

THE EAST SUSSEX COUNTY COUNCIL APPROACH AND ITS POLICY CONTEXT

1. INTRODUCTION

1.1 Set out below is a summary of what we are aiming to achieve for East Sussex, our approach to delivering those aims, the key strategic risks that face us in the immediate future and a look ahead to changes which will affect us in the longer term.

2. DELIVERING OUR PROMISE

2.1 Members have committed that over the next three years we will have a sharp focus on what the delivery of Our Promise means in terms of four overarching priorities, particularly in view of the difficult financial situation now and for the foreseeable future:

- Driving economic growth;
- Keeping vulnerable people safe from harm;
- Building resilience for individuals and families to live independently; and
- Making best use of our resources.

These cross-cutting priorities underpin our Business Planning, Capital Programme, and Revenue Budget. Savings and investments over the coming years are planned to support priorities. The Council Plan details the actions and targets for each priority.

2.2 In order to deliver the four priorities the Council has adopted three key approaches to the way it carries out its business:

- Strategic Commissioning;
- One Council; and
- Working in Partnership.

Strategic Commissioning

2.3 The Council has identified strategic commissioning as the approach which will underpin all our business planning activity. Strategic commissioning is the cycle of assessing the needs of local people, establishing priorities and strategic outcomes, specifying services, securing and delivering appropriate services and reviewing outcomes. It's about securing the best outcomes for East Sussex residents by understanding need, matching supply with need and making the most effective use of all available resources, irrespective of whether services are provided in-house, with partners or externally.

2.4 Our strategic commissioning framework explains what we want to achieve and how we will go about it. We may need to challenge some perceptions about what services we deliver and how we do it. The provision of better business intelligence through our financial management and business information systems is key to this commissioning approach and this has informed the re-procurement of our key business support systems.

2.5 Our business and financial planning process, Reconciling Policy, Performance and Resources (RPPR) underpins our commissioning approach to service delivery and provides accountability for financial and service performance to Members.

2.6 The RPPR annual planning cycle has the following key stages:

- Review and priority setting - State of the County and policy review (July to October);

- Forward planning - Council Plan, portfolio plans and team and individual target setting with supporting medium term financial plan (October to March); and
- Monitoring - Council Plan and budget monitoring, augmented by saving monitoring and Strategic Risk management (quarterly).

The whole of our business and financial planning processes is based on the strategic commissioning approach, described above.

One Council

2.7 In order to deliver Our Promise, the Council needs to act as a single, coherent organisation and avoid the risk of being merely a collection of services organised within departments. The added value of being one Council is that we can look at the whole needs of communities and work across services and with others to help to ensure these are met as far as possible within our resources. This is realised by having a clear vision of what we are trying to achieve, directing our resources to ensure we deliver our aims and using our influence with others to achieve positive outcomes for local people. The Council is one organisation with:

- Services commissioned in line with Members' view of the priorities for the area, so we deliver Our Promise and meet the needs of local people;
- Strong political and managerial leadership;
- A business like approach;
- Effective support services running across all departments; and
- Clear and well understood processes and the right tools and skills to ensure delivery.

2.8 Strong leadership means ensuring staff at all levels in the organisation and those we work with externally are clear about: their roles and the roles of others; the contribution they make to the Council's outcomes; and the expectations of them. All staff need to understand the Council's priorities and what the priorities mean for their services. Staff must understand what is needed, and be empowered and provided with the skills and tools to commission services which meet those needs.

2.9 Over the last year the Corporate Management Team has been working with staff and Trade Unions to develop a new Business Services Department that is responsible for ensuring the County Council obtains best value from its finance, ICT, personnel and property resources. The new department is currently developing its working practice to support the organisation in working as One Council.

Working in partnership

2.10 The Council works closely with a wide range of partners (including District and Borough Councils), locally and regionally, in different ways to make sure the resources available to public services are being used to the greatest effect. This includes collaboration with the voluntary and community sector, trading services (such as Legal and Personnel services with other organisations) and less formal partnership relationships, where partners explore opportunities for joint working. Two examples of this less formal partnership working which are yielding financial results are the South East Seven (SE7) partnership and the Strategic Property Asset Collaboration in East Sussex (SPACES) project:

- SE7 - the SE7 partnership of upper tier local authorities (county and unitary councils) in the south east is committed to working together to find opportunities to reduce costs and improve service delivery in our region. The member authorities are East Sussex, Hampshire, Kent, Surrey and West Sussex County Councils and the Unitary Authorities of Brighton & Hove and Medway.

The partnership has a number of collaborative focus areas based on the priorities of the member councils, including: ICT, Highways, Waste, Special Educational Needs and Disability (SEND) and Property Asset Management. The SE7 is also committed to scoping where collaboration or sharing of best practice may be beneficial for other issues, including: Public Health arrangements and our changing relationship with schools. To date the SE7 has achieved a number of benefits including: total savings of £5.5m, developed the first of its kind MSc course in Highways Engineering, played a leading role in building (with the Department for Education) a new system for supporting those with Special Educational Needs and Disabilities and created a Public Service network of networks across the area. Additional savings of over £70m are projected over the coming years from the workstreams and up to £500m over the long term.

In addition to the formal SE7 focus areas, the partnership has facilitated a number of new and innovative collaborative opportunities for the Council, namely, the shared procurement arrangements with Surrey County Council and the joint Head of Communications and Engagement with Medway Council. The trust and confidence that has grown across the SE7 Councils over the last 3 years has enabled these activities which are delivering significant service improvements and savings – these two arrangements have saved the County Council £265,000 to date and plan to save an additional £615,000 in 2013/14.

- SPACES - work has been carried out to review and seek opportunities to reduce the size and cost of public sector property estate throughout East Sussex, through the SPACES project set up by the East Sussex Strategic Partnership. A 10 year plan and vision for collaborative asset management in East Sussex was approved by the SPACES Board in April 2012. This plan identified a range of short term opportunities and long term aspirations that would support this group's key targets to:
 - achieve Capital Receipts in excess of £30m through property disposal;
 - reduce property revenue costs by £10m per annum; and
 - reduce CO2 production by 10,000 tonnes per annum by 2020.
- Voluntary and Community Sector Investment - the Council and local NHS investment in the sector is made via an annual 'Commissioning Grants Prospectus'. The Prospectus publishes commissioning outcomes to improve the health, social care and well-being of local people, offering investment in one place, through a single annual exercise. Commissioned services must demonstrate how delivery will strengthen local communities by building social capital. Included in the Prospectus is investment towards development support for local voluntary and community organisations, support that strengthens partnership working, builds collaborative relationships, and helps organisations develop robust structures and processes for service delivery. During 2012 the Council co-designed with partners a new Community Interest Company named East Sussex Community Voice, to provide Healthwatch services across East Sussex. This new venture will act as the health and social care champion for patients, carers, service users, and residents, and will have a seat on the Health and Wellbeing Board.

3. KEY STRATEGIC RISKS FOR THE COUNCIL IN DELIVERING ITS PRIORITIES

3.1 There are a number of key areas in which we are seeking to make change or improvements where budgets are volatile, or where national policy changes are likely to

have a significant impact on local services and partners which are important to our overall delivery plans. These are discussed below.

Economic Development

3.2 Improving the county's economic prosperity remains one of the Council's highest priorities against the national and international backdrop of continued economic challenges.

3.3 To ensure the economic upturn is continued and experienced across the county, ESCC is increasing the provision of support to business, rolling out the provision of superfast broadband, supporting the East Sussex Skills Strategy, facilitating appropriate commercial premises and grants and loans to business to support growth and the creation of further new jobs.

3.4 Workforce skills are important to productivity and growth. The percentage of people with no qualifications in East Sussex is higher than the rest of the south east. Those without skills are likely to find it difficult to compete in an increasingly competitive labour market. Equally, higher level skills attainment in the county is lower than the national and regional averages. The role that schools and Further Education establishments across the county can play is key but there is potential to further improve the skills of the workforce at both ends of the range.

3.5 As part of this context, the priorities within the East Sussex Economic Development Strategy (EDS) remain pertinent:

- Create the environment to attract new businesses and retain existing ones;
- Raise aspirations and enhance the skills base;
- Improve rail, road and broadband connectivity;
- Ensure workspace is sufficient and appropriate for business needs;
- Improve housing choice and availability;
- Move towards a low carbon economy; and
- Build the East Sussex profile and identity and become a key destination for visitors.

3.6 The Council has a number of workstreams to support Economic development and the delivery of the EDS as below:

- The Capital Programme - a programme for growth for the years 2013/14 to 2018/19 worth £417.4m (gross). All of the projects under the Programme will have at least some impact on the local economy and some are specifically aimed at improving economic development. In June 2012 the County Council commissioned an independent economic impact assessment of the Programme in order to identify and quantify the potential economic benefits for the East Sussex. The Economic Impact Study found that the Programme has the potential to add an additional £1.65 billion of Gross Value Added to the East Sussex economy as its impacts flow over the next 25 years. This means that for every £1 spent on capital investment there is the potential to generate around £3.40 of additional value within the economy of East Sussex. The Council has also committed to explore how it can support local businesses through its Capital Programme spend. The commitment to working with local, small and medium-sized businesses was recently recognised when East Sussex County Council (along with Surrey County Council) was named as one of the best councils to do business with. The 'Best Councils to do Business With' competition, run by the Department for Communities and Local Government, recognises the role that local authorities can play through their recruitment processes to support their local economy and small business sector.

- The Bexhill-Hastings Link Road will provide the opportunity to build over 2,000 new homes and a business park creating over 3,500 jobs. Construction has already started and is due for completion in March–April 2015.
- The Council has signed a £34m contract to bring faster broadband speeds to homes and businesses across East Sussex. The deal between BT and the Council (£15m of Council funding was contributed to the project) means that 96% of homes and businesses are expected to be able to access superfast broadband services within the next three years. The project will also deliver faster fibre broadband coverage to 99% of all premises. Work is now starting on drawing up the plans for roll out. The improved broadband service will be available in parts of the county towards the end of 2013 with more areas set to be upgraded in phases over the next three years.
- This year the Council launched a new £3.5m grants and loan programme from its capital budget aimed at specifically helping growth businesses, job creation and our rural communities. An additional £2.7m of council money will be available as grants and loans for businesses through our new partners the 'Let's Do Business Group' who will be managing the new 'Locate Service' on behalf of the six local authorities in East Sussex. Locate East Sussex will support both inward investment to the county and existing local business growth and the grants and loans programme will help them achieve this.
- The East Sussex Adult Learning and Skills Strategy sets out priorities for improving skill levels. Businesses and employers to tell us that basic skills such as literacy and numeracy are poor and that the skills of young people could be improved to become more appropriate to business need. Through a number of programmes operated by the council and its partners (apprenticeships, work experience, work pairing, learn while you earn), young people are able to access specific support to help them develop the right skills and increase their employability.
- East Sussex is part of the business led partnership, South East Local Enterprise Partnership (SELEP), along with Essex, Kent, Medway, Southend and Thurrock. SELEP's vision is to 'create the most enterprising economy in England' through facilitating business growth. SELEP was allocated £39.2m of the Government's Growing Places Fund and the 12 schemes approved to date include:
 - £7m to support phase three of the Priory Quarter business district in Hastings;
 - £1.5m for a new road junction and preliminary site infrastructure works to open up the North Queensway business development in Hastings; and
 - £6m for the Bexhill Business Mall.
 East Sussex also gained funding through the national Regional Growth Fund of £5.5m to further the development of the 13 acre North Queensway Business Park site in Hastings.

Providing sustainable help for vulnerable young people and families

3.7 THRIVE is a programme of change across services for children, young people and their families, both those provided by the County Council and those provided by our partner organisations. The aim is to improve outcomes for children by changing the way we do things, and at the same time ensure that we can afford the costs of the Children's Social Care system in the longer term.

3.8 By making support available to families at an earlier point, we believe that we can stop problems getting worse, and reduce the number of children that we need to protect through statutory Child Protection Plans or admission to local authority care. We also believe that by working more smartly and more effectively within our social care services we

can be better at supporting change or taking action where parents can't properly care for their children so that they have permanent alternative carers.

3.9 The programme has been running for one year, and we have made a significant impact. A number of pilot activities have worked well. More families have been supported in our 'Early Help' services, we have found more effective and efficient ways of doing things, and we have agreed what needs to change in practice across services to offer better help.

3.10 The programme is designed not only to improve children's lives but to do this in a way that places a lesser long-term financial pressure on our resources. At the moment we spend a significant amount on high cost services for a small number of vulnerable children. We are working to reduce the costs of some services, by finding better alternatives, but also to reduce the number of children who end up needing those high cost services. The programme is supported by a significant investment reserve approved by the County Council.

3.11 The East Sussex Family Keywork programme aims to use public resources more cost effectively to address problems experienced and caused by those families currently involved with a number of agencies and with long-term problems. Alongside this local project, Government has set up the 'Troubled Families Programme', a payment-by-results scheme to help areas turn around families who are engaging with crime and anti-social behaviour, unemployed and/or missing education. We are using the grant associated with this programme to support a drive to the kind of help that we know works for these families, based on working with the whole family in a persistent and intensive way if necessary, to overcome the range of barriers they face. We are embedding our family keyworkers across services delivered by the Council and partner organisations (including criminal justice agencies and educational establishments). Alongside this we are establishing the Family Keywork model across our services as the preferred model of service delivery. This programme is a priority of the East Sussex Strategic Partnership, and the long-term benefits could be significant for many public agencies. The Government has announced a further £200m will be invested into the Troubled Families programme to extend help to 400,000 families in 2015-16. This additional funding will be subject to match funding from local authorities as with the existing programme.

Welfare Reform Act 2012

3.12 The Act legislates for a number of significant changes to the welfare system. The reforms outlined in the Act impact a wide range of welfare provisions. A number of changes are already in place, with others to be implemented at various dates until 2017. The provisions with changes that are yet to be implemented and their timelines are:

- Incapacity Benefit and Severe Disablement Allowance - this will be phased out and completed by spring 2014 with claimants assessed for Employment Support Allowance;
- Disability Living allowance (DLA) - everyone currently claiming DLA will be transferred to the new Personal Independence Payment (PIP) from 2015; and
- Universal Credit - a phased transfer of all claims starting in October 2014 and ending in 2017.

3.13 It is not possible to predict the exact extent to which welfare reform as a whole will impact on people in East Sussex because of its complexities and the potential for unintended or unexpected consequences. A number of claimants may experience financial loss because of the changes. An increase in personal borrowing to manage budgets is then

likely, with associated debts amongst affected claimants expected to rise. There may also be an impact on the demand for various services provided by the county, district and borough authorities and advice services across the county. It is expected that there will be an increase in new users to our services and there has been speculation that the change may mean more people who claim benefits moving into the area. We are working with the District and Borough Councils to monitor any such effects. Further changes to the benefit system were announced in the Chancellor's Spending Review for 2015/16 in June including a delay of a week before benefits could be claimed.

3.14 A change which more directly impacts the Council was the introduction of the Discretionary East Sussex Support Scheme from April 2013 following the abolition of the Social Fund, Crisis Loans and Community Care Grants were replaced by new locally managed funds over which Adult Social Care departments of local authorities have discretion. Funding for this scheme is currently confirmed for 2013/14 and 2014/15 only.

3.15 A multi-agency Financial Inclusion Steering Group continues to work to mitigate the anticipated impacts of the changes as far as possible. The latest briefings on the changes can be found at <http://www.eastsussex.gov.uk/community/benefits/changes/default.htm>. The changes also present financial risks to the Council. These are discussed in the Medium Term Financial Plan.

Changes to Health Services

3.16 The changes set out in the Health and Social Care Act 2013 came into effect in April 2013. The Council worked closely with key partners to prepare for the new responsibilities, manage the transition and ensure a safe transfer of those responsibilities that were handed over from the Primary Care Trusts (PCTs). The key changes are set out below.

3.17 The Health and Wellbeing Board took on its statutory duties on 1 April 2013. The Board operates as a non-executive committee of the Council with a core statutory membership, observers and an Assembly to enable it to engage with a wide range of relevant organisations. The Board has developed a countywide Health and Wellbeing Strategy which aims to protect and improve people's health and wellbeing and reduce inequalities. The Strategy sets out the key priorities for improvement over the next three years.

3.18 The Council has also taken over the responsibility for the local commissioning and coordination of public health services. The Public Health team are established in County Hall and have a lead role in understanding local public health needs and working with colleagues across the Council and partners to meet them.

3.19 A new social enterprise, East Sussex Community Voice, has been established to deliver Healthwatch functions across the county as the new consumer champion for users of health and social care services. It has a clear responsibility to actively engage with the community and encourage local people to share their opinions about the services in the area.

3.20 There are three Clinical Commissioning Groups (CCGs) in East Sussex: Eastbourne, Hailsham and Seaford CCG; Hastings and Rother CCG; and High Weald, Lewes and Havens CCG. In preparation for the handover of commissioning from the PCTs to the CCGs, each CCG produced an Integrated Strategic and Operational Plan (ISOP) which sets

out how they will commission services that improve health, reduce inequalities and promote wellbeing and independence. The Council has committed resources to support the development of the ISOPs, as these will be critical to improving health and social care services in East Sussex. The plans signal a shift away from acute care to primary and community health provision and more integrated services to improve health outcomes, patient and service user experience as well as better value for money. The CCGs are members of the Health and Wellbeing Board, and the ISOPs reflect the Health and Wellbeing Strategy and priorities.

Care and Support Reforms

3.21 In 2012 the Government published a Care and Support White Paper, a draft Care and Support Bill and a progress report on funding reform following the Dilnot Commission review of the funding system for care and support for adults in England. Collectively, they set out the Government's plans for transforming care and support, including better information to help people plan and prepare for their care and support needs and an overhaul and modernisation of care and support law.

3.22 A Care Bill was published in May 2013 and is currently going through Parliament. It introduces new social care legislation and takes forwards elements of the Government's initial response to the Francis Inquiry along with introducing a cap on care costs, new rights for carers and a national eligibility threshold for care and support. It sets out duties for local authorities to promote wellbeing, diversity and quality in provision of services and duties to assess the care and support needs of both adults and carers.

3.23 Whilst the Council welcomes the reforms and has plans in place to manage reducing resources and increasing numbers of older people and carers, the additional duties and implications of the cap on care costs will create additional costs and pressures. These need to be addressed nationally if services are to be sustainable in the long term. As part of the Spending Review in June 2013, the Chancellor announced:

- pooled budget arrangements between the NHS and local authorities for:
 - continuation of the existing transfer from the NHS to social care as set out in the 2010 Spending Review;
 - an additional £200m in 2014/15 to accelerate the transformation process;
 - £2 billion a year through the NHS to join up local health and social care services;
 - funds for carers and people leaving hospital who need support to regain their independence; and
 - £350m of capital funding for projects to improve integration locally.
- £335m for local authorities to prepare for reforms to the system of care funding, including the care cap and universal deferred payments.

The Relationship with Schools

3.24 Recent legislation outlines the evolving role for local authorities in education. In East Sussex, we have set out our proposition for working in partnership with all schools in the county irrespective of their status as an Academy or a maintained school. In July 2012 Members committed, through the proposition for partnership, that:

- All children and young people who are educated in East Sussex are able to attend an establishment that is at least rated 'good' by Ofsted; and
- All children and young people who are educated in East Sussex will make appropriate levels of progress.

3.25 The proposition focuses on three key aspects of the Council's role:

- Promoting educational excellence for all;
- Fair access to services; and
- Supporting vulnerable children and young people.

3.26 The Council will strengthen the partnership with all schools in East Sussex by developing capacity for effective school-to-school improvement; and commissioning support from a range of providers that include other schools and alliances of schools, Academy sponsors and private providers as well as the local authority. The Council will take a strong lead as the champion of children, parents and the community whilst also working with schools to develop shared accountability for outcomes.

3.27 As part of the Spending review announcement, the Chancellor confirmed that schools funding and the pupil premium will be protected in real terms. However, the Education Services Grant, which pays for central services to schools will be cut by 20%. The details will be subject to a consultation in the autumn. There will also be a consultation on how best to introduce a fair national funding formula for schools in 2015/16.

3.28 We value our existing relationships with schools and believe we have a strong foundation upon which to develop these in the context of a more autonomous school system.

4. OTHER DEVELOPMENTS WHICH WILL AFFECT THE COUNCIL OVER THE NEXT YEAR

Personalisation of Special Educational Needs and Disability (SEND) Support

4.1 Following the publication of the 'Support and Aspiration: A new approach to SEND' Green Paper in March 2011, the SE7 Councils collectively were accepted on to the Department for Education's and Department of Health's Pathfinder programme (due to end in September 2014). The Children and Families Bill 2013 was introduced to Parliament in February 2013 with royal assent expected in April 2014 and implementation from September 2014.

4.2 The Pathfinders are testing:

- Coordinated assessment and planning across education, health and care for children and young people with SEND aged 0-25;
- Personal budgets in education, health and care;
- Comprehensive information on the provision and services - the Local Offer;
- Joint commissioning across education, health and care;
- Central participation of parent carers and young people; and
- Improved preparation for adulthood including employment.

4.3 The SE7 SEND Pathfinder has been chosen as a Champion Pathfinder to work with other areas in implementing the reforms. The Council is leading the regional Pathfinder and Champion activity.

4.4 In East Sussex, work is underway to include more families and to plan for full scale roll out from April 2014. This will require a major overhaul of the Council's approach and services. A key feature of the reforms is the joint commissioning of provision and the requirement to integrate services across education, health and care for children and young people with SEND aged 0-25.

Total Place Community Budgets

4.5 Earlier this year the Government invited local authorities to submit expressions of interest to receive support from a new network being established to spread the learning from the Total Place Community Budgets pilots.

4.6 Total Place Community Budgets are a new way for local public service providers to work together to meet local needs. The Budgets allow providers of public services to share budgets, improving outcomes for local people and reducing duplication and waste.

4.7 Whilst the specifics of the Total Place Community Budgets pilots differed across the areas, common themes emerged where the cost of providing services was high and where developing a more cost-effective response would require greater collaboration across public bodies. The themes identified were:

- Children and young people;
- Families with complex needs;
- Community safety;
- Health and social care;
- Economic growth, work and skills; and
- Asset management.

4.8 The East Sussex Chief Executives and Leaders' Group (from East Sussex County Council and the 5 District and Borough Councils across the county) recently submitted an expression of interest to explore what support the new network could offer in developing an East Sussex Total Place Community Budget. Further details will emerge over the coming months and will be reported when available.

Housing in East Sussex

4.9 The South East Plan was revoked earlier this year and since then future housing numbers are determined by Government Planning Guidance and the evidence based borough and district Local Plans. An aggregation of the plans gives a predicted housing growth for the county of an additional 26,500 dwellings by 2030 at an average build rate of approximately 1,300 homes per annum. There is a drive from Central Government and the Planning Inspectorate to review and increase the allocations as the local plans move to adoption. This places additional strain on the county's infrastructure such as energy and water companies as well as roads and public transport. Provision for additional infrastructure is outlined in the county's Infrastructure Delivery Plans, which are reviewed on a regular basis in line with the housing growth projections.

4.10 Existing housing stocks also need to be improved and the Council, along with the Borough and Districts, is working with the Government's new initiatives on making houses more energy efficient through participating in the Green Deal and the Energy Companies Obligation (ECO) initiatives. As well as the obvious benefits to residents of lower energy costs there are significant environmental and health benefits to be considered.