



Meeting of
East Sussex County Council
on Tuesday, 4 December 2018
at 10.00 am

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EAST SUSSEX COUNTY COUNCIL

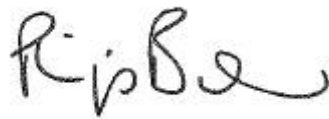
To the Members of the County Council

You are summoned to attend a meeting of the East Sussex County Council to be held at Council Chamber - County Hall, Lewes, **on Tuesday, 4 December 2018 at 10.00 am** to transact the following business

- 1 **Minutes of the meeting held on 16 October 2018** (Pages 5 - 12)
- 2 **Apologies for absence**
- 3 **Chairman's business**
- 4 **Questions from members of the public**
- 5 **Report of the Cabinet** (Pages 13 - 18)
- 6 **Report of the Governance Committee** (Pages 19 - 22)
- 7 **Questions from County Councillors**
 - (a) Oral questions to Cabinet Members
 - (b) Written Questions of which notice has been given pursuant to Standing Order 44

Note: There will be a period for collective prayers and quiet reflection in the Council Chamber from 9.30 am to 9.45 am. The prayers will be led by the Reverend Paul Mundy, St Mary's Church, Newick. 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

26 November 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 16 OCTOBER 2018 at 10.00 am

Present Councillors John Barnes MBE, Matthew Beaver, Colin Belsey, Nick Bennett, Bill Bentley, Phil Boorman, Bob Bowdler, Tania Charman, Martin Clarke, Godfrey Daniel, Philip Daniel, Angharad Davies, Claire Dowling, Simon Elford, David Elkin, Nigel Enever, Michael Ensor, Kathryn Field, Roy Galley, Keith Glazier, Darren Grover, Carolyn Lambert, Tom Liddiard, Laurie Loe, Carl Maynard, Ruth O'Keeffe MBE, Sarah Osborne, Peter Pragnell (Chairman), Pat Rodohan, Phil Scott, Jim Sheppard (Vice Chairman), 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

29 Minutes of the meeting held on 10 July 2018

29.1 RESOLVED – to confirm as a correct record the minutes of the County Council held on 10 July 2018 as a correct record.

30 Apologies for absence

30.1 Apologies for absence were received from Councillors Charles Clark, Chris Dowling, Stuart Earl and Gerard Fox

31 Chairman's business

STUART EARL

31.1 The Chairman informed the Council that Councillor Stuart Earl had been admitted to a hospice. On behalf of the Council the Chairman stated that the Council's thoughts were with Stuart and Deirdre at this time. It was noted that the family had asked that councillors refrain from contacting them at this difficult time.

CHAIRMAN'S ACTIVITIES

31.2 The Chairman reported that he had attended a number of engagements since the last meeting including: the grand opening of Thomas Exley's wheelchair swing, a cream tea organised by Hastings and Rother Voluntary Association for the Blind, the Dieppe raid commemorations, a Citizenship ceremony, a Victoria Cross Memorial Stone Ceremony, a National Piers Society event. I also attended the Royal visit at the Joff Centre, Peacehaven, a production of Mamma Mia at the Azur hosted by the St Leonards Dementia Action Alliance, the National Town Crier competition and that he had hosted a tea for volunteers. The Vice Chairman had also attended a number of events including the High Sheriff's Judicial Service and a School Award Ceremony

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PRAYERS

31.3 The Chairman thanked the Right Reverend Martin Warner, the Bishop of Chichester, for leading the prayers before the meeting.

PETITIONS

31.4 The following petitions had been received from members immediately before the meeting:

Councillors Charman and Webb	- calling on the County Council not to close the Isabel Blackman Centre, Hastings
Councillor Grover	- calling on the County Council to stop night working at the scrap metal business in Newhaven

32 Questions from members of the public

32.1 Copies of the questions asked by Marie Hennelly from Eastbourne, Malcolm Pither from Seaford, Hugh Dunkerley from Brighton, Patricia Patterson-Vanegas from Forest Row, Frances Witt from Lewes, Richard Moore from Lewes and Councillor Johnny Denis from Ringmer (on behalf of Emily O'Brien from Newhaven) and the answers from Councillor Bennett (Lead Member for Transport and Environment), Councillor Glazier (Leader and Lead Member for Strategic Management and Economic Development), Councillor Stogdon (Chair of the Pension Committee) and Councillor Simmons (Lead Member for Economy) are attached to these minutes. Supplementary questions were asked and responded to.

33 Declarations of Interest

33.1 The following member declared a personal interest in items on the agenda as follows:

Member	Position giving rise to interest	Agenda item	Whether interest was prejudicial
Councillor Shuttleworth	Chair of the Trustees of the Langney Community Library	Item 6a	No

34 Reports

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

Cabinet report – paragraphs 1, 2 and 3

35 Report of the Cabinet

Paragraph 1 (Council Monitoring), Paragraph 2 (Reconciling Policy, Performance and Resources – State of the County) and Paragraph 3 (Ofsted Inspection of Children's Services)

35.1 Councillor Glazier moved the reserved paragraphs of the Cabinet's report.

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35.2 The motions were CARRIED after debate

36 Questions from County Councillors

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

Questioner	Respondent	Subject
Councillor Ungar	Councillor Glazier	Council's ability to respond to any impact arising from Brexit
Councillor Field	Councillor Standley	Period of time to implement an EHCP following a High Court judgment finding in favour of a young person and family
Councillor Shuttleworth	Councillor Bentley	Update regarding position in relation to the seven libraries the Cabinet agreed to close and the progress made in relation to community libraries opening
Councillor Charman	Councillor Standley	Use of pupil premium budgets in East Sussex Schools
Councillor Stephen Shing	Councillor Bennett	Fly-tipping following the introduction of charges at HWRS
Councillor Tutt	Councillor Bennett	Cost of replacing parking meters in Eastbourne
Councillor Philip Daniel	Councillor Bentley	Relationship between the parking service and library service including the impact on library service staff
Councillor Daniel Shing	Councillor Bennett	Prosecution of highway related offences

WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44

36.2 There were no written questions from councillors.

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 12.16 pm

The reports referred to are included in the minute book

QUESTION FROM MEMBERS OF THE PUBLIC

1. Question from Marie Hennelly, Eastbourne, East Sussex

The pavements in Eastbourne are currently in a disgraceful condition and getting worse. Too many residents are tripping on uneven pavements and requiring treatment at our local hospital. Residents, visitors etc are deterred from using some pavements as the risk of injury is very high. I ask that East Sussex County Council, on behalf of the residents of Eastbourne, undertakes a funding programme from the Eastbourne Controlled Parking scheme including fines, to roll out a programme of improvements to the pavements in Eastbourne commencing 2019/2020. This programme to be reviewed annually over the first 5 years.

Response by the Lead Member for Transport and Environment

Thank you for your question, I receive a lot of enquiries about maintenance of pavements across the county and this is a priority area for the County Council. In 2017/18 the County Council provided an additional £300,000 per annum for pavement maintenance and now invests £1.6m each year maintaining pavements across the county. But with over 2400km of pavement across the county our maintenance has to be prioritised on the basis of need, we do not allocate our maintenance budgets by geographical area or by town or village.

The County Council has invested over £720,000 in the maintenance of pavements in Eastbourne over the last couple of years, including the following roads: Link Road, Victoria Drive, Pevensey Road, Cornfield Lane, Seaside, East Dean Road, Sevenoaks Road, Bedford Grove, Meads Street, Austen Walk, Ashgate Road, Woodpecker Road and Swallow Close. And next month we are planning maintenance in Shakespeare Walk and Carrol Walk.

You call for Parking Surplus to be used for pavement maintenance. Whilst parking surpluses can be used for the maintenance of pavements, the County Council (in conjunction with Eastbourne Borough Council) is investing £2.0m from parking surplus into the Town Centre Regeneration Scheme improving the pavements in Terminus Road, Cornfield Road and Gildridge Road. We are also using parking revenues to replace all of the pay and display parking machines in Eastbourne with new modern machines which will further deplete parking surpluses for several years.

In the meantime, if you have concerns about the condition of particular pavements in the town perhaps you would be good enough to let me, or your local county councillor know, and we can arrange for the Highway Steward to carry out an inspection and arrange appropriate repairs. Alternatively you could report these to our Highways Contact centre on 0345 6080193 or customer@eastsussexhighways.com

2. Question from Malcolm Pither, Seaford East Sussex

Demand for a People's Vote on the final terms of Brexit is growing. Campaigners point out that none of us voted for a bad deal or no deal that would wreck our economy. Nor do they accept that either is inevitable. If the Brexit deal is rejected by Parliament then the public should have the democratic right to determine our own future by a People's Vote on the final Brexit deal.

Will East Sussex County Council join other councils in supporting the demand for a People's Vote?

Central government has prepared papers on the economic impact of Brexit. What research has been done to assess the impact of Brexit on East Sussex, particularly on the impact on our businesses and associated supply chains? What plans has the County Council put in place for Brexit?

Response by the Leader and Lead Member for Strategic Management and Economic Development

The Council has not asked for a further referendum on Brexit.

It has done no specific research into the effects of Brexit on the County or its businesses or their supply chains. As your question says this work is being done nationally and is augmented by input from business organisations. Replication of this work ahead of firm national proposals would not be a good use of the Council's resources.

We understand that the Government is looking at a number of work streams in relation to Brexit:

- citizens' rights
- Workforce
- Trading Standards (particularly in relation to weights and measures at ports)
- Structural Funds
- Ports and Borders
- Community Cohesion
- Economy

And we will work with them to understand any impacts there might be for the County Council.

3. Question from Hugh Dunkerley, Brighton

In a December 2017 response to a question from a member public, Councillor Stogdon pointed to the climate change disclosure resolution at last year's ExxonMobil AGM – backed by 62% of shareholders – as an 'important' result of its engagement policy.

What is the Fund's assessment of Exxon's response to this disclosure resolution: its Energy and Carbon Summary, published this February?

Response by the Chair of the Pension Committee

The resolution made it clear to the ExxonMobil Board of Directors that climate change risks are important to shareholders. Creating the report has forced the Board to consider these risks in their business model and making them accountable for them. This is a step in the right direction and shows through active shareholder engagement it can get those companies it is invested to improve their corporate behavior. Improvements made by these engagements lead to an increase in the long term value of the Fund's investments. The Committee believes that these can be maximised by collaborating with other likeminded investors to increase the pressure for change and encourages improvements to be made.

4. Question from Patricia Patterson-Vanegas, Forest Row, East Sussex

Earlier this year, the former deputy controller of New York State, Tom Sanzillo, wrote in the Financial Times that “any engagement with the fossil fuel industry, short of a demand for managed decline and a halt to new fossil fuel investment, has become financially unsound.” (Stop reasoning with the oil majors and sell their shares instead, Financial Times, 8 March 2018, <https://www.ft.com/content/b5346cac-1e45-11e8-a748-5da7d696ccab>). Will the Pension Committee set a deadline for the oil and gas companies that the East Sussex Pension Fund is invested in to agree to these demands, divesting if they fail to do so?

Response by the Chair of the Pension Committee

The Committee has delegated individual stock selection to its active investment managers as they are best placed to carry out the detailed research on companies.

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. Furthermore, it denies the 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. The Committee has reserved the right to apply ethical or environmental criteria to investments where relevant and appropriate on a case by case basis.

5. Question from Frances Witt, Lewes, East Sussex

What is the current value of the Fund’s investments in oil and gas, and what percentage of its total equity assets does this represent? How are these figures anticipated to change once the East Sussex Pension Fund has enacted its decision to ‘[put] 11% of the Funds held in [its] passive investment portfolio into the UBS Climate Aware Fund’ (Written answer to Hugh Dunkerley, 15 May 2018)?

Response by the Chair of the Pension Committee

The Pension Fund estimates its exposure to Oil and Gas producers are in the region of 4.0% of the fund total investments, which would represent 6.5% of its total equity investments. This is constituted by direct investments of £6.2m around 1.6% of the Fund’s direct equity investments and an estimate of its indirect investments of around 7.5% (circa £138.8m). The exact figure invested via our indirect investments is not available due to the nature of the investments. The exposure to Oil and Gas producers in the indirect passive investments are determined by the index that the committee has set the manager to track.

The investment into the climate aware fund took place in June 2018 and has been incorporated into the figures provided above.

6. Question from Richard Moore, Lewes, East Sussex

Does the East Sussex Pension Committee accept that:

(a) ‘The global energy system is transitioning from a global system based mainly on fossil fuels to one based mainly on renewable energy sources’; and

(b) that, based on the evidence of past energy transitions, 'the most important phase for financial markets is the peaking phase, the point at which demand for the old energy source peaks' ('2020 Vision: Why you should see peak fossil fuels coming', Carbon Tracker, September 2018, <https://www.carbontracker.org/reports/2020-vision-why-you-should-see-the-fossil-fuel-peak-coming>)?

Response by the Chair of the Pension Committee

To mitigate asset risk the Pension Fund's strategic asset allocation benchmark invests in a diversified range of asset classes.

The Pension Committee is committed to actively exploring carbon light options and smart beta approaches to our investment in order to reduce inadvertent exposure to those fossil fuel companies with unsustainable business models and those companies involved in very high carbon intensive businesses, taking into consideration the Committee fiduciary duties and potential financial and non- financial risk.

7. Question from Councillor Johnny Denis, Ringmer, East Sussex (on behalf of Emily O'Brien, Newhaven, East Sussex)

Recently, despite the dire state of finances and clear public opposition, the County Council committed to spending £23 million on the Newhaven port access road part 2, comprising a concrete flyover onto historic Tide Mills Beach in Seaford Bay. The council refused to let the public see the business case until the after the funding was already a 'done deal'.

Surprisingly, when the business case was finally released, it did not fully explore the obvious alternative route through the new Eastside South business park just 150m away. As well as being far shorter and therefore cheaper, this route would avoid the need for the complex and expensive - and visually entirely inappropriate - concrete flyover. At the time, the business park was awaiting construction so this was the perfect time to integrate a new road layout. Yet this option is only touched on briefly and immediately dismissed, supposedly because of the difficulties of crossing the Pargut flood bank and the need to improve the existing level crossing with the port area.

These two difficulties identified might to some of us seem a little on the minor side, compared to building a concrete flyover spanning not only the flood bank but both the creek and the railway line. Never mind the challenge of construction within a flood zone, within a designated local wildlife site, and on the edge of a national park. Or the difficulties of building onto shingle - noting that the recent construction nearby required foundations 60m deep.

My question is, therefore, is why does the business case contain no full detailed and comprehensive analysis of the relative costs and benefits of this route option vs the flyover option?

Response by the Lead Member for Economy

The question raised by Ms O'Brien has previously been the subject of much correspondence between her and the CET Department, as well as having also been discussed in correspondence between her and the Department for Transport.

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The issue of alternative alignments for the road has also been comprehensively addressed within our business case, which is publically available on our website (<https://www.eastsussex.gov.uk/roadsandtransport/roads/roadschemes/newhaven-port-access-road/funding-and-delivery/>) and sections 2.8 and 3.4 in particular refer.

There are also a number of inaccuracies within Ms O'Brien's assertions. The business case was available on our website on 23 July 2018; the funding announcement was not made by the Department for Transport until 20 August 2018. Therefore it is not correct to state that "*The council refused to let the public see the business case until after the funding was already a 'done deal'.*" It is also unlikely that "*recent construction nearby required foundations 60m deep*". Whilst the ground conditions in Newhaven do present some engineering challenges, the foundations for the bridge will be in the order of 35-40m deep.

The particular alternative route described by Ms O'Brien was not fully appraised for a number of reasons. Firstly, because the parcel of land over which the suggested alternative route would cross is an allocated site for development, so to re-route the Newhaven Port Access Road through there would restrict the development potential of that site. Secondly, any such link would still need to cross over the Pargut Flood bank and so still require earthworks and a structure similar to that shown on the plan at Figure 19 of our business case. Thirdly, the suggested route would also bring traffic out onto Beach Road and so Port traffic would still have to cross level crossings to gain access into the Port. Nationally, Network Rail are increasingly looking to close level crossings, or limit their use, and any intensification in use of the level crossings into the Port would not have been supported. The road layout under construction through the Eastside South Business Park that Ms O'Brien suggests as an alternative route to the approved Newhaven Port Access Road scheme, is an internal road layout for the business park only and so is neither designed for, nor able to accommodate, through traffic that would be generated by the Port.

In conclusion, the proposed alignment of the Newhaven Port Access Road, for which we have planning approval and the funding to deliver, is the most appropriate as it will provide better access into the Port and remove the constraints on the Port's development, maximise the development opportunities within the Newhaven Enterprise Zone and resolve the current amenity and environmental impacts generated by existing traffic on Railway Road and Beach Road.

REPORT OF THE CABINET

The Cabinet met on 13 November 2018. Attendance:-

Councillor Glazier (Chair)

Councillors Bennett, Bentley, Elkin, Maynard, Simmons, Standley and Tidy

1. Reconciling Policy, Performance and Resources

1.1 The Cabinet agreed in July that the next steps of the Reconciling Policy, Performance and Resources (RPPR) process was to ground our planning in a “Core Offer”. The Core Offer is an articulation of what officers consider the minimum outcomes a competent and efficient Council could expect to be able to provide by 2020/21 having regard to East Sussex County Council’s agreed priorities with the resources it anticipates having available to it over the next three years. The backdrop is the saving of £129m made over the last eight years, and the work we have done to ensure we are efficient and maximise the availability of resources to front line services. The Core Offer is ambitious but realistic: seeking to maintain our track record of delivering excellent services, innovation and providing good value for money. The Core Offer is an articulation of what we believe local people most need from the Council. This is based on the Council’s agreed priorities, local knowledge, evidence of need and demand and Members’ ambitions for East Sussex. It will act as a focus for our planning on how best to deploy the £390m/pa funding we will have by 2021/22. Agreement is not being sought now to reduce services to the Core Offer. Decisions relating to changes in policy, service delivery and reductions in services leading to only the Core Offer being provided, will be taken in the usual way through the RPPR process and in accordance with the Council’s constitution.

1.2 The Core Offer considered by the Cabinet is set out in Appendix 1 and is based on the four priority outcomes that Members have agreed: driving sustainable economic growth; keeping vulnerable people safe; helping people to help themselves; and making best use of resources. This means that we will continue to support economic development because the County’s economy lags behind the rest of the South East and providing access to high quality employment is the single most important thing that can be done to reduce avoidable reliance on public services. It also means that some element of preventative services are included in the Core Offer where they prevent immediate need for more costly interventions. Enabling people to help themselves to live independently gives better health, wellbeing and quality of life for individuals and families and reduces the need for more costly intervention in the very short term.

1.3 The Core Offer will need to evolve over time as the needs of local people change and new ways of meeting needs become available.

1.4 The Core Offer is not the ideal that we would wish to be able to provide but seeks to capture what is most appropriate and possible in a time of austerity. We have already removed a number of early intervention and preventative services, which we know help to maintain the resilience of communities and individuals and whose removal may lead to increased costs in the long term. The proposals which form the Core Offer make further reductions in these services. However, building local people’s long-term health and wellbeing is better than stepping in when families and individuals are in crisis so the Council would want to reinvest in these areas if our financial situation were to improve.

1.5 We will also continue to innovate and be creative about how we work to make the best use of the available resources. Extensive work and change will be required by the County Council and with partners to deliver the Core Offer as effectively as possible. We will work across the Council to make sure that we are maximising the use of all funding and resources to achieve the best outcomes we can for local people, including the best use of public health resources. We will also

continue to compare our costs and practices with others to make sure we are making the best of every penny we spend.

1.6 The partnership work we undertake with all or local partners, particularly with health and the voluntary and community sector, will continue to be vital and also evolving in nature.

1.7 Getting the Core Offer right and clear, so that we can use it in discussion with residents, businesses, the Government, our partners and stakeholders is crucial. This means being clear about what is most needed from the Council for children and young people in the county, for adults with disabilities or who are vulnerable, for older people and what our universal offer is to all residents. This will ensure that we are looking across the Council at our offer to residents and businesses rather than through any departmental silos.

1.8 The Core Offer will help us in our lobbying with Government to set out the realistic level of funding we need to continue to serve local people adequately. We have listed both the areas that we consider should be included in the current Core Offer and the proposed current areas that would be excluded. The Core Offer proposed by Chief Officers and considered by the Cabinet is set out in Appendix 1. In drawing it up and considering the resources required to deliver it, Chief Officers have aimed to be realistic but ambitious about the level of service that can be maintained with minimum resources. It will however rely on a huge effort by our already reduced workforce, continued creativity and innovation working with our partners and may risk our ability to meet statutory guidance and deadlines.

Medium Term Financial Plan

1.9 The latest update of the Medium Term Financial Plan (MTFP) is set out in Appendix 2. Whilst we have had the Chancellor of the Exchequer's budget announcements which have implications for local government, the direct effect on our position will not be certain until we receive the provisional local government settlement which is expected on 6 December. The Budget included welcome announcements of some additional funding for Children's and Adults' Social Care of £410m nationally in 2019/20. In addition £240m has been announced to help relieve winter pressures on the health system, continuing the winter pressures allocation of £240m already announced for 2018/19. We do not know, however, what the County Council's share of the £410m will be; whether the Government will split the funding between Children's and Adults or whether it will be for Councils to decide how to spend their shares and what, if any, conditions will be placed on the funding. £420m was also announced to fix potholes and carry out other highways repairs in 2018/19. Again we do not know how much of this East Sussex will receive or what restrictions will be placed on the use of funding. The additional funding, whilst helpful, is one off. It will not, therefore, change our savings requirement, unless the Government gives a commitment to replicate the funding for remainder of the MTFP period. Neither is it sufficient to close the budget gap. The Chancellor, although saying austerity is coming to an end, also said that plans may need to be reviewed if there were to be a no-deal Brexit and that the next period would be one of "continued financial discipline". Funding for local government is therefore unlikely to improve and may get worse. Further savings are therefore inevitable unless new Government funding becomes available.

1.10 There are a number of other areas of uncertainty. For example we still await the outcome of the bid by East Sussex Councils to be a business rate retention pilot. In the longer term the Government is still working through proposals for future funding of local government once it has removed all Revenue Support Grant. All these factors will have an effect on our MTFP. In addition, work continues on a number of proposals that finance and support the changing costs of service delivery. The paragraphs below set out how these scenarios may affect the current MTFP.

1.11 The projection of Government funding is based on what has been confirmed in the latest Local Government Financial Settlement. The Council's funding will reduce by a further net £15.1m

over 2019/20 - 2021/22. In the same period there are unavoidable costs to cover projected inflation, demographic and service pressures of £64.8m. This equates to a real term loss of purchasing power over this three year period of £79.9m. Forecast increases in Council Tax receipts brings £34.2m additional funding but this still leaves a shortfall in spending power of £45.7m, which represents the current forecast savings requirements.

1.12 The updated MTFP sets out a worst case scenario deficit budget position by 2021/22 of £45.7m.

MTFP (cumulative)	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Total Resources	(374,254)	(381,027)	(390,411)
Total Expenditure	390,979	417,362	436,112
Total Budget Deficit	16,725	36,335	45,701

1.13 The annual budget deficits are set out in the table below:

MTFP (annual)	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Annual Budget Deficit	16,725	19,610	9,366
Savings from move to Core Offer	(5,844)	(4,495)	(1,972)
Remaining Annual Budget Deficit - subject to further areas of search	10,881	15,115	7,394
Cumulative Budget Deficit	10,881	25,996	33,390

1.14 The development of the Core Offer has identified savings of £12.3m (Appendix 3), leaving a total deficit of £33.4m to be identified. The work continues on the following areas of search, with the “indicative range” showing the potential opportunities to contribute towards the total deficit:

1.15 *National funding (indicative range: £0-6m for permanent relief; £5-7m for one-off funding)*
There are potential positive impacts of a number of national funding streams:

- recent Budget announcements (see para 1.9 above);
- further announcements from the provisional and final Local Government Settlement;
- the Fair Funding Review: a revised formula for Local Government funding allocation is awaited. The timeline for implementation is 2020/21;
- Business Rates Retention 75% Pilot 2019/20 (one year only): ESCC together with Eastbourne BC, Hastings BC, Lewes DC, Rother DC and Wealden DC, have submitted a bid to be a pilot area for 2019/20. The potential gain for the authority has been estimated at £1.6m. The successful bids will be announced as part of the Local Government Finance Settlement;
- Business Rates Retention (BRR): the longer term model for BRR has yet to be announced and will be informed by the learning from the 75% BRR Pilot for 2019/20;
- Comprehensive Spending Review 2019: Central Government is set to review funding allocations to all departments, which will impact from 2020/21 but no information is available at this stage; and
- Older People Social Care Green Paper: now delayed until the autumn but unlikely to provide additional funding until after the Comprehensive Spending Review (CSR) and General Election.

1.16 *Cost of Operations (indicative range: £2m-4m):* including:

- the assessment of inflation, using Office of Budget Responsibility and CPI indices;

- the review of current fees and charges, assessing levels of collection, comparing with benchmarking data and assessing the opportunities to raise existing, and set new, fees and charges; and
- through established protocols, assess the level of pressures and appropriateness of funding through the MTFP; and
- improving the way we work across the council through: technology, digital and Artificial Intelligence; removing duplication and improving efficiency and commercialisation.

1.17 *Financing (indicative range: £3m-8m):* including:

- updating the Treasury Management Strategy, with consideration of the basis for the calculation of the Minimum Revenue Provision, opportunities to reduce the cost of debt and increase the level of investment income;
- updating the Capital Strategy, with consideration of the impact of current capital programme slippage, reassessment of service needs and opportunities for refinancing the programme, including reduction in the revenue contribution to capital; and
- reviewing the overall use of Working Capital to support the MTFP.

1.18 The areas of search and possible impact of national funding announcements, add a significant level of complexity in setting a balanced budget for 2019/20 and a deliverable MTFP to 2021/22. Options will be developed in the intervening period to Cabinet in January 2019 and Full Council in February 2019.

1.19 In addition to all these areas of uncertainty, the effects of Brexit on the economy of the country, the duties the Government expects us to carry out and the workforce available to both the Council and the service providers on whom we rely, particularly in the Care Sector, remain unclear. It will be an additional factor that we need to take into account as the details of any deal and the practical realities begin to emerge.

Savings proposals

1.20 The initial savings proposals attached at Appendix 3 would take the Council to its Core Offer and would reduce the budget by £12.3m over the next three years. They will be subject to consultation and impact assessment before any final decisions are made. The Cabinet has agreed to these areas of search for savings ahead of further work and scrutiny.

Communication, Consultation and Lobbying

1.21 The Council is using its best endeavours to live within its means and is continuing to work to make sure it is making the best use of resources. It remains unlikely, however, that even the Core Offer will be sustainable by the end of the next three year planning period. Lobbying will continue, therefore, to try to achieve a realistic settlement from Government in the short term leading up to the Comprehensive Spending Review. We will also make the case that in the long term, a truly “fair funding review” needs to recognise that the resources needed to meet local need cannot be raised from East Sussex residents and businesses. The economy and demography of the County mean that it is imperative that national funding solutions are found to fund the growth in demand for social care for older people.

1.22 In addition, the Council is asking for more local discretion about what services it provides and the choice to charge for some services. If funding is all to be obtained locally, local people should have a greater say in what is provided with that funding.

1.23 A programme of communications and engagement is being launched with residents, staff, stakeholders and partners about our Core Offer. We will also be carrying out statutory consultation and impact assessment on the overall budget proposals. More detailed impact

assessments and consultations with those likely to be affected will be carried out in advance of any specific saving proposal being considered.

Staffing Impacts and Implications

1.24 Moving to a Core Offer and the need to make savings may lead to a reduction in staffing. These are yet to be identified and quantified. The County Council has established robust employment protection policies and will continue to try and avoid making compulsory redundancies, wherever possible.

13 November 2018

KEITH GLAZIER
(Chair)

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REPORT OF THE GOVERNANCE COMMITTEE

The Governance Committee met on 13 November 2018. Attendances:

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

1. Notice of Motion: Webcasting of Scrutiny Committee meetings

1.1 The following Notice of Motion has been submitted by Councillor Ungar:

"That this Council will, from the date of agreeing this motion, live webcast all its Scrutiny Committee meetings with the exception of when dealing with confidential/exempt items as directed by the Council's Monitoring Officer."

1.2 In line with County Council practice, the matter was referred by the Chairman to the Governance Committee for consideration to provide information and inform debate on the Motion.

1.3 The County Council currently webcasts a range of meetings to increase accessibility to the public, particularly in relation to the decision making process. The meetings which are currently webcast on a regular basis are:

- County Council
- Cabinet
- Planning Committee
- Health and Wellbeing Board
- East Sussex Better Together Strategic Commissioning Board
- Health Overview and Scrutiny Committee (HOSC)

1.4 The Council recently undertook a review of its scrutiny arrangements and introduced a new committee structure from May 2018 comprising People Scrutiny Committee, Place Scrutiny Committee and HOSC.

1.5 During the review of scrutiny arrangements Member feedback was sought to inform a range of possible changes to the scrutiny process as well as changes to the committee structure. Feedback received with regard to webcasting of scrutiny meetings fell into two themes:

- some Members felt that webcasting of meetings would restrict an open and frank debate and would potentially result in some Members and officers feeling inhibited;
- some were of the view that webcasting of these meetings would result in them becoming more politicised.

1.6 No members expressed support for webcasting Scrutiny Committees in their feedback.

1.7 A report to Governance Committee and subsequently to County Council in March 2018 proposing the new scrutiny arrangements summarised the feedback from Members in relation to webcasting and set out the proposed way forward:

"Some Members have suggested that webcasting Scrutiny Committees can hinder effective Member participation. Cabinet and Full Council meetings are webcast and it is at these meetings where the outcomes of scrutiny work are visible and the discussion itself of greater

public interest. There is therefore a good case against the automatic webcasting of meetings of the Place and People Scrutiny Committees.”

“HOSC, on the other hand, undertakes an important role in holding the health service to account and doesn't report to Full Council. On some occasions, its meetings have attracted thousands of webcast views. The media and external partners regularly view HOSC webcasts due to the public interest in the subject matter. It is therefore recommended that HOSC meetings continue to be webcast.”

1.8 The report also commented on the potential for using digital technology to support scrutiny in a more flexible and targeted way within the new scrutiny arrangements:

“Given the now widespread access to fast broadband in the County there is now an opportunity to rethink the use of technology to assist and speed up some aspects of scrutiny work. For example, webcasting technology can be used efficiently to solicit public views as part of a scrutiny review, as can judicial use of social media. Web based surveys can now be deployed quickly and easily using applications such as Survey Monkey. Such technology has already been used to good effect elsewhere.”

1.9 The issue of webcasting was also discussed at a meeting of the Scrutiny and Audit Chairs and Vice-Chairs in July 2018. The note of the meeting records the outcome of the discussion as follows:

“A majority of the Group was satisfied with the current webcasting arrangements whereby the Scrutiny and Audit Committees (apart from HOSC) are not webcast but the technology is available and could be useful under certain circumstances. The current position flows from the Member comments received in the consultation for the new scrutiny arrangements which were in turn reflected in the Governance Committee report to Council.”

1.10 As anticipated by the review of scrutiny arrangements, the new People and Place Scrutiny Committees are undertaking most of their detailed scrutiny work through sub-groups and Review Boards with the focus of the main Committee meetings shifting towards the management and oversight of the wider scrutiny work programme. Scrutiny Committee scrutiny review reports are submitted to the Cabinet and Full Council for consideration and, where required, decision. Cabinet and County Council meetings will continue to be webcast providing the opportunity for the debates on the issues which have been considered by the Scrutiny Committee to be viewed by interested parties.

1.11 A review of the websites of other top tier local authorities in the south east indicates a variety of approaches to webcasting scrutiny meetings, ranging from no webcasting to webcasting all committees. There does not appear to be a consistent approach and the availability or otherwise of webcasting does not provide any indication of the effectiveness of the scrutiny process at these authorities.

1.12 Webcasting all Scrutiny Committee meetings would be possible within the existing webcast service contract without additional cost. There would be a limited resource implication arising from webcasting more meetings as an additional member of staff would be required to attend the meeting to operate the system, along with associated preparation time. This would have some, but not a significant, impact on the time available to support wider scrutiny activity, such as Scrutiny Reviews. Unless webcasting facilities were made available in other Council rooms (which would have resource implications), it would be necessary to hold all Scrutiny Committee meetings in the Council Chamber as this is the only room currently equipped for webcasting.

1.13 The Notice of Motion requests the live webcasting of all Scrutiny Committee meetings (with the exception of confidential/exempt items). The use of webcasting has been kept under review over a number of years with changes made in response to Member feedback. The current approach to webcasting scrutiny flows from Member feedback received during

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the recent review of scrutiny arrangements as set out in this report. It also reflects the current majority view of the Scrutiny and Audit Chairs and Vice-Chairs. Webcasting technology can be used flexibly to support effective scrutiny work and its use will continue to be subject to review in response to the changing needs and views of Members.

1.14 The Committee recommends the County Council to:

- ✧ reject the Notice of Motion set out in paragraph 1.1 of this report.

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