

1. Trade Union representatives

1.1. A meeting was held with Trade Union representatives on 15 January 2019 to consult on the Council's 2019/20 spending and savings proposals.

1.2. The Leader of the Council opened the meeting and thanked the Trade Union representatives, and through them the staff, for another year of impressive and hard work. He reminded those in attendance that, although the last year had been challenging, staff's dedication had ensured the Council continued to provide many excellent services in difficult financial circumstances. For example, the work of the Children's Services Department had been recognised by an outstanding Ofsted rating. The Deputy Leader and Lead Member for Children and Families offered similar praise to the staff for their hard work.

1.3. The Leader said that the financial position for 2019/20 had been improved by the receipt of one-off Government funding. He believed that intensive lobbying by the Council over the past year had helped secure this funding and at the same time raised the Government's awareness of the growing pressures facing local authorities. Nevertheless, the financial position was still very challenging and would remain so over the Medium Term Financial Plan (MTFP) period up to 2022. He explained that the Council had a legal duty to balance its budget and that meant difficult decisions would continue in the coming years.

1.4. The Chief Executive summarised the contents of the Cabinet RPPR report and its appendices. The Chief Executive explained that it was important to consider the savings plans in the context of the £129m savings already made since 2010, the financial uncertainty ahead, and the increasing demand for services. Officers and Members were acutely aware of the impact that savings had had on staff, businesses and residents.

1.5. The Chief Executive said that the Council was committed to continuing to lobby Government, including in partnership with other local authorities and organisations where possible, and would focus its efforts on securing long term funding through the Comprehensive Spending Review, Fairer Funding Review, and Older People's Green Paper which were all expected in 2019.

1.6. The Trade Union representatives thanked Cabinet Members and officers for the opportunity to meet. It was agreed that, if required, further questions and comments from representatives who had been unable to attend the meeting could be submitted in writing ahead of the County Council meeting on 5 February.

1.7. The Trade Union representatives raised a number of questions and issues which were addressed as set out below.

Lobbying Central Government

1.8. Trade Union representatives welcomed the active lobbying the Council was undertaking and asked for details of the lobbying activities to date.

1.9. The Leader said that the recent year of lobbying Central Government for funding had been the most successful to date, particularly following the publication of the Core Offer in July and the subsequent press coverage it received. During the course of the year the Leader had written to a range of Government Ministers, including James Brokenshire, Secretary of State for Housing, Communities and Local Government, requesting the opportunity to meet. Meetings had subsequently taken place with Rishi Sunak, Minister for

Local Government; Liz Truss, Chief Secretary to the Treasury; and Matt Hancock, Secretary of State for Health and Social Care, to discuss the pressures facing the Council, the urgent need for transitional funding for 2019/20, as well as the case for longer-term sustainable funding. In some cases the meeting included leaders of other local authorities. The Leader was assured that the Ministers had listened to and understood the Council's concerns, however, as all additional funding announced for 2019/20 was one-off, the job was not done and lobbying to convert the funding into long-term sustainable resources would be a priority for 2019.

1.10. The Trade Unions confirmed they had also been lobbying Government and the Leader thanked them and encouraged them to continue.

Core Offer

1.11. The Trade Union representatives welcomed the honesty of the Core Offer but were concerned that its publication had distressed some staff and created concern about the future of their roles and the organisation.

1.12. The Leader assured those in attendance that rather than being a 'bare minimum', the Core Offer represented the minimum service the local authority could provide whilst still delivering its duties and key priorities. He said that the Council would continue to provide support to those who needed it most.

1.13. The Leader apologised for any distress the publication of the Core Offer had caused members of staff. He said that it had been intended to start a conversation with a range of stakeholders about what level of service they could expect to receive from the Council in future years.

1.14. The Chief Executive added that the Corporate Management Team had worked hard to reassure staff about the purpose of the Core Offer but understood the potential for it to cause concern. The Council has robust employment policies and staff would be involved in any proposed changes to services, but the future funding level of local authorities, and therefore potential services the Council could offer, remained uncertain making the production of the Core Offer necessary.

1.15. The Deputy Leader recognised that the authority relied on the good will of staff in implementing difficult savings plans and that this good will was being stretched due to the number of years that savings had been required. He thanked them for their patience.

Unitary Authority

1.16. Trade Unions asked about the question of the future of the County Council and Local Government, which had been raised in the public conversation that had followed the launch of the Core Offer.

1.17. The Leader confirmed that there were no plans to create a unitary authority in East Sussex – which would only happen if there were agreement from all six local authorities – not least because it would be disruptive and costly at a time when difficult savings were being implemented across the Council.

English as an Additional Language service (EALS)

1.18. The Trade Union representatives had concerns that proposed savings in Children's Services were eroding the years of investment in good practice that had delivered good

outcomes. In particular, representatives were disappointed and concerned about the impact of the proposal to discontinue the English as an Additional Language service (EALS).

1.19. The Leader said that it was regrettable that the Council was proposing to no longer provide an EALS from April 2019, but he explained that it was a traded service that schools no longer wished to purchase. The Director of Children's Services added that the EALS had been valued by its users, however, secondary schools at a Schools Forum meeting voted not to allocate funding to EALS from the de-delegated pooled budget. He confirmed that regrettably the service would not be viable as a primary school-only service; the Council was not in a position to provide the funds itself; and academies had declined to purchase from the service when approached. The Lead Member for ISEND has written to schools in light of their decision to request confirmation as to how they would continue to support children for whom English was not their first language. The potential closure of the service was now subject to formal consultation.

1.20. The Director of Children's Services confirmed, that guided by the concept of a Core Offer, the department would continue to provide core services for those in greatest need. The one-off funding for social care received for 2019/20 had enabled proposals to delay some savings to the 2020/21 financial year.

Council Tax referendum

1.21. Trade Union representatives noted that schools also lacked access to sustainable funding and there were concerns that schools were increasingly losing the ability to purchase important external services, including HR support. Given that there was ongoing national restriction in resources for public services, Trade Union representatives asked whether consideration had been given to costing ESCC's ideal service provision and funding it through holding a public referendum on a significant Council Tax increase.

1.22. The Leader explained that ESCC already has the fifth highest Council Tax rate of all county councils and one of the lowest wage economies. The Council had modelled the increase in Council Tax which would be required to avoid any savings over the MTFP period and it was around 23%. This would put a considerable strain on residents.

1.23. The Leader explained that around two thirds of the Council's budget is spent on children's and adult's social care, but those services were used by a small proportion of the population. It was therefore unlikely that residents would approve a Council Tax increase of 23% for no increase in the services they access on a day-to-day basis. Any such referendum would cost around £1m to conduct. The Deputy Leader added that in response to the Core Offer engagement survey, 78% of people consulted said that central government should pay for increases in the demand for services.

1.24. Finally, the Leader said that the main driver of ESCC's funding gap was the ongoing increasing demand for adult and children's social care. This meant that even a 23% increase in Council Tax would only be a temporary fix and future increases would be necessary. The Leader said he believed that the only viable long term solution would be for Central Government to find an appropriate and sustainable approach to providing and funding social care.

Orbis and other partnership working

1.25. Given the change in Leader at Surrey County Council, Trade Union representatives sought confirmation that all partners remained committed to the Orbis partnership.

1.26. The Leader confirmed that the new leader of Surrey County Council was committed to the partnership, interested to know more detail and to keep under review how Orbis worked.

1.27. Trade Union representatives also queried whether there was any intention to re-start devolution work.

1.28. The Leader explained that, as the Government had have moved away from encouraging local authorities to submit formal devolution proposals, the focus was now on taking up other opportunities to work together on strategic issues, such as the Transport for the South East Sub National Transport Body that would increase access to infrastructure funding in the region.

Health and Wellbeing of staff

1.29. Trade Union representatives raised concerns about the serious impact that closure and restructure of services had had on staff health and wellbeing and morale.

1.30. The Chief Executive confirmed that ESCC was very aware, particularly in the challenging financial circumstances, of the need to support the health and wellbeing of staff and confirmed that a number of initiatives were in place to assist with this. The Head of Human Resources and Organisational Development added that the wellbeing initiatives included the ability to 'purchase' days off; the availability of a staff discount platform; and a range of learning and development opportunities. These initiatives were well received but senior managers were mindful more could be done and welcomed further ideas from staff. Trade Union representatives confirmed that the arrangements in place were helpful.

Redundancies and redeployment

1.31. Trade Union representatives requested confirmation of the number of redundancies and redeployments made in 2018 and the number of projected redundancies as a result of proposed savings plans.

1.32. The Chief Executive confirmed that from January to December 2018 there had been a total of 253 Full Time Equivalent (FTE) redundancies of which 113 were in the Adult Social Care Department – due mainly to the changes to the Assessment and Care Management Service – and 71 were in schools. 28 people had been successfully redeployed, although the ability to redeploy staff had become more difficult as savings continued. It was expected that there would be a further 130 FTE redundancies during 2019/20; and a total of 230 redundancies were expected over the MTFP period.

Business Rates Retention pilot

1.33. Trade Union representatives requested further information and detail on the Business Rates Retention pilot that had been secured.

1.34. The Chief Finance Officer explained that East Sussex authorities had successfully bid to be a 75% business rate retention pilot. The pilot included the District and Borough Councils and East Sussex Fire and Rescue Service, and would give authorities 75% of the growth in business rates in the County providing £4.3m additional funding. Of this, ESCC would receive £1.6m. The pilot built on the existing East Sussex Business Rates pool and would be administered by Wealden District Council. The Pilot was for one year only and

came with requirements to report to the Ministry of Housing, Communities and Local Government.

1.35. The Chief Finance Officer clarified that the pilot did not represent the potential income the Council would receive under the future business rate retention model, because it provides a share of the gains in business rate growth since 2013/14. The future business rates model, expected to come into force in April 2020, will not include this benefit. The Government's future model was subject to consultation and ESCC's response would be agreed by the Lead Member for Strategic Management and Economic Development in February.

Fees and Charges

1.36. Trade Union representatives queried whether the delegation to the Chief Finance Officer to approve increased fees and charges was for 2019/20 only or ongoing.

1.37. The Chief Finance Officer confirmed he had delegated authority to increase fees and charges for future years. Fees and charges which increased above inflation would be published as part of the RPPR budget report and quarterly monitoring for the Cabinet and County Council.

Adult Social Care and Health

1.38. Trade Union representatives asked what plans were in place in Adult Social Care to respond to ongoing demographic growth.

1.39. The Director of Adult Social Care and Health confirmed that demographic projections for East Sussex indicated a continued increase in the number of older people. The subsequent increase in demand for adult social care would require significant investment, which had been factored into the Medium Term Financial Plan. In addition, the cost of care homes will continue to increase above the rate of inflation due to wage growth.

1.40. The Director explained that within the context of this increased demand and increased cost of services, a number of funding streams would begin to fall away after 2019/20. These include the end of the one-off winter pressure funding provided for 2018/19 and 2019/20, and reduction in the amount received as part of the Better Care Fund (BCF), and Improved Better Care Fund (IBCF). It was also expected that the conditions the Government placed on BCF and IBCF funding after 2020 would include the need to focus their use on improving patient flows out of hospital, reducing the resources available for supporting other people in need, such as those with learning disabilities.

1.41. Local health and care organisations were required to produce a five year plan by October 2019 which included setting out how further integration between the NHS and local authorities would take place in line with the NHS Long Term Plan. In the absence of an Older People's Green Paper setting out the national direction for sustainable provision and funding of social care, and with reduced resources from 2020/21, this would be challenging. Nevertheless, ESCC and local health partners remained fully committed to integration to improve outcomes and reduce costs and a revised programme for integration would be considered by the Clinical Commissioning Groups' (CCGs) Governing Boards and ESCC Cabinet later in the year.