

Meeting of
East Sussex County Council
on Tuesday, 6 February 2018
at 10.00 am

NOTE: As part of the County Council's drive to increase accessibility to its public meetings, this meeting will be broadcast live on its website and the record archived for future viewing. The broadcast / record is accessible at:
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EAST SUSSEX COUNTY COUNCIL

To the Members of the County Council

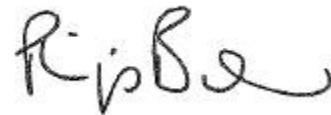
You are summoned to attend a meeting of the East Sussex County Council to be held at Council Chamber - County Hall, Lewes, **on Tuesday, 6 February 2018 at 10.00 am** to transact the following business

- 1 Minutes of the meeting held on 5 December 2017** (*Pages 5 - 24*)
- 2 Apologies for absence**
- 3 Chairman's business**
- 4 Questions from members of the public**
- 5 Report of the Cabinet** (*Pages 25 - 44*)
- 6 Report of the Governance Committee** (*Pages 45 - 48*)
- 7 Report of the Lead Member for Transport and Environment** (*Pages 49 - 54*)
- 8 Questions from County Councillors**
 - (a) Oral questions to Cabinet Members
 - (b) Written Questions of which notice has been given pursuant to Standing Order 44
- 9 Report of the East Sussex Fire Authority** (*Pages 55 - 60*)

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 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



29 January 2018

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MINUTES

EAST SUSSEX COUNTY COUNCIL

MINUTES of a MEETING of the EAST SUSSEX COUNTY COUNCIL held at Council Chamber, County Hall, Lewes on 5 DECEMBER 2017 at 10.00 am

Present Councillors John Barnes MBE, Matthew Beaver, Colin Belsey, Nick Bennett, Bill Bentley, Phil Boorman, Bob Bowdler, Charles Clark, Martin Clarke, Godfrey Daniel, Philip Daniel, Angharad Davies, Chris Dowling, Claire Dowling, Stuart Earl, Simon Elford, David Elkin, Nigel Enever, Michael Ensor (Chairman), Kathryn Field, Gerard Fox, Roy Galley, Keith Glazier, Carolyn Lambert, Tom Liddiard, Laurie Loe, Carl Maynard, Ruth O'Keeffe MBE, Sarah Osborne, Peter Pragnell (Vice Chairman), Pat Rodohan, Phil Scott, Jim Sheppard, Daniel Shing, Stephen Shing, Alan Shuttleworth, Rupert Simmons, Andy Smith, Bob Standley, Richard Stogdon, Colin Swansborough, Barry Taylor, Sylvia Tidy, David Tutt, John Ungar, Steve Wallis, Trevor Webb and Francis Whetstone

39 Minutes of the meeting held on 17 October 2017

39.1 RESOLVED – to confirm the minutes of the previous meeting of the County Council held on 17 October 2017 as a correct record subject to paragraph 31.6 being amended to read Ringmer Library rather than Lewes Library.

40 Apologies for absence

40.1 Apologies for absence were received on behalf of Councillors Tania Charman and Darren Grover.

41 Chairman's business

TREVOR MAY

41.1 The Chairman paid tribute to Trevor May, who had represented the Old Hastings and Mount Pleasant Division from 1997 to 2001, following his recent death. On behalf of the Council the Chairman offered condolences to Trevor's family and friends.

41.2 The Council stood in silence as a mark of respect for their former colleague Trevor May.

CHAIRMAN'S ACTIVITIES

41.3 The Chairman reported that he had attended a number of engagements since the last meeting including: the visit of guests from Blois at Lewes Town Hall, the Eastbourne Silver Band Concert of Remembrance, the Remembrance Day Parade in Lewes, the East Sussex Prayer Breakfast and the British Empire Medal investiture ceremony at Brighton Town Hall. The Vice Chairman also attended a number of events.

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PRAYERS

41.4 The Chairman thanked the Reverend Steve Daughtery of Southover Church, Lewes for leading the prayers before the meeting.

PETITIONS

41.5 The Chairman informed the Council that immediately before the meeting the following petitions had been received:

Councillor Philip Daniel	- calling on the County Council not to close Ringmer Library
Councillor Godfrey Daniel	- calling on the County Council to replace the crumbling and dangerously uneven roadway, pavements and kerbs, and to enhance the street lighting in the area of York Gardens, Hastings
Councillor Lambert	- calling on the County Council to withdraw the Get a Grip campaign and issue a public apology
Councillor O'Keeffe	- calling on the County Council to install a pedestrian crossing on the Offham Road, Lewes
Councillors Daniel Shing and Stephen Shing	- calling on the County Council not to close Polegate and Willingdon Libraries
Councillor Shuttleworth	- calling on the County Council not to close Langney Library
Councillor Swansborough	- calling on the County Council not to close Willingdon Library
Councillor Tutt	- calling on the County Council to improve footways in St Anthony's ward

42 Questions from members of the public

42.1 Copies of the questions asked by Richard Moore from Lewes, Esme Needhan from Hastings, Hugh Dunkerley from Brighton, Anna Reggiani from Forest Row, Gabriel Carlyle from St Leonards on Sea, Arkady Johns from St Leonards on Sea, Arnold Simanowitz from Lewes, Dirk Campbell from Lewes, Fran Witt from Lewes, John McGowan from Lewes, Greg Lewis-Brown from Forest Row, Simon Lewis from Seaford, Jo Nye from Bexhill on Sea, Emma Lynch from Seaford, Layla Dyer from Lewes, Karen Wilkinson from the Parents Union, Stephen Keogh from Willingdon, Ella Lewis from Seaford, Judy Lewis from Lewes, Lorraine Heugh from Robertsbridge, Julie Ryan from Hastings, Felicity Bull from Lewes and Nick Swift from Forest Row and the answers from Councillor Stogdon (Chair of the Pension Committee), Councillor Standley (Lead Member for Education and Inclusion, Special Educational Needs and Disability) and Councillor Bentley (Lead Member for Communities and Safety) are attached to the minutes. Supplementary questions were asked and responded to.

43 Declarations of Interest

43.1 There were no declarations of interest

44 Petition

44.1 Ella Lewis (representative of the petitioners) addressed the County Council prior to the debate. The Council agreed to vary procedure to enable all councillors who wished to speak to do so.

44.2 The following motion was moved by Councillor Standley and seconded:

That the Council, whilst noting the petitioner's comments:

- 1. Recognises the need for action to reduce avoidable absence from schools in East Sussex;*
- 2. Agrees that the Get A Grip campaign successfully highlighted the concerns regarding attendance; and*
- 3. Agrees that the Council continue to work with teachers and parents to improve attendance as part of the policies to improve educational attainment in all schools across the County.*

44.3 The following amendment was moved by Councillor Lambert and seconded:

Delete Councillor Standley's wording and replace it with:

Responsible parents are well aware of the need to ensure maximum school attendance by their children. We all want the best results from education for our children – they are our future.

Parents acknowledge the concerns of the County Council in wishing to highlight the importance of regular school attendance. However, the Get a Grip campaign has been detrimental in achieving this. Responsible parents feel under attack, and it is unlikely that those less committed to their children's education will be motivated by the campaign which is viewed by many people as patronising and aggressive in tone.

This Council resolves to request the Executive to:

- pause the campaign*
- acknowledge the concerns of large numbers of parents about the nature of the communications they have received from the Council*
- establish a forum with volunteer parents and other appropriate stakeholders to find a more constructive way on engaging with this issue to enable the campaign to move forward on a constructive and positive basis that engages and motivates, rather than alienates, parents.*

44.4 The following amendment to Councillor Lambert's amendment was moved by Councillor Stephen Shing and seconded. The amendment was LOST:

Insert the following point at the end of Councillor Lambert's amendment:

- Council should use its resources to work with the 5% of children missing school to help those vulnerable children to attend school*

44.5 A recorded vote on Councillor Lambert's amendment was requested and taken. The amendment was LOST, the votes being cast as follows:

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FOR THE AMENDMENT

Councillors Philip Daniel, Field, Lambert, O’Keeffe, Osborne, Rodohan, Daniel Shing, Stephen Shing, Shuttleworth, Swansborough, Tutt, Ungar and Wallis

AGAINST THE AMENDMENT

Barnes, Beaver, Belsey, Bennett, Bentley, Boorman, Bowdler, Charles Clark, Martin Clarke, Davies, Chris Dowling, Claire Dowling, Earl, Elford, Elkin, Enever, Ensor, Fox, Galley, Glazier, Liddiard, Loe, Maynard, Pragnell, Sheppard, Simmons, Smith, Standley, Stogdon, Taylor, Tidy, and Whetstone.

ABSTENTIONS

Councillors Godfrey Daniel, Scott and Webb

44.5 A recorded vote was requested on the motion moved by Councillor Standley as follows:

That the Council, whilst noting the petitioner’s comments:

- 1. Recognises the need for action to reduce avoidable absence from schools in East Sussex;*
- 2. Agrees that the Get A Grip campaign successfully highlighted the concerns regarding attendance; and*
- 3. Agrees that the Council continue to work with teachers and parents to improve attendance as part of the policies to improve educational attainment in all schools across the County.*

The motion was moved and CARRIED with the votes being cast as follows:

FOR THE MOTION

Barnes, Beaver, Belsey, Bennett, Bentley, Boorman, Bowdler, Charles Clark, Martin Clarke, Davies, Chris Dowling, Claire Dowling, Earl, Elford, Elkin, Enever, Ensor, Fox, Galley, Glazier, Liddiard, Loe, Maynard, Pragnell, Sheppard, Simmons, Smith, Standley, Stogdon, Taylor, Tidy, and Whetstone.

AGAINST THE MOTION

Councillors Philip Daniel, Field, Lambert, Osborne, Rodohan, Daniel Shing, Stephen Shing, Shuttleworth, Swansborough, Tutt, Ungar and Wallis

ABSTENTIONS

Councillors Godfrey Daniel, O’Keeffe, Scott and Webb

45 Questions from County Councillors

ORAL QUESTIONS TO CABINET MEMBERS

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

MINUTES

Questioner	Respondent	Subject
Councillor Philip Daniel	Councillor Simmons	Support for restoration of Lewes to Uckfield railway line in light of the Government's strategic vision for rail
Councillor Field	Councillor Glazier	Number of children in East Sussex living in absolute poverty and plan to tackle this issue
Councillor Ungar	Councillor Maynard	Plans to ensure continuity of care in the event of the closure of any care homes in the county
Councillor Webb	Councillor Maynard	Funding for adult social care arising from government settlement
Councillor Scott	Councillor Bennett	Plans for severe winter weather and provision of 'Hippo' bags in local areas
Councillor Belsey	Councillor Simmons	Impact of decision by ferry operator to continue service from Newhaven for a further 5 years
Councillor O'Keeffe	Councillor Elkin	Role of County Council in determining the policy of the District and Borough Councils in East Sussex regarding discretionary council tax rebate or relief
Councillor Stephen Shing	Councillor Bennett	Programme of dropped kerb installations
Councillor Lambert	Councillor Bennett	Policy for installation of electric charging points for vehicles in East Sussex
Councillor Daniel Shing	Councillor Bennett	Standard of work undertaken by highway contractor
Councillor Stephen Shing	Councillor Bennett	Cost of repair of potholes

WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44

45.2 Two written questions were received from Councillors Shuttleworth and Field for the Lead Member for Strategic Management and Economic Development and the Lead Member for Education and Inclusion, Special Educational Needs and Disability. The questions and answers are attached to these minutes.

45.3 The Lead Members responded to supplementary questions

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 12.30 pm

The reports referred to are included in the minute book

QUESTION FROM MEMBERS OF THE PUBLIC

1. Question from Richard Moore, Lewes, East Sussex

Earlier this year the East Sussex Pension Committee amended its Investment Strategy Statement to recognise that “The Fund believes that climate change poses material risks to the Fund but that it also presents positive investment opportunities”. What positive investment opportunities have the Committee and its fund managers identified to date?

Response by the Chair of the Pension Committee

The Pension Committee believes that the UBS Climate Aware World Equity fund (currently being considered among other opportunities) will provide a positive investment opportunity.

2. Question from Esme Needham, Hastings, East Sussex

On 31 October 2017, on the eve of this year’s UN Climate Summit in Bonn, the world’s leading global environmental authority, the UN Environment Programme, published its latest Emissions Gap report, in which it noted that there is still a large gap between the pledges made by governments to cut greenhouse gas emissions and the reductions scientists say are necessary to avoid dangerous levels of climate change. What note has the East Sussex Pension Committee and its Fund Managers taken of this report and its contents?

Response by the Chair of the Pension Committee

The Pension Committee is aware of climate issues and their potential to affect the Fund and there will be ongoing discussions with its investment managers on how they are considering this in their investment decisions.

3. Question from Hugh Dunkerley, Brighton

In a written answer to a question from a member of the public, submitted to the 17 October 2017 Full Council meeting, Councillor Stogdon asserted that: ‘Simply disinvesting from a particular category or group of companies is likely to reduce the Fund’s ability to secure the best realistic return over the long-term whilst keeping employer contributions as low as possible.’ Does Councillor Stogdon, in his role as the chair of the East Sussex Pension Committee, believe that disinvesting the East Sussex Pension Fund from fossil fuel companies ‘is likely to reduce the Fund’s ability to secure the best realistic return over the long-term whilst keeping employer contributions as low as possible’, and, if so, what analytic work (by Hymans Robertson or others) has he drawn upon to reach this conclusion?

Response by the Chair of the Pension Committee

The Pension Committee believes that disinvesting from a particular category or group of companies has the ability to increase the volatility of the Fund. An increase in volatility will impact on the contribution rates that employers in the Fund will be required to pay.

The Pension Committee believes climate change presents a financial risk to the future investment returns from the Fund. The Committee recognises that climate change issues can impact the Fund's returns and reputation. The impacts of climate change on the returns from the Fund in the future are unknown at this point. The Committee recognises that they need to allocate sufficient time and resource to monitor the possible risks and also identify any investment opportunities which may become available as a result.

4. Question from Anna Reggiani, Forest Row, East Sussex

Is the Pension Committee familiar with the work of Professor Benjamin Sovacool, Director of the Sussex Energy Group at the University of Sussex, which concludes that, while past energy transitions have usually been protracted affairs, owing to the scarcity of resources, the threat of climate change and vastly improved technological learning and innovation, the worldwide reliance on burning fossil fuels to create energy could, in principle, be phased out in a decade?

Response by the Chair of the Pension Committee

The Pension Committee welcomes research into this area. Work is continuing to increase the understanding of the Committee of the many complex interdependencies that a structured withdraw from burning fossil fuels will have on the Fund.

5. Question from Gabriel Carlyle, St Leonards on Sea, East Sussex

In answer to a written question submitted by Arnold Simanowitz at 21 March 2017 Full Council meeting, Councillor Stogdon stated that the East Sussex Pension Fund engages with fossil fuel companies through the Local Authority Pension Fund Forum (LAPFF), which 'meet[s] with companies and participates in collaborative investor initiatives including filing and supporting relevant shareholder resolutions.' During the last two years, which fossil fuel companies has the LAPFF met with, what shareholder resolutions have they filed and / or supported at fossil fuel companies AGMs, and what have been the outcomes, if any, of these activities?

Response by the Chair of the Pension Committee

The LAPFF Annual Reports contain details of all the engagement activities that they undertake on behalf of members. These can be found along with more detailed reports on their activities on their website <http://www.lapfforum.org>. A recent historic shareholder victory that LAPFF have been involved with on climate risk disclosure is the 62% of shareholders that voted in favour of a climate change disclosure resolution at ExxonMobil. LAPFF has engaged with many 'fossil fuel' companies over the past two years.

In 2016, LAPFF member funds co-filed shareholder resolutions at Glencore, Anglo-American and Rio-Tinto on strategic resilience for 2015 and beyond. The resolutions were highlighted to members, as well as others such as to ExxonMobil for a report on the impacts of climate change policies and on two resolutions to Chevron; one for a climate change impact assessment and another to commit to increasing the total amount authorized for capital distributions to shareholders in light of the climate change related risks of stranded carbon assets.

There are a whole range of company outcomes, and it should be borne in mind that engagement is often long-term and should therefore be viewed over a longer time-frame than two years. The following are not comprehensive, but provide an example of some outcomes.

LAPFF has been engaging with Royal Dutch Shell and other energy companies about how they can move towards a low carbon future for several years. This included the successful 2015 resolution on reporting strategic resilience where the company agreed to increase transparency and engagement on climate change. As reported in early 2017, Shell, in divesting most of its oil sands interests in Canada, appears to be taking action to mitigate its exposure to climate risk. Chief Executive Ben van Beurden has been reported as saying that it was his intention to make Shell into a company of the future and that his industry risked losing public support without a move towards cleaner energy.

6. Question from Arkady Johns, St Leonards on Sea, East Sussex

Is the East Sussex Pension Committee aware of the recent decision by MediBank, Australia's largest private health insurer, to shed tens of millions of dollars in fossil-fuel investments because of the effects of climate change on human health?

Response by the Chair of the Pension Committee

The Pension Committee's fiduciary duty is to ensure it has sufficient funds available to pay pensions when they fall due. In light of that obligation, and in order to maximise investment return, the Fund has a diverse range of investments and does not restrict investment managers from choosing certain stocks taking into consideration that the Fund investment strategy is regularly monitored. It does not comment on the investment decisions of others.

7. Question from Arnold Simanowitz, Lewes, East Sussex

In his written answer to a question that I submitted to the 21 March 2017 Full Council meeting Councillor Stogdon noted that, as regards oil and gas companies 'an important engagement focus [for the East Sussex Pension Fund] is the restriction of capital expenditure on high cost resource extraction'. What, if any, examples can the East Sussex Pension Committee give of such engagement being successfully used (by the Local Authority Pension Fund Forum, for example) to restrict such wasteful capital expenditure by these companies?

Response by the Chair of the Pension Committee

The Pension Committee believes that an important first step is to understand to what extent the fossil fuel companies exposure to high cost resource extraction is. This is why LAPFF's support of the climate change disclosure resolution at ExxonMobil where 62% of shareholders voted in favour is so important.

As in the answer to question 5, Royal Dutch Shell withdrawing from Canadian oil sands, is one example of a company withdrawing from high cost resource assets. LAPFF is

able to focus particularly on capex in its one-on-one engagement with companies, for example at a recent meeting with OMV, an Austrian oil and gas company.

This is one aspect of LAPFF's support for a 'managed decline' of oil companies. Rather than companies investing in high cost resource extraction, LAPFF considers that additional cash-flow could be returned to investors as higher dividends. LAPFF therefore uses mechanisms such as shareholder resolutions to support this strategy. An example is the resolution to the 2016 Chevron AGM asking the Company to commit to increasing the total amount authorized for capital distributions to shareholders. This was viewed as a prudent use of investor capital in light of the climate change related risks of stranded carbon assets, in the context of the company having cut total capital distributions to shareholders in the previous year by over one quarter.

8. Question from Dirk Campbell, Lewes, East Sussex

Is the Pension Committee aware of the recent decision by forty Catholic institutions - including Germany's Bank for the Church and Caritas – to make commitments to Caritas, which has a balance sheet of €4.5 billion, has committed to divest from investments in coal, tar sands oil, and oil shale 'because it is both morally imperative and fiscally responsible'.

Response by the Chair of the Pension Committee

The Pension Committee's fiduciary duty is to ensure it has sufficient funds available to pay pensions when they fall due. In light of that obligation, and in order to maximise investment return, the Fund has a diverse range of investments and does not restrict investment managers from choosing certain stocks taking into consideration that the Fund investment strategy is regularly monitored. It does not comment on the investment decisions of others.

9. Question from Fran Witt, Lewes, East Sussex

Does the Pension Committee have an estimate as to how many of the East Sussex Pension Fund's 69,000 members are members of UNISON?

Response by the Chair of the Pension Committee

No. UNISON membership information is not required to be able to join the fund.

10. Question from John McGowan, Lewes, East Sussex

The Council's website states, 'Good reasons for missing school - there are none'. I appreciate that you are responding to pressures from central Government around attendance. However, alienating parents with a rigid, one-size-fits-all approach based on a blanket judgment of reasons for absence does not seem the best way to go about that. What advice would the Council give to parents whose child has a legitimate reason for missing school? What policy is applied in such circumstances, and how is it implemented?

Response by the Lead Member for Education and Inclusion, Special Education Needs and Disability

The campaign is not aimed at parents of children who have a legitimate reason for missing school. We would advise all parents who have concerns around how their child's illness might impact on their education to speak to the school and discuss strategies to support them. The law states that parents must secure regular attendance for their children and schools will have attendance policies that reflect this. These will detail how they work with parents and the Local Authority to establish and maintain patterns of good attendance.

11. Question from Greg Lewis-Brown, Forest Row, East Sussex

At the 21 March 2017 Full Council meeting Councillor Stogdon explained that the East Sussex Pension Fund was "engaging" with fossil fuel companies through its membership of the Local Authority Pension Fund Forum, and that the latter's approach is "to undertake robust engagement on aligning their business models with limiting climate change to a [two degrees Celsius] increase in global temperatures and to push for an orderly low carbon transition." What historical examples, if any, can the Committee or its Fund Managers provide of an entire industry completely transforming itself in the face of major challenges while the bulk of the individual (pre-transformation) companies continue to provide a decent return to investors?

Response by the Chair of the Pension Committee

The Pension Committee's believes that encouraging development of low carbon align business model across the entire oil industry is in the best interest of the Fund. The Fund does not comment on the investment performances and decisions of others. However, in the face of major challenges, the Fund delivered an absolute return of 20.3% over the twelve month period to 31 March 2017, outperforming its customized benchmark by 1.4%. Results are considered by the Committee on a quarterly basis.

12. Question from Simon Lewis, Seaford, East Sussex

In relation to the Get a Grip Campaign:

- a) Was the local NHS Clinical Commissioning Group (CCG) or any other representative health body consulted prior to implementing a policy of medical absences from school requiring evidence from a GP or hospital as currently stipulated on the 'Get a Grip' campaign website?
- b) Did the consultation with the CCG (or other health body) identify any concerns with such a policy and what were they?
- c) Were pressures on local health and GP services and the potential impact of this policy / campaign considered prior to implementation?
- d) Has there been any consideration on how parents can obtain evidence from local health services in instances where appointments are unavailable, or where local health service policy prevents attendance e.g. symptoms of diarrhoea and vomiting
- e) Has the Council considered that requiring evidence for all medical absences contradicts the guidance on school attendance issued by the Department for Education which clearly states that 'Schools should authorise absences due to illness unless they have genuine cause for concern about the veracity of an illness. [...] Schools are

advised not to request medical evidence unnecessarily.' If so, then what was the justification for diverging from government policy?

f) Was the 'Get a Grip' campaign subjected to either an equality impact assessment or any other form of risk assessment? What issues were identified and what steps have been taken to mitigate these?

Response by the Lead Member for Education and Inclusion, Special Education Needs and Disability

All the medical advice that is used aligns with NHS guidelines and so there was no separate consultation with the CCGs. Attendance is the responsibility of the LA, not health. It is individual schools and not the County Council who require evidence for absences as it is schools who are responsible for authorising them. Where we are in legal proceedings with a parent, we may ask for evidence where they are citing mitigating circumstances. Schools have individual policies with regard to the evidence they require before they authorise an absence, many of these do have requirements for parents to show medical evidence. We would welcome the opportunity to explore matters of children's health, school attendance and education provision with the BMA on behalf of the Local Authority and schools. This would enable all parties to understand the interplay between the issues and perhaps create guidelines for practice on the respective roles of professionals with regard to decisions about need, provision and funding for children and young people.

ESCC has paid due regard to equality in its 'Get a Grip' campaign by explicitly stating in its publicity that the campaign does not target children and young people who are absent from school for legitimate long term illness or other conditions which may prevent them attending school. The analysis of data in relation to a range of education and other outcomes for children and young people in East Sussex, showed that there is a high proportion of children and young people with additional needs and children who are looked after who were persistently absent. We are continuing to monitor the data to better understand which groups have high absence rates, and to identify support for pupils so their absence rates can be reduced.

13. Question from Jo Nye, Bexhill on Sea, East Sussex

In light of the council's Get a Grip campaign, which is designed to improve attendance, I would like to know what action the council is taking to address attendance issues among children with SEND. Children on the autism spectrum, for example, are at high risk of missing out on education. In many cases, this is because the child is too anxious to attend school, often due to social exclusion and emotional issues in a mainstream setting. Autistic children are also more likely than their peers to be put on a reduced timetable or to be excluded from school as mainstream schools are unable to meet their needs (A report by the NAS found 17% of autistic children had been suspended from school, 48% of them 3 or more times). In other cases, parents choose to home educate their autistic children as no suitable local placement is available. It is clear that school attendance is a significant issue for children on the autism spectrum. I would like to know how many children with autism live in the ESCC area, how many appropriate specialist school placements are available for children with autism and anxiety, and also what social, emotional and mental health support is being provided to children with autism and anxiety to enable them to access education.

Response by the Lead Member for Education and Inclusion, Special Education Needs and Disability

There are a very broad range of needs within the population of children on the autistic spectrum which could impact differently on their attendance, we hold the same ambitions in terms of attendance for all children. It is the legal responsibility of parents to ensure that their child attends and the responsibility of schools to work with parents to ensure regular attendance, or highlight cases where parents are not fulfilling their responsibilities to the Local Authority. We do not hold the number of children with ASD across ESCC area as the majority of these will thrive in their local mainstream school who are well equipped to meet their needs; only those with the most significant of needs will require specialist education and, therefore, identified to the Local Authority. We have supported the development of the special Free School programme in East Sussex, which will see over 130 new places for children with ASD created in the next few years. A range of support services are available, both through the Local Authority and Health, to support the mental health and emotional wellbeing of children with additional needs and ensure that they are able to attend school regularly. For example, the Communication, Learning and Autism Support Service (CLASS) help schools broaden their expertise for supporting children with ASD and the Teaching and Learning Provision Service support children experiencing mental health difficulties.

14. Question from Emma Lynch, Seaford, East Sussex

With regard to the Get a Grip campaign can you confirm:

- a) Who signed off the 'Get a Grip' campaign at East Sussex County Council?
- b) Who created it?
- c) Before the campaign and leaflet was signed off, was there any quantifiable market research or focus group activity done to test out the campaign messages within it and the tone of voice used? If so, what were the findings?
- d) Were any parents of primary school children in East Sussex part of the research / focus groups? Any secondary school parents?
- e) Which councillors previewed the campaign? Who voted for it? Where there any objections raised by anybody?
- f) How much has East Sussex County Council spent on the campaign to date – advertising, posters, leaflets including all the creative and printing costs?
- g) How does the Council intend to measure and evaluate the campaign?

Response by the Lead Member for Education and Inclusion, Special Education Needs and Disability

The campaign was signed off at all levels of the County Council and all councillors were made aware of the campaign before it was started. As lead member I was aware of and endorsed the strategy and campaign as had the lead member prior to me. A range of officers had input into the creation of the campaign which also included focus groups

with parents and young people to identify the best options to be taken forward. No objections were raised to the campaign. The total costs for the campaign, so far, have been just over £10k which is the equivalent cost of intervention programmes for 20 children and their families by our support services. In contrast this campaign has reached the families of over 60,000 children. We will evaluate the campaign through our local attendance data.

15. Question from Layla Dyer, Lewes, East Sussex

According to the most recent report from The Department for Education on 'The Link Between Absence and Attainment at KS2 and KS4' (published 2016), the children that make up the highest percentage of those that are persistently absent are those in receipt of Free School Meals, or those with a Special Educational Need and/or Disability. Is this also the case for East Sussex, and if so, in what way does the get a Grip campaign encourage increased attendance for those two categories.

Response by the Lead Member for Education and Inclusion, Special Education Needs and Disability

Those children with FSM and SEN across East Sussex do have some of the worst levels of overall attendance. However, children who do not fall within these vulnerable groups within East Sussex also contribute to the county's poor attendance figures and, therefore, it was important that the campaign raised the issue for all parents. The campaign has provoked a serious debate around attendance across East Sussex, which the County Council has endeavored to do for a number of years through previous campaigns but received very limited or no response. During that time attendance rates have remained stubbornly low.

16. Question from Karen Wilkinson, The Parents Union

In relation to the Get a Grip Campaign I ask the Council to confirm:

- a) whether officers and relevant Councillors were aware that there is no proven causal link between attendance and attainment before the campaign was launched;
- b) whether the relevant policy officers and Councillors will meet with parents campaigners to discuss the evidence base for the policy;
- c) whether the Council will please withdraw the campaign; and
- d) whether the Council will write to schools in East Sussex reminding schools they cannot ask for medical evidence as a matter of course and must have genuine reason for doubting the veracity of the illness before doing so.

Response by the Lead Member for Education and Inclusion, Special Education Needs and Disability

It is clear from the DfE research that those children whose attendance is poorer attain less well in school across all Key Stages. The campaign has been successful in achieving its aim of raising awareness of high levels of absence across East Sussex and the importance of securing regular attendance at school. Although the message is tough and the language is robust, we do not see the need to withdraw the campaign, especially if it results in more children attending more regularly. The council is not responsible for individual schools' attendance policies or their implementation but does work with them to ensure that they are compliant with statutory guidance and to help them to secure the best outcomes for their children and young people. The Supreme

Court ruling on attendance this year made it clear that parents must comply with school rules on regular attendance and our campaign will help schools enforce this.

17. Question from Stephen Keogh, Willingdon, East Sussex

How do you defend the proposed closure of Willingdon library in the face of cuts to education, concerns over literacy levels in young people and the potential discrimination of vulnerable members of our community?

Response by the Lead Member for Communities and Safety

Thank you very much for your question. I know that the concerns you have for Willingdon are shared in other parts of the county.

Our draft Libraries Strategy is proposed in a climate where, unfortunately, we are required to make significant savings from all of our services in order to meet our obligation as a council to deliver a balanced budget.

The decision to consult on a strategy which includes proposals for the closure of libraries is not one which I and my Cabinet colleagues have taken at all lightly. And it represents, I would say, a good example of the importance of our 'Stand Up for East Sussex' campaign, which calls on Government to give our county a fairer deal.

It is also why such a careful and thorough commissioning process has been undertaken – to make sure that we continue to meet our statutory duty for the service, but also that we use our limited resources ever more wisely to meet the particular needs of our residents.

We know that, on the whole, residents in East Sussex are becoming increasingly less dependent on our library buildings in the way that they once were. This is true here as it is elsewhere.

But this is not just a strategy concerned with the closure of libraries. It is a strategy which, through its vision, places and promotes literacy – a love of reading and learning – at the heart of fulfilling lives in East Sussex.

It proposes working more closely with other parts of the council and partners across the county, to use limited resources better together to deliver common aims and priorities.

It proposes doing more than before to make sure that residents and schools in some of our more deprived communities benefit directly from the library service, its expertise and its resources.

It is not suggested for a moment that there are not people who currently use Willingdon and the other libraries who will be affected by the proposals.

What has been set out, however, is that those people are a relatively small percentage of all library users in East Sussex and that there would remain an appropriate and high level of access to library buildings across the county.

In Willingdon there will remain good access to libraries in Eastbourne and in Hampden Park. The eLibrary increasingly offers services in modern ways that people expect, not

only to download eBooks but to browse our county-wide catalogue and 'click and collect' from a library. For those who cannot get to a library – whether they are frail, or disabled, or care for someone full-time – we do and would continue to offer our Home Library Service.

Officers have been and will continue to talk to local communities – through Town and Parish Councils and other bodies – to see whether there would be a viable alternative to preserve a library presence within those communities affected, if they wish to do so.

We await the outcome of the public consultation, which will be presented to Cabinet with the amended proposed Libraries Strategy in March next year. A full Equalities Impact Assessment will be presented to Cabinet at that time, to ensure our Public Sector Equality Duty is exercised at the time that any final decision is taken.

18. Question from Ella Lewis, Seaford, East Sussex

Has the council undertaken any research as to why East Sussex has lower attendance rates than much of the country? If so, what were the findings?
What approaches has the council previously tried for improving attendance?

Response by the Lead Member for Education and Inclusion, Special Education Needs and Disability

There is no obvious reason or evidence as to why attendance in East Sussex is so poor. Previously, the council has circulated information on the importance of securing good attendance and what can be done to help; this has included leaflets and postcards sent home to parents, posters and articles in local media. This has had little or no impact on overall attendance. This is in addition to targeted work with a small sector of the population where attendance is very low.

19. Question from Judy Lewis, Lewes, East Sussex

Does ESCC agree that it would be good to engage and work *with* parents and carers of children who are frequently absent from school for reasons other than illness or for reasons where compassionate leave of absence is clearly needed. If so, what ways are being considered to engage with them?

If not, how realistic does ESCC think it is that the kind of approach reflected in the Get a Grip campaign will, in and of itself, engage people who may very well already be disaffected from the education system?

Response by the Lead Member for Education and Inclusion, Special Education Needs and Disability

The county council always aims to work with parents and those children who have very poor levels of attendance will be allocated direct support from one of our central services. However, these do not account for all of the children whose attendance is poor – there are many children who would not meet the requirements for direct support, but whose attendance regularly drops below 95% and is, therefore, a cause for concern. It is important to remember that the Get A Grip campaign is just one arm of our revised

approach to improving attendance this year and central services have been using these wider approaches as ways of working with families in different ways across the board. It is important to remember that engaging with attendance legislation from a parental perspective is not a choice.

20. Question from Lorraine Heugh, Robertsbridge, East Sussex

ESCC's and iSEND's response to the Get a Grip campaign stated that it was not aimed at children who have medical conditions or who are genuinely unwell. Why then do many parents of SEND children, and those with medical and mental health conditions, receive letters and threats of court action. Is this a blanket policy to target all SEND and medical needs children?

Response by the Lead Member for Education and Inclusion, Special Education Needs and Disability

The local authority has a statutory duty to support parents to fulfil their obligation to send their children to school. A differentiated approach will always be taken with parents whose children have SEN or mental health concerns, but if these do not work then legal interventions will be the last course of action to secure improvements. This is not a blanket policy but a legal duty. It also reflects our high aspirations for all children and young people for full participation in education.

21. Question from Julie Ryan, Hastings, East Sussex

Why is early intervention for children with SEN denied in many cases causing a longer term cost to the local authority and the child. In addition, why in situations when the placement and support is appropriate are decisions taken to reduce or remove the placement and or support which has a great impact on the child and family often resulting in the placement and/or the child failing. Secondly, why it is that East Sussex wishes sick children to attend school and spread infection which potentially creates a greater issue in relation to attendance and greater financial impact on families – rather than having a couple of days off work parents/carers require longer off as the infection has become more serious

Response by the Lead Member for Education and Inclusion, Special Education Needs and Disability

Early intervention is encouraged as part of the approach to supporting children with SEN across all our schools. Support would only be amended if it has been successful in achieving progression for an individual child, at this stage we would want to support the child's journey to their next goal as an independent learner. Placements might be changed where they are not meeting individual needs. Where children have minor ailments (such as a cough or a cold) we do expect them to attend school; there is no evidence that schools struggle with the spread of infections in these cases.

22. Question from Felicity Bull, Lewes, East Sussex

Does ESCC have evidence or data that shows that parents are keeping children out of school for excessive periods? I submitted a freedom of information request and discovered that ESCC spent £10,497 on the Get a Grip Campaign. Do you really feel that such expenditure is justified when school budgets are being cut?

Response by the Lead Member for Education and Inclusion, Special Education Needs and Disability

This reflects a very small percentage of the amount that is spent on addressing protracted poor attendance across our schools. Spending this figure on individual support would have reached just 20 children; this campaign has reached 63,000 children and their families and, therefore, represents very good value for money. Some parents are choosing not to send their children to school, for example by taking holidays, family visits etc in term time, and we have a statutory duty to intervene where this is the case. Ensuring your child goes to school is not an option, it is a legal requirement and this was reinforced by the Supreme Court this year. School budgets are tight and I welcome the extra funding for schools announced early this year by the Government.

23. Question from Nick Swift, Forest Row, East Sussex

Is the East Sussex Pension Committee aware of the recent open letter, signed by dozens of Church of England clergy, including five bishops, calling on the Church of England – and by implication, other institutions to immediately divest from ExxonMobil?

Response by the Chair of the Pension Committee

The Pension Committee is aware of climate issues and their potential to affect the Fund and there will be ongoing discussions with its investment managers on how they are considering this in their investment decisions. This provides an opportunity for the Fund to influence companies' environmental, human rights and other policies by positive use of shareholder power, a role the Committee takes very seriously

WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44

1. Question by Councillor Shuttleworth to the Lead Member for Strategic Management and Economic Development

Since the start of the Conservative administration of the County Council following the County Council election in May 2017, please can the Leader of the Council state how many Council committee meetings and Lead Member meetings have been cancelled? Can he also provide a list of these together with the relevant dates.

Answer by the Lead Member for Strategic Management and Economic Development

The list of cancelled Council Committee and Lead Member meetings from 5 May – 30 November 2017 is shown below.

The majority of cancelled meetings are Lead Member meetings where there has been no business. The approach to setting up these meetings is for Member Services to timetable regular meetings for the year ahead in advance, so that they are in Members' diaries, and cancel if there is a lack of business; rather than schedule meetings as required at short notice which can lead to difficulties in terms of availability. Member Services will keep under review the frequency of scheduled meetings in 2018/19 particularly for those meetings where there have been a number of cancellations.

Meeting	Number cancelled	Dates of cancelled meetings 2017
East Sussex Music Service Management Committee	1	9/6/2017
East Sussex Schools Forum	1	31/10/2017
Education Performance Panel	1	23/06/2017
Orbis Joint Committee	1	10/07/2017
Orbis Public Law Joint Committee	1	10/07/2017
Planning Committee	2	16/8, 13/9
Cabinet	1	14/11/2017
Lead Member for Adult Social Care & Health	5	15/6, 20/7, 28/9, 19/10, 23/11
Lead Member for Children & Families	5	19/6, 17/7, 26/9, 30/10, 20/11
Lead Member for Communities & Safety	2	24/10, 29/11
Lead Member for Economy	1	5/9/2017
Lead Member for Education & Inclusion, SEND	2	17/7, 20/11
Lead Member for Resources	2	27/6, 12/9
Lead Member for SMED	1	27/11/2017
Lead Member for Transport & Environment	1	20/11/2017

2. Question by Councillor Field to the Lead Member for Education and Inclusion, Special Educational Needs and Disability

How many pupils with ISEND are being home educated? How does the figure compare with previous years? How many of these began at school and were removed later? Is there a pattern of withdrawals relating to phase of education at which pupils leave?

Answer by the Lead Member for Education and Inclusion, Special Educational Needs and Disability

As there is no legal requirement for a parent to inform the Local Authority when they are electively home educating (EHE) their child, we do not know how many children who are EHE have SEN. Last academic year, we were aware of 1054 children who were EHE; this was up from 857 in 2015/16 and 763 in 2014/15. Of the 1054 children, 462 were 'new' cases (i.e. notified to the LA within that year) and 46 parents stated that the reason for EHE was 'unmet SEN'.

We do know the total number of children with EHCPs/Statements who are EHE – 53 (down from 61 in 2016/17 and 59 in 2014/15).

92% of the new cases last year were previously on roll of a school (7.8% had never attended a school prior to being EHE).

Over the last three years, the pattern has remained the same: the largest number of new cases is in KS2, then KS3, then KS1, then KS4. Last year the number in KS2 was significantly higher than the other key stages.

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REPORT OF THE CABINET

The Cabinet met on 12 December 2017 and 23 January 2018. Attendance:-

Councillor Glazier (Chair) (2)

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

1. Treasury Management Policy and Strategy 2018/19

1.1 The Cabinet has 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.

1.2 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.

1.3 The summary of changes incorporated within the 2018/19 proposed Treasury Management Strategy is attached as Appendix 1 to this report, and the Treasury Management Policy and Strategy Statement for 2018/19 is presented in Appendix 2 to this report. 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.

1.4 During November 2017, reports were received by the Audit, Best Value and Community Services RPPR Board outlining various options for increasing investment income and seeking approval for them to be considered for inclusion in the 2018/19 strategy. Details of the changes proposed to investment and borrowing investment strategies include:

- Seek to reduce liquidity where possible and extend duration of investments within current limits. A sensible rebalancing of liquidity requirements will improve yield without significant additional risk;
- Wider use of other Local Authorities and Building Societies where rates are favourable;
- Inclusion of Short Dated Bond Funds and Corporate Bonds;
- Inclusion of pooled property funds and pooled mixed asset funds. Given the low returns from short-term bank investments, the Council will diversify with the use of pooled funds. With the assistance of the Council's treasury advisors (Link Asset Services), a selection process will take place in the new year where members and officers can scrutinise a suitable selection of funds;
- No external borrowing is planned for 2018/19, officers will be monitoring the situation in the next 12 months. Officers continue to regularly review opportunities for debt rescheduling, Public Works Loan Board (PWL) debt restructuring is now much less attractive as consideration would have to be given to the large premiums (cash payments) which would be incurred by prematurely repaying existing PWLB loans. It is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing.

1.5 When compared to the SE Group, stretching of risk/return assumptions within the new investment strategy will allow the Council to invest in better performing funds, which will improve the Council performance benchmarks against other County Councils and improve the Council status within the benchmarking group. In addition, changes within the Treasury Management activities are expected to generate an additional income in the region of £1.6m from 2019/20.

Treasury Management Reporting

1.6 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.

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

Economic Background

1.8 The Council takes advice from Link Asset Services on its treasury management activities. A detailed view of the current economic situation and forecasts, as prepared by Link Asset Services is included in Appendix 3 to this report.

Minimum Revenue Provision (MRP)

1.9 A review of the MRP policy was carried out in 2016/17 and the outcome was to change the method of calculation on debt prior to 2008 from a reducing balance to a straight line fixed period write down, which brings it in line with the post 2008 debt calculation using the asset life method. No major changes are proposed for 2018/19 other than the annual review of asset lives.

CIPFA & DCLG Consultations

1.10 Following consultation, CIPFA is about to publish its updated Prudential Code for Capital Finance and Treasury Management Code of Practice. In addition, the DCLG is consulting on its amended investment guidance and minimum revenue provision guidance. The updates are mainly to address the implications of local authorities acting more commercially, their approaches to risk and ensuring financial sustainability.

1.11 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 accordingly.

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

- ☆ (1) approve the Treasury Management Policy and Strategy Statement for 2018/19;
- (2) approve the Prudential and Treasury Indicators 2018/19 to 2020/21; and
- (3) approve the Minimum Revenue Provision Policy Statement for 2018/19

2. Reconciling Policy Performance and Resources (RPPR)

2.1 The Council's net budget comprises three main funding elements: Council Tax, Business Rates and Government grant. As part of its national 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 when Business Rates Retention, incorporating the outcome of the Fair Funding Review, will be introduced.

2.2 The Council's decisions about how to deal with the funding shortfall, which latest estimates show will amount to £17.051m in 2018/19, 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 service demand and limits the affordability of Council Tax rises;
- poor transport infrastructure and connectivity which, combined with environmental designations, limits business growth – especially that which generates Business Rates: this

leads to poor local wages; poor quality jobs and means that the Council's income gap cannot be filled by business rate growth;

- 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 14% between 2017 and 2021. Whilst the proportion of school age people is only expected to rise marginally, the proportion with recognised high needs Special Educational Needs and Disability (SEND) is above the national average. The number of children in need of support is also starting to rise.

2.3 The Council has been able to meet the challenge of delivering savings 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 sustainable economic growth, keeping vulnerable people safe, helping people help themselves, and making best use of resources.

2.4 Our RPPR process matches available resources with our delivery plans for our priority outcomes. It has enabled us to give relative protection to activity that delivers our priority objectives most effectively. The RPPR process has been applied across all services in the development of the Council Plan (Appendix 6) supported by the MTFP (Appendix 4) and Capital Programme (Appendix 10) set out in this report. We will have made savings of £112m between the beginning of this decade and the end of the 2017/18 financial year. We need to make savings of £17.051m in 2018/19 and an estimated £30.286m across the two following years (subject to the proposed extra 1% increase on Council Tax being agreed).

2.5 Last year, additional short-term funding was available for Adult Social Care (ASC) through the option to apply an ASC Council Tax precept and through the Government's ASC support grant (2017/18 only) and Better Care Fund (reducing to zero by 2020/21). The MTFP includes a 3% ASC precept in 2018/19. The precept was subject to a maximum charge of 6% over the three years to 2019/20. So, as it was levied at 3% in 2017/18, it cannot therefore be levied in 2019/20. It is proposed to retain the current profile given current need.

2.6 As agreed by County Council previously the Capital Programme provides only minimum basic need provision. This includes essential budgets for school places and highways infrastructure.

2.7 This report sets out:

- changes to the national context since the report to Cabinet on 10 October 2017;
- an update on progress on the 2017/18 Council Plan and budget;
- proposals for the 2018/19 revenue budget taking account of changes in the financial picture since October, an increase the Council Tax by 2.99% and an increase the Adult Social Care precept by 3%;
- the savings requirement across the Council including changes since October and final savings proposals;
- the Capital Programme update and the rationale on which it has been developed; and
- feedback from engagement exercises, equalities impacts and proposals for lobbying.

National Context

2.8 The preparations for Brexit continue to dominate the Government's agenda. This means that a number of issues affecting the future sustainability of local government remain unresolved. Whilst the Government is pressing on with its plans for removing its grant to local government, progress has been slow with regard to proposed changes in local government funding, including the Fair Funding Review which will update how Business Rates will be redistributed nationally using a needs based formula.

2.9 As part of the Provisional Local Government Finance Settlement announced on 19 December 2017 the formal consultation on the review of relative needs and resources (the Fair Funding Review) was published. It was also announced that local Business Rates Retention would move from 50% to 75% in 2020/21 and that this would also involve the bringing of Public Health and other grants within the Business Rates Retention methodology, effectively ending the Public Health ring fence and potentially resulting in the Council receiving less income overall. Additionally a reset of the Business Rates Retention system will take place. This will update the redistribution of Business Rates to better reflect how much local authorities are actually collecting in Business Rates (the current system is based on the amount collected in 2010/11 and 2011/12). The Fair Funding Review is essential because there is no link between local Business Rates generation and need. Areas like East Sussex will never be able to support local need adequately from locally raised rates. The Government had been providing some transitional grant to bridge the gap between RSG and the availability of more Business Rates locally, but this ended in 2017/18. Lobbying has continued since the provisional settlement but additional resources cannot be relied on.

2.10 The growth in the elderly population is putting a strain on both local authority and health finances. The Green Paper which was anticipated to look at how services to older people could best be provided has been delayed until the middle of 2018. A permanent solution is unlikely to be available before the temporary funding the Government has made available runs out.

2.11 The Provisional Local Government Finance Settlement also announced that the Government will allow councils to increase Council Tax by a further 1% in 2018/19 and 2019/20 without triggering a referendum i.e. up to 3% rather than 2% and excluding the ASC precept without holding a referendum.

East Sussex Better Together and the Health Economy

2.12 The East Sussex Better Together (ESBT) programme has, since its inception in 2013, implemented integrated community services and demand management schemes in order to reduce the number of patients needing acute care. Over time this has delivered a sustained improvement in performance with growth in demand for acute care in ESBT being significantly lower when compared with other health economies in the region and with the national average. In 2017/18 the NHS has faced a significant restriction on its resources and therefore has required an unprecedented level of demand mitigation to meet its financial targets. Despite improved length of stay performance, acute admissions have risen. This, coupled with increased hospital costs, has created a financial deficit within the local NHS.

2.13 It was envisaged that through the course of the Strategic Investment Plan (SIP), which runs to 2020/21, the alignment of our plans would see social care being, in part, supported by NHS resources. The deficit position of the ESBT health economy in 2017/18 means that no NHS support can be expected in 2018/19. The County Council Adult Social Care contribution to the ESBT SIP in 2018/19 will be 77% of its budget (23% relates to Non ESBT), as previously agreed, which will take account of the RPPR savings requirement of £7.409m of savings for the year.

Council Plan and supporting MTFP

2.14 The draft Council Plan (Appendix 6) continues to be built on the Council's four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources. Making best use of resources is the priority test through which any activity and accompanying resources must pass. The remaining three priority outcomes guide our activities, direct our resources and are reflected in our Council Plan activities and targets. As resources tighten further, our ambition in some areas will be to maintain performance at current levels rather than seeking improvement. Defining clearly the outcomes we wish to achieve and monitoring our success in delivering these outcomes for the county's residents, communities and businesses is critical. We also keep track of a wide range of key data about East Sussex and related to our priority outcomes. These will help 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.

2.15 The Council Plan provides a summary for each strategic priority including planned actions 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 in April 2018 and refreshed in July when final performance outturn figures for 2017/18 are available. Authorisation is sought for the Chief Executive to make final changes pre and post publication in consultation with Lead Members, as appropriate.

2.16 Previously we have been able to have a detailed three year MTFP and savings schedules, but given the uncertainty about the shape of our future finances we have detailed plans for 2018/19 and indicative totals for the final two years. The MTFP is set out in Appendix 4.

Progress with Council Plan & Budget 2017/18 since Quarter 2

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

2.18 Since the end of quarter 2 the Care Quality Commission (CQC) has carried out an area review looking at the Health and Social Care interface in East Sussex and the impact of shared working, with a particular focus on outcomes for adults aged over 65. A draft report on the outcomes was issued in January 2018, and there will be the opportunity to check for matters of factual accuracy. Following this, a summit will be held with key partners so the CQC can provide feedback and identify next steps. An action plan will then be formulated to be overseen by the Health and Wellbeing Board.

2.19 A Delayed Transfer of Care (DTOC) Action Plan is being implemented to address the key issues which cause delays. These are

- Patient or Family Choice—an average of 6.0 delays per week, equating to 33% of ASC delays;
- Awaiting care package in own home—an average of 5.8 delays per week, equating to 32% of ASC delays; and

The impact of these actions is being monitored and performance has shown continued improvement since July.

2.20 As part of our library transformation programme, East Sussex Libraries – The Way Forward, a consultation on the proposed changes was held between September and December 2017. During the consultation 3,639 completed questionnaires (1,907 paper, 1,732 online) were received. We will analyse and consider all of the feedback we received as part of the public consultation, prior to revising the strategy for consideration by Cabinet in March 2018.

2.21 At quarter 2, the projected year-end underspend was £1.0m, after applying centrally held contingency. Within service departments there is a projected overspend of £2.4m. Work continues within services to reduce or mitigate the overall overspend. Within centrally held budgets it is likely that there will be a reduced charge to revenue for treasury management. This is the result of reduced Minimum Revenue Provision due to delayed capital expenditure in 2016/17 and no additional interest charges on new borrowing. Normal practice is to use this to reduce the borrowing requirement for the capital programme, but wider risks need to be considered as part of the RPPR process. Whilst work is ongoing to reduce or mitigate service pressures further, as noted above, the general contingency provision of £3.4m is available to reduce the projected overspend.

2.22 The capital programme has been updated for the quarter 2 position and any subsequent variations and updates that have come to light.

Revenue Budget 2018/19

2.23 The RPPR Report to Cabinet on 10 October 2017 detailed the MTFP projections for 2018/19 and subsequent years. A key consideration at the time of the October report was the considerable uncertainty affecting the MTFP projections, therefore at that point no updates to the 2018/19 savings requirements were made.

2.24 The changes to the MTFP since the October cabinet report are set out below and detail is provided in the subsequent paragraphs.

		2018/19	2019/20	2020/21
		Estimate	Estimate	Estimate
		£m	£m	£m
Cabinet 10th October 2017 DEFICIT/(SURPLUS)	Ref.	1.080	16.424	18.725
MTFP inclusive of savings plans		21.869	0	0
Proceeds of Business Rate Pooling	1	(0.610)	-	-
Council Tax Base and Collection Fund (net of contribution to balances and reserves)	2	(0.216)	(1.575)	(0.050)
General Contingency (based on agreed formula)	3	0.040	0.010	0.010
Service Inflation	4	0.471	0.118	0.088
Business Rates inflation	5	(0.466)	0.304	0.135
Departmental budget reviews: reassessment of service pressures	6	(2.538)	0.850	(0.250)
Revised Treasury Management Strategy – to be approved by County Council Feb 2018	7	-	(1.600)	0.100
New Homes Bonus	8	0.358	0.167	0.025
NHB to Capital Programme	8	(0.358)	(0.167)	(0.025)
Council Tax: additional 1%	9	(2.579)	(2.850)	(0.153)
Revised Savings Requirements		17.051	11.681*	18.605*

*Savings requirement indicative only at this stage.

2.25 The changes to the MTFP shown above are as follows:-

1. Proceeds of Business Rate Pooling – Confirmation has now been received from the Ministry of Housing, Communities and Local Government (MHCLG) (formerly the Department for Communities and Local Government) of the designation of the East Sussex pool. This is following the Council's agreement to re-establish the pool with District and Borough Councils for 2018/19. The MTFP has been updated with an estimate of pooling proceeds based on their returns at the end of January 2017, considered a prudent position for budget setting. The MTFP also assumes that the county will continue to pool until the Government rolls out Business Rates Retention, the timing of which is expected to be in 2021.
2. Council Tax base and collection fund - The estimate has been aligned to the figures provided by District and Borough Councils in January 2018 and changes reflected through reserves.
3. General Contingency - The general contingency is calculated at an agreed formula of 1% of net budget less treasury management.

4. Service Inflation - The inflation model has been updated for the inflation figures published by the Office of Budget Responsibility (OBR) at the Autumn budget.
5. Business Rates Inflation - Business Rates inflation is provided by the OBR at the time of the Autumn budget. For 2019/20 onwards they have reduced their previous inflation projections from 3.5% to 3.1%.
6. Departmental budget reviews - re-assessment of service pressures within departments.
7. Revised Treasury Management Strategy (to be approved by County Council February 2018) - A change in risk profile to allow the council to invest in better performing funds will generate additional income from 2019/20 estimated in the region of £1.6m.
8. New Homes Bonus - For 2017/18, the Government announced a new methodology for calculating New Homes Bonus (NHB) whereby a threshold of 0.4% growth in housing stock per annum must be achieved before any NHB grant is calculated. A further consultation on the scheme was undertaken in the autumn, but the government is not proposing any changes for 2018/19. NHB figures have therefore only altered for the District and Borough data on actual housing growth.
9. Council Tax: Additional 1% - At the Provisional Local Government Financial Settlement on 19 December 2017 it was announced that the Government would allow council to increase Council Tax by a further 1% in 2018/19 and 2019/20 without triggering a referendum. i.e.3% rather than 2% and excluding the ASC precept.

2.26 There continues to be uncertainty regarding the replacement funding mechanisms from 2020/21. At the provisional Local Government Finance Settlement the Fair Funding Review consultation was issued and will run for a period of 12 weeks until 12 March 2018. Alongside the implementation of the outcome from the Fair Funding Review, the Government will aim for local authorities to retain 75% of Business Rates from 2020/21, including existing grants such as Public Health and Revenue Support Grant. What this will mean for the Council is as yet unknown.

2.27 With the significant programme of savings already planned a balanced budget proposed for 2018/19. The estimated deficit is £30.286m 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.

Final Savings Proposals

2.28 In October 2017 the savings needed to give a balanced budget were £21.869m. The revised MTFP enables the savings requirement to be reduced to £17.051m. Savings proposals have therefore been reviewed. Reductions in savings targets have been directed towards priority areas, mainly in Children's Services and Adult Social Care. They are set out in detail in Appendix 7. The table below summarises the movements.

2018/19 Savings £m					
Department	Oct-17	Jan-18	Movt Oct-Jan	Explanation for Movements	Impact of Change on savings targets
Business Services/Orbis	1.396	1.396	0.000		
Children's Services (excl. schools)	5.404	4.029	(1.375)	MTFP RPPR update (£0.836m); 1% Council Tax increase (£0.539m).	Reduce Support Services savings (£0.017m); remove Locality savings (£0.226m); reduce SWIFT and YOT savings (£0.134m); remove LAC savings (£0.267m); reduce SLES savings (£0.050m); reduce ISEND and ESBAS savings (£0.321m); remove Unallocated savings (£0.360m). <i>NB: Early Help savings of £1.561m have also been slipped to 19/20 and will be mitigated in 18/19 through use of reserves.</i>
Communities, Economy & Transport	2.119	1.942	(0.177)	1% Council Tax increase (£0.177m).	Reduce Waste savings (£0.080m); reduce Libraries savings (£0.097m). <i>NB: elements of two savings have been slipped to 19/20 and will be mitigated in 18/19 through use of reserves: Libraries (£0.025m) and Waste (£0.162m).</i>
Governance Services	0.084	0.084	0.000		
Adult Social Care Non-ESBT	2.960	2.191	(0.769)	MTFP RPPR update (£0.456m); 1% Council Tax increase (£0.313m).	Remove Community Care savings (£0.677m); reduce Assessment and Care Management savings (ACM) (£0.092m)
East Sussex Better Together - ASC	9.906	7.409	(2.497)	MTFP RPPR update (£1.455m); 1% Council Tax increase (£1.042m).	Remove Community Care savings (£1.995m); reduce ACM savings (£0.502m).
TOTAL	21.869	17.051	(4.818)		

Fees and Charges

2.29 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. Current policy is:

- The Chief Finance Officer has delegated authority to approve any increase in fees up to 2% for 2018/19.

- Any individual fee or charge that is increased up to this prescribed rate does 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 removes the need for individual fees & charges to be reported, but they will be required to be reported as part of any formal review of the policy to which to they relate.

2.30 It is proposed that for 2019/20 onwards, delegated authority is given to the Chief Finance Officer to set the level of fees and charges and to report to Cabinet and County Council as part of the quarterly monitoring report on those set at a level above inflation.

2.31 The schedule of the fees and charges requiring specific approval is set out in Appendix 8.

Council Tax requirement

2.32 The Government has provided for relevant authorities to charge up to 3% on the ASC precept, subject to a maximum of 6% across the 3 year period 2017/18 to 2019/20. The Council Tax requirement in the MTFP is based on the proposal that this option is taken to maximise the mitigation available across health and social care.

2.33 In the Provisional Local Government Finance Settlement on 19 December the Government announced that Councils could apply a Council Tax increase of up to 3% in each of the next 2 years without triggering a referendum. This was described as following inflation. The Council can therefore increase Council Tax by 5.99% in 2018/19 (including the 3% ASC precept) and 2.99% in 2019/20.

2.34 It is therefore proposed that the Council be asked to consider increasing Council Tax in 2018/19 by 2.99%. It is also proposed that there should be a further 3% increase in respect of the ASC precept. If agreed the proposed band D charge for 2018/19 would therefore be:

Changes in Council Tax	Council Tax Annual	Council Tax Weekly
Band D 2017/18	£1,314.36	£25.28
1.99% Council Tax increase*	£26.19	£0.50
1.00% Additional Council Tax increase*	£13.14	£0.25
3% ASC precept*	£39.42	£0.76
Indicative Band D 2018/19*	£1,393.11	£26.79

* Council Tax and ASC precept are rounded as they are required to be divisible by nine.

2.35 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 Business Rates for 2018/19. The draft precept calculation and dates are at Appendix 9.

2019/20 & 2020/21 and beyond

2.36 The level of uncertainty about the Government's plans and funding for services provided by Local Government means that there could be fundamental changes in both the resources the Council has available and its expectations for service delivery, so the process for the latter two years of the Council's MTFP will, necessarily be iterative. Currently, the MTFP is predicated on the need to make £30.286m of savings during these two years.

2.37 If there are no new resources from Government, by 2021/22 the Council will be left with a minimum service offer. It will provide safeguarding for all ages, will still meet critical and substantial need in ASC and will deal with the highest level of need and risk cases in Children's Services. We will continue to use our influence to assist with the economic development of the county, but will not be able to invest directly in the way we have in the past. We will be able to carry out maintenance on our roads so that they are safe for users. Central services will be reduced to a democratic core with minimum support for departments and more self-service. We will not be able to fund early intervention or prevention services in Adult and Children's Social Care or support to schools to improve attainment. We will have to move away from assets management in highways towards more reactive maintenance, leading to long-term deterioration of condition.

2.38 This challenging outlook places a premium on our lobbying work and the need to explore all our options. Cabinet is asked to endorse a renewed focus on commercialisation and income generation, partnership working and the following areas of search for savings in future years, in order that a balanced budget, focused on priorities, can be achieved in 2019/20 and 2020/21:

- All areas of ASC not directly involved in providing for critical and substantial need;
- Standards and Learning Effectiveness Service;
- Remaining Children's early help offer;
- Highways maintenance;
- Public transport and concessionary fares;
- Road safety and school crossing patrols; and
- All support services.

Capital Programme

2.39 Due to the ongoing financial pressures the Council is facing, the Capital Programme 2017/23, as agreed at Full Council on 7 February 2017, focuses on a strategy to deliver core need as efficiently as possible. Where there are other service developments and investment opportunities that require capital investment (that are not identified as core need), they will be required to be either match funded or would require a business case that demonstrates benefits. Approved bids are added to the programme in line with the current variation policy.

2.40 The areas of essential core need included in the 2017-2023 programme are:

- Schools Places (early years, primary, secondary and special);
- Highways Structural Maintenance, Bridge Strengthening; Street Lighting; Rights of Way and Bridge Replacement Programme;
- Property Building Maintenance;
- ICT Strategy;
- Adults' and Children's House Adaptations Programme; and
- Libraries

2.41 In addition to the core need, there are a number of other fully funded schemes which are either funded through our Local Enterprise Partnerships, or for the provision of grants and loans. These were originally pump primed in the 2013-2018 programme and include the Economic Intervention Fund which, by 2021/22, will become self-funding.

2.42 The approved programme has now been updated to include the Quarter 2 position and other approved variations and updates, the details of which are set out Appendix 10.

Robustness and Opportunity Cost of Reserves

2.43 The State of the County report gave an estimated total earmarked reserves balance of £45.2m at 31.03.21. Since then there have been some updates and the estimated position by

31.03.21 is now £44.2m. The current reserves position is shown in the table below.

	01.04.18 Estimate £m	31.03.21 SoC Estimate £m	31.03.21 Estimate £m
<i>Held on behalf of others or statutorily ring-fenced</i>	19.9	17.0	13.9
Waste Reserve	12.8	12.8	12.8
Set aside for the new Capital Programme 2018/23	21.0	0.0	0.0
Insurance	5.5	5.9	5.5
Strategic Reserves:			
Risk	3.1	2.8	4.5
Priority Outcomes and Transformation	7.8	3.0	3.4
Financing	18.5	3.7	4.1
Total Strategic Reserves	29.4	9.5	12.0
Total ESCC service specific reserves	68.7	28.2	30.3
Total Reserves	88.6	45.2	44.2

2.44 Additionally, there is a General Fund balance held by the Council of £10m. This is a minimum general balance that is assessed annually in relation to risks facing the Council. The £10m is lower proportionately than most other Authorities.

2.45 Following the review and policy update conducted for the State of the County in June, the level of reserves held by the Council is considered appropriate. It is becoming increasingly important to hold sufficient reserves for the future given the financial uncertainty ahead. It is proposed that where possible resources are transferred to the Financing and Risk reserves e.g. the net underspend from 2017/18. Details of the reserves held can be found in Appendix 5. The Chief Finance Officer Statement on Budget Robustness can be found at Appendix 11.

Equalities

2.46 A high level Equalities Impact Assessment (EqIA) of the revenue savings proposals has been undertaken and is set out in Appendix 7. 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 10a. In considering the proposals in this report, Cabinet 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 Room and are available on the County 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.

2.47 Whilst Cabinet and 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 and Implications

2.48 The savings proposals for the next year could lead to the reduction in the region of 200 fte staff. The County Council has established robust employment protection policies and will continue to try and avoid making compulsory redundancies, wherever possible.

Engagement Feedback and Future Consultation

2.49 The views of the Scrutiny Committees and the outcomes of engagements events with young people and partners are set out at Appendix 12. The views of representatives of business ratepayers will be tabled at the County Council following their consultation event.

2.50 The timing of different decisions is dependent on a range of circumstances including the complexity and level of interest. The options open to the Council include:

- the budget is set by County Council, following which the Cabinet will make decisions relating to service delivery, and as part of that decision making process a consultation will be undertaken prior to the final decision; and
- the consultation starts to explore proposals, and in the meantime a separate decision is taken by full Council in relation to setting the budget; and following the closure of the consultation Cabinet then considers the responses and makes a decision relating to service delivery. It is really important to stress that just because the consultation is ongoing at the time the budget is set does not mean any decision has been taken by the Cabinet about the outcome of the consultation or how services will be delivered. When the Cabinet considers the issue (including the results of the consultation) after the budget has been set it is still open to the Cabinet to decide to spend, the same, more or less on an area. The constitution contains rules allowing amounts to be transferred between various budget heads and if necessary a referral back to County Council can be made to reconsider allocations.

Lobbying

2.51 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. 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 year our lobbying has included the Stand Up for East Sussex petition, which garnered nearly 6,000 signatures and was submitted to the Prime Minister in December.

Conclusion

2.52 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, Cabinet have tried to be as transparent as possible about their thinking and how they have tried to balance the needs of all residents and businesses in the County for services and the affordability of those services to Council Tax payers.

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

☆ (1) approve, in principle, the draft Council Plan at Appendix 6 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;

(2) approve the net Revenue Budget estimates totalling £371.3m for 2018/19 as set out in Appendices 4 (Medium Term Financial Plan) and 5 (Budget Summary) and 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;

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

- (i) the net budget requirement is £371.3m and the amount calculated by East Sussex County Council as its council tax requirement (see Appendix 9) for the year 2018/19 is £276.7m;
- (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 2018/19 is £1,393.11 and represents a 5.99% (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 9

(5) approve the fees and charges set out in Appendix 8 and delegate authority to the Chief Finance Officer to approve an increase to all other fees and charges by up to 2%;

(6) approve the Capital Programme for 2017 – 2023 as set out at Appendix 10;

(7) note the Medium Term Financial Plan forecast for the period 2018/19 to 2020/21 as set out in Appendix 4; and

(8) note the comments of the Chief Finance Officer on budget risks and robustness as set out in Appendix 11;

(9) note the comments from the engagement exercises as set out in Appendix 12; and

(10) delegate authority to the Chief Finance Officer to set fees and charges for 2019/20 onwards and to report to Cabinet and County Council on those set at a level above inflation as part of the quarterly monitoring.

3. Council Monitoring – Quarter Two 2017/18

3.1 The Cabinet has considered a report on performance against the Council Plan, Revenue Budget, Capital Programme, Savings Plan and risks for Quarter 2 2017/18. 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 13. Strategic risks are reported at Appendix 19 and a detailed report for each department is provided in Appendices 14 to 18.

Overview of 2017/18 Council Plan

3.2 Detail of progress against each of our priority outcomes for 2017/18 is set out in paragraphs 3.10 to 3.24 below. The Cabinet has agreed to the amendment of seven measures as follows:

- Number of hospital bed days lost due to delayed transfers from hospital care (Appendix 14, ref i).
- Number of hospital bed days lost due to delayed transfers from hospital care due to Council social services (Appendix 14, see ref ii).
- Number of hospital bed days lost due to delayed transfers from hospital care due to local NHS (Appendix 14, ref iii).

The change to the targets for delayed transfers reflects the national requirement to report on the new Better Care Fund targets based on the daily, rather than monthly (as the target was previously), average.

- Health and Social Care Connect (Appendix 14, ref iv) – the new target better reflects the purpose of the service.
- Proportion of working age adults and older people receiving direct payments (Appendix 14, ref v) – the change to the direct payments target will keep our performance above average but realistically reflects the choices that those receiving a service are making.
- Exit from the specialist domestic abuse and sexual violence service – % of those affected by domestic violence and abuse (Appendix 14, ref vii).
- Exit from the specialist domestic abuse and sexual violence service – % of those affected by rape, sexual violence and abuse (Appendix 14, ref viii).

The new measures in relation to the domestic and sexual violence service are intended to place less of a burden on service users whilst ensuring that services are having a positive impact.

3.3 At quarter 2, the projected year-end overspend within service departments was £2.4m, this compares to a £3.0m overspend at quarter 1. This is the result of strategies and actions that services have been working on to reduce or mitigate this overspend. The main areas of overspend remaining are:-

- £1.9m (£2.2m in quarter 1) in Children's Services mainly due to the continued pressure for Looked After Children expenditure and in particular from expensive placements for children with more complex needs who are difficult to place. At quarter 2 these pressures have been in part offset by some underspending where the Inclusion Special Educational Needs & Disabilities (ISEND) service has been successful to date in driving down Special Educational Needs (SEN) Agency placements and SEN High Needs top up costs.
- £1.1m (£1.1m in quarter 1) in Adult Social Care. Directly Provided Services and Assessment & Care Management are showing an overspend mainly due to slippage in savings plus pressure from increasing demand for the Integrated Community Equipment Service (ICES). The independent sector budget is now showing a forecast underspend; whilst there is continued pressure on services, in-year mitigation of these pressures has partly come from the new Improved Better Care Fund (IBCF). Members will be aware that the CCGs are reporting a significant overspend on acute services within the health economy and that further work is being undertaken to address the challenge in 2017/18, which will be reported back to the Scrutiny Board and Strategic Commissioning Boards. The risk to ESCC with respect to the aligned ESBT budgets is, however, limited to the £916k support planned for Adult Social Care from the ESBT CCGs, which can be contained within the ESCC 2017/18 budget.

3.4 There are budget pressures across all departments. Within Communities, Economy and Transport; Business Services; and Governance; these are being successfully contained and there is a small underspend of £0.6m (£0.3m at quarter 1) being reported across these services.

3.5 Within centrally held budgets it is likely that there will be a reduced charge to revenue for treasury management. This is the result of reduced Minimum Revenue Provision due to delayed capital expenditure in 2016/17 and no additional interest charges on new borrowing. Normal practice is to use this to reduce the borrowing requirement for the capital programme, but wider risks need to be considered as part of the RPPR process. Whilst work is ongoing to reduce or mitigate service pressures further, the general contingency provision of £3.4m is available to reduce any projected overspend. Should the position remain unchanged there would be an in year general fund surplus of £1.0m, noting the significant risk and uncertainty outlined in 3.3 above in relation to current service projections.

3.6 The forecast capital programme expenditure for the year is projected at £91.2m against a current budget of £104.9m, a variation of £13.7m (£4.3m at Q1). The additional movement at quarter 2 of £9.4m comprises £9.1m slippage and £0.7m reduction in overspend offset by spend in advance of £0.4m. As part of RPPR the current capital programme will be adjusted to reflect the updated forecasts at quarter 2 including any further approved variations.

3.7 The additional slippage comprises:-

- £5.4m on Broadband where phase 3 procurement continues, with the consequence that the spend profile has been revised to slip expenditure into 2018/19.
- £1.5m on Hailsham/Polegate/Eastbourne Movement and Access Corridor due to design complexities.
- £0.9m in CET a combination of: lower than anticipated demand for Catalysing Stalled Site (£0.2m) and Upgrading Empty Commercial Properties (£0.2m); and a re-profiling of Libraries (£0.3m on Hastings Library and £0.1m Library Refurbishment) and Real Time Passenger Information (£0.1m) as a result of unforeseen contractor delays.
- £0.8m on Hastings and Bexhill Movement and Access Package as a result of delays in business case submission and design work.
- £0.7m on Capital Building Improvements due to planning issues which have come to light since quarter 1.
- £0.2m reduction in SALIX slippage following an increase in planned works for 2017/18.

Offset by the additional spend in advance which comprises:-

- £0.3m in CET as the result of projects progressing ahead of plan.
- £0.1m on LD Service Opportunities due to re-profiling of costs.

And reduction in overspend of:-

- £0.7m on Hastings Library following the re-profiling of the overspend into future years.

3.8 The Strategic Risk Register, Appendix 19, has been reviewed and updated to reflect the Council's risk profile. Risk 12 (Cyber-attack) has been updated and also has updated risk control responses. Risk 4 (Health), Risk 5 (Reconciling Policy, Performance & Resources), Risk 6 (Local Economic Growth), Risk 7 (Schools) and Risk 9 (Workforce) all have updated risk control responses. No new risks have been proposed and all risk ratings remain unchanged following this review.

3.9 One Risk 'Apprenticeship levy' (formally Risk 11) has been deleted from the Strategic Risk Register. The Corporate Management Team is satisfied that this risk is now appropriately controlled with an action plan in place and therefore it has been de-escalated from the Strategic Risk Register.

Progress against Council Priorities

Driving economic growth

3.10 Almost 4,800 additional premises were able to be connected to superfast broadband at the end of quarter 2 as part of our second contract of works. Take up of superfast services under contract 1 is 46.3%, while the contract 2 take up is 31.7% (Appendix 17).

3.11 86 road improvement schemes have been delivered in quarter 2 investing almost £3.1m to maintain and improve the condition of the county's roads (Appendix 17).

3.12 There were 70 online training courses completed in our libraries in quarter 2, offering people help with topics such as IT, maths, English, and help to get online and use the internet (Appendix 17).

3.13 10 applications for grants or loans, allocated from East Sussex Invest 5 funding, were approved in quarter 2, investing almost £500,000 to support businesses in the county. The

funding is expected to create or protect 44.5 jobs (Appendix 17).

3.14 £1m of funding has been secured from Arts Council England, the South East Local Enterprise Partnership and Visit England, for Culture Coasting. The funding will be used to deliver a new arts trail using geocaching technology and we will launch a European marketing campaign to promote the trail and increase tourism (Appendix 17).

3.15 One contract was awarded in quarter 2 which was within the criteria of the Social Value Measurement Charter. Over £45,000 worth of social and economic benefits were secured as part of the contract, including the contractor using local suppliers to buy all project equipment and using local sub-contractors for works, and a local person being offered an apprenticeship (Appendix 15).

Keeping vulnerable people safe

3.16 The rate of Looked After Children, per 10,000, is 54.9 (579 children), within the target rate of 57.2 (606 children) and below the Income Deprivation Affecting Children Index expected rate, however, this has risen from 51.1 (573 children) in quarter 1 (Appendix 16).

3.17 Adult Social Care Outcome Framework data for 2016/17 was published in October 2017, benchmarking adult social care departments across 26 measures. We are in the upper quartile for 58% (15) of the measures, and upper or upper middle quartiles for 77% (20) of the 26 measures (Appendix 14).

3.18 Two key resources have been developed, with East Sussex Better Together and Connecting 4 You, to support schools address mental health and emotional wellbeing. A Top Ten Tips booklet and poster advising schools how to support pupils has been produced; and Boing Boing have been commissioned to produce detailed guidance and resources (Appendix 16).

Helping people help themselves

3.19 Extensive efforts to increase referral rates to local Memory Assessment Services have resulted in a diagnosis rate of 66.1% in quarter 2 (Appendix 14).

3.20 A Telescreen pilot, to test the use of the PRISMA 7 assessment system, has been launched with 100 Telecare clients. The pilot will test the system's ability to spot frailty related decline over the phone and measure the effectiveness of putting in place low cost solutions early to prevent further escalations in need (Appendix 14).

3.21 Quarter 2 has seen improvements against the key metrics outlined in the Improved Better Care Fund with: Delayed Transfers of Care from hospital and admissions to residential/nursing care reducing; and the number of people who are still at home 91 days after discharge from hospital into reablement/rehabilitation services increasing (Appendix 14).

Making best use of resources

3.22 Quarter 2 has seen a 5.4% reduction in carbon emissions compared to the same quarter in 2016/17. Schools are showing a 4.2% reduction, while non-schools are showing a 6.7% reduction. The Energy Team are working on a number of measures to reduce gas consumption in schools which should have a beneficial effect on the numbers (Appendix 15).

3.23 Orbis Public Law (OPL) has completed the implementation of the digital case management system in all OPL offices during quarter 2. The system facilitates the sharing of work between the different organisations and has allowed staff across OPL to begin working for other authorities within the partnership (Appendix 18).

3.24 The Council website has won two awards from the local government IT trade body SOCITM (Appendix 18). The ESBT Alliance and its partner projects have also been shortlisted for four national Health Service Journal awards (Appendix 14). The Council's Children's Services Department were runners up in the Social Pages of the Year Awards 2017, in the category of

Best Social Work Employer (Appendix 16).

4. Annual Progress report for Looked After Children's Services

4.1 The Cabinet has considered the annual progress report for Looked After Children's Services which is attached as Appendix 20.

4.2 On 31 March 2017 there were 558 Looked After Children (LAC) in ESCC; this represents an increase of 14 children (2.57%) as compared to 2015/16 and a rate of 52.7 per 10,000 population. This is below the Income Deprivation Affecting Children Index (IDACI) expected rate (a measure in terms of population profiles and deprivation levels) of 57.2 and the 2016 England rate of 60.3.

4.3 The LAC data only ever gives a snapshot of the children moving in and out of the system at a fixed date each month/year and considerable activity sits beneath it. The data below is referred to as 'churn'. This cohort of children will come in and out of the system within the year, or some may come in and stay whilst others leave. It has been calculated that the churn figure for 2016/17 is 175 which, when added to the total number of LAC, equates to the service working with 733 children. This total figure is higher than last year (729 children), but the churn rate was lower than for the previous years (185 for 2015/16, 179 2014/15).

4.4 There was an increase in admissions to care from 190 during 2015/16 to 198 during 2016/17. This increase was across all age groups. The number of 0-5 year olds admitted to care during 2016/17 increased from 94 in 2015/16 to 98 in 2016/17, with a slight increase in admissions for 6-12 year olds from 43 in 2015/16 to 44 for 2016/17 and for children aged 13+ an increase from 53 for 2015/16 to 56 in 2016/17.

4.5 At year end there was a decrease in the number of LAC discharged from care, from 191 in 2015/16 to 183. The number of 0-12 year olds discharged from care also fell to 106 during 16/17 from 117 in 15/16. This was made up of 77 0-5 year olds and 29 were 6-12 year olds. There was a slight increase in the 13+ age group from 74 discharged in 2015/16 to 77 in 2016/17.

4.6 These figures combined continue to show a picture of an overall increase in the number of LAC worked with during the course of the year. There remains a high level of activity with the cohort of 0 to 5 year olds given the increased number of admissions and fewer discharges as children became subject to Adoption, Special Guardianship or Residence Orders, or remained in family arrangements. The 6 to 12 year old cohort showed higher admissions to care with a similar discharge pattern (as in the previous year), producing a net increase over the year. This means that for this age cohort of children, once they enter care, they tend to remain in permanent placements. The 13+ cohort continue to show a higher level of admissions. This relates mainly to a few children with complex needs, who are often subject to child sexual and/or criminal exploitation, as well as children remanded to care, or who are unaccompanied asylum seeking children (UASCs).

4.7 In terms of UASC, at year end ESCC was caring for 24 children, mainly male and over 16, with an additional 15 having ongoing support needs as care leavers. These young people have usually arrived in a clandestine way via Newhaven, or been found elsewhere in East Sussex. East Sussex also continued to accept UASC via the national dispersal scheme. A small number of young people have disappeared from care placements before age assessments can be completed to determine whether they are indeed children.

4.8 Overall the LAC service continued to perform well during 2016-17 and to achieve good outcomes for children in the care of ESCC. Continued pressure on recruitment and retention of in house carers and on availability of placements within the private market in the South East has impacted on placement stability, especially for those children with the most complex needs.

4.9 The challenge for 2017/18 is 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 a

context of reducing resource in Children Services. Maintaining good performance is a significant achievement within a context of diminishing resources, however the ongoing steady rise in both LAC numbers and in placement costs that has been evident over the past year and has continued since April 2017 is placing significant pressure on already stretched budgets in the LAC service.

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

5. The Conservators of Ashdown Forest Budget for 2018/19

5.1 The Cabinet has considered a report regarding the Conservators of Ashdown Forest budget for 2018/18. 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 for completeness, 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.

5.2 The Conservators have produced a draft budget for 2018/19, summarised at Appendix 21. This was approved by the Board of Conservators at their meeting on 18 December 2018. Further budget detail, including a breakdown of Countryside Stewardship funded projects, is shown at Appendix 23.

5.3 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 £522,676 for 2018 and although this represents more than half the total budget, it is ring-fenced for Heathland Conservation projects. As such, all CS budget must be spent under the conditions for receipt of the money and may not be used to offset General Fund expenditure. However, there is a multiplier applied to CS staff costs and contracted-out in house staff to enable the Conservator's to recoup some staff on-costs and Forest Centre overheads. For 2018/19 this is £104,840 and is shown under income as 'Countryside Stewardship Staff Uplift'. The CS budget has been separated from the General Fund and is shown as Appendix 23.

5.4 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 CET contribution. The balance of the Trust fund is estimated to be £160,624 at 1 April 2018; shown in Appendix 22.

5.5 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 £61,398. The Conservators have an ongoing challenge to maintain balanced budgets in the context of opportunities and limitations to reduce expenditure and increase income, whilst maintaining required services.

5.6 The Conservators agreed to permanently increase the hours of back office staff (Director +6 hours, Clerk +7 hours and Finance Office +4 hours) in order to provide a realistic level of professional support to manage the Forest. This has resulted in an additional staffing expenditure for which it was agreed to fund from a planned draw from reserves of £29,610.

5.7 The 2017/18 forecast figures for Forest Centre development and operational expenses are significantly higher than budget. Work on the woodstore and an upgrade to the sewage system at the Forest Centre was funded by the Ashdown Forest Conservation Trust. Operational expenses includes the resurfacing of three carparks which was funded by the Friends of Ashdown Forest. The income for these projects is included in the restricted funds budget line.

5.8 The Conservators are aware of the need to increase their income and control their costs in order to maintain the level of care provided to the Ashdown Forest and to help bridge the gap to sustainability. Income generation work has been concentrated on securing at least £5,250 of

grants from parish councils and sales from the centre shop have increased. There is a lead time to additional income generating activities and this is planned to be in place for 2019/20. Where there are dependencies on the related activities the Conservators are aware that the need to balance their financial plans and dependencies on the further income opportunities.

5.9 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 2018/19 other than the £29,610 (see 5.6) and the resulting budgeted reserve balance for the year ending 2018/19 is £277,908, which exceeds the minimum balance of £182,000.

5.10 It is proposed to reduce the Council's grant by 10% from £68,200 in 2017/18, to £61,398 in 2018/19. This matches the provision in the CET budgets.

5.11 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 2018/19.

5.12 The combination of awarding the contribution and grant at the recommended level would give the Conservators a budget overspend of £29,610 which the Conservators have agreed to fund from reserves

5.13 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 £61,398 from the CET budget. These recommendations are reflected in the reconciling policy, performance and resources report in paragraph 2 of this report.

6. Annual Audit Letter

6.1 The Cabinet considered a report concerning the Annual Audit Letter (AAL) (Appendix 24) 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, including the objection from a local elector, which is currently being considered.

6.2 KPMG previously issued an unqualified opinion on the Council's financial statements on 18 July 2017. This means that KPMG believe the financial statements give a true and fair view of the financial position of the Council and of its expenditure and income for the year. The financial statements also include those of the pension fund.

6.3 The AAL was presented to the Audit, Best Value & Community Services Scrutiny Committee on 29 November 2017 for consideration.

6.4 The external audit fees for 2016/17 was £110,179 (County Council of £83,572 and the Pension Fund of £26,607) for the core audit in line with the planned fee. The grant certification work is still ongoing; the final fee will be confirmed on the outcome of that work. The costs of these additional services will be funded from existing budgets.

6.5 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.

6.6 The Council would like to extend its thanks to KPMG for their professionalism during the 2016/17 audit.

REPORT OF THE GOVERNANCE COMMITTEE

The Governance Committee met on 23 January 2018. Attendances:

Councillor Glazier (Chair)
Councillors Godfrey Daniel, Elkin, Simmons and Tutt

1. Revisions to Procurement Standing Orders

1.1 The Procurement Standing Orders (PSOs) set out how the Council governs spending by officers on goods, works and services, on consultants and contractors, and on direct care services. They cover all spend with external suppliers regardless of the source of funding (for example, revenue, capital, ring-fenced government money and/or any grant or third party funding).

1.2 They have four main purposes:

- to ensure we meet the Council's statutory duty to Best Value and to create healthy competition and markets for the goods, services and works we buy.
- to be transparent to our residents about how we spend their money.
- to make sure we spend public money legally and fairly, and to protect us from undue criticism or allegation of wrongdoing.
- to support sustainability and social value objectives, and our public sector equality duty, encouraging local small businesses.

1.3 The PSOs have been updated to take account of:

- the transformed procurement service and resulting changes to organisational structure which launched on 1 April 2017
- improvements to procurement processes aimed at more efficient delivery; including the introduction of a Sourcing Governance Board.
- improvements to strengthen contract management with the formation of the Contract and Supply team

1.4 The review included a review of policy to ensure all regulations are current and relevant. The PSOs have also addressed all relevant aspects of audit reports including:

- improved guidance for consultancy expenditure, grants, waivers and financial checks
- the role of the newly formed Sourcing Solutions Team in managing spend between £15k and £100k

A detailed explanation of the key changes is included in Appendix 1 alongside a full version of the proposed new PSOs in Appendix 2

1.5 Since the revised PSOs require changes to processes it is proposed that they be reviewed after six months to ensure these are effective. Should any amendments be required following the review a further report will be submitted in relation to these.

1.6 In proposing amendments to the PSOs we have taken into account good practice at other Local Authorities, and across the wider public sector. This has included reviewing standing orders and supporting policies from other county and unitary authorities across the South East.

1.7 The PSOs have been updated to ensure they align with the enhanced procurement service offering following a transformation of structure and process. Legislation has been reviewed and revised to ensure the Council continues to commit funds in accordance with the latest version of the Procurement Contract Regulations, and processes have been improved to provide greater assurance whilst continuing to ensure value for money is achieved as efficiently as possible.

1.8 The Committee agreed that officers be asked to consider further the engagement with local suppliers and encouraging local businesses to compete for contracts. It is therefore proposed that authority be delegated to the Assistant Chief Executive to make any further amendments to the Procurement Standing Orders in relation to this issue.

1.9 The Committee recommends the County Council to:

☆ (1) approve the revised Procurement Standing Orders as set out in Appendix 2 of the report;

(2) authorise the Assistant Chief Executive, in consultation with the Chief Operating Officer, to make any further amendments to the Procurement Standing Orders in relation to developing local suppliers and encouraging local businesses to compete for contracts.

2. Amendment to Constitution – Scheme of Delegation to Officers

2.1 The County Council's Scheme of Delegation provides the Director of Communities, Economy and Transport with authority to perform a number of functions and make certain decisions across the range of services that make up the directorate. Officers in the directorate, with support from Legal services, have undertaken a comprehensive review of the current Scheme of Delegation in order to identify changes that are deemed necessary. These changes are generally being proposed in order to either: reflect changes in legislation; provide improved clarity for how to take certain decisions and actions or reflect new, ceased and amended duties and areas of work in the directorate.

2.2 A number of the proposed amendments to the Scheme of Delegation relate to the functions performed by the County Planning Authority and the County Council's role as a statutory consultee to the planning system, particularly in the remit of the Highway Authority and Lead Local Flood Authority. Such proposed amendments are deemed necessary in order to reflect changes in legislation (e.g. introduction of Neighbourhood Planning through the Localism Act and the abolition of Structure Plans), or changes in circumstance (e.g. abolition of the Agency Agreement between the South Downs National Park Authority and the County Council).

2.3 Some of the other proposed amendments to the Scheme of Delegation are designed to improve efficiency in certain decision making processes. As an example, all planning authorities are required to prepare an annual monitoring report that, amongst other things, collates information on how planning policies have been applied in the consideration of planning applications. Such a report is very much a statement of fact and does not set any Council policy. At present, Lead Member approval is sought to publish this report and over the years it is not a decision that has generated any public interest. Should delegated authority be provided to publish this report, it will reduce the time taken to publish the report and also allow for in-year updates to be provided. Such an approach to how such decisions are taken is consistent with the approach of other planning authorities in the area.

2.4 Appendix 3 to this report identifies all the proposed amendments to the Scheme of Delegation for the Director of Communities, Economy and Transport. These are presented by way of track changes, with suggested new text underlined and suggested deletions having a strike through. The majority of these amendments are accompanied by a

'comments box', which sets out the rationale for the proposed changes. Some of the amendments are solely to identify the most up-to-date legislation, in which case no further explanation for the proposed changes is included.

2.5 It is considered that the amendments proposed to the parts of the Scheme of Delegation, which are relevant to Communities, Economy & Transport, are consistent across the directorate and wider County Council and do not undermine the democratic accountability of the Council. Some of the amendments will aid in the ability for decisions to be taken in an efficient and timely manner, which is considered particularly important where deadlines need to be met for certain actions to be undertaken.

2.6 The Committee recommends the County Council to:

☆ (1) agree to amend the Scheme of Delegation to officers as set out in appendix 3 of this report

3. Amendment to Constitution – Motions

3.1 Standing Orders 36.12 – 37.2 of the Council's Constitution deal with Motions referred to a Committee and Members' rights in relation to those motions.

3.2 Standing Order 36.12 permits the Chairman to direct that, under certain circumstances (namely where a motion is not to be included on the agenda for the next meeting of the Council as set out in Standing Orders 36.9 and 36.11), the "motion is referred to a Committee".

3.3 The custom and practice of the Council is to interpret "Committee" in this context to mean either an individual Lead Member or a Committee. For the avoidance of doubt, it is proposed to amend the Constitution to expressly state this.

Proposed amendments to the Constitution Part 4 – Rules of Procedure

Motions referred to a Committee or a Lead Cabinet Member

36.12 (1) If Standing Orders 36.9 or 36.11 do not apply, the Chairman shall direct that each motion is referred to a Committee or a Lead Member.

(2) Where a Committee or Lead Member which has considered a motion referred to it by the Chairman they shall report thereon to the Council at the earliest practicable meeting. A Sub-Committee shall report to the Council through its parent Committee.

(3) When such a motion is considered by the Council one signatory shall have a right of reply immediately before the Chair of the Committee or the relevant Cabinet member (if nominated by the Chair of the Cabinet).

Members' rights in relation to motions

37.1 Where the member or members who signed a motion are not present at a meeting at which it is to be considered, another member authorised by him or her may move the motion on behalf of a signatory.

37.2 A member or, if more than one, the first member signing a motion which is referred to a Committee or a Lead Member, shall have notice of each meeting of the Committee or Lead Member at which the motion is to be considered. He or she shall

be entitled to attend any meeting at which it is considered and to speak but not vote unless already a member of the Committee.

3.4 The Committee recommends the County Council to:

- ☆ 1) agree the changes to the Constitution as set out in this report

4. Amendments to the Council's quarterly monitoring and to the Terms of Reference of the Governance Committee relating to reports of the Local Government and Social Care Ombudsman Constitution

4.1 At the Governance Committee when the annual complaints report was considered it was requested that information regarding complaints considered by the Local Government Ombudsman (LGO) could be reported to members more regularly. It is therefore proposed that a summary of LGO findings will be reported through quarterly monitoring.

4.2 Currently the terms of reference of the Governance Committee include the exercise of the powers and duties of the Council in respect of the making payments or the provision of other benefits in cases of maladministration. It is proposed that the terms of reference of the Committee be expanded as set out below to enable the Committee to consider reports issued by the LGO where there is a finding of maladministration. The Council has not received such a report in several years, but as we reduce services we may receive such reports, and should the situation arise will want to be able to make decisions in a timely fashion:

To consider reports from the Local Government and Social Care Ombudsman where there has been a finding of maladministration against the County Council.

4.3 The Committee recommends the County Council to:

- ☆ (1) note the proposed changes to the Council's quarterly monitoring; and
- (2) agree to amend the terms of reference of the Governance Committee as set out in this report

23 January 2018

KEITH GLAZIER
(Chair)

REPORT OF THE LEAD CABINET MEMBER FOR TRANSPORT AND ENVIRONMENT

The Lead Cabinet Member for Transport and Environment met on 22 January 2018.

Also present: Councillor Osborne

1. Notice of Motion: Keeping HGVs off unsuitable roads

1.1 The following notice of motion has been submitted by Councillors Sarah Osborne and Philip Daniel:

“This Council notes:

- The damage done to many smaller roads, especially villages and rural areas, by HGV lorries using roads that are too small for them and the work done by the Local Government Association to highlight this problem.*
- Lorry sat-navs are like normal car sat-navs, but they include bridge heights, narrow roads, and roads unsuitable for trucks. In addition, they allow the driver to enter the lorry’s dimensions - height, width, weight and load – so they are only guided along suitable roads.*
- That Councils outside London and Wales are currently prevented from taking enforcement action for the minority of lorry drivers who flout weight and width restrictions, as the Government have failed to bring Part 6 of the Traffic Management Act 2004 into force for Councils in the rest of England.*

This Council calls for:

- The Government to bring Part 6 of the Traffic Management Act 2004 into force for English councils with immediate effect so enforcement action can be taken against lorries who use unsuitable roads*
- The Government to legislate so all HGVs and large vehicles install suitable sat-navs designed for lorries*
- The Chief Executive to write to our local MP[s] and the Secretary of State for Transport to bring Part 6 of the Traffic Management Act into force and to support mandatory use of suitable sat-navs for HGVs and other large vehicles.”*

1.2 In line with County Council practice, the matter has been referred by the Chairman to the Lead Member for Transport and Environment for consideration to provide information and inform debate on the Motion.

Current County Council policy relating to the control of HGVs

1.3. The County Council policy relating to the control of HGVs is attached at Appendix 1 to the report. In summary, it seeks to regulate the use of HGVs and, in recognition of the inadequate strategic road network in the county, it outlines that it is accepted that national “A” and “B” roads should be available for heavy lorries and, therefore, will disperse across the network rather than be concentrated on selected roads.

1.4. It is recognised that HGVs will still need to use our minor (“C” class and unclassified) road network for access purposes to households and businesses in our rural areas. The presence of HGVs on our minor road network is influenced by:

- Planning issues – many rural farms/premises are now used for commercial and leisure purposes as part of the diversification of the local economy, particularly in East Sussex where a significant proportion of businesses are small and medium sized enterprises, which results in HGV movements to and from these sites;
- Centralised deliveries by many businesses, resulting in one large HGV making many deliveries across a wide area instead of smaller commercial vehicles delivering from local depots;
- The use of Satellite Navigation systems misdirecting HGV drivers down unsuitable routes;
- Increasing level of internet deliveries; and,
- Overseas drivers not familiar with the local road network.

1.5. Unless there is a specific structure along a route, we are only able to implement prohibitions by way of a Traffic Regulation Order to restrict HGVs using a route as a cut through. In considering a potential prohibition, the following issues are taken into account:

- Is a more suitable alternative route available?
- Can this route be adequately signed?
- What level of enforcement is available by the Police who currently have to follow the offending vehicle through the entry and terminal point of the restriction?
- What is the real extent of the problem – where is the evidence to support the claims of increased HGV use?
- How many of these HGVs would be impacted by a prohibition (origin/destination or number plate surveys would be required for each road under consideration)?
- What are the economic impacts – how would any prohibition affect local businesses which form part of our rural economy?
- What is the environmental impact of additional signage, the cost of implementing the necessary Traffic Regulation Order (TRO), and the whole life cost of maintaining the signs both at the restriction as well as the alternative route signing?

Part 6 of the Traffic Management Act

1.6. [The Traffic Management Act](#) (TMA) was introduced in 2004 to tackle congestion and disruption on the road network. The Act places a duty on local transport authorities to ensure the expeditious movement of traffic on their road network, and those networks of surrounding authorities. Part 6 of the Act specifically relates to the civil enforcement of traffic contraventions, and gives Government the power to introduce a new framework for the enforcement of parking, bus lanes and certain moving traffic matters.

1.7. Part 6 of the TMA (2004) also enabled the introduction of the London Lorry Control Scheme (LLCS), which is often mistakenly referred to as the lorry ban. It is

administered by London Councils, and controls the movement of heavy goods vehicles over 18 tonnes maximum gross weight. It operates at night and at weekends on specific roads in London, helping to manage the environmental impact of HGV vehicles and minimise noise pollution. Enforcement is carried out in residential areas during unsociable hours through restricted use of these roads.

1.8. Not all roads in London are controlled by the scheme. There is a core network of routes, usually trunk roads and similar, along which HGVs can travel at any time without needing permission to do so. These roads are known as the Excluded Route Network (ERN). The roads on which the scheme applies are known as Restricted Roads.

1.9. During the controlled hours of the scheme, goods vehicles with permission must travel along the ERN to the closest point of their destination. The journey must be completed by using the shortest distance along restricted roads. If hauliers need to gain access via a restricted road, each vehicle will require a permission to carry out deliveries/collections within the hours of control. All journeys can be undertaken by using a compliant route in line with the Traffic Order, which is designed to ensure that goods vehicles over 18 tonnes maximum gross weight obtain a permission to use the restricted roads during the prescribed hours of the scheme. The decriminalisation of the scheme means that the operator and the driver using the restricted roads without permission will be at risk of receiving a Penalty Charge Notice (PCN).

1.10. There is nothing in the current legislation which, as the Notice of Motion called for, would enable the introduction of a similar regime to London being implemented across the rest of England. If such a regime were to be introduced, there would be a number of issues at a local level that would need to be addressed:

- For offences to be detected, they would need to be witnessed by a Civil Enforcement Officer or CCTV cameras, both of which would require significant set up costs that would need to include back office functions to identify vehicle owner, issue notices and handle any disputes.
- The potential level of offences that could reasonably be expected to be detected, particularly on the rural parts of our road network, and the level of additional enforcement resource that would be needed to make its introduction financially viable and represent good value for money.
- How additional enforcement resources would be funded as there will be no revenue stream, such as those provided by the current parking enforcement 'pay and display', to supplement the revenue generated by enforcement action.
- A significant upgrade of existing signage, including alternative route signing which is not presently provided for many of our restrictions, to ensure that any potential dispute would stand a realistic chance of being defended at adjudication. It would require significant capital funding to deliver this.
- The introduction of such a regime could potentially lead to the devaluation of some offences within Part 6 of the TMA, including moving traffic contraventions relating to one way streets, no entry, left/right turn prohibitions etc.

Satellite navigation systems in lorries

1.11. Over the last 10 years, there has been an increasing number of incidences where Satellite Navigation systems (Sat-Navs) are cited as directing HGVs along inappropriate routes, both within the county and elsewhere in the UK.

1.12. Whilst freight specific systems have been developed for use by the logistics industry, some HGV and van drivers use Sat-Nav systems that have been designed specifically for the car market. As a result, these systems take no account of the weight, height, length or environmental restrictions that HGVs have to adhere to.

1.13. We have consulted with the Freight Transport Association (FTA) on this issue who have advised that they do not believe that the Government should legislate for all HGVs and large vehicles to install suitable Sat-Nav systems, and that operators should not be forced into using Sat-Navs but, those that do, should use appropriate models which are designed for HGVs and large vehicles.

1.14. The FTA have also highlighted that Sat-Navs are a navigation aide and not a replacement for the driver's responsibility, so it is the driver that should be responsible for not taking inappropriate routes. Many operators also insist that there should not be any additional technology in the cabs of their vehicles, (i.e. no Sat-Navs) as they could be a distraction.

Conclusion

1.15. Firstly, the Notice of Motion requests the Government bring Part 6 of the Traffic Management Act 2004 into force for English councils with immediate effect so enforcement action can be taken against lorries who use unsuitable roads. Without a change in the legislation to the Traffic Management Act 2004, there is no mechanism to introduce a similar enforcement regime to that in London to control the movement of HGVs in East Sussex on certain routes, and then with specific permission to use restricted roads. Even if the legislation was in place, there are a number of issues, as highlighted in paragraph 1.10, which would need to be addressed. Additionally, the deliverability and affordability of introducing such a regime are unknown, and a clear business case would have to be made to demonstrate it represented value for money. As a consequence, it is recommended that this element of the Notice of Motion is not supported.

1.16. Secondly, the Notice of Motion requests Government to legislate so all HGVs and large vehicles install suitable Sat-Navs designed for lorries. As highlighted in paragraph 1.13, the FTA – a key stakeholder in the freight industry - would not be supportive of the introduction of such a request, and it is unlikely that Government would seek to pass the necessary legislation to enable this. Therefore, it is recommended that this part of the Notice of Motion is not supported.

1.17. Finally, the Notice of Motion also requests that the Chief Executive write to our local MP[s] and the Secretary of State for Transport to bring Part 6 of the Traffic Management Act (TMA) into force, and to support mandatory use of suitable Sat-Navs for HGVs and other large vehicles. Part 6 of the TMA 2004 does not enable local authorities outside London to control the movement of HGVs and, it is unlikely

without the FTA's support that Government will legislate the mandatory use of Sat-Navs in HGVs. Therefore, it is recommended that this part of the Notice of Motion is not supported.

1.18 However, it is recommended that the Lead Member, in consultation with the Motion's proposer and the Director of Communities, Economy and Transport, writes to the Secretary for State for Transport to highlight the issues and impacts that local authorities and local communities in our rural areas are facing as a result of the damage caused by HGVs to our minor road network.

1.19 The Lead Cabinet Member **recommends** the County Council –

✧ (1) not to agree the Notice of Motion as set out in paragraph 1.1; and

(2) to agree that the Lead Member, in consultation with the Director of Communities, Economy and Transport and the Motion's proposer, writes on behalf of the County Council to the Secretary of State for Transport to highlight the issues and impacts that local authorities and local communities in our rural areas are facing as a result of the damage caused by HGVs to our minor road network

22 January 2018

NICK BENNETT
Lead Cabinet Member for
Transport and Environment

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EAST SUSSEX FIRE AUTHORITY

Report of a meeting of the East Sussex Fire Authority held at County Hall, St. Anne's Crescent, Lewes BN7 1UE at 10:30 hours on Thursday, 7 December 2017.

Present: Councillors Barnes (Chairman), Deane, Dowling, Earl, Elford, Galley, Lambert, Morris, O'Quinn, Osborne, Penn, Scott, Sheppard, Smith, Taylor, Theobald (Vice-Chairman) and Tutt.

N.B. Apologies were received from Councillor Peltzer Dunn

The agenda and non-confidential reports can be read on the East Sussex Fire & Rescue Service's website at <http://www.esfrs.org/about-us/east-sussex-fire-authority/fire-authority-meetings/> A brief synopsis and the decisions relating to key items is set out below.

1 GOVERNANCE REVIEW PROPOSAL

- 1.1 The report set out the options and scope for an independent review of the governance arrangements of East Sussex Fire Authority.
- 1.2 The overarching purpose of the review would be to explore the application and effectiveness of the Authority's current governance practice, structures and procedures. It would also provide an opportunity to assess if existing Authority and Panel structures remained fit for purpose and whether governance arrangements were well designed and properly executed.
- 1.3 It was proposed that the review be conducted by a 3rd party external organisation in order to provide capacity, expertise and independence. The suggested key lines of enquiry for the review, which had been considered and refined by the Member Reference Group and the Scrutiny & Audit Panel, were included in the Report.
- 1.4 If the Authority agreed to the appointment of a 3rd party external organisation to conduct the review, then there would be an unfunded cost associated with this appointment. Initial indications were that the likely cost would be circa £20/25K. It was recommended that this be drawn from the Improvement & Efficiency Reserve.
- 1.5 Members asked for confirmation of the timescale and the anticipated start date. They were advised that if agreed work would commence immediately to turn the scope into a tender document, this would be circulated to Members with final approval given by the Scrutiny and Audit Panel. The Tender document would then be published. It was anticipated that the appointment of an external partner would be quick and that the initial report could be presented to the Scrutiny and Audit Panel in May 2018. The report would then be presented to the Fire Authority at its AGM in June 2018.

- 1.6 Members resolved to approve the broad scope of the proposed review and directed officers to progress on the basis of the proposed way forward detailed in the Report.

2 FIRE REFORM AND INSPECTION OF FIRE & RESCUE SERVICES

- 2.1 Members were provided with an update on the Government's reform agenda for Fire and Rescue Services, specifically in relation to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services' (HMICFRS) inspection regime and to outline the progress made by ESFRS.
- 2.2 Following the announcement by the Home Office that Her Majesty's Inspectorate of Constabulary was to be expanded to take on the role of Inspectorate of Fire and Rescue Services in England, it was anticipated that the inspections would be based on those used for Police Forces. They would consider how efficient and effective Fire & Rescue Services (FRS) are, highlighting good practice and identifying areas for improvement.
- 2.3 The inspection methodology is to be piloted in three FRSs between January and April 2018. Inspections of remaining FRS would then take place before the end of 2019. Members were informed that East Sussex Fire & Rescue Service is undertaking preparations in advance of inspection, including liaising with West Sussex and Surrey FRS to identify potential areas of collaboration.
- 2.4 Members resolved to note the update on the HMICFRS inspection regime.

3 TEMPORARY PROMOTIONS AND PENSIONABLE PAY

- 3.1 Members considered a report seeking approval for the continued application of scheme rules relating to temporary promotions and pensionable pay, including a request that Members endorse the continued treatment of temporary and acting up as pensionable pay.
- 3.2 Members queried the financial implications that might arise following a legal challenge to Cheshire FRA regarding the payment of pensionable pay. The Treasurer gave Members some context and background to the complexities of the Firefighter Pension Schemes, a national scheme that is administered locally. The HO (formerly DCLG) Fire Pensions Team no longer give guidance on the application of the Scheme, and this was the case following the Norman v. Cheshire judgement.
- 3.3 However, a sector group was established and suggested actions that FRAs should take. The Authority also took its own legal advice. An approach was then agreed through the Authority and financial provision made to cover both the ongoing revenue cost (£95,000) of additional employer's contributions, but also the retrospective cost going back six years for those allowances now determined to be pensionable (£540,000). These figures have since been revised down as better information has been received. As part of the arrangement, affected firefighters were also required to pay their employee's contributions.

- 3.4 Members asked whether temporary promotions were being used instead of permanent career progression. It was agreed that the matter of temporary promotions did need to be addressed. The two current interim Principal Officers in post meant that there was a pyramid effect of back-filling substantive posts. The process of appointing permanent staff to Principal Officer roles was underway and once complete this would see some reduction to acting-up staff.
- 3.5 Members resolved to endorse that East Sussex Fire and Rescue Service continued to treat temporary and acting up as pensionable pay and that a report detailing the number of temporary and acting up positions be produced by Human Resources and presented to a future Scrutiny and Audit Panel.

4 AUTUMN BUDGET STATEMENT UPDATE

- 4.1 Members received a report summarising the main items of interest to the Authority within the Chancellor's Autumn Budget Statement. At this stage there was limited direct impact upon the Fire Authority.
- 4.2 Members resolved to note the contents of this report.

5 FIREWATCH PROJECT

- 5.1 Members considered a report detailing the progress of the FireWatch Project and seeking approval for the provision of additional funding required to complete its implementation.
- 5.2 Members were given a brief overview and progress update of the FireWatch project which is progressing well and meeting requirements of both our HR and IT Strategies. The introduction of FireWatch is essential for enabling the Authority's People Strategy and would introduce further options for systems integration.
- 5.3 FireWatch, which is used by a third of fire services nationally, is an Integrated Management System bespoke to our requirements as a fire service. The system is modular, based on business requirements, and can be installed to suit the service's needs. Amongst other uses, the system allowed retained availability to be managed using one procedure. It could be accessed online and by mobile phone and could be viewed on display screens at all Fire Stations as well as at the Sussex Control Centre. As FireWatch was used by both East and West Sussex it would be integrated with 4i when the new system at the Sussex Control Centre was live and would allow officers to see live availability across both services.
- 5.4 Members resolved to note the progress of the FireWatch project and the benefits already delivered. They approved additional funding of £456,000 from the improvement and efficiency reserve to complete its implementation. Additionally they noted that the release of funding for the self-service and Retained Duty System pay modules was dependent on the delivery of a clearer benefits realisation plan that identified cashable and non-cashable efficiencies. It was agreed that periodic reports on project delivery would be made to the scrutiny and audit panel.

6 REVIEW OF ATTENDANCE STANDARDS CONSULTATION

- 6.1 Members considered a report seeking approval for the proposed Attendance Standards Review consultation. Consultation proposals were outlined and it was clarified to Members that they were being asked to agree to public consultation on the monitoring and reporting of response figures, not to changes in response times.
- 6.2 The draft consultation had been presented to Members at their Seminar on 17 November 2017 and following suggestions from the group changes had been made which were reflected in the paper before the Fire Authority. The consultation methods to be used included online forums, online surveys, stakeholder panels, community roadshows and paper questionnaires. Response rates to ESFRS consultations were usually high, but officers were increasing the consultation methods to ensure the best response possible.
- 6.3 Members were reassured that ESFRS was doing its utmost to ensure that the hard to reach groups across the County would be contacted. The consultation database contained over 500 local organisations, Members agreed to pass on the details of any groups they knew so they might be added to the database if missing.
- 6.4 Following a discussion on the final option for the target times to be consulted on, Members resolved to agree that the consultation be conducted on the targets detailed at paragraph 5.1 of the report, subject to review by the Scrutiny and Audit Panel if regularly exceeded. They approved the draft plan for consultation, approved the proposed 8 week consultation period and the consultation and communications plan.

7 GRENFELL TOWER INCIDENT RESPONSE AND IMPACT

- 7.1 Members considered a report summarising the ESFRS response to the tragic fire at Grenfell Tower in London and the longer term impact and proposed plans to manage any risk associated with the potential outcome of the inquiries associated with the fire.
- 7.2 In the days immediately following the fire, ESFRS acted quickly to provide public reassurance, conducting joint inspections on blocks of high rise flats and NHS premises. These inspections found that whilst a number had been renovated, including the application of cladding, none were identified as having Aluminium Composite Material (ACM) in the panels.
- 7.3 Members were informed that it was anticipated the requirements of fire safety might change and that it was essential ESFRS took a proactive approach to managing the risks with existing resources and that we look to shape the way we deliver services in the future. With current resources, ESFRS can respond effectively.

- 7.4 Members were reminded of the sprinkler match funding project that the Service was involved in and informed of its progress to date. Sprinklers were the most effective way to ensure that fires are suppressed or even extinguished before fire crews can arrive. An investigation by the National Fire Chiefs Council (NFCC) indicated that sprinklers operate on 94% of occasions and that they then extinguish or contain the fire on 99% of occasions. Following Grenfell, the importance of this project was emphasised, Members had already committed £400,000 to match fund sprinkler initiatives and a further £200,000 was sought to be able to support more schemes.
- 7.5 Members resolved to note the report, approving the review of Business Fire Safety and alignment with Safer Communities subject to final costs. The also approved the evaluation of a new risk based inspection tool to better identify premises of high risk. An additional £200,000 funding from reserves to support the Sprinkler Match Funding project was approved and Members requested that a letter be sent to central government urging the mandatory requirement of sprinklers in future developments.

COUNCILLOR JOHN BARNES
CHAIRMAN OF EAST SUSSEX FIRE AUTHORITY

7 December 2017

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