

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

Date: **1 September 2010**

By: **Chief Executive**

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

Purpose of report: **To enable the Committee to consider and comment on the detailed planning for 2011/12 and beyond as outlined in the State of the County report**

---

**RECOMMENDATION: The Scrutiny Committee is recommended to**

- (1) inform Cabinet of any comments or changes it wishes to propose to the policy steers and Council Promise and their contribution to the objectives of the Council;**
  - (2) establish a scrutiny board to act on behalf of the Committee to provide ongoing input into the RPR process until March 2010, and in particular to consider the detailed departmental portfolio plans when available; and**
  - (3) identify any issues to include in the Committee's future work programme.**
- 

**1. Background**

1.1 The State of the County 2010 report was presented to Cabinet on 27 July 2010. That report outlined the national and local context providing an overview of the main issues which will affect the County Council in the coming year. At that meeting Cabinet:

- agreed a provisional cash limit for 2011/12 and asked Chief Officers, in consultation with others including Scrutiny Committees, to model the service impacts and savings in preparation for them to be reviewed by Cabinet as part of setting of medium term cash limits following the Comprehensive Spending Review in October 2010; and
- asked Lead Members to review with Chief Officers the Council's promise and policy steers in the light of the changing local and national circumstances.

1.2 Attached to this report are the current policy steers at Appendix 1. These provide the structure within which business and financial planning is developed and were agreed by the County Council in 2009; also included for Corporate Resources are draft policy steers for 2011/12 for discussion by the Scrutiny Committee.

1.3 Appendix 2 contains the emerging local priorities identified by Cabinet. The portfolio reports for Strategic Management and Economic Development and Corporate Resources (at Appendix 3) set out more detail against each policy steer:

- what we set out to achieve
- the current position about what we achieved subsequently
- key areas for improvement.

## **2. Scrutiny's role in Reconciling Policy and Resources**

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 previous years. It is also an opportunity for the Scrutiny Committee to highlight any issues to include in its future work programme.

2.2 The Scrutiny Committee is asked to review and comment on the current policy steers and the *Council Promise* which lie within the Committee's remit. Policy steers should:

- Describe what we can expect to achieve over the medium term (2 – 3 years);
- Incorporate sufficient clarity to be able to determine whether they will have been, or are being, delivered ie. appropriate measures and targets can be set against them;
- Have resources attached to them;
- Help to build a picture (either explicitly or implicitly) of non priority services or functions.

2.3 The Committee might also wish to take account of the following pointers when making any recommendations about the policy steers:

- Policy steers need to reflect the severity of the economic outlook and emerging local priorities.
- Scrutiny commentary is particularly valuable where there is a particular tension between 'universal' services and 'targeted' services – either within a service or between departments.
- Scrutiny is invited to make judgements about value for money for areas of above average costs, and to provide challenge to ensure return on investment by increased performance.
- Scrutiny is invited to question the extent to which the key 'areas for improvement' identified in the portfolio reports (appendix 3) are still valid and relevant.

2.4 While the detail of the government's spending review will not be known until October 2010, Council departments have already absorbed some in-year cuts and are planning for further budget reductions over the three years from 2011/12. This economic reality means that each department and Lead Member has had to look carefully at current policy steers and take steps to ensure they reflect how services will have to be targeted and prioritised in future.

## **3. Next steps**

3.1 On 5 January 2011 the Audit and Best Value RPR Board will consider the detailed portfolio and budget plans and the emerging savings strategy, and comment in detail upon whether:

- The amended policy steers are reflected satisfactorily within the proposed key areas of budget spending for 2011/12 and beyond;
- All possible efficiencies are identified, and the likely impact of those savings on services provided to County Council customers.

BECKY SHAW  
Chief Executive

Contact Officer: Paul Dean, Scrutiny Manager (01273 481751)

Local Member: All

Background Documents  
None

## Appendix 1: Current policy steers and Council Promise

### **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.

### **Current policy steers: Strategic Management and Economic Development (Cllrs Jones and Maynard)**

1. Raise the prosperity of East Sussex through improved workforce skills, enterprise creation, access to funding and increased investment in infrastructure.
2. Take account of the effect of the economic downturn on residents and businesses to ensure that the effects for local people are minimised as far as possible in the short term and that, in the longer term, the area is well placed to emerge in a strengthened position at the end of the current period of economic uncertainty.
3. Help local communities, businesses and our own operations to reduce carbon emissions and adapt to climate change.
4. 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.
5. Support the delivery of the Council's policy steers and improvement of services through effective policy development and performance management, to ensure that service plans take realistic account of the likely medium term financial position.
6. Improve further the quality of services through effective scrutiny and legal support for Councillors.
7. 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.
8. Continue to improve equity and equality of opportunity for all through our service delivery and as an employer.
9. 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.
10. Maintain an effective emergency planning service.

## **Current policy steers: Corporate Resources (Cllr Reid)**

### **Policy and Finance**

1. Deliver the lowest level of council tax consistent with the Council's core priorities in line with the Council's policy steers.
2. 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; and
  - Effective consultation and communication with residents and partners.
3. Maintain and improve high standards of governance, internal control and risk management.
4. Drive, in partnership, improvements in efficiency, productivity and procurement that maximise value for money and are sustainable.
5. 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**

6. Maximise the efficiency of the property portfolio on behalf of the Council through:
  - Effective asset management covering, utilisation, 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; and
  - Effective energy management as a contribution to addressing global warming.
7. In conjunction with appropriate client sponsor roles, ensure effective and efficient delivery of capital projects.

## **DRAFT policy steers for discussion (Corporate Resources)**

### **Finance and Audit & Performance**

1. Provide strategic financial leadership, ensuring that available resources support the delivery of key Council services.
2. Ensure robust and effective financial management in support of frontline services
3. Maintain and improve high standards of governance, internal control and risk management.
4. Drive, in partnership, improvements in efficiency, productivity and procurement that maximise value for money and are sustainable.

### **Effective Property Management**

5. Ensure the Council has the right property resources to support effective service delivery
6. Make best use of available capital resources and ensure effective delivery of capital projects.

## **Appendix 2: Emerging local priorities identified by Cabinet**

The importance of having clear local priorities in the rapidly changing policy and financial context has been consistently recognised by Members, most recently at the whole Council Forum and subsequent Cabinet meeting. The performance story for Children's Services at appendix 3 provides more detail about the direction of travel. This appendix provides an overview of the emerging areas and the direction of travel in the next few years in our five key areas.

### **1. Building the economy and prosperity of East Sussex**

1.1 A key focus for the County Council, using all possible tools and levers, is to ensure the conditions are right for sustainable economic development for the area. We recognise that we are responsible for one of the most beautiful parts of the UK and that people choose to live here and want to stay because of the excellent quality of life that the area provides – our coastline, history and national parks attract millions of people annually. Our challenge is to ensure that we protect what is good about the area, while seeking to ensure we have sustainable economic growth so that a greater proportion of the population can fully benefit from what the area has to offer.

1.2 We are realistic - while East Sussex is part of what is generally seen as the prosperous South East, it has many of the characteristics of less economically vibrant areas in the North of England. It is the 7<sup>th</sup> poorest and economically underperforming county in England with the private sector economy mainly consisting of micro businesses with 90% of companies employing less than 10 people.

1.3 The coastal areas of East Sussex are amongst the most dependent in the country on public sector employment and are therefore likely to be disproportionately affected by the reductions in public sector spending. We need to ensure that as the size of the public sector reduces, we are doing all we can to encourage the growth of the private sector.

1.4 We will do this using the creation of a local enterprise partnership to deliver a private sector led, evidence based, re-launch of our economic development strategy – building on the good progress we have made to-date and acting with renewed vigour in areas where progress is not as fast as it needs to be. At the core of the strategy will be raising the prosperity of East Sussex through improved school attainment and work force skills, enterprise creation, access to funding and increased investment in infrastructure (both the Link Road and broadband). We understand that economic development requires a workforce with the right skills, decent homes for people to live in, a transport infrastructure that enables people to easily move around and a business environment that is conducive to growth. All of these are complex issues that need to be addressed.

1.5 We want to see more young people leaving school with the necessary qualifications and skills to enter employment, education or training. This starts with a higher take-up of early years education and improved educational attainment overall, with a narrowing of the attainment gap for vulnerable groups. Our work with young people who are not in education, employment or training (NEETs) will concentrate on those most in need such as teenage mothers and children and young people with Special Educational Needs and disabilities.

1.6 We will support and challenge our schools, colleges and settings to achieve these high standards for all groups of young people and to secure Ofsted gradings that recognise their high levels of overall effectiveness. We will give priority to monitoring those standards and to identifying where early intervention is required through the School Improvement Partner programme in order to prevent a school falling into an Ofsted category. We will encourage greater cooperation and collaboration between schools and colleges so that the best practice is identified for sharing across providers and especially so for commissioning specific support where improvement is required. We recognise that our young people are entitled to be taught by highly

skilled and experienced professionals who readily adapt to changing expectations and so we will give further priority to ensuring high quality continuous professional development for the whole children's services workforce.

1.7 We are working with partners to develop apprenticeship provision across a wide range of job roles across the county. As part of this work we are identifying the barriers that prevent some vulnerable young people from accessing apprenticeships and working with partners to build the support mechanisms that will enable them to access this route into work.

1.8 As corporate parents, we want to ensure that our children & young people in and preparing to leave care, have access to the same opportunities as their peers who are not in care; taking the example of a young person who accesses work or training opportunities via family/family friends, we as corporate parents need to strive to provide similar opportunities, support and encouragement to enable all vulnerable children and young people to reach their full potential.

1.9 We recognise the power the County Council has as a local employer and customer of local businesses extending the work we have already done through initiatives like Build East Sussex, to a wider range of our work. This will include commissioning our services in a way that stimulates small and medium size enterprises (SMEs) and strengthens the local skills base by providing development in the workforce beyond ESCC (including in Social Care through independent sector care providers and possible social enterprise models). We will continue the work already started with Voluntary and Community Sector and other partners on ensuring residents are not financial excluded – especially older people and working families.

1.10 The Bexhill and Hastings Link Road is much more than a pure transport project. It is the single most important component for delivering the regeneration of Hastings and its construction will enable the release of strategic new employment and housing land in Bexhill for development. These are key parts of the established regeneration plans as well as allowing other projects, currently constrained by congestion on the A259 corridor, to be delivered. In the current economic climate it is even more important to regenerate the local economy, which will in itself reduce public spending by reducing unemployment.

1.11 The need to regenerate the economy of the Bexhill and Hastings area has been recognised for over forty years. The Government's Indices of Multiple Deprivation recognise Hastings as one of the most deprived areas in England, as well as the most deprived community in the South East. Lack of an effective transport infrastructure, in particular the lack of connectivity between the two towns themselves and with other parts of the south east, is a major factor in the overall economic and structural problems facing the area. Proposals to address these problems have been central to strategic plans for the area over several decades. These culminated in recommendations from the South Coast Corridor Multi-Modal Study in 2002, and an invitation to East Sussex County Council from the Secretary of State for Transport in 2003, to develop the current proposals for a link road between Bexhill and Hastings. The work that has been completed since the rejection of the by-pass proposals in 2001 and development of the proposals, for which planning permission has been secured and for which the Secretary of State is asked to confirm the three orders before him, demonstrates that the current proposal is the only feasible way of delivering the route that is needed for the regeneration of Bexhill and Hastings.

1.12 Consequently failure to deliver this project would result in further delay and decline in Hastings and Bexhill and leave no obvious solution to the serious problems facing the area. These problems must be addressed in the short term in order to secure the longer term future prospects of the area and significantly improve its economic performance, thereby reducing the existing burden on the public sector in terms of funding and benefits.

1.13 Our endeavour is to build a vibrant economy by working with partners to maximise residents' income through employment and progression in employment through improved skills. There will, however, be people who could be vulnerable to financial disadvantage, for example people on pensions and families on low wages. Working with partners, we will assist those people by advising on maximising benefit take up, effective use of savings; and effective income and debt management.

1.14 We will have a relentless focus on building the partnerships needed to lever in the investment to address these issues, encouraging and supporting business – so that we achieve the ultimate goal - increasing prosperity for existing and future residents of East Sussex.

## **2. Vulnerable Adults**

2.1 The County Council is committed to delivering further improvements in the performance of Adult Social Care, taking into account available resources, and to ensuring its services are increasingly personalised. The Coalition Government has reinforced the requirement to develop real choices for people in how their care needs are met. We will work with our statutory, independent, voluntary and community sector partners to provide the best support we can for local people within our collective resources. We will commission services that are efficient and effective and will meet our objectives by delivering:

- *Self Directed Support:* Enabling people to manage their own care and to ensure people receive a fair and equitable level of resource that reflects their needs, focussing on prevention and early intervention, recovery and reablement.
- *Choice:* Developing a market for social care services that truly enables people, whether funded by the department or funding their own care, to access personalised services centred around their individual needs, that are efficient, effective and of good quality
- *Universal Services:* Ensuring services are available to the whole community, aimed at reducing people's dependency on publicly funded services and improving local resident's quality of life. This will include: information, advice and signposting services, preventative services, and reablement services.
- *Supporting Local Communities:* Through partnership working with service users, carers and local communities and by providing targeted investment in voluntary and community groups that improves the health and wellbeing of local residents, whilst also preventing demand for publicly funded services.

## **3 Vulnerable Children**

3.1 Keeping children and young people safe remains a key priority. We will also continue to take our responsibilities as a Corporate Parent seriously ensuring that we protect vulnerable children and young people from harm whilst minimising disruption to their lives. Our ability to invest in early intervention services will be more limited given that many of the Government grants which support these areas of work have been, or are likely to be cut. As a result we will be looking closely at what works and what does not work to ensure we focus our resources where they can have the greatest impact. We will also be looking at how we can work more effectively with our partners across the Children and Young People's Trust to protect vital front line services. In reality we will be working with fewer children and young people and their families, targeting our resources on the most vulnerable.

## **4. Roads and Infrastructure**

4.1 East Sussex does not enjoy the benefits of a significant trunk road network and the maintenance of our existing asset is crucial for our residents and business. Following the severe winter weather we have invested more money into improving the condition of our road network. In addition to increasing the life of our roads this will be a key factor in the competitiveness of the

contract rates we are able to secure when we seek a new highways contact arrangement. This increase in investment over the next two years will enable us to reduce expenditure on reactive maintenance allowing us to pay back the borrowing which enabled this increased investment and ultimately reducing the cost of providing a highway service. It is highly unlikely the current government will invest in new roads given the high levels of capital investment required. It is also expected that the criteria for assessing the business case for new schemes will change putting greater emphasis on alternative forms of transport and will support carbon reduction. This makes the existing road network even more vulnerable without a strong asset management focus. Without maintenance on the road network the asset would deteriorate leading to social and economic impacts.

4.2 Road safety remains a priority. While this service area saw significant reductions in grant (100% reduction in road safety capital, 27% in road safety revenue grant) our residents see a reduction in the number of people Killed and Seriously Injured (KSI) as important. Most public petitions are about road safety or speed reduction schemes. The work of the road safety teams is currently largely reactive, responding to requests and petitions and although we have seen an overall reduction in KSI the level remains high. We will need to fundamentally change the way we use the small resource to deliver improvements including dealing with sites that are proven to be unsafe and in need of improvement, in coordination with the Police and Fire Services. In future road safety will have a much greater focus on additional enforcement activities, education and behavioural awareness for high risk groups. This approach will reduce the overall cost while keeping a strong focus on reducing the number of KSIs.

4.3 We are in the 7<sup>th</sup> year of our Waste PFI. Notwithstanding any contractual and financial implications of changing or varying the contract we run the risk of severe financial penalty through landfill tax. We know landfill tax will increase and the completion of our waste facilities will reduce our reliance on landfill. Without these facilities the cost of disposing of waste would be unaffordable. We are currently part way through the construction of our energy recovery facility, have completed our composting facility and have new materials handling facilities around the county. Our Contract with Veolia is for 30 years at a cost of approximately £30m and attracts PFI credit of approximately £2.9m pa. We are currently developing our Waste Core Strategy which will consider how we deal with both municipal solid waste and commercial, industrial, construction and demolition waste. This strategy will eventually be tested at an examination in public and will determine how we manage our waste in the future. In conjunction with this, work with the Boroughs and Districts as waste collection authorities will try to secure joint arrangements for the collection of waste and its delivery into the contract. The recent joint waste agreement will assist this push.

4.4 The revocation of the South East Plan and the Regional Economic Strategy means that a significant gap has been created between national planning policy and local policy. This does create potential risks in relation to economic growth, social development and environmental protection, whilst an opportunity for local authorities to work collaboratively with their communities in determining their own strategies and priorities.

4.5 The County Council needs to take the lead in developing a county wide infrastructure plan covering the short, medium and longer term. As part of the Local Enterprise Partnership development, this requires integrating a number of strands of strategic policy development, that we already are engaged in to create a coherent framework for infrastructure provision. These include:

- housing through the Local Development Frameworks (LDF) and Local Investment Plans (LIP);
- transport through the Local Transport Plan (LTP); and
- economic development through the local economic assessment process.

4.6 Such an infrastructure plan would need to:

- include LTP elements;



- enable locally determined housing requirements to be serviced;
- include waste and water infrastructure; and
- reflect environmental constraints and considerations.

4.7 This will help shape the development, and subsequently reflect the content, of LDF Core Strategies. It would also provide the foundation for any tariff based system to replace section 106 legal agreements in securing contributions to infrastructure from developments and enable better co-ordination of infrastructure provision in tandem with development.

4.8 We now have an opportunity, working with the Local Economic Partnership process, to establish the basis for a local strategy for the county to integrate these policy strands and set the framework for the delivery of infrastructure necessary to serve our community and regenerate the economy.

## **5. Community Safety**

5.1 In all our consultation with residents the need for us to tackle crime, fear of crime and community safety features as a high priority. There is no evidence that this is going to change and addressing this need must remain a priority for all our services, using whatever resources we have to support people being safe. While vitally important, this is not just about direct criminal activity such as burglary or physical violence. It is about being safe on the roads, being protected from rogue traders, older people not feeling intimidated by the activities of the young or people under the influence of too much alcohol or drugs and support mechanisms being in place when things go badly wrong in the family resulting in domestic violence.

5.2 Huge progress has been made in the reduction of reported crime, helped by investments that have supported a multi-agency approach to many of the issues. However, both the police and local government are facing significant reductions in funding over the next 4 years and much of the funding has been grants for specific initiatives that is unlikely to be available beyond 2011/12. This makes it even more important that all mainstream services make community safety a key priority and look at how they can leverage more value from the funding that will remain.

5.3 The funding challenges will need to be met by even more focussed multi-agency partnership working than before, but with real challenge to make sure that any activity is really adding value. The community safety partnerships have already undertaken a complete review of their activities so that we have a set of clear priorities that can be delivered with the available resources.

## **Democratic accountability and leadership**

6.1 In this time of change Members' roles as community leaders and the democratic voice of local people, both as individuals and collectively in the County Council, will be vital to ensure that the people of East Sussex are getting the best from all public services. This extends beyond those services for which the County Council is directly responsible and needs to seek to ensure residents are enabled to build the kind of communities in which they wish to live and work. Effective support will be provided to members through the provision of information and lobbying activities to help them carry out their role.

## **Appendix 3: Portfolio reports**

- Corporate Resources Portfolio
- Strategic Management and Economic Development Portfolio

# **Corporate Resources Portfolio**

## **1. Introduction by Lead Member**

The Corporate Resources Portfolio has two key aspects. Firstly, to assist departments to deliver effective and efficient services. Secondly, to ensure overall co-ordination and effective management of resources across the Council as a whole. Regarding the latter of these, as well as seeking to provide quality and efficient services, the Directorate aims to provide the strategic leadership in financial management, procurement and property asset management over the short and medium term.

The challenges going forward will be enormous not least as a result of the perilous state of the public finances. The Portfolio expects to be 10% smaller in cash terms in three years time – equivalent to a 20% real reduction over the same period. At the same time, the Portfolio will work to maintain its strong record to date. The reality is increasing pressures on limited capacity. The challenge can only be met by a robust and continued attention to the necessary contribution of customer focus and maximising productivity and efficiency and robust prioritisation.

On behalf of the County Council we aim to maintain an effective system which seeks to strike the appropriate balance between the provision of services to all residents, especially the most vulnerable, and the ability of council tax payers to afford.

## **2. Finance and Audit & Performance – Policy Steers**

- ❖ 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; and
  - 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 that maximise value for money and are sustainable.
- ❖ Manage risk and uncertainties in future resourcing through realistic planning and maximising lobbying and influencing opportunities for a fairer grant settlement for ESCC.

## **2.1 What are we trying to achieve?**

### **Finance**

Key areas for further improvement and priorities for the near future within the portfolio division include:

- Reconciling Policy and Resources in 2010/11 and the following 3 years.
- Prompt closure of accounts and positive audit opinion including successful transition to International Financial Reporting Standards (IFRS) from 2010/11
- The financial excellence agenda – particularly focusing on achieving savings, budget management (both revenue and capital) and financial development of staff and improvements to the quality of financial advice and support provided to Budget Managers and to major projects.
- Responding pro-actively to the impacts of the recession and recovery.
- Continued improvements in Value for Money and our key finance indicators (including benchmarking results).
- Delivering the Council's SAP development plan and shared SAP services through the SAP "road map".
- Tendering of Insurance portfolios (due before 2012/13) to ensure that the Council retains value for money in a challenging financial environment and closer working with T&E, for effective management of highways claims payments
- Manage the Council's cash flow consisting of £200m deposits and £240m long term debt.
- Provide a full range of exchequer services including 240,000 invoice payments to creditors and debt recovery including automation of Accounts Payable invoices using E-invoicing technologies such as optical character recognition (OCR) to scan invoices and XML to receive supplier invoice data for automatic upload into SAP.
- Through FMT leading the achievement of 20% savings in financial support services over the next 3 years.
- Review contract risk management and partnership risk management to ensure that the Council is fully meeting its obligations and duties in these areas. Particular emphasis on 'Supply Chain' risk management.
- Successful response to Carbon Reduction Commitment to minimise the risk of penalties, fines and losses from carbon trading and maximise performance in carbon reduction achievement.

## **Audit and Performance**

Key areas for further improvement and priorities for the near future within the division include:

- Managing the transition to new audit and inspection arrangements after the ending of the Comprehensive Area Assessment.
- Greater focus on corporate risks within the internal audit plan, improved specialist skills, a more efficient audit process, improved benchmarked performance and a strengthened framework for counter fraud and corruption.
- Providing an assurance on the Council's control framework that meets changing statutory requirements and internal/external expectations, from the same or less resources.
- Supporting the Council in managing the risks associated with meeting its financial challenge.
- Strengthening the role of procurement in the delivery of efficiency savings and sustainability through the revision of the Council's Procurement Strategy.
- Increasing the professionalism in procurement through improved access to training opportunities.
- Expanding the range of corporate contracts to deliver targeted efficiency savings.
- Evaluate the potential for more efficient use of the Council's e-procurement / P2P system and review the business case for upgrading EBP.
- Responding to the Council's recession action plan especially in relation to SMEs.
- Improving information management and security.
- Reviewing the department's approach to equality impact assessments.

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

## **2.2 Where are we now?**

### **Finance**

Last year we again met our target of 3 out of 4 in the Use of Resources assessment, a target which has become harder to achieve each year. Many areas of the portfolio are subject to internal and/or external assessment and review (e.g. 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 outturns are not available for all County Councils making inter authority comparison less valid.

The key messages from the analysis are:

- External assessments of our financial management and control, across the organisation, and our final accounts processes remains strong;
- Aged Debtors are under control and average payment days are reducing, especially for SME's. Improvement continues in exchequer type services generally;

- The management of pensions investment remains strong comparatively and pension administration unit costs are reducing while ensuring and enhancing pension advice and support to employers and employees;
- Treasury management operations remain secure;
- Leading work on supporting Credit Union, encouraging local increased bank lending and supporting benefit take up schemes;
- Financial monitoring and forecasting, both revenue and capital, continue to improve;
- Insurance management remains secure;

There are always areas to improve in the above but some issues require attention in particular some of our transaction costs (e.g. cost of paying an invoice) are above average and we wish to accelerate key developments such as the payment of invoices on line.

## **Audit and Performance**

### **Internal Audit**

Internal audit is well regarded both internally and externally. In 2009/10 the Council's internal control arrangements (including internal audit, governance, risk management and anti fraud and corruption) were assessed as being 3 out of 4 within the Audit Commission's Use of Resources assessment, meeting the target for the third year running. Our external auditors continue to place reliance on the work of internal audit however changes to the fee scales set by the Audit Commission have begun to reduce the previously high level of risk discount the Council receives on its annual audit and inspection fee which has fallen from 22% in 2008/09 to 11% in 2010/11. Customer feedback has exceeded our target of 80% for the last four years and both Cabinet and Audit and Best Value Scrutiny Committee have confirmed that internal audit arrangements are effective.

During 2008/09, the internal audit team was subject to a restructure intended to provide an opportunity to improve the service still further whilst ensuring it remains cost effective. One of the drivers for this restructure was the results of previous benchmarking activity which indicated higher internal audit service costs in comparison to other similar councils and we anticipate that the current year's benchmarking will show an improved position. The new structure has enabled the service to re-focus a number of roles in the team in order to provide more specialist audit activity whilst at the same time reducing costs.

Building on previous year's activity updating the Council's Local Code of Corporate Governance, Anti Fraud and Corruption Strategy and Anti Money Laundering Policies, a review and update of the Council's Confidential Reporting Policy ('Whistleblowing') was completed during This was undertaken as part of a wider programme of anti fraud and corruption activity which has so far also included development of Whistleblowing and Fraud Response Guidance for Managers, a whistleblowing awareness leaflet for all County Council staff, revised internal procedures for receiving and handling allegations and the development of a programme of proactive anti fraud and corruption activities. A significant investment has also been made in formally accredited investigations training for two members of internal audit staff which was completed in 2009/10.

We have continued to promote our Standards of Behaviour e-learning package 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. In addition to this, Internal Audit has also been providing awareness sessions as part of induction arrangements for new staff across the County Council.

### **Procurement**

The 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, continues to be the main focus for our procurement team. The Procurement team Strategy Manager completed a well received regional project on sustainable procurement and the Council has approved its own Sustainable Procurement Policy and started to develop an action plan linked directly to the Council's Climate Change Strategy Board. There is good collaboration with other councils through the Sussex Procurement Group and the Sussex "Best Deals" Programme and this has been promoted through ESFOA.

Overall the Council's arrangements for procurement and commissioning were judged to be performing well and scored 3 out of 4 under the Audit Commission's Use of Resources assessment for 2009. We have improved the efficiency and compliance of the Council's procurement arrangements through the development of SAP and have contributed to its successful upgrade. Levels of retrospective orders have been continually reduced from over 26.7% (06/07) to 14.0% (09/10). A project is also underway to pilot the use of procurement cards which aims to provide a more flexible and efficient route for low value purchasing.

We are currently reviewing our whole P2P (procure to pay) strategy including the future of our catalogue shopping module EBP and the role of procurement cards to establish the best way forward for the remaining three years of our current contract for back office systems with Serco..

Savings from corporate contracts have exceeded £200,000 in each of the last four years with the total for 2009/10 at almost £400,000 including the savings from the first year of the new corporate contract for provision of agency staff. We have successfully completed a project to identify opportunities for better collaboration on procurement across all Sussex authorities on behalf of the Sussex Improvement Partnership and Improvement and Efficiency South East. This has resulted in Chief Executives from East and West Sussex Councils agreeing to the establishment of 3 procurement hubs covering nine district and boroughs with funding support from IESE. At the time of writing we are nearing the completion of a review of the Council's Procurement Strategy which will identify how procurement can best support the Council in meeting the significant financial challenge it faces over the next 3 years. There has been significant progress in 2009/10 in formal procurement training with a doubling of numbers of staff starting professional qualifications; this together with planned access to an IESE led Regional Training & Skills initiative during 2010/11 will give the Council a higher level of procurement expertise and capacity.

We continue to be well regarded in our work with and support for SMEs.

## **Our Customer's Views**

### **Finance**

Translating a good understanding of local need into appropriate action requires an effective communication framework through which to consult, listen, plan, lobby and inform. Our Communications Strategy provides the coherent context for all aspects of our communication and consultation work linked to RPR.

RPR enables us to integrate communication and regular consultation with prioritisation, business planning and performance management. Our consultation processes are robust and flexible to ensure information collected in one forum is considered in all appropriate contexts, whether strategic or operational.

On a more local level one of the areas we wish to develop further is a more systematic approach to obtaining and assessing customer feedback. Whilst we already receive a good deal of feedback which is generally very positive we want to improve customer confidence and perception further through benchmarking and target setting.

The user or professional officer groups we have established for each of our main activities provide useful forums for sharing ideas and obtaining feedback. Similar opportunities are delivered through our regular discussions with main contractors (SERCO) and customers such as the East Sussex Fire and Rescue Service.

## **Audit and Performance**

### **Internal Audit**

Feedback from customer surveys following individual audit assignments is positive. All negative feedback is followed up to ensure any issues are addressed.

An annual Client Satisfaction Survey is now carried out each year with Chief Officers and results are also positive. Comments received are used to inform future planning and service development.

The development of the internal audit strategy involves extensive consultation with client departments and external customers, Members and the external auditors – there is also regular

liaison with these groups during the year.

Specific consultation is held with Finance Management Team as part of improved reporting initiative and an action plan for service improvement has been developed as a result.

Positive feedback received from Audit & Best Value Scrutiny Committee following last review of effectiveness.

Revised reporting arrangements are now in place as a result of customer feedback and following extensive client consultation.

## **Procurement**

The Council's Procurement Strategy and Improvement Plan which forms the basis of the Corporate Procurement Team's (CPT) business plan is based on extensive consultation across the Council and takes account of Central Government requirements. Most improvement plan actions / projects are consulted on via Procurement Steering Group (PSG). A customer satisfaction survey on CPT services was undertaken through PSG during 2009 and has resulted in further planned improvements including better signposting of guidance, further developments in provision of procurement training and improved feedback on external activities / partnership working.

### **2.3 What are our key areas for improvement**

#### **Finance**

Like all support services across the Council we have to deliver c 20% savings over the next three years. The Policy Steers remain valid. At the same time we must continue to:

- Use a proactive, innovative approach to deliver quality financial services to our customers.
- Give clear and professional guidance to ensure that the Council makes best use of its assets and resources.
- Deliver the Council's stated objectives while ensuring value for money for the council tax payers of East Sussex.
- Manage the Council's changing risk profile in an innovative and cost effective manner.

We will have to prioritise our effort. We want to be a model of best practice, working to the highest professional standards, providing leadership to the finance function and the procurement community across the Council and promoting high standards of governance, risk management and internal control.

In terms of how the service will look in 2012/13 compared to now, we have to respond to the '20% challenge' the way that we work and the tools that we use will have changed significantly



## **Audit and Performance**

Again we have to respond to the 20% challenge and that will involve a fundamental review of how we operate. In support of the key policy steers we continue to:

- Provide an assurance on Council's control framework that meets changing statutory requirements and internal / external expectations, from the same or less resources;
- Achieve fit for purpose, efficient and sustainable procurement across the Council that also contributes significantly towards the Council's cashable savings target;
- Be seen as a high performing function;

We will have to find ways of reconciling these expectations.

In terms of the service in 2013/14 compared to now, given the financial savings challenge, we will need to look fundamentally at what we do and how we do it. A risk based approach will be vital as will recognition of the part the function plays in wider control assurance across the organisation.

## **3. Property**

Our Policy Steers are to:

- ❖ 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\*\*; and
  - 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*

### **3.1 What are we trying to achieve?**

- Economy in the use of property to maximise resources at the point of delivery of services and excellence in the management of the Council's property portfolio to maximise value and minimise costs of holding property e.g. non-domestic rate liability as well as the provision of suitable, well-maintained property for users. This also includes ease of access to Council facilities by people with a disability.
- Effective support to the capital programme planning basis, to help ensure that schemes in the capital programme are prioritised corporately, well planned and capable of delivery as planned as well as identification and disposal of surplus or unsuitable property to generate capital receipts for reinvestment in core services and timely acquisition of necessary properties.
- Effective and economic procurement of energy and water supplies including installation of measures to minimise energy consumption and CO<sup>2</sup> emissions within available resources.
- Delivery of major projects within agreed cost, time and quality parameters.
- Excellent supply chain management and collaborative working in the procurement of construction projects including utilisation of construction spend as a tool to up skill and support the local construction sector and contribute towards the economic development of East Sussex.

### **3.2 Where are we now?**

We have a successful track record of managing our property to achieve corporate objectives. In 2005 we were commended in the Royal Institution of Chartered Surveyors' Property Management Awards for the rationalisation of our headquarters offices in Lewes.

In 2007 we were shortlisted in the Municipal Journal Awards in the Facilities and Asset Management category for our strategy for outsourcing facilities management services and our 5 year office accommodation strategy to develop our hub offices and reduce the number of buildings occupied and thereby generate revenue savings and capital receipts.

We have now commenced a further study to explore the potential to reduce non-school accommodation costs by at least 10% in cash terms (or 20% in real terms).

We have reviewed the Senior Management Structure of CRD Property which has enabled us to reduce management costs and increase resources for our core service delivery.

We have also worked with our client sponsors to review arrangements for delivery of major capital projects and have commissioned an independent report from 4Ps on how the 'Best of the Rest' develop and deliver their capital programmes. Informed by this we have completed consultation on a revised Major Projects team structure and appointed staff to new positions in that structure.

We measure our performance and report to Cabinet each year along with the review of our Corporate Asset Management Plan. Some of our performance data and comparisons over time and against benchmarking clubs are set out below:

Outturns against targets for delivery of capital projects within +/- 5% of planned costs:

<b>Year</b>	<b>All projects over £50k</b>	<b>Target</b>
2004/05	50%	30%
2005/06	63%	60%
2006/07	80%	65%
2007/08	75%	65%
2008/09	64%	67%
2009/10	71%	69%

12 projects out of 17 met the targets. Of the 5 which did not hit the target, additional work required by the client or end user was the cause in 4 instances. Bad ground conditions caused the remaining project extra costs.

<b>Year</b>	<b>All projects over £50k</b>	<b>Target</b>
2004/05	83.3%	73%
2005/06	69.6%	80%
2006/07	81%	77%
2007/08	55%	78%
2008/09	85%	78%
2009/10	71%	80%

5 projects out of 17 did not meet the target in 2009/10. 1 project was extended due to additional work. Another suffered poor consultant and contractor performance. 3 projects due to complete early 2010 were affected by bad weather. Without the impact of bad weather the outturn would have been 88%.

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.

<b>Disposal of surplus property</b>		
<b>Year</b>	<b>Target value of disposals</b>	<b>Actual</b>
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
2008/09	£0.8m	£0.98m
2009/10	£0.9m	£0.97m

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

<b>Office space m<sup>2</sup> per employee</b>	
<b>Year</b>	<b>Net Internal Area</b>
2003/04	8.67
2004/05	8.56
2005/06	8.65
2006/07	9.33
2007/08	8.92
2008/09	8.10
2009/10	8.61

*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

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

<b>Ratio of planned/responsive maintenance spend (target of planned = 70%)</b>		
<b>Year</b>	<b>Planned</b>	<b>Responsive</b>
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%
2008/09	82%	18%
2009/10	84%	83.1%

This performance compares very well nationally and exceeds the Audit Commission recommendation for 70% spend on planned maintenance by a long way. The target would have been achieved but for the exceptionally poor winter which lead to additional responsive repairs.

## Our Customer's Views

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

<b>Customer satisfaction Capital Projects average quality of service and product</b>					
<b>Year</b>	<b>ESCC</b>	<b>(Service)</b>	<b>(Product)</b>	<b>All councils COPROP average</b>	<b>Target</b>
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%
2008/09	82.7%	81.9%	83.6%	85.2%	86.0%
2009/10	84.3%	84.9%	83.8%	81.7%	86.0%

<b>Customer satisfaction Building Maintenance</b>				
<b>Survey date</b>	<b>Score for service</b>	<b>ESCC totals (less consultants scores)</b>	<b>All councils COPROP average (less consultants scores)</b>	<b>Local target for improvement</b>
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%
Jan 2008	85.6%	85.2%	84.1%	86.0%
Jan 2009	87%	80.1%	85.5%	87.0%
Mar 2010	87.0%	94.6%	88.0%	87.0%

<b>Customer satisfaction Estates</b>			
<b>Year</b>	<b>ESCC</b>	<b>All councils COPROP average</b>	<b>Local target for improvement</b>
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%
2008/09	82.3%	Not available	85.0%
2009/10	84.0%	79.0%	85.0%

Customer surveys are dispatched on completion of each project apart from maintenance projects where due to the volumes we send a survey for a sample proportion of projects.

For capital projects each is followed by a post project review which gauges satisfaction levels of the in-house team, consultant and contractor. From this it can be seen that the average satisfaction scores for service delivered are as follows:

Satisfaction with internal Project Officer	Satisfaction with Consultant	Satisfaction with Contractor
91.2%	75.1%	88.0%

Average scores for the quality of the finished product are:

End User average	Client average
82.5%	86.5%

Feedback from the post project reviews carried out so far has in the main been positive. Some points for learning have arisen and these have all been reviewed and corrective action taken.

### **3.3 What are our key areas for improvement**

We will continue to focus on the delivery of major construction projects to time, budget and quality targets. To this end we reviewed the structure and management of our Major Projects team in 2009/10 informed by an external review of how the 'Best of the Rest' develop and deliver their capital programmes.

We have also reviewed how we verify and pay energy invoices as performance in this area was not as high as for other teams. This has brought performance up to an acceptable level. However the increasing focus on reducing CO<sup>2</sup> emissions and need to find revenue savings will require a review of how we manage energy consumption within ESCC. This will be a major focus of attention during 2010/11.

The financial challenges facing ESCC have increased scrutiny of how the authority uses and manages its buildings and a project has commenced to identify potential for at least a 10% reduction in property accommodation costs.

We have successfully developed construction framework agreements which are available for use by all public bodies across Sussex to procure a contract for projects up to £3 million in value. We have also developed, jointly with Brighton & Hove, 'Build East Sussex', an initiative to support the local construction sector, help them win work and thereby aid the local economy. We now need to develop complementary framework agreements for construction consultancy services and following a Scrutiny Review of procurement with local SMEs are evaluating the future use and structure of the authority's select list of building contractors.

#### **4. Equalities**

The department has a strong commitment to the Council's equality and diversity agenda. We are currently implementing a programme of Equality Impact Assessments using the new corporate toolkit, and improvement actions from both of these exercises will feed into our departmental business planning processes. Key elements of the department's contribution to equalities include:

- Promotion and high take up of equalities training primarily through the e-learning package.
- Support for the Traveller's Strategy, specifically through the refurbishment and redevelopment of several of our traveller's sites.
- A strong focus on promoting (and through the capital programme investing in) accessibility of our public buildings.
- Putting in place a clear framework to ensure that equality and diversity issues are mainstreamed into our procurement practice.
- Facilitating effective communication with the public and service users through a Sussex-wide contract for translation and interpreting services.
- Setting up and supporting a highly successful benefits take up project with Age Concern.

# Strategic Management and Economic Development Portfolio

## 1. Introduction by Lead Member

We are committed to improving the prosperity of East Sussex and are actively working in close partnership with all interested parties including 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 made great progress in revitalising and re-shaping Hastings, our most deprived areas by encouraging investment and innovation and creating a healthier economy with higher 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 broadband and transport infrastructure, will be our focus throughout East Sussex. The introduction of Local Enterprise Partnerships and the demise of SEEDA provides opportunities which we are keen to seize.

Effective strategic management is vital in ensuring that the Council carries out its functions and that we can manage our business in the difficult financial climate that Local Government will face in the next few years. Strategic management plans for this year include further improving our customer focus, driving up performance and ensuring that we get best value for local tax payers by looking at new and innovative ways of working and achieving economies by working with others. One of the key developments this year will be closer working with the "SE7" group of Councils (Kent, Medway, East Sussex, West Sussex, Brighton & Hove, Surrey and Hampshire) to drive through efficiency and best value in the way we work.

## 2. Policy Steer relating to Economic Development

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

### 2.1 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 include supporting the promotion of the Bexhill to Hastings Link Road including the Compulsory Purchase Order inquiry for the required land take Autumn 2009; transport planning; and improving skill qualification levels.
- 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. Officers have also been working with consultants and partners on a project funded by SEEDA to develop a physical vision for Newhaven. This large scale study, due for completion autumn 2010, will cover all aspects of Newhaven and feed into the Lewes Local Development Framework. Alongside this officers have been working with the Port owners on their Port Masterplan and on ways to ensure benefit comes to East Sussex from the proposed off-shore wind farm at 'Hastings Bank' off Newhaven. Other key activities include looking at the potential of a transport interchange at Newhaven Town Station and working with potential developers of Eastside.
- 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. The focus of the work will be to lead the economic development aspects of work

to take forward the strategic plan, and to demonstrate how the area can contribute to making a step change in economic performance.

- 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. The team will continue to support the East Sussex Adult Learning and Skills Partnership Board and will support work through partners to increase skill levels. The Board will have oversight of the East Sussex Work and Skills Plan.
- Economy - Implementation of the new statutory duty to prepare by April 2011 a countywide local economic assessment (LEA) and a new Economic Development Strategy (EDS) for the county. Both documents will sit under the East Sussex Strategic Partnership. Their production will also include a formal three month consultation, in line with COMPACT, on the draft final LEA and EDS.
- Worklessness - In line with the requirement for all areas in receipt of the Future Jobs Fund Programme funding we have produced an Interim Work and Skills Plan for East Sussex. This Plan sits under the Adult Learning and Skills Partnership Board. A full Plan will need to be completed by April 2011 and will form a 'cornerstone' document to the LEA/EDS.

## **2.2 Where are we now?**

It is likely that the main focus of the Team will shift significantly in the course of the next four years as a result of the economic recession. We will however, continue to work closely with all relevant partners to ensure a significant outcome for our strategic priorities. The public borrowing deficit will mean a move to the requirement for even greater efficiencies and a reduction in external funding and grants in all areas of the county. With fewer resources to draw on the focus for economic development activity must remain highly evidenced in terms of need and priority.

Changes brought about through the new Governance and Community Services Department has meant that in spring 2010 the External Funding Team of two within Economic Development and Skills moved to Resources, and the Head of Service took on four additional teams as an Assistant Director within the Department.

Across the county as a whole:

- In the year 134 direct funding enquiries were made on behalf of organisations based in East Sussex and 300 individuals received training over 13 events to improve their bidding skills.

And in Hastings specifically:

- In 2008 the Hastings' average (median – residence based) gross weekly earnings was 86.8% of that of East Sussex - by 2009 Hastings was at 89.4% of the East Sussex figure.
- Hastings College, renamed Sussex Coast College Hastings, has moved to two sites Station Plaza and the Ore Valley campus.
- East Sussex County Council maintains strategic oversight of the provision by partners of adult learning and skills in East Sussex through the Adult (19+) Learning and Skills Partnership Board which mirrors the successful 14-19 Partnership Boards. In 2010 -11 the Adult Learning and Skills Partnership Board will remain at the heart of skills led partnership working both in terms of strategic planning and operational delivery through members' constituent organisations. The Adult Learning and Skills Strategy is undergoing a review and the Board will work to ensure that the vision and strategic priorities for adult learning and skills in the county are delivered and remain relevant to identified need. This will be a particular focus given uncertain public finances.



## **Our Customers' Views**

The Strategic Economic Development and Skills Team commissioned the 2010 East Sussex Business Survey. During February/March 2010 over 1,000 businesses took part in the survey. The results provide an assessment of business issues and concerns in the county as raised by businesses themselves. This has informed strategic and operational planning undertaken by East Sussex County Council and local partners. The Survey results are available on the East Sussex in Figures website ([www.esif.org.uk](http://www.esif.org.uk)).

The new informal Business Board is now set up and is open to both the large and small Chambers of Commerce/ Enterprise Agencies to reflect both rural and urban business issues. The Agenda is mainly chosen by the Board to allow for areas of particular interest to be presented.

### **2.3 What are our key areas for improvement?**

Our work to create a more prosperous economy must be based on strong evidence. The East Sussex Business Survey is an important element of this as it covers strategic issues including transport and business needs in terms of accommodation, skills, markets and energy use. The new LEA, which will replace the existing Economic Study and will feed into the new East Sussex Economic Development Strategy, will be the main tool to guide investment and priorities for intervention. The LEA and Economic Development Strategy will sit under the East Sussex Strategic Partnership.

Supporting documents, and important reference documents in their own right, will include the Adult Learning and Skills Strategy, the Work and Skills Plan and the Local Transport Plan 3 along with the Local Development Frameworks as produced by the individual Districts.

### **3. Policy Steer relating to the Recession**

- Take account of the effect of the economic downturn on residents and businesses to ensure that the effects for local people are minimised as far as possible in the short term and that, in the longer term, the area is well placed to emerge in a strengthened position at the end of the current period of economic uncertainty.

#### **3.1 What are we trying to achieve?**

The Council, with its partners is delivering and developing action based on a robust, local evidence base. We aim to provide support for local businesses, in both the short term to help them through the recession and in the longer term to grow and thrive in the upturn. We also wish to mitigate the effect of the recession on residents by helping them to deal with impacts on their immediate lifestyles (access to affordable credit and protection against loan sharks for example). Help is also being targeted at the Voluntary and Community Sector and at communities more broadly.

#### **3.2 Where are we now?**

The County Council has put significant effort and resource into trying to mitigate the impact of the Recession on our residents, businesses and communities. The approach is based on local evidence of impacts and a strong commitment to joint working which is being achieved through the Recession Task Force. Cabinet has received regular reports on the effects of the Recession on the county. The first, in January 2009, gave an initial analysis of potential impacts and set out a broad action plan for the coming year. The second, in April 2009, established criteria for allocation of the initial £1m fund, subsequently increased by a further allocation of £0.25M, which had been set aside as part of the Reconciling Policy and Resources process to help local businesses, residents and communities through the effects of the recession. Subsequent reports have given complete updates on the action plan. The impact of the Recession on the County Council itself, including on budgets and performance monitoring, is managed through our Reconciling Policy and Resources process and therefore covered in all portfolio plans. The impact of the likely significant

public sector expenditure reductions over the course of the next Comprehensive Spending Review (CSR) are likely to hit East Sussex disproportionately, given the dependence on the public service sector for employment across the county. This will continue to be addressed through the Recession Task Force.

Surveys have recently been carried out on the effects of the recession on both businesses and local residents. The 2010 ESCC business survey shows some small improvement in the state of East Sussex businesses, with 44% considering their state to be good or excellent over the next 12 months, as against 40% in 2009. However, the proportion of 2010 survey businesses expecting to see growing market opportunities, at approximately one third, is still lower than in the 2008 pre-recession survey, when almost half of all businesses were reported as expecting to see growing market opportunities showed. Significantly, however, more micro sized businesses consider their business state to be poor over the next 12 months than small, medium or large businesses. Our residents' survey showed that a third felt their quality of life had become worse; with the highest number of people saying that they had been affected by increased household bills and falling house prices. We have already responded to residents' preferences from the survey for recession-related information. A series of fact sheets, produced in partnership with the boroughs and districts, have been advertised in the winter 2009 edition of 'Your County'.

As part of our work on the recession the Audit & Best Value Scrutiny Committee completed its review of the effectiveness of County Council Procurement with Small and Medium Enterprises (SMEs) to ensure procurement processes are fair and whether the processes designed to increase the participation of SMEs are working in practice.

The Council has a positive record in relation to procurement and the local economy and was assessed by the Federation of Small Businesses to be the 6th most small business friendly south-east council in 2007. We have ensured our tender information is available to all companies via the South East Business Portal, reduced the average time taken to pay local SMEs from up to 30 days (depending on the contract) to 10 days, repackaged contracts into smaller lots to be more attractive to SMEs where that is appropriate and Members have completed a scrutiny review of how we procure from SMEs which has recommended further improvements which are all being actioned. Our most recent initiative is the establishment of "Build East Sussex" launched in January 2010 which will help local SMEs to engage with our main construction contractors with the aim of maximising their opportunities to win more work on Council contracts.

### **3.3 What are our key areas for improvement?**

The latest Office for National Statistics data indicates that for the last two quarters the national economy has had positive growth, albeit of a very limited nature at 0.4% and 0.3% respectively, technically, therefore, the economy is now out of recession. The Council has clear long term aims for the economy of the county (see elsewhere in this Performance Story). Care will need to be taken to ensure that we continue to prioritise those issues that will have the most beneficial impact on the economy of the county.

Whilst the recession in the economy as a whole has officially ended, the local economy is very dependent on public sector employment. Given the retrenchment in public sector finances that will take place over the next few years, this risk this poses to the economy of the county will need to be reflected in our broader economic development work.

## **4. Policy Steer relating to Climate Change**

- ❖ Help local communities, businesses and our own operation to reduce carbon emissions and adapt to climate change.
- ❖ Develop plans and strategies to meet our new responsibilities for flood risk management.

### **4.1 What are we trying to achieve?**

Climate change is a reality and we, like other organisations, businesses and households, are conscious of the impact our own operations have on climate change through CO<sub>2</sub> emissions.

The County Council has various climate change duties and has adopted targets in the LAA and for its own work. The County Council is statutorily required to take part in a CO<sub>2</sub> emissions trading scheme for larger energy users (Carbon Reduction Commitment Energy Efficiency Scheme), to:

- contribute to the NHS Heatwave Plan;
- have regard to the Government's suggestions in the Energy Measures Report; and
- address climate change in strategies that it produces such as the Local Transport Plan and Local Economic Assessment.

County-wide work is supported by the Climate Change Partnership for East Sussex, established for the ESSP in 2010 and chaired by the Environment Agency. The Partnership comprises a Board, with places for each principal local authority and other sectors, a Working Group and wider Stakeholder Forum.

Our own work is guided by the framework of the County Council's Climate Change Strategy. This now needs supporting by a detailed Implementation Plan which is in the development stage. Our efforts fall into four main headings:

- Mitigate;
- Adapt;
- Engage; and
- Mainstream.

Each will make a contribution to the whole but by far the most important area for our immediate action is that of mitigation as our energy bill is £6m annually and as there are financial consequences for our participation in the CRC scheme. The scheme requires the purchase of carbon credits and our performance will be judged against others in a league table, with further purchase required if we perform worse than others.

The County Council has committed to reduce its own CO<sub>2</sub> emissions by 3% this year, and has agreed to contribute to the LAA target that seeks a reduction of 10% from 2005 to 2010 in the whole of East Sussex:

<b>Indicators measuring CO<sub>2</sub></b>	<b>Target 2010/11</b>
a) CO <sub>2</sub> reduction from local authority operations (NI 185)	3%
b) Per capital reduction in CO <sub>2</sub> emissions in the LA area (NI 186/LAA2)	10%

Clearly we intend to make every effort to minimise the financial consequences of under delivering in this area.

The County Council is also committed to adapting to climate change. One of the most noticeable impacts of climate change is severe weather conditions. Across the country we have seen major flooding incidents over the last few years and the Flood & Water Management Act introduces new responsibilities on upper tier local authorities to assess and prepare for local flood risks from surface and ground water (main rivers and the coast remain the responsibility of the Environment

Agency). In response, we are developing a range of Flood and Coastal Erosion Risk Management Plans to ensure that we mitigate and plan for potential future incidents.

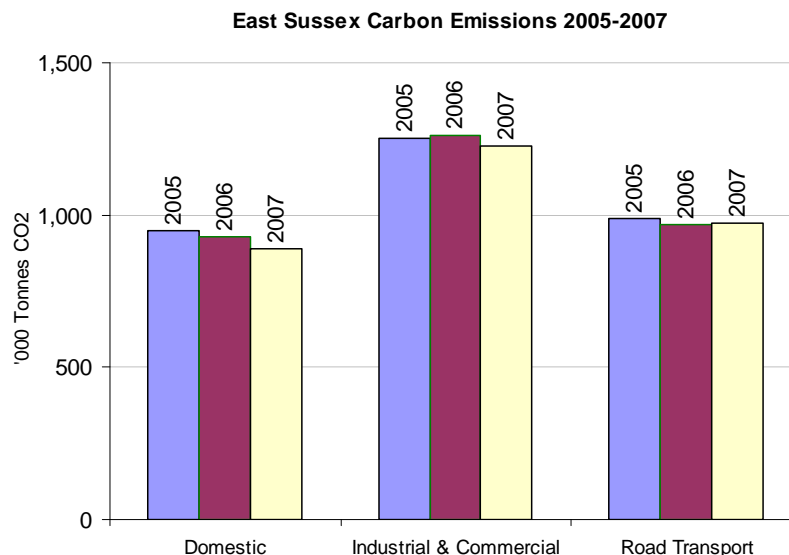
Heat, storm and drought are also hazards that will increase in frequency as the climate changes, and we need to assess their effect on our services and plan to address them. We are committed to do this in a structured way and to produce an adaptation plan in 2010/11 as part of the LAA.

#### **4.2 Where are we now?**

As mentioned above, carbon emissions are measure on two levels: Local Authority emissions and those for the whole geographic area. Achievements in reducing emissions in both cases are measured using National Indicators.

#### **Carbon emissions from East Sussex**

The Department of Energy & Climate Change (DECC) publishes statistics on carbon dioxide emissions from housing, road transport and industrial & commercial sources. The most recent statistics shows that East Sussex was responsible for 3,088,000 tonnes of CO<sub>2</sub> in 2007 which is equivalent to 6.1 tonnes per head of population. This represents a 3.7% reduction in carbon emissions per capita between the baseline year 2005 and 2007. This chart shows the sources of these local carbon dioxide emissions in East Sussex (2007):



Benchmarking of carbon emissions from 2007 suggests that we compare fairly well with other counties: East Sussex has the equal lowest rates of emissions per capita in the country (with Bedfordshire). Although a reduction of 3.7% is slightly below average, this is not unreasonable considering our starting point of relatively low emissions and our relative lack of industry, the sector where a significant proportion of cuts in emissions have occurred in many high performing counties.

As mentioned above, the most recent statistics on carbon emissions are for 2007, with 2008 statistics not expected to be published by DECC until September 2010 with 2009 statistics a year later. However, we can report on some emerging evidence that suggests that we will continue to see a reduction in carbon emissions in East Sussex:

- electricity & gas consumption in housing, industry and commercial sectors indicated a 6% reduction in per capita emissions from 2007 to 2008 (electricity and gas)<sup>1</sup>;
- traffic levels in Lewes, Eastbourne, Bexhill/Hastings and Southern Coastal Towns indicates a modest increase of 1.6% between 2008/09 and 2009/10<sup>2</sup>; and

<sup>1</sup> Department of Energy & Climate Change (March 2010)

- national CO<sub>2</sub> emissions reduced by 10% from 2008 to 2009<sup>9</sup>.

Some examples of actions we have taken to reduce county carbon emissions include:

- driver training programmes which help to improve fuel efficiency while driving;
- assisting all but one local authority school in the county to develop a School Travel Plan to encourage sustainable travel to school;
- engaging with businesses via the 'Business excellence through resource efficiency' (Betre) programme, which provides free practical and independent advice to small and medium sized enterprises (SMEs);
- improving the convenience of bus travel between Brighton and Newhaven by opening a dedicated bus lane to speed up bus travel; and
- supporting a range of bus and community transport services to improve the coverage and reliability of public transport across the county.

### **Carbon Emissions from ESCC Buildings and Operations**

The pie chart below illustrates our baseline County Council CO<sub>2</sub> emissions in 2008/9. With over one-half of the County Council's carbon dioxide emissions coming from schools, our schools energy work will be especially important. Our role is to encourage and enable students and staff to make behaviour changes that enhance the carbon reduction potential provided by building work to insulate and install new equipment. Carbon emission reduction will not only save money on energy bills but also give the County Council a greater chance of avoiding the need to buy further carbon credits from the CRC scheme.

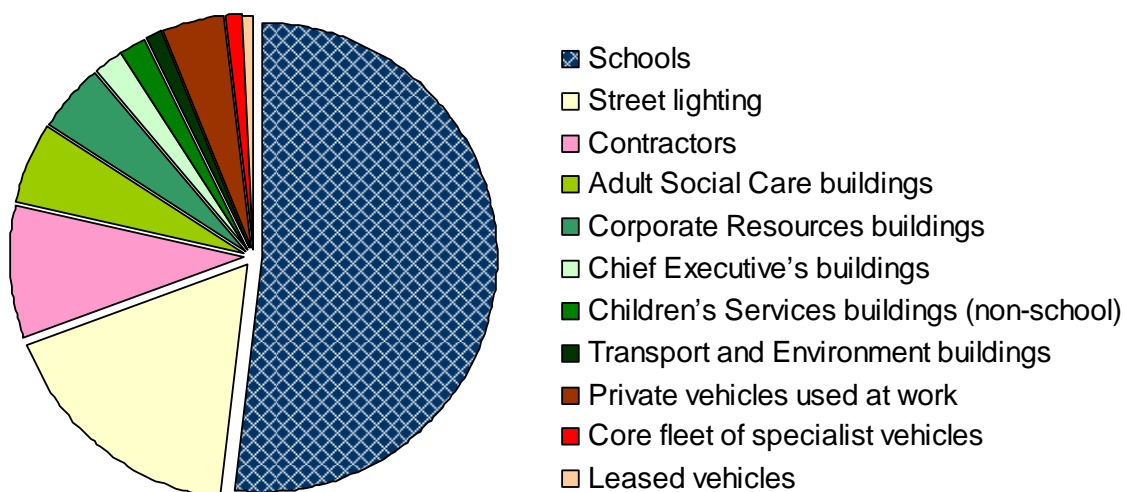
We greatly increased our schools work during 2009/10. We secured £128,000 from the regional Improvement and Efficiency Partnership (IESE) for the introduction of energy monitoring equipment for each school and the creation of a social networking "Carbon Hub" to enable schools to compare and compete with their achievements. This complements continuing work on waste and energy in 25 schools, supported by a major grant secured from the EU INTERREG fund through our "Waste in Action" project.

We have established a £1 million fund for works to our buildings that reduce energy use, one-half of which we have secured as an interest-free loan from the Government's Salix Fund. Our works programme includes loft, pipe and cavity insulation, draught proofing, new boiler controls and voltage reduction. Our routine maintenance to buildings will also take opportunities to increase insulation and draught proofing.

---

<sup>2</sup> Council Plan Indicator 6.1c 2009/10 - Countywide traffic levels will be published by the Department for Transport (DfT) on 24 June 2010.

<sup>9</sup> [http://www.decc.gov.uk/en/content/cms/statistics/climate\\_change/gg\\_emissions/uk\\_emissions/2009\\_prov/2009\\_prov.aspx](http://www.decc.gov.uk/en/content/cms/statistics/climate_change/gg_emissions/uk_emissions/2009_prov/2009_prov.aspx)



We have also started a programme of energy reduction in our street lights, another significant factor, through the use of lower energy lanterns and where appropriate, installing dimming devices to allow lights to be turned off or lowered during hours of darkness.

### **Flood Risk Management**

In preparation for our new flood management duties, we have established a new East Sussex Flood Risk Management Partnership, including local councils and the Environment Agency. We have been working with partner organisations to gather local information which will allow us to undertake robust flood risk assessments. Initially, the plans we need to produce include a preliminary flood risk assessment and a hazard and risk mapping exercise. These will be completed by December 2011 and 2013 respectively.

#### **4.3 What are our key areas for improvement?**

Until now our ambitions and interventions have been fairly modest and we now need to be more bold and to tackle some of the highest priority areas. We will shortly be setting out plans to deliver greater outcomes under the 'Mitigation' heading which will form part of the Implementation plan mentioned above. This will inevitably mean a more direct approach with schools supported by the intention to build a partnership approach with Boards of Governors and Head Teachers.

More locally we intend to target street lighting, travel and our most significant contractors. We will need to be clear which of our possible initiatives can be undertaken with relatively little investment (and there are some) while others will require a shift in resources to make them possible. We must begin to think on a longer term horizon and consider any investment needed now in the context of our annual energy bills which stand currently (excluding schools) at just over £6m.

### **Flood Risk Management**

At a county-wide level our immediate priority is to complete a Preliminary Flood Risk Assessment by June 2011. This will be followed by a Hazard and Risk Mapping Exercise which, in turn, will inform production of a Flood Risk Management Plan by 2015. A more specific piece of work is the production by August 2011 of a Surface Water Management Plan for Eastbourne, previously identified by Defra as an area vulnerable to flooding.

## **5. Policy Steer relating to Strategic Activities**

- ❖ 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.

### **5.1 What are we trying to achieve?**

This policy steer underpins all of the Council's strategic activities. It encompasses all the Council's activities and also support to the Leader and Cabinet in representing the Council at national, regional and local level, and for 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 working with partners across the South East to examine how services can be improved by local authorities in the area working better together on specific workstreams.

Given the reductions in public sector spending that will be made the next few years a sustained focus on what our customers want across the public sector will be more important than ever. This will include sound business planning and performance management across the authority to ensure that we are delivering what our customers most want and need.

### **5.2 Where are we now?**

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,"

We will always strive to improve in this area. Over the last year, we have improved joint work across the county with all public agencies. This includes improving our knowledge of and ability to respond to the needs of residents through improved "customer insight"; building capacity and adding value through joint work on legal services and procurement. In addition to these initiatives which have benefited from external funding, there have been a wide range of issues which have benefited from a partnership approach across the county, for example our approach to the recession. Work has begun with the SE7 authorities (Kent, Medway, East Sussex, West Sussex, Brighton & Hove, Surrey and Hampshire) on a number of specific projects to examine the potential for efficiency savings through joint working.

### **5.3 What are our key areas for improvement?**

Given the likely public sector spending settlements in the next few years, it will be even more important public sector bodies at a range of geographical levels work together to maximise the benefits from available funding. We will organise our approach to ensure we are as imaginative as possible in our approach to the design and provision of our services, working with partners from all sectors to deliver appropriate services in a range of ways.

We will lobby hard to make sure that the county receives a fair share of the public sector funding that is available to meet the needs of our citizens.

## **6. Policy Steer relating to Performance Management**

- ❖ Support the delivery of the Council's policy steers and improvement of services through effective policy development and performance management, to ensure that service plans take realistic account of the likely medium term financial position.

### **6.1 What are we trying to achieve?**

The Reconciling Policy and Resources (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.

### **6.2 Where are we now?**

Achievement of Council Plan targets is a measure of the delivery of the Council's Policy Steers. There were 218 Council Plan targets due to be achieved in 2009/10, of these:

- 152 targets achieved (33 exceeded by 10% or more)
- 47 targets not achieved
- 13 targets for which data is not yet available (12 because they relate to the academic year)
- 6 targets are recommended to be carried over to quarter 1 2010/11 reporting

Of the 47 targets not achieved, 3 were due to external factors and 2 because of agreed changes to plans.

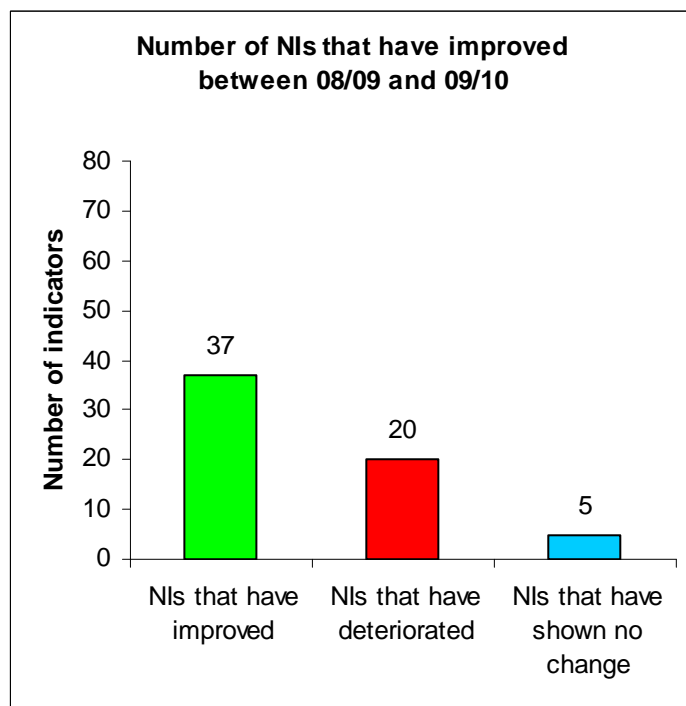
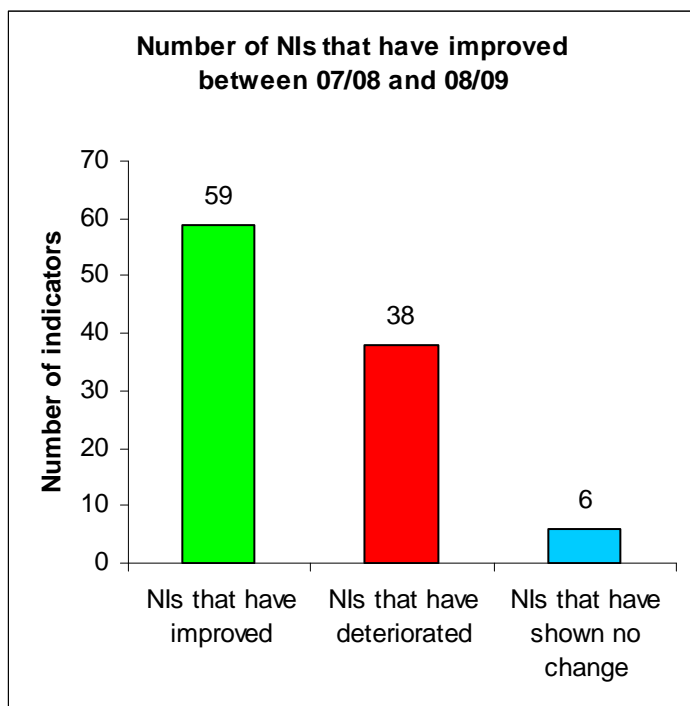
Of the 218 targets, 112 have comparable data for 2008/09. Of these the performance of 63 have improved since last year, 13 showed no change and 36 deteriorated. For academic year targets for 2008/09 3 achieved their targets and 8 missed their targets. Comparisons between 2008/09 and 2007/08 academic years show 6 targets with improved performance and 5 where it has deteriorated.

Performance across portfolios is generally good and between 74% and 94% of targets achieved. The Children's Services portfolio targets for 2009/10 are not all available because some academic year data reports later in the year. Of those where data is available 54% of targets were achieved and 46% missed. Of the 11 academic year targets set in the 2008/09 Council Plan 27% were achieved and 73% were not achieved. Many of these academic attainment targets are set nationally rather than by the Council.

In April 2008, the Government introduced the National Indicator Set (NIS) to measure the performance of local government and its partners against national Government priorities. The Department of Communities and Local Government (CLG) publish NIS data at various dates throughout the year and therefore, year on year comparative data is not yet available for all of the NIS for 2009/10.

When assessing Council performance against the NIS we have considered only those NIs where the Council is the responsible body or makes a significant contribution as a delivery partner. Council performance can be assessed against other upper tier areas (i.e. areas covered by Local Area Agreements (LAA)). Of the NIs where Council performance can be compared between 2009/10 and 2008/09, 37 have improved; 20 deteriorated; 5 showed no change. Again a more complete picture of comparative performance is available for 2008/09 against 2007/08; 59 have improved; 38 deteriorated; 6 showed no change.





A shared database has been developed by partners across East Sussex to collect the NIs in the LAA and will help identify areas where improvement is needed across the area and where improved partnership working will benefit local people.

### **Our Customers' Views**

As part of the Reconciling Policy & Resources process we discussed with partners the outlook for the County Council's finances as a consequence of the need to cut public spending in the next few years and issues that will raise for our services. The points raised by partners were reported to Cabinet and County Council and were taken into account in the budget and service planning process.

### **6.3 What are our key areas for improvement?**

The abolition of the CAA should mean that the Council has more freedom to decide its key areas for improvement, although the detail of what replaces it is unknown as yet. We will need to make sure that we maintain a sustained focus on the things that local people want us to improve, particularly in the financially challenging time ahead.

This means reviewing the performance measures set against policy steers to ensure that the supporting activity undertaken is the most effective use of resources. Associated targets will need to be considered carefully; it may be more appropriate to set minimum standards that local people expect rather than seek to deliver very high performance that makes only a marginal difference and at high cost. This could allow the Council to maintain services at a lower cost or redirect resources to support improvement where performance is below an acceptable standard or where need is greater. Freedom from nationally set targets will support this change and provides the opportunity to set more realistic targets in some services that have been subject to national control.

Good management information is necessary to understanding how services perform and particularly relevant where it can inform how to deliver services more efficiently and effectively. Audit reports have shown that the Council's data quality is good but we need to continue to improve and ensure that decisions to change and develop services are based on sound intelligence.

RP&R this year contains a review programme for all services that the Council provides. This will need to be supported by good performance and financial benchmarking information. The current national data set makes it difficult to make comparisons. We will need to work with others to influence the Government to ensure that its data collection requirements are less burdensome than at present, but that the datasets collected nationally provide information that helps us to make meaningful judgements about the cost and quality of our services.

We also need to improve the sharing of local performance indicators across the county to support the monitoring of the Sustainable Communities Strategy.

## **7. Policy Steer relating to Democratic Services**

- ❖ Improve further the quality of services through effective scrutiny and legal support for Councillors

### **7.1 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:

- Continue to provide Members a comprehensive development programme, using feedback from Councillors, to provide more effective and relevant training
- Continuation of the implementation of personal development plans to support Councillors in identifying personal strengths, weaknesses and training needs
- Greater input into corporate staff training programmes and departmental inductions 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 Councillor led and aligned with the Council's commitment to affordable, quality core services, prosperity and security
- Involve the public and partners 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
- Increased use of the website (including the webcast) as a resource to improve public engagement in decision making and Overview and Scrutiny
- Increased use of the website as a source of information for members of the public to make suggestions, compliments and complaints about Councillors
- Raised awareness of and increased opportunities for active involvement of public in decision-making process
- Input into the development of the Councillors' area on the intranet, designed to provide enhanced information for Councillors
- Continual development of Councillors webpages
- Make sure all decisions are made within the legal framework and on sound legal advice.
- Provide guidance to Councillors on the interpretation of the Code of Conduct and make sure that it is implemented efficiently
- Implement the revised constitution and decision-making structure in light of Local Government and Public Involvement in Health Act
- Promotion of the Petition Scheme and e-petition facility

## **7.2 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 renewed accreditation against the South East Employers' Charter for Member Development has emphasised the Council's commitment to ensuring that Councillors have the right tools to do their job.

The development programme for all Councillors is continuing with the completion of personal development plans and a further programme of events. A partnership event was held to explore how we can work together and with partners in Sussex.

The support for Councillors has been 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 through departmental inductions and training programmes.

With the introduction of the Local Democracy, Economic Development and Construction Bill, emphasis will be placed on the need to further encourage public participation in the democratic processes including the introduction of e-petitions.

Councillors 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:

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

### **Our Customers' Views**

After all training sessions Members are asked for feedback to establish satisfaction levels and areas for improvement/development.

Members were surveyed and interviewed to establish their views on their remuneration during the Independent Remuneration Panel's review of Members' Allowances.

Overview and Scrutiny has undertaken a range of public and stakeholder consultations as part of the work of Scrutiny review boards. Recent Scrutiny projects have included: review of school governing body clerks; the Council's procurement with local small and medium sized businesses; and social care and financial assessment processes in adult social care.

## **7.3 What are our Key Areas for Improvement?**

There is no evidence that performance is particularly low in any area of the Team's services. Focus this year will be on maintaining the efficiency of the decision-making processes across the Council.

## **8. Policy Steer relating to Personnel and Training**

- ❖ 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.

### **8.1 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:

- An on-line e-recruitment system and first rate processes to attract top quality candidates, enhancing the image of the Council as a modern employer;
- 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 workforce requirements for the short, medium and long term;
- Pay and workforce strategies to aid retention of staff and support the overall performance of the Council.

Personnel and Training (PAT) works closely with Departments, assisting them to maximise the potential, productivity and capacity of the workforce through workforce planning and good people management initiatives.

## **8.2 Where are we now?**

### **Best Value**

PAT's performance has shown continuous improvement when compared to national county benchmarking groups providing a lower than average cost for the HR function per council employee than the comparator groups.

- The proportion of HR staff paid over £40,000 continues to be very much below the average, with the proportion paid below £20,000 well above the average indicating a low proportion of managers to transactional employees.
- The cost of running the Occupational Health & Safety Team also continues to be well below average as does the absence rates for PAT overall.

Trend analysis since 2007 shows sustained improvements in all areas, providing a service which demonstrates excellent value for money compared to other County Councils.

### **Our Customers' Views**

In 2006 PAT commissioned the Institute of Employment Studies to undertake a review of "Customer perceptions of HR", and developed an internal set of quality standards as a result, designed to ensure a consistently high quality Personnel and Training Service. The improvements made contributed to PAT being awarded the national Charter Mark for Excellence in Customer Service; the only team in the Council to have achieved this recognition. In spring 2009 PAT repeated the survey, to establish the extent to which PAT had met the five key qualities that customers had said they wanted the Personnel services to be:

- Reliable
- Consistent
- Efficient
- Pro-active
- Excellent

The survey results show that overall satisfaction with the level of service was high at 89%, of which 72% of respondents rated the service excellent or good. Satisfaction levels with PAT's staff telephone manner were at 92%. This represented a marked improvement from a 27% overall satisfaction rating in 2006. Customers now regard PAT services as reliable, efficient and consistent. Improving quality and consistency has been highlighted through PAT's compliments / complaints results. For the first two months of Quarter 1 we received 0 complaints which contrasted with the 36 compliments, showing that PAT is moving in the right direction. There is still work to be done to demonstrate we are excellent and pro-active however we are moving strongly in the right direction. A new action plan for improvement, endorsed by Human Resources Management Board (HRMB) will ensure further improvements.

We actively monitor and respond to comments and complaints from our customers. Actions we have taken to improve the services as a result of listening to our customers include:

- Additional training and guidance provided to the Personnel Support Unit on the handling of Jury Service claim forms.
- Introduction of new procedures for supervisors to monitor staff workloads to ensure deadlines are met.
- Improvements in the content of the Occupational Health Referral forms and guidance notes.

### **Top Quality Service**

The quality of PAT services was confirmed when the Personnel Support Unit were awarded an internal Excellence Award for 'Customer Service / Productivity and Efficiency', which acknowledges the improvements which have been made in accuracy and consistency and the sustained level of performance standards.

In February 2010 PAT achieved the more demanding Customer Service Excellence accreditation, which has replaced the Charter Mark.

PAT won the Recruiters Award for Employee Branding in April 2010 highlighting the excellent work undertaken to attract the highest quality of staff to work for East Sussex County Council and for the organisation to be seen as an "Employer of Choice".

PAT also won the Public Sector People Management Association (PPMA) Innovation Award for the introduction of the Internal Mediation network. This service also gained recognition by the Chartered Institute of Personnel & Development, featuring at their annual international conference and as a finalist in the annual awards.

### **Workforce Planning and Best Practice People Management Initiatives**

PAT has developed workforce planning as an integrated approach to business planning, helping to ensure the delivery of quality, best value services for our communities. Our evidence for the CAA 2010, via Key line of enquiry (Kloe) 3.3, on whether the organisation plans, organises and develops its workforce to support the achievement of its strategic priorities, has been assessed by external Auditors as Level 4, Excellent. Our Workforce Plan, which has been used as a model by other Counties, outlines corporate and departmental progress and outcomes, for workforce initiatives designed to help achieve service objectives.

PAT works in partnership with departments, developing initiatives for effective workforce management that build capacity, increase productivity whilst making efficiency savings. Some examples of these are outlined below.

PAT introduced a Mediation Service in 2008/09 and the service continues to deliver positive results. There are currently 13 accredited in-house mediators, including line managers, HR staff and trade union representatives. This project has transformed the way conflict is tackled in the workplace, reducing the financial and emotional cost of workplace disputes by providing a safe environment in which to resolve them. We are proud of the achievements of our Mediation Service:

- A high proportion of cases referred to mediation have been successfully resolved without further intervention being required.
- The number of formal workplace disputes has continued to fall.
- The service recouped initial investment within one month.
- The average time taken to resolve a dispute via a formal grievance process is 60 days (HR, legal and management time) compared to 3 days for mediation, which has significantly increased the number of productive days.
- Staff cost to resolve an average mediation case is £2400 – compared to £18,000 for the traditional method.

- Achieved in excess £530,000 savings in productivity.
- Employees often return from long term sickness immediately after mediation.
- Since its launch the Mediation Service has been used by a number of local public sector organisations, therefore also providing an income stream for PAT.

PAT implemented an E-Recruitment system which produces the following results within the first six months:

- 97% on-line application forms;
- reductions in external advertising spend by £250,000;
- reduction in personnel administration costs by £50,000;
- the service provided by the Recruitment Support Team was rated excellent by 76% of our customers and very good by the remaining 24%.

PAT also introduced Neutral Vendor arrangements for procuring of agency staff reducing the cost by £200,000 in the first year and streamlining procurement arrangements.

Case Study - Business Partnering with Children's Services  
Recruitment and Retention of Social Workers and Social Work managers

Children's Services were finding it difficult to recruit and retain sufficient numbers of social workers and managers and pressures on the service due to the Baby P case necessitated action. Working in partnership with two teams in PAT, comprehensive workforce data was prepared as a baseline for the group, and a strong and coordinated social work recruitment campaign, using our Advertising Agents 5 by 5 People, went live in March 2009. In addition to the national press, innovative initiatives were used:

- a micro-site to route candidates to a mini-website with specific information and directions to the ESCC web pages with an application form,
- billboards across key commuter routes to London (advertising posters at East Croydon railway station and in the London Boroughs),
- an open evening for prospective applicants to meet with members of key Children's Services Teams, Social Care training staff and Personnel, along with elected Members.

The campaign's success ensured 29 vacancies were filled, with more filled at a later date by a further initiative to recruit 11 Social Workers from Vancouver, Canada.

Quarterly monitoring of workforce data included levels of starters, leavers, promotions and transfers. Year end statistics indicated that the department is maintaining numbers in this group, and voluntary resignations have reduced from a rate of 7.3% in 2008/09 to 6.4% in 2009/10. Exit interviews have been carried out with all leavers to assess reasons for leaving and monitoring will continue during 2010/11.

In addition to monitoring groups within the workforce, corporate monitoring of strategic local workforce performance indicators is undertaken to ensure that legislation and service objectives can be met. The HR Management Board has approved the following set of indicators, which are monitored twice yearly. The table below shows the outcomes for 2009/10.

## Strategic Workforce Performance Indicators, Targets and Benchmarking for 2009/10

Workforce Indicator	2009/10 OUTTURN	2010/11 TARGETS	Benchmarking
Proportion of staff <1 year's service failing to pass probationary period	1.10%	In excess of 1.10%	Currently unavailable
Proportion new starters <1 year's service undertaking e-learning induction	90%	95% -100%	Benchmarking not applicable
Attrition rate for staff <1 year's service	23%	Not identified	<i>Available shortly</i>
Number	273		
Completion rate for annual Appraisals	<i>Under calculation</i>	100%	100% is the aim for all authorities
Sickness Absence. Days lost per fte	7.27 days	6.91 days	Top quartile (Price Waterhouse Coopers. 2009/10 - 25 authorities)

(Equalities indicators are shown at 9.2 below)

### **8.3 What are our key areas for improvement?**

#### **Sickness Absence**

A year ago, despite achieving a reduction in sickness absence, the target was not achieved. The actions put in place to rectify this have been extremely successful, resulting in an 8% decrease in sickness absence by March 2010, from 7.91 to 7.27 days lost per fte. This exceeds the 2009/10 target of 7.83 days per FTE, and ensures the Council is now in the top quartile of the 25 authorities (supplying benchmarking data to the Price Waterhouse Coopers club).

Initiatives to improve performance in 2009/10 included:

- A focus on the management of short term absence cases, having previously focused on long term sickness with a reduction in cases from 300 to approx 70 per month. PAT provided breakdown trend reports on short term absence for departments to monitor employees with sickness levels above the corporate average, and the Attendance Management Team continued to liaise with individual managers regarding procedures.
- Sourcing an external partner, FirstCare, to assist with the management of attendance and improve management information, by adopting a pilot from October 2009 across three departments. Adult Social Care, Governance & Community Services and the Integrated Services division of Children's Services have been experiencing the benefits of this new arrangement, and the impact of FirstCare on these three groups has been to reduce sickness absence by 12% compared with the same period the previous year. The pilot is due to finish this autumn when progress will be reviewed.
- The Council continues to be used as an exemplar of best practice in managing health at work by the Chartered Institute of Personnel and Development; Health and Safety Executive; Public Sector People Managers' Association and the Improvement and Development Agency and is regularly asked to speak at national conferences to share the best practice experiences

## **9. Policy Steer relating to Equalities**

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

### **9.1 What are we trying to achieve?**

The County Council has a range of activities across departments designed to make sure all our customers are able to get access to the services that the County Council offers. As an employer we want to adopt approaches which encourage diversity and maximise the contribution and potential of everyone employed by the Council to make sure that our workforce is effective in meeting the needs of local people.

### **9.2 Where are we now?**

Under the Chairmanship of the Chief Executive the cross-departmental group of Assistant Directors who lead on performance has introduced measures 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.

A Single Equalities Scheme (SES), which brings together the Race Equality Scheme; Disability Equality Scheme; and Gender Equality Scheme is now completed. The Council has carried out a self assessment under the Equality Framework for Local Government. This showed that the Council is operating at Level 2 "achieving" under the framework and at Level 3 "excellent" in many areas. An action plan has been developed for those areas where improvements need to be made and the Council is being assessed by the IDEA in July against the "achieving" level of the Framework.

In order to assist engagement and consultation with minority groups, physical and online discussion forums exist for disabled, BME and Lesbian, Gay, Bisexual and Transgender (LGBT) employees.

A process is in place to record workplace adjustments for all staff, to ensure we are fulfilling our duty to make reasonable adjustments as specified under the Disability Discrimination Act. The database enables us to monitor the cost of adjustments and the funding received from "Access to Work". A new online training system available to all staff has been launched to replace the previous package. This includes enhancements to the workstation self-assessment process and guidance which builds on the previous development of our workstation adjustments toolkit.

### **Strategic Workforce Performance Indicators, Targets and Benchmarking**

<b>Workforce Indicator</b>	<b>2009/10 OUTTURN</b>	<b>2010/11 TARGETS</b>	<b>Proportion in Local Authority area<sup>3</sup></b>
Disabled employees in the workforce	3.0%	2.75% - 3.25%	16% <i>(Labour force Survey 2009)</i>
BME employees in the workforce	2.3%	2.3% - 2.4%	3.5% <i>(ONS mid year population estimate 2007)</i>

The table above shows the 2009/10 outcomes for the strategic workforce indicators for Equalities agreed by the Human Resource Management Board (HRMB).

<sup>3</sup> Disability is benchmarked against the proportion of economically active in the East Sussex Administrative area in 2009 and BME against the ONS estimate of those of working age in 2007 (latest statistics available).



Targets are set locally and the aim is to show an improving outturn. 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 includes:

- Work on the sexuality strand has resulted in ESCC moving up from number 26 to number 17 in the Workplace Equality index, which ranks the top 100 employers for Lesbian, Gay and Bisexual staff. East Sussex is now the highest ranked County Council on the Index.
- The Council has committed to a Local Employment Partnership, a programme between central government and employers, and is keen to work with partners to facilitate future employment opportunities, offering opportunities to local people currently disadvantaged in the labour market. This follows on from our successful “return to work” programme, run in partnership with Job Centre Plus for unemployed disabled people to develop their workplace skills. Ten were employed at the end of the pilot.
- Renewal of the “Positive about Disabled People” two ticks symbol has been successfully achieved for 2010, demonstrating the Council’s commitment to equality in employment for disabled people.

### **9.3 What are our key areas for improvement?**

The key areas for improvement are contained in the Council’s Single Equalities Scheme action plan.

#### **The percentage of the workforce with disability**

The outturn for 2009/10 Outturn was 3.01% - just meeting the target of 3% - 3.5%. Action planning work has commenced to increase the number of disabled staff employed, including engaging disabled staff via both the on-line and face-to-face Disability Staff Forums.

### **10. Policy Steer relating to Communications**

- ❖ 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.

#### **10.1 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. The Council Communications Strategy will support this work over the next 3 years.

#### **Key Issues**

- Effective Communications Strategy underpinning all our communications which will be increasingly targeted to specific audiences, ensuring our residents are well informed via the web and traditional methods.
- Ways of delivering services transformed so that residents are able to use a range of electronic forms and payment arrangements via the Council’s website. This will be cheaper and quicker for our customers (compared to phone, email or personal visits) and better value for money for the Council.
- Strategic ‘one council’ approach (presenting the Council as one organisation) with strengthened external communications that offer ‘access to all’.
- Consultation and engagement activities are more area/community based (linked to the Council’s localities work) and joined up with partners. Greater use of the web for consultation.
- Effective use of all communications methods, including a mix of web technology, video/audio streaming, social media (blogs/sites) as well as traditional methods such as print/broadcast media and ‘Your County’, but with rationalised use of printed materials.
- More staff are better informed and proud to work for the County Council (through improved briefing systems and improving intranet).

- County Councillors are better informed and able to carry out their democratic role more effectively (through improved departmental briefing systems and improved 'local' information on the intranet).
- East Sussex having a strong and effective voice at regional and national level.
- Evidence based information that demonstrates to residents that the Council is listening to their views and taking them on board when decisions are made about services and how the Council spends its budget.
- Sponsorship and advertising income making a contribution to support communications and departmental budgets (subject to economic situation).
- Streamlined Communications Team offering services to other local authorities/partners.

## **10.2 Where are we now?**

The Council's communications have continued to strengthen over recent years.

- Our external communications (for residents and service users) are more effective and joined up. The Council's website has retained its 'Excellent' status from the Society of IT Managers (SOCITM) and our residents magazine ('Your County') continues to score consistently well – the only council publication on which we seek in-depth, annual feedback.
- Staff communications have improved with better systems in place and work is ongoing to improve Councillor communications.
- Partner communications have been considerably strengthened.

Improvements include:

- Better co-ordinated and planned media relations within the Council.
- Improved handling of difficult issues, e.g. child protection issues, working with internal and external partners.
- Improved systems for handling external and internal communications issues for major incidents/business continuity.
- Introduction of consistent branding for Council publications, in line with our 'one council' approach to communications.
- 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 'Your County'.
- Increasing visits to the Council's website - We had 1,943,808 visitors to the website from 1st April 2009 till 31st March 2010.
- A Council website that has an increasing emphasis on enabling customers to find their way quickly to the information they need - saving them time and money.
- An intranet that is providing better business tools for Councillors and staff; including improved information and news as well as local facts for Councillors.
- A new briefing system for staff which joins up our external and internal messages.
- Maintaining high response rates from Residents Panel members to surveys.
- Advertising and sponsorship initiatives that are bringing in income, including sponsorship of the internal Excellence Awards, advertising on the Council's website and in 'Your County'. Other opportunities are being progressed council wide.

### **Our Customers' Views**

Our Residents' Panel plays an important part in shaping our policies and services. Five surveys have been carried out since an enlarged Residents Panel of 1900 members was established in 2008. Survey subjects have included community safety, highways and communications, the recession, health issues such as strokes and service priorities. (Details are available on the Council's website).

In the latest survey, the following were 'very important' to residents:

- Community safety
- Road & pavement repairs, and street lighting

- Road safety

Things that most needed improving were:

- Road & pavement repairs, and street lighting
- Activities for teenagers
- Passenger transport

62% of residents are satisfied with how the Council runs things (this is an 8% increase in the findings of the previous survey results (54%) and a 24% increase (38%) in the findings for the Place Survey (carried out in 2008). 37% thought the Council provided value for money, compared to 29% for the Place Survey findings.

Councillors' views and ideas have been used in a number of areas. They have helped to inform our strategy for improving older people's quality of life and our Community Strategy.

As a result of residents' feedback we continue to improve the design and content of our residents' magazine and the Council's website. A cross-Council system to help us manage consultations more effectively and provide better evidence of how and where our residents' views are making a difference is now in place.

Statutory consultation now takes place through a biennial 'Place Survey'. The survey focus is on improving outcomes for local people and places by asking respondents for their views on the area rather than their views about the local authority.

### **10.3 What are our key areas for improvement?**

Although there are no areas where performance is poor there are some areas where improved performance would further enhance the reputation of the County Council

- **Maintaining website standards and reputation** - This will ensure the County Council remains one of the top local authority websites in the country.
- **Website refresh** - This will ensure that local residents remain the main driver for the Council's website, enabling the public to access more services on line and ensure that our website becomes a window on East Sussex.
- **Income Generation Agenda** - A Sponsorship and Advertising Manager has been appointed on a two year contract to look at sponsorship/advertising opportunities for the Council as a whole.

## **11. Policy Steer relating to Emergency Planning**

- ❖ Maintain an effective emergency planning service.

### **11.1 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 and exercise effective Corporate and Departmental Business Continuity Plans
- Support Borough and District Emergency Planning
- Work towards complying with the Cabinet Office recommended Standards for Business Continuity Planning

### **Key Issues**

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 Assistant Director of Economy and Community Services

This next year will be particularly challenging. Our efforts will be concentrated on catching up with work set aside during the Swine Flu outbreak including supporting our Category One partners across Sussex to ensure the pan-Sussex plans and ongoing arrangements are robust. Following the Pitt review and the Floods and Water Management Act we will be working closely with our Transport and Environment colleagues to ensure we understand any new responsibilities and actions and plan for their development. We will also continue with our work programme encompassing Flood plan exercises; Heat wave planning; and Humanitarian assistance centre plans. Much of our work will be driven by the Sussex Resilience Forum and we will continue to play an active part in supporting this Forum and its work streams. The service is always vulnerable to sudden changes in the political situation (e.g. fuel disputes, terrorism etc.) or local emergencies. We will continue to provide our Emergency Duty Officer service for such eventualities.

Business Continuity co-ordination is an aspect of the Team's work and we will continue to support the development of departmental plans to ensure critical services can continue during an emergency. We will also work closely with the Strategic Business Continuity Team and Internal Audit to ensure our Business Continuity plans and our corporate response capability are enhanced and fully exercised in line with the Cabinet Office good practice and expectation set.

### **11.2 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 by working with professional partners through the Sussex Resilience Forum on such projects as Pandemic Flu planning and Fuel Shortages. At the same time we have been working with Lewes and Wealden District Councils on the review of flood plans. We have also revised our plans for emergency mortuaries and brokered an understanding with Brighton and Hove City Council and West Sussex County Council on emergency mortuary provision. This was followed by an exercise to test our arrangements.

Progress has been achieved on developing the Emergency Centre facilities at Eastbourne; this has included standby generator arrangements and enhanced telephony. Further training of our Emergency Centre volunteers has also taken place. The enhanced arrangements were exercised on 12 March 2010.

Other recent activities include:

- The Council's Pandemic Influenza Plan, first published in December 2007, was revised in May 2009.
- There are six high flood risk areas in the county and we have dedicated plans for each in association with the relevant Borough and District Council. Plans are revised and exercised each year in rotation - This year was the turn of Lewes. We have completed our work in support of the Environment Agency and other partners to produce a Sussex-wide flood plan framework. Overview and Scrutiny is shortly to gain additional responsibilities and powers to scrutinise flooding matters.
- In conjunction with the Environment Agency we have promoted flood awareness to the residents of Uckfield, Eastbourne and Hastings
- The Coastal Pollution plan was revised in November 2008 following an exercise in June 2008. As a result of this, no changes were made in 2009. We are continuing to work on the identification of sites for the storage of oily waste from coastal pollution.
- There is one industrial site in the county subject to the Control of Major Accident Hazards (COMAH) Regulations. The offsite plan was exercised in November 2008 and a revised plan published in January 2009.
- The Sussex Major Accident Hazard Pipelines Emergency Plan was last published in March 2006. It will be reviewed in 2010.
- Version 3 of the National Emergency Plan for managing fuel (petrol) shortages was published in June 2009. We have now revised our local plans and continue to support the development of a Sussex-wide plan through the Sussex Resilience Forum fuel working group which we chair.
- In partnership with Brighton & Hove City Council, West Sussex County Council and Sussex Police we have exercised plans for a Temporary Mortuary, based upon extensions to the City mortuary at Woodvale, Brighton.
- We continue to develop two Emergency Centre facilities, one at Eastbourne and one at Lewes. The prime requirement now is an upgrade to the telephone system and a review of the Lewes arrangements. We will carry out a further exercise in 2010.
- Extending our support of Borough and District Councils by entering into an agreement with Eastbourne Borough and Wealden District Councils to provide Emergency Planning support.
- Corporate and Departmental Business Continuity plans have been completed and are constantly being reviewed. Plans for individual critical services have been written by departments. We are also enhancing our corporate communication and incident management plans. The aim is for the Council to achieve a level of planning similar to that recommended in the Cabinet Office Good practice and expectation set. Also in March 2010, in association with Corporate Resources ICT, we took part in a second disaster recovery exercise to restore our ICT services should our server room be destroyed. This was done by arranging for a temporary server facility to be brought in by lorry at St Mary's House.

### **11.3 What are our key areas for improvement?**

Key areas where it is required that the County Council has appropriate measures in place to minimise the effect on the residents of East Sussex at the current time are:

- Pandemic Flu
- Adverse Weather Conditions
- Fuel Shortage
- Business Continuity