

CABINET

MINUTES of a meeting of the Cabinet held at Council Chamber, County Hall, Lewes on 23 January 2024.

PRESENT Councillors Keith Glazier (Chair), Nick Bennett (Vice Chair), Bob Bowdler, Claire Dowling, Carl Maynard and Bob Standley

Members spoke on the items indicated:

Councillor Beaver	- items 5 and 7 (minute 37 and 39)
Councillor Belsey	- item 5 (minute 37)
Councillor Bennett	- items 5 and 6 (minute 37 and 38)
Councillor Daniel	- items 5 and 7 (minute 37 and 39)
Councillor Denis	- items 5 and 7 (minute 37 and 39)
Councillor Claire Dowling	- item 7 (minute 39)
Councillor Field	- items 5 and 7 (minute 37 and 39)
Councillor Galley	- item 5 (minute 37)
Councillor Hollidge	- item 7 (minute 39)
Councillor Maples	- item 5 (minute 37)
Councillor Murphy	- item 7 (minute 37)
Councillor Osborne	- items 5 and 7 (minutes 37 and 39)
Councillor Scott	- items 5 and 7 (minutes 37 and 39)
Councillor Stephen Shing	- items 5 and 7 (minutes 37 and 39)
Councillor Shuttleworth	- item 5 (minute 37)
Councillor Standley	- item 5 (minute 37)
Councillor Swansborough	- item 5 (minute 37)
Councillor Taylor	- items 5 and 7 (minutes 37 and 39)
Councillor Tutt	- items 5 and 7 (minutes 37 and 39)
Councillor Ungar	- item 5 (minute 37)

35. MINUTES OF THE MEETING HELD ON 12 DECEMBER 2023

35.1 The minutes of the Cabinet meeting held on the 12 December 2023 were agreed as a correct record.

36. REPORTS

36.1 Copies of the reports referred to below are included in the minute book.

37. RECONCILING POLICY, PERFORMANCE AND RESOURCES (RPPR): DRAFT COUNCIL PLAN 2024/25, REVENUE BUDGET AND CAPITAL PROGRAMME

37.1 The Cabinet considered a report by the Chief Executive together with a summary of the consultation meeting held with Trade Unions which was received after publication of the Cabinet agenda.

37.2 It was RESOLVED to recommend the County Council to:

- 1) Approve in principle the draft Council Plan 2024/25 at Appendix 1 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;
- 2) Increase Council Tax by 2.99% in 2024/25;

- 3) Increase the Adult Social Care Precept by 2% in 2024/25;
- 4) Issue precepts to be paid by borough and district councils in accordance with the agreed schedule of instalments at Appendix 5 (Draft);
- 5) Approve the net Revenue Budget estimate of £538.1m for 2024/25 set out in Appendix 2 (Medium Term Financial Plan) and Appendix 3 (Draft) (Budget Summary) and authorise the Chief Executive, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the Budget Summary to reflect the final settlement and final budget decisions;
- 6) Agree the Reserves Policy set out in Appendix 6;
- 7) Approve the Capital Strategy and Programme at Appendix 8;
- 8) Note progress with the Council Plan and Budget 2023/24 since quarter 2 set out in section 4;
- 9) Note the Medium Term Financial Plan forecast for 2024/25 to 2026/27, set out in Appendix 2;
- 10) Note the comments of the Chief Finance Officer on budget risks and robustness, as set out in Appendix 6;
- 11) Note the comments from engagement exercises set out in Appendix 7;
- 12) Note the schedule of fees and charges that have increased above 4% at Appendix 9; and
- 13) Agree to continue lobbying as strongly as possible for sustainable funding to meet the needs of East Sussex residents, using all available avenues.

Reason

37.3 This Council has a firm foundation of sound and prudent financial management over many years, endorsed by external assessments. We have taken difficult decisions when we needed to in order to balance the books and make best use of stretched resources. Our robust RPPR process has enabled us to direct spending towards priorities and core services, in particular protecting services for the most vulnerable in our county.

37.4 The past year has seen a rapid escalation in costs and demand for services, due to factors beyond local control, which has not been matched with increased funding. Despite the action we have taken locally to address pressures wherever we can, the scale of these challenges leaves us facing a very significant deficit and substantial risk in the coming years. There also remains considerable uncertainty about the future funding regime for local government, particularly when overdue reform which will provide sustainable long-term financing for the sector will be delivered.

37.5 There is continued national reliance on raising funding for core pressures, particularly growing demand in social care, through local Council Tax which is unrelated to need and unsustainable. In this context we must again ask local people to contribute more to protect services for the most vulnerable for the future. This recommendation is not made lightly, given the ongoing pressures on household budgets, but it is essential if we are to protect services as far as possible. Support will continue to be available through local Council Tax Support Schemes for those residents eligible and we will continue to work with partners to signpost residents to sources of support with the cost of living, including access to benefits they may be entitled to.

37.6 Even after this contribution, the budget presented for the year ahead relies on using our reserves to balance the books, significantly depleting this safety net for the future. This is an unsustainable position. The reality is that there are not sufficient reserves available to meet the deferred deficit and we will need to consider what action it is possible to take in the coming year to address the significant financial gap between the funding we currently expect to have and the cost of providing our services in 2025/26 and beyond. Our ability to do so without a detrimental impact on the quality of life of our residents, communities and business is very limited.

37.7 In this context, and with future national policy being shaped ahead of a general election, our lobbying will also be vitally important and we will consider how this can be further intensified and broadened. We will need to ensure the hard choices we now face and the impacts these will have on local residents, business and communities are heard loud and clear. We will continue to work with our local, regional and national partners to highlight the specific needs of East Sussex. We will press for immediate short-term support and longer-term fair, sustainable and needs-based funding that enables us to continue to meet the needs of our residents. Until this is delivered our medium term financial position will remain extremely difficult and present significant risk to our ability to meet local needs in the future.

38. AUDITOR'S ANNUAL (VFM) REPORT ON EAST SUSSEX COUNTY COUNCIL 2022/23

38.1 The Cabinet considered a report by the Chief Finance Officer.

38.2 It was RESOLVED to note the report.

Reason

38.3 The Annual (Value for Money) Report for 2022/23 has identified no significant weaknesses in the Council's VfM arrangements. Whilst putting forward 2 improvement recommendations, these are only advisory and management has responded appropriately.

39. SCRUTINY REVIEW OF POTHOLE MANAGEMENT

39.1 The Cabinet considered a report by the Assistant Chief Executive and a report by the Director of Communities, Economy and Transport with observations on the Scrutiny Committee's report.

39.2 It was RESOLVED to:

- 1) Note and welcome the report of the Scrutiny Committee;
- 2) Recommend the County Council to welcome the report of the Scrutiny Committee and to agree the response of the Director of Communities, Economy and Transport to the recommendations and their implementation as set out in the action plan attached as Appendix 1 to the Director's report.

Reason

39.3 The Scrutiny Review has been welcomed as it has highlighted a number of areas for improvement in our approach to pothole management and the need to lobby Government for better long-term funding for local road maintenance and changes to the way utility company reinstatement works are regulated.

40. TREASURY MANAGEMENT STRATEGY 2024/25

40.1 The Cabinet considered a report by the Chief Operating Officer.

40.2 It was RESOLVED to recommend the County Council to:

- 1) Approve the Treasury Management Policy and Strategy Statement for 2024/25;
- 2) Approve the Annual Investment Strategy for 2024/25;
- 3) Approve the Prudential and Treasury Indicators 2024/25 to 2026/27; and
- 4) Approve the Minimum Revenue Provision (MRP) Policy Statement 2024/25 at Appendix 1 (Section 3) of the report.

Reason

40.3 The report fulfils the requirement to submit an annual/half yearly report in the form prescribed in the Treasury Management Code of Practice. The report sets out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy. The financial position is kept under constant review and if at any time it is felt that any of these limits represent an unacceptable risk appropriate and immediate action will be taken accordingly.

41. ANNUAL ACCOUNTS FOR LEWES PUBLIC LIBRARY AND MUSEUM CHARITABLE TRUST

41.1 The Cabinet considered a report by the Director of Communities, Economy and Transport.

41.2 It was RESOLVED to:

- 1) Note the final accounts for 2022/23 for the Lewes Public Library and Museum Charitable Trust; and
- 2) Note that there are no issues that require any further action by the County Council as the Corporate Trustee.

Reason

41.3 The report fulfils the requirement for the annual accounts for the Lewes Public Library and Museum Charitable Trust to be submitted to the Cabinet.

42. THE CONSERVATORS OF ASHDOWN FOREST - 2023/24 FORECAST OUTTURN POSITION AND UPDATED MEDIUM TERM FINANCIAL PLAN INCLUDING THE 2024/25 BUDGET

42.1 The Cabinet considered a report by the Chief Operating Officer.

42.2 It was RESOLVED to:

- 1) Note the Quarter 2 budget position for the Conservators' 2023/24 Core Budget;
- 2) Note the Conservators of Ashdown Forest medium term financial plan; and
- 3) Approve the 2024/25 Core Budget.

Reason

42.3 The report sets out the financial position of the Conservators of the Ashdown Forest (COAF) for 2023/24, against the approved budget agreed by the Board of Conservators at their meeting on 21 November 2022 and presented to Cabinet in December 2022.

42.4 The current 2023/24 Core budget projections indicate that no additional contribution from East Sussex County Council will be required.

42.5 The current Countryside Stewardship (CS) budget is forecast to overspend by £55,610 this year. This is less than the budgeted overspend of £139,603 and reflects the difficulties that have been had securing contractors to undertake works on the forest. The deficit will be funded from the CS reserve.

43. TO AGREE WHICH ITEMS ARE TO BE REPORTED TO THE COUNTY COUNCIL

It was agreed that items 5, 7, 8 and 10 should be reported to the County Council.

[Note: the items being reported to the County Council refer to minute numbers 37, 39, 40 and 42.]