

## REPORT OF THE CABINET

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The Cabinet met on 28 April 2009. Attendances:-

Councillor Jones (Chairman)

Councillors Bentley, Elkin, Glazier, Kirby, Lock, Reid, Mrs Stroude and B Tidy.

### **1 County Council Procurement with local small and medium sized enterprises**

1.1 The Cabinet has considered an interim report of the Audit and Best Value Scrutiny Committee on its review of the County Council's procurement with local small and medium sized enterprises (SME). The report is included elsewhere on the agenda (see agenda item 18). The full scrutiny report has previously been circulated to all members.

1.2 The scrutiny review was established to a) consider the extent to which the East Sussex County Council's procurement processes offer 'a level playing field' to local SME who wish to access contract opportunities with the Council; b) test whether the procurement processes designed to increase value for money and the participation of SME in East Sussex are working in practice; and c) make recommendations to enhance processes as appropriate.

1.3 The Council has a positive record in relation to procurement and the local economy. It has led a project that resulted in all Sussex councils signing the Government's Small Business Friendly Concordat, has an award-winning Compact with the voluntary sector, which includes procurement, and was assessed by the Federation of Small Businesses to be the 6<sup>th</sup> most small business friendly south-east council in 2007. In the light of the current economic situation it is assessing further ways in which we can support the local economy and deliver the Council's new policy steer in this area. The Council has already moved to ensure our tender information is available to all companies via the South East Business Portal and is assessing changes to its tender thresholds, reductions in payment timescales and opportunities for repackaging of contracts into smaller lots more attractive to smaller companies. The Council has also reviewed its payment arrangements for local SME and has reduced average payment days to 15 days.

1.4 The Cabinet has welcomed the Scrutiny Committee's interim report. Implementation of the recommendations, as set out in the Director's report, will result in further improvement in order to meet the aim of achieving excellent procurement in relation to the local economy and build on the Council's strong record in local procurement and the progress that has been made in recent years.

1.5 In welcoming the findings of the Scrutiny Committee, the Cabinet has considered a report by the Deputy Chief Executive and Director of Corporate Resources (as set out in Appendix 1 to this report, circulated separately to all members) on the specific recommendations and endorsed it as its response to the recommendations.

1.6 The Cabinet, in welcoming the report, **recommends** the County Council to -

- ✧ approve the response of the Deputy Chief Executive and Director of Corporate Resources on the implementation of the recommendations in the Scrutiny Committee's report.

*[See also the report of the Scrutiny Committee for Audit and Best Value, paragraph 1, page 28]*

## **2 Employment opportunities for adults with learning difficulties**

2.1 The Cabinet has considered the report of the Adult Social Care Scrutiny Committee on its review of employment opportunities for adults with learning difficulties. The report is included elsewhere on the agenda (see agenda item 18). The full scrutiny report has previously been circulated to all members.

2.2 The objective of the review was to consider how best the County Council can engage with local employers (including voluntary and community organisations) to promote and develop employment opportunities (both paid and voluntary) for adults with a learning disability.

### Background Information

2.3 The white paper 'Valuing People: a new strategy for learning disability for the 21<sup>st</sup> century' (2001), set out the Government's vision in England for people with a learning disability. It concentrated on four key principles of rights, independence, choice and inclusion. The eleven objectives outlined in the paper aimed to meet these principles. In particular, objective 8: moving into employment was aimed at "enabling more people with learning disabilities to participate in all forms of employment, wherever possible in paid work and to make a valued contribution to the world of work".

2.4 The cross-government agreement, 'Putting People First' (2007), aims to offer people with a learning disability greater flexibility around the support they receive through the use of personalised budgets. Personalised budgets provide people with more freedom to decide the type of support they wish to purchase to meet their particular needs. For some people this could see them moving away from a traditional day care service setting towards training and work based activities and could lead to more people being supported to access employment opportunities.

2.5 'Valuing People Now: a new three year strategy for people with learning disabilities' (2009), takes forward the policy set out in the 'Valuing People' white paper. It sets out the key policy objectives for 2009-2012 aimed at all people with learning disabilities and their families. Within these policy objectives there is a focus on people with learning disabilities fulfilling a life of their own, including opportunities to work and study.

2.6 The National Indicator Set (NIS) identifies NIS 146 Adults with learning disabilities in employment as a priority. This is a clear target in the Business Planning strategy for 2009/10

2.7 A scrutiny review carried out in 2006 into the provision of services for adults with learning disabilities recommended that *"consideration is given to a more consistent application, by directly provided and independent services, in seeking training and employment opportunities."* This recommendation was taken forward by the Adult Social Care department through the Learning Disability Partnership Board. The Employment Partnership subgroup of this Partnership Board works with various

partners to ensure that the right services can be put in place to help develop employment opportunities.

2.8 In 2006 a successful bid by the Directly Provided Learning Disability Service for funding from Learning Disability Development Fund (LDDF) enabled an employment service which seeks employment opportunities for clients (further information is provided at paragraph 18 of the Scrutiny Committee's report).

2.9 A recent review of Directly Provided Learning Disability Services in 2008/09 recommended that the service continues to develop in a way which will enable service users to develop skills and independence that will support them to progress in their lives and pursue employment. The review identified the need for employment related service developments in both Day Opportunity Services and Community Support Service. This is consistent with national policy and the local commissioning strategy which supports the move away from traditional day services to activities that promote independence. This is also in line with the development of Putting People First, which will see a shift towards a person centred approach and increased choice, in particular the introduction of Personal Budgets, which will enable people to make informed decisions about the type of services they wish to access.

### Conclusions

2.10 The Scrutiny Review of Employment Opportunities for Adults with a Learning Disability provides a welcome opportunity to further improve Adult Social Care services within East Sussex. The action plan provides opportunities to build upon and expand on existing developments.

2.11 In welcoming the findings of the Scrutiny Committee, the Cabinet has considered a report by the Director of Adult Social Care (as set out in Appendix 2 to this report, circulated separately to all members) on the specific recommendations and endorsed it as its response to the recommendations.

2.12 The Cabinet, in welcoming the report, **recommends** the County Council to -

- ☆ approve the response of the Director of Adult Social Care on the implementation of the recommendations in the Scrutiny Committee's report.

*[See also the report of the Scrutiny Committee for Adult Social Care, paragraph 1, page 24]*

## 3 Records Management

3.1 The Cabinet has considered the report of the Community Services Scrutiny Committee on its review of records management. The report is included elsewhere on the agenda (see agenda item 18). The full scrutiny report has previously been circulated to all members.

3.2 The objective of the review was to assess the Council's policy and practice for records management and the sustainability of the service, making recommendations for improvement where appropriate.

3.3 Records Management supports business efficiency and accountability across the Council. The Review provides a very useful analysis of current work and cost effectiveness as well as highlighting future challenges and opportunities. It also

emphasises the changing context for records management nationally and internationally in terms of the use of technology to support the Service.

3.4 Some of the Scrutiny Committee's recommendations recognise the corporate role of the Records Management Service and its links to work elsewhere. Recommendations 7 and 8, for example, link into the Electronic Document and Records Management work which is being pursued in a coordinated way by all departments. The Service would welcome the co-operation of departments in enabling recommendation 5 to be achieved (record management 'champions'), as this is seen as an essential element in ensuring best practice throughout the County Council, assisting the Records Management Service to work most effectively with departments. The scrutiny review process, and in particular the benchmarking survey, has provided new contacts with similar services in other counties which will enable the exchange of ideas to continue in future.

### Conclusion

3.5 Effective records management is crucial to the effectiveness of the County Council's work and its ability to meet legal requirements. Records and the information they contain are an important asset and should be managed with the same care as the County Council's other resources. The Scrutiny Review has provided a welcome opportunity to take stock of the Council's systems and to draw together the forthcoming challenges and opportunities which need to be addressed.

3.6 In welcoming the findings of the Scrutiny Committee, the Cabinet has considered a report by the Director of Law and Personnel (as set out in Appendix 3 to this report, circulated separately to all members) on the specific recommendations and endorsed it as its response to the recommendations.

3.7 The Cabinet, in welcoming the report, **recommends** the County Council to -

- ☆ approve the response of the Director of Law and Personnel on the implementation of the recommendations in the Scrutiny Committee's report.

*[See also the report of the Scrutiny Committee for Community Services, paragraph 1, page 26]*

## 4 Treasury Management

4.1 The County Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance. The Council operates its treasury management service in compliance with these codes and has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector. This requires that the prime objective of the treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis.

4.2 The Cabinet has considered the original Strategy for 2008/09 (appendix A of the report submitted to the Cabinet) which was approved in January 2008. This Strategy contained 2 changes to the investment arrangements to take account of the increased risk. Due to the changing situation in the financial markets further changes to the Strategy were agreed in July and November 2008 and February 2009.

Amendment to current Strategy

4.3 Under the current Strategy (attached as Appendix 2 to the report considered by the Cabinet) all lending other than to the Government Debt Management Office must be on a daily basis. It is now felt that the risk of lending for longer periods (up to 3 months) to the existing limited range of banks eligible for the Government Credit Guarantee Scheme and to the money market funds is acceptable and will generate higher returns. It is also proposed that the maximum which can be lent to Nat West (the Council's bankers) be increased from £35m to £65m.

4.4 The Cabinet has considered the treasury activity during the year on borrowing and short term investments (Appendix C of the report to the Cabinet).

Short term lending – the total amount received in short term interest for 2008/09 was £11.89 at an average rate of 4.16% which is above the average of base rates in the same period (3.62%).

Long term borrowing – Details of the long term borrowing were set out in the Cabinet report (Appendix C). The main points are:

No new borrowing was undertaken with the Public Works Loans Board (PWLB) during 2008/09. The County Council borrowed £6.45m from Barclays during 2008/09 at an interest rate of 4.25% pa (lower than PWLB rates) with a repayment due date of 10 October 2058.

In February it was agreed to use 'internal borrowing' to finance new capital investment and also to repay some £13m of existing PWLB loans. This has taken place and will give total savings of £458,820.

As a result of these changes (excluding premium on repayment of PWLB loans) the average interest rate of all debt at 31 March 2009 was 5.17% compared to 5.45% at 31 March 2008.

Short term borrowing – no borrowing was undertaken on a short term basis during 2008/09 to cover temporary overdraft situations.

4.5 The County Council is required by the Prudential Code to report the actual prudential indicators at the end of each year. There are five indicators that relate to treasury management and they were set out in Appendix D of the report considered by the Cabinet (previously circulated to all members). The position for the Council for 2008/09 is that performance against all borrowing and prudential indicators was within the limits set in the Strategy for the year.

4.6 The Cabinet **recommends** the County Council to -

- ☆ agree to the Treasury Management Strategy being amended to
  - a) allow for lending for periods up to three months to the existing limited range of banks eligible for the Government Credit Guarantee Scheme and to money market funds; and
  - b) allow the maximum which can be lent to Nat West (the Council's bankers) to be increased from £35m to £65m

## 5 Climate Change Strategy

5.1 In March 2008, the Cabinet agreed that the County Council would produce a Climate Change Strategy and would be a formal signatory to the Nottingham Declaration on Climate Change. The development of the draft Strategy has been overseen by the Climate Change Strategy Project Board. Throughout 2008 and early 2009 the development of the Strategy was discussed with District and Borough Councils and the Environment Agency, particularly in relation to technical discussions about how National Indicators 185, 186 and 188 (carbon dioxide emissions, from our own estate, carbon dioxide emissions from our area, and adaptation to climate change). An early draft of the Strategy was shared with 13 key partners and the Strategy was modified in response to the comments received.

5.2 The Cabinet has approved the Climate Change Strategy for East Sussex. The overall aim of the Strategy is:

“To promote the prosperity and well being of our community by reducing greenhouse gas emissions and adapting to climate change, and to enable individuals and organisations to tackle and adapt to climate change.”

This overall aim will be achieved by addressing four themes:

- bring climate change into the **mainstream** of all that we do;
- **engage** with new and existing partner organisations and the public;
- reduce our greenhouse gas emissions (**mitigation**); and
- create a community which is **adaptive** to the changing climate.

5.3 An Implementation Plan, developed with partners, will set out how we intend to deliver the Strategy. Details of actions and specific targets will be an essential part of the Implementation Plan. To be successful some issues require immediate specific action within a narrow subject area, while others are long term and involve work with several partners and the targets will reflect these timescales. Some of the actions that are likely to be required to meet each objective are outlined below (greater detail is included in the Strategy which has previously been circulated to all members)

Mainstream – a) establish widespread local commitment to action on climate change; b) take account of climate change implications in policy, programme and project development; and c) monitor and report progress, highlighting successes and areas for further action, and review the action plan.

Engage – a) ensure that residents and organisations are well informed about climate change, including how they can play their part in mitigation and adaptation; and b) ensure that programmes of support for action on mitigation and adaptation are available and suitable for individuals and organisations in East Sussex.

Mitigate – a) understand and forecast levels of greenhouse gas emissions from East Sussex; b) set the scale of appropriate local mitigation action, at least in line with national Government targets; c) determine the options available for the reduction of greenhouse gases; and take action to reduce greenhouse emissions from East Sussex.

Adapt – a) consider the nature of likely future climatic conditions in East Sussex; b) understand local vulnerabilities to a changing climate, including extreme

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weather events, as well as the opportunities presented by change; c) assess the likely risks to services, structures, business processes and the lives of residents and workers, and to prioritise responses to risks; and d) make adaptations to climate change, revising policies and procedures, and implementing changes to facilities and infrastructure.

5.4 The Strategy also sets out detail in relation to the next steps for each theme. It recognises what the Council has already done, identifies the further action it will take and the issues that can be addressed in partnership with other organisations. Some of these actions will help businesses and residents take advantage of the opportunity that climate change offers in the context of the current recession, both by reducing fuel bills and stimulating the demand for new, low carbon products and services.

5.5 The adoption of the Climate Change Strategy for East Sussex will help the County Council to provide leadership and a framework for actions across the county on climate change, as well as provide direction for its own action.

PETER JONES  
Chairman

28 April 2009