

Report to: **Cabinet**

Date: **5 July 2010**

By: **Chief Executive**

Title of report: **Reconciling Policy and Resources – In-Year Grant Reduction**

Purpose of report: **To propose action to deliver the required in-year grant changes.**

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## **RECOMMENDATION**

**The Cabinet is asked to agree the proposed specific actions (in Appendix 2) and note that all portfolios will take any further action required, to ensure spend is kept within approved net budget in the usual way.**

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### **1. Background**

1.1 As reported to the last Cabinet meeting, the new Coalition Government has announced £6.2 billion of in-year cuts as part of the national deficit reduction priority. The Departments of Communities and Local Government (£533m), Education (£311m), Transport (£309m) and Defra (£8m) are required to contribute to the total of £1,165m of in year grant cuts. The cuts are being passed onto local government through cuts to certain area based and specific grants but with protection being given to main schools grants, Sure Start, core Supporting People and core 16-19 funding. Grants to Local Government from other departments, including the Department of Health's grants for preserved rights etc, are not included in those to be cut. The Government has not ring fenced the cuts to their respective specific grants, so in responding the County Council is able to use all areas of our expenditure to ease the effects of other grant reductions (although what is and is not included in the un-ringfenced grants has been subject to change by the Department for Education, which has limited the choices which can be made).

1.2 The work to anticipate the in year cuts that has been underway since the announcement was made in late May. Combined with the preparation for the difficult medium term financial outlook agreed by Cabinet in the Autumn, this has meant we are able to respond effectively to the in year challenge of £8.4m cuts. As well as cuts to specific and area grants, the total includes the fact that the remaining 50% of the Local Area Agreement Performance Reward Grant that was due to be paid this year has also been cancelled. We suspect the late and proportionately high cut in this area is as a result of protecting the core Supporting People grant). The appendices referred to later provide detail on both the grants being cut and our proposed departmental responses. It is however worth summarising some of the scale effects. For example, £8.4m is more than twice the total increase in formula grant we received for 2010/11. The cuts in Education are equivalent to a 24% reduction in children's related Area Based Grants. The cuts in the integrated transport block is equivalent to 75% of the specific capital grant involved and the cut to road safety are equivalent to 40% of the combined capital and revenue grant involved.

1.3 The County Council's share of the grant cuts is detailed below although it is important to note that there remains potential for further cuts either directly on local government or, more likely, as collateral damage from central government department or partners. (In addition to the below, some £1.4m of reward grant planned to be forwarded direct to partners has also been withdrawn).

	<b><u>£000</u></b>
Children's Services	2442
Adult Social Care	257
Governance and Community Services	50
Corporate Resources	171
Transport and Environment	<u>1939</u>
	<u>4859</u>
LAA Reward Grant to ESCC direct	1224
LAA Reward Grant to ESCC as lead	<u>2274</u>
	<u>8357</u>

## 2. Proposals

2.1 As Cabinet is aware the scale of the savings and the County Council strong track record on delivering efficiency savings means that front line service impacts are unavoidable. As well as detailing the funding streams involved, Appendix 1 explains the strategic approach taken by the departments facing the bulk of the in year grant cuts and across the Authority to protecting investment in our highest priority areas. Appendix 2 details the specific proposed savings and actions. The proposals include provision for redundancy and restructuring costs and make use, where appropriate of flexibilities in existing budgets including underspends from 2009/10.

2.2 The specific impacts of the grant changes on performance are being assessed and any changes to the agreed targets in the 2010/11 Council Plan will be reported in the Autumn. The proposals have been identified with, as far as possible given the timescales, consideration being given to equalities impacts of both services and the overall programme. The work cannot be completed until full implementation plans are in place.

2.3 Appropriate communication arrangements have been put in place with staff and partners, especially those directly affected, and as far as possible consultation undertaken. Scrutiny Chairmen and opposition lead Members and Trade Unions have also been consulted. The whole Council Forum to be held on the morning of this meeting will provide all Members with an opportunity to contribution to the deliberations.

## 3. Conclusion

3.1 Making significant in-year grant cuts is a major challenge, but the County Council is able to draw on the work and discipline of Reconciling Policy and Resources to manage its approach. Reductions will be delivered, but will inevitably have significant service impacts. The County Council must to maintain its record of spending within budget.

3.2 The scale of cuts this year is a pointer to an even greater challenge in future years. The in year cuts to specific grants will continue in future years and will probably increase – and this is a crucial point to bear in mind in terms of our response now. Our planning principles, set by Cabinet last summer, anticipated significant possible cuts to specific and special grants and asked all services to work on the assumption of 'consuming their own smoke'. The consequent cuts involved add to the £60m savings we already anticipate as a result of the squeeze on core spending financed by Council Tax and Formula Grant.

3.3 The 'State of the County' report to be considered at the next Cabinet on 27 July will be a key planning milestone for the medium term policy and financial planning from 2011/12.

**BECKY SHAW**  
**CHIEF EXECUTIVE**

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## Strategic Approach to Savings - Governance & Community Services

### A. Overview

The Department has always sought to take a prudent approach to the management and distribution of all external grant funding streams, in particular, commitment have not been given until the resources have been secured and spending has been aligned to confirmation that funds have been received.

The main in-year impact for the Department of Governance & Community Services is twofold:-

- a £50k reduction in funding from the Home office Area Based Grant;
- a £1.972m reduction in the LAA reward grant,

In addition, there has also been the loss of bidding potential for capital grant from the Homes and Communities Agency (HCA).

### B. Approach to Proposed Savings

#### Area Based Grant reduction

The impact can be managed by a pro-rata reduction in the payments to the District & Borough Crime and Disorder Reduction Partnership's (CDRPs) as only the first 6 months funding has been paid to them.

#### LAA Reward Grant Reductions

This falls into 5 areas:-

- Reward Funding to the Safer Communities Partnership – a reduction of £577K
- Reward funding to the CDRPs – a reduction of £230K
- Reward funding to the Drug and Alcohol Action Team (DAAT) – a reduction of £57K
- Reward Funding to the East Sussex Adult Learning & Skills Board (ESALPB)– a reduction of £588K
- Reward Funding to the Volunteer Project Steering Group – a reduction of £520k

#### Reward Funding to the Safer Communities Partnership

The Partnership received the first tranche of £577K some months ago but to date has not allocated all of it to specific projects or initiatives. This is because of a major fundamental review of structures to support community safety across the county that is currently being undertaken, with proposals for the way forward due in the next month. This in itself was in anticipation of a much tighter funding regime in the future and a desire to maximise resources on front line delivery.

It had been intended that the second tranche of LAA reward funding – now withdrawn - would be utilised to support the reviews recommendations and clearly the withdrawn grant now has an impact, especially in relation to the review proposals. The Probation Service as the lead agency is now in the process of reviewing the implementation plans.

#### Reward Funding to the CDRPs

None of the first tranche funding received to date has actually been allocated pending the outcome of the community safety review. The withdrawal of the second tranche reduces the total resources available.

#### Reward Funding to the DAAT

The first tranche of £57k was paid over to the DAAT. This withdrawal of the second tranche means that unless an alternative source of funding is established from April 2011 (which is unlikely, given the circumstances) this will require the development of alternative assessment arrangements requiring less resources to support the Drug Intervention Programme. (The in year programme can continued as planned).

### Reward Funding to the ESALSPB

In this case while the funding has yet to be earned and is subject to the data becoming available to support the claim being made, however this is expected to be positive. As a result the first tranche of £588k has not yet been received and as we now know the anticipated second tranche of £588k has been withdrawn. Understandably the Partnership Board had not made any definitive plans to allocate funding. The ESALSPB will have to review its plan about how best to utilise actual resources once actual monies are received.

### Reward Funding for the Volunteer Steering Group

The first tranche of £520k has already been received. An investment plan was agreed amongst the volunteer project steering group covering 3 main themes but only one theme was progressed prior to the recent announcements. The theme that had been progressed related to the volunteering infrastructure support service (otherwise known as 'Volunteer Centre East Sussex') under a three year service level agreement (with 3VA). As this investment was time-limited the project steering group had agreed an exit strategy that would ensure that the continuation of the service beyond the three year agreement was not dependent on County Council investment. The actual LAA reward received will cover the three year agreement for the volunteering infrastructure support service.

However, two theme areas in the original investment plan will no longer be viable given the withdrawal of the second tranche (as no other funding streams are available). The two areas of work that will not take place are:-

- the small grants programme for volunteer involving organisations;
- the employee supported volunteering scheme for public sector workers;

### Potential HCA Capital Grant

Although a competitive process (in which the County Council had a very good track record), the HCA capital grant programme for new Gypsy & Traveller sites has now been cancelled. This announcement came after a considerable amount of detailed work and the submission of a bid by ESCC for £600K.

The funding reduction by the HCA has meant the cancellation of its Gypsy and Traveller programme budget for 2010/11. Bids that have been submitted, but not yet approved, will not now proceed.

## Strategic Approach to in year Savings - Transport & Environment Department

### A. Overview

The Government has announced a significant proportion of the in-year cuts in Local Government spending in the transport area. The picture for T&E is shown in the table below;

Grant Description	Original Grant £m	Revised Grant £m	Reduction £m	% reduction %
<u>Capital Grants</u>				
Integrated Transport	1.846	0.461	1.385	75%
Primary Route Network Maintenance	0.450	0.360	0.090	20%
Road Safety Capital	0.200	0.000	0.200	100%
<b>Sub-total</b>	<b>2.496</b>	<b>0.821</b>	<b>1.675</b>	
<u>Revenue Grants</u>				
Road Safety (Area Based Grant)	0.899	0.660	0.239	27%
Housing Planning Delivery	0.025	0.000	0.025	100%
<b>Sub-total</b>	<b>0.924</b>	<b>0.660</b>	<b>0.264</b>	
<b>TOTAL IN-YEAR REDUCTION</b>			<b>1.939</b>	

### B. Approach to Proposed Savings

#### Areas to protect

In proposing the savings detailed in the tables in Appendix 2, we have sought to protect the following three key areas:

Highway Maintenance – This is a priority for us and the investment levels that have been established through the use of prudential borrowing to supplement the existing capital programme provision are the minimum required to achieve the necessary step change in our road condition. We have achieved considerable efficiency savings in the package of works we have negotiated with our highway contractor to the value of approximately £4m. The underlying road condition will also be a key factor in the competitiveness of the contract rates we are likely to be able to secure through new arrangements when the current contract comes to an end.

Waste management – the majority of our spend relates to the PFI contract and change now would not be cost effective or easily influenced. Our initiatives in relation to joint working with the district councils will reduce reliance on landfill and consequently limit our exposure to LATS fines and landfill tax.

Passenger / Community Transport – we are heavily supported in this area by the Rural Transport Subsidy grant which, thankfully, hasn't been reduced this year. Improvements to Passenger Transport and accessibility are key priorities for us and any reductions in funding in this area can only have an impact on bus routes and services which would have a direct impact on our residents and particularly some of those who are more remote as inevitably the less commercially viable routes and services would have to be considered first towards any savings.

The detailed savings proposals do, to a large extent, mirror the areas of grant cut. We have used genuine underspends where they exist although of course these can only be used once and it's likely that the areas of grant cut this year are a signal of future similar or greater cuts in these areas and we are keen therefore to implement sustainable solutions now.

### Savings Proposals

The key areas where we are proposing savings are:

Local Safety Schemes / Road Safety Engineering  
Speed Management  
Road Safety activities through the Sussex Safer Roads Partnership  
Integrated Transport Measures

#### *Road Safety*

While road safety is a priority for us, the effectiveness of our activities has been under review for the last year and the grant cuts have brought this more into focus.

Our spending levels for many years have remained largely static. We have not however seen any significant reduction in our KSI figures and this leads us anyway to question whether we are focussing our efforts and spend in the right way.

A considerable proportion of our expenditure on schemes is driven by priority lists with strict criteria developed to respond to customer demands, for example, for traffic calming measures, requests for pedestrian crossings etc. These are predominantly reactive and a great deal of time is spent defending decisions about why one scheme has been chosen over another.

We have long since implemented engineering solutions that respond proactively to sites with a high accident rate and what we do now in this area is to satisfy customer expectation with limited evidence that the scheme is truly necessary or will result in reduced accident and casualty figures.

In proposing these savings we would leave ourselves with a small resource to be able to respond to sites which are proven (largely relying on expert advice from the Police and Fire Services) to be unsafe and in need of improvement. With this greater clarity significant officer time can be saved and expectations more clearly managed.

Although more evidence is needed still, we are anticipating that we would want to move more in the direction of additional enforcement activities and education and behavioural awareness for high risk groups. This would cost significantly less than the hard engineering measures that we have historically focussed on and which offer little return in relation to our targets.

#### *Sussex Safer Roads Partnership (SSRP)*

Also with overarching aims in relation to Road Safety, the SSRP is entirely funded by grant which the local authority partners (ourselves, WSCC & BHCC) passport directly to the Partnership. The grant is intended to fund the speed cameras around the county and this accounts for around 2/3 of the total spend of the partnership. The remainder is spent on a combination of schemes in individual locations (much like our own local safety schemes) plus advertising, marketing and promotional activities. It's hard to evidence what impact

these have in relation to our targets and particularly whether the pan Sussex approach has as much impact as more targeted campaigns could have.

The Partnership agreement comes to an end at the end of March next year and its future is currently under review. West Sussex, like ourselves, have established their own Casualty Reduction Board, and one has to question what the added value another partnership would be.

It's unclear as yet whether the grant cuts in this area are a signal of Government withdrawing commitment from speed cameras but in any case the effectiveness of these and all other SSRP activities will be considered as part of the review mentioned above.

Pending final decisions, we have made the Partnership aware of our saving proposals, the impact it would have on the partnership and as a result have ceased making any new commitments. We have not yet heard from the Partnership the level of commitments that have already been made this year from the total of their funding and there is consequently some level of risk that we may not be able to achieve the full savings proposed. We have over-planned in total on a small scale to allow for this eventuality.

### *Integrated Transport Measures*

The Local Transport Plan (LTP), a statutory document, sets out our strategic aims in relation to transport for East Sussex. We are expected to take action to improve travel choice and in particular passenger transport, reduce congestion, encourage walking and cycling, and improve air and noise quality. There is a focus away from building new roads as a preferred solution to transport needs.

Our own three year programme has been built largely around the Local Area Transport Strategies (LATS) process combined with more strategic schemes and where we have external funding (developer contributions or grant funding) to enable us to do more.

Schemes are prioritised based on a balanced scorecard approach although Integrated Transport Measures are considered separately to Road Safety Schemes (mentioned more above) and are not given equal weighting. A review of the number of schemes implemented over the last few years has raised some question about the value of the schemes we have undertaken and the contribution that they have made to our overarching LTP aims. Often schemes are so long coming to fruition that circumstances and needs have changed and currently we have no formal system for re-establishing the business case and particularly no method to measure the cost to benefit ratio.

Although the grant funding in this area has been cut by some 75% this year, there is no indication that there are any plans to change the requirements to produce an LTP. Without the supporting funding our plans to introduce a business case model to support scheme choice based on factors including the cost / benefit ratio are even more important.

Many schemes that we undertake currently under this banner have a high degree of local importance and there will be considerable expectations to manage as a result of both very limited future funding and a new approach to scheme choice.

### HR Implications

With the capital programme set to reduce considerably this year and in the future, there are immediate implications for the staffing levels in T&E who undertake the full range of activities in getting a scheme to implementation including, feasibility assessments, consultations, preliminary and detailed design, procurement, project management and supervision. We

anticipate, in addition, to existing proposed savings under our departmental restructure, that we will need to make a further 7fte redundant.

We have taken HR advice and have outline plans of how to manage this situation in the midst of an existing consultation on staffing structures. The savings figures shown in the table include an assumed a half year saving on salaries and direct on-costs. It has not been possible just yet to give an estimate to redundancy and possible pension augmentation costs but these will be calculated as soon as possible.

### Conclusion

The savings we are proposing this year reflect a longer term approach that was already emerging and has accelerated our thinking. There is a smaller reduction in savings proposed from Integrated Transport Measures this year than the grant cut implies and is reflective of the contractual commitments that have already been made.

Our programmes of work across all of these areas are in the public domain and there will consequently be many disappointments and a communications plan is being developed. Schemes that some Members were expecting will inevitably be casualties of the cuts.

The total value of the savings proposals in the table is £2.227m while the required sum is £1.939m. There is a risk that we may not be able to secure all of the savings that we are planning via the SSRP so the proposals contain a small element of contingency. Should the full SSRP savings be realised then a number of schemes can be built back into our programmes.

Subject to confirmation of funding next year, we would like to be able to complete the final year of our Speed Limit Review. We are proposing to sacrifice a large proportion of it this year as few contracts have been let at this time. It would seem grossly unfair that those areas which happen to fall into the final year of a six year programme, never benefit from their limits being reviewed. Our ability to carry out this year must of course be in the context of available funding.

Before looking at immediate cuts this year, we did re-visit our departmental underspend all but £30,000 of the £1.6m is committed to a combination of existing partnership projects which are in progress, contracts let where work has slipped, and allocations to make good planned savings this year which are no longer, in full or in part, achievable.

### **Strategic Approach to in year Savings – Children’s Services Department**

The proposals set out the in-year reductions of £2.44m within Children’s Services to meet the cuts to ABG and know reductions to other specific grants funding streams (such as the LAA reward Grant for NEETS (£176k) and Play path-finder (£73k) which is in addition to the £2.44m) in 2010/11.

As part of the consideration process about where cuts could be made SMT took a strategic overview of the impact of service reductions in terms of equalities, the policy steers, and where possible minimising the impact vulnerable groups. With regard to the latter, it has not been possible to protect all services provided to vulnerable groups. However, the following services were protected from specific cuts, at this point in time, although other service cuts will still have an impact across the piece.

- Protection of Carers Grant for Disability Services and continuing the contract with Care for the Carers
- Family Substance Misuse Service
- Teenage Pregnancy
- CAMHS Services
- Positive activities for young people - grant allocations
- Looked After Children and fostering and adoption
- Children's fund (including)
  - YOT Early Intervention Workers
  - Early Support Learning Disability Project
  - Chrysalis Project (YOT)
  - Domestic Violence Therapeutic Service
  - PSA (early intervention and prevention work with vulnerable families)

It should be noted that the above services may be indirectly impacted by grant reductions in other areas which are affected by the grant reductions.

The full extent of in-year grant reductions for Children's Services is still not known, as we are awaiting further announcements from the DfE in respect of other specific grants, such as the 14-19 local delivery plan.

**Governance and Community Services**

<b>Item</b>	<b>Expected ABG £,000</b>	<b>Reduction ABG £,000</b>	<b>Expected LAA reward £,000</b>	<b>Reduction in LAA reward £,000</b>	<b>Impact/comments</b>
Safer Stronger Communities - Home office	624	50	1,154	577	The majority of the first year LAA reward grant had been allocated to specific projects. Future project support was on hold pending the outcome of the fundamental review; however the lack of resources now available will have an impact on the priorities of the partnership and are likely to affect in particular the scale of work on Domestic Violence and offender management. The £50K reduction in ABG will result in a lower allocation for the second 6 months of the year to the District & Borough CDRPs.
District & Borough Crime Reduction Partnerships	0	0	461	230	This funding was spread over two years. Year two funding will now not be available. This funding has not been allocated to date due to the fundamental review that is being undertaken to avoid potential duplication of services.
Volunteer Steering Group	0	0	1,040	520	The expected funding was spread over three years as it was to be invested in the voluntary sector, making any agreements Compact compliant. The reduction in funding now means that there is only funding available for the volunteering infrastructure support service. The small grants programme for volunteer involving organisations (ViOs) will not go ahead (£100K per annum 2010-2013). The impact of this will be felt by ViOs operating in East Sussex, as the programme was aimed at providing small amounts of funding for organisations wanting to develop their governance and management systems for engaging volunteers in the

**Governance and Community Services**

Item	Expected ABG £,000	Reduction ABG £,000	Expected LAA reward £,000	Reduction in LAA reward £,000	Impact/comments
					<p>delivery of services to communities. The fund was to be promoted by officers delivering the volunteering infrastructure support service, as officers would carry out health checks with ViOs identify areas of improvement and if these areas were in line with the funding criteria of the small grants programme suggest that the ViO applies to the fund. The fund was plugging a funding gap for ViOs as there is little or no funding available for this type of activity as it is not directly related to service delivery.</p> <p>The employee supported volunteering scheme (ESVS) for public sector employees will not go ahead (£50K per annum 2010-2013). The impact of this will not be great as it was aimed at developing a brokerage system for employees to identify volunteering opportunities that were vetted. However, employees will still be able to access volunteering opportunities in their own time as individual via the volunteering infrastructure support service. The benefit to the Council in developing a ESVS were that it demonstrates commitment to building healthy and active communities, good quality of life, and contributing to the building of social capital, it also develops skills and morale in the workforce, and finally improves image and can help reinforce commitment to supporting the voluntary and community sector.</p>

**Governance and Community Services**

<b>Item</b>	<b>Expected ABG £,000</b>	<b>Reduction ABG £,000</b>	<b>Expected LAA reward £,000</b>	<b>Reduction in LAA reward £,000</b>	<b>Impact/comments</b>
Drug & Alcohol Team	0	0	115	57	This reduction will affect the assessment processes used to support the Drug Intervention Programme which is now likely to be scaled back.
Adult Learning Skills & Skills Partnership board	0	0	1,178	588	As the reward grant has not yet been earned and awarded, prudently no plans had been made for its expenditure. However, the reduction will hamper the ability of the Partnership to implement the priorities contained within its strategy and action plan.

**Transport and Environment**

<b>Funding Stream / Grant</b> <i>Description</i>	<b>Total Grant / Budget</b> <i>£000</i>	<b>Saving Proposed</b> <i>£000</i>	<b>Saving Proposed</b> <i>Description</i>	<b>Impact</b> <i>Description</i>
Integrated Transport Block Grant (Capital)	1,846	221	<p>Much of the Integrated Transport Measures budget had already been committed and consequently only a small number of schemes will not be implemented or preliminary activities undertaken. There are complimentary savings too in contractor management costs and staff reductions. The schemes affected are:</p> <p>BHLR complimentary measures – design</p> <p>Tillsmore area traffic calming – scaled back scheme</p> <p>Bishopstone Cycle Link</p> <p>Countywide SMART initiatives</p> <p>Seaford Pedestrian and Cycle facilities – feasibility study</p> <p>Cross in Hand/A265 junction – technical evaluation work</p> <p>Ditchling / Keymer Straight cycling and pedestrian facilities – feasibility</p> <p>Rye Harbour Road Phase 4 – legal costs associated with land purchase</p> <p>Bexhill Little Common pedestrian scheme –</p>	<p>The impacts of all of these activities is one of public and Member expectations. While some of the individual savings are small and related to preliminary activities this year, the likely lack of funding in future years makes construction possibilities extremely remote.</p> <p>There are also staff redundancies associated with the range of capital programme cuts to be considered.</p>

**Transport and Environment**

<b>Funding Stream / Grant <i>Description</i></b>	<b>Total Grant / Budget £000</b>	<b>Saving Proposed £000</b>	<b>Saving Proposed <i>Description</i></b>	<b>Impact <i>Description</i></b>
			legal costs in advance of construction	
Local Safety Schemes / Minor Works budget (Capital)	1,206	730	A number of schemes will no longer proceed as planned including:  Traffic calming in Manor Road / Milward Road  Pedestrian crossings at Sedlescombe Road North and Eldon Road Eastbourne  Local Safety schemes at A259/ church Street Seaford, Sutton Avenue /Balcombe Road Peacehaven, Broad Street/Place Lane Seaford, B2204/Powdermill Lane Catsfield, Harley Shute Road St Leonards	As above there are considerable member and public expectations for these schemes which address some long standing safety issues although are not sites that have a poor accident record.  Staff redundancies associated with these proposals are being planned for.
Speed Management budget (Capital)	536	425	This represents nearly the entire programme for the year which 21 separate schemes ranging from feasibility, and consultation activities to implementing a new speed limit.	High public and Member expectations. Subject to availability of funding in 2011/12, we may be able to continue with the programme and achieve its completion.
Road Safety Grant (Capital)	200	200	The saving proposed will reduce the grant passported to the Sussex Safer Roads Partnership (SSRP). It was planned for the	The cameras identified for upgrade this year will no longer be converted to digital – they will remain operational however so

**Transport and Environment**

<b>Funding Stream / Grant <i>Description</i></b>	<b>Total Grant / Budget £000</b>	<b>Saving Proposed £000</b>	<b>Saving Proposed <i>Description</i></b>	<b>Impact <i>Description</i></b>
			sum to be spent upgrading the speed cameras	there is minimal impact.
Bridge Structural Maintenance budget (Capital)	1,450	100	The savings proposed will mean that work on bridge structures at Swans Yard, Ditchling, Robertsbridge and Glyne will not now happen this year. These proposals are in place of taking cuts in relation to the grant for Primary Route Network maintenance (£90,000 grant cut) which is being used on two of our highest priorities at Pheonix Causeway and Carlisle Parade.	Swans Yard, Ditchling – this bridge is subject to flooding on average once a year. It affects just one property and the work will be deferred to next financial year.  Robertsbridge and Glynde – these bridges experience ‘leakage’ (water seeping through the structure). We were planning to install catch pits to capture the water before entering the bridge. Deferring by a year will not impact the safety of the structures.
Newhaven Household Waste Recycling Site budget (Capital)	2,025	200	This is a genuine underspend relating to the replacement site at Newhaven. The funding source is the Waste Infrastructure Capital Grant (WICG) that has been accumulated over a number of years. The saving is estimated to be at least £200,000	None
Planning Delivery Grant (Revenue)	25	25	This grant has reduced considerably over the last few years and as notification is often late we do not budget for it and consequently had no plans to spend it this year.	Very minimal – the grant may have been used for marginally more enforcement activity.

**Transport and Environment**

<b>Funding Stream / Grant</b> <i>Description</i>	<b>Total Grant / Budget</b> <i>£000</i>	<b>Saving Proposed</b> <i>£000</i>	<b>Saving Proposed</b> <i>Description</i>	<b>Impact</b> <i>Description</i>
Road Safety Engineering budget (Revenue)	200	87	<p>The proposed saving relates to two schemes as follows:</p> <p>Sedlescombe Road North/St Helens Road – improvements to signs and lines at roundabout junction</p> <p>B2026 through Fairwarp – surfacing a lines to control speed at request of Parish Council</p>	Both schemes are local schemes so will impact directly on expectations of residents and Local Members.
Road Safety Revenue Grant (Area Based Grant)	899	239	<p>The saving proposed will reduce the grant passported to the Sussex Safer Roads Partnership (SSRP). We had this year committed to passporting £689,000 originally. The majority of their spend (from ourselves WSCC and BHCC) funds the operation of speed cameras around the county. There is however an element of other items for example on advertising, campaigns and marketing. We have started discussions with the partnership to determine the detail of the savings.</p>	It's difficult to be precise about the impact of the savings until we're clear what stance other members are taking and what the Partnership agree to be the least impact savings. An assessment will need to be made as to which activities have the biggest impact on reducing KSI's and we will seek to protect those as far as possible.
<b>TOTAL</b>		2,227		

**Adult Social Care**

<b>Funding Stream / Grant</b> <i>Description</i>	<b>Total Grant / Budget</b> <i>£000</i>	<b>Saving Proposed</b> <i>£000</i>	<b>Saving Proposed</b> <i>Description</i>	<b>Impact</b> <i>Description</i>
Supporting People Admin Grant (ASC)	£257	£257	Proposals are being developed to mainstream the administration of Supporting People and the formal staff consultation will commence in the summer. It will not be possible to fully absorb the cost of the team which totals approximately £368k into existing ASC teams although significant reductions are expected. The shortfall that is required will be taken from the Supporting People main grant which has a planned under spend, for contingencies, in the current year, so services will be unaffected. This position will be reviewed as part of the medium term planning process.	In autumn 2010 ASC teams will commence taking on the work of the Supporting People team. The work of these ASC teams will be impacted but a risk based approach to this will be taken. There are likely to be redundancy costs if staff cannot be redeployed.  In 2011/12 it is likely that some of the costs of commissioning and contracting will have to be met from the core Supporting People grant which would otherwise be spent on housing related support.
	<b>TOTAL</b>	£257		

**In Year Savings Proposals and Impacts**

**Appendix 2**

**Corporate Resources Directorate**

<b>Funding Stream / Grant</b> <i>Description</i>	<b>Total Grant / Budget</b> <i>£000</i>	<b>Saving Proposed</b> <i>£000</i>	<b>Saving Proposed</b> <i>Description</i>	<b>Impact</b> <i>Description</i>
Local Authority Business Growth	£171	£171	Prudently as this was only received in March it was deliberately not anticipated in the 2010/11 budget. It was therefore not allocation.	As there was no matching one off (or worse, base) spending commitment or plan- the impact is zero, saving loss of future capacity.
LAA reward Grant direct to ESCC	£1224	£612	The County Council on took into account some £600k in its (one off) budget planning for 2010/11.	Thankfully, because of the prudent approach employed, the withdrawal of the second tranche of £612 will have not direct impact.
<b>TOTAL</b>		<b>£783</b>		

**Children's Services**

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V Volunteering	100.0	25	Reduce number of volunteers through natural wastage and freezing recruitment	Reduce opportunities for volunteering for young people who are NEET or at risk of becoming NEET
School Lunch grant	642.7	160	As standards fund grant it is paid over an academic year the majority of the 2009-10 grant has been spent and committed. However, £70k remains unallocated up to Aug 2010, so can be released without impact.	This grant is due to expire at the end of August 2011. It has been used to fund a number of elements, including kitchen upgrades for health & safety issues, cashless systems and to subsidise school meals prices (the latter being written into the meal provision contract). However, savings could be made from Sept 2010 – March 2011 from the kitchen modernisation element (£90k). Further savings could be achieved for the period from April-Aug 2011 across the range of spend areas but could not be provided on-going. There are no redundancy implications.
Extended Schools	3653.9	479	<p><i>Savings in year 1 are net of estimates associated decommissioning costs full saving £500k</i></p> <p>This saving would be achieved as follows:</p> <p>(i) Reducing spend on the new subsidy of after school activities costs for children entitled to free school meals. A total of 1,400,977 was allocated to East Sussex for this purpose by the previous Government. With the lifting of the ring-fencing, we propose to reduce the spend</p>	<p>(i) The amount of subsidised activities provision will be 21% less, but the remaining 79% should still have a positive impact on a number of children and young people. This saving is about reducing plans for significant additional service, not reducing a service already in place</p>

**Children's Services**

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			<p>by £300,000. As this new funding stream is substantial in size, it is felt that the LPCs will still have sufficient funding to support extended activities.</p> <p>(ii) Reduction in central support from the Children and Young People's Trust team in the Department. This will require some deletion of posts and some redundancies.</p> <p>(iii) Use of £61,000 grant in 2010-2011 not yet committed</p>	<p>(ii) Schools will not be able to access dedicated advice and guidance on the development of extended services/after school activities. The Chairs and coordinators of the 22 Local Partnerships for Children will need to operate on a day to day basis without facilitation from the department. There will also be reduced activity in other areas of the team's work, such as detailed oversight/monitoring of preventative family support.</p> <p>(iii) There will be an opportunity cost in that no funds will be allocated to new extended school projects. No existing services will be affected.</p>
School Development Grant – Excellence Cluster	2306.8	209	<p><i>Savings in year 1 are net of estimated associated decommissioning costs. Full savings will be £230k</i></p> <p>Reduced forms of learning &amp; parent support; this will require some deletion of posts and some redundancies, as well as reduction in consultancy commitments.</p>	Reduction in support provided for pupils vulnerable to under achievement in Hastings and support for their parents and teachers to ensure the best possible outcomes.
Early years extension of Free entitlement	2468.9	617	This saving will be found by using underspend from the 2009/2010 grant allocation. That allocation was to pilot the provision of an	There will be no impact on the availability of early years education in 2010-2011; we will still be able to offer the additional 2.5 hours to all 3

**Children's Services**

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			additional 2.5 hours a week of early years education (from 12.5 to 15 hours) for 3 and 4 year olds; take up of the additional hours during the pilot period was less than expected.	and 4 year olds whose parents wish to take up the offer.
Key Stage 4 foundation learning	167.3	42	Reduce range of curriculum provision for pupils vulnerable to underachievement. Reduce support to providers for programme development	Reduction in curriculum provision for up to 80 places on courses. Risk of increase in the number of young people who do not achieve qualifications and show signs of disaffection from school.
14-19 Flexible funding Pot	589.3	113	Delete vacancy posts leading to reduction in 2.5 permanent posts.	Reduction in service provided to schools and colleges to develop curriculum at KS4 & KS5. Potential longer term impact on standards; and potential increase in the number of NEETs
School Improvement Partners	205.4	47	Reduction of School Improvement Partner (SIP) time in outstanding schools and a significant number of good schools.	Reduces capacity of local authority to monitor performance of its schools and provide appropriate challenge and support.
Connexions	4196.9	411	10% reduction to contractors in their last quarter. Delete vacant posts (3 permanent posts). Reduce projects for primary PSHE and 14-19 learners with learning difficulties and disabilities.	Risk of increase in NEETs, reduced capacity to support raising young people's expectations for themselves
School Intervention grant	130.5	33	Reduction in support for schools with serious weaknesses	Increased risk that standards in schools causing concern will improve as quickly.
Education health Partnerships	96.1	24	Reduce support for the healthy schools programme	Fewer schools getting healthy schools mark. Less high quality PSHE provision may impact

**Children's Services**

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				on obesity and teenage pregnancy rates.
Extended rights to Free transport	626.8	192	<p>Transport is provided under the current policy to pupils attending a denominational school. Those pupils currently in Years 10-11 receive free transport under the previous policy. Pupils in years 7-9 currently receive assisted transport under the revised policy– i.e. their parents make a contribution to the costs.</p> <p>The earliest opportunity to remove support for these pupils is January 2011 as appropriate consultation and communication with parents must be undertaken as well as approval by members to amend policy. A change in the middle of an academic year will not prove popular and may lead to legal challenge. The intention to consult on this needs to be contained within the Admissions booklet published in August 2010.</p>	Potential adverse publicity and legal challenge.
School Development Grant	90.1	32	The budget will be restructured to avoid redundancies and protected core statutory activity.	The range of Parent Participation activities will be reduced.
School Development Grant	85.0	21	Accredited Teaching Assistant Speech and Language Training and Accredited Teaching Assistant Dyslexia Training is currently subsidised. The subsidy would be removed and existing training courses would be cancelled or	Training courses already booked would either be cancelled or the cost increased. There is a risk that schools would go to other providers

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			the cost increased.  This will require some deletion of posts and potentially redundancies	
School Development Grant	88.6	32	Reduction in leadership development opportunities and 25% reduction in courses for Teaching Assistants	Risk of fewer high calibre internal candidates for headteacher and deputy headteacher posts in East Sussex. Increased risk of less effective leadership in schools and less skilled workforce in Teaching Assistants.
Children's trust fund	11.0	3	CTF allocations to individual children have already been paid for this financial year and cannot be retrieved.	This amount will be found within the overall budget for the ILAC service and will increase budget pressure on that service.
<b>TOTAL</b>	<b>16,018.3</b>	<b>£2,440.0</b>		
<b>LAA REWARD GRANT</b>				
NEETS	352	176	No development of premises to enable young people to access information, guidance and support. Reduction in projects for NEETs or young people at risk of NEET	Increase in number of NEETs.