

REPORT OF THE CABINET

The Cabinet met on 5 March 2019. Attendance:-

Councillor Glazier (Chair)

Councillors Bennett, Bentley, Elkin, Maynard, Simmons, Standley and Tidy

1. Council Monitoring – Quarter 3 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 quarter 3 2018/19. Broad progress against the Council's four strategic priority outcomes is summarised below and an overview of finance and performance data is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 7.

Council Plan 2018/19 amendments and variations

1.2 The Cabinet has agreed to the deletion of one performance measure. The Council commissioned capacity to achieve a diagnostic rate of 67% of the local prevalence of dementia in 2017/18, and this work will continue. However the Government has changed the way the Dementia Diagnostic Rate (DDR) is presented so it is no longer possible to accurately calculate a countywide DDR percentage:

- Commission new service capacity to achieve diagnostic rate of 67% of the estimated local prevalence of dementia (Appendix 2, see ref iii).

1.3 At quarter 3, the projected total underspend is £3.7m (compared to £0.2m at quarter 2). This position arises from an overspend within service departments of £3.1m (compared to a £4.4m overspend reported at quarter 2), offset by an underspend in Centrally Held Budgets of £5.4m (£4.3m at quarter 2) and additional Business Rates income of £1.4m, primarily from the surplus business rate levy funding of £1.1m announced as part of the Local Government Financial Settlement.

1.4 The main areas of net overspend in departments are set out below.

1.5 Whilst there is no change in the overall Children's Services Department (CSD) £3.3m overspend, when compared to quarter 2, the Education and ISEND pressure has reduced due to a reduction in demand for the resources available under Direct Payments, offset by an increase due to extra Home to School Transport statutory costs. The savings forecast (Appendix 1 Corporate Summary) shows £0.033m unmitigated savings in CSD that will slip into 2019/20 - this forms part of the overall departmental overspend.

1.6 £1.2m (£1.5m in quarter 2) overspend in Adult Social Care. The reduction is due to an increase in client income from the clawback of spend on direct payments. Underlying pressures continue to exist in equipment, meals and independent sector spend on working age adults, which have been mitigated in part through the use of one-off funding in 2018/19.

1.7 These overspends are offset by underspends in other departments, including Business Services which is showing an underspend of £0.7m (£0.1m at quarter 2). The result of a reduced estimated contribution to Orbis of £0.27m, plus a £0.36m increased underspend in Property Services. Orbis is continuing to hold staff vacancies ahead of putting plans in place to deliver a further £3.2m of savings next year. The Property variance consists of a potential overspend of £0.3m on rent payments, this is subject to the outcome of arbitration. This is offset by an underspend in Building Maintenance where there has been a staffing restructure and continued vacancies causing delays to the non-schools planned programme (the main element being St Anne's flint wall), term contracts and building improvements.

1.8 Communities, Economy and Transport is reporting an underspend of £0.8m (£0.2m in quarter 2). This is due, in the main, to a reduction in the cost of concessionary fares, and an increase in the underspend for the waste service. The Waste Service will underspend due to better than expected results from the Lewes District Council roll out of comingled recycling, and positive movements in waste tonnage and leachate volumes. There will be an underspend due to the negotiated nil increase to the fixed reimbursement concessionary fares contract. Both the waste disposal and concessionary fares budgets are affected by a number of external impacts such as weather, customer behaviour and the broader economic climate which are outside our direct control.

1.9 Governance Services is now showing no variation (£0.1m underspend in quarter 2).

1.10 The Treasury Management budget is currently forecast to underspend by £1.9m at quarter 3 (£0.8m in quarter 2): reflecting the positive impact of the 2018/19 Treasury Management Strategy which has supported the early repayment of the RBS LOBO loans in October 2018 and investment in the pooled property fund (CCLA LAPF) raising additional income. Together with additional investment income from the increase in bank rate on 2 August 2018 and the removal of the need to borrow externally to fund the capital programme.

1.11 It is proposed that, of the total underspend of £3.7m, £1.9m arising from Treasury Management will be transferred to the capital programme and £1.8m will be transferred to reserves in line with the Reserves Policy.

1.12 Not reflected within the quarter 3 monitoring is additional funding announced by MHCLG on 28 January 2019 of £87,500 in 2018/19 and 2019/20 to support the unknown costs of Brexit.

1.13 The Capital Programme expenditure for the year is projected to be £90.5m against a budget of £92.0m, a variation of £1.5m. This comprises slippage of £1.6m offset by spend in advance of £0.1m.

1.14 The main movements are:

- Slippage of £0.8m on Capital Building Improvements due to Property Services carrying out a full review of the condition of buildings which has led to delays in works.
- Slippage of £0.2m on the Schools Basic Need Programme due to delays on three projects.
- Slippage of £0.2m on IT&D Strategy due to expenditure on Office 365 and secure email projects now expected in 2019/20.
- Slippage of £0.1m on the installation of a number of real time passenger information boards which has been reprogrammed for delivery next year.

1.15 The Strategic Risk Register, Appendix 7, was reviewed and updated to reflect the Council's risk profile. A new risk (No-Deal Brexit) has been added to the Strategic Risk Register.

Progress against Council Priorities

Driving sustainable economic growth

1.16 44 businesses took part in the 'Open Doors' event in November 2018, receiving workplace visits from over 500 students from schools and colleges in the county. The visits help the students get a greater understanding of the workplace and the possible career opportunities available to them (Appendix 5).

1.17 The Department for Education (DfE) have published data on the uptake of apprentices for the first year of the Apprenticeship Levy, 2017/18. The Government has set a target for 2.3% of the workforce to be undertaking an apprenticeship; the Council achieved 1.1% in 2017/18 placing us fourth highest amongst county councils (Appendix 3).

1.18 The Council has spent £194.5m with local suppliers over the past 12 months, which equates to 55% of our total spend, 867 local suppliers were used (Appendix 3).

1.19 Businesses were assisted to create 11 jobs in quarter 3 through business support programmes; Locate East Sussex also assisted 11 businesses to move into, or relocate within, the county (Appendix 5).

1.20 68 carriageway asset improvement schemes were completed in quarter 3, to maintain and improve the condition of the county's roads (Appendix 5).

1.21 95.7% of young people at academic age 16 (Year 12) and 87.8% of young people at academic age 17 (Year 13) are participating in education, training or employment with training or undertaking re-engagement provision (Appendix 4).

1.22 Provisional data for the average Looked after Children Progress 8 figure for academic year 2017/18 in East Sussex is -1.42 compared to a national average of -0.93, missing the target for the year (Appendix 4).

Keeping vulnerable people safe

1.23 The annual report of the Safeguarding Adults board was published and considered by the Health and Wellbeing Board in December. The report outlines safeguarding activity and performance in East Sussex during 2017/18, as well as some of the main developments that have taken place to prevent abuse from occurring. The report sets out the progress made against key priorities for 2017/18 and demonstrates the continued effort of all partner agencies to work together to safeguard adults from abuse and neglect (Appendix 6).

1.24 Trading Standards made 54 positive interventions in quarter 3 to protect vulnerable people, including visiting 44 victims of rogue trading or financial abuse, installing nine call blockers to protect people from telephone scams, and one intervention from the rapid response team (Appendix 5).

1.25 105 organisations have joined the East Sussex Against Scams Partnership Charter, and with the assistance of other East Sussex 'SCAM champions', 2,979 residents have participated in Friends Against Scams awareness sessions (Appendix 2).

1.26 The children's Annual Takeover Day took place on 23 November 2018, with over 50 young people taking part to discuss mental health and emotional wellbeing. The event was attended by children from a diverse range of backgrounds; including several local youth voice groups; disabled young people; the Children in Care Council; and the East Sussex Youth Cabinet. The young people discussed what they think is missing from the world of mental health with senior decision makers; and also highlighted positive examples of current services and attitudes to mental health (Appendix 4).

Helping people help themselves

1.27 Behavioural change initiative trials have continued in quarter 3, as part of the Council's £1m Road Safety scheme. Trials include amendments to the Notice of Intended Prosecution, the development of new letter for Operation Crackdown, and reminders to people of their offending as part of the Anniversary Project. Three infrastructure schemes, on routes identified as high risk, have been completed in 2018/19; a further four schemes have been confirmed (Appendix 5).

1.28 There has continued to be improvements against the key metrics outlined in the Improved Better Care Fund in quarter 3. There have been reductions in Delayed Transfers of Care and admissions to residential nursing homes, while the number of older people still at home 91 days after discharge from hospital into reablement/rehabilitations services is increasing (Appendix 2).

Making best use of resources

1.29 The Government's budget was announced on 29 October 2018, with the Local Government Settlement following on 13 December 2018. The budget and settlement provided the Council with a number of additional funding streams for 2018/19 and 2019/20, although this funding is very welcome, and helps deal with the immediate pressures facing the Council, it is all one off, so won't address the long term challenges. The full final funding settlement from Government is expected in February (Appendix 6).

1.30 We have continued lobbying for fair funding in quarter 3, alongside others in the sector and with the assistance of our local MPs. Lobbying has included, amongst other activities: meetings between the Leader and Deputy Leader and Rishi Sunak, Minister for Local Government, and Liz Truss, Chief Secretary to the Treasury; officers met with civil servants in the Ministry for Housing Communities and Local Government, including the Permanent Secretary, and the DfE; in the run up to the budget, the Leader wrote, on behalf of all Council Group Leaders, to the Prime Minister, the Chancellor of the Exchequer, and the Secretary of State for Housing, Communities and Local Government; and the Leader has continued to meet with local MPs to discuss local issues and explore avenues to make our case for adequate funding to Government (Appendix 6).

5 March 2019

KEITH GLAZIER
(Chair)