was that people consider that reducing or removing funding would:

- Affect the most vulnerable, having a domino effect for clients and putting lives at risk
- Increase social isolation and exclusion
  - Increase the pressure on family and carers, in some cases meaning they can't work any more
  - Remove community resources and buildings
  - Increase hospital admissions and put pressure on other budgets and services
  - Leave more people reliant on benefits

Summary of key points: Impact if the proposals went ahead

- Removing or reducing funding would leave people with no services and no support for their illness. There would be an impact on the individual, with a real risk to people's lives and safety as well as their quality of life and wellbeing, and a wider impact on families and the community. People will be pushed into acute services and there would be more hospital admissions.
- There will also be a social impact, with a lot of people saying they would be at home all day. The knock-on effect to people's mental health would be felt through greater risks of depression, homelessness and exploitation.
- People would need more funded support from Adult Social Care and it may push people into institutions or mean they need more NHS care.

Older peoples services				
Recommendations have been made for each individual service. For services where it is recommended to implement the saving proposal and give notice to terminate the agreement and withdraw the funding, it is unlikely that the service provision will continue following withdrawal of the funding. A summary of the impacts identified within the Equality Impact Assessment and key themes from the public consultation for the Older Peoples service savings proposals are shown at the end of this section.				
Service type and provider	**Service description**	**CGP funding award 2015/2016**	**ASC funding /contribution**	**Proposal**
3.14 Age Concern Eastbourne **Original Savings Proposal £40,000**	Home From Hospital – short term discharge support provided by volunteers – covering Eastbourne, Hailsham and Seaford. The service is for older people or their friends and relatives who are concerned about how they will cope at home when leaving hospital. Services include: • Visiting older people at home for between 4 to 6 weeks • Accompanying to short medical appointments • Collecting prescriptions and shopping • Preparing light snacks • Providing information and help to obtain other services or equipment needed • Making introductions to clubs and other organisations	£46,000 CGP total funding	£40,000 ASC contribution to CGP funding	**3.14 It is recommended not to proceed with the saving proposal (£40,000) and for the service to be funded from the remaining Commissioning Grants Prospectus budget**
3.15 Age Concern Eastbourne **Original Savings Proposal: £30,000**	Eastbourne Shed (formerly Men in Sheds) – educational, occupational, leisure, activity opportunity in Eastbourne. The Eastbourne Shed provides a place where men and women can come along and take part in activities similar to what they would do in their own garden shed but with other like minded people supplying good company.	£41,000 CGP total funding	£30,000 ASC contribution to CGP funding	**3.15 It is recommended to proceed with the savings proposal of £30,000 and give notice to terminate the agreement and withdraw this funding**

3.16Alzheimer's Society **Original Savings Proposal: £23,000**	Befriending Service for people with early stage dementia to maintain independence. The service provides personalised companionship for people with dementia or carers, either in their own home or during outings and activities in the community	£69,000 CGP total funding	£23,000 ASC contribution to CGP funding	**3.16 It is recommended not to proceed with the savings proposal (£23,000) and for the service to be funded from the Better Care Fund**
3.17 Age UK East Sussex **Original Savings Proposal: £77,000**	Home from Hospital – short term discharge support provided by volunteers – covering Hastings, Rother and High Weald, Lewes and the Havens. The service is for older people or their friends and relatives who are concerned about how they will cope at home when leaving hospital. Services include: • Visiting older people at home for between 4 to 6 weeks • Collecting prescriptions and shopping • Preparing light snacks • Providing information and help to obtain other services or equipment needed Making introductions to clubs and other organisations	£89,000 CGP total funding	£77,000 ASC contribution to CGP funding	**3.17 It is recommended not to proceed with the saving proposal (£77,000) and for the service to be funded from the remaining Commissioning Grants Prospectus budget**

3.18 Age UK East Sussex **Original Savings Proposal: £28,000**	Take Home and Settle – discharge support including transport home from Eastbourne District General Hospital and Conquest Hospital. This service enables older people who have attended Accident and Emergency, at the Conquest Hospital Hastings or the Eastbourne District General Hospital, to go home rather than be admitted to hospital. It serves older residents of East Sussex with an emphasis on those who live alone or who are carers. It helps to facilitate a safe discharge from hospital, accompany patients home and ensures they are safely settled in.	£107,000 CGP total funding	£28,000 ASC contribution to CGP funding	**3.18 It is recommended not to proceed with the saving proposal (£28,000) and for the service to be funded from the remaining Commissioning Grants Prospectus budget**
3.19 Age UK East Sussex **Original Savings Proposal: £50,000**	123 Service – on-going access to day opportunities with different levels of support/transport/activities. The service provides: • Companionship: support by telephone, home visits, assistance to enjoy the day and achieve practical tasks. • •Support by escorting and encouraging clients to attend local community centres, events, local clubs and friendship groups which could facilitate future independent attendance and peer-to-peer contact.	£66,000 CGP total funding	£50,000 ASC contribution to CGP funding	**3.19 It is recommended not to proceed with the saving proposal (£50,000) as additional funding is available through the Adult Social Care Levy**
3.20 Marsham Older People's Project **Original Savings Proposal: £4,000**	Weekly day centre/lunch club promoting independent living for those isolated in rural area. The Centre offers information and advice on health together with Podiatry and other health services. There are also occasional visits from the local farm shop and a clothing retailer.	£5,000 CGP total funding	£4,000 ASC contribution to CGP funding	**3.20 It is recommended to proceed with the savings proposal of £4,000 and to give notice to terminate the agreement and withdraw this funding**

3.21 RVS Royal Voluntary Service **Original Savings Proposal: £22,000**	Get Well Stay Well, Newhaven – good neighbours service combatting isolation in community. The service offers befriending and can include visits to older people to provide friendly social contact and help with small practical tasks. volunteers visit older people at home carry out tasks including: • safe, warm and well checks, • chatting to and offering regular friendly, social contact, • post office or prescription collections, • assisting with shopping or food preparation, • providing transport, • general household jobs, • helping access other services if necessary.	£29,000 CGP total funding	£22,000 ASC contribution to CGP funding	**3.21 It is recommended to proceed with the savings proposal of £22,000 and to give notice to terminate the agreement and withdraw this funding**
3.22 Sound Architect Creative Media **Original Savings Proposal: £6,000**	Community participation and activities co-ordinator in Wealden district. (TN22, TN21 Clubs, Techclub.) The service provides educational and recreational opportunities for all through music technology, film making, digital photography and all other aspects of digital creative media.	£8,000 CGP total funding	£6,000 ASC contribution to CGP funding	**3.22 It is recommended to proceed with the savings proposal of £6,000 and to give notice to terminate the agreement and withdraw this funding**

Impact Summary: The equality impact assessment 'Decommissioning of Commissioning Grants Prospectus Older People Outcome' demonstrates the proposals below are likely to have negative impacts on the people who are affected.

These proposals would present a significant risk to older people and their carers in being able to return home safely from hospital. There would be a risk of readmission to hospital and/ or a potential deterioration in the persons and/or carers physical and mental health and wellbeing. These proposals would also present a significant risk to older people and their carers due to an increased risk of deterioration in the persons and /or carers physical and mental health and wellbeing due to social isolation.

This could have a greater impact on people living in rural areas where there may not be alternative services available or sufficient capacity. In addition there could be an increased risk of further deterioration for people living with a long term condition and/ or disability, Due to the additional pressure carers may find themselves unable to continue with their caring role.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- Home from hospital services were recognised as excellent services that should be protected, with a number of people raising the issue of pressure on the NHS and bed blocking if funding stopped.
- The Parish Council responded regarding Marsham Older Peoples Project (MOPPs), explaining the value of the service and the fact that the needs of people would still need to be met. Isolation was also mentioned as an issue of removing funding for this service.
- Increased costs through people needing other services and the risk of voluntary sector closures were also raised.
- Suggestions included raising Council tax, cutting out duplicate services and cutting management and administration costs.

Summary of key points: Impact if the proposals went ahead

- People will be housebound and isolated, with others being stuck in hospital without help to get home. All of this will put more demands on social care in the long term.

Sensory impairment services				
Recommendations have been made for each individual service. For services where it is recommended to implement the saving proposal and give notice to terminate the agreement, it is unlikely that provision of the service will continue following withdrawal of the funding. A summary of the impacts identified within the Equality Impact Assessment and key themes from the public consultation for the Sensory Impairment service savings proposals are shown at the end of this section.				
Service type and provider	**Service description**	**CGP funding award 2015/2016**	**ASC funding /contribution**	**Proposal**
3.23 East Sussex Hearing Resource Centre **Original Savings Proposal: £78,000**	Delivery of specialist equipment and services in the community to support people with hearing impairments to retain and improve their independence. The service provides support that enables Deaf people and people with hearing impairments and long term conditions to live independently for longer through the provision of sensory community aids and equipment and support services such as hearing aids maintenance, lip reading classes and a wide range of practical and social support opportunities.	£126,000 CGP total funding	£78,000 ASC contribution to CGP funding	**3.23 It is recommended not to proceed with the saving proposal (£78,000) and for the service to be funded from the remaining Commissioning Grants Prospectus budget**
3.24 East Sussex Vision Care **Original Savings Proposal: £104,000**	Delivery and support to use specialist equipment and services in the community for people with a visual impairment to maintain or improve their independence. The service provides assessments for CVI status (certified as visually impaired), sensory equipment, and support services, including: to maintain equipment, learn to walk with a white cane, social engagement to reduce isolation for blind or sensory impaired people who struggle with daily living activities due to sight barriers.	£143,000 CGP total funding	£104,000 ASC contribution to CGP funding	**3.24 It is recommended not to proceed with the saving proposal (£104,000) and for the service to be funded from the remaining Commissioning Grants Prospectus budget**

3.25 The Sussex Deaf Association **Original Savings Proposal: £29,000**	Community Support, information, life skills and social facility services for the Hearing Impaired. The service provides support, social and welfare service for deaf, deafblind, deafened and hard of hearing people across Sussex to enable them to communicate and live independently through personalised advice and information, and group support to reduce isolation	£37,000 CGP total funding	£29,000 ASC contribution to CGP funding	**3.25 It is recommended to proceed with the savings proposal of £29,000 and to give notice to terminate the agreement and withdraw this funding**

Impact Summary: The equality impact assessment 'Adult Social Care Revised Budgets for Physical Disability, Sensory Impairment and HIV Outcomes commissioned through the 2011 and 2014 Commissioning Grants Prospectuses' demonstrates the proposals below are likely to have negative impacts on the people who are affected.

- There is a risk for people with visual impairments or dual sensory loss where removal of services may result in increased likelihood of accident and injury.
- Disabled people with sensory impairments and physical disabilities will be disadvantaged by the removal or reduction in support and advice to live independently and have equality of opportunity in daily life, equal access and mobility. In particular, people who are deaf, blind or have a sensory impairment may struggle to manage daily living tasks and to understand the world around them. For example, some deaf people struggle to read (BSL is often their first language) and so often cannot manage to maintain their independence (take telephone calls, read correspondence, attend appointments, manage their conditions) or employment without support.
- Disabled and older people who lack the communication skills, alternative personal support; or personal capacity will be disadvantaged as a result of their impairments to enable fair access to services. Other disabled clients without these needs who are not disadvantaged in this way will be more able to ensure that their eligible care and support needs are met.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- People said the funding shouldn't be cut from critical services such as these, which encourage independence and reduce social isolation. These are value for money services which are already dealing with the impact of reduced funding. Services could be forced to close if the savings went ahead, leaving people isolated and unable to cope.

- The hearing impairment services are doing things the private sector doesn't want to do and in some cases there isn't an alternative service. Services that understand what deaf people need could be forced to close if the savings went ahead leaving people isolated.
- There is also the equality impact to consider around people's communication needs, particularly relating to British Sign Language and managing written communications, and the wider implications of losing support in managing finances and health needs etc. People need to know what alternatives there would be if the funding was stopped.

Summary of key points: Impact if the proposals went ahead

- The impact would be on people's whole life, their health, wellbeing and mental health. People risk being isolated and getting into debt if their communication support needs and BSL needs aren't met. These services provide preventative support, so removing them would lead to costs elsewhere.

4. Drug and alcohol services

The drug and alcohol prevention strategy funds a range of services for adults and young people, providing treatment, recovery and specialist support for people affected by drug or alcohol misuse. Many of these services are funded by Public Health, for which there is a savings target of £788k in 2016/2017. Services will be reviewed and reconfigured to deliver this savings target and these changes will be managed through existing commissioning processes. A decision is required regarding the saving below, which formed part of the public consultation and has an associated equality impact assessment.

Drug and alcohol services		
Service type and provider	**Service description**	**Proposal**
4.1 The Local Area Single Assessment and Referrals Service (LASARS) **Original Savings Proposal: £457,000**	This service carries out initial assessments for each client. They also develop initial recovery plans and broker access into appropriate treatment pathways including residential rehabilitation. The aim of the LASAR is to rapidly engage people in effective structured treatment which enables them to recover .The LASAR will assess suitability for treatment, assign a complexity tariff, develop initial recovery plans and broker access to appropriate treatment pathways including residential rehabilitation. **That the current service ceases and all assessments are carried out by the main treatment service provider.**	**4.1 It is recommended to proceed with the savings proposal of £457,000 and give notice to terminate the agreement and withdraw this funding**

Impact Summary: The equality impact assessment 'Decommissioning of LASAR: Gateway service to accessing treatment' demonstrates the proposals below are likely to have the following impacts on the people who are affected:

- Service user consultation showed that this proposal may improve access for all groups. Following meeting with and East Sussex Recovery Alliance and peer support groups plus feedback from the strategy consultation this was the conclusion that service users wanted to be added to this impact assessment.
- Waiting times to access treatment are expected to reduce as this will be one less layer of assessment. After the decommissioning of LASARS all access to treatment services will be managed by STAR our commissioned treatment provider.
- The LASARS carers assessment function will need to be mainstreamed into ASC as there will be a potential impact on carer identification and recognition. There may also be an impact on carers assessments. The LASARS service has safeguarding responsibilities and this will be mainstreamed into Adult Social Care.
- There will be no reduction in treatment capacity as a result of this change.

Consultation

This proposal has been subject to public consultation which ran between 23 October 2015 and 18 December 2015. The full consultation findings can be found in the 'Consultation results: Adult Social Care savings proposals 2015' report that is available online and with copies in the Members' room and is available for public inspection at County Hall on request.

Summary of key points: Comments/suggestions on the proposals

- Many of the comments state that people disagree with the proposed savings. In contrast to other areas though, there are also a minority of people who support making savings in this area. Sometimes this is because people don't think such services should be funded and in other cases it is because they think priority should be given to other services facing cuts

Reducing or removing funding would:

- Lead to people losing their lives if they don't get the support they need
- Remove a service from a vulnerable group of people, with many comments focusing on the impact on young people and the cumulative effect of service funding cuts in other areas such as housing support services (Supporting People funding)
- Increase hospital admissions and the chances of people reaching crisis point
- Lead to higher consumption for people with a drug or alcohol problem
- Increase the chances of people losing their accommodation and becoming homeless
- Affect the families of people who use services, pushing families into crisis or leading to relationship breakdowns

- Affect the community through increased street drinking and crime
- Increase costs for the NHS, particularly acute mental health services and A&E
- Put pressure on other budgets and services, such as the Police
- ESCC could fail to meet its statutory obligations and it could affect the success of the East Sussex Better Together project
- Affect communities through increases in drug and alcohol use, anti-social behaviour, drink driving, and crime

Summary of key points: Impact if the proposals went ahead

- Many of the comments focused on what the proposals would mean for them, family or friends. People feel that a vulnerable and hard to engage client group would be left with no support, affecting their mental health and making them more at risk of isolation, exploitation and neglect. There is also a danger that people will lose their lives if they don't receive the support they need.
- There would be no one to support them or challenge their behaviour. They would be more likely to drop out of treatment as trust and 1-2-1 support is crucial to recovery. This would also put them at greater risk of harm and put other people at greater risk of harm from them.
- There will also be a significant impact on families, carers and children and their wellbeing. There is also a risk that family relationships will break down.
- The result will be increased use of NHS services and the risk of increased homelessness, anti-social behaviour and crime. As well as the impact on other services it will also affect the community, as the streets will become more unsafe. This is raised as a particular issue in areas like Hastings and St Leonards.

Professionals have queried whether adult social care teams have the specialist knowledge and capacity required to give this client group the support they need. A number of comments also flag the issue of the cumulative impact of cuts in other areas, such as housing support services (Supporting People) particularly for younger people and young mothers.

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Children's Centres Offer		Proposal
1. Children's Centres Offer	The core purpose of Children's Centres is to improve outcomes for young children and their families and reduce inequalities between families in greatest need and their peers in: child development and school readiness; parenting aspirations and parenting skills; and child and family health and life chances. Children's Centres currently offer free open access activities, often on a drop in basis, for parents-to-be and families with children aged 0 to 5. This might be baby and toddler play activities, music groups, breastfeeding support, or family learning. The activities are designed to promote positive attachment, positive parenting, good child health and stimulate speech and language development. Parents are able to freely attend the activities with their babies and young children, meet other parents, and ask for help and advice from trained staff e.g. on issues such as feeding, sleeping and behaviour. In order to meet necessary savings we are asking Cabinet to make a decision in relation to our countywide Children's Centres Offer. The County Council is integrating its Children's Centre services with Health Visiting (HV) and proposes to focus the integrated service on responding to needs identified through the programme of development reviews offered to all children. This will necessitate the cessation of County Council funded universal access provision i.e. open access drop in activities at Children's Centres.	**1. To cease County Council funded universal access provision open access drop in activities at Children's Centres.** **This saving is highlighted under "Early Help" in Appendix 3, and will achieve a saving of £1.9m in 2016/17 and totalling £4.3m for the three years 2016/17-2018/19.**

Impact summary: The equality impact assessment 'Proposal to cease Children's Centre open access provision run by the Local Authority'. An Equality Impact Assessment for this proposal has been carried out and can be found online, with copies in the Members' room and is available for public inspection at County Hall on request. In summary, consideration of the data has told us the proposal disproportionately impacts negatively on families with children aged 0-5 assessed as level two on the Continuum of Need who are Black and Minority Ethnic (BME), teenage parents in some areas, women in general, pregnant women and women in the first 26 weeks of maternity leave, and families from the most deprived areas or workless households, as these groups are all more likely to access universal children's centre provision than the general population.

Consultation

Consultation took place between 16th November and 18th December 2015. This included focus groups with parents and Children's Centres partners in each of the CCG areas. In addition some individual 1 to 1 sessions with parents were undertaken. In total 384 individuals attended. An online and paper based survey was also administered. In total 432 responses were received. Additional information was received via letters to the Local Authority (one through a Local MP). The full consultation findings can be found in 'Children's Centre Changes Consultation Report' (available on the website).

Summary of key points: Comments/suggestions on the proposals

- The current groups are open to all parents and are non-judgemental. Future targeted groups could be seen as stigmatising.
- Parents see the proposed changes as being short-sighted and are concerned for those with no family support.
- A number of parents are happy to volunteer in order to keep services running but parents and partners are concerned that this may mean that families' needs or safeguarding concerns are missed.
- There was also a concern that families may not be able to access support between the HV mandatory contacts.

Summary of key points: Impact if the proposals went ahead

It is evident that the universal open access groups as they run at present are of great value to parents and partners and parents have told us that a cessation in this service will impact on them in the following ways:

- Increase isolation
- Reduce access to support and advice when they need it
- Lead to increased mental health problems
- Reduce opportunities for children to develop school readiness
- Reduce opportunities to learn good parenting technique
- Targeted provision will become stigmatised.
- There will also be an impact on low income families if no other free provision exists in the area.

And as such community resilience will reduce.

Mitigation

- The key mitigating factor is that families requiring higher levels of need will be identified through HV mandatory checks and can be referred to targeted group provision or 1:1 key work support.
- Further, other services will continue to be able to refer families at level three on the continuum of need for key work provision via SPOA.
- Families with lower levels of support will be signposted to community play provision.
- The digital information and advice offer will be enhanced so that parents and carers can access advice online
- Children's Centres will actively promote opportunities for volunteers to lead universal provision with the centres.
- Children's Centres will offer a venue to community organisations to deliver services to support parents/carers and families.

SCHEDULE OF FEES & CHARGES REQUIRING APPROVAL AS PART OF THE ANNUAL BUDGET REPORT.

Fees & Charges	Current Charge 2015/16	Proposed Charge 2016/17	Increase / Decrease (%)	Explanation	Proposed Charge 2017/18	Increase / Decrease (%)
Registration service						
Licensed Premises Fees						
Application Fee for Approved Marriage/Civil Partnership Premises	£1,650.00	£1,750.00	6.06%	The charges for 2016/17 were agreed as part of the 2015/16 budget report or subsequently by Lead Member. The increase for 2017/18 reflect market conditions. They require approval a year in advance to enable advanced booking to be taken.	£1,850	5.71%
Additional marriage/civil partnership room charge	£575.00	£600.00	4.35%		£625	4.17%
Marriages & Civil Partnerships at licensed premises (8am to 6pm)						
Mon - Thurs	£440.00	£450.00	2.27%		£475.00	5.56%
Friday	£455.00	£475.00	4.40%		£500.00	5.26%
Saturday	£485.00	£500.00	3.09%		£525.00	5.00%
Public Holiday	£540.00	£550.00	1.85%		£575.00	4.55%
Exchange of Rings Ceremony	£100.00	£110.00	10.00%		£120.00	9.09%
Marriages & Civil Partnerships at Registration Office Ceremony Rooms (9am to 5pm)						
Mon - Thurs	£115.00	£125.00 to £300.00		New tiered charging structure being introduced to better match the costs and market expectations for the different venues being offered.	£140.00 to £325.00	
Friday	£145.00	£150.00 to £325.00			£165.00 to £350.00	
Saturday & Sunday	£220.00	£250.00 to £425.00			£265.00 to £450.00	
Public Holiday	£355.00	£375.00 to £550.00			£390.00 to £575.00	
Naming Ceremonies and Renewal of Vows Ceremonies						
Weekday – Registration Office	£125.00	£208.00	66.40%	During 2016/17 trialling a uniform price structure, set in the middle of the current price range to see the impact on overall income yields. A uniform price would facilitate a more efficient billing and collection process.		
Weekday – licensed venue	£162.50	£208.00	28.00%			
Saturday & Sunday – Registration Office	£162.50	£208.00	28.00%			
Saturday & Sunday – licensed venue	£162.50	£208.00	28.00%			
Public Holiday – Registration office	£245.83	£208.00	-15.39%			
Public Holiday – licensed venue	£245.83	£208.00	-15.39%			
Weekday - Homes/Non-Licensed Venues	£245.83	£208.00	-15.39%			
Saturday & Sunday - Homes/Non-Licensed Venues	£245.83	£208.00	-15.39%			
Public Holiday - Homes/Non-Licensed Venues	£329.17	£208.00	-36.81%			
Other Celebratory ceremonies						
Private Citizenship Ceremony (additional fee)	£95.00	£100.00	5.26%			
Convenience fee for weekend appointments	£10.00	£12.50	25.00%			
Ceremony Amendment Fee	£35.00	£50.00	42.86%			
Citizenship ceremony - Nationality Document Checking - Adults	£62.50	£66.66	6.66%			
Citizenship ceremony - Nationality Document Checking - Children	£41.67	£45.83	9.98%			
Trading Standards						
Stamping fees	£8 - £151	£21-£538				
Explosive Charges	£83 - £500	£52-£500				

To Note : Learning Disability Community Support Services was previously a non-chargeable service. After a period of public consultation, a report will be taken to ASC Lead Member in February 2016 recommending setting charges for:

- Sleep in staff cover within supported living schemes and accommodation
- Core staffing within supported living accommodation Field Cottage (24/7 building based service)
- Individual 1:1 hours within supported living accommodation (24/7 building based services)
- Shared support delivered by one of the three community based teams.

It is planned to implement these charges, if approved, from 1 April 2016.

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Appendix 5

East Sussex County Council - Precepts for 2016/17

		£	£	£
Gross Expenditure			775,236,000	
Income			- 409,498,000	
Net Budget				365,738,000
	Revenue Support Grant	45,107,000		
	Business Rates & S31 Grants	13,336,000		
	Estimated Net Levy Payments	911,000		
	Business Rates Top Up	57,302,000		
	New Homes Bonus	2,886,000		
	Previous year's surpluses/(deficits)			
	Council Tax	4,210,000		
	Business Rates	- 646,000		
			123,106,000	
				123,106,000
	Council Tax Requirement			242,632,000
	Tax base (total equivalent Band D properties)			193,810.54
	Basic council tax			1,251.90

Therefore Council Tax per Category of Dwelling:-

		Proportion of Basic Council Tax	£
	Band A	6/9	834.60
	Band B	7/9	973.70
	Band C	8/9	1,112.80
	Band D	9/9	1,251.90
	Band E	11/9	1,530.10
	Band F	13/9	1,808.30
	Band G	15/9	2,086.50
	Band H	18/9	2,503.80

Precept to Each Billing Authority		*No of band D equivalent dwellings*	£
	Eastbourne	33,606.10	42,071,477
	Hastings	24,678.00	30,894,388
	Lewes	35,797.10	44,814,389
	Rother	36,808.84	46,080,987
	Wealden	62,920.50	78,770,174
	Total	193,810.54	242,631,415

N.B. This is a draft calculation as confirmation of Revenue Support Grant and final figures for business rates and collection fund surplus/deficit will not be available until early February

Schedule of Instalments for payment from Districts & Boroughs

11 April 2016
20 May 2016
01 July 2016
08 August 2016
12 September 2016
20 October 2016
24 November 2016
04 January 2017
09 February 2017
13 March 2017

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Appendix 6

Chief Finance Officer Statement on the Budget Robustness

1.0 Background

1.1 The Local Government Act 2003 places a statutory duty on the Chief Financial Officer (CFO) to review the Medium Term Financial Strategy and comment upon the robustness of the budget and the adequacy of the reserves to be held by the authority when it is making the statutory calculations required to determine its council tax or precept. The authority is required to take this report into account when making that decision.

1.2 Section 26 of the Local Government Act 2003, places an onus on the Chief Finance Officer to ensure the authority has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

2.0 Report of the Chief Financial Officer on the robustness of the 2016/17 budget proposal.

2.1 It is the opinion of the Chief Finance Officer that the draft budget for 2016/17 is based upon a sound financial strategy that will enable the Council to deliver its current Council Plan successfully.

2.2 Both the Revenue Budget and Capital Programme have been formulated having regard to a number of factors including funding availability; risks and uncertainties; inflation; priorities; demography and service pressures. The savings plans have been formulated having regard to Council priorities and assessed against an agreed set of impact criteria and equality assessments. As the budget and Government funding becoming increasingly complex, especially with the increasing importance of partnerships, risk management is key to the setting of budgets and reserve levels.

2.3 As the development of the Council Plan and budget for 2016/17 has progressed, the position has been the subject to reviews with Chief Officers, other officers and Members, including Cabinet and Scrutiny Committees. Due consideration has also been given to reconciling the over-arching financial strategy with corporate priorities and hence all the proposals have been developed as an integral part of service planning (the process known as Reconciling Policy, Performance and Resources)

2.4 The 2016/17 budget is balanced and in finalising the draft budget, consideration has been given to unforeseen issues that could arise during the year and ensuring that those risks can be managed. The strategic risk register has been reviewed and an analysis of ESCC's financial position in the current year has been carried out, to identify direct impacts and risks that are inherent within the 2016/17 budget. Additionally, the County Council holds a revenue contingency of £3.4m to cushion the impact of unexpected events and emergencies in year (within the base revenue budget) and holds a capital contingency of £8.9m

2.5 Increasing the council tax will provide a more sustainable and increased income to the Council which will help to protect services. The new 2% social care levy will support help protect services that are already under significant pressure.

3.0 The Adequacy of Reserves

3.1 Reserves are a key element of the Council's financial management arrangements. Reserves can be broadly categorised as follows:

- A working balance to manage in year risks, called the General Fund Balance;
- A means of building up funds to meet known or predicted requirements, called General / Earmarked Reserves in ESCC

General Balances

3.2 For the general fund balance there are two main approaches taken by councils to determine their required minimum level; either by a straight percentage of the council's current spending: or an assessment of risks and the impact they will have on the council's overall financial position.

3.4 Using data drawn from a range of national benchmarking and comparison sources to determine the percentage, a number of local authorities have historically used 5% of net revenue spending as a sound base for determining the minimum level of reserves. This would equate to £18.3m for 2016/17.

3.5 A risk-based assessment of issues which could have a major impact on the Council's finances provides a more flexible and responsive approach that better reflects the continuously changing environment within which local government has to work. This approach will take into account the type of risk, the potential magnitude of the financial risk and a judgement as to how likely the issue is to arise. The following table identifies a number of the high level risks that may have financial implications, which assist in determining the required minimum level of general fund balance to be retained.

Table 1: 2016/17 Risks

2016/17 risk	Potential magnitude	Estimate of potential impact	Magnitude £m
Growing demand for services is already impacting on service budgets particularly in Adult Social Care. Service departments are forecasting a £5.1m overspend, £4.3 of which is in ASC for 2015/16.	ASC budget £161.8m.	2% increased unfunded demand	3.2
Risk that inflation on contracts is not sufficient in year.	Total contracts 2016/17 £79.0m.	1% increase in provision.	0.8
Many of the proposed savings are complex with delivery plans still to be finalised. Therefore a risk exists that it will not be possible to make the planned savings within the timeframe required.	Total planned savings in 2016/17 are £19.7m.	10% non-achievement	2.0
Non achievement of Fees & Charges targets built into the revenue budget, due to the continuing economic climate.	Planned Fees & Charges for 2016/17 is £57.7m	Underachievement provision of 5%	2.9
Unforeseen activity which impacts directly on Departmental budgets over and above the £3.4m within the general contingency.	Service budget £317.8m.	2%	6.4
Changes in historic weather patterns may be being the potential for adverse weather conditions which may present the Council with additional unfunded costs. The impact of weather as opposed to additional prevention, cannot be quantified	2014/15 spend on roads and gritting is £1.2m	10% increase in costs due to adverse weather	0.1

3.6 Taking everything into account the general fund balances have been increased marginally from £8.9 to £10.0m, based on professional judgement, which given the level of risks is a minimum general balance and remains lower proportionately than a lot of other authorities. This is considered adequate on the basis that the budget balances for 2016/17 and that, in addition, as noted at 2.4, an in year contingency is held. The small increase is therefore in recognition of the challenges ahead.

Reserves

3.7 The Council's approach to the management and accounting for earmarked reserves is set out in the Reserve Strategy adopted by the Cabinet in December 2012. The Reserves have been reviewed using the principles set out in the Policy, namely:

- the challenges posed by a likely decade of austerity;
- uncertainty over the timing of reductions in government support;
- the requirement to manage significant organisational change;
- the heightened risk profile across public services delivery arrangements; and
- The emphasis placed on a unified organisational response.

It is crucial to bear in mind that the reserves are the only source of financing that ESCC has access to fund risks and one off pressures over a number of years. If ESCC minimises the level of reserves such that in future, financial planning across years is hampered, eventually, the requirement for managing these costs will fall directly on the Council Tax set in each year in an uneven and less well managed manner, which will prove hard to sustain as budgets become even tighter. Reserves can only be spent once and the possibly of creating new reserves in an era where budgets are tight and can become overspent not just individually but corporately is now very limited

3.8 The reserves are split into two categories: named service reserves and strategic reserves, as set out in the Reserve policy. ESCC reserves are estimated to total £94.6m as at 1/4/16. The Reserves total as at 1/4/15 was £130.3m;

Table 1 Summary of Earmarked Reserve estimated at 1/4/16

Reserves	£m
Named Service Reserves	
Held on behalf of other or statutorily ringfenced	28.7
Waste Reserve	12.8
Set aside for the New Capital Programme 2018/23	20.9
Insurance	6.5
Total service specific reserves	68.9
5 Strategic Reserves	25.7
Total Reserves	94.6

3.9 The **named service reserves** comprise:

- **Held on behalf of other or statutorily ringfenced** of £28.7m – this is comprised almost entirely of the £15.5m Schools Reserves, which cannot legally be spent ESCC activities, along with a ringfenced reserve of £10.7 to be spent only on Public Health:
- **Waste Reserve** – the Waste reserve has been reduced by £22m to £12.8m, following a review of the risks, which are now managed on a 4 year rolling programme;
- **Set aside for the New Capital Programme 2018/23** – ESCC has yet to fund the Capital Programme for the last year of the current MTFP and the 4 following years. Basic need (essential budgets, such as schools places) of £414m have been identified, with very limited Governement funding and capital receipts to fund them. If othe ways of managing these costs is not foud, there is a risk that these costs will cause a revenue pressure in the last year of the current MTFP and beyond; and
- **Insurance**; the reserve which is £6.5m for 2016/17 is reviewed annually, based on an actuarial review of insurance liabilities that have arisen over previous years, which will become payable in 16/17 and beyond

3.10 The estimated brought forward balance of the 5 **strategic reserves** is £25.7m. These are itemised below;

- Financing reserve (11.7m) : to enable the effective management of the medium-term financial strategy. The main use in 2016/17 will be to fund the significant redundancy costs that will be required as a result of budget reductions ;

- Infrastructure reserve (£6.3m) : to fund infrastructure necessary to enable development across the County. Planned use in 2017/16 includes support to LEP staffing of £0.052m;

- Transformation reserve (£5.2m) : to fund the transformation programme to change, protect and improve Council services. Planned use for 2016/17 includes £1.8m to support the Agile Programme; and

- Risk reserve (£2.1m) : to manage the potential financial consequences of risks recognised in the Council's risk management arrangements.

- Service development reserve (£0.3m): to enable the Council to respond to the most urgent corporate service priorities. Planned use in 2016/17 includes £0.05m om Education Improvement Partnerships;

3.11 There are a number of significant areas of change that currently cannot be fully quantified but will have potential financial impact over the planning period, these include:-

- DCLG will shortly consult on changes to the local government finance system to pave the way for the implementation of 100% business rate retention by the end of the Parliament. The consultation will take into account the main resources currently available to councils, including council tax and business rates. As part of these reforms, the main local government grant will be phased out and additional responsibilities devolved to local authorities. This will be a fundamental change in local government funding, which the Gvt intends to phase in, beginning with delegating new responsibilities Local Government, such as managing the currently national £50bn Attendance Allowance Scheme and financing Public Health from business rates, with significant risks of funding shortfall, The change will be fully effective by the end of this Parliament, but it is not currently possible to estimate the impact of this on the Council until further detail is provided; and

- The Government's aim is that every secondary school will become an academy. Sixth form colleges will also be allowed to become academies. A consultation on policy and funding proposals will be published in 2016. At this stage, it is not clear what this will mean for the Council.

Appendix 7

1. Engagement on RPPR

1.1 Each year the Council engages with all Members and a wide range of stakeholders, including the Trade Unions and young people on its proposals for actions, spending and savings for the following spending cycle. This appendix sets out a summary of the feedback received.

1.2 As the meetings with Trade Unions and Business representatives is scheduled to take place after the dispatch date for Cabinet papers. A summary of the discussion will be tabled at the Cabinet meeting.

2. Engagement with residents on the overall position

2.1 Between 23 September and 25 November 2015 an engagement exercise was carried out with East Sussex residents to explore concerns about the future budget cuts. The results of this exercise are appended

2.2 Details of the feedback received from East Sussex residents will also be available in the Members' and Cabinet rooms.

3. Scrutiny Boards

3.1 All Scrutiny Committees held Boards and considered the draft Portfolio Plans and savings plans towards the end of 2015. The Boards assessed the impact of both any significant budget cuts facing the County Council over the coming years and activities where savings were not necessarily being proposed, but which accounted for significant use of resources.

Adult Social Care and Community Safety Scrutiny Committee RPPR Board

3.2 Present: Councillors Peter Pragnell (Chair), Peter Charlton, Angharad Davies, Jim Sheppard, John Ungar and Trevor Webb.
Lead Members: Councillors Bill Bentley and David Elkin

3.3 The Board were informed that, in response to the consultation being undertaken, by the time the Board met:

- there had been 791 on-line responses, 70+ letters, 70+ comment slips, and 20+ phone calls.
- In addition the consultation had engendered active on-line debate, notably via twitter. Independent sector care providers were specifically encouraged to inform their clients about the consultation via social media (i.e. clients who may not meet ASC eligibility criteria and may therefore be unknown to ASC), and this had been especially successful.
- There had been 9 public drop-in sessions across the county, as well as more than 20 meetings with specific client or stakeholder groups.
- The development of Equality Impact Assessments (EqIAs) had been run concurrently with the consultation, with consultation responses informing the EqIAs.
- Elected Members who had received correspondence from residents about budget plans are encouraged to pass communications on to ASC officers where appropriate so that these responses can be included in the evaluation of the consultation.

- This had been an unprecedented consultation in terms of publicity and in terms of reach – engaging with service users as well as the general public.

3.4 Some Members commented that it would have been helpful to have been informed about the detailed savings plans (i.e. to the level of the impact on individual schemes) as Councillors for the divisions impacted, rather than just the high-level plans presented at October 2015 Cabinet. Some Members expressed concerns that, if detailed savings plans were currently being shared only with service users, this potentially impacted on the ability of concerned members of the public who are not themselves users of specific services to understand and comment on savings plans.

- The Director of Adult Social Care and Health responded that the agreed process for the development of budget plans was to have high-level plans reported to Cabinet as a basis for consultation and then more detailed planning shared via consultation.
- The Director responded that all members of the public have been welcome to engage with the consultation, which has not been confined to service users. The council has proactively explained this in the local media and through its website.
- Responses to the consultation process will inform the development of EqIAs. Themes from the consultation will be included in the Cabinet papers and copies of the full consultation responses will be available to Members.
- Cllr Bentley undertook to circulate a response that he had provided to Councillor Ungar (dated 10 November 2015) with additional information on a number of issues.
- In response to questions on how budget consultation comments could impact on the ASC spending plans, the Director told Members that the funding available to ESCC will be fixed and the Council will consequently have to make all the savings required. However, consultation responses will feed into the EqIA process, and inform how those savings are best delivered and how best mitigate the impact of those savings and to manage risk.

3.5 Members asked questions on a number of issues:

Council Tax precept

This could amount to around £15 million over the next three years for East Sussex. It seems likely that councils will be allowed to increase Council Tax by an additional 2% each year to support adult social care.

Identifying Need

The Director explained that the Care Act includes a statutory definition of need in terms of eligibility for services, but there is also a requirement for a broader role for ASC which encompasses the principle of prevention. However, the level of savings required was such that it would not possible to maintain all preventative services and the Council has had to identify the savings that will have the least impact in terms of individuals and in terms of the potential increase in service demand for the County Council.

The consultation process has a key role to play in refining understanding of these impacts. In the previous round of savings, the council had protected preventative services, instead cutting community care allocations. It was not possible to make further savings from the Community Care budget which was under pressure, increasing demand from residents eligible for social care.

Prevention
Some Members expressed concern about proposed savings to preventative budgets, including Supporting People, Learning Disability employability services and support for people with mental health problems, and supported accommodation. Some Members were concerned about the long term impact on individuals, and potentially also on council finances, of less effective preventative services.

Dialogue with Borough and District Councils
Members asked about the level of dialogue with Borough and District (B&Ds) Councils over plans to reduce preventative spend, particularly in areas such as homelessness prevention where the principle housing duties rest with the B&Ds. The Director explained that the Strategic Forum (including District and Borough Councils) has considered all proposals. An officer Housing groups sits under the forum and this group has discussed plans in detail. Housing has also been added as an East Sussex Better Together work-stream. However, it is important to bear in mind that the context is one of diminishing resources across the public sector.

Concluding comments
3.6 The Chair emphasised that, when discussing the ASC plans, it was important that Members proposing to reduce the amount being saved had given thought to alternative ways to make the savings required. However, alternative savings did not necessarily have to be identified from within the ASC budget. Cllr Elkin added that any alternative savings had to be recurrent rather than one-off opportunities, if a sustainable budget were to be agreed.

3.7 Cllr Webb stated that he was unable to support the planned reductions to Supporting People services [points 6-19 in the savings spreadsheet]; community grants prospectus [18]; or to services providing mental health support [31]; supported accommodation and independent living solutions [32]; or Learning Disability community support [30]. He therefore proposed that the Board agree to recommend to Cabinet that these savings be abandoned. The Board voted on this proposition, which was not carried.

3.8 Cllr Ungar sought to table his own proposition: that the Board should state to Cabinet that it was not currently in favour of the entirety of the adult social care savings plans. However, no vote was taken.

Audit, Best Value and Community Services Scrutiny Committee RPPR Board

3.9 Present: Councillors Mike Blanch, John Barnes, Philp Howson (substituting for Councillor Laurence Keeley), Bob Standley, Trevor Webb and Francis Whetstone.
Lead Member: Councillor David Elkin.

Consultation update
3.10 The Board did not consider that any clear themes or new ideas emerged from the responses and recommended that future consultations would benefit from having greater clarity around:

- The difference between revenue and capital expenditure, as it was apparent that this was not very well understood by respondents.
- The background to the budget setting process and in particular that the Council was having to make savings as a result of cuts to local government funding by Central Government, and this was something that the County Council had no control over.

- The responsibility for services provided by the County Council, and those that are the responsibility of the District and Borough Councils. Often respondents refer to "the Council" and are not clear on which services County Council is responsible for.

Additional Work carried out by the RPPR Board

3.11 The Board noted that it had previously commented on, or carried out separate pieces of work on:

- The Orbis Business Plan and the proposed savings of around 12% over the next 3 financial years.
- Communications, which examined several options for the future delivery of this service.
- The Libraries' Transformation Programme.

Corporate Governance and support

3.12 The Board commented that the wording in paragraph 2.3 (page 5 of the Portfolio Plan) "We must prepare……" gives the impression that ESCC is going to change in the future. The Board recommended that the wording is amended to reflect that ESCC is in the process of transformation to meet the challenges it faces, and is prepared for change which is permanent in nature. The Chief Executive responded that the aim was to convey that there had been a fundamental shift in local government services and this was a permanent change. ESCC has changed since 2010 and is now having to change again.

One Council

3.13The Board asked for further clarification of the concept of a 'One Council' approach to services, as it felt this was not clearly understood, and questioned how well this was being delivered in practice. The Chief Executive explained that the 'One Council' approach was about ESCC behaving as a single organisation and working closely with partners (e.g. health providers and other councils) to provide services; for example the East Sussex Better Together (ESBT) programme. The Chief Executive added that actions were being taken to embed the 'One Council' approach. A set of behaviours and values have been developed which feed directly into staff recruitment, induction and appraisal.

Senior Management Structure

3.14 The Board asked how the senior management structure might change in response to the need to act as one organisation, ESBT, the loss of schools and the development of traded services (e.g. for school improvement, children's services). The Chief Executive stated that the number of senior managers was about right for the challenges that ESCC currently faces. That structure is informed by the drive to behave as one organisation, the need for capacity to manage change, and to have accountability. This may need to be reviewed in the light of changes that may take place over the next two years. The Deputy Leader commented that he considered that the current scrutiny arrangements may act to magnify a 'silo' approach and this may need to be reviewed.

Members' ICT Strategy

3.15 The Board wished to see greater progress with the development of the strategy and asked whether hardware changes would be introduced before the next ESCC elections in 2017. The Assistant Chief Executive responded that officers have been meeting with Councillors to resolve individual ICT related problems and small group training is planned next year on the topics identified by the Members' ICT survey. There

is a renewed focus on making sure the current equipment works (both mobile phones and computers etc.), with plans to provide new hardware after the next elections (e.g. options will include new hybrid tablets with a detachable keyboard).

Policy and Performance Management

3.16 The Board received a paper last year on this area of activity and asked for further information on the staffing and costs for this function.

- The Chief Executive is supported by 3 FTE (full-time equivalent) policy officers and 1 intern. The performance management function covers all departments except Adult Social Care (ASC) and Children's Services (CS). The performance team has 4 FTE staff and one intern. The total annual revenue budget for both functions is £444k (7 FTE staff and 2 interns). The combined team covers all policy and performance work including support for devolution, SE7, the RPPR process and portfolio plans (except ASC and CS). The team has experienced a 20% reduction over the last three years.
- For ASC and CS it is more difficult to separate out costs for policy and performance work as it tends to be just one part of officers' roles who carry out a mix of operational and policy work. As part of the savings plans it is proposed to reduce the CS Communication, Planning and Performance function by £260k and the ASC Planning, Performance and Engagement function by £500k.
- The Director for Adult Social Care and Health added that the policy function within ASC is contained within the commissioning manager's role, which includes responsibility for policy development and advice. The performance function has 3 FTE posts and almost 1 FTE administration post. The number of performance posts was reduced two years ago and the policy function has been reduced via savings in commissioning.

Public Health

Budget Reductions

3.17 The 20% RPPR savings shown in the report are based on the assumption that the ring-fencing of the Public Health budget would cease at the end of April 2016. It has been announced the ring-fence arrangements will be retained until the end of 2017/18 but the 20% savings plans would remain in place due to the uncertainty about future funding levels.

3.18 The Board noted the 6.2% reduction in Public Health funding in 2015/16 and the further reductions of 2.2% in 2016/17 rising to 2.6% in 2018/19 and 2019/20. The extension of the ring fencing arrangements for the Public Health budget, and uncertainty about future funding allocations, means there is a risk that it may be difficult to achieve the predicted £4.8m savings in 2016/17. The Director for Adult Social Care confirmed that the change to the ring fence does potentially change the situation, depending on the allocation formula and phasing of budget reductions. It is unlikely that ESCC will get this information until the New Year. Up until now, the Public Health reserve has been used to offset in-year budget reductions. The way the Public Health grant is received does allow for some cushioning and the setting aside of money in a reserve.

Smoking Cessation

3.19 The Board noted that the savings plan contained two entries for smoking cessation, as well as one for tobacco control, and sought clarification on the impacts of these services. The Board expressed an interest in monitoring the impact of these interventions as part of the work of the ABVCS Scrutiny Committee.

- The Director informed the Board that there was good evidence for the efficacy of these interventions, which lead to reduced demand for health services.
- The Acting Director for Public Health confirmed that smoking cessation is not a mandatory service. The proposed savings for smoking cessation prescribing activity would not have an impact on the service, but modelling has shown that further reductions would have an impact on the efficacy of the interventions.

Life Expectancy Indicator

3.20 The Board questioned the measurement of success through the morbidity measure when ESCC cannot directly assess the impact of the programmes it has put in place (due to the contribution made by other organisations). The Board also commented that it was hard to see how the life expectancy indicator relates to the rest of the work in the Portfolio Plan. The Board noted that more direct measures of the impact of ESCC's work are being developed through the ESBT programme. ESCC is required to report against this measure as it is one of the overarching performance indicators contained within the national Public Health Outcomes Framework (PHOF), which has 200 other indicators below it.

Community Resilience Steering Group

3.21 The Board requested that there be greater consultation with parish and town councils on the development and delivery of this work which aims to improve social capital as well as to achieve a number of other objectives. The Acting Director for Public Health responded that parish councils were being engaged through the ESSP and the Community Resilience work stream will be reported via the ESBT Scrutiny Board.

Resources (Business Services/Orbis)

Agile Programme

3.22 The Board questioned why the implementation of the Agile ICT was taking so long and noted that, with the exception of Children's Services, savings made as a result of the Agile Programme were not reported in departmental savings plans. The Board recommended that a commentary is included in departmental Portfolio Plans that refers to the savings made as a result of the Agile Programme, as Children's Services has done, to enable the impact of the programme to be evaluated. The Chief Operating Officer clarified that there were no delays with the technology programme; this will be completed at the end of March 2016 with the implementation of SharePoint during 2017. The Chief Operating Officer clarified that the BSD's Agile savings were incorporated within the development of Orbis.

Capital Programme

3.23 The Board requested a further explanation of the shift from 'monitoring' to 'management' of the capital programme. The Chief Operating Officer explained that a stronger approach was needed to the way in which the programme is managed through, for example, the scheduling of budgets and the costing of schemes; this would reduce slippage for example. Currently the programme is only monitored through the reporting of progress to date.

Income and Income Generation

3.24 The Board commented that in addition to the work to generate income, the public is very interested in the cost reduction programmes ESCC has in place (e.g. energy reduction, bill validation etc.) and this should be given greater prominence.
The Board recommended that a breakdown of income (and a reference/link to the Council's budget book) is included in the Resources Portfolio Plan and greater emphasis

is given to cost reduction measures to reassure the public that the Council is taking action to reduce costs. The Board would also like the outcome of the Income Generation Programme work to be shared with them at the earliest opportunity, in order to aid the budget setting process.

- The Chief Finance Officer undertook to forward a breakdown of income which is broadly divided into four categories: business rates; Direct Schools Grant (DSG); other grants (capital) and; income from fees, charges etc.
- The Income Generation Programme, which is led by the Chief Executive and supported by the Chief Finance Officer, comprises fifteen officers. It has generated £1.3m in additional income. The major pieces of work include:
  - The Property Strategy;
  - Fees and charges review; and
  - Orbis work to increase commercial activity.

Financial System (SAP/ERP)

3.25 The Board asked if it was possible to make a saving if the implementation of a new or enhanced financial system was delayed. The Board requested the opportunity to see the business case for the replacement/enhanced system before a final decision is made. The Chief Operating Officer said he would come back to the Board with some costs, but the department had set aside around £1m for development or replacement of the SAP/ERM financial system.

Property

3.26 The Board welcomed the implementation of PAMS and requested further information on the costs/benefits of the new system and whether the outcomes of the business case had been achieved. The Acting Chief Property Officer said it was difficult to predict the level of savings as some savings were achieved as benefits to customers and others relied on an analysis of data from the system (which leads to increased efficiencies and enhanced customer satisfaction).

Future Communications Service Delivery Models – RPPR Board 13 November 2015

3.27 Scrutiny Committee Members: Councillors Mike Blanch (Chair), John Barnes, Bob Standley, Trevor Webb and Francis Whetstone.

3.28 Three scenarios were considered:

- Scenario A: Core service only. Under this model the Communications Team would only work on corporate issues and there would be no support for departmental work which would have to be commissioned externally. The Communications Team would be smaller, with a more general focus and with fewer specialisms. This model focusses on corporate needs, but does not allow for any departmental work, beyond giving general advice.
- Scenario B: Digital only or digital first. This is an inevitable direction of change where increasing amounts of communications activity are undertaken using digital media. Scenario B outlines an accelerated process of moving towards this model of service delivery. The unanswered questions under this model are about the pace of change to digital only media, the impact in terms of equalities and access for residents and the continuing level of demand from departments for non-digital communication. The skills of the Communications Team would also need to be enhanced under this model.
- Scenario C: This is a service model based on recharging with initially unchanged resource levels within the central Communications Team. The recharging model

sets out the areas of work that central Communications would recharge for. Officers are not aware of any other councils where communications services are recharged to internal departments. The service models that are in use are where departments spend additional funds for projects/additional needs via a framework agreement either with the internal team or with a number of external companies. The current service model of provision means ESCC departments effectively get communication services at a discount, as they are not paying full market rates for them and hence saving money.

Departmental budgets

3.29 The Board requested a breakdown of the statutory expenditure and for consideration as to how it might be possible to more precisely measure how much is spent by departments on communications. Officers explained that the limitations of SAP meant it was not possible to be precise about the level departmental expenditure on communications. Some expenditure was project based, some was being coded to budget codes other than SAP cost codes for Advertising & Publicity, and some was for statutory advertising (e.g. planning, highways and parking notices). It is estimated that departments will spend around £800k, based on existing hours used. There is a range of costs shown in the report as costings have been made using both annual salary and hourly rates that respectively exclude and include and profit margins. All the scenarios rely on having effective demand management measures in place, and deciding where communications work is adding value and where it is not.

3.30 The Board considered that less departmental expenditure on communications might be desirable, as not all communications activity may be essential. It might be possible to find a different way of disseminating information for those people who are not able to access the internet. Officers responded that the issue centres on deciding what ESCC can do without in terms of departmental expenditure on communications.

3.31 The Board questioned whether the current system of required (statutory) advertising was effective because people, in general, no longer read local newspapers. The Government is consulting on this issue and the Board considered that the LGA should be requested to look at this.

Core Service

3.32 The Board highlighted the approach taken by the London Borough of Bromley which has adopted a lean service delivery model with 3 people doing media enquiries (press office function), internal communications and advice on major campaigns. However, their web site function (maintenance and development) is contracted out. Internal departments have their own communications staff: 2 in Adult Social Care; 1.5 in Environment, and 2 undertaking web site work. Bromley's central team do very little in terms of public campaigns and they do not undertake evaluation of the impact of their communications work. Bromley have taken the decision to ration communications work tightly and bear the consequences of that decision.

3.33 Officers responded:

- the core model in scenario A has a different staff profile to the Bromley example, which would be appropriate for ESCC's size and nature.

3.34 The Board asked if a decline in the need for traditional press releases, as electronic media becomes more prominent, will lead to less need for press officers. Press officers spend time on reactive and proactive activities promoting work that ESCC is

doing and dealing with all types of media enquiries. Their work is fundamental to the proper functioning of the Council. ESCC needs 2 press officers.

A Digital First Service

3.35 Scenario B moves the service towards more digital media. This requires more 'content officers' compared to individual specialists, and more web development which is why the scenario has more web developer posts than currently. The number of staff under this scenario is less than the current establishment, but there is a question about the pace of change to digital only media. Under this scenario there is no support for departments' non-digital communications activity. There will still be some reduced departmental support for media campaigns, but not using non-digital media.

3.36 The Board considered that there would always be some individuals for whom digital media would not work for some people from lower social economic groups do not have digital access. Officers responded that on current trends, 90-95% of households will have digital access. It was difficult to estimate how much will be saved as non-digital demand ceases.

3.37 The Board commented that ESCC needs to accelerate digitalisation, as non-digital media is not really working effectively. The Board recommended that the Communications Service take steps to make 'Your County' self-financing (including the cost of producing content, editorial and securing advertisers).Officers respond that 'Your County' reaches those who do not have digital access and is more effective than leaflets that people often disregard. 'Your County' also saves the Council money by effectively promoting services such as fostering.

Recharging and Options for Demand Management

3.38 Scenario C service delivery model is based on the retention of a communications team with a configuration similar to the current model, but one that charges internal departments for the work it does on their behalf. The Board considered the advantages and disadvantages of re-charging, and suggested a number of alternative ways that demand from departments could be managed without the overhead of recharging. These include a system for prioritisation or communications work, a 'gatekeeping system' and an annual resources budget.

3.39 The Board considered that a mechanism for managing demand would be needed alongside scenarios A and B, as well as providing an alternative to recharging.

Gatekeepers

3.40 Under this scenario, each department would have 1 or 2 people (gatekeepers) authorised to commission communications work through the central department. This would provide greater control over expenditure and hence costs are more likely to be evaluated. (This would not apply to the minimum core model, but would apply to digital and other models.) The Board supported this approach as it provides departments with a better means of controlling communications expenditure.

- Officers highlighted the existence of an oversight board, the Communications Management Board (CMB), which is attended at Assistant Director level to manage communications demand. The role of the CMB could be extended to include consideration of what work should be prioritised if demand exceeds the resources of the central Communications Team.
- The Gatekeeper role could work for a number of models where departments are spending externally or commissioning internally.

- There is also need to evaluate the effectiveness of communications work as well as controlling cost/demand.
- If ESCC takes forward the minimum core corporate service scenario, more administration resources will be needed for departments to buy in communications (whether from an in-house team or from external suppliers). Under this scenario what will be important is how the demand for communications is estimated.

Framework Agreement

3.41 The Board considered that a framework agreement should be developed for departments to use to commission communication services from external suppliers. Some Members suggested using a framework agreement to commission (internal) communication services, but did not support the bureaucracy re-charging would entail.

3.42 *Conclusions and recommendations*

- The Board wishes to keep the service under review and re-visit it again in the future. In particular it wishes to gauge more accurately the level of departmental expenditure on communications activity, and especially to gain a better understanding of what constitutes 'statutory' and 'non-statutory' expenditure.
- The Bromley model is 'leaner' than the minimum core model, but still ensures that essential media work is covered. If this model were adopted then departments would then have to carefully evaluate and justify expenditure on any other communications work.
- A significantly more digital orientated service is radical and attractive as it caters better for future need. However, it does not save as much as scenario A. Such a model would still need a framework agreement and/or gatekeeper arrangement to manage departmental expenditure. If scenario A was adopted, there would inevitably be a move towards digital service delivery (scenario B) over time.
- Retaining the press officers is very important and removing them would present significant risk to ESCC.
- ESCC should explore opportunities for incorporating communications within the Surrey County Council/Orbis partnership. There are also devolution proposals that may affect future service provision.
- Evidence suggests that 'Your County' is widely read and therefore merits retaining not least because it reaches those who do not have internet access. It should be entirely self-funding and the possibility of outsourcing production and advertising evaluated.
- Whichever model is chosen there would be a need for a framework agreement and/or gatekeeper arrangement to manage departmental expenditure. External departmental communications expenditure will need to be tracked (using gatekeeping arrangements and the use of framework agreements).
- Both scenario A (Minimum Core Service) and scenario B (Digital First Service) provide viable future service models and there are pros and cons for each. The Board expressed a preference for scenario A. Once adopted, either scenario will need to be reviewed by the Board after 18 months.

Children's Services Scrutiny Committee RPPR Board

3.43 Present: Councillors: Kathryn Field (Chair), Mike Blanch (as Chair of Audit, Best Value and Community Services Scrutiny Committee), Stephen Shing, Charlton, Angharad Davies, Claire Dowling, Michael Ensor, Alan Shuttleworth, Trevor Webb (acting as substitute for Kim Forward) and Ms Ann Holt (Diocesan Representative).

Lead Members: Councillor Nick Bennett, Lead Cabinet Member for Learning and School Effectiveness, Councillor Tidy, Lead Cabinet Member for Children and Families and Councillor David Elkin, Deputy Leader of the Council and Vice Chair of the Cabinet.

Draft Portfolio Plan 2016/17

3.44 Whilst the Children's Services Department await further government policy and budget announcements, the current Draft Portfolio Plan necessarily contains a number of incomplete sections. The Board asked to be kept informed of the 'direction of travel' that the Children's Services Department is taking as new government announcements are made. The Director of Children's informed the Board that there are some parts of the Plan which were necessarily left blank whilst the Department waits for further policy and budget announcements from the Government or from confirmation from Ofsted of the outcome of most recent inspection in East Sussex.

Impact of proposed Adult Social Care Department savings on services which are the responsibility of the Children's Services Department

3.45 The Board is concerned about the impact of savings proposed by the Adult Social Care Department (regarding savings relating to the supporting people programme) on services effecting 16 and 17 year olds who are the responsibility of the Children's Services Department. The Board is especially concerned about young mothers, Care Leavers and Young People at risk of child sexual exploitation. The Board asked that their concerns about the impact of one department's savings on another department are considered by Cabinet.

Longer term impact of savings

3.46 The Board expressed the view that whilst many of the proposed savings might produce short term savings, there was a general concern that in the longer term, such savings would potentially produce not only poorer outcomes for our young people, but also increased costs for East Sussex County Council. For example, the Board specifically asked that their concerns regarding proposed savings to the Short Term Agency Budget within the ISEND service and the additional pressure this will put on families is highlighted to Cabinet.

Health and Children Centres – Reliance on volunteers

3.47 The Review Board welcomed the idea of encouraging volunteers to come forward to help provide services to the local community. However, it was concerned about the resilience of the service if it became overly reliant on volunteers to support it. The Board questioned therefore how the Department would ensure effective services are maintained given the challenges that working with volunteers can present.

Youth Offending Team

3.48 Some members of the Board asked that their concerns about the impact of savings on this service are highlighted to Cabinet. A request was also made for the Department to consider whether it would be beneficial to 're-profile' the saving plan so that the majority of the cuts do not take place in the first year (2016/17) of the three year savings plan.

Standards and Learning Effectiveness Service (SLES)

3.49 Whilst acknowledging the Department's achievements on school performance and pupil outcomes, and the work the Department have undertaken to build school's resilience, the Board expressed concerns about the impact of the proposed savings on children and whether more work could be done to mitigate them. The Board therefore

asked that this concern be put to Cabinet. The Board also requested that the importance of rural schools to their local communities is highlighted to the Cabinet.

Home to School Transport – Review of Unsafe Routes.
3.50 The Department is investigating whether expenditure on providing financial assistance relating to unsafe home to school routes could be reduced. The Department undertook to investigate whether it would be possible to access funding from a one-off Public Health fund relating to road safety.

Economy, Transport and Environment Scrutiny Committee RPPR Board – 21 December 2015

3.51 Present: Councillors Richard Stogdon, Mike Pursglove, Pat Rodohan, Rosalyn St. Pierre, Barry Taylor and Trevor Webb (substituting for Councillor John Hodges).

Lead Members: Councillors Carl Maynard, Rupert Simmons and Chris Dowling

Consultation results
Pothole Repairs
3.52 The Board raised the issue of poor quality patching repairs and asked if this is something that will improve under the new contract. The Board questioned whether the current policy (intervention when potholes reach 40mm or over in depth) achieves best value in the long term, or whether it is better to intervene earlier. Earlier intervention may also reduce the number of successful insurance claims made against ESCC for pothole related damage.

3.53 While officers maintained that the Department's performance on pothole repairs is good with 95% of potholes (meeting the current intervention criteria) being repaired within 28 days and those on main roads being repaired within 5 days, this perception does not appear to be shared by Members and residents, bringing into question the validity of the current intervention criteria. The same applies in regard to the suggestion that the number of complaints received by the contact centre has reduced and the backlog of repairs is small.

3.54 The Board recommended that the value for money impact of the current pothole repair policy is evaluated in conjunction with the enhanced provisions of the new highways contract. The Board considered that account should be taken of the long term engineering implications of not properly curing damaged road (and pavement) surfaces at an earlier stage, and the cost implications of the current policy arising from successful claims on the County Council. The Board specifically requested costing information relevant to a change of the current policy, and will examine this issue through the future work of the Scrutiny Committee.

3.55 The Director and Assistant Director of Communities, Economy and Transport responded:

- It is important to bear in mind the scale of the problem and the number of complaints ESCC receives compared with the size of the asset ESCC maintains. If the intervention policy is changed, then more resources will be required in the revenue budget to carry out the work. The change in emphasis to planned maintenance via capital investment in the road network, has improved road condition, and has started to address legacy issues from previous under-investment. The department does

make temporary repairs where roads are in a dangerous condition, until permanent repairs can be made.

- The Assistant Director, Operations added that the policies are linked to resources and are financially sustainable. It is possible for the Lead Member to agree a change in the policy, but this will have resource implications. The current revenue budget provision for repairing potholes is approximately £2m a year. The capital budget for patching repairs is between £1.5m to £2m per year, and £15m for resurfacing. Both budgets are used in a prioritised approach to get the best results from pothole repairs, patching, and resurfacing.
- Highway Stewards do have the discretion to order repairs for potholes that are not quite at the intervention level where it makes sense to do so.
- Utility companies can legally make temporary reinstatement of the highway and have up to six months to carry out a permanent reinstatement. The permanent repair is guaranteed for one year and the department closely monitors all repairs through the permit scheme.
- While it was reported that the department's performance on pothole repairs is good with approximately 95% of potholes (that meet the intervention criteria) are repaired within 28 days and those on main roads are repaired within 5 days and the number of complaints received by the contact centre is not high and the backlog of repairs is low, please see also the Board's comments above.
- The quality of repairs is carefully monitored. Each repair is photographed and supervisors inspect a sample of repairs. The new Client Team will also check the quality of repairs. The Assistant Director, Operations agreed to examine examples provided by Cllr Stogdon, where resurfacing work has failed.
- There is evidence that resurfacing roads as part of the planned maintenance programme does reduce the need for pothole repairs. The asset management approach ensures that resurfacing investment is targeted at roads where it will provide the best value for money and minimum whole life cost.
- Lowering the intervention standard would lead to disproportionate increase in costs. The department could try and estimate what the increase might be, but it does not retain records of potholes that do not meet the current intervention standard.
- Since 2010 the Highways revenue budget has been reduced by £5.5m. Consequently there are some legacy issues that have affected road condition. Road condition is now improving through the asset management approach and planned capital investment.
- The new Highways Contract has the provision to repair 30,000 potholes annually with a lump sum payment of £1.5m. This is judged to be sufficient to meet current policy standards. The new contractor will also be incentivised to ensure timely and good quality repairs as it will be liable for claims management. The intent of the new contract is to get the best condition of the road network for the investment available.

<u>Insurance Claims</u>

3.56 The Board highlighted that the cost of successful claims also needs to be taken into account when evaluating the long term implications of pothole repair policy. The County Council repudiates approximately 70%-80% of insurance claims where ESCC can demonstrate that inspections and repairs have been carried out within the timescales in ESCC's highways maintenance policy (statutory defence under section 58 of the Highways Act). The two main reasons for the 20% of claims that are successful are where ESCC cannot provide evidence that repairs have been carried out within the timescales and where data has not been kept to record when repairs have been carried

out (this will be addressed in the new contract through the use of hand held devices to record repairs in the field).

Volunteers

3.57 The Board asked if there were more opportunities to use volunteers to undertake highway maintenance work and whether making owners' responsibilities clearer would help increase self-help and volunteering. The Director of CET outlined the current use of volunteers and the community match schemes that are in operation. Some Parish Councils are very proactive and the 'Social Value' element of the new contract may provide further opportunities for community involvement. Both the Director of CET and the Assistant Director, Operations highlighted the need to comply with health and safety requirements when volunteers work on or next to the highway as there are very clear legal responsibilities associated with working in the public highway. There are further possibilities, but it is important to select appropriate tasks for volunteers bearing in mind the health and safety issues.

Land Disposal

3.58 The Board asked if there were any opportunities to generate income or capital receipts from land disposal. The Director of CET replied that the department does not own much land, (which tends to be small 'slithers' acquired for road improvement schemes) so there is not much opportunity for further income generation. The Rights of Way and Countryside Sites Commissioning Strategy may offer some opportunities for different types of land management, or disposal to other organisations which may be better placed to manage countryside sites. The Lead Member for Resources commented that the CET property portfolio was small and most land has been disposed of previously when it was declared surplus. Work under the SPACES Programme and Property Strategy will seek to maximise the income from ESCC land and property

Bexhill - Hastings Link Road (BHLR) and Infrastructure Improvements

3.59 The Board referred to the comment that ESCC should avoid 'vanity projects' like the BHLR. The Lead Member for Economy commented that the Link Road (Combe Valley Way) was now open and will lead to £1billion in value added benefits to the local economy. For example Glovers House has been built which has provided much needed expansion space for an East Sussex business which might otherwise have moved out of the county. The Queensway Gateway Road and the North Bexhill Access Road will unlock land for housing and employment. The Lead Member for Transport and Environment added that some of the environmental benefits, such as the greenways, will be delivered next year and reminded the Board of the development of the Combe Valley Countryside Park.

Council Tax Increase

3.60 The Board observed that there were comments throughout the public consultation in support of an increase in Council Tax. The Director of CET informed the Board that the impact of the Comprehensive Spending Review announcement was still being assessed and the cap on Council Tax increase was still in place. A 2% increase in Council Tax would produce approximately £4.5m in additional income.

Draft Portfolio Plans

Supported Bus Network

3.61 The Board asked if the reformulated supported bus network took into account the work to increase tourism and the new housing schemes. The Director confirmed that the

commissioning priorities took these issues into account when the network was reformulated, and housing developers are required to take into account the need for bus access. The Libraries' Strategy will also take into account bus transport access issues for libraries.

Newhaven Port Access Road

3.62 The Director of CET explained the details of the scheme and the additional Department for Transport funding that has been secured to deliver the road to unlock land for business development. The Lead Member for Economy added that Newhaven had be granted Enterprise Zone status and that £10m had been secured from the Local Economic Partnership and the Department of Environment for the harbour flood defence scheme.

Cultural Tourism

3.63 This work is in the Economic Development portfolio which aims to broaden and increase the impact of visitor expenditure in the local economy.

Broadband Project

3.64 The Board asked if the £15m investment by ESCC in the Broadband project had delivered the benefits ESCC had hoped for, as it seems that broadband speeds in urban areas are good, but in rural areas this is not the case.

3.65 A report will be brought to the ETE Scrutiny Committee in March 2016 where there will be an opportunity to discuss this in more detail and consider broadband uptake data.

- The Director of CET disagreed that this was the case as there are examples of rural areas where broadband speeds have been greatly improved. To date 630km of fibre optic cable has been provided and 60,000 premises have fibre enablement. However, there are some areas where it is not viable to provide fibre access on value for money grounds, but these are not exclusively rural areas. The Government is now offering a satellite voucher scheme, which is a subsidy of around £300 against the cost of installation, to guarantee minimum broadband access speeds of 2 mbps. This has some latency issues for 'streaming' applications.
- The Government's national targets for this scheme are to give 90% of the population access to 24mbps broadband, and the remaining 10% 2mbps broadband access. In East Sussex 96% of the population have access to 24mbps broadband speeds which will increase to 98% by the end of the second contract, leaving 2% who will have 2mbps access via the satellite scheme.
- It should also be borne in mind that:
  - Users can pay for superfast broadband services themselves.
  - BDUK have imposed a cap on the public subsidy per dwelling for fast/superfast broadband access.
  - The first contract will be completed in March 2016 and £6m has been secured for the second contract to in-fill provision in hard to reach areas (subject to value for money criteria).
  - Users can use the "Go East Sussex" web site to investigate broadband speeds and provision.
  - Users can specify the Internet Service Provider (ISP) and speed they require once fibre enabled.

Increasing Inward Investment

3.66 The Board asked why the target specified only ten businesses.

- The Assistant Director, Economy explained that there was a time lag between creating new employment space and uptake by new businesses. It was hoped to increase this target through the work of Locate East Sussex and the possibility of doubling the investment available through a bid to the European Regional Development Fund in conjunction with the District and Borough Councils.

Employability and Skills Strategy

3.67 The Lead Member for Economy highlighted the major investment in employability and skills that is taking place. Some businesses struggle to recruit the right staff locally and a Skills and Employability Board has been established to work with local colleges and universities to address this need, raise aspirations and influence the curriculum on offer.

Road Safety

3.68 Public Health have made £1m available for a project to look at how ESCC and its partners can reduce KSI's. The joint ETE/ABVCS Scrutiny Board is due to meet early next year to examine the proposals for this project.

Libraries' Transformation Programme

3.69 The Lead Member for Community Services outlined the proposal for the Libraries' Transformation Programme. This is a significant piece of work that aims not only to make a saving of £2m from a £6m budget, but also to create a sustainable, modern Library Service for the future. This is a good opportunity to make positive changes to future library provision.

Registration Service

3.70 The Board questioned whether there were increased opportunities in north Wealden for income generation as a result of Kent County Council's plans to reduce the number of registration offices. The Director of CET and the Lead Member for Community Services said they were aware of the situation, but constraints on how the income from Registration Services can be used, may make the business case for expanding ESCC services difficult to justify.

Proposed Savings Plans for 2016/17 – 2018/19

3.71 The main factors contributing to the department's savings plan total are Parking, the Waste Reserve, and Libraries which total around £4.3m. Other smaller contributions come from Waste Operations, the Transport Hub, and the Rights of Way and Countryside Site Commissioning Strategy.

3.72 In response to the Board's request for further information, the following responses were provided:

- Trading Standards – The Board asked if service levels could be maintained with the proposed level of savings. The Director confirmed that service levels can be maintained with the savings coming from increased income generation and small changes to staffing.
- Planning and Development Control - The Director of CET explained that this section currently recovers 95% of its costs through fees and charges. The savings proposal is to increase income so that 100% of costs are recovered. Some additional income will be generated by providing specialist advice to District and Borough Councils in areas such as ecology, archaeology, landscape etc.

- Waste Reserve - The Board asked if the saving proposal represented the maximum amount that the waste reserve could be reduced by. The Director of CET confirmed that the department had reviewed the reserve provision very carefully, and what is proposed is the right amount for the risks that remain.

Conclusion

3.73 The majority of the Board endorsed the Communities, Environment and Transport (CET) Savings Plan for 2016/17 to 2018/19. Cllr Webb stated that the Labour Group were happy with the savings proposals in the Savings Plan as they stand, but could not support additional expenditure on highways pothole repairs in 2016/17 should there be a change in the intervention policy.

4. Partners

4.1 The Leader and Deputy Leader met with representatives of the public, voluntary and community sector, UNISON and the Older People's Forums on 19 November 2015. The meeting provided an opportunity for the County Council to share the agreed proposals and for partners to share their views on the ESCC budget and service provision for the next three years (2016/17 to 2018/19).

4.2 The discussion in the meeting focused on the following points:

- The distribution of savings across services was discussed and the scale of the savings required from Adult Social Care was questioned. Over the last five years, the Council had made differential savings across service areas, providing relative protection to Adult Social Care and Children's Services. The scale of savings likely to be needed over the next five years and the savings already made in smaller service areas, meant that savings in all services needed to be considered. The bulk of the Council's budget was spent on Adult Social Care and Children's Services, so savings in these areas are unavoidable.
- It was explained that the profile of savings for Adult Social Care over the next three years (of £10m, £10m and £20m respectively) is designed to allow East Sussex Better Together (the programme to deliver a sustainable health and social care system through integration) to begin delivering results before the largest savings are required.
- The issue of eligibility criteria for Adult Social Care and support services was discussed, specifically, whether the savings would require a change in criteria. The Government has set out in legislation "national eligibility" criteria to ensure that care and support services are consistent across the country. Most of the budget for Adult Social Care was spent on meeting the needs of those who met the eligibility criteria. The number of people needing help was likely to increase significantly over the next five years, and the needs of those helped were becoming more complex. For this reason, savings were not being proposed in the Community Care budget. It was acknowledged that early intervention and prevention were important and could lead to reductions in the need for more expensive care later. The approach which had been taken to the savings proposals was to sustain investment in activity that will most help manage demand in the short term.
- The challenges of consulting a wide range of service users on a set of complex proposals within the necessary timescales were acknowledged and confirmation was provided of the many and varied ways being used to engage individuals and groups that would be potentially affected by the proposals. The difficulty of providing partners with information about specific impacts in advance of the completion of the

consultation was discussed. Impact assessments will however be made available to Members so these can be taken into account before final decisions are made on the budget in February 2016.

- Delegates discussed the need for strong partnership working to continue over the next five years and for partners to be aware of the cumulative impact of savings on services and communities across the county.
- The issue of senior ESCC staff salaries was raised by a Trade Union representative as was the dangers of losing unique expertise which existed in the authority as part of any reductions in staff numbers. The discussion included the need for strong and stable leadership to help the authority make the difficult changes which would be needed over the next five years, for which competitive salaries would need to be paid.

5. Young People

5.1 Engagement with young people took place as part of the Children's Takeover Day on 20 November 2015. A summary of the young people's comments on savings proposals is set out below.

Adult Social Care

5.2 Proposals: Reduction in Supporting People and Drug and Alcohol Prevention Services

Cuts to supported housing will mean:

- increases in young homeless people;
- increasing drug and alcohol use on streets and increased demand on drug and alcohol services;
- increased crime;
- increase in suicide rates;
- increased risk of death for young people; and
- increased risk of child sexual exploitation and organised prostitution.

Cuts to young mothers services will mean:

- young mothers unable to cope;
- increase in postnatal depression; and
- increase in children in care.

Cuts to refuge services will mean:

- more people are hurt.

Cuts to drug and alcohol prevention services will mean:

- increase in young people using drugs and alcohol.

5.3 Proposal: Reduction in Commissioning Grants Prospectus

Impact:

- more strain on NHS and emergency services;
- increased pressure on charities; and
- people will end up in crisis sooner.

Mitigations:

- raise Council Tax; and

- cut less urgent services, transfer money to help vulnerable people.

Communities Economy and Transport

5.4 Proposal: Reduction in library services

Impact:
- revising libraries' opening hours to 10am – 4pm would mean young people are not able to access during the week;
- for young people who don't have access to quiet study space at home this will affect academic success;
- not all school libraries are able to open after hours; and
- transport is an issue for young people in rural areas.

Mitigations:
- revised opening hours should be 11.30am - 5.30pm with some late openings;
- less books more computers;
- quiet space for young people to study with access to computers; and
- focus on central libraries and close smaller libraries in towns where there are multiple libraries.

Children's Services

5.5 Proposal: Reduction in universal early help services and Inclusion, Special Educations Needs and Disability (short breaks budget)

Impact:
- young people without a strong family network will be left hanging around on streets and be unsafe; and
- disabled young people's wellbeing will be affected by reduction to short breaks budget.

Mitigations:
- encourage volunteering; and
- small pots of funding to support local people to set up groups to plug gaps.

5.6 Proposal: Looked After Children (LAC) - reduction in support for families and focus on use of in house placements

Impact:
- LAC happy won't take children out of settled agency placements;
- reduction in Placement Support Service will mean Foster carers have less of a break, and individual needs aren't met;
- this will result in more placement breakdowns;
- cuts to Children in Care Council will negatively affect all LAC; and
- worried that cuts to services for care leavers will mean they can't develop skills for independence and will end up in difficult situations.

Recommendation:
- Retain funding for LAC support services.

Additional feedback regarding Young Carers Groups

5.7 Young Carers' groups provide valued support for young carers to socialise with others in a similar situation.

Impact:
- reduction in young carers groups will affect emotional wellbeing.

Recommendation:
- young people need to be given explanations when services end.

6. Adult Social Care

6.1 Wide ranging consultation has been carried out on the Adult Social Care savings proposals. People could take part by: completing the online survey; printing and posting a survey back to us; coming to one of the consultation drop-in events and completing a survey or comment form; attending another event or group session where the consultation was discussed (these might have been arranged by the Council, a provider or a voluntary organisation); emailing or writing us with their comments and speaking to us at the events or over the phone.

6.2 The consultation was promoted widely to our stakeholders, including statutory partners, providers, voluntary organisations and clients and carers. Most of the services covered by the three main areas where savings were proposed are ones that we fund other organisations to provide. We have worked with the providers of services to ensure that clients were informed about the consultation. The consultation was also covered by the local press and television news. It was also discussed and shared on social media. About a thousand responses were received and over 400 people attended one of the drop-in events. 365 individual also commented on the proposals. A report on the outcomes of the consultation exercises is available on-line, in the members' room and for inspection by the public on request at County Hall reception.

7. Business Representatives

7.1 The engagement meeting with business representatives took place on 13 January 2016.

7.2 Detail of the discussion is as follows:
- In response to questions regarding the funding of future capital projects, it was explained that as the ESCC resource reduces, there would be a continuing need to work with partners in order to bid for funding from LEPs etc and lever in additional private funding.
- In relation to the Three Southern Counties devolution bid, it was explained that Leader representatives were meeting the Minister on 14 January 2016. If the bid was successful, there would be a greater opportunity for Local Government in the area to take a holistic approach to key projects, such as infrastructure. Increased certainty over funding in the medium/long-term and the better co-ordination of projects over a larger geographical area would provide greater opportunities to draw in other funding for projects. It was noted that businesses are important to the devolution process and consultation would start once a positive commitment had been received from Government.
- Following questions regarding the impact of the proposed savings, it was explained that they would result in service reductions that would affect local service users. Other

organisations could be affected where reductions in preventative services are implemented. Officers stated that modelling of the impact of the savings proposals had been undertaken and would be available to Councillors when considering budget proposals.

- In response to questions regarding the Government announcement that Councils could raise an additional 2% Council Tax for Adult Social Care, officers commented that this was a switch of funding from the Government to local taxpayers and the Revenue Support Grant had been reduced to reflect the option available to raise additional income via Council Tax.
- Representatives asked about the staffing structure and pay awards for ESCC staff. In response, officers explained that there had been a 27% reduction in senior officer posts over the last five years following the consolidation of a number of services into corporate rather than departmental teams. It was noted that there had been a pay freeze in Local Government for a three year period but salaries had not been reduced. East Sussex was one of a few counties that would be impacted by the National Living Wage and any reduction in salaries could create risks in relation to equal pay. Further efficiencies were being sought through increased shared service provision with other councils. It was difficult to track headcounts in the organisation on a like for like basis due to a number of factors such as outsourcing of services, the transfer of Public Health to the Council etc. Headcounts in each department are monitored and reviewed on a regular basis and chief officers, individually and collectively, regularly consider and review structures. The Council Plan and Portfolio Plans would provide further detail on how and where resource was to be used.
- Following questions in relation to the importance of rural transport infrastructure, it was explained that there had been a review of subsidised bus routes that had been implemented in 2015. As a result of the review, a number of routes had become commercial routes and the revised service provided peak time access to education and employment; 91% of users were unaffected by the changes and 95% of users continue to have access to a 6 day a week service. Devolution would provide an opportunity to plan with commercial bus operators on a greater scale and consider expansion of the commercial network. It was noted that initiatives such as the Wheels to Work project and rural broadband project were having a positive impact.
- In relation to the proposals regarding the future allocation of business rates, it was noted that approximately 30% of business rates collected nationally were from London. The ability to keep a greater proportion of rates locally would potentially create inequalities and some redistribution was likely to be required. Local Government would continue to lobby and work with Government in relation to the proposal. It was noted that East Sussex currently imports approximately £53m of business rates and any reduction would create a further financial pressure.
- Following comments regarding proposed reductions in funding in relation to school improvement, it was noted that there was a national debate regarding the role of local councils in relation to school improvement. In East Sussex, school improvement remains an important issue but alternative ways of delivering this, such as peer to peer support were being introduced. It was noted that through Skills East Sussex, local businesses now had a role in shaping the curriculum offer at FE colleges and universities in the county in order to address any skill gaps at apprenticeship/degree level to increase the employability of young people.
- In response to questions regarding the Council seeking income generation opportunities, officers explained that, in reviewing proposals, full consideration was given to the impact on the local economy, including local businesses.

- In relation to procurement, it was noted that the Council has targets for local spend on contracts and had introduced a number of measures to encourage local businesses to engage in council procurement opportunities.
- In response to questions, it was explained that consideration had been given to increasing Council Tax by more than 1.99% but the cost of a referendum was significant and it was unlikely that such an increase would be supported.

8. Trade Unions

8.1 A meeting was held with Trade Union representatives on 21 January 2016. The Leader thanked the representatives for attending, and through them the County Council's staff.

8.2 The Chief Executive set out that the County Council remained a large employer, with an estimated annual spend of £350m. Since the original budget proposals were announced in October there has been extensive work in response to the provisional budget settlement from central Government, leading to proposals mitigating the savings required in Adult Social Care by £1.9m.

8.3 The Trade Union representatives raised a number of issues which were addressed as set out below.

Income generation

8.4 The Lead Member for Resources set out that the County Council was committed to exploring ideas for generating income with a cross-party Income Generation Board. Some proposals have developed from staff suggestions, but each proposal has to be supported by a sound business case for viability and payback period. There is a proposal coming forward for some County Council buildings to have solar panels, which has been developed from the proposal that closed landfill sites be used for energy generation, which proved unviable.

Pothole repairs

8.5 The Lead Member for Transport and Environment set out that potholes repairs had been funded from a variety of sources, including central Government grants, in response to four consecutive wet winters, and long-term investment through the capital programme, as an invest to save measure. There were tangible benefits to the programme of repairs in line with the current intervention criteria, as reported to the Economy, Transport and Environment Scrutiny Committee.

Bexhill Hastings Link Road

8.6 The Director of Communities, Economy and Transport set out that the overspend on Coombe Valley Way has been attributable in part to adverse weather conditions during the construction period (including the wettest winter recorded since 1776), and the extensive archaeology uncovered which is of international importance. The Way should be seen as a path to prosperity in its effects in job creation and unlocking land to meet housing need, and in generating £1bn in gross value added of benefits in a deprived area of the county.

Consultants

8.7 The Chief Operating Officer set out that there was a council-wide methodology for the management, monitoring and delivery of programmes and projects. The Council has a new supplier for interim and agency staff and activity is reported annually to Scrutiny Committee in order to give transparency to activity and reasons for using interim or agency staff. Procurement Standing Orders are in place that set the procurement requirements and standards that have to be applied. It is important to recognise that some use of specialist external staff, particularly during large-scale change programmes, is unavoidable, but the Council is committed to the development and training of staff to enable them to achieve their full potential. The Lead Member for Resources highlighted the Ingenium initiative which show cased up and coming talent in the workforce. Out of this a number of ideas from staff are being developed and as an example a project developed by staff to create CVs to inform managers of the skills available within their teams.

Music Service

8.8 The Director of Children's Services, in response to a query regarding the financing of the Music Service, set out that County Council was not in a position to direct how schools use their pupil premium, but was in a position to advise them of the Music Service's offer and that the premium could be used to purchase those services. The direction of travel for the Music Service is for it to be self-funding from government grants and fee income.

Support for young people and home to school transport

8.9 The Lead Member for Learning and School Effectiveness set out the background to the decision taken in November to review the Council's discretionary spending on home to school transport. The importance of access to the Further Education offers at the County's providers, and the risk of young people becoming NEET, was acknowledged. A wide-scale review of Further Education provision (including West Sussex and Brighton & Hove) was highlighted.

8.10 The Director for Children's Services explained that 25% of the savings achieved in the course of the review of discretionary spend had been recycled into bursaries available to those colleges with the highest proportion of low income families. In respect of the support for young people, the Director set out that by reducing the universal offer provisions the Department was able to restrict reductions in some services targeted at the most vulnerable to below 15%.

ISEND

8.11 The Director of Children's Services set out that the Inclusion, Special Educational Needs and Disability service had been the subject of great changes. He stressed that the service was always looking for ways to improve, and that if staff had concerns regarding any administrative burden incurred through the traded services system it would be explored. He further set out that the conversion rate of Statements of SEN to Education, Health and Care Plans (ECHP) would be increased, and that the greater savings were scheduled for later years in the MTFP.

8.12 In response to a query about traded services, the Director of Children's Services set out that schools had access to a core offer and a number of supplementary services which they could purchase, aimed at reducing the risk of children being placed outside local authority provision. With regard to ECHPs the expectation is for more children to be accommodated within local schools which will result in less money being spent on independent special schools.

IT Provision

8.13 The Chief Operating Officer, in response to a query regarding the state of the Council's IT infrastructure, set out that the key consideration was the return on the Council's investment. The performance of the Helpdesk Team, access to which was highlighted as a particular concern, is monitored. In response to a common Helpdesk request, investment in an automatic password resetting programme was being evaluated. The Leader and Deputy Leader both highlighted that they had been operating paperlessly for two years.

Supply teachers

8.14 The Director of Children's Services explained that the County Council was not in a position to maintain a bank of supply teachers, and that how schools spent their budgets, whether they chose to engage agencies to provide supply staff or make their own arrangements, was up to them. Schools were encouraged by the Council to make full use of the established Education Improvement Partnerships.

National Living Wage

8.15 The Interim Assistant Director – Personnel and Training set out that a benchmarking exercise had been undertaken with regard to implementation of the NLW and our neighbours, which had revealed that East Sussex was broadly comparable. It was confirmed that there was no intention to implement the Foundation Living Wage.

Lobbying

8.16 The Leader highlighted the work he and the other Members of the Council did in lobbying, both directly in the form of his letter to the Prime Minister and meetings with Government representatives, and indirectly through the LGA and CCN. It was recognised that these efforts may not necessarily bear immediate fruit, but it was hoped that there might be an impact in future settlements.

Job loses

8.17 It was confirmed that the County Council was aware of the impact of savings on staff and remained committed to minimising compulsory redundancies and would continue to apply the full range of agreed employment policies including seeking redeployment opportunities wherever possible, which had proved successful last year. Although difficult to confirm until implementation was undertaken, the likely order of reduction in FTE staff was expected to be 100-150.

Appendix

The future budget of East Sussex County Council

Residents of East Sussex were asked about their level of concern over the funding cuts faced by East Sussex County Council (ESCC) and about their ideas and comments on how these cuts could be handled.

The consultation ran from 23/09/2015 to 24/11/2015 and received 215 responses from residents.

Objectives

Our objectives for this activity were to:

- Promote understanding of the financial pressures ESCC faces in the future
- Understand the concerns of residents over future savings proposals
- Generate ideas and suggestions on how ESCC could handle future savings.
- Open up dialogue with residents that can be continued throughout any future savings proposals

Promotion of the budget consultation

The consultation was promoted to the residents of East Sussex through:

- The survey was featured repeatedly throughout the ESCC website, with its own webpage, link from the homepage and on the have your say hub.
- Through the corporate social media channels (repeated posts on Facebook, Twitter and LinkedIn)
- A YouTube video was created outlining the budget savings that need to be made by ESCC
- A press release was issued receiving courage in:
  Local newspapers
  - Sussex Express
  - Eastbourne Herald
  - Hastings Observer
  - Eastbourne Gazette
  - Argus

  Radio
  - BBC Sussex

  Television
  - BBC South East Today

Document summary

Between 23/09/2015 and 25/11/2015 the Communications Team at East Sussex County Council (ESCC) carried out an engagement exercise with East Sussex residents to

explore whether residents were concerned about the future budget cuts. The majority of respondents were concerned about how the cuts could affect them (87%).

Suggestions on how ESCC should handle the cuts included focusing on key services such as protecting the vulnerable, maintaining roads, and promoting business in the area.

Suggestions on how savings could be made included cutting in-house expenses and/or becoming more efficient and challenging the Government over the cuts to funding. There were also calls for greater cooperation with other councils and to encourage volunteering in the community. Increasing council tax was also a suggestion repeatedly raised. The importance of involving residents in any decisions was also highlighted

Consultation responses

Concerns over the cuts:

The majority of the residents who responded to the consultation (87%) stated that they were concerned about how reduced spending could affect them (Figure 1; Table 1). A number of people also expressed their concerns in the comments question about how any changes could affect others in their community (Appendix 1).

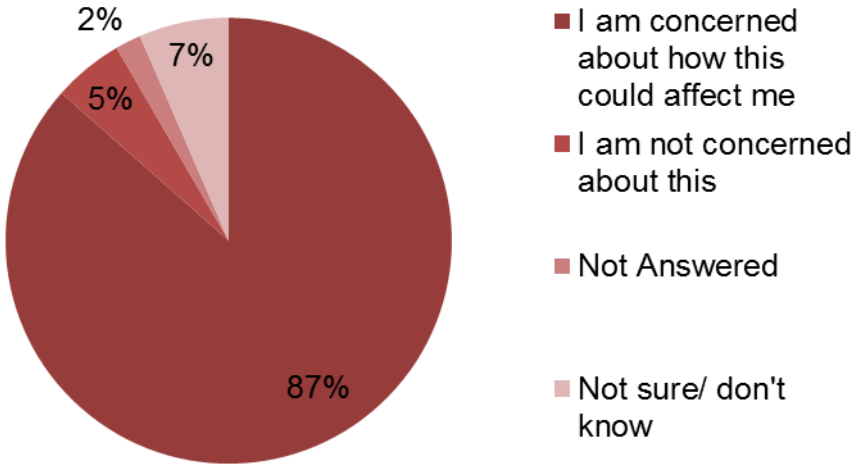

Figure 1 – Residents reaction to the question "We expect that there'll be £70 million less to spend each year on services in East Sussex in future. What's your reaction?"

Table 1 - Consultation responses on residents' concerns over the funding cuts

We expect that there'll be £70 million less to spend each year on services in East Sussex in future. What's your reaction?		
	Count	**%**
I am concerned about how this could affect me	186	87%
I am not concerned about this	11	5%
Not answered	4	2%
Not sure/ don't know	14	7%
Total	**215**	**100%**

Suggestions and ideas on how to handle the funding cuts faced:

Of the 215 responses received, 146 answered the question "Do you have ideas or comments now about how this pressure on services in East Sussex should be handled?" Each response was read and coded by the themes that were raised.

Common concerns were over protecting key services, including services for vulnerable people, road maintenance and support for businesses in the area (See Table 2).

Suggestions on how savings could be made included cutting in-house expenses and/or becoming more efficient and challenging the Government over the cuts to funding (Table 2).

Suggestions for savings also included working more closely with other councils and encouraging volunteering to ensure that services can continue (Table 2).

Increasing council tax was also a suggestion repeatedly raised (21 times; Table 2). The importance of involving residents in any decisions was also highlighted (Table 2).

Table 2 – Themes raised in response to the question "Do you have ideas or comments now about how this pressure on services in East Sussex should be handled?" Responses are available in the members room.

Do you have ideas or comments now about how this pressure on services in East Sussex should be handled?		
Code no	**Code name**	**No**
1	Protect key services	62
2	Cut in-house expenses/ promote efficiencies	37
3	Challenge Government over cuts	21
4	Increase council tax	19
5	Work with other councils	19
6	Involve residents in the decisions	18
7	Encourage volunteering	17
8	Reduce management	13
9	Charge for some services	12
10	Sell assets	9

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Councillor Keith Glazier

Leader

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East Sussex County Council

eastsussex.gov.uk

The Rt Hon David Cameron MP
10 Downing Street
London
SW1A 2AA

Our Ref	Your Ref	Date
KG/vf/		14th January 2016

Dear Prime Minister

Re Local Government Finance Settlement.

I write on behalf of all the group leaders at East Sussex County Council to express our significant concerns about the Local Government Funding Settlement, how it has been handled, and its impact on the residents of East Sussex.

We recognise the Government's continued commitment to reduce the national deficit. In line with the rest of local government, East Sussex County Council has delivered over £78m worth of savings and efficiencies since 2010. We have a mature and proven strategic commissioning approach to shape investment into the Council's four priority outcomes: driving economic growth; keeping vulnerable people safe: helping people help themselves: and making the best use of resources which ensures we maintain shape and focus while delivering a huge agenda of cuts and service reform.

We have been working hard with our partners to develop and deliver appropriate and very ambitious plans to integrate health and social care through an accountable care model, devolution (3SC bid), a fully integrated support service partnership with Surrey (Orbis), continued reform of children's social care, income generation and a raft of service change programmes. Despite this work to reach a balanced and sustainable budget, we have had to consult on a further £70m to £90m cuts programme for 2016/17 to 2018/19. The cuts will significantly reduce the quality of life for many people in East Sussex. Our proposed cuts have to include preventative services which, while offering a short term saving, will cost the taxpayer more in the medium term.

East Sussex is an ageing county: the over 85 population will increase by 7.5% in the next three years. This not only shapes the profile of the residents we need to serve but also their ability to support themselves through action or finance.

We are concerned that the Local Government Settlement means the welcome additional resource that can be made available to meet the social care pressures through the additional levy will be found from local taxation rather than national funding. In addition, the ability to raise a further 2% of council tax will only go a small way to address the very significant pressures on our budget. In East Sussex this would raise an additional £4.7m per year, but would only account for 25% of the pressures we face as a result of the introduction of the national living wage, national insurance changes and other social care pressures. These pressures are added to the rising costs of increased numbers and complexity of the critical and substantial needs of our residents.

The nature of the cuts that we will need to make in balancing the budget include:

- significant savings in Adult Social Care to bridge the gap between demand and resources – jeopardising the work we have done on early intervention
- withdrawal of the universal offer of early help and support to young people for a range of services from support to parents of young children in children's' centres to activities for older children and young people
- significant reductions in our library services offer and therefore the presence we have in communities that support the development of community resilience
- reductions in our integrated transport offer.

Some of the initiatives that the Government seems to be believe that councils like East Sussex can rely on to make our budgets sustainable are not realistic. There appears to be misunderstanding in relation to the nature of council reserves, the ability to make significant further efficiencies, the likely returns from further sharing of services and the ability to raise income. East Sussex has huge infrastructure challenges which affect our ability to grow the economy by generating sustainable job opportunities and business growth. We have made significant investment into this work and have both a successful inward investment agency and business growth vehicle but our return from investment is significantly constrained by the environmental characteristics of the county.

The funding cuts have been further compounded by the way in which the formula changes have been applied very late in the day. Reductions in funding have not been applied consistently across local authorities in the same way as they have been historically. Where substantial changes have been made we, and other councils, had rightly expected CLG to consult on the planned changes in the way grant would be allocated. Despite early indications that there would be a consultation over the summer autumn of 2015, this did not happen.

East Sussex County Council Members and officers will continue to work effectively, efficiently and innovatively to support our local residents but we call on the Government to recognise that the current, and planned, approach to funding local government does not reflect the varying needs of places. A model, which takes into consideration the needs and ability of local communities to fund services locally is required.

We call on the Government to:

1. Ensure you fully understand and recognise the impact of the financial constraints on residents.

2. Revisit the grant distribution for future years on the basis of needs so it more fairly recognises the real pressure on social care authorities.

3. Work in close partnership with councils on the future arrangements:
   - for national non-domestic rates
   - on the flexibilities and freedoms councils should have to manage their income sources; and
   - on an evidence base as changes to policy and resourcing in areas such as schools apprentices are developed.

The funding outlook for East Sussex County Council and our partners causes great concern to the elected Members, officers and partners in the county. We would be happy to meet with you or your officials to discuss these issues

Yours sincerely

Councillor Keith Glazier
Leader of the Council

And on behalf of:

Councillor David Tutt, Leader Liberal Democrats, East Sussex County Council
Councillor Trevor Webb, Leader Labour Party, East Sussex County Council
Councillor Stephen Shing, Leader Independent Democrats, East Sussex County Council
Councillor Ruth O'Keeffe, Leader Independent Group, East Sussex County Council
Councillor Philip Howson, Leader UKIP, East Sussex County Council

cc George Osborne, Chancellor of the Exchequer
Greg Clark, Secretary of State for Communities and Local Government

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CHILDREN'S SERVICES SCRUTINY REVIEW OF RPA – ACTION PLAN			APPENDIX 9
SCRUTINY RECOMMENDATION		DIRECTOR'S RESPONSE AND ACTION PLAN	TIMESCALE
Careers Advice			
R1	All East Sussex schools should attain the Investors in Careers (IIC) standard for careers advice services, or an equivalent alternative, to demonstrate to Ofsted and ESCC that they operate careers advice to the standard required by the Department for Education (DfE) statutory guidance.	SLES have encouraged schools to work toward the IiC standard, by providing funding and support to achieve this award. Currently 22 secondary schools and community college schools out of a total of 27 have full IIC accreditation, and 6 out of 9 special schools have full IIC accreditation. Several are due for re-assessment and some have failed to progress between stages. SLES have identified funding to continue to support this work beyond 2016. Actions 1.1 All 27 schools encouraged and supported to work towards achieving full IiC accreditation (or equivalent)	Dec 16
R2	The Education Improvement Partnership Executive Committee should survey East Sussex schools to identify and disseminate examples of best practice for Careers Education, Information, Advice and Guidance (CEIAG) and in particular for the provision of work experience	SLES co-ordinate and support a local CEIAG network, which consists of CEIAG leads from our schools and colleges and good practice is shared through these networks. This work will continue in order to raise the importance and profile of CEIAG and work experience.	Jul 16
R3	All schools should appoint a Governor as careers advice champion.	SLES acknowledge the need to drive the careers advice agenda, as good quality careers advice not only benefits the student in helping raise aspirations, but can also help drive the skills and economy of the county as a whole if local employers and businesses are linked directly to CEIAG delivery. SLES will put this recommendation forward to the Governor meetings. 3.1 CEAIG and employability sessions planned for Governor Area Meetings;	

		will recommend Governor champions.	Feb/Mar 2016
R4	All year 10 pupils should be offered work experience placements in conjunction with local employers.	SLES acknowledge the importance of work experience and have an effective work experience team that operates as a traded service. To date they have helped secure 2500 work placements for this academic year. The work experience team is currently being reviewed and consideration being given to a work experience unit being developed in conjunction with our colleges, in order to secure its ongoing sustainability. Resource implication for schools to fund this recommendation. The current cost to schools is £270 annual subscription and £13.50 per student, per placement.	Mar 16
Vulnerable Groups			
R5	Schools, ESCC and its partners examine ways to support the 'next most at risk' young people who may not meet the official vulnerability criteria e.g. by expanding services in schools, subject to funding.	SLES acknowledge that there are vulnerable young people who are not easily identified as needing support. Pastoral support can be stretched in schools due to pressures on budgets and targeting these resources at greater risk. Actions: 5.1 SLES to undertake more analysis of hard and soft data to help identify those most at risk 5.2 Consider revising the schools Risk of NEET Indicator (RONI) and review discussions with colleges again re. post16 RONI 5.2 SLES to work with colleges and schools to ensure that Youth Employability Service (YES) help support those most at risk of dropping out of school/college	Jan 17 Jan 17 Dec16
R6	ESCC and its partners explore how mental health awareness and support services to vulnerable young people in schools and	SLES commission the Youth Employability Service to help meet our statutory duties to support vulnerable young people who are NEET (Not in Education, Employment or Training) or at risk of becoming NEET and YES are seeing an increase in the number and complexity of needs, which require more	

	colleges could be enhanced.	specialist support. SLES will explore with Early Help how to increase support to vulnerable young people, particularly those with mental health needs. A new national pilot launched in December aims to ensure that every school has a mental health champion. More than 250 schools have agreed to join the trial and will select a teacher, teaching assistant or school nurse as a mental health "point of contact". That person will forge a relationship with a counterpart in their local NHS children's mental health service. The pair will be trained to work together to streamline the process of getting the correct treatment for children. The programme will be rolled out further if it is judged to be a success. Actions: 6.1 Link to new national £3 million pilot which aims to have a mental health champion appointed by every school.	Dec 2016
R7	Post 16 providers and ESCC take into account the difficulty some young people, from the northern and western parts of the county, experience in paying for travel to access suitable post 16 provision when targeting travel support.	SLES will continue to work with post 16 providers to ensure that provision is as accessible as possible, through the contribution to providers bursary scheme for those young people who are most vulnerable to non participation.	Jul 2016
Meeting Employers' Needs			
R8	Commend the idea of an Employability Passport and encourage its swift development. Work should be undertaken where possible to make the Employability Passport regionally and nationally accepted and recognised.	10 schools, 2 colleges and 4 youth support organisations are piloting the Employability Passport (from September 2015), including our Virtual School and are due to meet in January to share practice and moderate sample folders. The government's newly established Careers and Enterprise Company are also developing a national 'Enterprise Passport' and have expressed an interest in learning from our Employability Passport.	

		Actions 8.1 Employability Passport pilot to be completed by Sept 2016 8.2 Independent evaluation of our Employability Passport to be completed by October 2016, this will include bringing together learning from Mozilla and Careers Enterprise development/pilots 8.3 Employability Passport to be rolled out from academic year 16/17	 Sept 16 Oct 16 Sept 2017
R9	Promote a single point of contact for businesses eager to be involved in work experience opportunities possibly through the new Enterprise Advisor Coordinator post or expansion of the ESCC work experience service.	SLES were successful in a bid to secure Enterprise Advisor posts as part of the governments Career Enterprise Company, which was been set up to improve links between schools and employers. These Advisors (1.5 posts) started in November and will help drive this work. But funding is only secured up until Nov 2016, so we are seeking alternative funding sources to help extend this work. Link to R12.	Sept 2016
R10	The Standards and Learning Effectiveness Service (SLES) be requested to seek to match the demand and supply of traineeships to identify whether current provision can be expanded, and together with partners, seek to moderate the high expectations of employers regarding apprenticeships.	The offer and take up of Traineeships nationally has been exceptionally low, initially this was due to restrictions in which providers could actually deliver Traineeships and then more recently on the pressure to ensure that those on Traineeship do actually progress into an Apprenticeship. In East Sussex we have tried to encourage our colleges and training providers to deliver Traineeships as in addition to them offering a good stepping stone into an apprenticeship. Actions: 10.1 Work with colleges and training providers to improve the take up of Traineeships 10.2 Increase the number of young people on Traineeship	 Dec 2016
R11	Actively encourage the extension of the provision of Careers Fairs (including apprenticeships), following an evaluation of the	Well planned Careers Fairs present an ideal opportunity to raise aspirations and promote the breadth of careers pathways and employment opportunities available across East Sussex and beyond, ensuring that employers as well	

	Sussex Chambers events, to create a network of Careers Fairs to serve all schools across the County.	as our colleges and training providers are present at these careers fair. SLES have no dedicated resource to support these events, but we have committed staff time and expertise to help co-ordinate events with schools and colleges. Actions 11.1 SLES to support the Sussex Chambers and other good quality Careers Fairs	Dec 2016
R12	Seek longer term funding for the Skills East Sussex Enterprise Advisor project, upon successful completion of the pilot scheme.	SLES are working with Skills East Sussex to help identify funding sources, with support from the ESCC External Funding Team, including through SELEP and European funding.	Jul 2016

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APPENDIX 10

TREASURY MANAGEMENT POLICY AND STRATEGY 2016/17

East Sussex County Council

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1. INTRODUCTION

The Treasury Management Policy and Strategy is one of the Council's key financial strategy documents and sets out the Council's approach to the management of its treasury management activities.

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of treasury management is to ensure that cash flow is adequately planned with cash being available when it is needed. Surplus monies are invested in lower risk counterparties or instruments, commensurate with the Council's risk appetite, providing adequate liquidity and considering investment return.

Another part of the treasury management service is the funding of the Council's capital programme. The capital programme provides a guide to longer cash flow planning to ensure that the Council can meet its capital investment requirement.

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

'the management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.

The Local Government Act 2003 and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing investments and for giving priority to the security and liquidity of those investments.

This strategy is updated annually to reflect changes in circumstances that may affect the strategy.

2. CIPFA REQUIREMENTS

The Council has adopted the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management (Revised 2011).

The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement stating the policies, objectives and approach to risk management of the Council's treasury management activities (Section 3).

- Creation and maintenance of suitable Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities (Section 4).

- Receipt by Full Council of an annual Treasury Management Strategy Statement (Section 5) including the Annual Investment Strategy (Section 6) and the Minimum Revenue Provision Policy (Section 7) for the year ahead.

- Production of a mid-year review report and an annual report covering activities during the previous year (this Council also presents a quarterly monitoring report to Cabinet).

- Delegation by the Council of responsibilities for implementing and regular monitoring of its treasury management policies and practices and for the execution and administration of treasury management decisions (this Council delegates responsibility for implementation and monitoring treasury management to Cabinet and responsibility for the execution and administration of treasury management decisions to the Section 151 Officer. The role of the Section 151 Officer in treasury management is described in Section 8).

- Delegation by the Council of the role of scrutiny for treasury management strategy and policies to a specific named body (this Council delegates this responsibility to the Audit, Best Value and Community Services Scrutiny Committee).

3. TREASURY MANAGEMENT POLICY STATEMENT

The policies and objectives of the Council's treasury management activities are as follows:

1. This Council defines its treasury management activities as

'The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.

2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.

3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.

4. TREASURY MANAGEMENT PRACTICES

The Council has created and maintains the following Treasury Management Practices (TMPs). These TMPs set out the manner in which the Council will seek to achieve its policies and objectives and how it will manage and control these activities.

TMP 1: Risk Management

TMP 2: Performance Management

TMP 3: Decision making and analysis

TMP 4: Approved instruments, methods and techniques

TMP 5: Organisation, clarity and segregation of responsibilities and dealing arrangements

TMP 6: Reporting requirements and management information arrangements

TMP 7: Budgeting, accounting and audit arrangements

TMP 8: Cash and cash flow management

TMP 9: Money laundering

TMP 10: Training and qualifications

TMP 11: Use of external service providers

TMP 12: Corporate governance

The Treasury Management Practices are regularly updated and further details of these can be found within the Accounts and Pensions Team.

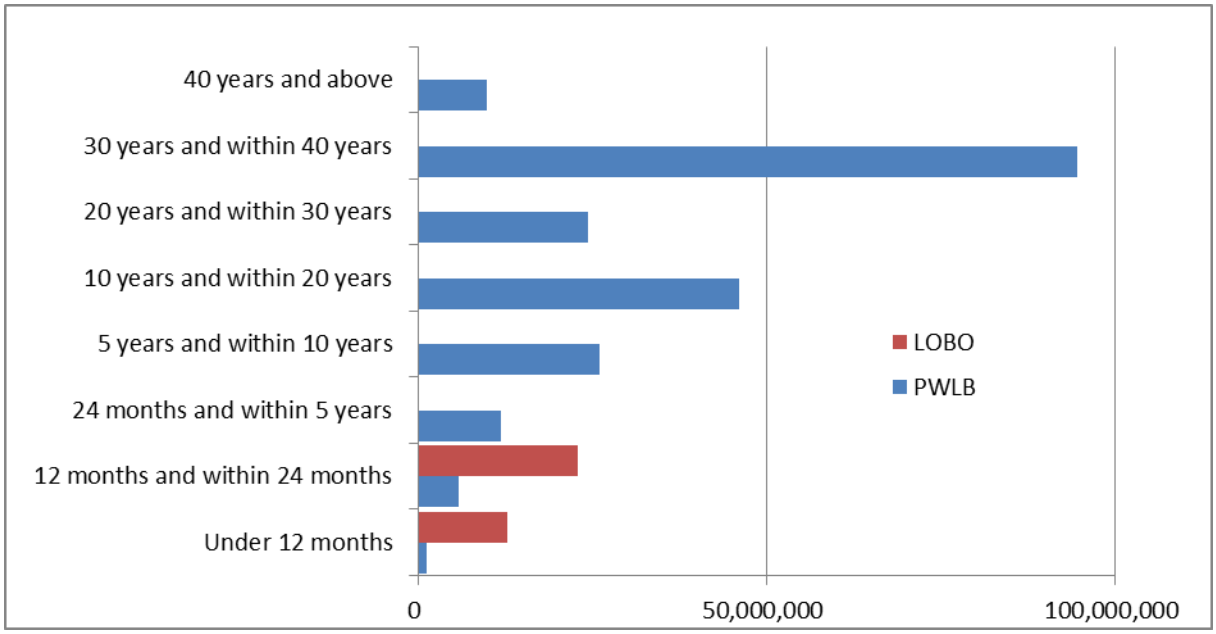
5. TREASURY MANAGEMENT STRATEGY STATEMENT

5.1 Current Investment & Borrowing Position

As at the 31 December 2015, the Council had £275 million of investments and the forecast for the year end is within the range of £280 to £300 million. The forecast average interest rate for the year is 0.75%, compared to the bank base rate of 0.50%. The investments will provide investment income of approximately £2.2 million in 2015/16.

The Council's long-term external borrowing (excluding PFI and finance lease arrangements) is projected to be £255m at 31 March 2016 with the majority sourced from the Public Works Loan Board (PWLB) at fixed interest rates of between 3.70% - 8.63%, with a weighted average rate of 5.20%. The PWLB allows local authorities to repay loans early and either pay a premium or obtain a discount according to a formula based on current interest rates.

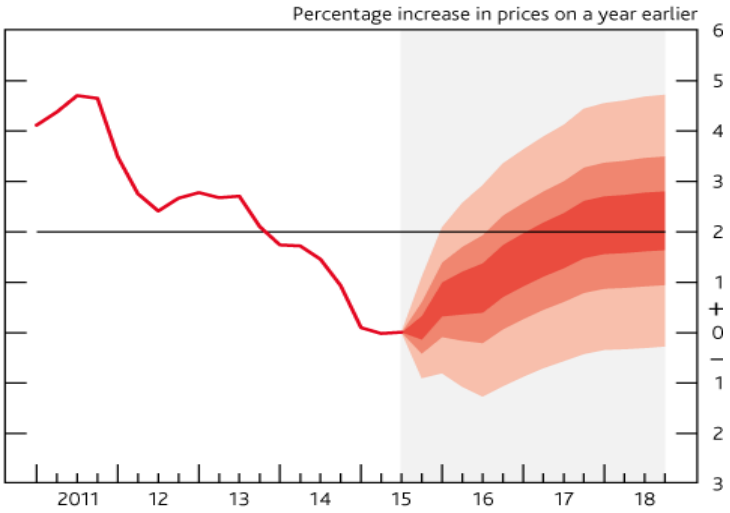
The Council's debt maturity profile as at 31 December 2015, showing the outstanding level of loans each year, is shown in **Graph 1** below:



5.2 Prospects for Interest Rates

UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, probably being second to the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a rebound in quarter 2 to +0.7% (+2.4% y/y) before weakening again to +0.5% (2.3% y/y) in quarter 3.

The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years (see **Graph 2** below), driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015 this year. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, worldwide economic statistics have distinctly weakened and the November Inflation Report flagged up particular concerns for the potential impact on the UK.



The Council has appointed Capita Asset Services as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. **Table 1** below gives the Capita Asset Services central view for short term (Bank Rate) and longer fixed interest rates.

Table 1	**Bank Rate %**	**PWLB Borrowing Rates % (including certainty rate adjustment)**		
		5 year	**25 year**	**50 year**
Dec 2015	0.50	2.30	3.60	3.50
Mar 2016	0.50	2.40	3.70	3.60
Jun 2016	0.75	2.60	3.80	3.70
Sep 2016	0.75	2.70	3.90	3.80
Dec 2016	1.00	2.80	4.00	3.90
Mar 2017	1.00	2.80	4.10	4.00
Jun 2017	1.25	2.90	4.10	4.00
Sep 2017	1.50	3.00	4.20	4.10
Dec 2017	1.50	3.20	4.30	4.20
Mar 2018	1.75	3.30	4.30	4.20
Jun 2018	1.75	3.40	4.40	4.30
Sep 2018	2.00	3.50	4.40	4.30
Dec 2018	2.00	3.50	4.40	4.30
Mar 2019	2.00	3.60	4.50	4.40

The Inflation Report was notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. However, once the falls in oil, gas and food prices over recent months fall out of the 12 month calculation of CPI, there will be a sharp tick up from the current zero rate to around 1 percent in the second half of 2016. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013.

There is considerable uncertainty around how quickly inflation will rise in the next few years and this makes it difficult to forecast when the Monetary Policy Committee (MPC) will decide to make a start on increasing Bank Rate.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury mangement implications:

- Investment returns are likely to remain relatively low during 2016/17 and beyond;
- Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when the Council will not be able to avoid new borrowing to fund capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing unless immediately spent as it will cause an increase in investments and this will incur a revenue loss between borrowing costs and investment returns as well as increased counterparty risks.

5.3 Borrowing Strategy

Capital Investment can be paid for using cash from one or more of the following sources:

i. Cash from existing and/or new capital resources (e.g. capital grants, receipts from asset sales, revenue contributions or earmarked reserves);
ii. Cash raised by borrowing externally;
iii. Cash being held for other purposes (e.g. earmarked reserves or working capital) but used in the short term for capital investment. This is known as ‘internal borrowing’ as there will be a future need to borrow externally once the cash is required for the other purposes.

Under the Cipfa Prudential Code an authority is responsible for deciding its own level of affordable borrowing within set prudential indicator limits (see section 5.4).

Borrowing does not have to take place immediately to finance its related capital investment and may be deferred or borrowed in advance of need within policy. The Council’s primary objective when borrowing is to strike an appropriately low risk balance between securing low interest rates and achieving cost certainty over the period for which funds are required.

The amount that notionally should have been borrowed is known as the **capital financing requirement (CFR)**. The CFR and actual borrowing may be different at a point in time and the difference is either an under or over borrowing amount.

The Council is required to repay an element of the CFR each year through a revenue charge. This is known as the minimum revenue provision (MRP) and is currently estimated to be £12m for 2016/17. MRP will cause a reduction in the CFR annually.

When MRP is not required to repay debt, it will accumulate as cash balances which will then be invested. **Graph 1** shows that most of the Council's debt is long dated and matures from 2045. Investment balances will therefore be increased by MRP each year until the debt is repaid.

External borrowing has not been needed over the past few years in order to reduce the cost of carry at a time when investment returns are low and counterparty risks continue to be relatively high.

Strategy for 2016/17

The Council's 'Draft Revenue Budget and Capital Programme 2015/16 to 2017/18' forecasts £262.8m of capital investment over the next three years with £193.3m met from existing or new resources. The amount of new borrowing required over this period is therefore £69.4m as shown in **Table 2** below.

Table 2	**2015/16 Projected**	**2016/17 Estimate**	**2017/18 Estimate**	**Total**
	£m	**£m**	**£m**	**£m**
Capital Expenditure	116.4	98.0	48.4	262.8
Financed by: Capital Reserves, Capital Grants, Capital Receipts, Revenue Contributions	(109.1)	(42.5)	(41.7)	(193.3)
Borrowing Need	**7.3**	**55.5**	**6.7**	**69.5**

As existing and new resources are insufficient, borrowing of £69.5m will be met initially from internal borrowing. By essentially lending the Council's own surplus funds to itself, the Council will minimise borrowing costs and reduce overall treasury risk by reducing the level of external investments.

With official interest rates forecast to remain low, an internal borrowing strategy could be viewed as being beneficial but is unsustainable in the longer-term. The benefits of internally borrowing will be monitored against the potential for incurring additional costs through deferring new external borrowing into future years when long-term borrowing rates are forecast to rise.

A scenario is that should interest rates fall to a predetermined trigger level, the Council may take advantage of the low rates by securing fixed rate funding of up to £30 million and help mitigate the risk of deferring the borrowing longer term. Interest rates are however forecast to rise over the next period.

Table 3 below includes the figures from Table 2 and shows the actual external borrowing against the capital financing requirement, identifying any under or over borrowing. A scenario is shown below for both before and after £30 million new borrowing over the next period (assumed £30m in 2016/17) over a 15-18 year term.

Table 3a	2015/16	2016/17	2017/18	2018/19	2019/20
	Projected	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Borrowing at 1 April	259	255	250	246	241
less loan maturities	(4)	(5)	(4)	(5)	(4)
Borrowing at 31 March	**255**	**250**	**246**	**241**	**237**
CFR at 31 March	256	299	294	282	270
Under/(over) borrowing	**1**	**49**	**48**	**41**	**33**

Table 3b (including £30m potential new borrowing in 2016/17)	2015/16	2016/17	2017/18	2018/19	2019/20
	Projected	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Borrowing at 1 April	259	255	280	276	271
less loan maturities	(4)	(5)	(4)	(5)	(4)
add new borrowing	-	30	-	-	-
Borrowing at 31 March	**255**	**280**	**276**	**271**	**267**
CFR at 1 April	261	256	299	294	282
Net Capital Expenditure	7	55	7	-	-
MRP	(12)	(12)	(12)	(12)	(12)
CFR at 31 March	**256**	**299**	**294**	**282**	**270**
Under/(over) borrowing	**1**	**19**	**18**	**11**	**3**

The Council is currently maintaining an under-borrowed position. As at the end of 2015/16 the Council is projected to be under borrowed by £1m, rising to £49m in 2016/17 if no external borrowing is undertaken. This means that the capital borrowing need has not been fully funded with loan debt and cash supporting the Council's reserves, balances and cash flow has been used as a short term measure. With external borrowing of £30 million, the 2016/17 under borrowing amount is reduced to £19m.

Borrowing other than with the PWLB

The Council has previously borrowed mainly from the PWLB, but will continue to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates. Any new borrowing taken out will be completed with regard to the limits, indicators, the economic environment, the cost of carrying this debt ahead of need, and interest rate forecasts. The S151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

One such other source has been **LOBO** (Lender Option Borrower Option) type loans. The Council's debt portfolio contains £35.9m of these products (see **Graph 1**), which could be "called" during 2016/17. A LOBO is called when the Lender (Banks) exercises its right to amend the interest rate on the loan at which point the Borrower (the Council) can accept the revised terms or reject them and repay the loan. LOBO loans present a potential refinancing risk to the Council since the decision to call a LOBO is entirely at the lender's discretion.

It is likely that the **Local Capital Finance Company Limited (Municipal Bond Agency)**, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the PWLB. This Council has approval to make use of this new source of borrowing as and when appropriate.

The Local Capital Finance Company Limited claims that local authority financing costs could be reduced by up to a prudent 0.20% to 0.25% compared to the certainty rate provided by the PWLB. The Company will offer competition to PWLB but as a result the PWLB could react by reducing its own margins thereby making the Local Capital Finance Company Limited rate unattractive for local authority borrowers. Whilst it is difficult to predict the reaction to the establishment of the Local Capital Finance Company Limited, either way, it has the potential for local authorities to access lower borrowing rates.

Policy on Borrowing in Advance of Need

The Council will not borrow purely in order to profit from investment of extra sums borrowed. Any decision to borrow in advance will be within approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting.

Debt Rescheduling

Officers continue to regularly review opportunities for debt rescheduling, but there has been a considerable widening of the difference between new borrowing and repayment rates, which has made PWLB debt restructuring now much less attractive. Consideration would have to be given to the large premiums (cash payments) which would be incurred by prematurely repaying existing PWLB loans. It is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing. However, some interest savings might still be achievable through using LOBO loans, and other market loans, in rescheduling exercises rather than using PWLB borrowing as the source of replacement financing.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

The strategy is to continue to seek opportunity to reduce the overall level of Council's debt where prudent to do so, thus providing in future years cost reduction in terms of lower debt repayments costs, and potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All rescheduling will be agreed by the S151 Officer.

Continual Review
Officers continue to review the need to borrow taking into consideration the potential increases in borrrowing costs, the need to finance new capital expenditure, refinancing maturing debt, and the cost of carry that might incur a revenue loss between borrowing costs and investment returns.

Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The Chief Finance Officer will continue to monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp fall in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

5.4 Prudential and Treasury Indicators 2016/17 to 2018/19

The Council's capital expenditure plans are a key driver of treasury management activities. The output of the capital expenditure plans are reflected in prudential indicators. Local Authorities are required to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Code sets out the indicators that must be used but does not suggest limits or ratios as these are for the authority to set itself.

The Prudential Indicators for 2016/17 to 2018/19 are set out in **Table 4** below:

	Table 4	**2016/17 Estimate**	**2017/18 Estimate**	**2018/19 Estimate**
1	**Capital Expenditure £m (gross)** Council's capital expenditure plans	150.0	128.6	84.8
2	**Capital Financing Requirement £m** Measures the underlying need to borrow for capital purposes (including PFI & Leases) Capital Financing Requirement as at 31st March	392	383	367
3	**Ratio of financing costs to net revenue stream** Identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against net revenue stream	6.20%	5.84%	5.44%
4	**Incremental impact of capital investment decisions on council tax** Identifies the revenue costs associated with proposed changes to the three year programme compared to the existing approved commitments	0.00	0.00	0.00

The Treasury Management Code requires that Local Authorities set a number of indicators for treasury performance in addition to the Prudential Indicators which fall under the Prudential Code. The Treasury Indicators for 2016/17 to 2018/19 are set out in **Table 5** below:

	Table 5	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
1	**Authorised Limit for External Debt £m*** The Council is expected to set a maximum authorised limit for external debt. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council.	422	413	397
2	**Operational boundary for external debt £m*** The Council is required to set an operational boundary for external debt. This is the limit which external debt is not normally expected to exceed. This indicator may be breached temporarily for operational reasons.	402	393	377
3	**Upper limit for fixed interest rate exposure*** Identifies a maximum limit for fixed interest rates for borrowing and investments.	100%	100%	100%
4	**Upper limit for variable interest rate exposure*** Identifies a maximum limit for variable interest rates for borrowing and investments.	15%	15%	15%
5	**Maturity Structure of Borrowings*** The Council needs to set upper and lower limits with respect to the maturity structure of its borrowing			
	Upper limit for under 12 months	25%	25%	25%
	Lower limit for under 12 months	0%	0%	0%
	Upper limit for 12 months to 2 years	40%	40%	40%
	Lower limit for over 12 months to 2 years	0%	0%	0%
	Upper limit for 2 years to 5 years	60%	60%	60%
	Lower limit for 2 years to 5 years	0%	0%	0%
	Upper limit for over 5 years	80%	80%	80%
	Lower limit for over 5 years	0%	0%	0%

Note-
**the Treasury Indicators above have been calculated and determined by Officers in compliance with the Treasury Management Code of Practice.*

6. ANNUAL INVESTMENT STRATEGY

6.1 Investment Policy

The Council's investment policy has regard to the DCLG's Guidance on Local Government Investments and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The Council's investment priorities are:

i. the security of capital;
ii. the liquidity of its investments;
iii. the yield (return).

The Council aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give more priority to the security of its investments.

In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council stipulates the minimum acceptable credit quality of counterparties for inclusion on the counterparty lending list.

Furthermore, the Council recognises that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector in relation to the economic and political environments in which institutes operate.

The borrowing of monies purely to invest or on-lend and make a return is not permitted and the Council will not engage in such activity.

6.2 Specified and Non-Specified Investments

An investment is a **specified investment** if all of the following apply:

- the investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;
- the investment is not a long term investment (i.e. up to 364 days);
- the making of the investment is not defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146 as amended];
- the investment is made with a body or in an investment scheme of high credit quality (ie a minimum credit rating as outlined in this strategy) or with one of the following public-sector bodies:
    - The United Kingdom Government;
    - A local authority in England or Wales (as defined under section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland;

The previous approved strategy allowed the use of counterparties in countries holding a AAA sovereign credit rating from all three rating agencies, but including the UK who hold a rating of AA+ rating, one notch down from AAA.

Strategy for 2016/17

For 2016/17 it is recommended to include two other sovereign nations and their banks which also hold a AA+ rating, the same rating as the UK. Maximum investment limits and duration periods will remain the same as in the previous strategy at £60 million and one year respectively. The list of countries that qualify using this credit criteria (as at the date of this report) are shown below:

AAA Australia, Canada, Denmark, Germany, Netherlands, Singapore, Sweden and Switzerland

AA+ UK, (current)
AA+ Finland and USA (newly added countries)

This update will allow the Council to further diversify its investment portfolio across well rated and established financial institutions.

Creditworthiness Policy

The Treasury Management Strategy needs to set limits on the amount of money and the time period the Council can invest with any given counterparty. In order to do this the Council uses the Credit Rating given to the counterparty by the three main Credit Rating Agencies (Fitch, Moody's and Standard and Poor's). This forms part of the consistent risk based approach that is used across all of the financial strategies.

Treasury Officers regularly review both the investment portfolio and counterparty risk and make use of market data to inform their decision making. The officers are members of various benchmarking groups to ensure the investment portfolio is current and performing as other similar sized Local Authorities.

The Council as part of its due diligence in managing creditworthiness, uses amongst other information, a tool provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three credit rating agencies.

The Capita Asset Services credit worthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue reliance to just one agency's ratings.

This modelling approach combines credit ratings with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- credit default swaps (CDS) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This weighted scoring system then produces an end product of a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments.

The Council will therefore use counterparties within the following durational bands provided they have a minimum AA+ soverign rating from three rating agencies:

- Yellow *5 years*
- *Purple* *2 years*
- *Blue* *1 year (semi nationalised UK Bank – NatWest/RBS)*
- *Orange* *1 year*
- *Red* *6 months*
- *Green* *3 months*
- *No Colour* *Not to be used*

Y	***P***	***B***	***O***	***R***	***G***	***N/C***
Up to 5yrs	*Up to 2yrs*	*Up to 1yr*	*Up to 1yrs*	*Up to 6 months*	*Up to 100 days*	*Not to be used*

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The primary principle governing the Council's investment criteria is the security of its investments, although the return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security;
- It has sufficient liquidity in its investments.

All credit ratings are monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services credit worthiness service. If a downgrade results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

The counterparties in which the Council will invest its cash surpluses is based on officers assessment of investment security, risk factors, market intelligence, a diverse but manageable portfolio and their participation in the local authority market.

Table 6 below summarises the types of specified investment counterparties available to the Council, and the maximum amount and maturity periods placed on each of these. Further details are contained in section 10.

Criteria for Specified Investments:

Table 6	**Country/ Domicile**	**Instrument**	**Maximum investments**	**Max. maturity period**
Debt Management and Depost Facilities (DMADF)	UK	Term Deposits (TD)	unlimited	1 yr
Government Treasury bills	UK	TD	unlimited	1 yr
Local Authorities	UK	TD	unlimited	1 yr
Lloyds Banking Group • Lloyds Bank • Bank of Scotland	UK	TD (including callable deposits), Certificate of Deposits (CD's)	£60m	1 yr
RBS/NatWest Group • Royal Bank of Scotland • NatWest	UK		£60m	1 yr
HSBC	UK		£60m	1 yr
Barclays	UK		£60m	1 yr
Santander	UK		£60m	1 yr
Goldman Sachs Investment Bank	UK		£60m	1 yr
Standard Chartered Bank	UK		£60m	1 yr

Table 6	Country/ Domicile	Instrument	Maximum investments	Max. maturity period
Individual Money Market Funds (MMF)	UK/Ireland/ domiciled	AAA rated Money Market Funds	£60m	Liquidity/instant access
Counterparties in select countries (non-UK) with a Sovereign Rating of at least AA+				
Australia & New Zealand Banking Group	Australia	TD / CD's	£60m	1 yr
Commonwealth Bank of Australia	Australia	TD / CD's	£60m	1 yr
National Australia Bank	Australia	TD / CD's	£60m	1 yr
Westpac Banking Corporation	Australia	TD / CD's	£60m	1 yr
Royal Bank of Canada	Canada	TD / CD's	£60m	1 yr
Toronto Dominion	Canada	TD / CD's	£60m	1 yr
Development Bank of Singapore	Singapore	TD / CD's	£60m	1 yr
Overseas Chinese Banking Corp	Singapore	TD / CD's	£60m	1 yr
United Overseas Bank	Singapore	TD / CD's	£60m	1 yr
Svenska Handelsbanken	Sweden	TD / CD's	£60m	1 yr
Nordea Bank AB	Sweden	TD / CD's	£60m	1 yr
ABN Amro Bank	Netherlands	TD / CD's	£60m	1 yr
Rabobank	Netherlands	TD / CD's	£60m	1 yr
ING Bank NV	Netherlands	TD / CD's	£60m	1 yr
Deutsche Bank	Germany	TD / CD's	£60m	1 yr
DZ Bank	Germany	TD / CD's	£60m	1 yr
UBS	Switzerland	TD / CD's	£60m	1 yr
Credit Suisse	Switzerland	TD / CD's	£60m	1 yr
Danske Bank	Denmark	TD / CD's	£60m	1 yr
* Nordea Bank	Finland	TD / CD's	£60m	1 yr
* Pohjola Bank	Finland	TD / CD's	£60m	1 yr
* JP Morgan Chase	U.S.A	TD / CD's	£60m	1 yr

** Note – a change per the 2016/17 strategy.*

Non-Specified investments are any other types of investment that are not defined as specified. The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in **Table 7** below.

Non specified investments would include any sterling investments and the purchase of shares in the Municipal Bonds Agency (Local Capital Finance Company Limited). The Council will make an investment in the form of shares in the Municipal Bond Agency (Local Capital Finance Company Limited) where the primary purpose is to support the Council's priorities rather than to speculate on the capital sum invested. With the exception of the municipal bonds agency investment, only investments where there is no contractual risk to the capital invested and where the rate of return justifies their use will be entered into

Table 7	**Minimum credit criteria**	**Maximum investments**	**Max. maturity period**
UK Local Authorities	Government Backed	£60m	2 years
Local Capital Finance Company Limited	Local Governement Agency Backed	£100k	N/A

A detailed list of specified and non-specified investments that form the counterparty list is shown in section 10.

6.4 Risk and Sensitivity Analysis

Treasury management risks are identified in the Council's approved Treasury Management Practices. The main risks to the Council's treasury activities are:

- liquidity risk (inadequate cash resources);
- market or interest rate risk (fluctuations in interest rate levels and thereby in the value of investments);
- inflation risks (exposure to inflation);
- credit and counterparty risk (security of investments);
- refinancing risks (impact of debt maturing in future years); and
- legal and regulatory risk (i.e. non-compliance with statutory and regulatory requirements, risk of fraud).

Treasury Officers, in conjunction with the treasury advisers, will monitor these risks closely and particular focus will be applied to:

- the global economy – indicators and their impact on interest rates will be monitored closely. Investment and borrowing portfolios will be positioned according to changes in the global economic climate;

- counterparty risk – the Council follows a robust credit worthiness methodology and continues to monitor counterparties and sovereign ratings closely particularly within the Eurozone.

7. MINIMUM REVENUE PROVISION POLICY STATEMENT

The statutory requirement for local authorities to charge the Revenue Account each year with a specific sum for debt repayment. A variety of options is provided to councils to determine for the financial year an amount of minimum revenue provision (MRP) that it considers to be prudent. This replaces the previous requirement that the minimum sum should be 4% of the Council's Capital Financing Requirement (CFR).

A Statement on the Council's policy for its annual MRP should be submitted to the Full Council for approval before the start the financial year to which the provision relate. The Council is therefore legally obliged to have regard to CLG MRP guidance in the same way as applies to other statutory guidance such as the CIPFA Prudential Code, the CIPFA Treasury Management Code and the CLG guidance on Investments.

The MRP guidance offers four options under which MRP might be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is commensurate with that over which the capital expenditure is estimated to provide benefits (i.e. estimated useful life of the asset being financed).

The guidance also requires an annual review of MRP policy being undertaken and it is appropriate that this is done as part of this annual Treasury Management Policy and Strategy.

The International Financial Reporting Standards (IFRS) involves Private Finance Initiative (PFI) contracts and some leases (being reclassified as finance leases instead of operating leases) coming onto the Council's Balance Sheet as long term liabilities. This accounting treatment impacts on the Capital Financing Requirement with an annual MRP provision being required.

To ensure that this change has no overall financial impact on Local Authorities, the Government has updated their "Statutory MRP Guidance" which allows MRP to be equivalent to the existing lease rental payments and "capital repayment element" of annual payments. The implications of these changes are reflected in the Council's MRP policy for 2016/17.

The policy recommended for adoption from 1 April 2016 retains the key elements of the policy previously approved including provisions regarding PFI, closed landfill, and finance leases. The policy for 2016/17 is therefore as follows:-

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- Based on based on the non-housing CFR, i.e., The Council currently set aside a Minimum Repayment Provision based on basic MRP of 4% each year to pay for past capital expenditure and to reduce its CFR.

From 1 April 2008 for all unsupported borrowing the MRP policy will be:

- Asset Life Method – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option will be applied for any expenditure capitalised under a Capitalisation Direction).

- Asset Life Method (annuity method) The Council will also be adopting the annuity method, - MRP calculated according to the flow of benefits from the asset, and where the principal repayments increase over the life of the asset. The policy is being adopted as a result of any PFI's, closed landfill, and finance lease assets coming on the balance sheet and any related MRP will be equivalent to the "capital repayment element" of the annual service charge payable to the PFI Operator and for finance leases, MRP will also be equivalent to the "capital repayment (principal) element" of the annual rental payable under the lease agreement.

Under both methods, the Council has the option to charge more than the statutory MRP each year through a Voluntary Revenue Provision (VRP).

In view of the variety of different types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure.

This approach also allows the Council to defer the introduction of an MRP charge for new capital projects/land purchases until the year after the new asset becomes operational rather than in the year borrowing is required to finance the capital spending. This approach is beneficial for projects that take more than one year to complete and is therefore included as part of the MRP policy.

Half-yearly review of the Council's MRP Policy will be undertaken and reported to Members as part of the Mid-Year Treasury Management Strategy report.

7.1 Proposal for a review of the Minimum Revenue Provision

The Council has commissioned Capita Asset Services to undertake a review of the Council's MRP profile. This will involve an extensive review of past and future MRP calculations and Capita will advise the Council on where it may be possible to change the profile MRP for the repayment of its underlying debt liability. This can result in short to medium term benefits to the General Fund and assist with easing current budgetary pressures, whilst ensuring that the provision provided remains prudent and compliant with the statutory guidance for MRP.

8. SCHEME OF DELEGATION

1. Full Council

In line with best practice, Full Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of polices, estimates and actuals. These reports are:

i. Treasury Management Policy and Strategy Report

The report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

ii. A Mid-Year Review Report and a Year End Stewardship Report

These will update members with the progress of the capital position, amending prudential indicators as necessary, and indicating whether the treasury strategy is meeting the strategy or whether any policies require revision. The reports also provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

2. Cabinet

- Approval of the Treasury Management quarterly update reports;
- Approval of the Treasury Management outturn report.

3. Audit, Best Value and Community Services Scrutiny Committee

- Scrutiny of performance against the strategy.

4. Role of the Section 151 Officer

The Section 151 (responsible) Officer:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

5. Training

Treasury Management training for committee members will be delivered as required to facilitate more informed decision making and challenge processes.

9. OTHER TREASURY ISSUES

9.1 Banking Services

NatWest, which is part Government owned, currently provides banking services for the Council.

9.2 Policy on the use of External Service Providers

The Council uses Capita Asset Services as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

9.3 Lending to third parties

The Council has the power to lend monies to third parties subject to a number of criteria. These are not treasury type investments rather they are policy investments. Any activity will only take place after relevant due diligence has been undertaken. Loans of this nature will be approved by Cabinet.

The primary aims of the Investment Strategy are the security of its capital, liquidity of its capital and to obtain a return on its capital commensurate with levels of security and liquidity. These aims are crucial in determining whether to proceed with a potential loan.

In order to ensure security of the Council's capital, extensive financial due diligence must be completed prior to any loan or investment being agreed. The Council will use specialist advisors to complete financial checks to ascertain the creditworthiness of the third party. Where deemed necessary, additional guarantees will be sought. This will be via security against assets and/or through guarantees from a parent company.

10. Counterparty List 2016/17

Bank with duration colour	Country	Fitch Ratings				Moody's Ratings		S & P Ratings		CDS Price	ESCC Duration	Capita Duration Limit	Money Limit
Specified Investments:		L Term	S Term	Viab.	Supp.	L Term	S Term	L Term	S Term		(Months)	(Months)	(£m)
Lloyds Banking Group:													
Lloyds Bank	UK	A+	F1	a	5	A1	P-1	A	A-1	47.9	6	6	60
Bank of Scotland	UK	A+	F1	a	5	A1	P-1	A	A-1	53.6	6	6	
RBS/NatWest Group:													
NatWest Bank	UK	BBB+	F2	Bbb+	5	A3	P-2	BBB+	A-2	-	12	12	60
Royal Bank of Scotland	UK	BBB+	F2	Bbb+	5	Ba1	P-2	BBB+	A-3	56.6	12	12	
HSBC Bank	UK	AA-	F1+	a+	1	Aa2	P-1	AA-	A-1+	66.6	12	12	60
Barclays Bank	UK	A	F1	a	5	A2	P-1	A-	A-2	60.0	6	6	60
Santander (UK)	UK	A	F1	a	2	A1	P-1	A	A-1	-	6	6	60
Goldman Sachs IB	UK	A	F1	-	-	A1	P-1	A	A-1	84.6	6	6	60
Standard Chartered Bank	UK	A+	F1	a+	5	Aa2	P-1	A+	A-1	142.1	6	6	60
Non UK Counterparties:													
Australia & New Zealand Banking Group	Australia	AA-	F1+	aa-	1	Aa2	P-1	AA-	A-1+	80.8	12	12	60
Commonwealth Bank of Australia	Australia	AA-	F1+	aa-	1	Aa2	P-1	AA-	A-1+	79.1	12	12	60
National Australia Bank	Australia	AA-	F1+	aa-	1	Aa2	P-1	AA-	A-1+	79.1	12	12	60
Westpac Banking Corporation	Australia	AA-	F1+	aa-	1	Aa2	P-1	AA-	A-1+		12	12	60
Royal Bank of Canada	Canada	AA	F1+	aa	2	Aa3	P-1	AA-	A-1+	-	12	12	60
Toronto Dominion	Canada	AA-	F1+	aa-	2	Aa1	P-1	AA-	A-1+	-	12	12	60
Dev. Bank of Singapore	Singapore	AA-	F1+	aa-	1	Aa1	P-1	AA-	A-1+	-	12	24	60
Oversea Chinese Banking Corp	Singapore	AA-	F1+	aa-	1	Aa1	P-1	AA-	A-1+	-	12	24	60
United Overseas Bank	Singapore	AA-	F1+	aa-	1	Aa1	P-1	AA-	A-1+	-	12	24	60
Svenska Handelsbanken	Sweden	AA-	F1+	aa-	2	Aa3	P-1	AA-	A-1+	-	12	12	60
Nordea Bank AB	Sweden	AA-	F1+	aa-	1	Aa3	P-1	AA-	A-1+	-	12	12	60
ABN AMRO Bank	Netherlands	A	F1	a	5	A2	P-1	A	A-1	65.8	12	12	60
Rabobank	Netherlands	AA-	F1+	-	-	Aa2	P-1	A+	A-1	49.2	12	12	60

Continued Counterparty list **Bank with duration colour**	**Country**	**Fitch Ratings**				**Moody's Ratings**		**S & P Ratings**		**CDS Price**	**ESCC Duration**	**Capita Duration**	**Money Limit**
		L Term	S Term	Viab.	Supp.	L Term	S Term	L Term	S Term		(Months)	(Months)	(£m)
ING Bank NV	Netherlands	A	F1	a	5	A1	P-1	A	A-1	50.7	12	12	60
UBS	Switzerland	A	F1	a	5	A1	P-1	A	A-1	45.8	6	6	60
Credit Suisse	Switzerland	A	F1	a	5	A1	P-1	A	A-1	45.8	6	6	60
Deutsche Bank	Germany	A-	F1	a-	5	A3	P-2	BBB+	A-2	93.1	3	3	60
DZ Bank	Germany	A-	F1			Aa2	P-1	AA-	A-1+		12	12	60
Danske Bank	Denmark	A	F1	a	5	A2	P-1	A	A-1	57.7	6	6	60
Nordea Bank Finland	Finland	AA-	F1+	aa-	5	Aa3	P-1	AA-	A-1+		12	12	60
Pohjola Bank	Finland	A+	F1		5	Aa3	P-1	AA-	A-1+		12	12	60
JP Morgan Chase	U.S.A	AA-	F1+	a+	5	Aa2	P-1	A+	A-1	61.2	12	12	60

Yellow	***Purple***	***Blue***	***Orange***	***Red***	***Green***	***No Colour***
Up to 5yrs	*Up to 2yrs*	*Up to 1yr (semi nationalised UK bank NatWest/RBS)*	*Up to 1yr*	*Up to 6 months*	*Up to 100 days*	*Not to be used*

Non-Specified Investments:			
	Minimum credit Criteria	**Maximum Investments**	**Maximum maturity period**
UK Local Authorities	Government Backed	£60m	2 years
Local Capital Finance Company Limited	Local Government Agency Backed	£100k	N/A

11. GLOSSARY

Basis Point
1/100th of 1%, i.e. 0.01%

Base Rate
Minimum lending rate of a bank or financial institution in the UK.

Callable Deposit
A deposit placed with a bank or building society at a set rate for a set amount of time. However, the borrower has the right to repay the funds on pre agreed dates, before maturity. This decision is based on how market rates have moved since the deal was agreed. If rates have fallen, the likelihood of the deposit being repaid rises, as cheaper money can be found by the borrower.

Capital Financing Requirement (CFR)
The underlying need to borrow for capital purposes.

Certificate of Deposit (CD)
Evidence of a deposit with a specified bank or building society repayable on a fixed date. They are negotiable instruments and have a secondary market; therefore the holder of a CD is able to sell it to a third party before the maturity of the CD.

Commercial Paper
Short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations and other borrowers. Such instruments are unsecured and usually discounted, although some may be interest bearing.

Counterparty
Another (or the other) party to an agreement or other market contract (eg lender / borrower / writer of a swap etc.)

CPI
Consumer Price Index - calculated by collecting and comparing prices of a set basket of goods and services as bought by a typical consumer, at regular intervals over time. The CPI covers some items that are not in the RPI, such as unit trust and stockbrokers fees, university accommodation fees and foreign students' university tuition fees.

Credit Rating
An evaluation made by a credit rating agency of an organisations likelihood of default.

Credit Default Swap
CDS - a swap designed to transfer the credit exposure of fixed income products between parties. The buyer of a credit swap receives credit protection, whereas the seller of the swap guarantees the credit worthiness of the product. By doing this, the risk of default is transferred from the holder of the fixed income security to the seller of the swap.

DMADF
Deposit Account offered by the Debt Management office (DMO), guaranteed by the UK government.

DMO
Debt Management Office. An Executive Agency of Her Majesty's Treasury. The DMO's responsibilities include debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds.

ECB
European Central bank – sets the central interest rates in the EMU area. The ECB determines the targets itself for its interest rate setting policy; this is to keep inflation within a band of 0 to 2%. It does not accept that monetary policy is to be used to manage fluctuations in unemployment and growth caused by the business cycle.

EMU
European Monetary Union

Fed.
Federal Reserve Bank of America – sets the central rates in the USA.

Fixed Term Deposit (FTD)
Investment made with a financial institution for a fixed period at a fixed rate.

FSA (Financial Services Authority)
Body responsible for overseeing financial services.

Fiscal Policy
The Government policy on taxation and welfare payments.

Gilt
Registered British government securities giving the investor an absolute commitment from the government to honour the debt that those securities represent.

Minimum Revenue Provision (MRP)
Prudent provision for the repayment of debt.

Money Market Fund (MMF)
A well rated, highly diversified pooled investment vehicle whose assets mainly comprise of short term instruments.

Monetary Policy Committee (MPC)
Government body that sets the bank rate (commonly referred to as being base rate). Their primary target is to keep inflation within plus or minus 1% of a central target of 2.5% in two years time from the date of the monthly meeting of the Committee. Their secondary target is to support the Government in maintaining high and stable levels of growth and employment.

PWLB
Public Works Loans Board. A statutory body operating within the DMO and is responsible for lending money to local authorities and other prescribed bodies.

Term Deposit
A deposit held in a financial institution for a fixed term at a fixed rate.

Treasury Bill (T Bills)
Treasury bills are short term debt instruments issued by the UK or other governments. They provide a return to the investor by virtue of being issued at a discount to their final redemption value.