

1. Engagement Feedback on RPPR

1.1 Each year the Council engages with all Members and a wide range of stakeholders, including the Trade Unions and young people on its proposals for actions, spending and savings for the following spending cycle. This appendix sets out a summary of the feedback received to date. The meeting with the Trades Unions is due to take place on 18 January 2017 and a summary of the views expressed will be tabled at the Cabinet meeting.

2. Scrutiny Boards

2.1 All Scrutiny Committees held Boards and considered the draft Portfolio Plans and savings plans towards the end of 2016. A summary of the comments from each Committee is set out below.

Adult Social Care and Community Safety Scrutiny Committee

Attendees: Councillors Davies (Chair), Belsey, Sheppard and Ungar

2.2 The Board discussed the overall financial position in relation to Adult Social Care (ASC), noting the following:

- The Council's budget situation remains unclear until the national funding settlement announcement.
- The overall savings requirement for ASC remains the same as reported to Cabinet in October but there has been some change to individual elements of the proposed savings plan.
- The 2% ASC precept is built into the Council's Medium Term Financial Plan. If any further extension to the precept was announced by Government, the potential impact would be considered in the report to Cabinet in January and would form part of the Council's budget decision making process in February. Cllr. Ungar suggested that the Board could consider holding an additional RPPR Board in the new year to review any subsequent Government announcements regarding ASC funding and their potential implications.
- ASC budgets have been split into the East Sussex Better Together (ESBT) area and the rest of the county on the basis of population for universal services and on the basis of need for demand-led services. In terms of demand-led services (community care budget and directly provided services), this results in a split of 80% to ESBT area and 20% to the rest of the county (High Weald Lewes Havens (HWLH) area), reflecting differing levels of need and a higher proportion of self-funders in HWLH.

East Sussex Better Together (ESBT)

2.3 The Board reviewed the ESBT proposals, focusing on the detail of specific transformation schemes and deliverability of savings. The following points were noted:

- Proposals reflect the joint Strategic Investment Plan and pooled budget approach being taken in this area with NHS Clinical Commissioning Groups from 2017/18. The focus is on investments in out of hospital and social care with a view to making savings elsewhere in the system, particularly in acute care.
- The Care Home Plus scheme aims to support a specific cohort of people whose needs fall between nursing care and residential care through enhancing staffing and in-reach from community health services in residential settings. This will help avoid unnecessary use of higher level care and address nursing home capacity issues.
- Additional staffing needs in community services can be addressed through using existing staff differently within the system and by reviewing the tasks which are undertaken by different staff groups.
- ESBT aims to use pharmacy capacity most effectively by engaging pharmacy providers and considering the increased provision of services in pharmacies. Additional service provision would bring more resources into the sector.

- A review of bed capacity and its use will be undertaken to inform a bedded care strategy setting out the capacity needed at all levels across the next 10 years.
- A prudent approach to back office savings has been taken in year 1 which allows for systematic work to be undertaken, first on integrating the existing health and social care systems, and then on simplifying and leaning systems.
- Savings from urgent care redesign are based on reducing demand elsewhere in the system by rationalising and simplifying how people get urgent care. Part of this is supporting the public to better understand the system.

2.4 Overall, the Board reiterated its support for the overall ESBT programme, but noted that delivering the scale of change envisaged remains challenging and that there will be a need for ongoing scrutiny as plans move forward to implementation.

Rest of Adult Social Care outside ESBT SIP

2.5 The Board reviewed the savings proposals for outside the ESBT area, focusing on the impact of proposals. The following issues were highlighted:

- The short term nature and significant impact of savings proposed from the remainder of the ASC budget, in comparison to the ESBT approach which is more forward looking in terms of investments and savings across the entirety of health and social care.
- The large catchment area across the Lewes district served by the Phoenix Centre in Lewes, which may close as a result of the proposals.
- The potential for reduction in funding for Home Works, STEPS and the Discretionary Emergency Support Service (DESS) to contribute to homelessness.
- The significant staff reductions which would result from the proposals may be mitigated to some extent by redeployment which would enable skills to be retained locally.
- A consultation and decision making process would take place ahead of implementing proposals, including an Equalities Impact Assessment. This process would enable any further mitigations to be identified, but the ability to mitigate the impact of savings has decreased as resources become more constrained.

2.6 Overall, the Board found it regrettable that progress towards integration of health and social care is less advanced outside the ESBT area, resulting in more significant savings having to be found from within the Adult Social Care budget.

2.7 An additional meeting of the ASC scrutiny board is being arranged to discuss the implications of the Government's announcements in relation to the funding of ASC and any additional comments will be tabled at the Cabinet meeting.

Audit, Best Value and Community Services Scrutiny Committee

Attendees: Councillors Blanch (Chair), Barnes (Vice Chair), Keeley, Standley and Webb

Capital Programme

2.8 The Board welcomed the report on the funding of the Capital Programme for the next five years (2018-2023). The Board noted the lack of clarity with the arrangements for negotiating future Community Infrastructure Levy (CIL) funding for key infrastructure projects such as roads or school places. (See also comments below by Economy, Transport and Environment Scrutiny Committee).

2.9 The Board wished to see progress towards the planned use of capital for income generation (see Property Investment Strategy below).

2.10 The Board noted the use of direct revenue contributions (£6m) to fund short-term assets, particularly ICT (£15m over 5 years), and also as a contribution to £51m of externally unfunded highways capital works.

Treasury Management

2.11 The Board welcomed the proposed recalibration of the Minimum Revenue Provision (MRP) for capital repayments. This would reduce revenue payments annually by between £3.5m (straight line method) and £5.2m (annuity method). The Board noted however that annual payments would increase after 20 years and that the consent of the external auditor KPMG would need to be sought.

2.12 The Board recommended Cabinet to support the proposed recalibration of the Minimum Revenue Provision (MRP) for capital repayments, and that the revenue saving be used within the revenue Medium Term Financial Plan (MTFP) rather than to repay debt.

Income Generation

2.13 The Board noted the work of the Member and officer consultative group on initiatives for increased income from across the Council of £6.76m.

2.14 The Board asked that, in setting discretionary pricing for services, attention be given to establishing price/demand elasticity and this should be included in future officer training.

Apprenticeship Levy

2.15 The strategic issues that the Board wished to draw to Cabinet's attention are:

- £550,000 is to be deducted from the General Fund staffing budget (as the Levy contribution) with no certainty about how much of this will be returned to the budget in 2017-18 in the form of apprenticeship training vouchers.
- Similarly, £690,000 is to be deducted from (maintained) schools delegated staffing budgets, again with no certainty about how much of this will be claimed back to pay for apprenticeship training of, for example, Classroom Assistants. (For smaller schools in particular this might lead to serious financial pressures).
- As a matter of urgency, greater effort should be made to: a) allocate additional resources for project leadership; b) establish and set achievable targets for departments and schools to use when implementing the programme.
- This project should be included on the Strategic Risk Register.

Property Investment Strategy

2.16 The Board was split on the principle of the Council investing in open market commercial investment projects. However, the Board would wholly support investment in public capital projects that are both financially beneficial and in the public interest; for example, primary care centres and sheltered accommodation.

Orbis Public Law

2.17 The Board welcomed progress of this project and the projected £1m savings from Orbis Public Law.

2.18 The Board noted that the tighter regulation of Deprivation of Liberty Safeguards (DoLS), and the pressures from increasing court costs from adult and children's care, may offset some or all of the projected savings.

Senior Management and Organisational Development (SMOD)

Coroner Service:

2.19 The Board expressed concern that the Medical Examiner service will, from 2018, be required to investigate all deaths not reported to the Coroner without full cost recovery.

2.20 The Board welcomed the work being undertaken to establish a shared Coroner Service with West Sussex County Council and it recommended that this be pursued.

Legal Fees:

2.21 The Board asked for clarity on the level of budget provision within Children's Services and Adult Social Care and the extent of historic call on the SMOD allocation.

Children's Services Scrutiny Committee

Attendees: Councillors Field (Chair), Forward, Galley, Sheppard (substituting for Taylor), Shuttleworth, and Dr Ann Holt (Church of England Diocese Representative)

2.22 The Board considered that no actions which impact on educational standards or the vulnerable are desirable and should be avoided wherever possible. The Board therefore wished to acknowledge the hard work of officers in finding innovative ways to identify savings that have minimum negative impact. However, the Board remained concerned that the proposed mitigations may not be sufficient and that continued year on year savings will impact negatively on educational attainment outcomes and our ability to support vulnerable young people in the longer-term. It was notable that we seem satisfied when we achieve the national average for many performance indicators; there is an associated feeling that we are "paddling hard to stand still" at our current performance levels. However, we question whether national average performance is a sufficiently high target to aim for in many areas of Children's Services.

2.23 The Board therefore requested that it is made clear to Cabinet that Members are not satisfied that such significant savings are required and that Members' genuine concerns about their impact is acknowledged and carefully considered.

Economy, Transport and Environment Scrutiny Committee

Attendees: Councillors Stogdon (Chair), Pursglove (Vice Chair), Claire Dowling, Rodohan, St. Pierre and Taylor

East Sussex Road Network

2.24 The Board recommended that Cabinet take account of:

- The crucial importance of the Highways network to East Sussex residents; and
- The effect of the continuing allocation of savings in degrading the County's Highway network

in deciding the allocation of savings between departments of the County Council.

Communities, Economy and Transport (CET) Services

2.25 The services provided by the CET department are important to the whole economy of East Sussex and underpin many of the Council's other services. The Board considered this should also be taken into account when allocating savings.

Community Infrastructure Levy and Developer contribution viability gap

2.26 The Board wished to highlight concerns about the impact of the Community Infrastructure Levy (CIL) and an emerging 'viability gap' in developer contributions which results in insufficient funding being provided for the strategic road infrastructure required for new developments in the county.

3. Young People

3.1 To mark the Office of Children's Commissioner's Takeover Day on Friday 18 November 2016, East Sussex County Council invited young people to discuss the policy proposals as part of the Reconciling Policy and Resources process. Twenty three young people from the East Sussex Youth Cabinet, Children in Care Council and East Sussex secondary schools took part in the discussions.

3.2 The young people were briefed about the main policy proposals by senior officers from Adult Social Care & Public Health, Children's Services and Community, Economy & Transport departments.

3.3 They discussed the proposals, asking questions and offering opinions about the proposals from the perspective of young people. The key points raised by the young people are summarised below:

Overall comments

3.4 Cutting jobs and services impacts on people's lives and the economy, because if people can't work, then they can't contribute to the economy and taxes etc.

Adult Social Care & Public Health

Proposal: Have a greater digital approach to delivering services

3.5 Comments from young people:

- Some old people can't use technology/some people can't afford Wi-Fi so cutting phone enquiries could have negative effect on them.
- By talking to someone directly, you gain more information as you receive a direct answer.

Children's Services

Proposal: Changes to school support, so that schools are supported to work together and share best practice

3.6 Comment from the young people: School-to-school support is a good idea; schools are best people to know about schools.

Proposal: Changes to respite for young people

3.7 Comments from young people:

- It feels wrong to cut respite for young people.
- Look at more day-to-day support (volunteers), and then you might not need as much respite.
- Small fees contribution for respite from families.
- Use some money for preventative work.
- Focus on supporting children & families to move themselves on so they are more independent.

Proposal: Reviewing safe/unsafe routes to schools

3.8 Comments from young people:

- Look at more ideas around car sharing and minibuses for safer routes, rather than reviewing the routes which is an expensive task.
- Look at bridleways as last resort, but carpooling is better.

Proposal: Changes the Youth Cabinet – the elections to be held through School Council elections and schools to be charged a small fee to participate

3.9 Comments from the young people:

- The proposal could raise the profile of the Youth Cabinet among schools and young people as it would be linked to the elections already being organised in schools.
- Telling schools to buy into the Youth Cabinet will deter them from signing up and result in young people having less of an influence.
- Cut the Youth Cabinet lunch budget.

Community, Economy & Transport

Proposal: Changes to grass-cutting

3.10 Young people were surprised to learn about the cost of grass-cutting. While some young people could understand the need for grass-cutting for safety reasons, some questioned the need to balance other priorities such as Mental Health services.

3.11 Comments from young people:

- Think about involving volunteers to cut the grass.
- Keep grass-cutting on junctions where driver vision is compromised.
- Grass-cutting could be a form of community service.
- Take grass to sell as compost.

Proposal: changes to the libraries services

3.12 Young people commented that young people seem to use libraries less than older people. They suggested that the benefits are social interaction, use of equipment and quiet time.

3.13 Comments from young people:

- It would be good to find out the libraries that are mainly used.
- It might be useful to have cafes in libraries to raise money and encourage people to join.
- It is useful to have libraries, as some young people don't have computers at home or quiet spaces to work in.
- Libraries are hard to use if they shut early, as young people are in school during most of the day time.
- Publicise on-line libraries.

4. Partners

4.1 The Leader and Deputy Leader met with representatives of the public, voluntary and community sector and the Older People's Forums on 4 January 2017. The meeting provided an opportunity for the County Council to share with partners the 2017/18 spending and savings proposals, and provide an update on the local and national financial and demographic picture influencing ESCC's decisions. Partners provided feedback on the proposals and made suggestions for how all sectors can work together to meet the challenges the county faces. Over 25 public and voluntary and community sector organisations were represented at the meeting, and ESCC is grateful to all partners for the feedback and comments they provided, which will inform preparation of the final 2017/18 budget.

4.2 ESCC's 2017/18 spending and savings proposals are set against the background of continued planned reductions in Government grant funding, Government policies, (such as introduction of the schools National Funding Formula, Apprenticeship Levy and National Living Wage) creating particular local pressures, and growing demand for services. In addition to continued growth in our elderly population placing demands on Adult Social Care, other Council services are also experiencing specific pressures. For instance, East Sussex has a high number of children with Special Educational Needs and Disabilities requiring support through Education Healthcare Plans.

4.3 ESCC continues to work to lessen the effect of the savings requirements, through:

- changing the way we work to deliver efficient services;
- partnership working;
- lobbying Government;
- acting and planning as a single Council; and

- protecting, through the savings delivered to date, frontline services and focusing on reducing back office and management costs.

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

- The impact of the Local Government finance settlement on ESCC was raised. The Settlement, announced in December, changed rules about how Local Authorities could raise a total 6% Adult Social Care (ASC) Council Tax precept over the next three financial years, to meet the national ASC funding pressure. The change has enabled Authorities to implement an ASC Council Tax precept of up to 3% in 2017/18 and up to 3% in 2018/19, although doing so would not enable any precept to be raised in 2019/20. ESCC Members will consider the options available at the budget County Council in February. It was recognised that raising Council Tax places a particular pressure on the East Sussex population, as we have a smaller than average working age group and earnings are below the national average. It was also noted that some new funding for ASC was announced in the Settlement through redirecting part of the New Homes Bonus from Borough and District Councils to County Councils, specifically to support ASC. However, the way the Government has distributed funding has resulted in the Borough and District Councils losing more than the County Council has gained in East Sussex, so overall there is less funding to support public services.
- The planned changes to Local Government funding, which will see Councils fully reliant on locally raised Council Tax and business rates, was discussed. Currently, Councils in East Sussex receive more funding from nationally pooled business rates than is raised in the county. The high proportion of the county's geography that is protected from development, whilst welcome in terms of enhancing our environment, impedes the growth of large property based businesses which could generate new business rates. ESCC will continue to lobby Central Government to emphasise restrictions for growth on our business rates base and the need for funding of services to be based on need.
- Partners asked if more could be done by the Council to generate income. ESCC has an active income generation programme and some innovative ideas have been generated through this work. Income generation alone, however, will not come close to closing the funding gap the Council faces.
- The resilience of ESCC financial plans against economic changes, such as potential increases in inflation, was questioned and it was outlined that the Council's plans have provided for reasonable economic uncertainty, and will regularly be kept under review.
- Concerns on the impact of savings to Looked After Children (LAC) were raised and it was outlined that each Looked After Child has a care plan which is independently reviewed at regular intervals, enabling any issues or impacts on children to be fed back and addressed. The Children in Care Council, Youth Cabinet, Schools' Forum and Foster Carers' Association will all be consulted on proposed savings. ESCC also works with partners, for instance through the Safer Communities Partnership, to ensure that the impact of savings on residents and other sectors are kept under review.
- Concerns were also raised regarding reduced funding for preventative schemes and services. Where possible, such as through the East Sussex Better Together (ESBT) and Connecting for You (C4Y) programmes, ESCC savings have been, and will continue to be, met by changing the way that services are delivered, and both programmes will enable future planning to reduce demand on services. However, due to the scale of savings required, and in order to protect frontlines services for the most vulnerable people, reduction in funding for preventative services is a necessity.
- ESCC's plans to help people help themselves were discussed. It was outlined that consideration is given systematically across all services to how the Council's plans can implement this priority, and examples of work in this area were given, for example: the programme to support community and personal resilience being developed in ASC; work in Children's Centres and with the Troubled Families Programme; and work with Parish Councils on highways maintenance and related services. It was noted that older people

living in East Sussex make a vital contribution to the both the economy of the county and in support of local communities.

- The importance of investment in digital and transport infrastructure to enable economic growth and sustainability was discussed. Although ESCC has invested in broadband, delivered the Bexhill to Hastings Link Road, and local growth funding will provide future investment opportunities, lobbying Central Government for investment is required to deliver broader schemes that address regional infrastructure challenges, increase employment opportunities and deliver affordable housing.

5. Business Representatives

5.1 The engagement meeting with business representatives took place on 6 January 2017. Members and officers met with businesses and business representatives to share the financial, demographic and infrastructure context within which East Sussex County Council (ESCC) operates and to set out the ambition and challenges for business planning for the coming year. ESCC is grateful to all businesses/business representatives for the feedback and comments they provided which will inform preparation of the final budget and plans for 2017/18.

5.2 ESCC's proposals for the coming years are set against the background of a general reduction in the size of the public sector and sustained and significant uncertainty nationally. The discussion in the meeting focused on the following points:

- The Government's plans to change how Local Authorities are funded, with services being financed through locally collected National Non-Domestic Rates (NNDR or Business Rates) and the potential negative impact on ESCC's budget was considered. The appropriateness of linking the availability of resources to fund, for example, services to vulnerable people with the collection of NNDR was questioned. The specific challenges within East Sussex were explored as most businesses in or being attracted to the county do not pay NNDR (due to most micro-businesses tending not to be property based or valuable enough). It was agreed that lobbying for funding of services to be based on need would be important and this could be tackled in partnership.
- There was consensus that all funding streams (ie. Local Enterprise Partnership, European Union and through devolved arrangements) should be exploited fully to ensure key infrastructure projects can be delivered across the county. It was agreed that East Sussex could position itself to maximise on the opportunities available by developing a portfolio of evidence based, practical projects. The pipeline of projects would enable the submission of well-informed funding bids/applications in a timely manner. Development of the projects in line with the emerging detail on the Government's new priorities (eg. the Industrial Strategy and the Skills White Paper) would further enhance the opportunities of securing funding. Team East Sussex agreed that they could lead the task of developing the list of pipeline projects with public and private partners.
- The county's well-known infrastructure challenges and opportunities were discussed and, specifically, the impact of the ongoing rail dispute on businesses and residents. The support of the East Sussex Members of Parliament was acknowledged and welcomed, and the opportunity for public and private sectors to lobby in partnership was explored. Partners noted that while the condition of the digital infrastructure across the county needs to continue to improve, its current capability, developed following targeted interventions over recent years, had helped mitigate some of the acute impacts of the current rail dispute. The Three Southern Counties devolution activity and the development of the Sub-National Transport Body for the South East was highlighted as an opportunity to address some of the physical and digital infrastructure challenges – the scale of such arrangements, the opportunity to secure/leverage funding and the power of a unified voice would help make the best possible case for the area.
- The need to invest in businesses and the skills of the county's workforce to give local people the choice of being able to remain and enjoy good careers in East Sussex was

agreed. The work of Skills East Sussex (SES – the county’s strategic body for employment and skills) was welcomed and ESCC expressed its commitment to continue supporting SES. It was noted that the Government is exploring how skills funding can be devolved and this will be monitored to ensure all opportunities are maximised – the devolution of skills is a key element of the 3SC negotiations with Government and, alongside the emerging new way of delivering skills activity, partners will work to ensure the best possible deal for East Sussex.

- The East Sussex business grants and loans fund was discussed as an effective means of growing businesses, creating jobs and progressing stalled projects. It was noted that while there is no proposed new funding in 2017/18, the businesses/ business representatives valued the benefits of a fund capable of demonstrating a great value for money/return on investment and would welcome its inclusion if there was any flexibility in the final settlement.
- The work ESCC and the Clinical Commissioning Groups in East Sussex Better Together are undertaking to integrate health and social care was acknowledged as groundbreaking and nationally respected. Members and officers are working with partners to ensure successful delivery of the project that has the potential deliver significant benefits to all.

The meeting proved useful to hear the views, thoughts and ideas of the East Sussex business community and the approach to partnership working (across the public and private sectors) to address the challenges and exploit the opportunities the county faces came through as a clear strength that will help us in the future.

6. East Sussex Music Service Management Committee

6.1 Extract from the minutes of a meeting of the East Sussex Music Service Management Committee, Committee Room, County Hall, Lewes on 9 December 2016.

“The Committee considered a report by the Director of Children’s Services which sought agreement to increase the fees for 2017/18 as set out in paragraph 2.1 the report.

The Committee discussed the increase in fees for both instrumental hire and lessons for the period 2017/18. In particular the Committee considered whether the increase could have a disproportionate impact on young people who live in rural areas.

RESOLVED to:

- 1) agree the increase of fees for 2017/18 as outlined in the report; and
- 2) agree that the Chair, Councillor Barnes, undertakes to write on behalf of the Committee a letter to the Cabinet, expressing concerns about the potential impact of the increase of fees on young people living in rural communities.”