

Meeting of  
East Sussex County Council  
on Tuesday, 7 February 2017  
at 10.00 am

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# EAST SUSSEX COUNTY COUNCIL

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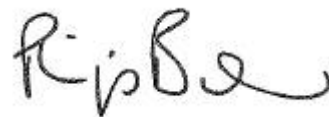
## To the Members of the County Council

You are summoned to attend a meeting of the East Sussex County Council to be held at Council Chamber, County Hall, Lewes, **on Tuesday, 7 February 2017 at 10.00 am** to transact the following business

- 1 **Minutes of the meeting held on 18 October 2016** (Pages 5 - 16)
- 2 **Apologies for absence**
- 3 **Chairman's business**
- 4 **Questions from members of the public**
- 5 **Report of the Cabinet** (Pages 17 - 42)
- 6 **Report of the Governance Committee** (Pages 43 - 46)
- 7 **Questions from County Councillors**
  - (a) Oral questions to Cabinet Members
  - (b) Written Questions of which notice has been given pursuant to Standing Order 44
- 8 **Report of the East Sussex Fire Authority** (Pages 47 - 50)

*Note: There will be a period for collective prayers and quiet reflection in the Council Chamber from 9.30 am to 9.45 am. The prayers will be led by the Reverend Steve Daughtery, Rector at Southover Church, Lewes. The Chairman would be delighted to be joined by any members of staff and Councillors who wish to attend.*

County Hall  
St Anne's Crescent  
LEWES  
East Sussex BN7 1UE



PHILIP BAKER  
Assistant Chief Executive

30 January 2017

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## MINUTES

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### EAST SUSSEX COUNTY COUNCIL

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**MINUTES of a MEETING of the EAST SUSSEX COUNTY COUNCIL held at Council Chamber, County Hall, Lewes on 18 OCTOBER 2016 at 10.00 am**

**Present** Councillors John Barnes, Colin Belsey, Nick Bennett, Bill Bentley, Ian Buchanan, Carla Butler, Frank Carstairs, Peter Charlton, Tania Charman, Charles Clark, Godfrey Daniel, Chris Dowling, Stuart Earl, David Elkin, Michael Ensor (Chairman), Kathryn Field, Kim Forward, Roy Galley, Keith Glazier, Philip Howson, Laurence Keeley, Carolyn Lambert, Carl Maynard, Ruth O'Keeffe, Michael Phillips, Mike Pursglove, Pat Rodohan, Phil Scott, Jim Sheppard, Daniel Shing, Stephen Shing, Alan Shuttleworth, Rupert Simmons, Rosalyn St. Pierre, Bob Standley, Richard Stogdon, Barry Taylor, Sylvia Tidy, David Tutt, John Ungar, Steve Wallis, Trevor Webb, Francis Whetstone and Michael Wincott

#### **30 Minutes of the meeting held on 12 July 2016**

30.1 RESOLVED – to confirm the minutes of the previous meeting of the County Council held on 12 July 2016 as a correct record

#### **31 Apologies for absence**

31.1 Apologies for absence were received from Councillors Blanch, Davies, Claire Dowling, Pragnell and Rogers

#### **32 Chairman's business**

BRIAN GADD AND PHYLLIDA STEWART-ROBERTS

32.1 The Chairman paid tribute to a former colleague, Brian Gadd, and a former Lord Lieutenant Phyllida Stewart-Roberts following their recent deaths. Brian was a respected councillor and represented the Bexhill West Division from 2001 to 2013 and served as the Chair of the Children's Services Scrutiny Committee and Regulatory Committee. Phyllida served as Lord Lieutenant of East Sussex from 2000 to 2008. On behalf of the Council the Chairman offered condolences to Brian and Phyllida's family and friends.

32.2 The Council stood in silence as a mark of respect to Brian Gadd and Phyllida Stewart-Roberts

PHIL HALL

32.3 On behalf of the Council, the Chairman welcomed Phil Hall, the interim Chief Finance Officer, to his first County Council meeting

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### SALLY MARKS

32.4 The Chairman welcomed Councillor Sally Marks, the Chairman of Surrey County Council, to the meeting and explained that she was attending as part of the initiative to develop closer links between the Chairmen of East Sussex, West Sussex and Surrey County Councils. The Chairman stated that he had recently attended Council meetings at the other 2 councils.

### CHAIRMAN'S ACTIVITIES

32.5 The Chairman stated that it has been a huge honour to be Chairman of the Council and to be an ambassador throughout the County and beyond. I have attended the Council meetings of both West Sussex County Council and Surrey County Council, and observed their different style and processes. I have travelled to the four corners of the County and seen high technology and creative arts, young people's energetic activities and patient care for children with life limiting conditions. I have attended a number of engagements since the last County Council meeting, including: Respond Academy in St Leonards, University of Brighton graduation ceremony, Sussex 100 Cub Scout centenary camp at Ardingly, Hummingbird Sensing Technology in Crowborough receiving their Queen's Award for Innovation, Arts exhibitions in Rye, Bexhill, and Eastbourne, Tyefest in Telscombe, and the unveiling of the contemporary statue outside of the Seaford library. I have also made a visit to the Chestnut Tree House children's hospice that is supported by charitable sponsorship and donations, and also visited The Parchment Trust to see the tremendous work they do for adults with learning difficulties. All this and more has shown me just what a wonderful County we live in, and just how many community minded people we have in our midst. I was pleased to host two Volunteer Tea Parties, one at Mountfield Village Hall, the other at Ringmer Village Hall, where I was able to acknowledge the fantastic work of so many volunteers. I was pleased to have Councillors Chris and Claire Dowling joining me on both occasions. The Chairman referred to the Ashdown Forest Volunteers, because this year they were awarded the Queen's Award by the Lord Lieutenant Peter Field for all the diligent work they do for our community. On your behalf I attended the funeral services of Phyllida Stewart-Roberts, the former Lord Lieutenant, and also Brian Gadd, our former colleague. On your behalf, my wife and I attended two commemorations of significant battles. In August we joined the Mayor of Dieppe for the commemoration of the 74<sup>th</sup> anniversary of the Dieppe Raid in 1942 when six Nations joined in a solemn vigil to remember the lost of the second World War. Just last week we joined the crowds in Battle to commemorate the 950<sup>th</sup> anniversary of the Battle of Hastings in 1066. From Thursday 13 October when I welcomed the Saxon warriors arriving across the boundary of this Shire County of East Sussex at Bodium, having walked all of the 300 miles from Stamford Bridge where they had remembered the defeat of the Danish invasion, to the poignant service in St Mary's Church in Battle where both Saxon warriors and Norman soldiers in full battle dress faced each other across the choir stalls, and the Dean leading the service in both English and French, then to Battle Abbey Square for the beating of the retreat by the band of the Royal Engineers. It has been a truly memorable three months. The Vice-Chairman has also attended a number of events.

### PRAYERS

32.6 The Chairman thanked Reverend Neville Barnett for leading prayers before the meeting

### PETITIONS

32.7 The Chairman informed the Council that immediately before the meeting the following petitions had been received from members:

Councillor Taylor

- calling upon the Council to gate the pedestrian entrance to Meads Road at Naomi Close, for the use of residents of the Close.

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Councillor Ungar - calling on the County Council to review parking restrictions in Willingdon Road, Eastbourne

Councillor Whetstone - calling on the County Council to reduce the speed limit from 60 mph to 40 mph on the B2188 from the Lye Green junction to the Florence Corner junction in Groombridge

### 33 Questions from members of the public

33.1 A copy of a question asked by Wendy Gubby from Bexhill and the answer from Councillor Elkin (Lead Member for Resources) are attached to these minutes. A supplementary question was asked and responded to.

### 34 Declarations of Interest

34.1 The following member declared personal interests in items on the agenda as follows:

Member	Position giving rise to interest	Agenda item	Whether interest was prejudicial
Councillor Tutt	Any change in the transitional pension arrangements would impact on his household income	Lead Member for Resources report, paragraph 1	Yes

34.2 Councillor Tutt left the Council Chamber when this item was discussed.

### 35 Reports

35.1 The Chairman of the County Council, having called over the reports set out in the agenda, reserved the following paragraphs for discussion:

Cabinet (19 July and 20 September)	-	paragraph 1
Cabinet (11 October)	-	paragraph 1
Lead Member for Resources	-	paragraph 1
Lead Member for Education and Inclusion, Special Educational Needs and Disability	-	paragraph 1

#### NON-RESERVED PARAGRAPHS

35.2 On the motion of the Chairman of the County Council, the Council ADOPTED those paragraphs in the reports of the Committees that had not been reserved for discussion.

### 36 Report of the Cabinet - 19 July and 20 September 2016

36.1 Councillor Glazier moved the reserved paragraph of the report

36.2 The motion was CARRIED after debate.

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### 37 Report of the Cabinet - 11 October 2016

37.1 Councillor Glazier moved the reserved paragraph in the Cabinet report.

37.2 The following amendment was moved by Councillor Barnes and seconded:

Amend paragraph 1.53 of the report of the Lead Member for Resources report as follows:

*The County Council (insert)[recommends the Cabinet] (delete) [~~express a view on whether~~] to accept the Government's multi year settlement offer and to (insert) [approve] (delete) [~~comment on~~] the draft efficiency plan*

37.3 The following amended was moved by Councillor Shuttleworth and seconded:

To add the following to the amendment moved by Councillor Barnes:

*However, East Sussex County Council reaffirms its concerns about the effect of existing cutbacks and future cutbacks in Local Government funding in view of the effect these are having on residents in East Sussex and in particular the most vulnerable*

37.4 Councillors Barnes and Sheppard indicated that they were willing to accept the amendment proposed by Councillor Shuttleworth.

37.5 The Council considered the following amendment

*The County Council (insert)[recommends the Cabinet] (delete) [~~express a view on whether~~] to accept the Government's multi year settlement offer and to (insert) [approve] (delete) [~~comment on~~] the draft efficiency plan.(insert) [However, East Sussex County Council reaffirms its concerns about the effect of existing cutbacks and future cutbacks in Local Government funding in view of the effect these are having on residents in East Sussex and in particular the most vulnerable]*

37.6 A recorded vote on the amendment was requested and taken. The amendment was CARRIED, the votes being cast as follows:

#### FOR THE AMENDMENT

Councillors Barnes, Belsey, Bennett, Bentley, Butler, Carstairs, Charlton, Chris Dowling, Earl, Elkin, Ensor, Field, Galley, Glazier, Howson, Lambert, Maynard, Phillips, Sheppard, D. Shing, S Shing, Shuttleworth, Simmons, Standley, Stogdon, Taylor, Tidy, Tutt and Whetstone

#### AGAINST THE AMENDMENT

Councillors Buchanan, Charman, Clark, Daniel, Forward, Keeley, O'Keeffe, Pursglove, Scott, Webb and Wincott

#### ABSTENTIONS

Councillors Rodohan, St Pierre, Ungar and Wallis

37.7 The following motion moved by Councillor Elkin, to adopt paragraph 1 of the Cabinet report as amended was CARRIED

*The County Council recommends the Cabinet to accept the Government's multi year settlement offer and to approve the draft efficiency plan. However, East Sussex County Council reaffirms its concerns about the effect of existing cutbacks and future cutbacks in Local Government funding in view of the effect these are having on residents in East Sussex and in particular the most vulnerable*



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37.8 A recorded vote on the motion was requested and taken. The motion was CARRIED, the votes being cast as follows:

### FOR THE MOTION

Councillors Barnes, Belsey, Bennett, Bentley, Carstairs, Charlton, Chris Dowling, Earl, Elkin, Ensor, Galley, Glazier, Howson, Lambert, Maynard, Phillips, Sheppard, D. Shing, S Shing, Simmons, Standley, Stogdon, Taylor, Tidy, Tutt and Whetstone

### AGAINST THE MOTION

Councillors Buchanan, Charman, Clark, Daniel, Forward, Keeley, O’Keeffe, Pursglove, Scott, Webb and Wincott

### ABSTENTIONS

Councillors Butler, Field, Rodohan, Shuttleworth, St Pierre, Ungar and Wallis

## **38 Report of the Lead Member for Resources**

38.1 Councillor Tutt left the Council Chamber while this item was debated

38.2 Councillor Elkin moved the reserved paragraph in the report of the Lead Member for Resources

38.3 The motion was CARRIED after debate

## **39 Report of the Lead Member for Education and Inclusion, Special Educational Needs and Disability**

39.1 Councillor Bennett moved the reserved paragraph in the report of the Lead Member for Education and Inclusion, Special Educational Needs and Disability.

39.2 The following amendment was moved by Councillor Field and seconded:

### *East Sussex County Council:*

- *Supports its school improvement strategy: Excellence for All, which has contributed to a significant improvement in school performance and outcomes for children and young people in East Sussex.*
- *Believes that existing local arrangements for ensuring the supply of good educational places in the county are robust and effective in ensuring that local communities have access to good educational provision.*
- *(insert) [Based on this County’s success and the positive outcomes achieved for young people in the County this Council strongly opposes the reintroduction of selective education and believes it to be detrimental to the wellbeing of children and will not contribute to the raising of educational attainment]*
- *(delete) [~~Would like to consider the government’s amended proposals further following the end of the consultation period]~~*

39.3 A recorded vote on the amendment was requested and taken. The amendment was LOST, the votes being cast as follows:

### FOR THE AMENDMENT

Councillors Butler, Charman, Clark, Field, Forward, Lambert, Rodohan, D Shing, S Shing, Shuttleworth, St Pierre, Tutt, Ungar, Webb and Wincott

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### AGAINST THE AMENDMENT

Councillors Barnes, Belsey, Bennett, Bentley, Buchanan, Carstairs, Charlton, Chris Dowling, Earl, Elkin, Ensor, Galley, Glazier, Howson, Maynard, Phillips, Pursglove, Sheppard, Simmons, Standley, Stogdon, Taylor, Tidy and Whetstone

### ABSTENTIONS

Councillors Keeley and O'Keeffe

39.4 The following motion was moved and CARRIED

*East Sussex County Council:*

- *Supports its school improvement strategy: Excellence for All, which has contributed to a significant improvement in school performance and outcomes for children and young people in East Sussex.*
- *Believes that existing local arrangements for ensuring the supply of good educational places in the county are robust and effective in ensuring that local communities have access to good educational provision.*
- *Would like to consider the government's amended proposals further following the end of the consultation period in December.*

### 40 Questions from County Councillors

#### ORAL QUESTIONS TO CABINET MEMBERS

40.1 The following members asked questions of the Lead Cabinet Members indicated and they responded:

<b>Questioner</b>	<b>Respondent</b>	<b>Subject</b>
Councillor Tutt	Councillor Maynard	Possibility of charging at community recycling centres for members of the public being introduced
Councillor St Pierre	Councillor Maynard	Lopping of trees on rural roads to avoid branches being hit by tall vehicles
Councillor Rodohan	Councillor Simmons	Monitoring and progress of ESCC apprenticeships
Councillor Wincott	Councillor Bennett	Funding for Army Cadet Forces activities on school premises
Councillor Charman	Councillor Glazier	Representations to Police and Crime Commissioner regarding neighbourhood policing
Councillor Howson	Councillor Maynard	Possibility of street lights being switched off after midnight to deliver a saving

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<b>Questioner</b>	<b>Respondent</b>	<b>Subject</b>
Councillor S Shing	Councillor Maynard	Use of s106 funding to extend bus service in the Polegate area and plans to develop a bus corridor from Hailsham to Eastbourne
Councillor D Shing	Councillor Maynard	Clause 21 of the Bus Services Bill

### WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44

40.2 Three written questions were received from Councillors Tutt and Lambert (2) for the Lead Member for Transport and Environment (2) and the Lead Member for Strategic Management and Economic Development. The questions and answers are attached to these minutes.

40.3 The Lead Members responded to supplementary questions.

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 1.09PM

The reports referred to are included in the minute book

**QUESTION FROM MEMBERS OF THE PUBLIC**

**1. Question from Wendy Gubby, Bexhill, East Sussex**

It has been noted that:

- Corporate tax evasion and avoidance tax are having a damaging impact on the world's poorest countries, to such a level that it is costing them far more than they receive in aid
- This is costing the UK as much as £30bn a year
- This practice also has a negative effect on small and medium-sized companies who pay more tax proportionately

It has further been noted that the UK Government has taken steps to tackle the issue of tax avoidance and evasion by issuing Procurement Policy Note 03/14. This applies to all central government contracts worth more than £5m.

There are other voluntary schemes promoting tax compliance such as the Fair Tax Mark, which can serve as an independent means of verification.

It is noted that the 2015 Public Contract Regulations which state (in section 4) that local government can choose to adopt Procurement Policy Note 03/14.

I therefore respectfully ask East Sussex County Council to consider an amendment to their procurement policies, to incorporate tax compliance questions to all companies bidding for contracts of services.

These tax compliance questions were set by central government in 2014

Procurement Policy Note 03/14

whereby all central government departments are now obliged to pose them to companies bidding for contracts of more than £5million.

I ask this council incorporate these questions into their procurement procedures, so that the companies bidding for council contracts are routinely expected to account for their past tax record.

At a time when councils are struggling with ever deeper cuts to their budgets, it makes sense that the Council uses its spending power to favour companies that pay their taxes.

After all, it is the tax payments of companies and individuals that ultimately fund council budgets.

**Response by Councillor Elkin, Lead Member for Resources**

Thank you for your question.

Our procurement process supports wider social, ethical and sustainability issues, and we take our responsibilities in doing so seriously. We work hard to strike the right balance between simplifying the level of bureaucracy involved in our procurement processes, and entering into contracts with suppliers with which we want to do business.

Over 45% of our business is through smaller and local suppliers, for which large scale international tax evasion is unlikely to be an issue. Even our largest suppliers, for example Kier and Care UK, are unlikely to fall into this category.

We fully adheres to the most up to date guidance provided in the Public Contract Regulations 2015 and that from Crown Commercial Services, and we already comply with the intent captured in Procurement Policy Note 03/14 (which is itself being updated by Central Government to reflect the latest legislation).

During the pre qualification stage, the Council can select which suppliers it wants to invite to fully participate in a procurement process, and it is here that we mandate areas such as tax, financial standing and other policy issues as appropriate for our more significant procurement activity, excluding those suppliers who 'fail' this stage.

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I have been reassured by our Head of Procurement that she and her team are again reviewing whether there are any further additional 'tests' for larger procurements, particularly those that could attract international bidders, whilst ensuring our processes are both proportional and appropriate.

**WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44**

**1. Question by Councillor Tutt to the Lead Member for Transport and Environment**

In December 2010 I asked your predecessor for dates when the un-adopted roads at Sovereign Harbour would be adopted. Please can you inform me whether any roads in this area remain un-adopted and if so, why it has taken so many years for their adoption to take place?

**Answer by the Lead Member for Transport and Environment**

A number of the roads that were unadopted in 2010 have since been adopted as public highway in June 2014. These roads were Martinique Way, Grenada Close, St Kitt's Drive, Leeward Quay, Santa Cruz Drive (part), Jamaica Way (part), Windward Quay (part) and the Outer Harbour Walkway.

The streets that still remain to be adopted are Ocho Rios Mews, Key West, Bermuda Place, Santa Cruz Drive (part) and Windward Quay (part).

These roads are all still under the control of Persimmon Homes. Currently there is no formal adoption agreement in place to adopt these roads and the County Council therefore has no control over when adoption will take place. We are entirely reliant on Persimmon in terms of when the adoption will commence, and we do not have the power to demand that roads are offered for adoption.

We are in regular discussions with Persimmon Homes over the adoption of these streets and have agreed the areas to be adopted as well as the process for adoption via section 37 of the Highways Act, 1980. We are however still waiting for the developers to formally submit drawings and serve notice on us. As some land adjacent to some of these roads has been transferred to a third party, by the previous developer, an easement is required before adoption can take place so a right of access to inspect and maintain walls that support the highway is secured. Resolving this issue is adding to the length of time it is taking for the developers to offer the remaining roads for adoption.

I am therefore unable to provide you with a timescale as to confirm when adoption is likely to take place but we do not foresee any problems with this ultimately being completed.

**2. Question by Councillor Lambert to the Lead Member for Transport and Environment**

Parking across the county is becoming more difficult as more houses and flats are built and residents frequently own more than one car.

Residents in Seaford have asked for a parking permit scheme but have been turned down on the grounds that not enough people in the road asked for such a scheme.

It would appear that the County Council does not have a policy framework for assessing and implementing residents' permit schemes. Does the Lead Member agree that the time has now come for such a policy framework to be developed so that demands for permit schemes can be assessed in a transparent and equitable manner?

**Answer by the Lead Member for Transport and Environment**

Whilst there is no formal policy for the installation of new resident permit parking schemes, when assessing requests for residents permit parking schemes, County Council officers look at the number of requests or complaints received and generally would expect at least 40% of local addresses to support the installation of a permit scheme. It is not usual to introduce a resident permit scheme in a single road and this needs the support of the wider area so that the perceived problem is not simply transferred to adjacent residential areas.

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Resident permit parking schemes provide a reasonable chance for car-owning residents to park near to although not necessarily directly outside their houses.

In assessing applications for new resident schemes or extensions to existing schemes, officers need to be guided by the level of local support for such schemes and have to take into account local conditions such as proximity to railway stations, shopping areas, hospitals, schools and other mitigating factors which may affect the level of parking by non-residents. Each request needs to be considered in its own merit, and all requests for a permit parking scheme are processed in a fair and consistent way.

More and more households now own more than one vehicle, placing a greater strain on the available kerb-space, and often generating complaints from other residents.

The times of operation need to be considered as well as prospective enforcement. It may be that a request for a permit scheme is not the most appropriate for example if most residents have suitable off-road parking. Equally there may be other remedies to combating commuter parking and school drop-off problems.

It must also be noted that there is a cost to introduce permits. The cost of the permits pays for the introduction, installation, ongoing maintenance, and enforcement of the scheme.

For these reasons outlined above it is felt that the assessment of and potential introduction of resident permit parking schemes should not be policy driven, but instead remain managed on an operational basis, with due consideration to the circumstances surrounding each application.

### **3. Question by Councillor Lambert to the Lead Member for Strategic Management and Economic Development**

Residents using Southern rail services have experienced unprecedented disruption and misery for months. People have lost jobs, students have missed critical exams and family life has been reduced to a shambles. The chaotic lack of a service is having a serious effect on the local economy as well as on individuals' health and wellbeing.

Southern have now issued a consultation document which appears to do away with the direct trains from Seaford to London, forcing people to change at Lewes. This is simply unacceptable. Seaford is the biggest town in Lewes District and we cannot allow it to be cut off in this way.

East Sussex County Council, West Sussex County Council and Surrey County Council are putting in a devolution bid to the government which argues that the south east has been a driver for the UK's return to economic growth. The partnership is also proposing to establish a Sub National Transport Body to provide a mechanism for the area to speak with one voice on transport infrastructure and to provide a single platform for strategic transport and infrastructure issues. How can this have any credibility with the current state of Southern?

Will the Leader write to the Secretary of State for Transport expressing serious concern about Southern's proposals and demand that the direct service from Seaford through Newhaven to London is kept to the level it was at before the strikes began and before Southern withdrew the service?

### **Answer by the Lead Member for Strategic Management and Economic Development**

Rail plays an important role in East Sussex in getting people of all ages to and from their daily work, education, shopping, leisure and visiting purposes, whilst enabling connections between businesses to ensure they sustain and grow.

The County Council remains greatly concerned that despite ongoing conciliatory negotiations between Govia Thameslink Railway and the RMT Union they still remain at an impasse in

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resolving the dispute about the new role of On Board Supervisors. We have written to the Secretary of State, Chris Grayling, highlighting the considerable adverse impact that the strike action has had on the daily lives of the residents and business of the county, including those in Newhaven and Seaford who were subjected to a sporadic rail service over the summer. We also asked that the Secretary of State directly intervene in brokering a deal to resolve the stalemate between the train operating company and the union so that the timetabled services can return to normal.

As you highlight, GTR has recently published their consultation on the proposed timetable changes which would come into effect in 2018. One of the proposals on the timetable is that the direct peak trains between Seaford and London Victoria are no longer provided meaning that passengers would be required to change trains at Lewes with a connection time of 5 minutes in the morning and 9 minutes in the evening. GTR's rationale is that this would assist in reducing journey times between Eastbourne and London Victoria.

Any loss of a direct peak train service from the Seaford and Newhaven area would be retrograde step in supporting the significant investment in the economic growth of one of our key growth corridors. Therefore, our response which is currently being developed by officers will unequivocally ask that the direct Seaford and Newhaven peak trains to London Victoria are retained.

Turning to your comments on Devolution, as part of any 3SC deal one of the 'asks' of Government will be that we become involved in the drafting of specifications for future rail franchises affecting the 3SC area and also in their award. This will mean that we would have a greater say in setting the terms of the franchise.

The establishment of the Sub National Transport Board, covering the south east area, will be a mechanism for the local authorities, the LEPs as well as the likes of Highways England, Network Rail, the ports and airports, to speak with one voice to Government on the transport infrastructure priorities for the area. If established this Board will also be able to directly influence the future investment programmes of the major infrastructure providers such as Highways England and Network Rail, where currently there is no established route or mechanism for doing so.

In summary, whilst I can't say with 100% confidence that proposals through 3SC and the proposed Sub National Transport Board will stop what is happening with GTR Southern at the moment, they will both provide formal engagement routes to get involved directly to put us in a much stronger position to influence the future rail services and rail infrastructure improvements in the county.



# REPORT OF THE CABINET

The Cabinet met on 13 December 2016 and 24 January 2017. Attendance:-

Councillor Glazier (Chair) (2)

Councillors Bennett (2), Bentley (2), Chris Dowling (2), Elkin (2), Maynard (2), Simmons (2) and Tidy (2)

## 1. Reconciling Policy, Performance and Resources

1.1 The Council's net budget comprises three main elements: Council Tax, business rates and Government grant. As part of its deficit reduction plans, the Government has been reducing its grant to local government and will cease to provide a revenue support grant to local government in 2020/21.

1.2 The Council's decisions about how to deal with the funding shortfall, which will amount to £16.9m in 2017/18, need to take account of local circumstances. Some of the key factors influencing our choices are:

- the County's residents are poorer than average for England with full time earnings below the national average. This affects health and wellbeing, increases demand for services and limits the affordability of Council Tax rises;
- poor transport infrastructure and connectivity limiting business growth. This leads to relatively poor local wages, increases unemployment and means that the gap in the Council's income cannot be recovered by funding from growth in business rate receipts;
- the county's demography – East Sussex has the second highest proportion of older people in the country. People over the age of 85 are the most likely to need support and the number in this age group will rise by 9.5% between 2016 and 2020. Although the proportion of people who are of school age is only expected to rise marginally, the proportion with high need Special Educational Needs and Disability (SEND) is above the national average.

1.3 The Council has been able to meet the challenge of delivering savings against a background of diminishing resources by having a clear focus on our four priority outcomes, which are delivered through our services and service change programmes. Our "One Council" approach has provided a collective view about our priorities and investment choices and uses strategic commissioning disciplines to direct our activities to maximise the delivery of the agreed priority outcomes of driving economic growth, keeping vulnerable people safe, helping people help themselves, and making the best use of resources.

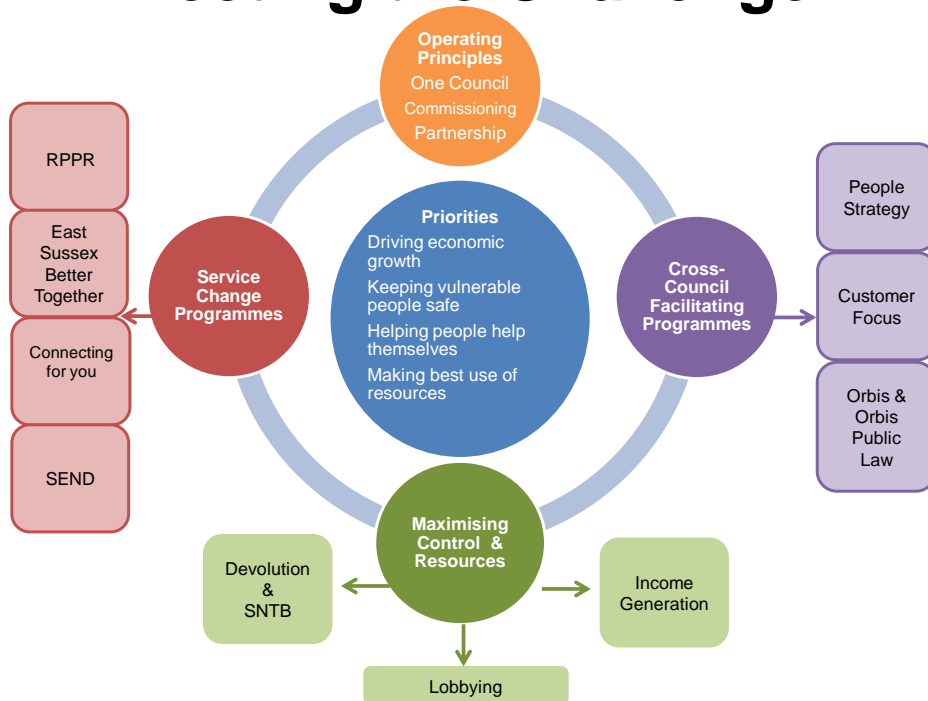
1.4 Our business planning process, known as Reconciling Policy, Performance and Resources (RPPR):

- enables us to be business-like and test comparative returns on investment so we can be confident we are making best use of resources. It will also help ensure savings in one area do not give rise to unforeseen consequences in another area;
- maximises efficiency, exploits technology, and makes the best use of all our assets;
- maximises East Sussex resources through strong partnership working, income generation, lobbying and exploring new ways of working;
- removes management and support costs wherever possible, to maximise the resources available to the front line;
- sustains investment in activity that will most help manage demand;
- encourages communities to help achieve their priority outcomes;
- is open and transparent to provide clarity about priorities and consequences, specifying clearly what the County Council will do;

- delivers service change and facilitating programmes aimed at providing modern services which meet the needs of local people, working with others to do this in a way that makes the best use of resources.
- uses our local evidence base to meet the most important needs of our communities and is leading to innovative solutions which build a compelling future, rather than managing decline.

1.5 This approach is being applied in a systematic way across all services and the diagram below shows the key current areas of development.

## Meeting the Challenge



1.6 Our RPPR process matches available resources with our delivery plans for our priority outcomes, facilitated by the programmes and processes set out above. It has enabled us to give relative protection to priority services.

1.7 The RPPR process has been applied across all services in the development of the Council Plan supported by the Medium-Term Financial Plan (MTFP) and Capital Programme set out in this report. It was based on the need to make savings of £70-£90m between 2016/17 and 2018/19, and we will still need to make further savings in the period to 2021/22.

1.8 As in the past, Members need to make difficult choices, in particular between:

- delivering universal services and meeting the needs of a small number of very vulnerable people;
- meeting current need and investing in prevention;
- acting in the economic interests of the Council set against the wider economic interests of the county as a whole; and
- the drive for efficiency and accepting that there are limits to the savings that can be made before real service reductions are inevitable.

1.9 The Capital Programme put forward is also very constrained by limited resources. In the past Members have been able to meet core need and make investment in the County's economy, for example significant additional investment in road and broadband infrastructure. The new programme, based on an assumption of significantly reduced future funding, contains only minimum provision for school places, highways, building maintenance, ICT and house

adaptations. Under the Government's future plans locally raised business rates will be an increasingly important source of income for the Council so supporting local economic growth will be important. Increasing the health and wellbeing of residents will also be improved by access to better jobs and therefore help mitigate demand for services. The inability to fund investment in economic growth will therefore have a number of negative impacts.

1.10 This report sets out:

- changes to the national context since October;
- an update on progress on the 2016/17 Council Plan and budget;
- final proposals for the 2017/18 revenue budget taking account of changes in the financial picture since October and including raising the Adult Social Care (ASC) levy by 3% to help mitigate the pressures on health and social care and raising general Council Tax as planned by 1.99%
- the savings requirement across the Council including changes since October and final savings proposals;
- the Capital programme and the rationale on which it has been developed
- feedback from engagement exercises, equalities impacts and proposals for lobbying.

### National Context

1.11 Since the State of the County report in June 2016 the new Prime Minister and Cabinet have been developing their plans for managing the Country and economy in the light of the results of the European Union (EU) referendum. This has created greater uncertainty both in relation to the national economy and in the Government's policy direction, with changes in its plans for the future of education, the announcement of the development of a new industrial strategy for the Country and new proposals for housing expected. The Government has lacked the capacity since the summer to take forward any new devolution deals, due to the urgency of work in preparation for exiting the EU.

1.12 The Autumn Statement on 23 November 2016 acknowledged a greater level of economic and fiscal uncertainty following the decision to leave the EU. The Government will no longer aim for a budget surplus by 2019. Instead new fiscal targets have been set which aim for a 2% underlying deficit with debt falling by 2020 and a "balanced budget" as soon as possible thereafter. The Chancellor also confirmed that there would be no changes to Government departmental spending limits.

### Council Plan and supporting Medium Term Financial Plan

1.13 The draft Council Plan (Appendix 1 of the report, to be found in the additional documents pack) continues to be built on the Council's four overarching priority outcomes: driving economic growth; keeping vulnerable people safe; helping people help themselves; and making the best use of resources. The priority outcome "Making best use of resources" is a requirement that any activity and accompanying resources must demonstrate. The remaining three priority outcomes guide our activities, direct our resources and are reflected in our Council Plan activities and targets. As resources tighten, our ambition in some areas will be to maintain performance at current levels rather than seeking improvement. We define clearly the outcomes we wish to achieve and monitor our success in delivering these outcomes for the county's residents, communities and businesses. We also keep track of a wide range of key data about East Sussex related to our priority outcomes. This helps us to assess our impact more fully and respond appropriately when we need to do so; key data will be monitored annually as part of the State of the County report.

1.14 The Council Plan provides a summary for each strategic priority including planned action and targets for the next three years. It is still work in progress until final budget allocations are made and firm targets can be set. It will be published by 1 April 2017 and refreshed in July when final performance outturn figures for 2016/17 are available. Authorisation is sought for the Chief

Executive to make final changes pre and post publication in consultation with Lead Members, as appropriate.

1.15 In order to facilitate closer working with the NHS, for financial planning purposes the MTFP covers the five years 2016/17 to 2020/21, with detailed plans developed for the first three years and indicative totals for the final two years. A summary of the MTFP is at Appendix 3.

Progress with Council Plan & Budget 2016/17 since Quarter 2

1.16 Overall progress against Council Plan targets remains as reported at Quarter 2.

1.17 While not set as a Council Plan target, the proportion of people whose transfer of care from hospital is delayed is an issue of concern nationally and locally. The position for East Sussex is summarised here and covers two indicators: All transfers and those attributable to Adult Social Care (ASC).

1.18 For all transfers between 1 April and 30 November 2016 performance is 20.6 (delays per 100,000 population), equating to an average 89.4 delays at the snapshot on the last Thursday of each month. Data indicates increased levels compared to the previous year. This is partly due to a change in counting methodology by the NHS in May 2016, but is mainly due to the ongoing reduction in available independent sector care home and home care provision, for both adult social care clients and self-funders.

1.19 For the proportion of people whose transfer of care from all hospitals is delayed due to Adult Social Care, performance between 1 April and 30 November is 6.33 (delays per 100,000 population), equating to an average 27.5 delays at the snapshot on the last Thursday of each month. Social Services delays have shown an increase and this is generally due to the lack of independent sector provision both in terms of care homes and home care.

1.20 There are a range of workstreams aimed at improving the timeliness of hospital discharges and reducing unnecessary admissions which should reduce delayed discharges from hospital for both indicators. Examples of this work being undertaken in partnership with local health organisations are listed below:

- ESCC is working with Clinical Commissioning Groups (CCGs) and East Sussex Healthcare NHS Trust (ESHT) to further develop the role of the Hospital Intervention Team. This will include increasing the numbers of social care staff based in A&E and Gateway wards to facilitate early discharge planning and admission avoidance.
- ESCC is reducing reliance on independent home care providers by increasing the hours available for community-based reablement and continues to work with care homes to optimise available capacity.
- ESCC is working with care home providers to develop the Care Home Plus model. This will provide enhanced payment to care homes where admission/transfer to a nursing home can be avoided.
- The role of the Hospital Intervention Team will also be extended to support an integrated and systematic approach to discharge by ensuring seamless working with community services, therefore providing the provision to transfer patients from acute to community settings.
- The Discharge to Assess Scheme, which enables people to return home for an assessment of their future needs. Patients return home with access to reablement support - currently 6,300 hours per week are available from the fully integrated reablement service. There is also ongoing work with private sector providers (care homes and home care) to assess and start or restart packages of care within 24 hours of referral.

1.21 The local situation for delayed transfers of care is closely managed and monitored. Health and Adult Social Care services are working together to reduce the number of delays and unnecessary hospital admissions and improve patient experience.

1.22 At quarter 2, the gross projected year-end overspend within service departments is £8.3m (ASC and Children's Services Department) and £0.4m on centrally held budgets. Work is ongoing within services to reduce or mitigate the overall overspend, however, best information is that an overspend will remain, and the position will be updated when the full Quarter 3 results are available.

1.23 Following the review of our Minimum Revenue Provision Policy and the Treasury Management budgets, there will be a reduced charge to revenue in 2016/17 of £8.2m. Normal practice is to transfer any net treasury management underspend to the Capital Programme to reduce borrowing, but this could be used to mitigate a net overspending on the General Fund if required. The general contingency of £3.4m is also available to offset this overspend. If not required, or only required in part, it is proposed that the balance be held to manage risks arising due to the unknown impact of the Business Rate Revaluation, savings realisation and the innovative financial arrangements of East Sussex Better Together (ESBT) or to manage down borrowing.

1.24 Within the Quarter 2 position, Children's Services reported a projected overspending of £2.8m relating to ISEND, looked after children and home to school transport cost pressures. The Department has carried out a full review, the results of which were reported at quarter 2. Ongoing mitigations have been implemented to contain and offset the cost pressures, and savings have therefore been made in excess of the MTFP savings target. These include inter-block transfers for Dedicated Schools Budget totalling £4.3m for 2017/18. While it is appropriate for the costs of increasing SEND provision to be met by transfers within the overall schools' budget, it is acknowledged that the extent of the transfers are causing strain on the budget of individual schools.

1.25 A joint OFSTED and Care Quality Commission inspection of the local area's effectiveness in identifying and meeting the needs of children and young people who have SEN and or disabilities was carried out between 5-9 December 2016. The results are expected to be published in the first week of February 2017 and will be reported to Members.

#### Revenue Budget 2017/18

1.26 The RPPR report to the October Cabinet detailed the MTFP projections for 2017/18 and subsequent years. A key consideration at the time of the October report was the considerable uncertainty affecting the MTFP projections. The changes to the budget gap since the October Cabinet report are set out below and are discussed in the following paragraphs.

**Changes to the 2017/18 Budget from October Cabinet**

	<b>2017/18 £m</b>	<b>2018/19 £m</b>
<b>Cabinet 11<sup>th</sup> October 2016</b>		
Total Savings @ 11 <sup>th</sup> October 2016	23.846	27.524
Deficit/(Surplus) @ 11 <sup>th</sup> October 2016	(1.595)	2.416
Internal cost reviews:		
<ul style="list-style-type: none"> <li>• MRP/Treasury Management Review – revised revenue charge and MRP calculation</li> </ul>	(4.980)	(0.500)
<ul style="list-style-type: none"> <li>• Increased borrowing costs following reduction in revenue contribution to capital</li> </ul>	0.350	-
<ul style="list-style-type: none"> <li>• Adult Social Care cost pressures – base adjustment</li> </ul>	4.500	-
<ul style="list-style-type: none"> <li>• Pensions – additional cost not as great as expected</li> </ul>	(0.973)	(0.384)
<ul style="list-style-type: none"> <li>• Home to School Transport cost pressures</li> </ul>	0.200	-
Income forecasts – growth not as great as expected		
<ul style="list-style-type: none"> <li>• Council Tax Base</li> </ul>	1.161	1.316
<ul style="list-style-type: none"> <li>• Business Rates</li> </ul>	1.614	(0.239)
Adult Social Care Precept		
<ul style="list-style-type: none"> <li>• Additional 1% in 2017/18 and 2018/19</li> </ul>	(2.451)	(2.648)
Government grants		
<ul style="list-style-type: none"> <li>• ASC Support Grant – new grant income</li> </ul>	(2.597)	2.597
<ul style="list-style-type: none"> <li>• Improved Better Care Fund – new grant income</li> </ul>	(0.286)	(7.528)
<ul style="list-style-type: none"> <li>• Dedicated Schools Grant – loss of grant not as great as expected</li> </ul>	(2.500)	0.250
<ul style="list-style-type: none"> <li>• Education Services Grant – loss of grant not as great as expected</li> </ul>	(1.142)	1.178
Recommended Changes to Investments and Savings:		
<ul style="list-style-type: none"> <li>• Economic Development Grants – new investment</li> </ul>	1.000	(1.000)
<ul style="list-style-type: none"> <li>• Transformation &amp; Delivery Risk Provision 2017/18 only – risks as noted at paragraph 1.23</li> </ul>	0.127	(0.127)
<ul style="list-style-type: none"> <li>• Transitional funding for schools - 2017/18 only</li> </ul>	0.750	(0.750)
<ul style="list-style-type: none"> <li>• Highways – new investment</li> </ul>	1.300	-
<ul style="list-style-type: none"> <li>• Community Match – new investment</li> </ul>	0.150	-
<ul style="list-style-type: none"> <li>• Youth Services – new investment</li> </ul>	0.130	-
<ul style="list-style-type: none"> <li>• Revenue contribution to capital – reduction in order to fund investments</li> </ul>	(2.000)	-
2018/19 Surplus/(Deficit)	-	(0.589)
Other	0.309	(0.042)
<b>Revised Savings Totals</b>	<b>16.913</b>	<b>21.474</b>

1.27 *Review of the Treasury Management Budget & Minimum Revenue Provision (MRP)* -A report to the Audit, Best Value and Community Services Scrutiny RPPR Board on 5 December 2016 identified the potential savings of £5.0m from 2017/18 following a detailed review of the Treasury Management budget. This is largely the result of re-profiling MRP payments from a reducing balance to a straight line basis, the details of which are set out in the Treasury Management report elsewhere on the agenda. In addition, the annual provision of £1.0m from 2018/19 to support the requirement to borrow to fund the Capital Programme 2018-2023 has been reduced to £0.5m. In addition to this a further £0.35m has been provided from 2017/18 on to support the need for additional borrowing as a result of reducing revenue contributions to the capital programme from £6.0m in 2016/17 to £4.0m from 2017/18.

1.28 *Pensions* - The triennial actuarial review has been completed and the funding position of the East Sussex Pension Fund has improved from 81% to 92%. This eases the underlying upward pressure on employer contribution rates and, while the overall ESCC rate will increase by 0.5% to 21.1% in 2017/18 and by 0.5% p.a. for the following two years, the impact on the MTFP is to reduce the amount of additional budget provision required. The actuarial review does not cover the final year of the MTFP; for planning purposes, an increase of 1% has been assumed in that year.

1.29 *Council Tax Base/Collection Fund Surplus* - The MTFP previously included an assumption of a 1.5% pa growth in the tax base for 2017/18 to 2020/21. Information has now been received from all five authorities on the proposed council tax bases for 2017/18 and an increase of just over 1% is now projected; this results in reduced income against previous forecast of £1.2m. The final position on the collection fund is expected mid to late January 2017.

#### 1.30 *Business Rates*

Projections have been reviewed to take account of the following:

- District and Borough Councils have been unable to ascertain full estimates in order to predict levy / safety net positions (due to having to wait for software updates to produce figures) ahead of the deadline to notify DCLG of changes to Pool arrangements. Given their concerns regarding increases in appeals provisions following the Business Rates Revaluation and the risk that growth in rates payable will not be enough to offset the impact of the increases to appeals provisions, the Pool have agreed to revoke arrangements for 2017/18. This has led to a reduction of £0.9m income in the MTFP, which is the County Council's previous estimated share of the Pool.
- A review of Business Rates has also been carried out which has included the impact of growth and the impact on appeals of the revaluation (the first revaluation carried out in the current business rates retention scheme). These revised projections result in a further reduction in income against previous estimates of £0.7m for 2017/18. The Business Rates top up was also confirmed as part of the 4 year deal. However, the impact of Business rate retention and S31 grant following the revaluation remain unclear until the 2017/18 forecasts are completed by District and Borough Councils at the end of January.

#### Adult Social Care Pressures and funding

1.31 *Social Care Pressures* - A review has been undertaken of the underlying cost pressures within the Independent Sector. In particular, the forecasting assumptions for future activity, factoring and attrition rates have been revisited. A starting deficit position on the Independent Sector of £4.5m is now projected; this is before the impact of 17/18 demand growth, demography or fee uplift that is allowed for within the MTFP. A £4.5m base adjustment is therefore required, to be applied proportionately to the ESBT and Connecting for You (C4Y) areas.

1.32 *East Sussex Better Together and Connecting for You ratio* - The proportionality varies between specific budget headings, with ESBT representing 77% of the total ASC budget,

compared to 23% for C4Y (this is a ratio of ESBT spending to C4Y of 3.34:1). Members should note that, in order to ensure equity of funding between the ESBT and C4Y areas, any proposed change to the savings or investment within one area should be matched by a proportionate change to that of the other area.

*Additional funding*

1.33 The Government announced the introduction of an Improved Better Care Fund (IBCF) in the autumn of 2015. It had been assumed that there would be significant conditions attached to its use; in particular that there would be additional responsibilities attached to the grant and that the funds would have to be used as investment/pump priming to implement transformation projects. For this reason, the IBCF projections were excluded from the MTFP in the State of the County report. Although there is further detail to be provided, it now appears that there will be limited conditions attached to the grant so long as the funds are applied to social care, and the expected income has now been included within the MTFP.

1.34 In addition, as part of the local government settlement it was announced that the New Homes Bonus grant will now be based on a four-year period rather than the existing six-year period (with a transitional five-year period for 2017/18) and, in response to evidence presented relating to severe funding pressures, a new Adult Social Care Support Grant will be made available for 2017/18 only by redistributing £241m nationally from New Homes Bonus based on need; for ESCC this equates to £2.6m.

1.35 The Provisional Settlement also introduced the ability to charge up to 3% on the Adult Social Care Precept, in 2017/18 and 2018/19, subject to a maximum of 6% across the 3 year period 2017/18 to 2019/20. This is not additional revenue raising powers, but an opportunity to re-profile our existing plans which were based on a 2% increase in each of the years.

1.36 From 2017/18, the Council is proposing to align its Adult Social Care budget with two of the local NHS CCG partners, as part of the transition to the ESBT accountable care model which is intended to take a whole-systems approach to the planning and delivery of health and social care across the ESBT area. As a consequence of the progress made with aligned financial planning through the Strategic Investment Plan (SIP) (Appendix 5) this provides for savings in the Council's budgets relating to the ESBT area to be achieved through a subsidy from NHS partners to the Council via the ESBT budget, rather than by reductions in Council-funded services.

1.37 Governance arrangements are being devised for the oversight of the ESBT budget including the planning and delivery of services and control of budgets. A proposal will be made to establish a joint committee comprising County Council elected Members and representatives from the two CCGs. The committee will need to meet to consider and approve the proposed Strategic Investment Plan, prior to the start of the new financial year. Pending this, Members are asked to note the current draft SIP. While significant joint work has been undertaken by the partners on the Plan, it is work-in-progress and will be considered for approval in March.

1.38 Whilst mindful of the affordability challenge to local residents of any tax rises in a county where earnings are lower than the national average Cabinet recommends that the County Council take the opportunity to raise the ASC Precept by 3% and take early advantage of the consequent additional funding, given:

- the significant pressure on the Adult social Care budget (across both ESBT and C4Y);
- the significant pressures within the NHS in East Sussex;
- the risk that NHS partners may withdraw from ESBT if the Council isn't seen to be committed to investing as much as possible, as early as possible into the ASC and health economy; and
- the potential to sustain or improve outcomes for local residents;

1.39 The MTFP therefore assumes a precept of 3% pa in 2017/18 and 2018/19 with no increase in 2019/20.



*Children's Services – home to school transport and schools related funding*

1.40 *Home to School Transport* costs are continuing to increase, despite a decrease in provision. Factors include an increase in fuel cost, increases in distances pupils are transported and a high proportion of children requiring medical chaperones. Further funding of £0.2m is therefore allowed in the MTFP to mitigate this pressure. This will provide an on-going increase in the base budget for Children's Services.

1.41 The MTFP had previously assumed that the contribution made by the *Dedicated Schools Grant (DSG)* towards centrally-provided schools services would reduce from £7.4m to £4.4m in 2017/18 as a result of the move towards a national funding formula for schools. With the delay in the new arrangements and changes in the Government's approach, it is now expected that the Council will be able to retain £6.9m in 2017/18, which constitutes a much smaller reduction than previously assumed. DSG is still assumed to reduce further in future years.

1.42 The current *Education Services Grant (ESG)* funding arrangements are changing from 2017/18. The retained ESG element will be allocated within the Schools Block DSG and the Schools Forum has approved the retention of these funds (£1.0m). ESCC will also be receiving £1.1m as ESG transitional general funding until the ESG general funding ceases completely from September 2017. This funding remains outside of the DSG and will be received in the 'normal' way as separate ESG funding. The effect of these announcements is to reinstate £1.1m of income within the MTFP that had been assumed to be lost in 2017/18.

*Economic Growth*

1.43 To support the Council's priority of driving economic growth, it is proposed to allocate £1.0m in 2017/18 as economic development grants and loans as a one-off investment. Funds that have been allocated to date demonstrate excellent value for money allowing businesses within East Sussex to grow. It has supported the creation 633 jobs supporting over 200 businesses, with a cost per job ratio being significantly lower than the national average. This proposal recognises that the constraints on the capital programme do not allow future investment in this high priority area, and therefore utilises the opportunity provided by a reduced savings requirement to make a revenue contribution to the Council's scheme for supporting economic development grants and loans.

1.44 Cabinet also propose to make an additional £1m pa investment in highways drainage to support our strategic asset approach in following recommendations made by the Economy, Transport and Environment Scrutiny Committee.

*Keeping vulnerable people safe and helping people to help themselves*

1.45 Cabinet has proposed a number of other investments which aim to support vulnerable people and improve community resilience. These are:

- Additional investment into highways pavements to support mobility in local communities - £0.300m
- Additional investment into Community Match which enables local communities to invest in local priorities - £0.150m
- Additional investment into Youth Services
  - Detached and mobile outreach Youth Work Programmes – working with community safety to identify and then target Antisocial Behaviour hot spots - £0.045m
  - Junior Autistic Spectrum Disorder activity sessions – £0.052m
  - Drop in group work provision in targeted communities - £0.033m

*Transitional Funding for Schools*

1.46 Having considered the funding pressures being faced by East Sussex schools for 2017/18, Cabinet has proposed to provide transitional additional funding of £0.75m for 2017/18 only.

Final Savings Proposals

1.47 In the light of the changes above the savings proposed in October have been updated. They are set out in detail in Appendix 4. The ESBT saving is shown as a one-line subsidy, while planned savings in the non-ESBT areas are shown in the more traditional form as a listing of specific initiatives). The SIP (Appendix 5) shows how savings and investments will be made across the health and social care economy in order to achieve the savings required to meet the County Council's funding shortfall.

1.48 Additional grant income from the Improved Better Care Fund and Adult Social Care Grant has been applied to mitigate the scale of savings required within adult social care, and to increase the Council's contribution to the ESBT budget. The additional income has been applied proportionately to the ESBT and C4Y areas. Likewise the additional £2.5m from ASC Precept has been applied to mitigate the scale of savings across ESBT and C4Y.

1.49 A small number of proposed 2017/18 savings have been deferred to 2018/19 to provide more time to prepare for implementation, notably where they involve joint working with partners.

1.50 Notwithstanding the changes made to improve deliverability, the scale of savings required in 2017/18 remains significantly challenging at £16.9m which is equivalent to 4.6% of the Council's net revenue budget.

1.51 To manage risks arising due to the unknown impact of the Business Rate Revaluation, savings realisation, and the innovative financial arrangements of ESBT. It is proposed to provide a small transformation and delivery risk provision of £0.1m which represents around 0.6% of the total planned savings.

Summary of 2017/18 Budget

1.52 Appendix 2 presents the draft Budget Book for 2017/18. The movements in the revenue budget from 2016/17 to 2017/18 are summarised below.

Movement in Revenue Budget from 2016/17 to 2017/18

	2016/17 Rebased Net Budget	Additions	Reductions	2017/18 Net Budget	Change	
	(£m)	(£m)	(£m)	(£m)	(£m)	%
Adult Social Care	163.572	16.581	(11.442)	168.711	5.139	3.14%
Public Health	-	-	-	-	-	0.00%
Business Services / Orbis	21.601	0.885	(1.502)	20.984	(0.617)	-2.86%
Children's Services (inc. schools)	64.593	7.640	(3.476)	68.757	4.164	6.45%
Communities, Economy & Transport	60.818	4.268	(1.702)	63.384	2.566	4.22%
Governance Services	7.499	0.051	(0.270)	7.280	(0.219)	-2.92%
<b>Total Departments</b>	<b>318.083</b>	<b>29.425</b>	<b>(18.392)</b>	<b>329.116</b>	<b>11.033</b>	<b>3.47%</b>
Corporate Budgets	51.229	2.423	(17.817)	35.835	(15.394)	-30.05%
<b>Total</b>	<b>369.312</b>	<b>31.848</b>	<b>(36.209)</b>	<b>364.951</b>	<b>(4.361)</b>	<b>-1.18%</b>

## Fees and Charges

1.53 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.

- To streamline the approval process, it is recommended that the CFO be given delegated authority to approve any increase in fees up to 2% for 2017/18.
- 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 a statutory requirement for the Council 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 they relate.

1.54 The schedule of the fees and charges requiring specific approval is set out in Appendix 6.

## Council Tax requirement

1.55 The Government has provided for relevant authorities to charge up to 3% on the Adult Social Care Precept, in 2017/18 and 2018/19, subject to a maximum of 6% across the 3 year period 2017/18 to 2019/20. The Council Tax requirement below is based on the proposal that this option is taken for the reasons set out in paragraph 1.38 above to maximise the mitigation available across health and social care.

1.56 The Council's original budget projections for 2017/18 were based on the continuation of the Council Tax policy of increasing the Council Tax precept by inflation. The Government has confirmed that the referendum limit for 2017/18 will remain at 2%. The draft budget therefore assumes a Council Tax increase of 1.99%.

1.57 It is therefore proposed that the Council be asked to consider increasing the Council Tax for 2017/18 by 1.99%. This is an increase of £24.93 pa on a Band D property. It is also proposed that there should be a further 3% increase in respect of the adult social care precept. This results in a further increase of £37.53 on a Band D property.

The proposed band D charge for 2017/18 would therefore be:

Changes in Council tax	Council Tax
Band D 2016/17	£1,251.90
1.99% Council tax increase *	£24.93
3% Adult Social Care Precept *	£37.53
Band D 2017/18	£1,314.36

\* Rounded

1.58 The formal Precept notice for issuing to the Borough and District Councils will follow, for formal recommendation to council. This will be subject to change following the final settlement and confirmation of NNDR for 2017/18. The draft precept calculation and dates is at Appendix 7.

Medium Term Financial Plan (MTFP)

1.59 A summary of the MTFP is provided at Appendix 3. The table below shows the projected deficit for 2018/19 to 2020/21.

	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>
Deficit/(Surplus)	0.589	11.732	25.407

1.60 With the significant programme of savings already planned, while a balanced budget has been reached for 2017/18, there remains an estimated deficit of £25.4m by 2020/21. This combined with ongoing uncertainties that could have significant financial impact on future years, mean that the serious financial challenge faced by the Council will continue unabated.

1.61 Additional detail is provided in the Budget Book at Appendix 2. The Budget Book will be updated after the final budget is approved.

Capital Programme

1.62 Due to the ongoing financial pressures the Council is facing, the proposed capital programme 2018-2023 has focused on a strategy to deliver core need as efficiently as possible. Significant work has been undertaken to review the delivery of basic need and to identify all potential funding and make the best use of resources.

1.63 The table below shows the areas of core need within the future programme and the reduction in the funding gap from initial estimates in February 2016.

**CABINET**

	<b>Position at Feb 2016 £m</b>	<b>Position at Jan 2017 £m</b>
<i>Areas of Core Need</i>		
Schools Basic Need	229.0	100.6
Highways	124.2	118.4
Property Building Maintenance	39.6	41.9
ICT	21.2	14.8
ASC House Adaptations	0.0	1.5
CSD House Adaptations	0.0	0.5
Slippage from 2016-18 Programme and match funded schemes	0.0	49.1
<b>Total 2018-23 gross programme</b>	<b>414.0</b>	<b>326.8</b>
<i>Funded by:-</i>		
Scheme specific resources	0.0	52.2
General resources	201.9	206.4
Total funding 2018-23 programme	201.9	258.6
Borrowing gap 2018-23 programme	212.1	68.2
<b>Total 2016-18 gross programme</b>	<b>213.4</b>	<b>187.1</b>
Resources	151.3	139.5
Borrowing 2016-18 programme	62.1	47.6
<b>Total 2016-23 gross programme</b>	<b>627.4</b>	<b>513.9</b>
Capital risk provision	8.7	12.9
<b>Total programme including risk provision 2016-23</b>	<b>636.1</b>	<b>526.8</b>
<i>Total Borrowing requirement 2016-23</i>	<i>282.9</i>	<i>128.7</i>

1.64 It is proposed that the current remaining programme and the new 2018-23 programme are combined. Therefore the total 2016-23 proposed programme is estimated at an investment of £526.8m (over 7 years) as shown above. This includes capital risk provision of £12.9m, however we would not borrow for this until potential risks materialise, and therefore the current total borrowing requirement is £115.8m. There remains however, significant risk relating to Government grant assumptions and S106 not yet received and the potential conversion to Community Infrastructure Levy.

1.65 For the programme 2018-23, a commitment has been made to a 5-year Highways maintenance programme in order to secure efficiencies in partnership with the contractor. This is subject to agreement with the contractor.

1.66 The current provision is for a £4.0m contribution from revenue each year from 2017-18 to 2022-23 to support the programme. The Council's capital investment ranges across assets with a life of between 5 and 60 years. It is important that a level of revenue investment is maintained to continue the Council's investment in short life assets (ICT and House Adaptations) and avoid borrowing for these assets. While we would borrow in full for new infrastructure, it makes less financial sense to borrow in full for ongoing capital maintenance such as highways. A minimum

revenue contribution to capital of £3-£4m pa is therefore acceptable but it is prudent to maintain the level at £4m.

1.67 The proposed programme is significantly lower than the Council’s previous programme which was an average of circa £125m per year. The proposed programme of £526.8m covers seven years, which is an average of £75m a year, with the first two years of which relating to the previously approved programme and totalling 36%, of the value of the investment.

1.68 The detailed programme as at Cabinet can be found in the capital section of the Budget Summary at appendix 2, with supporting information at appendix 8.

**Robustness and Opportunity Cost of Reserves**

1.69 As part of the annual budget setting process, work to review current reserves has been undertaken to ensure the level of reserves are appropriate. 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 £100.2m as at 1/4/2017. The actual Reserves at 1/4/2016 totalled £106.7m;

**Summary of Earmarked Reserve estimated at 1/4/17**

	£m
<b>Named Service Reserves</b>	
Held on behalf of other or statutorily ringfenced	30.1
Waste Reserve	12.8
Set aside for the New Capital Programme 2018/23	26.8
Insurance	5.9
<b>Total service specific reserves</b>	<b>75.6</b>
5 Strategic Reserves	24.6
<b>Total Reserves</b>	<b>100.2</b>

1.70 Planned use of these reserves is estimated to reduce them to £52.2m by the end of the MTFP period in 2020/21.

1.71 Having conducted a thorough review of reserves held by the Council the level of reserves held is considered appropriate (details of reserves held can be found in the reserve section of Appendix 2). Additionally it is proposed that the insurance reserve is reduced in line with actuarial recommendations and the balance plus the reduction in insurance provision of £1.3m be transferred to the transformation reserve in recognition of the need for further service transformation to respond to ongoing financial challenges and changing service demands. The Chief Finance Officer Statement on the Budget Robustness can be found at Appendix 9.

**Equalities**

1.72 A high level Equalities Impact Assessment (EqIA) of the revenue savings proposals has been undertaken and is set out in Appendix 4. Further EqIAs will be undertaken where appropriate before individual proposals are implemented. EqIAs have been undertaken of the proposed Capital spending. These are summarised in Appendix 8a. In considering the proposals in this report, Members are required to have ‘due regard’ to the duties set out in Section 149 of the Equality Act 2010 (the Public Sector Equality Duty). EqIAs are carried out to identify any adverse impacts that may arise as a result of the proposals for those with protected characteristics and to identify appropriate mitigations. The full version of relevant completed EqIAs have been placed in the Members’ and Cabinet Rooms and are available on the County Council pages of the Council’s website. They can be inspected upon request at County Hall. Members must read the full version of the EqIAs and take their findings into consideration when determining these proposals.

1.73 Whilst the County Council is being asked to agree the revenue budget and Capital Programme, there remains scope for reconsideration of individual proposals in the light of new information and changing circumstances during the year (for example the outcome of EqIAs). When specific executive decisions come to be taken, the full equalities implications of doing one thing rather than another can be considered in appropriate detail. If it is considered necessary, in light of equalities or other considerations, it is open to those taking the decisions to spend more on one activity and less on another within the overall resources available to it.

#### Staffing Impacts

1.74 The savings proposals for the next two years could lead to the reduction of 200 jobs. The County Council has established and robust employment protection policies and will continue to try and avoid making compulsory redundancies wherever possible.

#### Engagement Feedback

1.75 The views of the Scrutiny Committees and the outcomes of engagement events with young people, partners, representatives of business ratepayers and trade unions are set out at Appendix 10.

#### Lobbying

1.76 Cabinet Members and officers have been and will continue to lobby for the best interests of the residents of East Sussex, directly with the Government, through meetings and briefings with our local MPs, through contact with Government officials and through the various partnerships in which we participate such as SE7, 3SC, CCN and LGA. We have used all these channels to try to ensure that, for example, the implications of the proposed changes to local government finance to the sustainability of services in East Sussex is clear. This will include stressing that the “new” money the Government has announced for Adult Social Care is insufficient to fill the budget gap and that the change in arrangements for New Homes Bonus to direct it towards Adult Social Care will result in a net loss of the funding available for local services to the tax payers of East Sussex of £600,000, despite East Sussex having the second highest proportion of older people in the country.

#### Conclusion

1.77 The financial challenge the Council faces is considerable and the choices between saving and spending areas are difficult. In making recommendations to the County Council, the Cabinet has sought to balance the needs of residents and businesses in the County for services and the affordability of those services. The

1.78 The Cabinet **recommends** the County Council to:

☆ (1) approve, in principle, the draft Council Plan at Appendix 1 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;

(2) approve the net Revenue Budget estimates for 2017/18 as set out in Appendix 2;

(3) in accordance with the Local Government Finance Act 1992 to agree that:

- (i) the net budget requirement is £365.0m and the amount calculated by East Sussex County Council as its council tax requirement (see Appendix 7) for the year 2017/18 is £257.4m;
- (ii) the amount calculated by East Sussex County Council as the basic amount of its council tax (i.e. for a band D property) for the year 2017/18 is £1,314.36 and represents a 4.99% (3% of which relates to the Adult Social Care precept) increase on the previous year;

- (4) advise the District and Borough Councils of the relevant amounts payable and council tax in other bands in line with the regulations and to issue precepts accordingly in accordance with an agreed schedule of instalments as set out at Appendix 7
- (5) authorise the Chief Operating Officer, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the budget to reflect the final settlement and budget decisions;
- (6) approve the fees and charges set out in Appendix 6 and delegate authority to the Chief Finance Officer to approve an increase to all other fees and charges by up to 2%;
- (7) approve the Capital Programme for 2016 – 2023, including a commitment to a 5 year Highways maintenance programme of £91.3m as set out at Appendices 2 and 8;
- (8) note the Medium Term Financial Plan forecast for the period 2018/19 to 2020/21 as set out in Appendix 3; and
- (9) note the comments of the Chief Finance Officer on budget risks and robustness as set out in Appendix 9;
- (10) note the draft Strategic Investment Plan for East Sussex Better Together as set out in Appendix 5; and
- (11) note the comments from the engagement exercises as set out in Appendix 10

## **2. Council Monitoring – Quarter Two 2016/17**

2.1 The Cabinet has considered a report on performance against the Council Plan, Revenue Budget, Capital Programme, Savings Plan and risks for the second quarter of 2016/17 and end of year projections. Broad progress against the Council's four strategic priority outcomes is summarised below and an overview of performance and finance data is provided in the Corporate Summary at Appendix 11. Strategic risks were reported at Appendix 17 and a detailed report for each department was provided is provided in Appendices 12 to 16.

### Overview of 2016/17 Council Plan

2.2 More detail of progress against each of our priority outcomes for 2016/17 is set out in paragraphs 2.12 to 2.22 below. Of the 67 Council Plan targets, 48 (72%) are rated green, 14 (21%) are rated amber, 2 (3%) are rated red, and 1 (1%) is TBC awaiting outturns. 2 measures (3%) are proposed for amendment to reflect the latest position:

- Appendix 12 (see ref i) – 'Number of carers known to Adult Social Care': we are unable to report on this target it is therefore proposed to amend measure to 'Number of carers supported through short-term crisis intervention'. New 2016/17 target of '675' to replace '>7,626' target relating to the previous measure.
- Appendix 15 (see ref iii) – 'Number of new apprenticeships with the County Council (ESCC and schools)': due to the introduction of the Apprenticeship Levy in 2017 we are proposing to amend the target for this year. New 2016/17 target of '46' to replace '56'.

2.3 At quarter 2, the gross projected year-end overspend within service departments is £8.3m (£12.7m at quarter 1). The main areas of overspend are:-

- £6.1m in Adult Social Care (£8.7m at quarter 1), mainly the result of ongoing pressures on Independent Sector Care. In 2015/16, the Adult Social Care overspend was mitigated by the deployment of the Better Care Fund contingency. The position continues to be monitored and is included within the development of the East Sussex Better Together Strategic Investment Plan and ongoing discussions with Clinical Commissioning Groups.



- A £2.8m overspend in Children's Services (£4.0m at quarter 1). This is within ISEND, Looked after Children, and Home to School Transport, and is the result of demand led pressures (detail is provided in Appendix 14). Children's Services has carried out a review of all costs across the department, including: reviewing recruitment activity and holding vacancies open for longer; a review of staff on non-permanent contracts and agency workers; and bringing forward savings from later years into 2016/17. Having also scrutinised ISEND pressure areas the Schools Forum has agreed the use of £1.9m Schools Dedicated Schools Grant Reserve. Children's Services are working to improve forecasting models in this area, including Home to School Transport costs (the latter with Communities, Economy and Transport colleagues).

2.4 There are budget pressures across all departments, at the moment within Communities, Economy and Transport, Business Services and Governance these are being successfully contained and there is nothing of significance to report.

2.5 Within centrally held budgets there is a projected reduction in income for the Council's share of the East Sussex Business Rates Pool and the Business Rates Cap Compensation received from the Department for Communities and Local Government totalling £0.2m. The Council's share of the pool reflects the quarter 2 projections showing a reduction, mainly due to a significant increase in appeal provision by all billing authorities in East Sussex.

2.6 Following receipt of updated figures reflecting schools converting to academy status, there is also a pressure of £0.2m for Education Services Grant (ESG). Further conversions up to March 2017 would add to this pressure, but it should not be material. The overall overspend on centrally held budgets is therefore currently forecast at £0.4m in 2016/17.

2.7 Work is ongoing within Services to reduce or mitigate the overall overspend. The general contingency provision of £3.4m is available which would, on current projections, reduce the net overspend to £5.4m. Following the review of Minimum Revenue Provision Policy and the treasury management budgets there will be a reduced charge to revenue in 2016/17. Normal practice is to transfer any net treasury management underspend to the capital programme to reduce borrowing, but this could be used to mitigate a net overspending on the General Fund if required.

2.8 The quarter 2 Capital Programme is monitored against the revised programme submitted to the Council as part of State of the County in June plus approved variations. The forecast expenditure for the year is projected at £98.4m against a current budget of £121.8m, a variation of £23.4m (£12.5m at quarter 1). The additional movement at quarter 2 of £10.9m comprises slippage of £12.8m, offset by spend in advance of £2.2m, and a net underspend of £0.3m. As part of RPPR, the current capital programme will be adjusted to reflect the updated forecast position at quarter 2 including any further approved variations.

2.9 The additional Capital slippage at quarter 2 mainly comprises:

- £6.0m on Broadband (£7.9m total slippage) after a re-profiling of payments.
- £1.8m on Terminus Road (£4.6m total slippage). The result of necessary design alternations following Bus operator concerns regarding the current plan. The change since quarter 1 is due to Highways reviewing whether any other LEP projects could be brought forward to ensure expenditure remained in line with the agreed LEP funding profile.
- £1.4m on the Schools Basic Need Programme. Of this £0.8m relates to the school development at Frant, which has been delayed as a result of the housing development not proceeding as fast as initially anticipated. The pressure for places has therefore slipped out of the current approved programme. The remaining £0.6m relates to Cradle Hill the result of planning delays, and Ninfield due to negotiations with the Parish Council on the land and lease.
- £0.6m on Bexhill Hastings Link Road Complimentary Measures. Mainly due to a review that was expected to take place earlier in the year now taking place in December, therefore delaying any measures until 2017/18.
- £0.4m on Adult Social Care House adaptations. This scheme is demand led and currently there is a low demand.

- In addition, there is a risk associated with the delivery by Costain of the Local Transport Plan, while this may result in some slippage, at this stage it is not possible to quantify.

2.10 The slippage on Terminus Road and Queensway have been offset by bringing forward expenditure of £2.0m on the North Bexhill Access Road to ensure the South East LEP funding is used as agreed. Further spend in advance of £0.3m has occurred due to the unexpected volume of grants and loans applied for by businesses from the Council's Economic Investment Fund. This is offset by a reduced spend in advance of £0.1m on the Schools Basic Need Programme. The net underspend of £0.3m is mainly due to the removal of the forecast overspend reported at quarter 1 on the Bexhill Hastings Link Road. The contractors have re-profiled payments and any impact will not materialise until future years.

2.11 The Strategic Risk Register, Appendix 17, has been reviewed. Risk 1 (Roads), Risk 6 (Local Economic Growth) and Risk 7 (Schools) all have updated Risk Control measures. No new risks have been added to the Strategic Risk Register for this review, and no existing risks have been removed. All risk scores, both pre and post mitigation, remain unchanged.

#### Progress against Council Priorities

##### Driving economic growth

2.12 126 online learning courses were completed in our libraries in quarter 2 on topics such as English, Maths and IT (Appendix 15).

2.13 87.1% of primary schools in the county are judged to be good or outstanding. Although this is slightly lower than the national rate of 89.4% it has increased by 10.1 percentage points since August 2015, over the same period the national rate increased by 5.6 percentage points. 77.8% of secondary schools are judged as good or outstanding compared to 77.6% nationally. For the 2015/16 academic year, the percentage of pupils achieving 5+ GCSEs at A\*-C, including English and mathematics was 57.5% against a national average of 57%. At Key Stage 4 the East Sussex Progress 8 score was +0.04, significantly higher than the national average of -0.03. The East Sussex Attainment 8 score was 49.1, 0.8 below the national average (Appendix 14).

2.14 We have provided grants and loans worth over £870,000 to businesses in 2016/17, which expect to create 97 jobs (Appendix 15).

2.15 27 apprentices have been recruited during 2016/17, of these 12 were recruited by the Council, nine by Costain CH2M, and six in schools. The current apprenticeship retention rate is 93% (Appendix 15).

2.16 We have invested over £7m on 110 schemes of work to maintain and improve the condition of the county's roads during 2016/17 (Appendix 15).

##### Keeping vulnerable people safe

2.17 29 victims of financial abuse were visited by Trading Standards officers in quarter 2. During the visits the officers mentored, and were assisted by, volunteers from Age Concern and Citizens Advice. The National Trading Standards Scams Team has selected East Sussex as the pilot area for the Against Scams Partnership initiative (Appendix 15).

2.18 We opened 21 new mental capacity pre-proceedings cases in quarter 2, to ensure that members of the community who are mentally incapacitated are protected. We also opened 31 new pre-proceedings cases involving children to try to keep children in their families, and where that isn't possible to secure them a safe placement with relatives, in a foster home or by way of adoption (Appendix 16).

2.19 A network of domestic abuse champions is being introduced to bring practitioners from a range of agencies together (Appendix 12).

##### Helping people help themselves

2.20 The project manager for the road safety project, made possible by £1m of Public Health funding, has begun developing a range of behavioural change initiatives aimed at reducing the number of people Killed or Seriously Injured (KSI) on the county's roads. Driver error has been identified as a contributory factor in 90-95% of KSI so this is the focus of the project. Provisional

data for April to June 2016 shows that there were 76 KSI on the county's roads, with 10 of these being fatalities. 10 of the KSI and one of the fatalities happened on trunk roads which are the responsibility of Highways England (Appendix 15).

2.21 A new diabetes prevention programme called Healthier You is helping people at greatest risk of developing Type 2 diabetes to avoid the disease. The programme supports people to change their lifestyle – maintaining a healthy weight and being more active – to reduce their risk (Appendix 12).

Making best use of resources

2.22 We are aiming to reduce our cost of occupancy of corporate buildings (per square metre) by 2% in 2016/17. There have been reductions in utilities costs and service charges during quarter 2. However pressures from the National Living Wage, security measures and increased waste disposal are presenting a challenge (Appendix 13)

### **3. Annual Progress Report of Looked After Children's Services**

3.1 The Cabinet has considered the annual progress report for Looked After Children's Services which is attached as Appendix 18.

3.2 The performance data shows that good performance was at least maintained in most areas during 2015/16. There were some improvements in adoption timeliness, and notably in care leaver performance in relation to suitable accommodation and education employment and training (EET). But there was a dip in performance for NI63 (3 or more placement moves), nonetheless it remains below the national rate for 2014/15. The service worked with more children during the course of 2015/2016, and the churn rate was higher than for the previous year (179 2014/15, 185 2015/16). However this did not impact on the overall rate of Looked After Children (LAC) which remained unchanged. Educational outcomes for LAC continued to improve, especially at KS4.

3.3 The annual report was presented to the Corporate Parenting Panel on 14 October 2016. The Members noted the content and accepted the recommendations. Furthermore the Panel commended the service for the consistently good service delivered. The Panel noted that the LAC service performed consistently well during 2015/16, with a continued emphasis on the safe reduction of the number of LAC in the system and the delivery of efficiency savings following the end of both Thrive funding and of the Adoption Reform Grant.

3.4 There have been particular challenges this year as placement capacity reached saturation point in the South East. At times when no in-house placements were available, the placement team found the market unable to respond to the demand for placements of any kind, even in the independent sector. It will be imperative to continue to ensure that the right children are in the right placements for the right amount of time and that we secure the best outcomes possible within the available resources.

3.5 The Cabinet has welcomed the report and thanked those involved in the provision of services for LAC.

### **4. Waste and Minerals Sites Plan and Minerals and Waste Development Scheme**

4.1 The Waste and Minerals Plan (WMP) was adopted by the County Council, Brighton & Hove City Council (BHCC) and the South Downs National Park Authority (SDNPA), collectively known as the Authorities, in February 2013. The WMP sets out the Authorities' planning policy for waste and minerals development in the Plan Area. It included ambitious targets for diverting 98% of all waste from landfill by 2020/21 and proposed that the Plan Area be net self-sufficient in waste management capacity. In order to achieve this, additional recycling and recovery facilities are required for the Plan period up to 2026. The WMP did not identify any specific sites but saved certain previous site allocations. To meet these targets and to have a complete and up-to-date Waste and Minerals Local Plan, as required by Government, an up to date and adopted sites plan is also required.

4.2 Preparation of the East Sussex, South Downs and Brighton & Hove Waste and Minerals Sites Plan (WMSP) began in 2013, following the adoption of the WMP. A 'Call for Sites' was held in the summer/autumn, this was followed by a public consultation on a Draft WMSP during summer 2014. The WMSP was then refined and a consultation on the proposed Submission WMSP took place in winter 2015. Based on the responses to the consultation, a number of Proposed Modifications to the WMSP were agreed by the Authorities. The WMSP and the Proposed Modifications were subsequently submitted to Government on 14 April 2016. An independent Inspector was appointed by Government to hold the subsequent Public Examination. Public Hearings, as part of the Public Examination, were held between 2 and 4 August 2016 at County Hall, Lewes during which, in response to the Inspector's concerns, the Authorities proposed two additional Main Modifications to the WMSP. These were the identification of where particular waste management uses would not be appropriate on the specific identified sites, and the extension of the safeguarded minerals resource at Lydd Quarry. A six week consultation on the revised Main Modifications was then held. On 7 November 2016 the Inspector issued his report with his findings.

4.3 The Inspector concluded that, subject to inclusion of the Main Modifications, the Waste and Minerals Sites Plan provides an appropriate basis for the planning of the area; is 'sound' and legally compliant; and, therefore capable of adoption by the Authorities. However, the Inspector also identified that the current rate of land-won aggregates in the WMP cannot be maintained with the current allocated sites, and indicated that a review of relevant minerals policies within the WMP will be required prior to the end of the Plan Period, as triggered by the conditions set in Policy WMP11.

4.4 On adoption by the three Authorities, the WMSP will replace the remaining saved policies of the Council's adopted Waste Local Plan 2006 and Minerals Local Plan 1999. It will provide updated spatial planning policy for the management of all wastes and the production of all minerals in East Sussex, the South Downs National Park and Brighton & Hove to 2026 and will help ensure that East Sussex meets the targets for waste management set out in the WMP. It will also ensure that the Council has an up-to-date Waste and Minerals Local Plan as required by the National Planning Policy Framework. In combination with the WMP, it will be used by the Council as the basis for determining planning applications for waste and minerals related development. To ensure an up-to-date Local Plan is maintained, the Authorities are required to adopt an updated policies map. A copy of the WMSP, with modifications, is attached as Appendix 19.

4.5 Additionally, in light of the proposed adoption and the requirement to review the WMP minerals policies, it is also recommended that an updated Minerals and Waste Development Scheme be adopted. This will reflect the adoption of the WMSP and commit, in ongoing partnership with the South Downs National Park Authority and Brighton & Hove City Council, to the undertaking of a review of relevant minerals policies within the WMP. The updated Minerals and Waste Development Scheme is attached as Appendix 20.

4.6 The adoption of the WMSP, updated Policies Map and updated Development Scheme is to be considered by Brighton & Hove City Council and by the South Downs National Park Authority. A six week period for legal challenge would then begin. If the three Authorities adopt the WMSP it will become part of the statutory Development Plan for East Sussex.

4.7 The Cabinet recommends the County Council to –

☆ (1) agree to adopt and publish the Waste and Minerals Sites Plan, incorporating the main modifications and minor modifications, and updated Policies Map;

(2) publish the relevant adoption statement and Sustainability Appraisal (incorporating Strategic Environmental Assessment) Report;

(3) authorise the Director of Communities, Economy and Transport to agree any further minor non-material changes to the content of the Waste and Minerals Sites Plan with the South Downs National Park Authority and Brighton & Hove City Council prior to publication; and

(4) agree to adopt the revised Minerals and Waste Development Scheme attached as Appendix 20 to the report.

## **5. Treasury Management Policy and Strategy**

5.1 The Cabinet considered a report regarding the Treasury Management Policy and Strategy which set out the Council's policies for managing investments and borrowing as required under the Chartered Institute for Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services.

5.2 The Local Government Act 2003 and supporting regulations requires the Council 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.

5.3 The proposed Treasury Management Policy and Strategy Statement for 2017/18 is presented in Appendix 21 to this report.

5.4 The strategy includes the Treasury Management Policy Statement, the Treasury Management Strategy Statement, the Annual Investment Strategy, Prudential and Treasury Indicators for the next three years and the annual Minimum Revenue Provision Policy Statement.

5.5 Details of changes and considerations for the 2017/18 borrowing and investment strategies include the following –

- Revised Minimum Revenue Provision policy statement for 2016/17 and 2017/18, as presented to the Audit, Best Value and Community Services RPPR Scrutiny Board;
- Seek to reduce liquidity where possible and extend duration of investments within current limits. A sensible rebalancing of our liquidity requirements will improve yield without significant additional risk;
- The Council will make use of AAA rated Enhanced Money Market / Cash Funds and the high quality banking institutions from the existing counterparty list;
- Given the low returns from short-term bank investments, the Council should investigate the option of alternative asset classes (i.e., property funds). Diversification into a property fund will be considered during the period of the 2017/18 strategy with the assistance of the Council's treasury advisors (Capita). No investment in such asset class is proposed at this stage, pending a further report to Cabinet and Council that will take into account the views of Scrutiny.

### Treasury Management Reporting

5.6 As well as this annual strategy, the CIPFA Code requires the Council reports as a minimum:

- A mid-year review;
- An annual report at the close of the year.

5.7 The Council meets this requirement and also presents a treasury management monitoring position to Cabinet four times a year.

### Economic Background

5.8 The Council takes advice from Capita Asset Services on its treasury management activities. A detailed view of the current economic situation and forecasts, as prepared by Capita Asset Services is included at Appendix 21 Annex A.

### Minimum Revenue Provision (MRP)

5.9 The Council has carried out a review of the Minimum Revenue Provision (MRP) and look at the options for re-profiling the existing provision to generate revenue savings (Appendix 21 Annex B). The outcome of the review is that the Council is proposing to change its method of calculating MRP on debt prior to 2008 from a reducing balance to a straight line fixed period (45 year) of write down. This would bring the methodology in line with how MRP is calculated for post 2008 debt using the asset life method. The Council's external auditors have been consulted on the outcome of the MRP review.

5.10 The proposed Policy sets out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy. The financial position is kept under constant review and if at any time it is felt that any of these limits represent an unacceptable risk appropriate and immediate action will be taken.

5.11 The Cabinet **recommends** the County Council to:

✧ (1) approve the Treasury Management Policy and Strategy Statement for 2017/18;

(2) approve the Prudential and Treasury Indicators 2017/18 to 2019/20; and

(3) approve the Minimum Revenue Provision Policy Statement for 2016/17 and 2017/18

## **6. Appointment of External Auditors**

6.1 Following the abolition of the Audit Commission, the Government appointed Auditors for each local authority by means of a national procurement exercise. The Auditors were appointed with effect from the financial year 2013/2014 on a three year contract with an optional extension for a further 2 years. The parties have agreed to extend the contract which now expires at the completion of the 2017/18 audit.

6.2 With effect from 2018/19, public bodies must appoint their own auditors following a process of competition. This report sets out the requirements to comply with the appointment legislation and recommends a proposed course of action in particular relating to the future appointment of External Auditors through Public Sector Audit Appointments (PSAA).

6.3 Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that the Council may only make the decision to 'opt-into' the appointing person arrangement by a decision of the Full Council. Members of the Audit, Best Value and Community Services Scrutiny Committee have been consulted on the content and recommendations of this report.

6.4 The current indication from the East Sussex Finance Officer Association and the Society of County Treasurers is that their respective authorities will be supporting the new arrangements and opting-in into appointing auditors through the PSAA.

### Local Audit and Accountability Act 2014

6.5 The Local Audit and Accountability Act 2014 abolishes the Audit Commission and repeals the Audit Commission Act 1998. Its aim, as stated in Department for Communities and Local Government (DCLG) guidance, is to give local bodies the freedom to appoint their own auditors from an open and competitive market and to manage their own audit arrangements, with appropriate safeguards to ensure independence. The Council is a "relevant authority" within the scope of the Act. The key accounting and audit obligations will be to keep adequate accounting records; an annual statement of accounts for years ending 31 March; and have accounts audited in accordance with the Act by a local auditor appointed under the Act.

6.6 The Council's current external auditor is KPMG, this appointment having been made under a contract let by the Audit Commission. Following closure of the Audit Commission the contract is currently managed by Public Sector Audit Appointments Limited (PSAA), the transitional body set up by the Local Government Association (LGA) with delegated authority from the Secretary of State Communities and Local Government (CLG). Over recent years local authorities have benefited from reductions in fees in the order of 50% compared with historic levels. This has been the result of a combination of factors including new contracts negotiated nationally with the firms of accountants and savings from closure of the Audit Commission. The Council's external audit fee for 2015-16 is £83,572 and £26,603 for the Pension Fund.

6.7 For local government, these transitional arrangements have been extended to include the audit of the accounts for 2017/18. For the 2018/19 year of audit, the Council can make its own

arrangements to appoint the external auditor. The 2014 Act sets out the framework and requirements within which this appointment can be made. In accordance with the Act the Council will need to conclude this appointment by the end of December 2017.

- 6.8 There are three options (analysis attached as Appendix 22), namely –
- a) Make the appointment direct – with requirement to have an Auditor Panel to advise the council on the selection and appointment of a local auditor; or
  - b) Make the appointment in conjunction with other bodies (e.g. on a regional / sub-regional basis); or
  - c) Make the appointment via a national collective scheme.

#### Appointment via a national collective scheme

6.9 In July 2016, the Secretary of State for Communities and Local Government specified PSAA as an appointing person under Regulation 3 of the Local Audit (Appointing Person) Regulations 2015. This means that PSAA can make auditor appointments for audits of the accounts from 2018/19 of principal authorities that choose to opt into its arrangements. The Local Government Association is strongly supportive of this approach and the PSAA is leading on the development of this national option.

6.10 The PSAA has formally invited the Council to opt into the national scheme for external auditor appointments and a copy of the letter is attached at Appendix 23. PSAA will make auditor appointments to principal local government bodies that choose to opt into the national scheme, for audits of the accounts from 2018/19. PSAA intends to run the scheme in a way that will save time and resources for local public bodies. A collective procurement will secure the best prices, keeping the cost of audit as low as possible for the bodies that choose to opt in, without compromising on audit quality. Using the scheme will avoid the need for opted-in authorities to:

- establish an audit panel with independent members;
- manage auditor procurement and cover its costs;
- monitor the independence of appointed auditor; and
- manage the contract with the auditor.

6.11 The timetable for the new arrangements outlining the appointing auditors is contained within Appendix 23 with the closing date for 'opting-in' of 9 March 2017. The auditor appointments for the audit of the accounts of the 2018/19 financial year must be made by 31 December 2017.

#### Collaborative Auditor Appointment

6.12 Any of the options for appointment can allow for collaborative auditor appointments to be made. This enables the same auditor to be appointed to one or more local authorities who have indicated that they collaborate or work in a partnership and wish to make a collaborative auditor appointment. The appointed auditor would still be individually appointed to each authority and would report to each body separately, but having the same auditor would bring potential benefits to the local authorities, (for example, processing efficiencies through having common audit practices and supporting document requirements) which will benefit the Orbis shared service partnership between East Sussex County Council, Surrey County Council and Brighton & Hove City Council.

6.13 The Cabinet recommends the County Council to –

- ☆ (1) approve that the Council opts into the national scheme for the appointment of an External Auditor to the Council for 2018/19;
- (2) approve the adoption of Public Sector Audit Appointments (PSAA) as the appointing persons for the Council; and
- (3) approve the inclusion of a request for a collaborative auditor appointment with Orbis partners (Surrey County Council and Brighton & Hove City Council) in the prescribed acceptance form

## **7. The Conservators of Ashdown Forest: Budget for 2017/18**

7.1 The Cabinet has considered a report regarding the Conservators of Ashdown Forest budget for 2017/18. This enables consideration to be given to both the overall position and the balance of funding which may be made available to the Conservators from the Trust and the Council's own resources. It must be emphasised that the 'Trust Fund' is legally distinct from the County Council's general resources. It is appropriate however, for the County Council to consider both its decision as Trustee as well as its disposition of general resources when considering the overall financial position of the Conservators.

7.2 The Conservators have produced a draft budget for 2017/18, summarised at Appendix 24. The Conservators' budget is formed of the Countryside Stewardship (CS) budget and the Core Budget (General Fund). Natural England provide the funding for the CS budget and although this represents more than half the total budget, it is ring-fenced for Heathland Conservation projects. The Conservators General Fund receive grants from both the Ashdown Forest Trust, for which ESCC is the trustee, and directly from the Council's budgets, as part of the Communities, Economy and Transport (CET) contribution. The balance of the Trust fund is estimated to be £159,339 at 1 April 2017; shown in Appendix 25.

7.3 As presented, the Conservators' draft budget assumes the level of grant from the Trust Fund will continue at £65,100 and the contribution from ESCC, held in CET budgets, will reduce by 10% to £68,220. The Conservators have managed to present a balanced budget, however this has proven to be a difficult task and the Conservators are limited both in their ability to reduce expenditure and increase income, whilst maintaining their statutory duty.

7.4 In order to present a balanced budget, the Conservators have reduced the hours of back office staff (2.7 FTE to include the Director, Finance Officer and Clerk) and maintained the level of operational staff (7.3 FTE). Additional work has also been moved back in-house to reduce external expenditure. The implications of this reprioritisation of work include risks to relationship management and the enforcement of bylaws and encroachment as well as limitations in supporting operational staff, governance changes, income generation and financial management.

7.5 The Conservators are aware of the need to increase their income in order to maintain the level of care provided to the Ashdown Forest. As such, the Conservators have set up an income generation working group. Work is also ongoing to review the Governance arrangements for the Ashdown Forest, which is hoped to provide further income opportunities. There is a lead time to the additional income generating activities and this is hoped to be in place for 2018/19, however much will depend on the Governance Review.

7.6 The Conservators agreed to maintain reserves sufficient to cover 6 months of staffing and administration costs. The Conservators are not planning any draws from reserves during 2017/18 and the resulting budgeted reserve balance for the year ending 2017/18 is £264,090, which exceeds the minimum balance of £181,585.

7.7 It is proposed to reduce the Council's grant by 10% from £75,800 in 2016/17, to £68,220 in 2017/18. This matches the provision in the CET budget.

7.8 Annual income to the Trust Fund, from a long term lease with the Royal Ashdown Forest Golf Club, amounts to £70,000 with the addition of bank interest. The contribution to the Conservators from the Trust Fund can be maintained at £65,100 in 2017/18.

7.9 The combination of awarding the contribution and grant at the recommended level would give the Conservators a budgetary pressure, yet the Conservators have responded to this and have proposed a balanced budget for approval. While the County Council has a statutory obligation to meet the shortfall between expenditure and income of the Conservators, it also has the responsibility for approving the level of expenditure. The Cabinet has therefore recommended an annual grant of £65,100 from the Trust Fund, and a contribution of £68,220 from the CET budget. The Conservators' final budget was intended to reflect these recommendations. The



recommendations are reflected in the reconciling policy, performance and resources report in paragraph 1 of this report

**8. Annual Audit Letter**

8.1 The Cabinet considered a report concerning the Annual Audit Letter (AAL) (Appendix 26) which summarised the key issues arising from the work carried out by the Council's external auditor (KPMG) during the year. The report contained no new findings or recommendations, but reflected the key issues already reported in the Annual Governance Report.

8.2 KPMG previously issued an unqualified opinion on the Authority's financial statements on 21 July 2016. This means that KPMG believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year. The financial statements also include those of the pension fund.

8.3 The AAL was presented to the Audit, Best Value & Community Services Scrutiny Committee on 8 November 2016. The Committee had no comments to make on the AAL and fee update prior to its consideration by the Cabinet.

8.4 The external audit fee for 2015/16 was £110,175 (County Council of £83,572 and the Pension Fund of £26,603) for the core audit in line with the planned fee. The auditors charged £3,713 for the provision of tax advisory services during 2015/16. The costs of these additional services were funded from existing budgets.

8.5 KPMG also performs additional audit-related services for the certification of the Teachers Pension Authority return which is outside of Public Sector Audit Appointment's certification regime. This certification work is still ongoing, and the final fee will be confirmed at the end of the audit.

8.6 The Council would like to extend its thanks to KPMG for their professionalism during the audit.

24 January 2017

KEITH GLAZIER  
(Chair)

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## REPORT OF THE GOVERNANCE COMMITTEE

The Governance Committee met on 15 November 2016 and 24 January 2017. Attendances:

Councillor Glazier (Chair) (2)  
Councillors Daniel (2), Elkin (2), Howson (2) and Tutt (2)

### 1. Amendments to Constitution – Corporate Parenting Panel Terms of Reference, Quorum of Committees, Sub-Committees, Panels and other bodies

#### Corporate Parenting Panel Terms of Reference.

1.1 In April 2015 the Children’s Homes (England) Regulations 2015 came in to force. These regulations introduced new provisions for the inspection of Children’s Homes, which East Sussex County Council have complied with since that time.

1.2 However, the Terms of Reference listed in the Council’s Constitution for the Corporate Parenting Panel need updating. As a result, the Governance Committee is recommended to agree recommending to the County Council that it approves altering the Terms of Reference of the Corporate Parenting Panel. This alteration will ensure the terms of reference reflect the updated requirements for home visits as set out in the 2015 regulations.

1.3 Prior to the 2015 regulations coming into force, the inspection of children’s homes was carried out in-house via the Safeguarding Unit. Since then visits to children’s homes have been carried out by an independent visitor from Aidhour, Executive Social Work Management Services.

1.4 It is proposed that the revised terms of reference will read as follows:

i) To discharge the statutory responsibility of the County Council by receiving copies of reports of monthly visits to East Sussex children's homes by an off-line manager ~~[Regulation 22]~~.

(ii) To receive inspection reports ~~from the East Sussex Inspection Unit and Ofsted~~ concerning East Sussex homes.

(iii) To monitor progress in meeting high standards in residential care for children in East Sussex homes.

(iv) To monitor and participate in programmes seeking the views of looked after children in residential and foster care.

(v) To receive the views of young people leaving care.

(vi) ~~To receive reports summarising complaints made by looked after children as part of the regular quarterly reporting on statistics. To receive a report summarising complaints made by looked after children on a six monthly basis.~~

(vii) To meet annually with representatives of the East Sussex Foster Care Association and other foster parents.

(viii) ~~To meet annually with representatives of the Adopted Families Group~~

~~(ix) To receive reports on how the health needs of looked after children are being met and their educational achievements.~~

~~(ix) To provide an annual report to the Cabinet.~~

#### Quorum of Committees, Panels and other bodies.

1.5 Standing Order 50.1 of the Constitution refers to the quorum required for committees. Whilst the custom and practice has been that this standing Order is applied to

sub-committees, panels and other bodies it would be helpful if this was explicitly stated in the Constitution.

1.6 It is therefore proposed that the Standing Order be amended to refer to sub-committees, panels and other bodies as set out below.

**Constitution and Functions of Committees, Sub Committees, Panels and other bodies**

50.1 With the exception of the Cabinet, the number of members and the quorum of Committees, Sub Committees, Panels and other bodies and the functions and powers to be delegated to those bodies Committees shall be those from time to time determined by the Council.

(The current Committees, Sub Committees, Panels and other bodies their constitution, terms of reference and the delegations to those bodies Committees are shown in Part 3 of the Constitution. The quorum for a Committee, Sub Committee, Panel or other body with an even number of members shall be one half of the total membership and for a Committee, Sub Committee, Panel or other body with an odd number of members shall be the nearest whole number greater than half ~~one more than half~~).

Scheme of Delegation to Officers.

1.7 The County Council's scheme of delegation delegates to officers particular powers. The Committee is recommended to amend the Constitution as set out below. The proposed changes reflect changes in legislation and where necessary references to Acts are proposed to be updated. It is therefore recommended that Part 3, of the Constitution; Responsibility for Functions, Director of Adult Social Care and Health be amended as follows:

**E. Director of Adult Social Care and Health**

1. To exercise all the powers and duties of the County Council in accordance with general policies from time to time laid down by the Cabinet for the administration of any arrangements made under relevant legislation with respect to services for adults including people with disabilities. This power includes specifically:

- (a) arrangements made under the Care Act 2014, Section 29, National Assistance Act 1948, ~~Section 45, Health Services and Public Health Act 1968~~, Section 2, Chronically Sick and Disabled Persons Act 1970 and the Health and Social Care Act 2001 (expenditure authorised up to a net contribution by the County Council of £50,000 in any one case on alterations/adaptations to premises);
- (b) waiving assessed contributions for adaptations to premises/ provision of equipment in exceptional circumstances;
- (c) authorising the Assistant Director Operations to be appointed as the Council's nominee for obtaining Grants of Probate and dealing with related matters and to seek appointment as Deputy in appropriate cases;
- (d) under the Mental Health Act 1983 as amended, and the Mental Capacity Act 2005 appointing approved social workers/authorised mental health professionals, Best Interest Assessors and Independent Mental Capacity Advocates, accepting guardianship applications and making orders for the discharge of patients subject to guardianship, acting as the Supervisory Body

## GOVERNANCE

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in relation to the Deprivation of Liberty safeguards and undertaking functions in relation to those safeguards under the Mental Capacity Act 2005;

- (e) under the [Care Act 2014](#) and NHS and Community Care Act 1990, (i) increasing the limits paid for residential care in line with published DSS rates and, when they are no longer published, in consultation with the Chief Operating Officer to take account of inflation; (ii) approving, in special circumstances, packages of home support costing more than net residential care costs; (iii) making payments to providers of individual care quarterly in advance where the provider will not accept any other terms; and (iv) amending the eligibility criteria in respect of community care services as circumstances dictate;
  - (f) disregarding the value of a former dwelling in assessing the client's contribution towards the cost of residential accommodation where it is considered reasonable to do so in consultation with the Chief Executive and the Chief Operating Officer (and where appropriate the relevant Cabinet member); and
  - (g) under ~~Sections 34 – 36 of the Care Act 2014 Section 22(7), Health and Social Services and Social Security Adjudications Act 1983, (i) taking charges against interests in property in consultation with the Assistant Chief Executive and (ii) entering into deferred payments arrangements under Section 55 Health and Social Care Act 2001.~~
2. To make permanent or temporary variations in the approved number of places at any Adult Social Care establishment.
  3. To purchase groceries, meat and other domestic provisions locally for residential and day care establishments under the control of the Cabinet: (a) if satisfactory tenders are unlikely to be obtained; and (b) where client training is involved.
  4. To make grants from the allocation for discretionary grants agreed by the Cabinet up to a total, for any one organisation in any period of three years, of £1,000 except where:
    - (a) the organisation has been refused a grant by the Cabinet unless the Cabinet has specifically agreed that a grant from the discretionary allocation may be given;
    - (b) the organisation is at the time in receipt of a grant from the Cabinet; or
    - (c) the organisation has received a grant from the allocation for the past three years.
  5. To exercise all the powers of the Cabinet, in such matters as the Director considers urgent, following consultation with the relevant Cabinet member relating to the approval of applications under [Section 18 of the Care Act 2014](#) and the Chronically Sick and Disabled Persons Act 1970 involving a net cost to the County Council of more than £20,000 (see delegation G1 (a) so far as these do not relate to children).
  6. To make ex gratia payments of up to £1,000 where justified under the Adult Social Care Department's complaints procedure.

## GOVERNANCE

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7. To exercise all of the County Council's powers in relation to the misuse of Blue Badges including (but not limited to) the powers under section 21 of the Chronically Sick and Disabled Persons Act 1970 as amended and in relation to offences under section 117 of the Road Traffic Regulation Act 1984, the Fraud Act 2006 and the Theft Act 1968.
8. To approve the terms of, and enter into, Nominations Agreements and any associated Nomination Protocols in respect of Extra Care and Learning Disability Housing Schemes. The Leader of the Council and Lead Member of Adult Social Care to be notified of any agreements entered into.

1.8 The Committee recommends the County Council:

- ☆ to agree to the Constitution being amended as set out in paragraphs 1.4, 1.6 and 1.7 above.

### **2. Amendment to Constitution – Review of Proper Officer Appointments**

2.1 The County Council is required to make formal appointments to a number of Proper Officer positions. Currently, the Chief Executive's post is designated as the Proper Officer for receiving declarations of acceptance of office. It is now considered appropriate that the Proper Officer for such matters should be the Assistant Chief Executive post and that the list of Proper Officers appointments should be amended as follows:

#### **List of Proper Officers designated by the County Council**

##### Local Government Act 1972

<b>Section</b>	<b>Subject</b>	<b>Proper Officer</b>
83	Accepting declarations of acceptance of office	Assistant Chief Executive

2.2 The Committee recommends the County Council:

- ☆ (1) to agree to the Assistant Chief Executive post being designated as the Proper Officer accepting declarations of acceptance of office as set out above; and
- (2) agree to the Chief Executive exercising this role in the event that the Assistant Chief Executive is unable, for any reason, to act.

24 January 2017

KEITH GLAZIER  
(Chair)

## EAST SUSSEX FIRE AUTHORITY

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### **Report of a meeting of the East Sussex Fire Authority held at Fire & Rescue Service Headquarters at 10.30 hours on Thursday 8 December 2016.**

Present: Councillors Barnes, Buchanan, Butler, Deane, Galley, Howson (Chairman), Lambert (Vice-Chair), Morris, O'Quinn, Peltzer Dunn, Penn, Sheppard, Taylor and Theobald.

#### **1. PCC BUSINESS CASE**

1.1 Copies of recent correspondence between the Chairman, Group Leaders and PCC were circulated to Members for information and the Chief Fire Officer informed them of the slippage in the timetable for the development of the business case by PA Consulting; this was now expected in February 2017.

1.2 The CFO was awaiting further details of the timetable around consultation on any business case following a decision by the PCC. Following the second reading of the Policing & Crime Bill, there was now a duty to consult for a minimum of 56 days – this could now run into the pre-election period of 'Purdah', before the County Council elections on 4 May 2017. He would also raise this issue at the next meeting of the Strategic Reference Group on 13 December.

#### **2. MEMBER ALLOWANCES SCHEME ANNUAL REVIEW**

2.1 Members considered a report regarding the annual review of the Member Allowances Scheme. Members had previously approved the recommendations of an Independent Remuneration Advisory Group (IRAG) for a Member Allowances Scheme to take effect from 1 April 2014 until 2017/18. This Scheme provided for an annual report to be brought to the Fire Authority in December for any changes to be implemented with effect from 1 April the following year. The financial implications of any changes to the rates that Members may agree would be taken into account in planning the revenue budget to be brought to Members in the new year.

2.2 Members were reminded that the Policy & Resources Panel had the remit to monitor this Authority's scheme, other CFAs' Member Allowances schemes, and those of the constituent authorities on an annual basis between formal review periods to ensure that it remained equitable and fair; Members also noted that the Panel may be assisted by an Independent Remuneration Advisory Panel. As there were no perceived issues arising from this annual review, and the financial implications were minimal, the report had been brought direct to the Fire Authority for final consideration. The CFO confirmed that there was unlikely to be a report to the Policy & Resources Panel before September 2017.

2.3 Members approved a 1% increase in rates of basic and special responsibility allowances with effect from 1 April 2017; and an additional allowance of 5p per mile per passenger (in addition to the standard mileage allowance payable) to be payable to a Member conveying another Member or an officer to the same event which is an approved duty.

2.4 Members also noted that the CFO has the authority to keep travel and subsistence rates under review and upgrade them; and that a review will be undertaken of the arrangements to consider Member allowances in the Spring of

2017, specifically to consider the membership, guidance and terms of reference of the Independent Remuneration Advisory Group.

**3. INTEGRATED RISK MANAGEMENT PLAN (IRMP) 2017/18-2019/20 – CONSULTATION RESULTS**

3.1 Members considered a report on the results of the consultation exercise relating to the Integrated Risk Management Action Plan 2017-2020 and considered the draft IRMP in the light of the responses made, in order to agree a final Plan to take effect from April 2017.

3.2 The Deputy Chief Fire Officer reported that the consultation had had a broader reach than in previous years as a result of an extensive communication strategy and concentrated engagement from Fire Authority Members; the quantitative, online survey had received 588 responses (528 of which were usable) and qualitative feedback was gathered at three fora from 24 attendees. This increased engagement was particularly pleasing, given the non-controversial nature of the Plan, and the great increase in the use of social media had been very welcome.

3.3 The Assistant Chief Fire Officer informed Members that a number of learning points from this consultation exercise would be taken forward to enhance future consultation, such as next year's recruitment exercise and the current Inclusion & Diversity Strategy which was now available on the website. The ACFO also suggested that any feedback on the Inclusion & Diversity Strategy might be coordinated through the Lead Member, Councillor Caroline Penn.

3.4 Councillor Barnes suggested future consultations could enclose a brief questionnaire asking Parish Councils, for instance, to return them. He was pleased with the approach to the question on health collaboration. Councillor Peltzer Dunn noted that those respondents who had had contact with the Service were very satisfied, and he asked how the views of those who had not had contact with the Service could be obtained. Councillor Morris asked how awareness of safer business training could be improved and the DCFO informed Members that this was being actively pursued, with a flourish of tweets and Facebook posts.

3.5 Councillor Deane noted that respondents had said they would be willing to pay more, through council tax, for their local fire and rescue service next year, if it was to be spent on core priorities. She suggested the Service should lobby for further dispensations for FRSs to raise council tax above government thresholds if further cuts to budgets were inevitable. The Treasurer confirmed that CFOA and the Fire Finance Network do lobby government and that they had asked for an extension to Fire Authorities of the current dispensation, available to some PCCs and Borough and District Councils in the bottom quartile, to increase their council tax by £5 – he would update Members in due course.

3.6 Members noted the report, including the consultation feedback and the Equality Impact Assessment for the IRMP, agreed the proposed changes and approved the final Plan for publication.



4. **TRAVEL PLAN**

4.1 Members considered a report that set out proposals for a Travel Plan which would support the SHQ relocation decision taken by Members in June 2015 – the measures were agreed and the Travel Plan approved.

The meeting concluded at 12:08 hours.

**COUNCILLOR PHILIP HOWSON  
CHAIRMAN OF EAST SUSSEX FIRE AUTHORITY**

18 January 2017

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