

## REPORT OF THE CABINET

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The Cabinet met on 7 March 2017. Attendance:-

Councillor Glazier (Chair)

Councillors Bennett, Bentley, Chris Dowling, Elkin, Maynard, Simmons and Tidy

### 1. Council Monitoring – Quarter Three 2016/17

1.1 The Cabinet has considered a report on performance against the Council Plan, Revenue Budget, Capital Programme, Savings Plan and risks for the third quarter of 2016/17 and end of year projections. Broad progress against the Council's four strategic priority outcomes is summarised below and an overview of performance and finance data is provided in the Corporate Summary at Appendix 1. Strategic risks were reported at Appendix 7 and a detailed report for each department was provided is provided in Appendices 2 to 6.

Overview of 2016/17 Council Plan

1.2 More detail of progress against each of our priority outcomes for 2016/17 is set out in paragraphs 1.14 to 1.37 below. Of the 67 Council Plan targets, 44 (66%) are rated green, 14 (21%) are rated amber and 9 (13%) are rated red.

1.3 Work within services to reduce or mitigate the overall overspend has been ongoing. At quarter 3, the gross projected year-end overspend within service departments is £6.9m a reduction from the £8.3m overspend reported at quarter 2. The main areas of overspend are:-

- £4.7m in Adult Social Care (£6.1m at quarter 2), mainly the result of ongoing pressures on Independent Sector Care. The reduction of £1.4m between quarter 2 and quarter 3 reflects revisions in modelled demand and attrition, together with small reductions in service activity in the period. The position continues to be monitored and is included within the development of the East Sussex Better Together (ESBT) Strategic Investment Plan and ongoing discussions with Clinical Commissioning Groups.
- £3.0m in Children's Services (£2.8m at quarter 2). This is within Education and ISEND, Looked after Children and Home to School Transport, and is the result of demand led pressures (detail of pressures identified in quarter 3 is provided in Appendix 4). Children's Services have sought to mitigate some of the service pressure through reductions in expenditure in other areas of the service. Measures include keeping vacancies open and a reduction in forecast legal costs, offsetting reduced trading income with schools and increased Early Years Education Entitlement costs due to children accessing the service earlier and for more hours.

1.4 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 £0.8m being reported across these services.

1.5 Within centrally held budgets there is a pressure of £0.3m for the Council's share of the East Sussex Business Rates Pool and Business Rates Cap Compensation and there continues to be a pressure of £0.2m for the Education Services Grant (ESG).

1.6 Provision was made across 2016/17 and 2017/18 for the cost of the National Living Wage. Confirmation of the 2017/18 rate in the Autumn Statement in November 2016 has resulted in an underspend of £0.3m as this amount is no longer required to be set aside. The overall overspend on centrally held budgets is therefore currently forecast at £0.2m in 2016/17. Giving a total overspend of £7.1m.

1.7 Following the review of our Minimum Revenue Provision (MRP) Policy and the Treasury Management budgets, there will be a reduced charge to revenue in 2016/17 of £8.2m. Normal practice is to transfer any net treasury management underspend to the Capital Programme to reduce borrowing, but this could be used to mitigate a net overspending on the General Fund if required.

1.8 The general contingency of £3.4m is also available to offset this overspend. Should the position remain unchanged there will therefore be a general fund surplus of £4.5m (the projected overspend at paragraph 1.6 of £7.1m less the MRP and Treasury Management underspend of £8.2m and the general contingency of £3.4m = £4.5m). It is proposed that this balance be held to manage the ongoing financial risks identified as part of the budget setting process. These include the impact of the Business Rate Revaluation on Business Rates, savings realisation, the proposed financial arrangements for ESBT or to manage down borrowing. Work will continue within services to reduce or mitigate the overall overspend where possible.

1.9 As part of budget setting, the current Capital Programme has been adjusted to reflect the updated forecast position at quarter 2 including any further approved variations. The quarter 3 Capital Programme is monitored against the revised programme submitted to the Council in February in addition to any further approved variations. The forecast spending for the year is projected at £85.7m against a budget of £91.9m, a variation of £6.2m. The variation comprises slippage of £6.5m offset by spend in advance of £0.3m.

1.10 The additional Capital slippage at quarter 3 mainly comprises:

- £1.5m on Integrated Transport, due to significant delays in receiving target costs from the contractor. The full impact of the target costs has not yet been fully assessed and therefore the resulting slippage could increase.
- £1.4m on Capital Building improvements as a result of extended tender processes and longer re-evaluations of building usage.
- A review of Property Agile works has re-profiled £1.2m into future years due to the consultation period for the Property Agile programme at St Mark's and parking at County Hall being longer than anticipated, the latter due to needing to seek advice towards the end of 2016, from planners and the South Downs National Park Authority, about use of surrounding sites, e.g. St Anne's, and entering discussions with other bodies, such as blue light organisations, about the impact of using the site, which was not planned.
- Queensway Gateway Road has slipped £1m due to delays in the planning process and discharging of the planning conditions.
- ICT Strategy Implementation has slipped £0.4m, mainly due to the LAN Replacement project, due to receiving advice that more competitive prices could be achieved by entering procurement negotiations in quarter 1 of 2017/18, rather than the current year.
- Libraries refurbishment has slipped £0.3m due to work to refurbish Battle library starting later than planned as it was being considered as part of a bigger development plan which has not materialised.

1.11 The spend in advance of £0.3m relates mainly to Meridian School within the Schools Basic Need Programme

1.12 The Strategic Risk Register, Appendix 7, has been reviewed. Risk 5 (Reconciling Policy, Performance and Resource), Risk 6 (Local Economic Growth), Risk 8 (Capital Programme) and Risk 9 (Workforce) all have updated Risk Control measures. One new risk (Apprenticeship Levy) has been added to the Strategic Risk Register for this review, and no existing risks have been removed. Risk 8 (Capital Programme) has reduced from a 'Red' to an 'Amber' risk rating. All other risk ratings remain unchanged.

1.13 The final local government settlement was announced on 20 February 2017 and is consistent with the Council's financial position that was set out in the RPPR report on 7 February 2017.

#### Progress against Council Priorities

##### Driving economic growth

1.14 Work continues to establish a Sub-National Transport Body for the South East, and all SE7 Authorities have now agreed to the establishment of a Shadow Body. Work in quarter 4 will focus on developing a constitution and draft Transport Strategy (Appendix 6).

1.15 37 businesses have been supported with grants and loans so far in 2016/17. These businesses are projecting to create 122 jobs and safeguard a further 40 (Appendix 5).

1.16 70 apprentices have been recruited in 2016/17: 21 with the Council, with a further two progressing on to a further apprenticeship; nine with Costain CH2M; and 38 with schools. Of the 93 apprentices who are due to be taking part in the programme in quarter 3, seven finished their apprenticeship and moved on to a positive outcome, 10 others left their apprenticeship in quarter 3 with six moving on to a positive outcome. The rate of retention and/or positive outcomes stands at 95% (Appendix 5).

1.17 82 online learning courses were completed in our libraries in quarter 3, on topics including English, maths and IT. 249 courses have been completed so far in 2016/17 (Appendix 5).

1.18 Figures from the Department of Education show the achievement gap between the lowest achieving 20% of pupils and the median at the Early Years Foundation Stage in East Sussex, in academic year 2015/16, is 28.1%, 3.3 percentage points better than the national average of 31.4% (Appendix 4).

1.19 71% of Council spend in quarter 3 was with local suppliers, over the last 12 months the Council has spent £195m with over 7,000 local suppliers (Appendix 3).

1.20 Locate East Sussex has helped 35 companies start up, relocate or expand in East Sussex during 2016/17 (Appendix 5).

1.21 The road condition statistics for 2016/17 have been published, the percentage of principal and non-principal roads which require maintenance have remained the same as in 2015/16, 5% and 6% respectively, while the percentage of unclassified roads requiring maintenance has improved from 22% in 2015/16 to 19% in 2016/17 (Appendix 5).

#### Keeping vulnerable people safe

1.22 Legal Services advised and represented Trading Standards in two successful prosecutions, one for a rogue trader who preyed on elderly vulnerable people, and the second for a company director who duped investors into paying thousands of pounds for worthless franchises (Appendix 6).

1.23 Recent changes to case law reducing the amount of time a child can be looked after by a local authority without a Care Order, and a general increase in referrals, have seen a sustained increase in child care proceedings in court in 2016/17. There were 30 cases in quarter 3 compared to 21 for the same period last year. The average case duration was 26.8 weeks, just above the Government's target of 26 weeks (Appendix 6).

1.24 Where possible, we seek to enable families to keep their children within the family, rather than undertaking legal care proceedings, and this may lead to a child being placed on a Child Protection (CP) plan. The rate of children with a CP plan has increased from 42.7 children per 10,000 at quarter 2 to 46.3 in quarter 3 against a target rate of 41 (Appendix 4).

1.25 78% of people affected by domestic violence and abuse who have exited the specialist domestic abuse and sexual violence service (Portal) in 2016/17 say they are better able to cope and/or have improved self-esteem. The figure for those affected by rape, sexual violence and abuse who are more in control of their lives and/or more optimistic about the future after exiting the service is 81% (Appendix 2).

1.26 We supported the 16 Days of Action for the Elimination of Violence Against Women campaign, which ran from 25 November to 10 December 2016. Over the 16 days a range of agencies, groups and individuals came together to work towards ending all forms of violence against women. The Council has also been reaccredited as a White Ribbon authority, recognising the Council's commitment to work to end violence and abuse and ensure survivors can access help and support (Appendix 2).

1.27 35 victims of financial abuse were visited by Trading Standards; amongst these victims officers identified four chronic victims of financial abuse who were helped by interventions from Adult Social Care or befriending services provided by Age Concern (Appendix 5).

Helping people help themselves

1.28 The ESBT Strategic Investment Plan sets out how pooled health and social care budgets will be spent. The Plan identifies a range of schemes which will mitigate increasing demands on services and will be reflected in budgets through the Reconciling Policy, Performance and Resources (RPPR) process. Progress continues across all areas of ESBT, including the delivery of integrated teams, Health and Social Care Connect, crisis response, re-ablement and community resilience. Plans are also being implemented to put in place a transition year for accountable care in 2017/18 prior to the move to fully integrated health and social care (Appendix 2).

1.29 The £1m Road Safety programme is progressing well, a timetabled programme of work has been agreed and we are finalising the involvement of behavioural change experts to help define and focus the project. We will continue to work with the Sussex Safer Roads Partnership and the local Road Safety Partnerships to ensure we target our resources effectively to ensure the maximum outcome from the investment. Provisional data shows there were 113 people Killed or Seriously Injured (KSI) on our roads between July and September 2016, with 10 of these being fatalities. Of these, 21 KSI and one fatality occurred on Trunk Roads, which are the responsibility of Highways England (Appendix 5).

1.30 From 5 to 9 December 2016 Ofsted and the Care Quality Commission (CQC) jointly inspected the local area's effectiveness in identifying and meeting the needs of children and young people who have special educational needs and/or disabilities (SEND). A summary is provided in Appendix 4 and a full report was considered by the Cabinet.

1.31 98.2% of Adult Social Care clients who have received a short-term service in 2016/17 have made no further request for support (Appendix 2).

1.32 2,872 people have been supported by STEPS, which helps people maintain independence within their own homes, in 2016/17. This included 1,605 supported with Housing Support, 1,083 supported by the Navigator Service and 184 supported through the gateway service (Appendix 2).

1.33 Public Health led a programme of work across the county in quarter 3 to tackle the health effects of cold homes. Work included training frontline professionals to enable them to identify people living in cold homes and refer them on to services such as the Winter Home Check (WHC). Public Health also developed a Stay Well This Winter campaign and helped to develop a Locally Enhanced Service for GP staff to help them identify patients at risk of fuel poverty. As a result of this activity 374 referrals to the WHC service were received in quarter 3 (Appendix 2).

1.34 33.7% of adults and older people receiving a service are receiving a Direct Payment. We have implemented improvements to the referral process to ensure clients receive core support throughout their Direct Payment, with further improvements planned for 2017/18. These improvements should make the process easier for clients and increase the number of people receiving a Direct Payment (Appendix 2).

1.35 10 new members were approved by the Support with Confidence service in quarter 3, increasing the total numbers of members to 160 (Appendix 2).

1.36 Café North, a social enterprise in Eastbourne staffed by people who are in recovery from substance misuse addiction, officially opened on 18 November 2016. The opening was attended by service users, partners, Caroline Ansell MP and the Mayor of Eastbourne (Appendix 2).

Making best use of resources

1.37 Following work as part of the RPPR process, including consultation and engagement on savings plans, the Council agreed the budget for 2017/18 and the draft Council Plan on 7 February 2017 (Appendix 6).