REPORT OF THE CABINET

The Cabinet met on 26 June 2018. Attendance:-

Councillor Glazier (Chair)
Councillors Bennett, Bentley, Elkin, Maynard, Simmons, Standley and Tidy

1. Council Monitoring – Quarter Four 2017/18

1.1 The Cabinet has considered a report on performance against the Council Plan, Revenue Budget, Capital Programme, Savings Plan and risks for 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 1. Strategic risks are reported at Appendix 7 and a detailed report for each department is provided in Appendices 2 to 6.

Overview of Council Outturns 2017/18

1.2 2017/18 was the second year of a three year Reconciling Policy, Performance and Resources (RPPR) medium term planning period covering service provision, demand management and savings (£13.5m including those carried forward from previous years) to continue to deliver balanced budgets, while maintaining a clear focus on our four priority outcomes.

1.3 50 (77%) of the 65 Council Plan targets were achieved and 8 (12%) were not achieved. 7 (11%) are carried over for reporting in quarter 1 of 2018/19. The carry overs are measures where action has been completed, but the year-end outturn data is not yet available to report against the target.

1.4 Of the 65 targets the outturns for 9 (14%) are not comparable with the outturns from 2016/17; of the remaining 56 measures which can be compared, the performance improved or was at the maximum (i.e. the most that can be achieved) in 32 (49%); 1 (2%) remained the same; 16 (25%) deteriorated; and 7 (11%) are carried over for reporting at quarter 1 2018/19. Although 16 measures are showing a lower outturn when compared to 2016/17, 12 (75%) of these have met their target for 2017/18 so are meeting our objectives. For a number of these targets changes in priorities and the reduction in the level of resources available to the Council made matching the outturns from 2016/17 impossible.

1.5 At end of year the financial position within service departments is a £0.6m (0.2%) overspend, an improvement compared to the £1.1m (0.3%) overspend forecast at quarter 3, primarily due to the early achievement of 2018/19 savings within Orbis and lower than anticipated service spend within Communities, Economy and Transport. The overall position continues to reflect pressures on service budgets within Adult Social Care and Health and Children's Services and, as shown in Appendix 1, the achieved savings of £11.7m (which represents 87% of planned savings of £13.5m including those carried forward from previous years). The majority of the remaining savings are still considered achievable but delayed, and have therefore slipped to 2018/19. In summary the key variances by service are:

- Adult Social Care £0.6m overspend (previously £0.5m). There was continued pressure on independent sector services in 2017/18, in-year mitigation of this pressure has partly come from the new Improved Better Care Fund and the effective use of other funding, some of which is one-off. The overspend on Directly Provided Services and Assessment and Care Management reflects slippage of savings to 2018/19.
- £1.6m (previously £1.5m) overspend in Children's Services. The overspend was mainly due to ongoing pressures particularly within Looked after Children agency costs and increased demand on ISEND agency placements. These were partly offset by a reduction in Home to School Transport costs generated in part by a reduction in demand and adverse weather conditions in quarter 4.

- Business Services / Orbis £0.9m underspend (previously £0.4m). The majority of the full year variance and a large part of the movement since quarter 3 is from the Council's contribution to Orbis, where additional part year savings have been made in 2017/18 in order to achieve full year savings in 2018/19.
- £0.7m underspend in Communities, Economy & Transport (previously £0.4m). The main areas of underspend are from: Waste, due to lower tonnage collected and reduced net leachate costs; Concessionary Fares, the result of reduced passenger numbers and an operator contract price not increasing for inflation; Customer and Libraries, primarily due to lower than expected utility costs and the decision not to allocate funds to The Keep sinking fund; and Management and Support, as the result of funding earmarked for in year pressures that did not materialise and one off projects that were unable to be completed during the year.

1.6 Treasury Management has a reduced charge to revenue of £1.2m (previously £1.1m). This is the result of no additional interest charges on new borrowing and a lower Minimum Revenue Provision (MRP) charge due to delayed capital expenditure totalling £0.6m, and no opportunity to restructure of the Council's debt portfolio due to high repayment rates of £0.6m. As agreed previously this will be used in the first instance to fund the service overspend of £0.6m. Practice is to offset any reduced charge to Treasury Management for bad debt provision and unfunded pensions. This year these have underspent (see paragraph 1.9 for more detail on debt), increasing the balance available from £0.6m to £0.9m. This will be used to fund the capital programme by offsetting borrowing.

1.7 Efforts to manage within the overall budget have once again meant that the general contingency of £3.4m can be used to top up reserves in line with Reserves Policy. As previously agreed the unused general contingency provision will be used in the first instance to mitigate £1.748m of savings from 2018/19, with the balance remaining in the Financing Reserve to enable the effective management of the medium-term financial strategy and investment strategy.

1.8 The quarter 4 capital programme is monitored against the revised programme submitted to the Council in February together with some minor net nil approved variations. The expenditure for the year was £81.7m against a budget of £87.5m, a variation to the gross budget of £5.8m (previously £4.7m). This is an improvement of the equivalent variation to the 2016/17 outturn of £13.7m. The variation is largely attributed to slippage of £10.2m, offset by £4.4m spend in advance mainly on Highways Structural Maintenance (ref. xviii appendix 5) and Broadband (ref. ix appendix 5). The main areas of slippage are:-

- £2.8m on East Sussex Strategic Growth Package (ref. xiii appendix 5)
- £2.6m on School Basic Need (ref. viii appendix 3)
- £1.3m on Capital Building Improvements (ref. vii appendix 3),
- £0.6m on Parking Machine renewal (ref. xvii appendix 5)

The Capital Strategic Asset Management Board continues to review forecasting and profiling processes in order to improve management of the overall capital programme and reduce the extent of slippage.

1.9 The value of debt over 5 months at the end of the year has risen slightly by £0.047m to £2.323m when compared to the 2016/17 outturn of £2.276m. However, as a proportion of total debt raised during the year the percentage has reduced from 2.71% in 2016/17 to 2.55% in 2017/18, indicating the impact of continuous improvement in debt collection.

1.10 The Strategic Risk Register, Appendix 7, has been reviewed and updated to reflect the Council's risk profile. A new risk, Risk 13 'Dedicated Schools Grant', has been added to the register; and the 'Ordinary Residence' risk (formally Risk 2) has been deleted. The Government provided almost £1.2m in extra funding for potholes in March 2018 but the RAG score for Risk 1 'Roads' remains unchanged.

Progress against Council Priorities

Driving sustainable economic growth

1.11 We have made good progress in areas contributing to the East Sussex Growth Strategy during 2017/18. 5,806 premises are now able to be connected to superfast broadband as part of our second contract of works. Over £3m of external funding was secured to provide improved business support and inward investment services through the Growth Hub and Locate East Sussex (LES). LES has helped a number of businesses start up or relocate in the county in 2017/18 creating 35 jobs. East Sussex Invest 5 provided over £700,000 in grants and loans to 15 businesses which will see 98 jobs either created or protected in the county. £1m in funding was secured to deliver a Culture Coasting programme in the county to boost tourism, the programme is currently being developed (Appendix 5).

1.12 All targets for road maintenance have been well met with the focus on unclassified roads resulting in a 5% fall in those roads requiring maintenance. Although the percentage of non-principal roads requiring maintenance has increased slightly, to 7%, when compared to the 2016/17 outturn this is still well below the target for 2017/18 of 9%. In March construction work began on the pedestrian improvement scheme for Terminus Road, Eastbourne (Appendix 5).

1.13 The percentage of Council procurement spend with local suppliers for 2017/18 was 59.4%, up from 50% last year, this equates to £245.1m spend (Appendix 3).

1.14 In academic year 2016/17, 76.5% of pupils achieved a ‘good level of development at the Early Years Foundation Stage, 5.8% above the national average of 70.7%. The achievement gap between the lowest achieving 20% in the Early Years Foundation stage and the rest was 28% which is lower than the national gap of 31.7%. The average Progress 8 score for state funded schools in East Sussex is 0.00 which is higher than the national average of -0.03 (Appendix 4).

Keeping vulnerable people safe

1.15 Through Multi Agency Criminal Exploitation we have seen a broadening of the focus for children who are vulnerable to sexual exploitation to develop our response to wider criminal exploitation and County Lines (Appendix 4).

1.16 The proportion of people surveyed who use services who say that those services have made them feel safe and secure was 82.4%. An analysis of feedback will be undertaken to identify any issues raised by respondents (Appendix 2).

1.17 Trading Standards made 125 positive interventions in 2017/18, to help protect vulnerable people who have become the target of rogue trading or financial abuse. Interventions included visiting victims and installing call blockers to prevent fraudulent telephone calls; and the Rapid Action Team stepping in to prevent rogue traders from exploiting people (Appendix 5).

Helping people help themselves

1.18 Health and Social Care Integration continues; a new service for people living with mental health conditions will provide access to earlier support and focus on prevention and support. There is considerable variation in diabetes prevalence and care in East Sussex; a whole system review of diabetes care plans is in place to develop a collaborative approach to improving diabetes care to achieve better patient outcomes and experiences across East Sussex. NHS 111 is being enhanced so that patients access urgent care services that have been fully integrated (Appendix 2).

1.19 The Improved Better Care Fund for 2017/18 has been allocated along with Adult Social Care core budgets to ensure funding for social care for all the placements required; with £3.239m made available to support pathway and service investments to ensure systems sustainability. Delayed transfers of Care (delayed days) from hospital per 100,000 population (aged 18+) has improved from 24.3 in April 2017 to 9.5 in January 2018 (Appendix 2).

1.20 Behavioural change initiatives developed as part of the Council’s £1m Road Safety Programme focus on reducing the levels of re-offending and increasing the take up of educational interventions for offenders. A social media campaign will be aimed at young male drivers to increase their awareness of road safety educational messages. There were 370 people Killed or

Seriously Injured (KSI) on county roads in 2017; this is a 2.9% decrease in the number of KSI compared to 2016 (Appendix 5).

1.21 Since 2015 2,624 families have received, or are receiving, a Troubled Families intervention (Appendix 4).

Making best use of resources

1.22 East Sussex and Surrey County Councils and Brighton & Hove City Council have been working together to improve the way Orbis delivers services to customers. Successful initiatives include: launching an Orbis external website, procurement of an integrated e-recruitment system across the three partners and development of a performance management framework that will demonstrate the value and effectiveness of the partnership moving forward. Orbis has been successful in delivering the savings target of £3.9m for the financial year 2017/18. Orbis has also achieved additional one off savings in year through the early delivery of 2018/19 savings (Appendix 3).

1.23 Contracts in scope of the Social Value (SV) Measurement Charter amounted to £0.96m in quarter 4. The associated SV commitment based on these contracts was £109,000, which equates to 11%. Since the launch of the SV Charter in quarter 1 2017/18, it has been applied to 15 contracts that totalled over £2m, of which £223,000 or 11% has been committed in SV (Appendix 3).

1.24 There is potential for Local Authorities to support Health Services in developing their estate to enable effective service delivery. Discussions have commenced to understand the type of model that could be applied to ensure all parties gain benefits from the approach. It is expected that there could be significant benefits from this approach in the coming years (Appendix 3).

2. Ashdown Forest Trust Fund

2.1 The Cabinet has considered a report regarding the Ashdown Forest Trust's Income and Expenditure Account for 2017/18 and Balance Sheet as at 31 March 2018. The Ashdown Forest Trust, a registered charity, was set out by declaration of Trust in 1988. East Sussex County Council is the trustee and agrees grants made to the Ashdown Forest Conservators, from the Ashdown Forest Trust Fund.

2.2 Subsequent to the 2016/17 accounts being approved, the independent Examination process has now been completed in accordance with Section 145 of the Charities Act 2011. The Examiner's report does not identify any issues that require any further action by the Council as the trustees.

2.3 The Trust's Income and Expenditure Account shows an annual deficit in 2017/18 of £3,332 due to additional legal cost for wayleaves and encroachment issues.

2.4 The main source of income to the Trust relates to the rent from the Royal Ashdown Golf Club at £70,000 per annum. A new lease was signed with the Club in 2014.

2.5 The majority of expenditure relates to the £65,100 grant paid to the Ashdown Forest Conservators. The accumulative General Reserve totalled £153,935 at 31 March 2018.

2.6 A formal annual report and statement of accounts will be compiled in accordance with the Charity Commission's Statement of Recommended Practice by the end of January 2019, once the Independent Examiner report has been received.

26 June 2018

KEITH GLAZIER
(Chair)