

Report to: **Audit and Best Value Scrutiny Committee**

Date: **12 September 2008**

By: **Director of Law and Personnel**

Title of report: **Reconciling Policy and Resources (RPR)**

Purpose of report: **To enable the committee to consider and comment on the detailed planning for 2009/10 and beyond as outlined in the State of the County report.**

RECOMMENDATIONS:

The Committee is recommended to:

- 1. consider any comments it wishes to make to Lead Members on the relevant policy steers and their contribution to the objectives of the whole Council (the County Council Promise) in light of the national and local policy context and performance stories, prior to their consideration by County Council;**
 - 2. establish a scrutiny board which, if required, is empowered to act on behalf of the committee to provide input into the RPR process this year, and in particular to consider the proposed portfolio plan; and**
 - 3. note the current strategic risks (appendix 4), the update of their status and the mitigating actions being taken.**
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1. Background

1.1 The State of the County 2008 report was presented to Cabinet on 29 July 2008. The report outlines the national and local context within which the reconciling policy and resources (RPR) process will take place for 2009/10 and beyond. In particular it focuses on:

- national and local policy context and Policy Steers – appendix 1
- performance stories – appendix 2
- national and local financial position – appendix 3
- identified strategic risks (for the Council as a whole) – appendix 4.

2. Scrutiny's role in the Reconciling Policy and Resources process

2.1 Scrutiny's engagement in the RPR process is important as scrutiny Members bring the experience to bear that they have gained through their work during the year. It is also an opportunity for the scrutiny committees to use the information provided to inform their future work programmes.

2.2 The committee is asked to consider and comment on the detailed planning for 2009/10 and beyond as contained within the following appendices:

1. National and local policy context and policy steers

The policy steers provide the structure within which business and financial planning is developed. The national and local policy context provides an overview of the main issues which will affect the County Council in the coming year.

2. Performance stories

The performance stories set out what we are trying to achieve against each policy steer, the progress to date and plans for the future.

3. National and local financial position

An overview of the national financial position and an updated summary of the Council's financial position for the next three years.

3. Future improvements to the RPR process

3.1 Following each RPR round, feedback is provided by the each scrutiny committee to help improve the scrutiny input into the RPR process for the following year. As a result of feedback from the 2008/09 RPR round, a number of suggestions are to be incorporated into RPR process this year. These apply to the later draft portfolio and budget plans to be presented to scrutiny in November/December:

- Where a proposed saving is identified, the saving should also be provided as a percentage of an appropriate budget to provide a clearer perspective on the scale of proposed changes.
- Greater detail about pressures and proposed savings impacts (where sufficiently developed) will enable members to gain a better understanding of proposals being put forward.
- The terms 'high', 'medium' and 'low' used to describe the general impact of savings should be used to describe the impact upon customers.

ANDREW OGDEN
Director of Law and Personnel

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Local Member: All

BACKGROUND DOCUMENTS

None

National and Local Policy Context

1. Introduction

1.1 A draft legislative programme for the next Parliamentary session has been published for consultation. In introducing the draft programme, the Prime Minister has highlighted economic stability and personalisation of public services as priorities for Government action. The Prime Minister said the programme is aimed at making Britain "a fairer, more prosperous society". The draft programme includes a number of Bills on the economy, education, health and community empowerment to be presented in November's Queen's Speech. More information on the proposals for local government are set out in the paragraphs below, but the thread that runs through them is that there should be more individualised public services and more public engagement in the decision making process.

2. Economic Downturn

2.1 The developing economic downturn will have implications for the County Council in the coming year. This will be both in terms of our own activities; the effects of inflation on service provision and possible wage inflation for example; on the economy of the County and the prosperity of local people and businesses.

3. The Local Government and Public Involvement in Health Act

3.1 The Local Government and Public Involvement in Health Act received Royal Assent in October 2007. The Act seeks to introduce a range of devolutionary and deregulatory measures to ensure a local government system in England that:

- gives local people more influence over the services and decisions that affect their communities through the introduction of a new duty for local authorities to involve local people in local services and policies;
- provides effective and accountable strategic leadership – all councils will now have to adopt either a directly elected mayor with a four year term or an indirectly elected leader with a four year term. These arrangements come into effect for the County Council from April 2009;
- operates in a performance framework – for local authorities working alone or in partnership – which supports citizen empowerment and secures better outcomes for all (see paragraph 5 on the Comprehensive Area Assessment (CAA) below; and
- leads local partnerships to provide better services for citizens (see paragraph 6 on the Local Area Agreement (LAA) below).

4. Sustainable Communities Act

4.1 The Sustainable Communities Act provides a statutory framework for councils and community organisations to put forward proposals for decentralisation and reconfiguration of public services, and changes to the pattern of public spending, which would contribute to sustainability. The main provisions of the Sustainable Communities Act are:

- The Secretary of State should publish local spending reports, statements showing the scope of public spending by all bodies exercising public functions in the area;
- Local proposals from councils can be put forward to the Secretary of State, which will improve the economic, social and environmental well-being of the area, including the participation in civic and political activity. This can include proposals to transfer functions from one organisation to another;
- Councils should develop proposals through wider community consultation, using some kind of panel of local people;
- In developing proposals, councils should have regard to a range of sustainability issues such as local production of goods, local food, transport, energy use, and others;
- The local proposals should be considered and short-listed by a 'selector' representing the interests of local government (the Local Government Association (LGA)), before being put to the Secretary of State for a response;
- The Secretary of State should publish an action plan in response to this, and should report annually to parliament on progress made as a result of this Act.

4.2 The LGA is expecting the first invitation for proposals under the Act to be launched by the Secretary of State on 14 October 2008, at a conference to be held at Local Government House. We do not yet know how long a time period will then be given for proposals to be put forward. It has been suggested that six months to a year would be a suitable period. Proposals can then be developed by councils in consultation with their wider community for submission to the selector. These will then be shortlisted and negotiated with the Secretary of State. If a council chooses to respond to the invitation, it should, as a minimum, establish a panel representing the wider community to consult, and could choose to run a much more extensive programme of publicity and participation.

4.3 The local spending reports are not required by the Act until April 2009. If the Act is to be effective this information needs to be available at the time of the Secretary of State's invitation. The LGA is therefore seeking to have publication brought forward.

5. Empowerment White Paper

5.1 The White Paper has been published. It contains little that is new, and many of the ideas in it are based on existing good practice in local authorities.

5.2 Key proposals are:

- a new duty for local authorities to Promote Democracy and to encourage voting through, for example giving "I've voted" badges
- support for volunteering through the creation of a Community builders (previously Community Anchors) fund and a match funded Grassroots grant to assist the voluntary and community sector.
- Improved access to information through looking at best practice about how information is disseminated to the public at local and neighbourhood level and "Policing Pledge" through which Neighbourhood Policing Teams will be held to account for achieving neighbourhood objectives.
- Greater influence through a new duty for councils to respond to petitions, including requirements for a full Council debate where 5% of residents have signed a petition

and a response to made to petitions outside Council's direct sphere of influence eg GP opening hours.

- Greater challenge through greater visibility of public sector officers, including the right to petition to require senior officers to attend public hearings; greater powers for scrutiny committees to require information from partners on a broader range of issues; and consultation will be opened on proposals for establishing an elected mayor and also to look at lowering the percentage of residents required to trigger a referendum on having an elected mayor from 5% to 2, 3 or 4%. The amount of time allowed between referenda in the event of an unsuccessful bid will fall from 10 years to 4 years.
- Greater redress- the CLG is conducting a review of issues of redress which will be published at the beginning of 2009 and will consider if and when financial compensation for residents might be relevant.
- Encouragement to people to stand for office including a relaxation of the restrictions on officers, except those most senior, from standing for office; encouragement of ward budgets; and modernisation of business practices to include remote attendance
- The creation of a new Asset Transfers Unit in the CLG to disseminate best practice and offer advice on the transfer of assets to community groups and the third sector.

6 Comprehensive Area Assessment

6.1 The CAA replaces the Comprehensive Performance Assessment (CPA) with effect from April 2009. It is an attempt to provide:

- people with a snapshot of life in their area each year;
- a catalyst for improvement in the quality of life and local services;
- an assessment of the value for money provided by local services
- a mechanism for co-ordinating and rationalising inspection.

6.2 The key components of the CAA will be the National Indicator Set (NIS) and organisational assessment of the public sector bodies in the area (councils, Primary Care Trusts (PCTs), police forces and fire and rescue authorities). These inputs will lead to a risk assessment of the area made by all the inspectorates which will be used to decide whether and what further inspection or other intervention and support is required in an area. The CAA model is still under development and a further consultation paper is expected in July.

7 Local Area Agreement (LAA)

7.1 A LAA is a three year contract negotiated between Central Government and local government setting out the priorities for a local area and how these will be tackled in partnership. The LAA also provides a way of strengthening partnerships and partnership working, pooling budgets and streamlining performance management systems. All local authorities were required by Government to establish a new LAA by June 2008.

7.2 The new LAA for East Sussex runs from 1 April 2008 to 31 March 2011 and comprises 33 improvement targets drawn from the NIS of 198 indicators. It also includes 16 statutory education and early years' targets. The Government Office for the South East

was keen that National Indicator 169 (non-principal classified roads where maintenance should be considered) should be included in the LAA. This was not agreed by the County Council, but an undertaking was given to consider future funding for highways maintenance as part of this year's Reconciling Policy and Resources process.

7.3 The national targets in the new LAA reflect local priorities identified in the integrated Sustainable Community Strategy for East Sussex. All targets will be delivered through partnership. All County Council contributions are determined through the Reconciling Policy and Resources (RP&R) process.

7.4 The LAA will be refreshed in January 2009. The refresh has traditionally enabled partners to renegotiate targets based on updated data or performance to date. It is not yet clear whether the new LAA refresh will be used in a similar way and to firm up baseline data and targets missing from the new LAA submission, or whether Government will use it to introduce new indicators and/or stretch targets.

7.5 In addition to the LAA, targets reflecting local priorities will be contained within the Sustainable Community Strategy action plan, currently in development. The performance overview of Community Services provides more detail on how the new LAA was developed.

8. A Framework for Fairness: Proposals for a single Equality Bill

8.1 The Government has been carrying out a review of current equalities legislation to consider "the opportunities for creating a clearer and more streamlined equality legislation framework which produces better outcomes for those who experience disadvantage while reflecting better regulation principles." Following lengthy consultation, the Government has announced that a single Equality Bill will be included in the Queen's Speech. The Bill will:

- introduce a single equality duty, which will require public bodies to consider the diverse needs and requirements of their workforce, and the communities they serve, when developing employment policies and planning services;
- make public bodies "more transparent";
- enable employment tribunals to do more to tackle unlawful discrimination by making recommendations to employers on their working practices which will benefit their wider workforce;
- extend existing positive action measures to allow:
 - employers to make their organisation or business more representative and reflective of the people they serve; and,
 - public bodies to deliver services in a more effective way to disadvantaged groups which may otherwise miss out; and,
 - political parties to use all women election shortlists until 2030;
- making the law more accessible and easier to understand, by bringing together nine major pieces of legislation and around 100 other laws in a single Bill.

8.2 The work that the County Council has been doing to strengthen its approach to equality and diversity is set out in the performance issues report on the Strategic Leadership portfolio.

9. Sub-national review (SNR)

9.1 The Government is holding a consultation exercise on the implementation of the recommendations of the Review of sub-national economic development and regeneration. The Review proposed a streamlining of regional plan-making, with Regional Development Agencies (RDAs) given executive responsibility for drawing up a single regional strategy and agreeing it with local councils in the region. A new role for councils in economic development was proposed, including a statutory duty to prepare an economic assessment.

9.2 The Council has responded to the consultation expressing its disappointment with the results of the review. Its response concurs with the views expressed by the South East England Regional Assembly (SEERA), that the proposal to place regional planning in the hands of an unelected quango is unacceptable and that locally-elected Members should have accountability for such decisions.

9.3 At the time of the publication of the SNR it was said that it would offer a new and powerful role for local authorities in shaping and delivering economic development and regeneration in their areas. The reality, as expressed in the consultation document, falls far short of that. The consultation document says that the RDAs will continue to be “business led”, with no mention of any seats for representatives of local government on the RDA boards. The duty to prepare a “local economic assessment” could be a useful step forward, but the consultation document only says that they will “inform” the integrated Regional Strategies. There should be a role for locally elected leaders to agree the regional plans for the area, in line with their responsibility for place shaping.

9.4 The consultation document refers to delegation of RDA funding as and when local authorities are deemed to have the capability and capacity to manage it. Local authorities in the South East are pressing for *devolvement* of RDA funding direct to local authorities rather than delegation. This was the very clear inference in the July 2007 consultation and page 20 of the current consultation which states that, “A key principle of the SNR is to ensure that decisions are made at the right spatial level, by devolving powers and responsibilities in line with economic outcomes.” Unless there has been an adverse assessment by the Audit Commission through the existing CPA and future CAA process, (i.e. that an authority or area is weak), then the presumption must be to accept that localities do have both the capacity and capability and devolution of funding should take place. Legislation is expected in the next parliamentary session, beginning November 2008 and the Council will continue to press for more democratically accountable arrangements to be introduced into regional planning and economic development functions.

10. Shared Services

10.1 Regional arrangements for supporting local government in delivering the national efficiency and capacity building/improvements programme have been combined as part of the arrangements for delivering CSR07. The South East Centre of Excellence (SECE) and the South East Improvement Partnership have been combined and are now known as Improvement and Efficiency South East (IESE). IESE is hosted by Kent County Council.

10.2 Funding of £26,604,028 will be available to local authorities through IESE in the South East for the period 2008/09 to 2010/11. East Sussex authorities are part of a sub-regional partnership, Chaired by Councillor Maynard, covering East and West Sussex and Brighton & Hove (B&HCC). In the first year of the three year period East Sussex led projects will concentrate on joint work across all authorities in the County on consultation and community profiling; procurement; and legal services. In addition to the funding which has been allocated to sub-regional partnerships, IESE has identified a number of regional themes and the County Council will also be trying to benefit from those streams to support efficiency and capacity building work.

10.3 Work supported by IESE is only part of the joint work that is being carried out by the County Council. There are already many examples of successful joint working in East Sussex, for example, the joint waste plan with B&HCC, joint commissioning for adults and children with Health and community help points and kiosks with district and borough council. An East Sussex definition and principles of shared services has been agreed and initial discussions are taking place between neighbouring county councils and B&HCC to discuss additional opportunities for joint working.

11. “Putting People First” Concordat

11.1 Released in December 2008, “Putting People First” is a government policy initiative to transform Adult Social Care based on a shared vision and commitment from central and local government, regulators and national provider organisations.

11.2 Although fully consistent with the agenda for promoting independence and providing more personalised care set out in “Our Health, Our Care, Our Say”, major change is required in service provision and this will impact on every aspect of the Adult Social Care department’s work and its partnerships. A National Indicator Set (NIS) reflects these expectations and Government has made a grant available to local authorities for the specific purpose of delivering Putting People First. East Sussex will receive £5.4 million over three years from 2008/09.

11.3 A programme of engaging stakeholders in this initiative is underway and this will continue. The important areas of change will encompass better information on how to stay healthy and well and on what’s available to help, more use of simple services to reduce the need for complex ones and increased use of flexible arrangements to provide service users and carers with funds to arrange their own care (called Direct Payments and Individual Budgets).

12. Green Paper on the future funding of Adult Social Care

12.1 On Monday 12 May, the Prime Minister, Gordon Brown, and Health Secretary, Alan Johnson, launched a public debate about the future of the care and support system for England. The debate will run from May until November. The debate builds on the current transformation programme set out in “Putting People First” and is focused on developing long term solutions for care and support that deliver what people want well into the future – it aims to find an affordable, fair and sustainable way of delivering and funding a first class care and support system for the 21st Century.

12.2 A consultation is currently being carried out, the findings of which will be used to inform the development of reform options for a Green Paper in 2009.

13 New Children's Plan

13.1 The cross Government 10 year national plan, "The Children's Plan: Building Brighter Futures" published in December 2007 is a broad and ambitious plan to make this country the best place in the world to grow up. Covering a very wide range of policy areas from promoting play and reducing the impact on children of the commercial world, to personalisation in education and tackling risky behaviour by young people, it sets out a new leadership role for Children's Trusts and a new role for schools as the centre of their communities. Strengthening the engagement of, and support for, families is a key theme, along with the integration of services and a broad perspective on the well being of children and young people.

14 "Raising expectations: Enabling the system to deliver" - the White Paper

14.1 "Raising expectations: Enabling the system to deliver" is a joint white paper from the Department for Children Schools and Families (DCSF) and the Department for Innovation Universities and Skills (DIUS) that creates a demand led system serving learners and employers. It aims to make faster progress towards the ambition to achieve a world class skills base by 2020. The main emphasis is on the transfer of planning, provision and funding of education, training and skills development for 16-19-year-olds from the Learning and Skills Council to local authorities.

14.2 The White paper has two main strands:

- Part 1 deals with the new 16-19 arrangements and ensures that local authorities will have the necessary funding and commissioning powers to deliver effectively new 14-19 entitlements and raise the participation age for all young people to the age of 17 by 2013 and 18 by 2015.
- Part 2 deals with post-19 learning and skills and supports the creation of a demand-led system and the integration of employment and skills.

15 Pitt Review

15.1 During August 2007, Sir Michael Pitt was asked by ministers to carry out a review of the flood-related emergencies which occurred during the summer of 2007. The final report was published on 25 June 2008. There are 92 recommendations in the report, including a number which will have implications for the County Council. It is proposed, for example, that Local Resilience Forums should be responsible for identifying high risk flood areas; that all upper tier local authorities should establish Oversight and Scrutiny Committees to review work by public sector bodies and essential service providers in order to manage flood risk; that local authorities should revisit their reserves and insurance arrangements in light of last summer's floods; and that Council Leaders and Chief Executives should play a prominent role in public reassurance and advice during a flooding emergency. In response to the Pitt report, the Environment Secretary announced that a prioritised action plan to improve flood protection will be published in the autumn. He

also announced that £5m would be spent on surface water management, £1m on making reservoirs safer and £250,000 on a nationwide flood response exercise.

16 Marine Bill

16.1 The draft Marine Bill package was published on 3 April and was out to public consultation until 26 June. It covers a number of policy areas relevant to the County Council, including coastal access; a new Marine Management Organisation charged with delivering sustainable development in coastal areas; arrangements for marine planning; designation of Marine Conservation Zones to protect and enhance the nature conservation value of these areas; and the creation of Inshore Fisheries & Conservation Authorities to manage the sustainable exploitation of fisheries. Where these changes might result in additional financial commitments for local authorities, the Government appears to making arrangements to fund these.

17 Heritage Bill

17.1 The draft Heritage Protection Bill 2008 was published by the Department for Culture, Media and Sport on 2nd April 2008. The draft Bill will go before the Select Committee this summer before formal debate in Parliament in the autumn, with the aim of becoming law in 2010. It proposes a wholesale revision of the existing law that protects the historic environment. The Bill covers a number of areas which will have implications for the County Council including: a unified register of Heritage Structures; Heritage Open Spaces; World Heritage Sites and Marine Heritage Assets; Heritage Asset Consent (formerly Listed Building and Scheduled Monument Consent) to be obtained from the Local Planning Authority; Heritage Partnership Agreements (for complex sites) and a statutory duty for the Local Planning Authority (county council) to create a Historic Environment Record (HER) and keep it up to date. At present the County Council maintains the HER and provides archaeological advice for a fee to the districts and boroughs and to Brighton & Hove City Council. The Bill will potentially lead to additional financial commitments and the need for increased shared working between local authorities and with English Heritage.

18 Climate Change Bill

18.1 The Climate Change Bill will be considered by the House of Commons this summer, with Royal Assent expected this year. The most important provision is that it will set a legally binding target for reducing UK carbon dioxide emission. At present the long term target is at least 60 per cent by 2050, compared to 1990 levels (though there has been little reduction since 1990, so effectively from current levels). The Government will publish five yearly carbon budgets as from 2008, looking ahead 15 years; and will create a Committee on Climate Change to advise the Government on the levels of carbon budgets to be set, the balance between domestic emissions reductions and the use of carbon credits, and whether the 2050 target should be increased. There are no duties for local government but the statutory target will give weight to the demands on the County Council by the Government to deliver our share of effort on National Indicator 185 – emissions from our own estate, and 186 – emissions in our area, the latter of which has been adopted in the LAA.

18.2 The County Council (and District, Borough and Parish Councils) will continue to have a duty under the Climate Change and Sustainable Energy Act 2006 to have regard to the actions suggested in the Energy Measures Report (subsequently produced in September 2007). We will need to work through these suggested actions in the development of our climate change strategy and other work.

19. Local Policy and Inspection Context

19.1 The Council's policy priorities are set out in the Policy Steers (Annex 1 to this Appendix). Progress and issues on each of the steers is set out in the Performance Issues report at Appendix 3.

19.2 The latest Annual Audit and Inspection letter highlighted the following areas as key actions by the Council:

- remain focused on the improvement programme for Adult Social Care services;
- increase its efforts to persuade the waste collection authorities to agree a county-wide waste strategy. This strategy needs to ensure a coordinated approach that improves the currently low rate of recycling, maximises the re-use of materials, and minimises the transport and other costs of alternative methods of disposing of waste;
- reconsider how to deliver an improved transport infrastructure, including energising partners to look for innovative solutions to rural transport matters;
- to improve its approach to diversity by re-assessing whether it has set a clear and visible agenda for action across the Council and improving its understanding of the needs of its various communities, including the growing migrant communities, by thorough data gathering and analysis;
- to use the opportunity of developing the new community strategy to ensure that feedback mechanisms to those consulted are improved.

POLICY STEERS 2008/09 onward

Pride of Place - The East Sussex County Council Promise

We will be an efficient, customer focused, accountable authority working with partners and local communities to:

- Make a positive difference to local people's lives
- Create a prosperous and safe County
- Provide affordable, high quality services at lowest possible council tax

This vision for the whole authority is supported by policy steers for each portfolio:

Strategic Management and Economic Development (Cllr Jones)

Strategic Economic Development (Cllrs. Jones and Kirby)

- Raise the prosperity of East Sussex through improved work force skills, enterprise creation, access to funding and increased investment in infrastructure.

(also see policy steers marked with a double asterisk in other portfolios which have significant economic development impact)

Strategic Management

- To make positive progress towards tackling climate change in East Sussex, both in the County Council's own activities and through work with partners, to influence the behaviour of others.
- Create sustainable communities by providing strategic leadership, empowering people, delivering locally and making sure the three tiers of local authorities in East Sussex work, commission and deliver services together effectively
- Support the delivery of the Council's policy steers and improvement of services through effective policy development and performance management
- Further improve the quality of services through effective scrutiny and legal support for members
- Provide a consistently high quality Personnel and Training service, recruiting, retaining and developing the highest quality staff to their full potential in order to achieve the Council's objectives

- Continue to improve equity and equality of opportunity for all through our service delivery and as an employer
- Improve the County Council's reputation by explaining our policies and decisions clearly and ensuring consistent information and messages using the full range of communication methods
- Involve local communities by ensuring residents have well informed expectations and their views about services, policies and priorities are taken into account.
- Maintain an effective emergency planning service

Corporate Resources (Cllr. Reid)

Policy and Finance

- Deliver the lowest level of council tax consistent with the Council's core priorities in line with the Council's policy steers
- Maintain and improve high standards of resources management across the County Council through:
 - Reconciling Policy and Resources;
 - High quality financial management and control, including the pursuit of "Excellence in Financial Management" ;
 - Maximising appropriate and fair local income generation opportunities;
 - Integrated and effective medium term planning;
 - Proactive management of outsourced services contracts;
 - Full involvement of scrutiny;
 - Effective consultation and communication with residents and partners.
- Maintain and improve high standards of governance, internal control and risk management
- Drive, in partnership, improvements in efficiency, productivity and procurement to maximise value for money
- Manage risk and uncertainties in future resourcing through realistic planning and maximising lobbying and influencing opportunities for a fairer grant settlement for ESCC.

Effective Property Management

- Maximise the efficiency of the property portfolio on behalf of the council through:
 - Effective asset management covering, utilization, maintenance, accessibility and disposals;
 - Effective county-wide capital planning linked to the property necessary to deliver service priorities;
 - Provision of office accommodation better suited to service delivery including modern ways of working, and new HQ possibilities;**
 - Effective energy management as a contribution to addressing global warming.
 - In conjunction with appropriate client sponsor roles, ensure effective and efficient delivery of capital projects

***policy steer guiding project with significant economic development impact*

Performance Stories

Audit and Best Value Scrutiny Committee

Strategic Management and Economic Development

Lead Member: Cllr Jones

We are committed to improving the prosperity of East Sussex and are actively working in close partnership with the District and Borough Councils, partners, private and voluntary sectors and the public to strengthen the local economy and tackle deprivation throughout the County. We have already succeeded in revitalising and “re-shaping” our most deprived areas by encouraging investment and innovation, creating a healthy economy with high quality employment opportunities for local people. Working with partners to achieve the planned improvements in education, skills, business and employment opportunities, together with a better transport infrastructure, will be our focus as we expand this work throughout East Sussex.

Effective strategic management is vital in ensuring that the Council carries out its functions and that our planned improvements are achieved. Strategic management plans for this year include continuing our support and training programme for Members, further improving our customer focus and continuing to provide workforce planning information and support to all departments.

Policy Steer

- ❖ Raise the prosperity of East Sussex through improved work force skills, enterprise creation, access to funding and increased investment in infrastructure

What are we trying to achieve?

The focus of the Strategic Economic Development & Skills team is on the following areas:-

- Hastings & Bexhill – continuing to support the work of the Task Force and the implementation of the 5 point plan. Key associated activity includes supporting the promotion of the Bexhill to Hastings Link Road; transport planning; the Sussex Coast College build following the post 16 Hastings review; improving skill qualification levels; and educational attainment standards particularly at Key Stages 3 and 4.
- Newhaven -The Newhaven 10 year Masterplan was launched in January 2006. In economic terms it focuses on the key issues of skills, site development and business support. Key associated activity includes renewing Tideway School after the fire, transport and related planning. In order to realise the land development ambitions of the Newhaven Masterplan requires a major strategic influencing role involving the owners of Newhaven Port and Properties Limited, the French authorities and other local landowners.
- Eastbourne/Hailsham triangle – master planning to maximise the potential of this area as a new housing and economic growth focus commenced Winter 2007 following a partnership agreed Brief. This potential of this area was highlighted within the draft South East Plan. The focus of the work will be to demonstrate how the area can contribute to making the step change in the economic performance required for the Sussex coastal sub region of the Draft South East Plan.

- Skills – The County Council attaches great importance to learning and skills as a key economic driver in delivering the vision for a prosperous county as well as their fundamental importance for the wellbeing of individuals and communities.

Where are we now?

We are continuing to work closely with all relevant partners to ensure a significant outcome for Newhaven and the discharging of the planning conditions for the Port Access Road and the pegging out of the road in September has secured its planning permission. Whilst the Port sale has not proceeded, the owners of the Port are now seeking alternative ways to secure similar objectives.

Evidence of improvement in the health of the economy in the County as a whole includes:

- 78% of businesses in East Sussex now have access to the Internet, 71% of businesses have a broadband connection and 64% have a website
- Over £650,000 was awarded for 136 projects across East Sussex through Global Grants, which enable voluntary and community groups to bid for grants of up to £10,000 to fund projects to help people get into employment or training. The average cost of projects was £4,877
- Over 200 funding enquiries were made on behalf of organisations based in East Sussex and 150 individuals received direct training to increase their bidding skills

and in Hastings specifically:

- In 2002 Hastings Average Weekly Earnings (AWE) were 72% of the East Sussex figure (£478/£345) - by 2005 the Hastings AWE were 77% of the East Sussex figure (£507/£392)
- The new office and retail building named 'Lacuna Place' in Hastings town centre will be completed September 2008. Over four floors it will give an additional 2,800m² of office space, 270m² of retail and space for a restaurant or café
- Hastings College is moving to two new sites - Station Plaza and the Ore Valley. The Ore Valley provision will specialise in business, construction, engineering and technology, with all other courses at Station Plaza. The new 'Sussex Coast College Hastings' is due to open September 2009.

How are we going to achieve our objectives?

Our work to create a more prosperous economy must be based on strong evidence. The second East Sussex Economic Study was produced in April 2007 and the third is due for publication shortly. This last year has seen the Study increasingly being used in support of local authority objections to change of use from business to residential via planning applications.

The largest ever survey to date of nearly 1,000 businesses in the County was carried out in 2007 to capture their views and needs. This will be an annual survey and the second has recently been completed. The first survey, available on East Sussex in Figures, identifies the priorities for East Sussex businesses and will guide future business support investment.

Policy Steer

- ❖ To make positive progress towards tackling climate change in East Sussex, both in the County Council's own activities and through work with partners, to influence the behaviour of others.

Proposals for tackling climate change in East Sussex were approved by Cabinet in March this year. The Council has subsequently become a formal signatory to the 'Nottingham Declaration on Climate Change'. This commits the authority to addressing both the causes and effects of global warming – through its own actions and by working in partnership to influence behaviour more widely. To underline its commitment further, the Council has also joined Climate South East and included key targets in the County's new Local Area Agreement for 2008-2011 to reduce greenhouse gas emissions across the whole area and to adapt effectively to future climate changes

Policy Steer

- ❖ Create sustainable communities by providing strategic leadership, empowering people, delivering locally and making sure the three tiers of local authorities in East Sussex work together effectively

What are we trying to achieve?

This policy steer underpins all of the Council's strategic activities. It encompasses support to the Leader and Cabinet in representing the Council at national, regional and local level, and to lobbying activities in order to achieve better outcomes for the people of East Sussex. In order to maximise the benefits to local people from public services, the County Council is supporting the work of the Sussex Improvement Partnership (SIP) which is funded regionally to build capacity and examine how services can be improved by local authorities in the area working better together.

Where are we now?

Whilst there are no national performance indicators for this area, the Corporate Assessment of the County Council in 2007 examined the strategic leadership provided by the County Council and assessed it as a strength. The Audit Commission said "Regional and national partners recognise (the County Council) as providing strong corporate and community leadership, with an outward looking and visible approach to fulfilling its shared vision for the community. The vision for the County is clear and ambitious, and is shared with statutory and voluntary sector partners and residents,"

There will always be scope for the Council to improve in this area. There are currently a number of practical projects underway with local authority and other public sector partners aimed at enabling them to respond better and faster to changing local needs. For example, SIP funding has been used to examine how the Councils and partner organisations in East Sussex could make better use of information and community profiling tools to provide a more sophisticated picture of localities and a better understanding of customer needs, enabling public sector bodies to respond faster to changing needs. The SIP has also funded a project which will enable local authorities and partner organisations in East Sussex to co-ordinate consultation and share consultation data, helping all authorities to be more responsive to local needs. The Council is also seeking opportunities to share services where this would help build capacity and add value. It is currently working with

Borough and District Councils and partner organisations on joint working in legal services and procurement.

How are we going to achieve our objectives?

The SIP has bid for regional funding over the next three years to take forward these and other shared services projects. The County's LAA includes the new national indicator which relates to the percentage of local people who feel they can influence decisions in their areas. There is no suitable baseline for this indicator, which will be measured using the new Place Survey, which will replace the User Satisfaction Survey which formed part of the old BVPI set. The County Council will be working with the Borough and District Councils on a joint action plan. Action in this area needs to include not only local community empowerment, but continued lobbying for devolution of decision making from regional and national bodies, so that local aspirations can be fulfilled.

Policy Steer

- ❖ Support the delivery of the Council's policy steers through effective policy development and performance management

What are we trying to achieve?

The RP&R initiative was developed to ensure that the Council's policy steers were delivered. This requires the effective development, implementation and evaluation of corporate initiatives and policies, coupled with sound business planning and performance management processes that ensure that service improvements are achieved. Whilst the most important judges of the Council's performance are our Members and the public, the Council values the challenge and assurance that comes from external audit and inspection. Our performance management and data quality systems have been recognised as a strength by our external auditors. Our aim is to be seen by the public as performing well in all the areas they consider to be priorities for the County.

Where are we now?

The Council achieved 79.4% of its Council Plan targets (compared to 78.4% last year), which is a measure of the delivery of the Policy Steers as part of RP&R.

In 2007/08 the Council underwent a Corporate Assessment as part of its Comprehensive Performance Assessment (CPA) judgement:

- the Council was judged to be performing well in all the areas inspected as part of Corporate Assessment: ambition; prioritisation; capacity; performance management; and achievement. Its scores of 3/4 for each of the areas places it in the top third of authorities under the "harder test".
- For CPA 2007, the County Council was judged overall as 3 stars and 'improving well'. The Council improved its scores to the maximum 4/4 in the Environment Block and in the Use of Resources judgement. 3/4 for Children's Services and Culture and 2/4 for Adult Social Care.
- Performance in almost two-thirds (64.7%) of BVPIs has been maintained or improved in 2006/07 compared to 2005/06. There remain areas where further improvements are needed and these are addressed in the performance summaries for other policy steers.

- The Council scored a strong level three for its data quality system and all its BVPIs passed the external audit. Several examples of notable practice were put forward by our external auditors. This gives assurance that members and managers can rely on the data generated through service delivery to make policy and operational decisions.

How are we going to achieve our objectives?

Our likely outturn on the CPA for 2008 is set out in the introduction to this section. This year marks the transition between the old BVPI and CPA regime and the new CAA which will rely on data from the new National Indicator Set (NIS). The new CAA methodology has not been fully developed yet. Whilst it should provide a more local focus on outcomes for the area and therefore on local rather than national priorities, the degree to which it becomes focused on the NIS outcomes is a risk for the authority. This is because the NIS contains fewer measures of the Council's performance than the BVPI set did and it is therefore more difficult to influence the outcomes. In addition to performance indicators that relate to the performance of other public sector bodies (borough and district councils, the police and health) the NIS contains a large proportion of quality of life and perception indicators. The County Council is working with our borough and district partners on a data sharing portal for the NIS and will be working more closely to share best practice on issues such as data quality. We are also working together on a project on community profiling and on sharing consultation data which will help all local authorities to be better informed about the needs and views of our communities and to predict and respond faster to the changing nature of the communities within East Sussex. These work streams will link to the work of the Local Strategic Partnerships (LSPs) within East Sussex and help us to respond to, and deliver improvements, in the areas that local people have identified as important to them.

Policy Steer

- ❖ Further improve the quality of services through effective scrutiny and legal support for Members.

What are we trying to achieve?

Councillors involvement in the democratic process is enhanced by effective support and training. Support to Councillors will be continuously developed to meet the needs of their evolving roles. In particular, priority will be given to the following areas of work:

- Greater input into corporate staff training programmes and induction to continue to raise awareness of role of Councillors
- Increased support and electronic information available for Councillors to ensure they have the skills and knowledge to undertake their community leadership role
- Develop scrutiny programmes that are Member led and aligned with the Council's commitment to affordable, quality core services, prosperity and security
- Better involve the public and stakeholders in scrutiny by increasing awareness of the existence of scrutiny, by developing creative engagement methods and ensuring effective publicity for scrutiny's outcomes.
- Better ensure scrutiny's influence in making efficiency savings, developing and improving Council policies and improving services.
- Increase the number of people accessing our webcast meetings.
- Develop Charter to clarify expectations of service between officers and members.
- Input into the development of the members area on the intranet, designed to provide enhanced information for members.

- Make sure all decisions are made within the legal framework and on sound legal advice.
- Provide guidance to members on the interpretation of the Code of Conduct and make sure that it is implemented efficiently.
- Agree revised assessment procedures for the investigation of complaints against Councillors
- Review constitution and decision-making structure in light of Local Government and Public Involvement in Health Act.
- Review allowances in 2009 to make sure they remain in line with other similar authorities

Where are we now?

The Leader is responsible for the strategic leadership of the County Council. Key to this leadership function is ensuring Councillors are well supported. Achieving accreditation against the South East Employers' Charter for Member Development has emphasized the Council's commitment to ensuring that Councillors have the right tools to do their job. The Council's democratic processes and its scrutiny arrangements in particular were praised by the Peer Review in 2006. Areas for development in the next year are provision of relevant and timely local information and the development of a training programme to meet the needs of Councillors in their evolving community leadership roles. Work is now in progress to prepare for the Council elections in 2009 and the subsequent induction for all members.

The support for Councillors is also improved by officers' understanding of the political environment and a continuing priority this year will be the raising of staff awareness of the decision-making processes across all departments.

How are we going to achieve our objectives?

Members are actively involved in a number of projects looking at improved services provided for them by the County Council. Projects groups leading key development areas currently under review include:

- Training and Development Group
- Members' Communication Group
- Members' ICT Group

Focus this year will be the preparation for the 2009 elections which will provide deadlines and steers for the induction programme, locality information review and provision of ICT for all Councillors.

Policy Steer

- ❖ Provide a consistently high quality Personnel and Training service, recruiting, retaining and developing the highest quality staff to their full potential in order to achieve the Council's objectives

What are we trying to achieve?

Part of the County Council's promise is to be a customer focused organisation. Customer focus depends on the Council having the right numbers of people in the right places with

the right skills to deliver improved services, better productivity and efficiency. This is delivered by providing:

- Appropriate training and development opportunities for staff at all stages of their careers, e.g. from an online induction package, through achievement of statutory minimum standards training for our staff providing direct social care provision, to our Inspirational Strategic Leadership programme;
- Workforce planning information to Departments to enable them to plan for future workforce requirements for the short, medium and long term;
- Pay and workforce strategies to support the overall performance of the Council.

Where are we now?

The Personnel and Training (PAT) Team were shortlisted for the Municipal Journal (MJ) "Pay and Workforce Achievement of the Year" Award for our HR/People Strategy, which has been highlighted as best practice in personnel. The team were also runners up in 2007 for the industry's Personnel Today Award for the work carried out in support of the Council's Equalities Policies.

PAT has also developed an internal set of quality standards designed to ensure a consistently high quality Personnel and Training Service, and has been awarded the national Charter Mark for Excellence in Customer Service: the only team in the Council to have achieved this recognition.

We have worked with the Institute of Employment Studies (IES) in a research project to benchmark ourselves against five other organisations in relation to customer service. We will be featured at this year's Chartered Institute of Personnel & Development (CIPD) Improvement Conference as a main case study and we will use the results to assist in our programme of continuous improvement. In addition, the highest professional standards are set for ensuring innovative management of the Council's workforce via HR initiatives.

Reducing sickness absence in the workplace and promoting health and wellbeing is something the Council takes seriously. We are proud of our success and the improvements we have achieved have been nationally recognised. The last 4 years has seen a dramatic reduction in absence rates with a reduction in sick pay of nearly £1 million identified over the period. We have delivered an outstanding "Well-being" programme. The facts and statistics speak for themselves:

- Absence rates have reduced by 13.6% in the last 4 years. The outturn figure for 2007/8 is 7.95 days which places us in the Audit Commission's top quartile;
- Increase in productivity of 6,000 days leading to efficiency savings of nearly £1m;
- A musculoskeletal pilot effectively assisted injured employees back to work producing a 50% return on investment.
- 30% of employees have had no sickness absence.

The Council recently won the Public Sector People Managers' Association (PPMA) Wellbeing and Attendance Management Award 2007/8, and were finalists in the Personnel Today Awards 2007 for this work, demonstrating that we are leading the way across the public sector. The Council is also used as an exemplar of best practice in managing health at work by the Chartered Institute of Personnel and Development, Health and Safety Executive and the Improvement and Development Agency.

How are we going to achieve our objectives?

- Balance the level of service delivery within available resources
- Exploit technology to improve our recruitment processes
- Retain Charter Mark accreditation for customer care
- Improve and increase access to information via PAT intranet pages
- Implement and evaluate against agreed quality standards for each core service area.
- Increase the level of attendance and effective management of ill-health cases to maximum productivity

Potential Barriers to our success

The PAT budget has a number of income streams; both external and internal. One area of risk to highlight is the impact of any reduction in the anticipated level of income and the effect this would therefore have on the provision of the service. There is also a potential conflict which needs to be managed between running trading accounts for training and development and occupational health and the balance between undertaking corporate projects which may not be core business to the trading accounts, but require resourcing. In such circumstances the potential to bid for Corporate Capacity Bids should be fully exploited.

A further risk to highlight, which would impact on both the service provision and the budget position, is the potential loss of skilled staff across PAT and the ability to recruit to specialised areas such as Social Care Training, Occupational Health and Professional Services.

Policy Steer

- ❖ Continue to improve equity and equality of opportunity for all through our service delivery and as an employer

What are we trying to achieve?

The County Council has a range of activities across departments designed to ensure equity and equality of access to our services. It has identified the need, however, for a more integrated approach to knowing who our communities are and responding to their needs. As an employer we want to adopt approaches which encourage diversity and maximise the contribution and potential of everyone employed by the Council.

Where are we now?

Under the Chairmanship of the Director of Policy and Communications a cross-departmental group of Assistant Directors has begun to integrate Equalities issues into the County Council's Reconciling Policy and Resources business planning process, to ensure that Impact Assessments are carried out consistently and systematically for all services and policies and that actions arising can be resourced and included in Business Plan targets. At the same time we have been trying to improve our knowledge of the communities in the County and their needs.

Corporate Health BVPI Outturns, Targets and Benchmarking for 2007/08

BVPI	2007/08 OUTTURN	2007/08 TARGETS	Top Quartile % Results (All County Councils 2006/07) & ESCC position
2 a Equality Standard	Level 2	Level 2	not measured
2b Duty to promote race equality	68.42%	68.42%	88% Median/Lower
11a Women top 5% earners	47.82%	47%	47.9% Median/Top
11b BME top 5% earners	2.12%	1.99%	2.66% Median/Top
11c Disabled top 5% earners	2.39%	3.16%	3.32% Median/Top
12 Sickness Absence	7.95 days	7.85 days	7.8 days Median/Top
14 Early Retirements	0.14%	0.55%	0.35% Median/Top
15 Ill Health Retirements	0.15%	<0.2%	0.09% Median/Top
16a Disabled in Workforce	3.57%	3.92%	2.22% Top
17a Min Ethnic in Workforce	2.17%	2.15%	3.5% Median/Top

The table above shows the 2007/08 outcomes for the BVPIs for Corporate Health. These are benchmarked against the latest outturns available for all County Councils, the 2006/07 results. All outcomes are above the median or in the top quartile, reflecting actions and initiatives undertaken over several years to reduce sickness absence and the level of retirements.

Targets are set locally and the Council has performed very well in order to have reached the current position. Some of these improvements relate to changes in the composition of the workforce. Ensuring the Council is an attractive employer to all sections of the community provides the widest pool from which to select new staff. Performance success over the last year include:-

- Moved up from number 58 to number 33 in the Stonewall workplace equality index which ranks the top 100 employers for Lesbian, Gay and Bisexual staff. This placed ESCC as the highest climbing organisation.
- The Return to Work Programme in partnership with JobCentre Plus, Kennedy Scott and Working Links provided 9 individuals that are out of work from disadvantaged groups (e.g. disability, young offenders, homeless etc) with pre-employment training and a week of work experience at the Council. One candidate has subsequently been appointed to a post within the Council, and another to a post within the NHS.
- Completed an equal pay audit required as part of the 2004 National Pay Agreement for Local Government employees.

How are we going to achieve our objectives?

During the year we will be recruiting a corporate Policy Officer to work across departments to ensure that Equalities work is fully integrated into Business Planning processes.

Working with the East Sussex Strategic Partnerships (ESSP), we are also trying to improve the availability of up to date, accurate and local information - on the needs and numbers of migrants from the new European Union (EU) accession states, living and working in the County. Partners have agreed to collaborate on sharing any data they have on migrants so that we can assess better migrants' needs and any impact inward migration will have on services. The group are looking into ways of consulting with the communities to produce a welcome pack/information resource for communities, translated into different languages. In 2008/09 we will be piloting a community profiling tool, in partnership with the borough and district councils, to assess its usefulness in helping local authorities to target services to the needs of local communities.

Policy Steers

- ❖ Improve the County Council's reputation by explaining our policies and decisions clearly and ensuring consistent information and messages using the full range of communication methods

What are we trying to achieve?

At the heart of the County Council's promise is the aim to be a more customer focused organisation. A new Council Communications Strategy will guide this work over the next 3 years. Our overall objectives are to:

- strengthen the strategic 'one council' approach (presenting the Council as one organisation) to communications;
- ensure our external and internal communications are two-way, joined up, timely, cost effective and easy to understand;
- make effective use of all communications methods, including web technology, video streaming, new media, etc;
- contribute to the Council's drive to improve its customer focus and the key role that staff play;
- support our work with partners to deliver good services, help local communities and support the Council's community leadership role;
- ensure East Sussex has a strong and effective voice at regional and national level;
- opportunities to offer communications services to other councils and partners will be reviewed during 2009/10 and a business case developed where appropriate. Some discussions are already underway.

Where are we now?

The Council's communications have continued to strengthen over the last two years. Our external communications (for residents and service users) are more effective and joined up. Work is underway to improve Member and staff communications. Partner communications have been considerably strengthened.

Improvements include:

- Better co-ordinated and planned media relations;
- Clearer messages about key Council issues and priorities;
- More accessible Council information through Plain English Campaign accreditation across a range of communications channels (including 'Your County') as well as retaining the Royal National Institute for the Blind 'See It Right' accessibility logo for the Council's website;

- More proactive non-media initiatives, including and improving our Residents' magazine (Your County). This publication continues to receive high satisfaction ratings amongst residents tested in recent consultation;
- Best practice consultation advice for departments;
- Voted best council website in England (by the Society of IT Managers)
- An award-winning campaign (Chartered Institute of Public Relations Gold Award) to raise staff awareness of the Council's 'Promise';
- A developing new intranet that will provide better business tools for Members and staff;
- A new briefing system for staff which is starting to join up our external and internal messages.

How are we going to achieve our objectives?

Working with partners is a core part of the way the Council works and our communication with partners has been greatly strengthened throughout the full range of strategic and operational partnerships including the ESSP, Sustainable Community Strategy and, in particular, the ESSP website and regular e-news bulletins

Many of our communications activities contribute to the income generation agenda, including a review of sponsorship/advertising opportunities for the Council as a whole. The recommendations of this review are currently being considered.

Policy Steers

- ❖ Involve local communities by ensuring residents have well informed expectations and their views about services, policies and priorities are taken into account.

What are we trying to achieve?

National research (MORI) has shown a close link between the quality and frequency of information supplied to the public and customer satisfaction with the Council. Equally, better consultation and engagement with residents increases the reputation of the Council, builds trust with local communities and ensures that residents, service users and staff feel more involved in the decision making process about services.

The new Council Communications Strategy will play an important role in this work. Key overall objectives are to:

- support the Council's diversity responsibilities to ensure that information about services is accessible to all and that all parts of the community are asked for their views;
- improve the quality and co-ordination of our consultation in house. Consult and engage effectively with residents, partners and staff, demonstrating how their views are helping to shape services;
- increase residents' understanding of what the Council provides, our priorities and the contribution the County Council makes (within the resources it has) in communities.

Where are we now?

The strengthening of the Council's communications over the last two years has resulted in more effective and joined up external communications - for residents and service users.

A significant development has been the new, soon to be launched via the intranet, e-consultation management system that will help to 'join up' consultation across the Council;

How are we going to achieve our objectives?

The new electronic Consultation Management System will enable staff, through the new intranet, to search and track more easily all the main consultations going on across the Council. Eventually it is hoped that residents will be able to access this Management System through the Council's website, take part in more electronic consultations and understand how their views are influencing Council policy.

Policy Steer

- ❖ Maintain an effective emergency planning service

What are we trying to achieve?

The County Council is a 'Category One Responder' under the Civil Contingencies Act 2004. This means the Council is required to work with partner organisations in Sussex to prepare for, and respond to, emergency situations. A key duty is the preparation of a 'Community Risk Register' showing what are the most likely and most serious situations that could occur.

The Register guides the priorities for developing plans and procedures, training and exercising etc., according to timescales set and monitored by an executive group known as the Sussex Resilience Forum. The Community Risk Register can be seen at <http://www.sussexemergency.info/cms.php>

The purpose of 'Emergency Planning' is to reduce the potential impact of disaster on the residents and environment of East Sussex. The team seeks to achieve this by preparing the Council to respond in an appropriate and effective manner to any major emergency while, at the same time, maintaining, so far as possible, its normal services. Priorities include:

- Prepare and Exercise Plans for:
 - Pandemic influenza.
 - Flooding
 - Coastal Pollution
 - COMAH and Pipeline plans.
 - Managing fuel (petrol) shortages.
 - Sussex Emergency Mortuary
- Complete development of the two emergency centres, along with a training and exercising programme
- Embed a Business Continuity culture into the organisation
- Develop effective Corporate and Departmental Business Continuity Plans
- Work towards complying with British Standard for Business Continuity Planning (BS25999)

Where are we now?

The aim of Emergency Planning is to mitigate the potential impact of an emergency on the residents and environment of East Sussex. This has been achieved through working with professional partners on such projects as reviewing and exercising plans for the high flood


risk areas of Seaford, Newhaven and Uckfield (the value of which was proved when the plan was activated during severe weather in January), developing arrangements for fuel shortages, emergency mortuaries, animal diseases and pandemic influenza, and supporting vulnerable people during an incident. A live exercise was held in May to practise receiving evacuated people into a rest centre and a plan was completed for assisting schools during a crisis. Progress has been achieved on developing the two emergency centre facilities at County Hall and Eastbourne and a Business Continuity exercise in June showed the Council's preparations were moving forward steadily and provided direction on further requirements.

- The Council's current Pandemic Influenza plan was published in December 2007 but is being reviewed in the light of government guidance and local progress. We propose to publish a revised version by the end of August 2008.
- There are six high flood risk areas in the County and we have dedicated plans for each. Two are revised and exercised each year - this year will be the turn of Pevensey Bay and its surrounding area; and Lewes. In the meantime we are working with the Environment Agency and other partners to produce a Sussex-wide flood plan to replace the individual documents.
- The Coastal Pollution plan was revised and was exercised on 27th June 2008. As a result of this, some changes will be made to the Plan before publication.
- There is one industrial site in the county subject to the Control of Major Accident Hazards (COMAH) Regulations. The offsite plan is currently under review and will be exercised in November 2008 before publication.
- The Sussex Major Accident Hazard Pipelines Emergency Plan was last published in March 2006. It will be reviewed in 2009.
- The National Emergency Plan for managing fuel (petrol) shortages was revised in May 2008. We are now developing our local plan and propose to complete a first draft by the end of August 2008.
- In partnership with Brighton & Hove City Council, West Sussex County Council and Sussex Police we are developing a Sussex Emergency Mortuary, based upon extensions to the City mortuary at Woodvale, Brighton. A draft plan is already in existence but needs to be reviewed when building work, due to commence soon, is completed. We hope to complete the plan by end of September 2008.
- We are developing two emergency centre facilities, one at Eastbourne and one at Lewes. The prime requirement now is an upgrade to the telephone system. We hope to do this imminently, exercise one centre in October and publish the plan in November.
- Corporate and Departmental Business Continuity plans have been completed and are constantly being reviewed. Plans for individual services are being written and exercised. This will gradually lead to an embedding of a Business Continuity culture into the organisation. The aim is for the council to achieve British Standard BS25999 accreditation during 2010/11.

How are we going to achieve our objectives?

Prioritisation is largely decided by the Community Risk Register and decisions of the Sussex Resilience Forum, along with internal priorities set by the Emergency Planning Group and Business Continuity Response Team. These are made up from the Emergency Planning managers and senior officers from each department, and chaired by the Director, Law & Personnel.

This next year will be particularly challenging. New duties are expected in April (planning for emergencies in reservoirs) and the service is always vulnerable to sudden changes in the political situation (e.g. fuel disputes, terrorism etc.) or environmental issues such the immediate impacts of global warming.



Our aim is to make the best use of resources that we have available to provide quality services to our taxpayers. The Council's achievements in providing good value for money for Council Tax payers has been recognised by the Audit Commission. Councillors, managers and staff will work closely to ensure that the Council continually demonstrates best practice in its working arrangements for managing all its resources and risks, and has sound systems of internal control. The Corporate Resources department (CRD) is seeking "excellence" across all of its activities.

The national financial picture promises to remain difficult over the coming years. It will be crucial to promote the culture of looking at the 'service offer' – in all our services – from the viewpoint of customer impact, productivity and efficiency and the reality of available resources. Inevitably some difficult choices will be needed. We will ensure that local residents are aware of these choices and of the financial situation of the Council. We will continue to train Council staff and managers to make even better use of our new ICT systems to provide more timely and accurate management information to help them deliver services more efficiently.

Policy Steers relating to Finance

- ❖ Deliver the lowest level of council tax consistent with the Council's core priorities in line with the Council's policy steers
- ❖ Maintain and improve high standards of resources management across the County Council through:
 - Reconciling Policy and Resources (RPR);
 - High quality financial management and control, including the pursuit of "Excellence in Financial Management" ;
 - Maximising appropriate and fair local income generation opportunities;
 - Integrated and effective medium term planning;
 - Proactive management of outsourced services contracts;
 - Full involvement of scrutiny;
 - Effective consultation and communication with residents and partners.
- ❖ Maintain and improve high standards of governance, internal control and risk management
- ❖ Manage risk and uncertainties in future resourcing through realistic planning and maximising lobbying and influencing opportunities for a fairer grant settlement for ESCC.

What are we trying to achieve?

As a division of CRD, and as a key function of all departments, we are trying to achieve "Excellence in Financial Management". We are trying to be a model of best practice working to the highest professional standards to help the Council achieve its objectives.

In terms of how the service will look in 2010/11 compared to now, the way that we work and the tools that we use will have changed significantly. These include:

- The current restructuring of CRD Finance will have been completed resulting in more qualified accountants and a significant reduction in the risk caused by “single person specialist” posts.
- The division will have improved capacity to provide expert support to new initiatives at short notice.
- New steady state processes will be well established allowing greater concentration on added value activities.
- Less Paper and greater use of technology to automate processes e.g. supplier access.
- Our core business system, SAP, will have been successfully upgraded and a range of new functionality will be in use.
- Working practices and the utilisation of office space will be even more flexible than the present day.

The achievement of targeted results for external assessments and inspections will continue and the excellent reputation and positive feedback will be maintained demonstrating that the Division continues to be held in high regard.

Where are we now?

The Finance division is very highly regarded within the County Council and externally. Over the last few years there have been a wide range of improvements, both to processes and outcomes, under the “Excellence in Financial Management” initiative.

Last year we achieved a score of 4 out of 4 in the Use of Resources assessment within the Comprehensive Performance Assessment (CPA). This is the first time we have achieved this score under the ‘harder test’ and it recognises the high performance in resources management across the County Council. In total 8 other County Councils out of 37 achieved this score. The move to the new Comprehensive Area Assessment (CAA) will include major changes to the criteria of this test.

Many areas of the Divisions work are subject to internal and/or external assessment and review (e.g. CPA assessment, external audit, internal audit, VAT inspections) and we also participate in benchmarking exercises so that we can compare our performance and costs with other County Councils.

Much of our work does not fit readily into comparative measurement through quantitative performance indicators (PIs), for example giving financial advice and risk management, however we do have a number of PIs which help to assess our performance and how it is changing over time. Unfortunately many of these indicators are not available for all County Councils which makes inter authority comparison impossible.

The table below lists those PIs and, where available, performance over the last 3 years. This shows a significant improvement in year on year performance across the range of indicators.

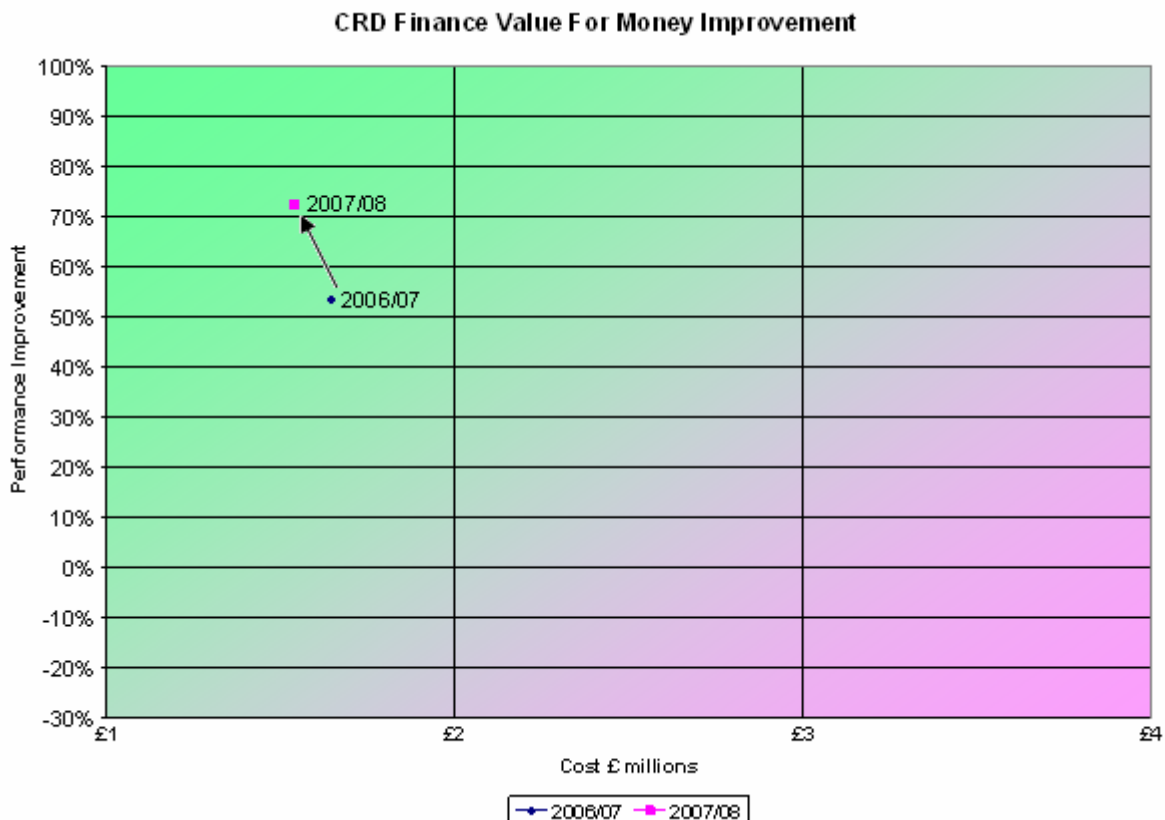
Service Area	Corporate Resources Finance - Performance Indicators	Unit	Aim	2005/06	2006/07	2007/08	RAG Year 1 - 2	RAG Year 2 - 3
Comprehensive Performance Assessment	Overall	Score	High	3	3	4	A	G
Use of Resources	Financial reporting	Score	High	3	3	3	A	A
	Financial management	Score	High	3	3	4	A	G
	Financial standing	Score	High	3	3	3	A	A
	Internal control	Score	High	3	3	4	A	G
	Value for money	Score	High	3	3	3	A	A
Debtors - Accounts Receivable	Debt over 5 months	%	Low	N/A	6.00%	4.00%		G
	Bad debt provision	£'000	Low	552	308	225	G	G
	Bad debts written-off	£'000	Low	534	404	184	G	G
	Invoices raised within 15 working days of service/goods provided	%	High	N/A	60.00%	79.00%		G
	Cost of raising an invoice	£	Low	44	30	17	G	G
Creditors - Accounts Payable	BVPI8 for whole ESCC	%	High	89%	93%	91%	G	R
	Cost of paying an invoice	£	Low	2.92	2.30	2.11	G	G
Payroll	Net cost per pay advice slip	£	Low	2.42	2.24	2.07	G	G
	Net cost per employee	£	Low	22.84	20.47	20.09	G	G
	Payroll Accuracy ((errors as a % of total payments)	%	Low	0.13%	0.14%	0.16%	R	R
	Off cycle payments (extra payments as a % of total payments)	%	Low	1.09%	0.41%	0.28%	G	G
Exchequer Managed Service	Service Credits for Not meeting Performance Targets	£'000	Low	125	114	59	G	G
Pensions Admin	Staff Admin Cost/LGPS Member	£	Low	N/A	12.55	9.48		G
	Net Cost/LGPS Member	£	Low	N/A	21.14	20.44		G
	Comparison to other Local Authorities	Position	High	38/87	55/88	34/88	R	G

Service Area	Corporate Resources Finance - Performance Indicators	Unit	Aim	2005/06	2006/07	2007/08	RAG Year 1 - 2	RAG Year 2 - 3
Budget Management - Capital Programme	Variance Outturn to Base Budget	%	Low	N/A	22.75%	21.77%		G
	Variance Outturn to Mid Term Review	%	Low	N/A	7.16%	18.17%		R
	Variance Outturn to January Forecast	%	Low	N/A	0.95%	1.25%		R
Budget Management - Revenue (excl TM)	Variance Outturn to Base Budget	%	Low	N/A	1.79%	1.36%		G
	Variance Outturn to January Forecast	%	Low	N/A	0.56%	-0.14%		G
Treasury Management	New Borrowing within 0.25% of lowest rate	RAG	High	G	G	G	A	A
	Lending Investment margin over Bank of England base rate	%	High	0.23%	0.05%	0.20%	R	G
Finance Service	Qualified Staff CCAB - % of FTE	%	High	N/A	34.00%	40.00%		G
	Qualified Staff AAT - % of FTE	%	High	N/A	34.00%	36.00%		G
Internal Audit Opinion of Finance	Internal Audit Opinion - Fundamental Accounting Systems	Score	High	N/A	9.00	9.00		A
Insurance & Risk Management Team	Number of Claims handled by In-House Team	Number	High	281	342	345	G	G

Summary for Performance Indicators	2006/07	2007/08	Percentage Year 1 - 2	Percentage Year 1 - 2
Number of Indicators - Red - Worsened	3	4	16%	12%
Number of Indicators - Green - Improved	10	23	53%	72%
Number of Indicators - Amber - Static	6	5	31%	16%

Key:	N/A	Data Not Available	A	Amber = No Movement
	G	Green = Improved	R	Red = Worsened

The key to improved performance is the Division's staff and the previous table shows how the proportion of professionally qualified staff has been increased. Over the same period, the employee costs of the Finance Division have reduced each year as savings have been made and the staffing structure reorganised.



The graph above plots the percentage of PIs which have improved against the employee costs and illustrates the improvement in value for money. The plan is to continue this direction of travel.

There have been a number of new improvements and achievements in 2007/08 including:

- East Sussex Financial Briefing booklet produced for Members, MPs, Town and Parish Councils and other interested parties (May 2007).
- City and Guilds training scheme introduced for all finance staff currently without a formal finance qualification.
- Revised Budget Managers Guidance Manual launched with associated training.
- Further enhancements to budget monitoring reports to COMT and Cabinet (e.g. movements in variance analysis).
- “Getting the Most from Income” project completed and new Income Generation and Charging Policy adopted by Cabinet.
- Further targeted improvements in debt collection achieved including collection by direct debit, and credit and debit card by telephone.
- Annual Governance statement (and Statement of Internal Control) included in Statement of Accounts.
- Revised Risk Management Strategy adopted including new risk escalation processes and associated training delivered, including Members.
- Review of highways claims carried out – resulting improvement plan for implementation during 2008/09.

Developments affecting our service delivery include proposed changes to the accounting framework and reporting standards, potential introduction of Sustainability accounting requirements and changes to the timescales in legal actions.

How are we going to achieve our objectives?

- Achieving a CPA Use of Resources score of at least 3 ex 4 (this will be the first assessment undertaken by our new external auditor PKF).
- Maintaining business continuity whilst successfully completing the SAP hardware and software upgrade.
- Further improvements in our benchmarking results.
- Successfully implementing the new Local Government Pension Scheme from 1 April.
- The financial excellence agenda – particularly focusing on budget management (both revenue and capital) and financial development of staff.
- Targeted financial support for major projects.
- Successful closure of 2007/08 accounts according to agreed timetable including positive audit opinion.

Much of our work is the vital but “day to day” management of financial systems and processes and the performance of our main contracting partner SERCO, together with the ‘routine’ activities of Treasury Management, Insurance and the Pension Fund. Good governance, high standards and effective control are critical. The functions form the foundations of the whole Council’s finance and cannot be neglected – they are never high profile unless something goes wrong!

Policy Steers relating to Audit and Performance

- ❖ Maintain and improve high standards of governance, internal control and risk management
- ❖ Drive, in partnership, improvements in efficiency, productivity and procurement to maximise value for money

What are we trying to achieve?

Internal Audit: To continue to provide assurance on Council’s control framework that meets changing statutory requirements and internal / external expectations from the same or less resources, we will need to:

- continue to develop a closer link to Council’s own risk assessment, and greater focus on corporate rather than departmental risks / systems;
- improve the efficiency of our audit processes – improve the provision of information and advice to the client via the intranet, review funding and resourcing arrangements, wider use of control self assessment and risk workshops, remove non chargeable activities that don’t add value;
- review our position in the light of benchmarking against other authorities.

Procurement: Our overall aim is to achieve fit for purpose, efficient and sustainable procurement across the Council - the key changes we need to make are aligned with the five supporting themes of the Procurement Strategy Action Plan as follows:

- Effective supplier and contract management
- Effective market management
- Suitable procurement strategy and tactics
- High quality skills and training
- Clear policy framework

We will improve service delivery efficiency, access and quality by using ICT to enable self-service where possible. We will improve the customer focus of our service planning and performance management. We will continue to develop our performance management arrangements with particular focus on:

- Proactive / supportive management of attendance and lower / sustainable levels of sickness absence;
- Supporting the enhancement of skills / capacity through effective use and evaluation of training and development resources.

Where are we now?

Internal audit is well regarded both internally and externally. In 2007 the Council's internal control arrangements (including internal audit, governance, risk management and anti fraud and corruption) were assessed as being 4 out of 4 within the Audit Commission's Use of Resources assessment – one of only two county councils in England to achieve this. Our external auditors continue to place reliance on the work of internal audit and this contributes to the high level of risk discount the Council receives on its annual audit and inspection fee, which has been maintained at just over 22% (maximum 30%) for the last 3 years. This has resulted in the Council having the second lowest core audit fees for any county council in 2007/08. Customer feedback has exceeded our target of 80% for the last three years and both Cabinet and Audit and Best Value Scrutiny Committee have confirmed that internal audit arrangements are effective. In order to achieve these positive outcomes, the Council has invested in the capacity and skills of the internal audit service over the last five years and benchmarking indicates that both gross and direct costs per audit day, and per £m revenue spend are now high in comparison with other similar councils.

During 2007/08 the Council's Local Code of Corporate Governance, Anti Fraud and Corruption Strategy and Anti Money Laundering Policies have all been updated in the light of new legislation, guidance from professional bodies and sector best practice.

A Standards of Behaviour e-learning package was launched in September 2007 with the aim of increasing awareness of both new and existing staff of the Council's expectations on ethical standards and the Code of Conduct. By April 2008 over 25% of our staff outside of schools had completed the package.

During 2007/08 approval has been given to a new Corporate Procurement Strategy which focuses on achieving fit for purpose, efficient and sustainable procurement and is delivered jointly with departments via the Procurement Steering Group.. The Council's Corporate Procurement Manager has led a regional project on sustainable procurement and the Council has approved its own Sustainable Procurement Policy. There is good collaboration with other councils through the Sussex Procurement Group and the Sussex "Best Deals" Programme. The Council is leading a project to examine the potential for shared procurement services on behalf of the Sussex Improvement Partnership.

We have improved the efficiency and compliance of the council's procurement arrangements through the development of SAP – by working closely with departments, levels of retrospective orders have been reduced from over 26.7% (06/07) to 18.3% (07/08) and the percentage of order raised using corporate catalogues on Enterprise Buyer Professional (EBP) rose to 30% in 2007/08. Savings from corporate contracts have exceeded £200,000 in each of the last 3 years.

The department's ICT requirements are well managed via the corporate SLA, adequate provision continues to be made for PC refresh programme and compliance with Data Protection Act (DPA) and Freedom of Information (FoI) requirements remains high.

The department has achieved a significant improvement in its attendance management – absences peaked at 11.57 days per fte in 2004/05 and have been steadily improved since falling to 5.16 days per fte in 2007/08.

How are we going to achieve our objectives?

- Achieve at least 3 out of 4 for internal control within the 2008 UoR assessment
- Work closely with our new external auditors PKF to ensure they continue to place reliance on internal audit and consequently minimise any increase in core audit fees
- Complete the restructure of the internal audit service so that it can continue to meet changing internal and external expectations whilst improving our relative position on benchmarked costs
- Improve our anti fraud and corruption arrangements in line with best practice / external expectations
- Deliver the Council's Procurement Strategy with the support of the Procurement Steering Group
- Expand the range of corporate contracts and deliver targeted savings
- Implement new arrangements for the provision of agency staff and deliver agreed savings
- Successfully manage upgrades / enhancements to the procurement modules of SAP and achieve agreed improvements in retrospective ordering and use of EBP
- Complete the shared services for procurement project for SIP
- Contribute to the launch of the new intranet and deliver CRD content
- Complete a project to improve the council's information security management
- Continue to invest in training and development across the Directorate
- Assess the opportunities for launching apprenticeships

Beyond this there is a wide range of services that we provide on a day to day basis primarily to other divisions in CRD such as secretarial support, business planning and performance management, ICT and HR (the latter two through corporate SLAs) and we will continue to develop and improve these in response to customer feedback.

Professional training and Continuing Professional Development will continue to play an essential part in meeting the training and development needs of staff; along with the networking opportunities provided by partnership groups, particularly for internal audit and procurement.

Policy steers relating to Property

- ❖ Maximise the efficiency of the property portfolio on behalf of the council through:
 - Effective asset management covering, utilization, maintenance, accessibility and disposals;
 - Effective county-wide capital planning linked to the property necessary to deliver service priorities;
 - Provision of office accommodation better suited to service delivery including modern ways of working, and new HQ possibilities;
 - Effective energy management as a contribution to addressing global warming.
- ❖ In conjunction with the appropriate client sponsor roles, ensure effective and efficient delivery of capital projects

What are we trying to achieve?

Construction & Maintenance

- Use of Sussex-wide framework for contractors
- Collaborative working, standardised solutions, off-site and modular working mainstreamed
- Better delivery to time and cost

- Energy purchasing at steady state and time freed up to develop service and carbon management measures
- BSF pilot well under way and lessons learnt for mainstream BSF
- Sustainable building solutions routinely implemented

Policy, Performance & Asset Management

- Area property review completed and programme of reviews adopted and being progressed
- The property module for SAP is giving better information to enable improved maintenance service

Estates

- Maresfield and Bridies Tan refurbished. Further grant applications submitted
- Proactive advice given to enable property solutions to help improve service delivery

Where are we now?

In support of major capital projects, we have:

- obtained planning consent for Rye and Tideway projects and start on site,
- completed the of acquisition of land at North Quay, Newhaven, and
- acquired of Moorhurst, Westfield for the Agewell project

Other capital projects work has included the successful handover to agreed timescale of the new Wivelsfield primary school, refurbished Marshlands School, Hailsham and new White House school, Hailsham. We have also completed Phase 2 of Children's centres well within Government deadline.

We have seen an improving trend for delivery of capital projects with +/- 5% of planned costs:

Year	All projects over £50k	Target
2004/05	50%	30%
2005/06	63%	60%
2006/07	80%	65%
2007/08	75%	65%

Performance for delivery of capital projects within 5% of timescales has not improved to the same extent:

Year	All projects over £50k	Target
2004/05	83.3%	73%
2005/06	69.6%	80%
2006/07	81%	77%
2007/08	55%	78%

Analysis of the 20 projects in the sample reveal that there was no adverse impact on service delivery. In fact, 2 of the projects only failed to hit the 5% target by a very small margin (figures were 5.39% and 6.46% respectively). Furthermore, three projects were completed well within Government funding deadlines but suffered slight slippage due to either poor contractor performance or adverse ground conditions.

Nevertheless a series of actions are planned to address the difficulties we encountered last year including:

- develop, with client sponsors, a sustainable model for better planning, management and delivery of capital projects.

- adopt, with assistance from the South East Centre of Excellence (SECE), framework agreements for contractors in 2 tiers covering projects from £100k to £3m, review procurement methods to suit and make these available to all public bodies in Sussex.
- complete a new framework agreement for design consultancy services which provides flexibility and choice, and separation of the contract administration, project management and cost planning roles.
- re-tender for 2011 the list of Approved Contractors.
- review during 2010/11 the framework agreements for planned maintenance and design consultancy services
- secure a contract procurement and cost management resource for the capital and maintenance projects teams
- direct resources towards post project reviews

During the last year we have achieved over £7 million capital receipts from disposals against a target of £1.75 million and vacated 5 office buildings during phased implementation of office accommodation strategy. Prudent management of our property stock has enabled us to exceed our disposals target each year since 2002/03, and this money has been used for reinvestment.

Disposal of surplus property		
Year	Target value of disposals	Actual
2003/04	£5.6m	£7.4m
2004/05	£1.0m	£3.8m
2005/06	£1.5m	£2.0m
2006/07	£1.0m	£1.4m
2007/08	£1.7m	£7.1m

We are continuing to make efficient use of our office space with better use of the Net Internal Area per employee than our benchmarks

Office space m ² per employee	
Year	Net Internal Area
2003/04	8.67
2004/05	8.56
2005/06	8.65
2006/07	9.33
2007/08	9.26

This compares with the following benchmarks:

Audit Commission (Hot Property - 2000)	8 to 12
RICS 1999	15.8
British Council for Offices 2002	12 to 17

We also exceeded our target of buildings accessible to users with a disability (an outturn of 61% against a target of 60%). The development of more efficient office accommodation will continue throughout 2008/09 with a need to be a focus on staff development and succession planning.

The ratio of our planned against response maintenance spend continues to be high with our performance being in the upper quartile against other authorities

Ratio of planned/responsive maintenance spend (target of planned = 70%)
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Year	Planned	Responsive
1999/00	60%	40%
2000/01	62%	38%
2001/02	60%	40%
2002/03	53%	47%
2003/04	70%	30%
2004/05	80%	20%
2005/06	78%	22%
2006/07	82%	18%
2007/08	81%*	19%

* Local Authority upper quartile threshold for 2007/08 is 61%

Since our carbon footprint baseline was established in 2001/02, we have achieved a reduction of 19.7% through our Carbon Management Action Plan. Target was 14% reduction by 2009/10 so target exceeded early.

ESCC Carbon Footprint		
Year	Tonnes CO ₂	% Change from base year
2001/02 (base year)	37,977	-
2002/03	37,675	-0.8
2003/04	37,159	-2.2
2004/05	36,978	-2.6
2005/06	33,876	-10.8
2006/07	32,443	-14.6
2007/08	30,509	-19.7

However, we will not be complacent and the Sustainability agenda continues to develop an ever higher profile with additional emphasis being placed on environmental performance within inspection regimes. We will need to review working methods and services offered by the Energy Team according to the demands placed upon them. The draft Sustainable Buildings Brief will need to be rolled out to consultants and contractors together with other stakeholders.

Customer satisfaction remains high in the areas of Estates, Capital Projects and Building Maintenance, with all areas above the average of all authorities within COPROP.

Customer satisfaction Capital Projects average quality of service and product					
Year	ESCC	(Service)	(Product)	All councils COPROP average	Target
2003/04	68.6%	60.2%	77.0%	74.7%	69.0%
2004/05	78.0%	76.2%	79.8%	77.8%	73.0%
2005/06	86.0%	85.6%	86.3%	82.3%	80.0%
2006/07	89.9%	92.5%	87.3%	79.9%	86.0%
2007/08	82.8%	77.8%	87.7%	82.5%	86.0%

Customer satisfaction Building Maintenance				
Survey date	Score for service	ESCC totals (less consultants scores)	All councils COPROP average (less consultants scores)	Local target for improvement

October 2003	80.0%	79.0%	82.2%	n/a
April 2004	78.3%	77.5%	81.4%	n/a
October 2004	74.5%	75.6%	80.9%	n/a
April 2005	80.1%	81.8%	80.8%	n/a
October 2005	83.3%	83.8%	83.7%	85.0%
April 2006	83.3%	84.1%	Not available	85.0%
October 2006	84.0%	85.0%	84.3%	85.0%
July 2007	89.3%	88.0%	84.3%	86.0%

Customer satisfaction Estates			
Year	ESCC	All councils COPROP average	Local target for improvement
2003/04	75.7%	71.0%	n/a
2004/05	77.8%	76.7%	n/a
2005/06	79.6%	78.0%	80.0%
2006/07	83.9%	83.3%	80.0%
2007/08	84.2%	74.9%	84.0%

How are we going to achieve our objectives?

In 2008/09 we will continue our programme of improvement in the delivery of major building projects. The review of our outsourced consultancy contracts will be completed, enabling more flexibility in the skills to be procured and enhanced cost control and project management. As lead authority we will complete the tendering of framework agreements for contractors in two tiers, to sit within the SECE strategy, for all public bodies across Sussex. We will continue to use the SECE major projects framework and work collaboratively with our contractors, ensuring better supply chain management.

We will work with client sponsors to develop and implement a more sustainable model for delivery of capital projects to time and cost estimates.

We will continue to improve the accessibility of Council buildings, and to reduce the backlog of repairs needed by our buildings.

Our programme of efficiency and service improvement in provision of FM services will continue.

We will complete our office hubs in Hastings and Eastbourne, consolidating departmental footprints and disposing of property rendered surplus to requirements.

We will continue to invest in energy efficiency, thereby reducing CO² emissions, and will complete our sustainable buildings policy and embed this in procurement practices.

We will complete projects at Tideway and Rye and will facilitate a stage 1 submission to the Heritage Lottery Fund in respect of "The Keep", a new records office in partnership with other agencies.

We are currently reviewing opportunities for improved service delivery with teams being tasked to suggest their highest priority areas for improvement. This will inform outline proposals for consultation and refinement. In addition we are embarking on a review, in conjunction with client sponsors, of our model for delivery of capital projects. In this context, this Property Business Plan is an interim document which will be amended as these inter-related projects develop.

Financial Commentary

National Position

1. The 2007 Comprehensive Spending Review has set formula grant, and other key grants, for individual local authorities for the three year period 2008/09 to 2010/11. That certainty is welcome and the general position for counties, as a group, was relatively better than originally feared. This was largely due to the increased weighting Government chose to give to Adult Social Care and waste disposal. There are however wide geographical differences. For example most of the South East remain floor authorities and East Sussex and Kent are only just above the floor. Outside the South East the increases for counties average nearly 6% p.a. The position for districts, and for London for different reasons, is relatively difficult over the settlement period; which contrasts with previous settlements.
2. At this stage, there is no information as to when the Government will update spending plans for the period 2011/12 onwards. This means it is likely, beginning the 2009/10 budget year, that funding certainty will only extend for the two years 2009/10 and 2010/11.
3. We do know that the Government are considering some formula changes which could affect both the general formula grant and certain key specific grants. In relation to the latter, the most significant is the Dedicated Schools Grant. The changes being considered would put more weight on deprivation factors which in crude terms would tend to see resources move from shire areas to urban or metropolitan areas (The position for East Sussex would be further compounded by the fact that the DSG we receive is partly supported by a national, but discretionary, damping scheme worth some £10m to East Sussex schools).
4. The distribution of certain other specific grants could also be affected by increased 'deprivation' weightings. In terms of formula grant, the Government is suggesting it is prepared to look again at Area Cost Adjustment. As an area we (rightly) feel strongly about the unfairness of the current formula which sees East Sussex receive relatively little compared to most of our South East neighbours. Unfortunately that very fact means those same neighbours would not necessarily support any changes in the current methodology. Any formula changes in general or specific grants would not impact until 2011/12.
5. In that same year (2011/12), we could see the transfer of concessionary fares from district to county level. In crude terms that would see the transfer of a funding gap problem simply being shifted upwards to county councils.
6. For 2008/09, the Government also announced three year funding for Area Based Grants. With some minor exceptions (by scale), the vast bulk of these ABG awards reflect former specific grants, received by the relevant individual local authority, continuing to be received by the same authority but on the basis of it being part of that authority's Area Based Grant. In principle this funding can be

diverted to other priorities. In practice East Sussex and many other council's decided that the pre-existing specific grant responsibilities or liabilities precluded any reallocation of resources for 2008/09. Going forward that still may be the case but we will (rightly) be expected to have tested the opportunity. More generally, there is no certainty as to the level of ABG beyond the current settlement period ending 2010/11.

7. Nationally, recent capping announcements (albeit largely in relation to police authorities) make it clear that Government will intervene at council tax rises of 5% and perhaps even less going forward.
8. For counties particularly, the key underlying spending risks remain in relation to social care and waste disposal. While the current CSR settlement gave more weight to the distribution of current resources in respect of these two areas – it did not deal with the quantum issues involved especially in relation to adult social care and the generally aging population. Social care and waste distribution pressures are difficult to avoid in terms of the current 'service offer' promoted by Government. In reality this has continued to put added resource pressure on other services, some universal, such as highways, transport, libraries etc.
9. Over the medium to long term, flood defence and climate change, but also infrastructure demands to support housing development, are bound to add to spend pressures on many councils but including East Sussex.
10. In capital terms, in addition to the demands of infrastructure investments – be it in relation to current assets or new developments – we see a major 'service promise' in relation to the re-build or refurbishment of large parts of schools stock; be it through Academies or Building Schools for the Future at the secondary level or Primary Capital Programme at the primary level. This has and will raise expectations but also it could carry with it significant assumptions of matched or top-up funding at the local level.
11. While the underlying quantum issues associated with ASC are yet to be addressed, the sector is embarking on a major 'personalisation' programme under the banner of 'Putting People First'. Specific grant funding for the next three years has been announced and individual authorities are working through the implications. As an initiative this could prove to be one of the most profound in recent years; not just for adult social care but local government generally.
12. It is worth remembering that Government have also set a requirement for each authority also to find 3% annual 'cashable' efficiency savings. All the evidence suggests this has been arrived at in a somewhat arbitrary manner and certainly does not seem connected to the past and current efficiency performance or past and current circumstances at a local level.
13. Finally, in the national context, and arguably the most serious and urgent threat is the short and medium term, is the credit crunch, deepening general economic gloom and soaring inflation in key commodity prices. Such a combination of forces is well beyond the ability of local authorities to influence but will put major pressures on travel costs (including staff, schools and public transport) for

individuals and councils, fuel, energy and certain building and highways materials. It could well, and arguably already is, affecting the value of disposals and / or the timing of developer contributions in future. It may also impact on the council tax base. Wider economic effects could increase demand for services from certain vulnerable groups.

Local Context

14. The Council's formula grant will total £93.8m, £96.7m and £100.1m in 2008/09, 2009/10 and 2010 respectively. In terms of increases this is £2.8m (3.0%), £3.1m (3.3%) and £3.5m (3.6%) respectively. These increases have been factored into the Council's medium term plan as set out in February 2008.

15. To recap those plans assume the following council tax trajectory:

Council Tax Increase (%)

<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>
4.7	4.3	3.9	3.5	3.5

In addition the planning assumes differential cash increases across different services. For example some 5% per annum increase for Adult Social Care compared to zero % increase for most central services. Attached at Annex 1 is the summary medium term plan as approved by Council in February. It summaries the differential guidelines, assessed pressures at that time and resultant savings for 2008/09 to 2010/11. Attached as Annex 2 is an update on the spending pressures as currently understood but this will need further work during the summer and autumn. (Note: 2010/11 is simply a roll forward of 2009/10 pending further planning.)

16. Returning to Annex 1, cash limits have been set for 2008/09 but Members will be aware that the Council has received a further £500,000 allocation for LABGI (Local Authority Business Growth Incentive Scheme). This was received only recently and the Deputy Leader has indicated that he will table proposals for its use.

17. For 2009/10 and 2010/11 current plans show some £750,000 set aside in each year for excess inflation but also some £2.6m and £3.4m shown as unallocated. Given the current excess inflation fears it is recommended that all or most of this is now added to the excess inflation provision in those future two years. For the current year 2008/09, now that cash limits have been set, departments will need to absorb increased costs within the total cash limit received.

18. The Council will receive some £24m of Area Based Grant in 2008/09 (rising to some £36m by 2010/11). The details of this are set out in Annex 3. The Cabinet will need to develop a process to test if (and to what extent) it wishes to switch Area Based Grants into other areas in future years.

19. In terms of the new grant for personalised social care the County Council will receive £5.4m over three years to assist implementation. Plans for best use of this are being worked up.

20. Perversely, one aspect of the current economic situation is increased interest on balances. This is a volatile area but I would expect a significant sum would be available for one-off purposes again next year.

Next Steps

21. In all the circumstances and even recognising the lack of external funding certainty beyond 2010/11, the organisation benefits greatly from being able to plan over the medium term and it would be hoped that Cabinet would wish to develop coherent spend plans beyond 2010/11. Such planning needs to link the following over the next three to four years:

- Council tax strategy;
- spending pressures on core services;
- other risks (eg excess inflation);
- policy steers including – new policy priorities or shifts;
- new external requirement (eg concessionary fares);
- continued focus on efficiency (including benchmarking and shared solutions) as well as customer focus; and
- maximising other local income sources.

22. Such planning will also have to extend to planning for major capital commitments (including minimising the risks of excess costs falling on the Council). The headline areas include the Link Road, Building Schools for the Future, possible Academy Programme, and Primary Capital Programme. This is on top of the current core programme including, for example, a new records office and new library in Hastings.

Sean J Nolan
Deputy Chief Executive and Director of Corporate Resources
July 2008

All financial spreadsheets which form annexes 1, 2 and 3 of this document can be found within the Cabinet RPR – State of the County 2008 report from 29 July 2008. If you wish to have further copies of these please contact the scrutiny lead officer for your particular scrutiny committee or call 01273 781581

New and Revised Strategic Risk Log for 2008/09

Appendix 4

	KEY THEME AREAS	INHERENT RISK 1 = Low 4 = High	IMPACT 1 = Low 4 = High	LEAD COORDINATING OFFICER ON BEHALF OF COMT	NEW or Revised '*'
1.	Failure to recruit and retain key staff, and manage capacity pressures and staff moral and motivation effectively	2	4	Andrew Ogden	
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Implementation of agreed actions from Staff Survey 2007/08 • Improved corporate identity / branding including employer brand to compete with other employers at recruitment fairs and encourage more potential recruits • Implement e-Recruitment to improve our appointment procedures • Workforce planning • Pilot formal approach to Succession Planning / Capacity building • Increased use of flexible approaches to contract terms and conditions to encourage retention of key employees • Use of Management Capacity Reserve and Invest to Save • Reconciling Policy and Resources 				
2.	Failure to implement effectively key departmental restructuring exercises (as well as ensuring a sound response to 'single status', and equal pay issues).	3	4	Andrew Ogden(relevant department lead)	
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Develop options to achieve completion of Single Status • Provide appropriate training for personnel case workers on current legal requirements 				

	KEY THEME AREAS	INHERENT RISK 1 = Low 4 = High	IMPACT 1 = Low 4 = High	LEAD COORDINATING OFFICER ON BEHALF OF COMT	NEW or Revised ‘*’
	<ul style="list-style-type: none"> • Provide briefing sessions and training programmes for managers, headteachers and governors • Implement mediation as a first step to resolve workplace disputes 				
3.	Failure to meet the ongoing challenge of improving performance whilst Reconciling Policy and Resources in the context of rising expectations, limited resources, efficiency expectations and the tension between vulnerable and universal services.	3	4	Sean Nolan(Becky Shaw)	
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Continued operation of Reconciling Policy and Resources • Active involvement of Scrutiny • Continued focus on performance management (especially on low performing indicators) • Establishment of forward cash limits and 3 year service planning • Communications and lobbying strategy • Focus on benchmarking efficiency and shared services • Strong partnership arrangements (inc the voluntary and community sector) • Strong evidence base of residents’ views and needs 				
4.	Failure to manage adequately volatile budget areas (e.g. social care, special needs, home to school transport etc) to the extent they impact sufficiently on other priorities.	3	4	Sean Nolan	
	<u>Mitigating Actions</u>				

	KEY THEME AREAS	INHERENT RISK 1 = Low 4 = High	IMPACT 1 = Low 4 = High	LEAD COORDINATING OFFICER ON BEHALF OF COMT	NEW or Revised ‘*’
	<ul style="list-style-type: none"> • Formal monthly monitoring and reporting • Enhanced budget monitoring processes • Risk management arrangements • Medium Term planning 				
5.	Reputational damage and lack of confidence from failure to maintain or deliver increased service standards (including inspection or assessment scores in CPA/CAA).	2	3	Becky Shaw	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Robust performance management and risk regimes in place • Continued strengthening of customer focus and equalities work • Strong partnership arrangements • Clear communications and consultation strategy and infrastructure • Post inspection action plans incorporated in business plans 				
6.	Negative impact of ‘credit crunch’ and worsening economic conditions including significant increases in relevant inflation factors.	3	4	Sean Nolan	‘*’
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Maintenance of prudent reserve strategy • Review scope to increase excess inflation provision • Limited scope to act but maintain awareness of impact on local economy 				
7.	Failure to manage successfully the quality, relationships and outcomes from the increasingly complex partnership agenda including the various aspects of locality working.	3	3	Becky Shaw	

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	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Clear partnership governance arrangements • Successful adoption of ‘new’ LAA linked to Reconciling Policy • Robust LAA / NIS monitoring arrangements in place and integrated into Reconciling Policy and Resources • Strong relationships with local partners • New integrated sustainable community strategy showing joint priorities • East Sussex in Figures in place • Planned strengthening of communication with local Members through improved intranet 				
8.	Failure to manage effectively the key strategic relationships with, and performance of, key commercial partners (e.g. BT, Serco, Veolia, key care providers etc).	2	4	Cheryl Miller	‘*’
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Relationship strategies in place • Review of contract management arrangements 				
9.	Failure to secure an effective ‘Agewell’ Scheme in line with business objectives.	2	4	Keith Hinkley	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Agewell funding approval (PFI) and affordability confirmed at Expression of Interest stage and Outline Business Case submitted. 				

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	<ul style="list-style-type: none"> • Procurement phase begun with OJEU issued. • Project team and governance arrangements in place. • All Outline Planning Consents achieved on the four acquired sites. • Full link to corporate capital planning. • Care needs linked with Commissioning Strategies. • Preparation of contingency plans. 				
10.	Failure to put in place an effective medium term service plan consistent with commissioning strategies, “Putting People First”, whole system challenges, and drivers with maximum efficiencies and resources available.	2	4	Keith Hinkley	‘*’
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Three year plan, including objectives for Putting People First agreed and integrated into the Council Plan and Adult Social Care Business Plan. Joint commissioning strategies for older people and learning disabled completed. Joint commissioning strategy for mental health planned for March. Implementation monitored through core performance management processes within the County Council. • Joint Business planning with PCT’s in place for 2008/09. • Implementing the change agenda through robust programme and project management arrangements. 				
11.	Risks from changes within the NHS including consultation on “Fit for the Future” and application of provider Trusts for Foundation status. Further risk that there will be delays in the local health economy picking up new responsibilities for continuing healthcare	3	4	Keith Hinkley	‘*’

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	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Robust and formal partnership working including the development of joint commissioning strategies, Risk Share Agreement, Section 31 Agreements and Service Level Agreement. • Improved engagement with the local health economy including the setting up of an Executive Group (Director of Adult Social Care and Health Chief Executive) to manage the development of social care and health services in East Sussex. • Joint plan agreed for implementing changes to continuing healthcare, including monitoring arrangements. 				
12.	Failure to sustain current improved performance on our priority performance indicators within Adult Social Care	2	4		
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Continue with the DMT led Performance Board. • Develop our understanding of the new indicators in the National Indicator Set. • Enhance capacity and performance through the new management structure and Assessment and Care Management Programme. 				
13.	Failure to deliver ASC Transformation Agenda.	3	4		
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Review of current commissioning strategies in a structured programme of work to ensure compliance with Putting People First. 				

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14.	Failure to secure appropriate approval for the Link Road and expected external funding support and to ensure forecast cost remain within current declared estimates.	3	4	Rupert Clubb	‘*’
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Continue governance through project board • Continue to influence Regional Transport Board and local development frameworks • Consider ECI to ensure scheme stays within cost envelope 				
15.	Failure to secure satisfactory progress on the Central Rail Corridor.	3	3	Rupert Clubb	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Continue governance through project board. Develop clear communications strategy 				
16.	Failure in key waste delivery plan and milestones (including in relation to indemnities resting with the County Council and recycling with Districts).	3	4	Rupert Clubb	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Contract governance through Joint Project Board • Affordable interim arrangements secured through contract re-negotiation • Waste reserve based on modeled prudential scenarios • Continuous development and scrutiny of modeling 				
17.	Failure to deliver benefits of a joint waste authority with Districts.	3	3	Rupert Clubb	

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	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Continue to develop business case for joint working Continue officer, Chief Officer and mentor level meetings. 				
18.	Failure to deliver major property projects – on cost, to specification and to time – but including failure to deliver effective client or sponsor role.	3	4	Sean Nolan	‘*’
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Review of future model underway Involvement of Scrutiny Implementation of PID approach Challenge / training for project sponsors Partnering arrangements with specialist project management Review of forward planning skills and capabilities with key departments (eg Children’s) 				
19.	Failure to deliver economic regeneration aspirational progress in key areas, (including Hastings, Bexhill, Newhaven and Eastbourne Hailsham Triangle) and to fail to maximize benefit of any new Sub-Regional economic governance structures.	3	4	Cheryl Miller	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Robust planning processes and partnerships in place East Sussex Economic Strategy Annual economic study and business survey 				*
20.	Failure to deliver the benefits of a ‘hard federation’ in Hastings to improve standards at Key Stage 3 and 4.	2	4	Matt Dunkley	*

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	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Quarterly monitoring of the implementations of Ninestiles Plus contract by the Deputy Director, L&SE. Regular contact between the Executive Headteacher and a project manager for the Federation. Significant investment of resources from the County Council and the Standards Fund grant to facilitate a range of strategies including the appointment of Directors of improvement in the core subjects. 				
21.	Failure to respond effectively to the growing number of young people being classed as vulnerable and potentially requiring support and services.	3	4	Matt Dunkley	*
	<u>Mitigating Actions</u> To be completed.				
22.	Failure to effectively articulate and commission major school re configurations requirement over the short and long term – including Academy Programme in Hastings, BSF in Bexhill, further BSF rounds and primary capital programme.	3	4	Matt Dunkley	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> An external review of the structure and responsibilities of the Capital Strategy Team. Additional investment in feasibility studies. BSF and PCP the responsibility of individuals commissioned specifically for these areas of work. 				
23.	Failure to effectively influence school performance to avoid significant intervention measure from Government (inc Ofsted).	2	4	Matt Dunkley	*

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	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • CfBT contract reconfigured to focus solely on intervention, leadership development, and training. • Additional resource invested in areas of the county, and schools, with the poorest performance. • External monitoring and support commissioned to accelerate the progress of any schools proving to be “hard to shift”. 				