

REPORT OF THE CABINET

The Cabinet met on 25 June 2019. Attendance:-

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

1. Council Monitoring – Quarter Four 2018/19

1.1 The Cabinet has considered a report on performance against the Council Plan, Revenue Budget, Capital Programme, Savings Plan and risks for 2018/19. 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. This is the conclusion of Reconciling Policy, Performance and Resources (RPPR) for 2018/19; in reviewing this report Members may wish to highlight issues to be considered in future RPPR discussions and decisions as this report also marks the start of the next round of RPPR planning.

Overview of Council Outturns 2018/19

1.2 Good progress has been made, especially given the continuing uncertainties in national policy and pressure on resources. 47 (80%) of the 59 Council Plan targets were achieved and 8 (13%) were not achieved. 4 (7%) are carried over for reporting in quarter 1 of 2019/20. 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.

1.3 Of the 59 targets, the outturns for 4 (7%) are not comparable with the outturns from 2017/18; of the remaining 55 measures which can be compared 32 (54%) improved or were at the maximum (i.e. the most that can be achieved); 5 (8%) remained the same; 14 (24%) deteriorated; and 4 (7%) are carried over for reporting at quarter 1 2019/20. Although 14 measures are showing a lower outturn compared to 2017/18, 11 (79%) of these have met their target for 2018/19.

1.4 The pressure on demand-led social care services continues, with an overspend of £4.1m (Adult Social Care - £1.1m and Children's Services - £3.0m). This is partially offset by underspends in other departments. The year-end revenue outturn is an underspend of £8m. This is largely a result of one-off income and financial management opportunities and use of the in-year general contingency budget. Use of the general contingency budget (£3.5m), underspends within Treasury Management (£4.6m) and smaller centrally held budgets (£0.3m), together with additional Business Rates income (£1.4m) have contributed to the overall underspend. Given the significant uncertainty around future funding levels for the authority, it is vital that every opportunity is taken to bolster the funding we hold to fund future activity and mitigate risks. The Cabinet has therefore agreed that the underspend is allocated to:

- Capital Programme (£4.6m): The underspend within Treasury Management has arisen primarily due to deferring additional borrowing to align with the profile of the Capital Programme and the revisions made to the Minimum Revenue Provision (MRP). Allocating the Treasury Management savings to the Capital Programme will enable the Council to minimise the net cost of the Capital Programme and further reduce the requirement to borrow and therefore ease future pressure on hard pressed revenue budgets as we seek to fund an underfunded basic needs Capital Programme. The cost of borrowing is currently assessed at £78,000 per £1m, including interest and MRP, so if this allocation is not made the additional borrowing costs potentially required would be a charge to revenue in the region of £358,000 per annum.
- Financial Management Reserve (£3.4m): In order to be able to manage future revenue funding uncertainties and help smooth the delivery of required future savings, the remaining underspend will be allocated to the Financial Management Reserve.

1.5 The detail of over and underspends in each department are set out in the relevant appendices. The main headlines are:

- Adult Social Care overspent by £1.2m, reflecting the increasing demand for, and costs of, services for older people and working age adults.
- Children's Services overspent by £2.9m, due to increased agency costs for Looked after Children with complex needs; increased costs of private sector accommodation for vulnerable families and the level and cost of high cost care placements.
- Business Services underspent by £1.3m, primarily due to reduced contributions to the Orbis Partnership, as services delivered savings in advance of plan.
- Communities, Economy and Transport underspent £0.9m, due to lower than expected waste collection costs, with less waste than predicted needing to be disposed of, and fewer than expected bus journeys being charged to the concessionary fare scheme.

1.6 Within Treasury Management, the strategy is to maximise income and minimise the cost of debt where possible. Interest rates have increased marginally on the funds that were invested, whilst opportunities were taken to repay debts where advantageous to do so. Slippage on the Capital Programme meant that we had no need to increase borrowing. Within Corporate Funding, the Government released, towards the end of the financial year, an additional one-off £1.1m from the surplus on the national Business Rates Levy.

1.7 The quarter 4 Capital Programme is monitored against the revised programme submitted to the Council in February 2019; together with some minor net nil approved variations. The Capital Programme expenditure for 2018/19 was £85.1m against a budget of £92.2m, a variation of £7.1m. This comprises £8.2m slippage, and a £0.2m underspend, offset by £1.3m spend in advance.

The main movements are:

- Slippage of £1.6m on Queensway Gateway Road due to delays in obtaining planning permission to move a retail outlet.
- Slippage of £1.5m on the Terminus Road Improvements, due to a number of issues including site access and drainage.
- Slippage of £1.3m on Newhaven Port Access Road due to delays in obtaining environmental licences and Network Rail Agreements.
- Slippage of £0.7m on Lansdowne Children's Home as a result of delays to site establishment activities which have impacted on the contractor's onsite groundworks activity.
- Slippage of £0.5m on Capital Building Improvements due to delays in several building improvements.
- The above is offset by spend in advance on number of projects including: School Basic Need of £0.5m, Bexhill Hastings Link Road £0.2m, and other projects totalling £0.6m.

1.8 The Strategic Risk Register, Appendix 7, was reviewed and updated to reflect the Council's risk profile. A new risk (Climate) was added to the register and risk 13 (Dedicated Schools Grant) was deleted. The post mitigation RAG for risk 14 (No Deal Brexit) has increased from Amber to Red; and the post mitigation RAG for risk 7 (Schools) has decreased from Red to Amber.

Progress against Council Priorities

Driving sustainable economic growth

1.9 We have made good progress in areas contributing to the East Sussex Growth Strategy during 2018/19. 8,385 premises are now able to be connected to superfast broadband as part of our second contract of works; a third contract began in January 2019 which is aiming to expand superfast coverage to as close to 100% of premises as possible. Business support programmes have assisted businesses to create 175 jobs in 2018/19. Locate East Sussex have assisted 50

businesses to move into, or relocate within, the county in 2018/19. 44 Industry Champions took part in the Open Doors event in November 2018, with over 500 students from schools and colleges in the county going on workplace visits. East Sussex has been provisionally allocated £5.4m of Local Growth Fund money, which is expected to create over 1,000 new jobs, apprenticeships and college places, and help unlock £15m of private investment (Appendix 5).

1.10 Road condition results (where a lower outturn indicates a better performance) for 2018/19 show that the percentage of Principal roads requiring maintenance increased slightly but is better than the target level; the percentage of Non-Principal roads requiring maintenance remained the same. The percentage of unclassified roads reported as requiring maintenance reduced, largely due to an improved survey method that provides a more accurate measure of road condition, unclassified roads are most likely to be of slightly improved or similar condition to last year. The 2018/19 data for unclassified roads will provide a new benchmark for better targeting of maintenance in future. While the majority of the road network does not require structural maintenance some roads may have visible surface damage and require intervention to prevent deterioration. 379 carriageway asset improvement schemes were completed in 2018/19, to maintain and improve the condition of the county's roads. The Council began a new three month programme of road improvements in May 2019 using high-tech Roadmaster machines to repair potholes, cracks and other defects more quickly, efficiently and for a lower cost (Appendix 5).

1.11 The Council has spent almost £192m, or 54% of total spend, with 1,305 local suppliers in 2018/19 (Appendix 3).

1.12 In academic year 2017/18, 76.5% of pupils achieved a good level of development at the Early Years Foundation Stage, above the national average of 71.5%. The achievement gap between the lowest achieving 20% in the Early Years Foundation Stage and the rest was 28.9%, which is lower than the national gap of 31.8% (Appendix 4).

1.13 The Department for Education has published data regarding public sector engagement and uptake for 2017/18, the first year of the Apprenticeship Levy. The Council has achieved 1.1% of the workforce undertaking apprenticeship training, against a Government target of 2.3%, placing us fourth nationally amongst county councils. The Local Government Association (LGA) has used the Council as a case study of good practice for apprenticeship work with maintained schools. An Apprenticeship Learning Group was also launched in September 2018, offering action learning sets, employment workshops, ongoing careers advice, and coaching opportunities (Appendix 3).

1.14 12 contracts awarded in 2018/19 were within the scope of the Social Value Measurement Charter (SVMC). These contracts had a total value of £74.3m and resulted in £8.8m of social value commitments, an 11.8% outturn. Benefits committed to include business support to small and medium-sized enterprises, apprenticeship opportunities, and facilities offered to local voluntary groups (Appendix 3).

Keeping vulnerable people safe

1.15 Trading Standards made 224 positive interventions to protect vulnerable people in 2018/19, including visiting victims of rogue trading or financial abuse, installing call blockers to protect people from telephone scams, and the rapid response team intervening to prevent rogue traders from exploiting people (Appendix 5).

1.16 An Inspection of Local Authority Children's Services conducted in July 2018 judged those services to be outstanding overall. Key outturns for 2018/19 include: the number of children with a child protection plan (55.5 per 10,000, 588 children); and the rate of Looked After Children (57.3, 607 children). These reflect the Council's balanced approach across a range of outcomes that help us ensure that our work with children and young people and families is effective and that we are investing in the right interventions so that children at risk from significant harm are kept safe. (Appendix 4).

1.17 87.6% of respondents to the Adult Social Care Survey said the services they received have made them feel safe and secure. The Survey also revealed that 81.7% of clients had as much control over their daily life as they would like, and 72.1% felt extremely or very satisfied with their care and support (Appendix 2).

Helping people help themselves

1.18 Work has continued on health and social care integration during 2018/19, to ensure the services in East Sussex continue to be financially sustainable. Financial savings targets have been achieved by all partners, and innovative service redesign projects have included implementing Home First, High Intensity User services, and A&E 5 Pathways (Appendix 2).

1.19 There have continued to be improvements against the key metrics outlined in the Improved Better Care Fund in 2018/19, including 92.1% of older people still being at home 91 days after discharge from hospital into reablement/rehabilitation, and the number of bed days lost per 100,000 people improving from 730 in April 2017 to 412 in March 2019 (Appendix 2).

1.20 Trials of behavioural change initiatives, as part of the Council's £1m Road Safety Scheme, started in 2018/19 and have continued throughout the year, including a social media campaign targeting young male drivers; the Notice of Intended Prosecution trial; and the Anniversary trial. Five road safety infrastructure schemes were completed in 2018/19. There were 355 people Killed or Seriously Injured on county roads in 2018, a 4.1% reduction on the total for 2017 (Appendix 5).

Making best use of resources

1.21 We have reduced the cost of occupancy of corporate buildings from £175 / sq. metre in 2017/18 to £151 / sq. metre in 2018/19. We have also reduced the amount of CO₂ arising from Council operations by 6.6% in 2018/19 (Appendix 3).

1.22 Sickness absence has reduced by 5.6% compared to 2017/18 to 8.73 days per FTE. Stress/mental health remains the primary reason for absences, so a range of initiatives to address this has been implemented, including training Mental Health First Aiders across the organisation, launching an awareness campaign, and the introduction of managers 'Mental Health Awareness' workshops (Appendix 3).

1.23 Cabinet approved the new Property Asset Investment Strategy in April 2018. A report detailing 12 potential sites for investment was reviewed by the Audit Committee in November 2018, with an intention to take the schemes forward on a case by case basis (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 2018/19 and Balance Sheet as at 31 March 2019. 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 2017/18 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 2018/19 of £604 due to additional legal cost 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. £2,500 was received from a licence to install a water main on Forest Land.

2.5 The majority of expenditure relates to the £65,100 grant paid to the Ashdown Forest Conservators. The £2,500 received for the water main was also transferred to the Ashdown Forest Conservators. The accumulative General Reserve totalled £153,331 at 31 March 2019.

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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 2020, once the Independent Examiner report has been received.

25 June 2019

KEITH GLAZIER
(Chair)