



COUNTY COUNCIL - TUESDAY, 11 JULY 2017

Documents being circulated with the County Council agenda

Document	Report in County Council agenda to which it is related
Council Monitoring – Corporate Summary (Appendix 1 of the Cabinet report) (page 3)	Cabinet report, paragraph 1
Council Monitoring – Adult Social Care and Health (Appendix 2 of the Cabinet report) (page 21)	Cabinet report, paragraph 1
Council Monitoring – Business Services (Appendix 3 of the Cabinet report) (page 28)	Cabinet report, paragraph 1
Council Monitoring – Children’s Services (Appendix 4 of the Cabinet report) (page 33)	Cabinet report, paragraph 1
Council Monitoring – Communities, Economy and Transport (Appendix 5 of the Cabinet report) (page 38)	Cabinet report, paragraph 1
Council Monitoring – Governance (Appendix 6 of the Cabinet report) (page 44)	Cabinet report, paragraph 1
Council Monitoring – Strategic Risk Register (Appendix 7 of the Cabinet report) (page 48)	Cabinet report, paragraph 1
Reconciling Policy, Performance and Resources - Priority and Delivery Outcomes (Appendix 8 of the Cabinet report) (page 55)	Cabinet report, paragraph 2
Reconciling Policy, Performance and Resources – Focus on East Sussex (Appendix 9 of the Cabinet report) (page 57)	Cabinet report, paragraph 2
Reconciling Policy, Performance and Resources – National and Local Outlook (Appendix 10 of the Cabinet report) (page 75)	Cabinet report, paragraph 2
Reconciling Policy, Performance and Resources – Savings 2018/19 (Appendix 11 of the Cabinet report) (page 107)	Cabinet report, paragraph 2
Comments by the Director of Children’s Services on the Scrutiny Review of Educational Attainment at Key Stage 4 (Appendix 12 of the Cabinet report) (page 117)	Cabinet report, paragraph 3
Comments by the Director of Communities, Economy and Transport on the Scrutiny Review of Superfast Broadband (Appendix 13 of the Cabinet report) (page 121)	Cabinet report, paragraph 4
Report of the Scrutiny Review of Educational Attainment at Key Stage 4 (Appendix 1 of the Children’s Services Scrutiny Committee report) (page 125)	Children’s Services Scrutiny Committee report paragraph 1 and Cabinet report paragraph 3
Report of the Scrutiny Review of Superfast Broadband (Appendix 1 of the Economy, Transport and Environment Scrutiny Committee report) (page 141)	Economy, Transport and Environment Scrutiny Committee report paragraph 1 and Cabinet report paragraph 4

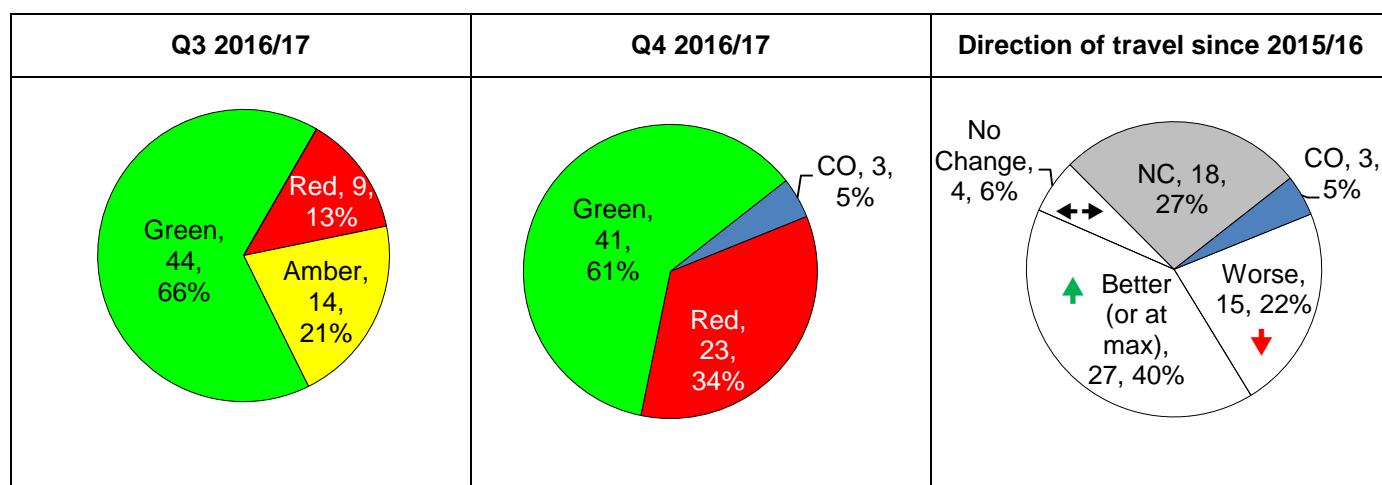
PHILIP BAKER
Assistant Chief Executive

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Council Monitoring Corporate Summary – end of year 2016/17

Council Plan performance targets

Priority	Total	Red	Green	Carry Over
Driving economic growth	32	9	23	0
Keeping vulnerable people safe	12	8	4	0
Helping people help themselves	20	5	12	3
Making best use of resources	3	1	2	0
Total	67	23	41	3



Council Plan outturn summary all measures (For targets not achieved commentary is provided in the relevant departmental appendix)

All 67 Council Plan target outturns are reported below. Targets not achieved are highlighted in red; targets achieved are reported below without highlighting; Carry Overs for reporting at Q1 2017/18 are highlighted in blue. Where available, performance improvement relative to 2015/16 is given under Direction of Travel. Those marked NC are where 2016/17 outturns are not comparable with 2015/16 outturns.

For red outturns detailed information is contained in the departmental appendices for new exceptions at Q4. Details of previous exceptions can be found in the referenced appendices for Q1-Q3 monitoring.

Direction of Travel key:

No Change: ↔	Not Comparable: NC	Carry Over: CO	Worse: ↓	Improved (or at maximum): ↑
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Driving economic growth – outturn summary					
Dept	Performance Measure	Outturn 2015/16	Target 2016/17	Outturn 2016/17	Direction of Travel
BSD	Increase the percentage of Council procurement spend with local suppliers	46%	48%	50%	↑
BSD	Percentage of new and relevant County Council procured contracts awarded following a tender process, that include an Employability and Skills Plan	42%	65%	No new and relevant contracts eligible for ESP	↓
CET	Complete the Bexhill to Hastings Link Road	Road constructed and open for use December 2015	Complete all additional works	Additional works completed	↑
CET	Percentage of Principal Roads requiring maintenance	5%	8%	5%	↔
CET	Percentage of Non Principal Roads requiring maintenance	6%	9%	6%	↔
CET	Percentage of Unclassified Roads requiring maintenance	22%	21%	19%	↑
CET	The number of businesses and professionals receiving advice and support through training workshops and bespoke advice	477	210	599 delegates	↑
CET	Deliver major transport infrastructure – Queensway Gateway Road	Enabling works commenced	Secure funding via the Local Enterprise Partnership	Land remediation & stabilisation almost complete. Contract discussions taking place re piling and construction of embankment.	↑
CET	Deliver the new Employability and Skills Strategy: East Sussex business sector skills evidence base developed	Priority sectors identified and report now live online	Deliver sector specific campaigns through Skills East Sussex	Sector specific campaigns delivered	↑
CET	Number of new apprenticeships with the County Council (ESCC and schools)	26 ESCC and 31 Schools equals 57 new apprenticeships (target 56)	46	75 new apprentices (Schools 45; Costain 9; ESCC 21)	↑
CET	Number of young people completing work readiness courses with the County Council	49	80	67	↑
CET	Percentage of apprentices retained in their apprenticeship placement and/or moving into alternative training or paid employment	93%	80%	92%	↓

Driving economic growth – outturn summary continued					
Dept	Performance Measure	Outturn 2015/16	Target 2016/17	Outturn 2016/17	Direction of Travel
CET	Deliver major transport infrastructure – Newhaven Port Access Road	Business Case delayed due to difficulties in agreeing its scope with the Department for Transport (DfT)	Construction commenced	Main construction programmed to start in Q4 2017/18.	NC
CET	Deliver pedestrian improvements in Terminus Road (Eastbourne) using 'Shared Space' concepts to coincide with opening of the new Arndale Centre	Contract documentation prepared ready for tender process to commence in spring 2016	Continue Construction	Construction now programmed to start January 2018.	NC
CET	Establish the East Sussex Growth Hub as the new 'one stop shop' for business support in the county	BES website and service established	Additional funding secured and the Growth Hub - Business East Sussex service extended and enhanced	South East Business Boost project awarded European Regional Development Funding for extended service	↑
CET	Number of additional premises with improved broadband speeds (5,000 by end of 2017/18)	66,453 premises connected to Next Generation Access (NGA) infrastructure	1,835	2,508 additional premises connected to NGA infrastructure, with improved broadband speeds	↑
CET	Report progress on the level of broadband improvement in the Intervention Area	82% of 66,453 premises connected to Next Generation Access (NGA) infrastructure able to receive speeds of 24 mbps or above	Report progress on the level of broadband improvement in the Intervention Area	82% of the Contract 1 intervention area able to receive speeds of 24mbps or above	↔
CET	Deliver Cultural Destinations Action Plan as resources are secured	Tourism South East commissioned to undertake county-wide visitor data stock take	Continue to grow Coastal Cultural Trail	Coastal Cultural Trail grown	↑
CET	Number of businesses supported and jobs created or protected via East Sussex Invest 4	£809k committed to 33 businesses to create or protect 150 jobs	Support 55 businesses create or protect 86 jobs as per contracts	41 businesses awarded funding (predicted to create 130 jobs)	↑

Driving economic growth – outturn summary continued					
Dept	Performance Measure	Outturn 2015/16	Target 2016/17	Outturn 2016/17	Direction of Travel
CET	Increase inward investment	13 businesses committed to or relocated to East Sussex	12 businesses committed to or relocated to East Sussex (NB year runs May - May 2017/18)	15 companies supported to locate in East Sussex (either as start-up or as relocation from outside county). 20 companies supported to relocate within the county	↑
CET	In partnership with Learndirect and other funding organisations provide online learning (including skills for life and ICT courses) in libraries (subject to contract)	376 courses completed	250 courses completed (subject to contractual review, Q2 2016/17)	363 courses completed	↓
CS	Proportion of Looked After Children (LAC) who achieve positive Progress 8 scores	New Measure	Ac Year 15/16: Equal to or above the national average for LAC	Progress 8: National: -1.14 South East: -1.14 East Sussex: -1.28 Attainment 8: National: 22.8 South East: 21.8 East Sussex: 24.5	NC
CS	Proportion of LAC who achieve A* - C in English and maths at Key Stage 4	New Measure	Ac Year 15/16: Equal to or above the national average for LAC	National: 17.5% South East: 16.4% East Sussex: 18.8%	NC
CS	The percentage of LAC participating in education, training or employment with training at academic age 16 (Year 12)	89%	84%	72% (23/32)	↓
CS	The percentage of LAC participating in education, training or employment with training at academic age 17 (Year 13)	78%	70%	71% (32/45)	↓
CS	The percentage of eligible 2 year olds who take up a place with an eligible early years provider	80.8% (National average 74%)	Above national average	86.16% (National Average 70% as of March 2017)	↑
CS	The percentage of pupils achieving a “good level of development” at the Early Years Foundation Stage	Ac year 14/15: 74.3% (National average 66.3%)	Ac year 15/16 Above national average	East Sussex: 75.7% National: 69.3%	↑

Driving economic growth – outturn summary continued					
Dept	Performance Measure	Outturn 2015/16	Target 2016/17	Outturn 2016/17	Direction of Travel
CS	The percentage point gap between disadvantaged pupils achieving at least the expected standard in reading, writing and maths combined at Key Stage 2, and their peers	Ac year 14/15: 16% (National average 15%)	Ac year 15/16: At or below the national average	East Sussex: 23% National: 22%	NC
CS	<p>Progress 8 score</p> <p>A Progress 8 score is a new measure of progress at Key Stage 4, introduced in academic year 2015/16. This will be calculated for each pupil by comparing their achievement (their Attainment 8 score which includes English and maths) with the average Attainment 8 score of all pupils nationally who had a similar starting point.</p> <p>A school's Progress 8 score will be calculated as the average of its pupils' Progress 8 scores. It will give an indication of whether, as a group, pupils in the school made above or below average progress compared to similar pupils in other schools.</p>	New Measure	Ac year 15/16: Equal to the national average	East Sussex: +0.04 National: -0.03	NC
CS	The gap between Attainment 8 overall score for disadvantaged pupils, and Attainment 8 overall score for non-disadvantaged pupils	New measure 2016/17	Ac year 15/16: Equal to the national average	East Sussex: 15.0 % National: 12.3%	NC
CS	The percentage of young people meeting the duty of RPA (Raising the Participation Age) by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 16 (Year 12)	95.5%	97%	95.9%	↑
CS	The percentage of young people meeting the duty of RPA by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 17 (Year 13)	88.4%	88%	88.6%	↑

Keeping vulnerable people safe – outturn summary					
Dept	Performance Measure	Outturn 2015/16	Target 2016/17	Outturn 2016/17	Direction of Travel
ASC	National outcome measure: The proportion of people who use services who say that those services have made them feel safe and secure (Adult Social Care Survey)	86.9%	87%	83.6%	↓
ASC	National outcome measure: The proportion of carers who say they have no worries about personal safety (Carers Survey)	N/A	85-90%	87%	NC
ASC	All Adult Social Care staff to complete the new national safeguarding adults competency framework	N/A	i) 100% of existing staff by December 2016 ii) 100% of new staff within 6 months of commencing role	81% of managers stated either all their staff completed safeguarding competency framework; or provided justifiable reasons for not completing framework by end of December 2016	NC
ASC	The proportion of Adult Social Care Case File Audits that are graded as excellent or good	90% (September 15 to March 16)	>90%	255/267 case file audits (96%) rated either good or excellent	↑
ASC	Health and Social Care Connect - % of referrals triaged and progressed to required services within required timescales	New measure 2016/17	95%	90.4%	NC
ASC	Health and Social Care Connect - % of contacts resolved at initial contact	New measure 2016/17	Level 1 - >70% Level 2 - <2%	'Go live' date for referral system postponed	NC
ASC	At exit from the specialist domestic abuse and sexual violence service (Portal), the % of those affected by domestic violence and abuse who are better able to cope and / or have improved self-esteem	New Measure 2016/17	80%	77%	NC
ASC	At exit from the specialist domestic abuse and sexual violence service (Portal), the % of those affected by rape, sexual violence and abuse who are more in control of their lives and / or more optimistic about the future	New Measure 2016/17	80%	78%	NC
CET	The number of positive interventions for vulnerable people who have become the target of rogue trading or financial abuse	129	80	114 positive interventions (80 victims, 24 call blockers, 10 rapid responses)	↓

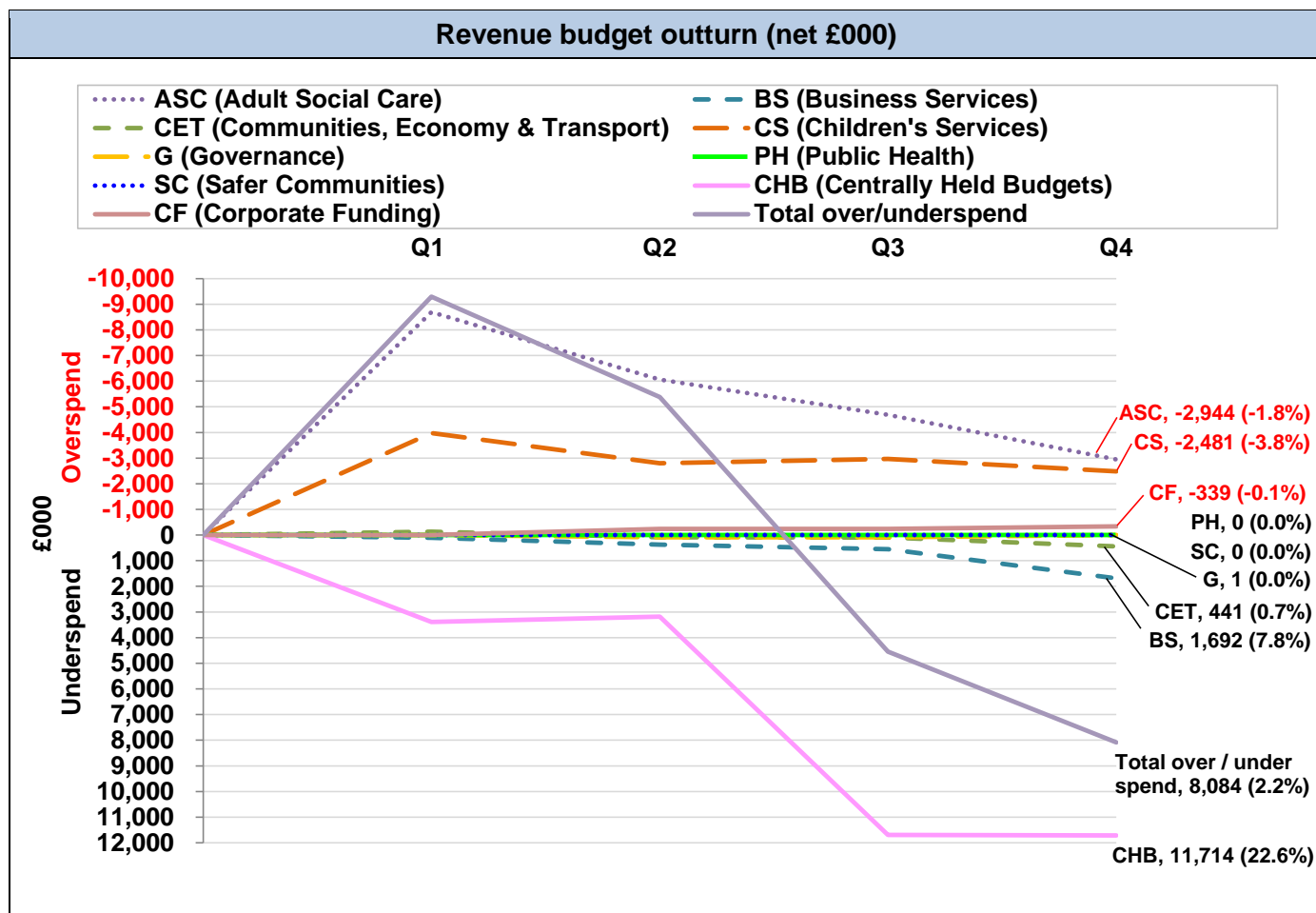
Keeping vulnerable people safe – outturn summary continued					
Dept	Performance Measure	Outturn 2015/16	Target 2016/17	Outturn 2016/17	Direction of Travel
CS	Rate per 10,000 of children with a Child Protection Plan	43.8 per 10,000 (462)	41 per 10,000	45.0 (476 children)	↓
CS	Average time between a child entering care and moving in with its adoptive family, for children who have been adopted (days) (Adoption Scorecard)	519	Less than or equal to national average	3 year average (2013-16) 517 days (National average) 558 days	↑
CS	Rate per 10,000 of Looked After Children	51.6 per 10,000 (544)	Maintain at 2015/16 rate	53.3 (564 total children)	↓

Helping people help themselves – outturn summary					
Dept	Performance Measure	Outturn 2015/16	Target 2016/17	Outturn 2016/17	Direction of Travel
ASC	Establish a schedule of reviews for services registered on 1Space	N/A	Establish the schedule of reviews	Schedule of reviewing the information on 1Space in place	NC
ASC	Review and re-design the 1Space website	N/A	Establish customer insight programme to inform future development	Programme established and insight conducted with various stakeholders	NC
ASC	Increase the number of providers registered with Support With Confidence	146 providers	10% increase on 15/16 outturn	174 providers	↑
ASC	National outcome measure: Proportion of working age adults and older people receiving self-directed support (new zero based review measure for people in receipt of long-term support)	100%	100%	100%	↑
ASC	National outcome measure: Proportion of working age adults and older people receiving direct payments (new zero based review measure for people in receipt of long-term support)	35.6%	42%	33.3%	↓
ASC	The proportion of people who received short-term services during the year, where no further request was made for ongoing support	90.50%	>88%	97.6%	↑
ASC	Number of carers supported through short-term crisis intervention	New measure	675	688	NC
Helping people help themselves – outturn summary continued					
Dept	Performance Measure	Outturn 2015/16	Target 2016/17	Outturn 2016/17	Direction of Travel
ASC	East Sussex Better Together: Design and implement an Integrated Strategic	i) Achieved - Commissioning	Integrated ESCC and CCG	Integrated ESCC and CCG	↑

	Commissioning Framework (Including Co-Commissioning)	structure implemented in shadow form ii) Achieved - Integrated commissioning framework developed	Commissioning functions to be implemented by 31st March 2017	Commissioning functions implemented	
ASC	Number of patients discharged directly to residential care	N/A	Establish baseline	Data for April 2016 to February 2017 shows average of 3.2 people per day discharged to residential care	NC
ASC	% of referrals starting intervention within required timescales as per their priority level following discharge	N/A	Establish baseline	63.2% interventions for Joint Community Rehabilitation started within their required timescales; 87.9% referrals for the Nursing Service met target against the 4 priority levels	NC
ASC	Number of people receiving support through 'STEPS to stay independent'	2,813	3,500	3,521	↑
ASC	The number of people referred to the Memory Assessment Service	1,717	1,690	1,794	↑
ASC	NHS Health Checks: % of the eligible population offered an NHS Health Check	21.8%	20%	CO	CO
ASC	Smoking Cessation: Number of persons attending East Sussex NHS Stop Smoking Services who quit smoking four weeks after setting a quit date	2,041	2,102	CO	CO
ASC	Access to Genito-Urinary Medicine (GUM) clinics: % of first attendances seen within 2 working days	97%	95%	CO	CO

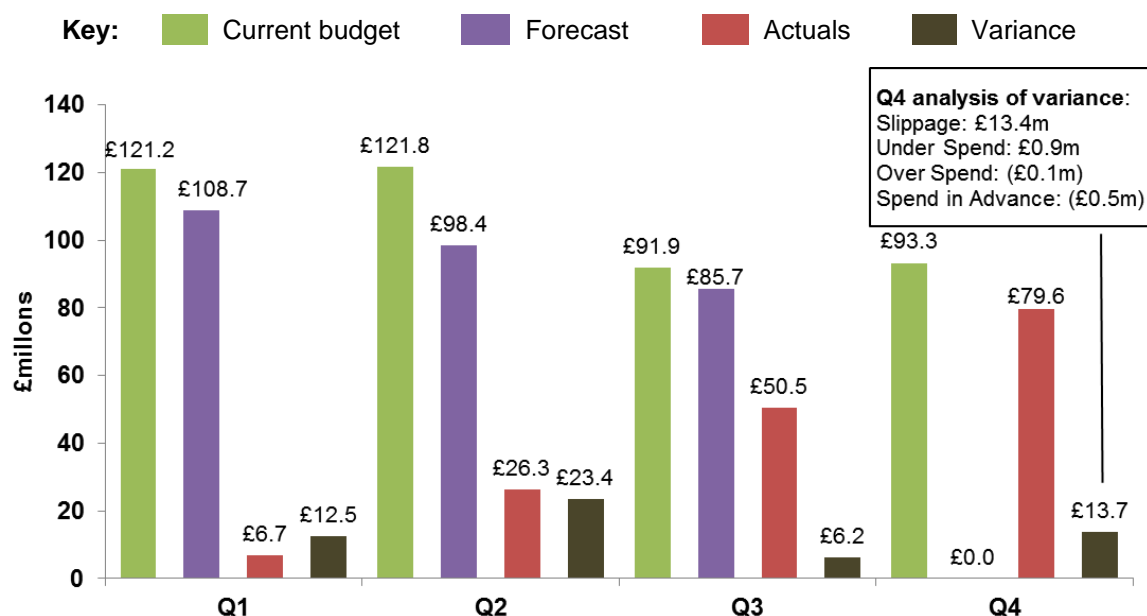
Helping people help themselves – outturn summary continued					
Dept	Performance Measure	Outturn 2015/16	Target 2016/17	Outturn 2016/17	Direction of Travel
CET	40% reduction in the number of people killed or seriously injured (KSI) on the 2005/09 average by 2020 (no more than 227 KSI)	348 (with 22 fatalities)	Fewer than 289 KSI casualties	383 (with 25 fatalities)	↓
CET	Implement School Safety Zones (SSZ) to cover schools rated as high priority	2 zones completed	Implement School Safety Zones at two schools	None implemented (St Richard's SSZ not being progressed; Christchurch School SSZ under review to ensure scheme proportionate to safety issues)	↓
CS	The proportion of respondents to the feedback surveys who agree that things have changed for the better as a result of getting targeted support from Early Help services or Children's Centre Keywork Services	90%	80%	86.5% (539/623)	↓
CS	Number of households eligible under the government's Troubled Families programme receiving a family support intervention	895	1,014	876	↓
CS	Percentage of annual SEND review meetings where the child gave their view and/or participated	90.1%	90%	83.9% (969/1,155)	↓

Making best use of resources – outturn summary					
Dept	Performance Measure	Outturn 2015/16	Target 2016/17	Outturn 2016/17	Direction of Travel
BSD	Develop an asset investment strategy based on a balanced portfolio approach	Target not met, timeline reviewed and revised completion date set for September 2016	Asset investment strategy developed and approved	Work on Strategy continues. Presentation of a report to Cabinet deferred pending further stakeholder engagement to shape strategy	↔
BSD	Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence in non-school services	9.09	9.24	8.73	↑
BSD	Cost of occupancy of corporate buildings per sq. metre	Baseline established: £150 / sq. metre	£147 / sq. metre (2% reduction on 2015/16 baseline)	£146 / sq. metre	↑



Revenue budget summary (£000)									
	Planned (£000)			2016/17 (£000)					
				End of year outturn			(Over) / under spend		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Service Expenditure									
ASC	241,985	(78,844)	163,141	245,638	(79,553)	166,085	(3,653)	709	(2,944)
Safer Communities	723	(337)	386	839	(453)	386	(116)	116	-
Public Health	34,920	(34,920)	-	32,699	(32,699)	-	2,221	(2,221)	-
BSD	49,507	(27,686)	21,821	51,521	(31,392)	20,129	(2,014)	3,706	1,692
CSD	322,578	(257,624)	64,954	326,238	(258,803)	67,435	(3,660)	1,179	(2,481)
CET	107,360	(47,589)	59,771	102,943	(43,613)	59,330	4,417	(3,976)	441
GS	8,513	(1,014)	7,499	8,490	(992)	7,498	23	(22)	1
Total Service Spend	765,586	(448,014)	317,572	768,368	(447,505)	320,863	(2,782)	(509)	(3,291)
Centrally Held Budgets									
Funding Cap Prog.	10,248	-	10,248	10,248	-	10,248	-	-	-
General Contingency	3,390	-	3,390	-	-	-	3,390	-	3,390
Unused Inflation NLW	316	-	316	-	-	-	316	-	316
Education Services Grant	-	(211)	(211)	-	-	-	-	(211)	(211)
Pensions	6,299	-	6,299	6,215	-	6,215	-	-	-
Contrib. to Reserves	3,449	-	3,449	3,449	-	3,449	-	-	-
Corporate Grants	-	(58)	(58)	-	(58)	(58)	-	-	-
Levies	441	-	441	446	-	446	-	-	-
Other	300	-	300	441	-	441	(141)	-	(141)
Treasury Management	27,566	-	27,566	19,206	-	19,206	8,360	-	8,360
Total Centrally Held	52,009	(269)	51,740	40,084	(58)	40,026	11,925	(211)	11,714
Corporate Funding									
Business Rates	-	(71,400)	(71,400)	-	(71,071)	(71,071)	-	(329)	(329)
Revenue Support Grant	-	(45,107)	(45,107)	-	(45,107)	(45,107)	-	-	-
Council Tax	-	(247,223)	(247,223)	-	(247,213)	(247,213)	-	(10)	(10)
New Homes Bonus	-	(2,878)	(2,878)	-	(2,878)	(2,878)	-	-	-
Transition Grant	-	(2,704)	(2,704)	-	(2,704)	(2,704)	-	-	-
Total Corporate Funding	0	(369,312)	(369,312)	0	(368,973)	(368,973)	0	(339)	(339)
Total	817,595	(817,595)	0	808,452	(816,536)	(8,084)	9,143	(1,059)	8,084

Capital programme (gross £ millions) – approved projects



Capital programme summary (£000)

Approved project	Total project – all years*		2016/17 (£000)					
			End of year outturn			Analysis of variation		
			Budget	Actual	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance
ASC	23,603	23,603	3,298	2,320	978	-	978	-
BSD	329,410	328,680	32,606	27,435	5,171	730	4,468	(27)
CS	15,698	15,698	2,403	2,316	87	0	90	(3)
CET	455,688	456,991	54,967	47,531	7,436	68	7,875	(507)
GS	86	86	3	3	-	-	-	-
Total	824,485	825,058	93,277	79,605	13,672	798	13,411	(537)
Scheme Specific Income			25,675	23,822	1,853			
Capital Reserves			-	-	-			
Section 106			-	-	-			
Non Specific Grants			35,083	35,083	-			
Capital Receipts			3,072	3,020	52			
Revenue Contributions			10,288	10,180	108			
Borrowing			19,159	7,500	11,659			
Total			93,277	79,605	13,672			

*This includes current budget for all finite current projects plus 5 years of rolling programmes.

Centrally held budgets

The Treasury Management (TM) Strategy, which provides the framework for managing the Council's borrowing requirement, continues to reflect a policy of ensuring minimum risk whilst aiming to deliver secure realistic investment income on the Council's cash balances. Investment rates available in the market have been stable during the quarter and have continued at historically low levels as a result of the low Bank Rate (0.25%). The average level of funds available for investment purposes during the year was £276m (excluding East Sussex Fire Authority). These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The total amount received in short term interest for the twelve months to 31 March 2017 was £1.7m at an average rate of 0.62%.

At 31 March 2017, the majority of the Council's external debt was held as long term loans (£270.8m), and no cost effective opportunities have arisen during 2016/17 to restructure the existing debt portfolio. No borrowing was undertaken in the quarter. The Accounts & Pensions team have set up a recording process for trigger rate monitoring and work to an agreed protocol for potential future borrowing activity to fund the current capital programme.

Within Corporate Expenditure, there is an overspend of £0.2m for the Education Services Grant (ESG). In addition, there is an underspend on the provision made for the cost of National Living Wage of £0.3m. There is a reduction in income for the Council's share of the East Sussex Business Rates Pool, Business Rate Retention and Business Rate grants of £0.3m.

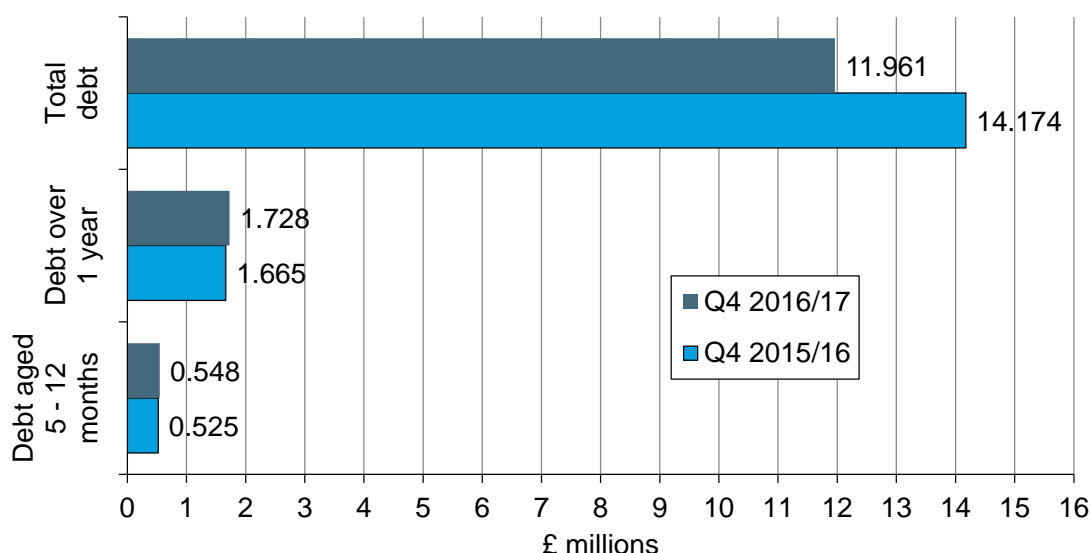
Following the review of the Minimum Revenue Provision (MRP) Policy and the Treasury Management budgets, there is a reduced charge to revenue in 2016/17 of £8.3m.

General balances

The General Fund balance is £10.0m as at 31 March 2017. General balances allow the Council to manage unforeseen financial circumstances without the need to make immediate savings.

The Schools balances as at 31 March 2017 was £10.5m.

Outstanding debt analysis (£ millions)



The value of debt over 5 months at Q4 has marginally increased to £2.276m when compared to the 2016/17 outturn of £2.190m. This is against a background of a higher value of Adult Social Care (ASC) debt raised for the year, £10.8m this year compared to £10.1m last year. ASC debt represents the majority of our debt collection activity. The percentage value of aged debt over 5 months (compared to the total debt outstanding) is higher due to the different values of debt raised in March 2016 (£8.6m) compared to March 2017 (£5.7m) leading to a reduced total of debt outstanding at the end of this financial year. Aged debt continues to be a high priority focus area with a continuous

improvement approach to continually re-engineer systems and processes. Regular ASC debt case review meetings ensure that the most appropriate steps are taken to recover debt promptly in consideration of the residents' circumstances and in accordance with the Care Act.

Revenue Savings Summary 2016/17 (£'000)				
Service description	Target	Achieved	Slipped	Unachieved
Saving				
ASC	7,955	3,831	4,124	-
BSD / Orbis	312	312	-	-
CS	4,985	4,725	200	167
CET	3,117	3,117	-	-
GS	180	180	-	-
Centrally Held	3,000	3,000	-	-
Total Savings	19,549	15,165	4,324	167
Variations to Planned Savings				
Permanent Variations	-	(107)	-	-
Total Permanent Savings & Variations	19,549	15,058	4,324	167
Temporary Variations	-	1,527	(1,527)	-
Total Savings with Variations	19,549	16,585	2,797	167
Savings RAGs:				
Achieved / Green	= on track to deliver in the year			
Slipped / Amber	= on track to deliver but not in the year, and there may be an offset variation			
Unachieved / Red	= will not be delivered but there may be an offset variation			

Adult Social Care 2016/17 (£'000)					
Service description	Description of savings proposal	Target	Achieved	Slipped	Unachieved
Savings					
Supporting People	Remove Supporting People funding in sheltered housing for long term services.	1,234	1,125	109	-
Supporting People	Remove Supporting People funding for on-site support within Extra Care Schemes.	103	101	2	-
Supporting People	Refuge Services: review and realign service provision.	80	72	8	-
Supporting People	Home Works: review and realign service provision to target people with the highest needs.	300	268	32	-
Supporting People	Reduction in staffing: Supporting People team	95	83	12	-
Commissioning Grants Prospectus	Review, reduce and recommission services and support funded through the Prospectus	297	297	-	-
Joint health and social care funded services	Through the East Sussex Better Together Programme, review funding arrangements for Prospectus services and support funded by health and social care.	1,020	860	160	-
Management and Support	Structural change: Adult Social Care	1,000	835	165	-
Joint Funding Arrangements	Realignment of services and support packages funded across health and social care.	2,500	-	2,500	-
Learning Disability Directly Provided Services: Group Homes	Consolidation of Group Homes	250	-	250	-
Learning Disability Community Support and ChoicES employment service	Service reconfiguration	130	130	-	-
Mental Health Residential and Nursing Strategy	Reduce level of spend and numbers of people with mental health problems in residential and nursing care settings	500	-	500	-
SAILS (Supported accommodation and independent living solutions)	Reduction in the level of Supporting People weekly placement funding	346	-	346	-
Fees and Charges	Review fees and charging policies and procedures	100	60	40	-
Total Savings		7,955	3,831	4,124	0
Variations to Planned Savings					
-		-	-	-	-
Permanent Variations		0	0	0	0
Total Permanent Savings & Variations		7,955	3,831	4,124	0
ESBT: Contribution to partly mitigate pressures		-	1,527	(1,527)	-
Temporary Variations		0	1,527	(1,527)	0
Total Savings with Variations		7,955	5,358	2,597	0

Business Services / Orbis 2016/17 (£'000)					
Service description	Description of savings proposal	Target	Achieved	Slipped	Unachieved
Savings					
ESCC savings from efficiencies generated by the Orbis partnership		312	312	-	-
Total Savings		312	312	0	0
Variations to Planned Savings					
-		-	-	-	-
Permanent Variations		0	0	0	0
Total Permanent Savings & Variations		312	312	0	0
-		-	-	-	-
Temporary Variations		0	0	0	0
Total Savings with Variations		312	312	0	0

Children's Services 2016/17 (£'000)					
Service description	Description of savings proposal	Target	Achieved	Slipped	Unachieved
Savings					
Early Help	Withdraw from the current County Council funded universal open access/drop in activity sessions at children's centres; integration of health visiting and children's centres and streamlining of management; some reduction in years 2 and 3 in targeted one to one support for vulnerable families and young people.	2,071	2,008	107	-
Children's Support Services (including Music, Watersports, DofE and Safeguarding qualify assurance)	Reduction of management and administrative posts, more agile working, reducing support to operational managers requiring managers to self serve. Enhancing digital offer and encouraging channel shift to reduce demand from the public and internal staff, reduction in training budget and income generation. Reviewing policies. Reduction in Safeguarding staffing based on on-going forecasted trend of reductions in LAC and CP plans. Greater use of digital technology for YP participation and CP and LAC reviews.	309	350	23	-
Home to School Transport	Review of post 16 discretionary transport and HTST policy, regular review of transport arrangements at pupil level to ensure most cost effective provision.	173	173	-	-
Locality Services	Reconfiguration of services and reduction in staffing at both practitioner and management levels and in ongoing support to families.	992	922	70	-
Specialist Services	Reduction in staffing alongside income generation	138	138	-	-
LAC	Reduction in LAC numbers and a continued focus on keeping children in more cost effective in-house placements. Reduction in staffing	884	717	-	167

Children's Services 2016/17 (£'000)					
Service description	Description of savings proposal	Target	Achieved	Slipped	Unachieved
	levels (including adoption services), and discretionary transport for LACs following change of care placement				
YOT	Reduction in specialist posts in the YOT	124	124	-	-
SLES	Reduction in specialist posts and staff numbers, increase in traded activity and school to school support	171	171	-	-
ISEND	Reduction in staff posts, reduced placement costs and service redesign in Year 3	123	123	-	-
Total Savings		4,985	4,725	200	167
Variations to Planned Savings					
Early achievement of Early Help (£44k) and Support Services (£63k) savings to be carried forward to 17/18		-	(107)	-	-
-		-	-	-	-
Permanent Variations		0	(107)	0	0
Total Permanent Savings & Variations		4,985	4,618	200	167
-		-	-	-	-
-		-	-	-	-
Temporary Variations		0	0	0	0
Total Savings with Variations		4,985	4,618	200	167

Communities, Economy & Transport 2016/17 (£'000)					
Service description	Description of savings proposal	Target	Achieved	Slipped	Unachieved
Savings					
Transport and Operational Services	Use of the Parking Surplus to contribute towards the supported bus network and concessionary fares budget	630	630	-	-
Waste Disposal	Change to the management of the Corporate Waste Reserve; efficiency improvements, with partners, of the service; and maximising income generation opportunities	1,780	1,780	-	-
Transport Hub	Restructure of Transport Hub teams	75	75	-	-
Rights of Way and Countryside Management	Efficiency savings in the Rights of Way and Countryside sites service	50	50	-	-
Total Operations and Contract Management		2,535	2,535	0	0
Planning and Environment Service	Development Control, Transport Development Control and Environment	20	20	-	-
Total Economy		20	20	0	0
Library and Information Service	Libraries Transformation Programme - internal review of the Library and Information Service	425	425	-	-
The Keep	Improved staff utilisation across a range of functions, increased income generation and reduction in sinking fund	77	77	-	-
Trading Standards	Continued modernisation of the Trading Standards Service	60	60	-	-
Total Communities		562	562	0	0
Total Savings		3,117	3,117	0	0
Variations to Planned Savings					
-		-	-	-	-
Permanent Variations		0	0	0	0
Total Permanent Savings & Variations		3,117	3,117	0	0
-		-	-	-	-
Temporary Variations		0	0	0	0
Total Savings with Variations		3,117	3,117	0	0

Governance 2016/17 (£'000)					
Service description	Description of savings proposal	Target	Achieved	Slipped	Unachieved
Savings					
Comms	Service redesign and some income generation	115	115	-	-
Legal Services	Income generation	25	25	-	-
Senior Management & Organisational Development		40	40	-	-
Total Savings		180	180	0	0
Variations to Planned Saving					
-		-	-	-	-
Permanent Variations		0	0	0	0
Total Permanent Savings & Variations		180	180	0	0
-		-	-	-	-
Temporary Variations		0	0	0	0
Total Savings with Variations		180	180	0	0

Adult Social Care and Health – end of year 2016/17

Summary of progress on Council Priorities, issues arising, and achievements

2016/17 summary of successes and achievements – Between April 2016 and March 2017, 100% (4,709) of working age adults and older people supported by Adult Social Care (ASC) received self-directed support. 97.6% of new clients who received short-term services to increase their independence made no further request for support. 946 adults with a learning disability were in settled accommodation, an increase from 869 in 2015/16. 1,794 referrals were made to the Memory Assessment Service. 90.5% of older people discharged from hospital to reablement between October and December 2016 were at home 91 days after discharge.

Adult Social Care Survey – The results of the 2016/17 ASC Survey show that, of adults in receipt of Long Term Support: 79.4% found it easy to find information about services; 51.3% felt that they had as much social contact as they would like; 69.9% felt extremely or very satisfied with their care and support; 83.6% felt that they had as much control over their daily life as they would like; and, clients self-reported experience of social care (quality of life) is 19.9 out of 24.

Since 2015/16, six of the seven national ASC Outcomes Framework measures informed by the survey have seen improvements.

Carers Survey – The results of the 2016/17 Carers Survey show that: 87.0% of carers say they have no worries about their personal safety; and, 73.9% of carers feel they have been included or consulted in decisions about the person they care for.

East Sussex Better Together (ESBT) – Progress continues to be made including defining the elements of the operating model that will see us through the Accountable Care Organisation transitional year and help inform the development of the formal Alliance arrangements by 2018. Significant progress has been made in defining the following elements of the Target Operating Model: Strategic and Locality Planning Cycle and Framework; delivery model for year 1; and delivery model for year 2. Further work is being undertaken to define and shape the Responsible Authority and business infrastructure functions. This will ultimately inform the resource requirements required to take us into the formal Alliance arrangements.

Shared Lives Scheme – Our Shared Lives Scheme was rated as outstanding following an inspection by the Care Quality Commission (CQC) in January. The inspectors said *“We received numerous examples of how the ethos of the service had a particularly positive impact on people’s lives. Through family life, people had been given real self-esteem and were supported to increase independence. For some this was in relation to achievements such as learning to shower independently and for others this included travelling for the first time or having the courage and confidence to see if they could live independently”*.

Milton Grange Care Home – Milton Grange was rated as outstanding following an inspection by the CQC in February. The inspectors said *“We found Milton Grange to be a value led service where staff fully engaged with and promoted the values of the provider. This was evident throughout our inspection. People were supported by staff who had a strong understanding of them as individuals and their needs. They were empowered and encouraged to plan and meet their rehabilitation goals to enable them, as far as possible, to return home. Staff worked closely with community health professionals and therapists to maximise people’s well-being.”*

Safer Communities – The Safer Communities Board have agreed the proposal for the partnership’s future priorities that have been highlighted as causing the most threat, risk and harm to community safety in East Sussex. The board also signed off the East Sussex Safer Communities Partnership’s Business Plan April 2017 to March 2020 which has been published on the Safe in East Sussex website (<http://www.safeineastsussex.org.uk/>)

For those areas that have not been agreed as priorities, it is important to note that these are being dealt with through other partnership structures. It is also important to note that the partnership remain interested and involved in these areas of work and will provide support where appropriate.

Domestic, Sexual Violence & Abuse and Violence Against Women and Girls – A Domestic Abuse Surgery is now available at the Citizens Advice Bureau in Eastbourne. Through the surgery, women and men over the age of 19, as well as young people aged 16-18 will be able to access specialist information and advice. The surgery is provided as part of The Portal, which provides help and support for survivors of domestic and sexual violence and abuse in Brighton & Hove, and East Sussex.

Two new services have been commissioned by Hastings and Rother Clinical Commissioning Group (CCG) as part of ‘Healthy Hastings and Rother’, a scheme that was set up to tackle health inequalities in the area. The existing Change Grow Live (CGL) Hastings and St Leonards service is introducing a hospital based Health Independent Domestic Violence Advisor (HIDVA), as well as an Independent Domestic Violence Advisor, to work with GP surgeries in the area. CGL will work with partner organisations RISE and Survivors Network, under the umbrella of the Portal Domestic Abuse Partnership, to ensure the best service can be provided to those who need support.

During 2016/17 77% of people who had been affected by domestic violence and abuse and exited the specialist domestic abuse and sexual violence service completed the programme of support. The programme assists people to be better able to cope and / or improves their self-esteem. Performance for this period was below the target of 80%. The increased demand for services during 2016/17 has impacted on performance and additional work has been undertaken to improve service provision, including the implementation of a demand management plan and increased resources to deliver the service (**ref ii**).

During 2016/17 78% of people who had been affected by rape, sexual violence and abuse and exited the specialist domestic abuse and sexual violence service completed the programme of support. The support programme assists them in being more in control of their lives and / or more optimistic about the future. Although the 80% target was not met, of the individuals who completed the programme and completed a survey, 86% said they now felt confident asking for help and support when they need it (**ref iii**).

Public Health Campaigns

- Winter Warmth - a range of communications activity was delivered to support Stay Well This Winter key messages and to promote the Winter Home Check and 'coldAlert' services. A range of training and information sessions were made available to help staff to identify and refer vulnerable patients living in a cold home to local services (109 professionals received training provided by national fuel poverty charity NEA and a total of 1,143 frontline staff were engaged during 2016/17). This activity contributed to the highest annual number of referrals received by the East Sussex Winter Home Check service – 817 from April 2016 to February 2017 (March figures not yet available). At 31 March 2017 there were 535 people registered to receive 'coldAlerts' in East Sussex, an increase of 338 since November 2016.
- Seasonal Flu – A large number of residents saw the flu campaign. Based on an annual survey, 61-70% of people recalled it as a standout campaign from the Council. Information on getting the flu vaccination was displayed on the Council website. Between October and December 2016 56,731 residents viewed the homepage. At the same time the flu intranet article was the most viewed article, with around 1,600 views from Council staff.
- One You - One You supports you to make simple changes to become a healthier you. We ran four One You Facebook adverts during January which directed residents through to the One You quiz. Over 70,889 people saw the One You story and over 2,800 clicked through to the quiz. We used different messages for each advert- three location based: 'Hastings', 'Eastbourne', 'East Sussex'; and one weight-loss based 'jeans getting a bit tight?' The 'jeans getting a bit tight?' advert was available to everyone in East Sussex and was by far the most engaging, with 70% of the total viewers coming from that one advert.
- Stoptober - The national 'Stoptober' campaign 2016 was scaled down, so in East Sussex we scaled up our local campaign. Instead of asking people to sign up to Stoptober, we used the national Stoptober imagery, and made it local and directed people to their local quit smoking service, Quit 51. As a result of our campaign we achieved 42 sign ups, which is considerable.

Health Trainers – An outturn of 93% (588/632) has been achieved against a target of 85% of people completing a health trainer intervention who achieve their primary or secondary goal. Examples of primary goals include; at least 150 minutes of physical activity each week or eating at least five portions of fruit and vegetables each day. Examples of secondary goals include reducing the amount of time undertaking sedentary activities or cutting down on high fat/high sugar snacks.

Exceptions

People who use services say that those services have made them feel safe and secure – The results of the 2016/17 ASC Survey (**ref i**) show that 83.6% of adults in receipt of long term support felt that their services made them feel safe and secure. This target of 87% has therefore not been met. Please note that these results are yet to be validated and are therefore subject to minor changes.

This indicator is one of seven national ASC Outcomes Framework measures informed by the survey. The other six have seen improvements since 2015/16. In relation to the other indicators it should be noted that a separate measure monitors how safe adults receiving care services feel generally. Between 2015/16 and 2016/17 performance has increased significantly from 70.9% to 77.6%. This suggests that a larger proportion of adults supported by ASC feel safe regardless of the services they receive, so their service provision is less likely to have an impact as there is no expectation for services to make them feel safer.

Safeguarding framework – Following an audit in February 2017, 81% of managers have either stated that all their staff have completed the safeguarding competency framework or provided justifiable reasons for not completing the framework by the end of December 2016. Justifiable reasons include long term sick leave, maternity leave etc. (**ref iv**) All outstanding managers have now confirmed that their staff have completed the safeguarding competency.

Support with Confidence (SWC) – The current membership at end of March 2017 is 174 SWC members (**ref v**). The scheme has successfully met the 2016/17 target of reaching 161 members. At the end of year there are 111 Personal

Assistants and 63 care and support businesses approved on the scheme. There are 68 applications on the SWC application ledger currently going through the accreditation process.

Health and Social Care Connect (HSCC) – The date for capturing health referrals in Liquid Logic has been postponed to enable updates to be made following changes to the HSCC referral form and Service Specification Key Performance Indicators. Once live the measure around number of contacts resolved at initial contact (**ref vi**), can be reported from 2017/18.

The average handling time across all five priority response targets (**ref vii**) during 2016/17 was 90.4% therefore not meeting the target. Throughout the year handling times have continued to improve despite seeing a 14% increase in the number of contacts received by the service.

Direct Payments (DP) – At 28th February 2017, 33.3% of ASC clients were receiving DP (1,575 people). Sustainability of performance in relation to DP appears to be an issue experienced by many local authorities. 51 out of 152 authorities saw a drop in their DP performance between 2014/15 and 2015/16. In East Sussex the previous high performance was driven by the significant number of adults who moved to DP in 2015/16 but many have subsequently chosen to have a commissioned service instead, therefore ending their DP. This will continue to affect our ability to improve performance around this measure. Over the next financial year planned improvements will continue to improve support at the start of a direct payment and how some DP clients pay their client contribution.

Despite seeing a drop in performance from 35.6% in 2015/16, based on 2015/16 benchmarking, East Sussex would still rank 39th nationally out of 152 local authorities.

Stop Smoking Services – There has been some improvement in performance during Q3 (reported a quarter in arrears) (**ref viii**), with 243 individuals achieving a four week quit in the specialist service against a target of 273 (89% of target). This is in response to the delivery of actions agreed as a result of the contract query notice which was raised in the previous quarter. Performance in GP practices and pharmacies remains below expectations (achieving 66% of target in Q3 – 97 4 weeks quits against of 147) and this is impacting on overall performance. Recent work to engage with pharmacists across the county appears to be having a positive impact with a number of pharmacies agreeing to take steps to re-engage with programme. The Specialist Stop Smoking Service is currently being re-commissioned as part of an Integrated Lifestyle Service to improve access to the full range of behaviour change support due to commence delivery in August 2017. As a result the level of influence on the current provider is limited.

NHS Health Checks – Due to the successful delivery of the NHS Health Check programme within primary care during the last three years, many practices have already offered nearly all of their eligible patients an NHS Health Check (**ref ix**). This has impacted on the number of offers being made in Q3 (reported a quarter in arrears), with 3.8% of eligible patients being offered a health check, lower than the 5% originally planned. East Sussex remains one of the highest performing local authorities nationally and is currently the third highest performer in the south of England. To further enhance the programme General Practices are being encouraged to re-engage with patients who didn't take up their initial offer of a Health Check. Our community and workplace NHS Health Check programme also continues to support an increase in uptake by groups who are least likely or most unable to take up the offer from their GP.

Access to Genito-Urinary Medicine (GUM) clinics – The provider continues to achieve this target (**ref x**), with performance for April to December 2016 at 96.8%. Reporting is a quarter in arrears.

Revenue Budget Summary

ASC – The outturn position for ASC is an overspend of £2.944m (**ref xvi**), comprising overspends of £2.189m in the Independent Sector (**ref xiv**) and £755,000 within Directly Provided Services and Assessment and Care Management (**ref xv**); compared to an overspend position of £4.692m projected at Q3.

The total net budget of £163.141m incorporates savings totalling £7.955m, £3.831m have been permanently achieved whilst £4.124m have slipped to 2017/18 as a consequence of service overspend and delays in delivering specific service developments. It has previously been reported that we were in discussion with the CCG within ESBT to seek help in mitigating service overspend; £1.527m has been received and is reflected in the outturn position. This mitigation is one-off funding, so the pressure will remain into 2017/18.

Independent Sector: 2016/17 has seen continued pressure on services, with increased panel activity and the average cost of packages at least 5% higher than at the start of the financial year. This has directly impacted on the ability to deliver the £3m savings in Community Based services (**ref xi**), primarily within Physical Support, Sensory Support and Support for Memory Cognition. Learning Disability Support pressures continue as a consequence of unplanned high cost clients and increasing costs through service activity.

Directly Provided Services and Assessment and Care Management: Pressures reflect the slippage and re-phasing of £615,000 of service savings, made up of £160,000 within the Commissioning Grants Prospectus (**ref xii**) and £455,000 for All Other Savings (**ref xiii**), to 2017/18 and staffing pressures, as teams work to meet activity levels.

The ongoing pressure from 2016/17 is included within the 2017/18 approved ESBT Strategic Investment Plan, which

identifies a range of schemes which will mitigate increasing demands on services.

Within the High Weald Lewes Havens area, work continues into 2017/18 to align our plans within the Connecting 4 You programme into a Strategic Investment Plan for 2018/19.

Public Health – The Public Health (PH) budget of £28.747m comprises the PH grant allocation of £28.697m and £50,000 additional Public Health England income for drug/alcohol prevention carried forward from 2015/16. In addition to the PH Grant, £582,000 has been drawn from the underspend reserve to fund PH activity, £2.205m has been drawn from reserves to meet the costs of a number of one-off projects, and £1.165m has been received from Health and other sources to fund the cost of projects, including childhood obesity, community pharmacy and the East Sussex Warm and Healthy Homes Project.

PH Reserves: At 31 March 2017, PH reserves stood at £10.494m, comprising projects (£8.812m), health protection (£1.200m) and underspend (£486,000) reserves.

Capital Programme Summary – The Capital Programme reports a variation of £978,000 on the total budget of £3.298m arising from slippage on LD Service Opportunities of £861,000 (**ref xx**) by the completion of Hookstead slipping to August 2017 from May 2017, and work on the garden at Grangemead now due to be completed by late summer. Further slippage occurred on House Adaptations as a result of lower levels of demand (£64,000 - **ref xxii**), Older People's Services Opportunities (£20,000 – **ref xvii**), Social Care Information Systems (£17,000 – **ref xviii**) and Refurbishment - registration standards where the installation of new carpets at Milton Grange has not been completed in all the rooms (£16,000 – **ref xxiii**).

There has also been a £25,000 overspend on Greenwood (**ref xix**), offset by underspends on LD Service Opportunities (£20,000 **ref xx**) and Warwick House (£5,000 - **ref xxi**).

Performance exceptions (Q1 – Red and Amber RAG rated targets, and amendments Q2-4 – RAG status changed to Red, Amber, Green, and amendments)								
Performance measure	Outturn 15/16	Target 16/17	16/17 RAG				2016/17 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Keeping vulnerable people safe								
87% of people who use services say that those services have made them feel safe and secure	86.9%	87.0%	G	G	G	R	86.3%	i
At exit from the specialist domestic abuse and sexual violence service (Portal), the % of those affected by domestic violence and abuse who are better able to cope and / or have improved self-esteem	82%	80%	G	G	A	R	77%	ii
At exit from the specialist domestic abuse and sexual violence service (Portal), the % of those affected by rape, sexual violence and abuse who are more in control of their lives and / or more optimistic about the future	81%	80%	G	G	A	R	78%	iii
100% of existing staff complete framework by December 2016, and 100% of new staff complete framework within 6 months of commencing role.	New measure	100%	G	G	G	R	81%	iv
Priority - Helping people help themselves								
10% increase in the number of providers registered with Support With Confidence	146 providers	161 providers	A	A	A	G	174	v
Health and Social Care Connect: >70% of contacts are resolved at initial contact (Level 1)	New measure	>70%	G	G	G	R	'Go live' date for referral system postponed	vi

Performance exceptions (Q1 – Red and Amber RAG rated targets, and amendments Q2-4 – RAG status changed to Red, Amber, Green, and amendments)								
Performance measure	Outturn 15/16	Target 16/17	16/17 RAG				2016/17 outturn	Note ref
			Q1	Q2	Q3	Q4		
Health and Social Care Connect: % of referrals triaged and progressed to required services within required timescales	New measure	Establish baseline	G	G	G	R	90.4%	vii
Number of persons attending East Sussex NHS Stop Smoking Services who quit smoking four weeks after setting a quit date.	2,041	2,102	R	R	R	CO	Q1 to Q3 – 972 Reported a quarter in arrears	viii
Proportion of the eligible population offered a NHS Health Check	22% (39,971)	20%	G	A	A	CO	Q1 to Q3 – 12.4% Reported a quarter in arrears	ix
Access to Genito-Urinary Medicine (GUM) clinics - % First attendances seen within 2 working days	96.9%	95%	G	G	G	CO	Q1 to Q3 – 96.8% Reported a quarter in arrears	x

Savings exceptions (Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)					
Service description	2016/17 (£'000)				Note ref
	Target	Achieved	Slipped	Unachieved	
Savings					
Community Based Services: Review and focus on services to meet personal care needs, in line with personal budgets	3,000	-	3,000	-	xi
Commissioning Grants Prospectus	1,317	1,157	160	-	xii
Supporting People	2,158	1,649	509	-	
All Other Savings	1,480	1,025	455	-	xiii
Total Savings	7,955	3,831	4,124	0	
Variations to Planned Savings					
None	-	-	-	-	
Permanent Variations	0	0	0	0	
Total Permanent Savings & Variations	7,955	3,831	4,124	0	
ESBT: Contribution to partly mitigate pressures	-	1,527	(1,527)	-	
Temporary Variations	0	1,527	(1,527)	0	
Total Savings with Variations	7,955	5,358	2,597	0	

Revenue budget										
Divisions	Planned (£000)			2016/17 (£000)						Note ref
				End of year outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Adult Social Care:										
Physical Support, Sensory Support and Support for Memory & Cognition	90,643	(40,294)	50,349	92,307	(40,953)	51,354	(1,664)	659	(1,005)	
Learning Disability Support	45,078	(4,002)	41,076	45,792	(4,027)	41,765	(714)	25	(689)	
Mental Health Support	7,985	(1,178)	6,807	8,319	(1,017)	7,302	(334)	(161)	(495)	
Subtotal Independent Sector	143,706	(45,474)	98,232	146,418	(45,997)	100,421	(2,712)	523	(2,189)	xiv
Physical Support, Sensory Support and Support for Memory & Cognition	15,889	(4,808)	11,081	16,619	(5,428)	11,191	(730)	620	(110)	
Learning Disability Support	8,852	(1,256)	7,596	8,726	(1,215)	7,511	126	(41)	85	
Mental Health Support	2,437	(2,413)	24	2,222	(2,163)	59	215	(250)	(35)	
Substance Misuse Support	407	(126)	281	774	(505)	269	(367)	379	12	
Equipment & Assistive Technology	7,032	(4,021)	3,011	7,767	(4,615)	3,152	(735)	594	(141)	
Other	4,874	(2,445)	2,429	4,671	(2,216)	2,455	203	(229)	(26)	
Supporting People	9,156	(990)	8,166	9,059	(525)	8,534	97	(465)	(368)	
Assessment and Care Management	27,183	(2,924)	24,259	26,762	(2,342)	24,420	421	(582)	(161)	
Management and Support	21,375	(14,086)	7,289	21,545	(14,248)	7,297	(170)	162	(8)	
Service Strategy	1,074	(301)	773	1,075	(299)	776	(1)	(2)	(3)	
Subtotal Directly Provided Services	98,279	(33,370)	64,909	99,220	(33,556)	65,664	(941)	186	(755)	xv
Total Adult Social Care	241,985	(78,844)	163,141	245,638	(79,553)	166,085	(3,653)	709	(2,944)	xvi
Total Safer Communities	723	(337)	386	839	(453)	386	(116)	116	0	
Public Health:										
Health Improvement services	4,341	(4,341)	-	4,619	(4,619)	-	(278)	278	-	
Drug and alcohol services	6,101	(6,101)	-	6,101	(6,101)	-	-	-	-	
Sexual health services	4,160	(4,160)	-	4,060	(4,060)	-	100	(100)	-	
Health Visiting & School Nursing	8,769	(8,769)	-	8,769	(8,769)	-	-	-	-	
NHS Health Checks	930	(930)	-	662	(662)	-	268	(268)	-	
Other programmes and non-contracted services	4,446	(4,446)	-	4,536	(4,536)	-	(90)	90	-	
Deposit to Underspend Reserve	-	-	-	-	-	-	-	-	-	
Subtotal Core Service	28,747	(28,747)	0	28,747	(28,747)	0	0	0	0	
Core Services funded from PH Underspend Reserve	1,139	(1,139)	-	583	(583)	-	557	(557)	-	
One Off Projects funded from Projects Reserve	3,869	(3,869)	-	2,204	(2,204)	-	1,664	(1,664)	-	
Health and Grant Funded Projects	1,165	(1,165)	-	1,165	(1,165)	-	-	-	-	
Total Public Health	34,920	(34,920)	0	32,699	(32,699)	0	2,221	(2,221)	0	

Capital programme									
Approved project	Total project – all years (£000)		2016/17 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
OP Service Improvements	536	536	25	5	20	-	20	-	xvii
Social Care Information Systems	4,258	4,258	131	114	17	-	17	-	xviii
Greenwood, Bexhill	429	454	6	31	(25)	(25)	-	-	xix
LD Service Opportunities	5,112	5,092	2,890	2,009	881	20	861	-	xx
Warwick House, Seaford	7,299	7,294	85	80	5	5	-	-	xxi
Extra Care / Supported Accommodation Projects:									
Sidley, Bexhill-on-Sea	877	877	70	70	-	-	-	-	
Continuing Programme:									
House Adaptations for People with Disabilities	2,719	2,719	64	-	64	-	64	-	xxii
Refurbishment – Registration standards	2,373	2,373	27	11	16	-	16	-	xxiii
Total ASC Gross	23,603	23,603	3,298	2,320	978	0	978	0	

Business Services – end of year 2016/17

Summary of progress on Council Priorities, issues arising, and achievements

2016/17 summary of successes and achievements – We have continued to carry out a due diligence process throughout Q4 in order to provide the assurance for Brighton & Hove City Council joining the Orbis partnership. This has included a baseline exercise of the financial plan and service provision, a review of the Inter Authority Agreement and engagement with stakeholders.

Orbis was awarded runner up for the Innovation category at the 2017 Institute for Continuous Improvement in Public Services awards in March. The award recognises what the Orbis Partnership has achieved to date and the engagement and involvement of our people through our transformation.

High risk internal audit recommendations – We aim for 95% of high risk internal audit recommendations to be addressed by management. The Internal Audit team have liaised with management throughout the year to ensure that the necessary action is taken as a priority. At the end of Q4, 100% of high risk recommendations have been implemented, with no recommendations overdue.

Property operations – During 2016/17, we have achieved an outturn of £146 cost of occupancy of corporate buildings per sq metre, which exceeds our target of a 2% reduction on 2015/16 costs. The main cost reductions have been secured in energy, where a reduction of 30% on 2015/16 spend has been achieved resulting from investment in 'greener' plant and improved controls. Service charge costs have also reduced by 40%; and planned maintenance spend has reduced following historical investment in a programme leading to reduced liability in subsequent years.

During 2016/17, the Strategic Property Asset Collaboration in East Sussex (SPACES) partnership has focused on strategic activity including the 'Collaborative Workspace' workstream which is about sharing hot desk spaces for partner staff across the county and is expected this will go live over the summer period. There has also been focus on supporting health activities (including East Sussex Better Together), aligning contract templates, funding bids and other activities to make the day to day work between partners run more smoothly.

Four co-location projects have been delivered during 2016/17:

- Coroners hearings being held at Hastings Borough Council Premises every Tuesday.
- Public Health England co-located with Department of Work and Pensions in Eastbourne.
- Hove Town Hall accommodating Brighton Clinical Commissioning Group, along with Brighton & Hove City Council and Sussex Police.
- East Sussex Fire and Rescue Service HQ moved to Sussex Police HQ in Church Lane, Lewes.

A further £2.4m of benefits were measured as delivered across all of the partner organisations over the year. There are 29 further projects currently underway.

We successfully bid for Phase 5 of One Public Estate, with £100k being awarded for 2017/18 for feasibility activity around seven projects to co-locate emergency services. There is a further £75k allocated which will be granted in 2018/19 when we demonstrate that we can deliver benefits regarding capital receipts, reduced revenue costs and housing within the initial project activity.

Reduction in CO2 emissions – We aim to reduce the amount of CO2 arising from Council operations by 3% on the 2015/16 outturn. This year has seen a difference in performance between schools and non-schools. Whereas non-schools achieved a 4.1% reduction, schools are showing a 2.9% increase. As a result, overall carbon reduction is 0.4% in 2016/17. Schools' performance in Q4 significantly worsened in comparison to the first three quarters, with Q4 2016/17 showing a 22% increase in gas consumption compared to Q4 2015/16 (analysis indicates that billing and data issues are not a significant factor). To date, 19 schools have completed a course of four energy efficiency workshops, with schools that have taken part in the workshops performing better than those that have not yet taken part (2% reduction compared to a 4.4% increase). The energy efficiency workshops with schools will continue. Work is also continuing on a schools lighting programme, which commenced in 2016/17. Nine projects have been completed or are committed to go ahead, with a further seven in the pipeline. More schools will be engaged in this programme throughout 2017/18. Other notable projects in 2016/17 included refurbishment at Grangemead and County Hall insulation and windows replacement.

Social Value – Our target for 2016/17 was to increase the percentage of Council procurement spend with local suppliers to at least 48%. Our outturn for spend with local suppliers over the last 12 months is 50% which achieves our target and amounts to £196.8m spent with local suppliers. 6,976 Local suppliers were used in Q4.

This year we had a target for 70% of new and relevant Council procured contracts awarded following a tender process to include an Employability and Skills Plan (ESP). Six contracts were awarded in Q4; four were out of scope of the measure (due to value being below £100k) and two were Framework contracts which deliver employment and skills as part of the Framework requirement. The remaining contracts forecasted in Q3 to secure ESPs in Q4 have not been

awarded due to procurement activity being delayed or moved into 2017/18 (**ref i**). Through the shared apprentice / work experience scheme, our Property contracts delivered three apprenticeships in Q4. As a result of our work with suppliers, we have been able to directly contribute to 24 apprenticeships, three work experience places and one job creation this year.

As reported in Q3, an alternative social value measure has been developed, re-focusing from ESPs. Therefore for 2017/18 onwards, a Social Value Measurement Charter has been developed to provide an open, fair and transparent method for evaluating the social value proposals submitted by bidders during the tender process. Bidders will be invited to review the measures in the Social Value Measurement Charter and submit a proposal on how they will be able to contribute to the Council's social value priorities, should they be successful in being awarded the contract. The social value committed is in addition to the contract deliverables.

Savings achieved through procurement, contract and supplier management activities – Savings signed off for 2016/17 are £6m against a target of £6.5m. Our revised forecast at the end of Q3 was £6.2m however we were unable to reach it as £120,000 worth of savings weren't realised for the Cradle Hill school expansion. The actual costs exceeded the pre-tender estimate due to additional works being instructed alongside site restrictions. The remaining projects have moved into 2017/18 where the savings are now being forecasted.

IT & Digital infrastructure – We carried out an IT and Digital Customer Survey during Q4 to establish the percentage of staff satisfied that the IT tools provided are the right ones to do their job. 87% of staff replied that they were either Somewhat Satisfied, Mostly Satisfied or Completely Satisfied that the technology tools provided are effective in enabling them to do their job. This is a significant improvement on the 2015/16 outturn of 79%. 99.8% of key services were available during core hours during Q4 (08:00 to 17:00 Monday to Friday except Local Area Network, where availability has been extended to be 24/7), with 99.6% availability for the year overall, exceeding our target of 99%. Weekend and planned unavailability is excluded.

Wellbeing – The 2016/17 sickness absence outturn for the whole authority (excluding schools) is 8.73 days lost per FTE employee, which represents a decrease of 4% since 2015/16. Stress related absence has seen a significant reduction. However it still continues to be the primary driver of absences across the organisation.

A number of management and support measures are in place to reduce and sustain reductions in absence. In addition to those referenced in previous quarters, activities included:

- Management information such as tailored guidance for managers to support them to deal with certain absence reasons such as stress. New reports are also in place to identify employees within their probation who have a high level of sickness absence and to highlight the action managers can take at an early stage.
- Management Support including a series of videos providing guidance on the short term absence process and keeping in touch during a long term absence. These videos have been well received and viewed over 1,000 times since September 2016.
- Training and development activities such as a course which aims to build individual resilience and is centred on the use of mindfulness techniques. Free 'drop in' mindfulness sessions continue to run in Eastbourne and Lewes, in addition to the Council's participation in an online mindfulness pilot programme (through Local Government Association funding) to support staff to be resilient at work. 60 members of staff have participated in this course which completed on 31 March 2017. The evaluation is now in process and will include data and recommendations for the future direction for employees who are absent with stress-related illness and will be published nationally.
- Return to Work (RTW) initiatives. Dedicated reports relating to teams which have particularly low RTW compliance rates are being produced and sent to the managers in question, as research from FirstCare indicates that this has produced beneficial results in other comparable organisations. We are exploring the utilisation of 'dynamic RTW meetings' and on-line submission of RTW documentation which would provide pre-set question banks for specific conditions, for example stress and musculoskeletal absences in order to address issues which may increase the possibility of a recurrence of the absence. The relevant questions have now been agreed and the form is set launch in May 2017 supported by a dedicated communication plan.

Revenue Budget Summary – The 2016/17 Business Services net revenue budget is £21.8m and includes the Council's contribution to the Orbis Joint Operating budget of £15.2m. The final outturn position is an underspend of £1.8m, this is mainly from the savings made in Orbis, the Council's contribution to Orbis savings is £0.9m (**ref vi**). Orbis services have delivered £2.9m of 2017/18 savings in 2016/17, in addition there have been £0.5m of one-off Orbis savings, making total savings of £3.4m (**ref vii**). There are also variances in Property (£0.7m), IT & Digital (IT&D) (£0.2m) and Management (-£0.2m). The Property variance is mainly due to one-off reduced building maintenance spend where there have been savings as a result of the favourable weather and some delays to schemes due to resourcing issues (**ref iv**). The IT&D underspend is from one-off software licence savings and additional recharge income (**ref v**). The management variance is mainly due to increased contractor costs (**ref ii**).

The full year variance is a change of £1.2m compared to Q3 monitoring, the change is largely as a result of a change in practice for accounting for any Property maintenance underspend. In previous years any underspend was transferred to capital however this has not happened this year, causing a change in outturn of £0.5m. The other major change is

the increased Orbis saving of £0.4m and higher than anticipated recharge income in IT&D. The underspend in Personnel and Training has been carried forward as a reserve to address the likely pressure from the apprenticeship levy on Support for Young People (**ref iii**).

Capital Programme Summary – The 2016/17 Business Services Capital Programme budget is £14.8m and Services have spent £11.1m and plan to spend £3.7m in future years. The largest variance is in Building Improvement where extended tender processes, longer re-evaluations of building usage and reduced spend on external consultants has led to slippage of £1.4m (**ref x**). The consultation periods for the Property Agile programmes at St Marks and for County Hall parking are longer than anticipated leading to a £1.2m re-profile of spend into future years (**ref ix**). Procurement delays for the local area network project and allocations to the Information Management programme will be made in future years, leading to a year end variance of £0.7m on ICT Strategy Implementation (**ref xi**). There has also been less than planned take up of Salix loans this year, causing a year end variation of £0.3m (**ref viii**).

The full year BSD variance is £0.5m more than anticipated in Q3, this is mainly the ICT Strategy Implementation where spend is £0.3m less than anticipated, largely because of the Information Management Programme delays until 2017/18. In addition, the delays to the County Hall window replacement programme reduced spend on Building Improvements by £0.1m and less Salix grant take up of £0.1m.

It was agreed at Capital Strategic Asset Board that the budget responsibility for Schools Basic Need projects would be transferred to Property, therefore these budgets (£198m) are now reported as part of this appendix and are shown in the expanded Capital Programme table below. The Schools Basic Need Programme has underspent by £0.7m and £0.8m of spend will now take place in future years (**ref xii**). The savings are mainly from releasing contingencies on completed schemes and the re-profile of send to future years is largely on a few schemes which will complete in Easter 2017 rather than in 2016/17. These variances were not anticipated in Q3, hence the reduced spend of £1.8m since the last report.

Council Plan Performance Exceptions (Q1 – Red and Amber RAG rated targets, and amendments Q4 – RAG status changed to Red, Green, and Carry Overs)								
Performance measure	Outturn 15/16	Target 16/17	16/17 RAG				2016/17 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Driving economic growth								
Percentage of new and relevant County Council procured contracts awarded following a tender process, that include an Employability and Skills Plan	42%	65%	G	G	G	R	No contracts awarded with an Employability and Skills Plan	i

Savings exceptions (Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)					
Service description	2016/17 (£'000)				Note ref
	Target	Achieved	Slipped	Unachieved	
Savings					
ESCC savings from efficiencies generated by the Orbis partnership	312	312	-	-	
Total Savings	312	312	0	0	
Variations to Planned Savings					
	-	-	-	-	
Permanent Variations	0	0	0	0	
Total Permanent Savings & Variations	0	0	0	0	
	-	-	-	-	
Temporary Variations	0	0	0	0	
Total Savings with Variations	312	312	0	0	

The table below represents the East Sussex 2016/17 Revenue Budget, and includes a line which is the contribution to Orbis Partnership. The second table shows the total Orbis Partnership 2016/17 Revenue Budget, of which East Sussex hold a 30% share.

Revenue Budget

Divisions	Planned (£000)			2016/17 (£000)						Note ref
				End of year outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Management	54	(302)	(248)	246	(300)	(54)	(192)	(2)	(194)	ii
Personnel & Training	303	(383)	(80)	392	(410)	(18)	(89)	27	(62)	iii
Finance	2,994	(1,745)	1,249	5,052	(3,865)	1,187	(2,058)	2,120	62	
Procurement	4	(86)	(82)	7	(28)	(21)	(3)	(58)	(61)	
Non Specific Budgets	262	-	262	208	(70)	138	54	70	124	
Property	23,763	(19,636)	4,127	23,825	(20,396)	3,429	(62)	760	698	iv
IT&D	5,993	(5,534)	459	5,741	(5,526)	215	252	(8)	244	v
Business Ops	80	-	80	79	-	79	1	-	1	
Contribution to Orbis Partnership	16,054	-	16,054	15,159	-	15,159	895	-	895	vi
Orbis Investment	-	-	-	812	(797)	15	(812)	797	(15)	
Total BSD	49,507	(27,686)	21,821	51,521	(31,392)	20,129	(2,014)	3,706	1,692	

Orbis Partnership Revenue Budget

Divisions	Planned (£000)			2016/17 (£000)						Note ref
				End of year outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Business Operations	11,215	(5,449)	5,766	11,865	(6,065)	5,800	(650)	616	(34)	
Finance	10,706	(1,324)	9,382	10,493	(1,704)	8,788	214	380	594	
HR	5,569	(566)	5,004	5,065	(625)	4,440	505	59	564	
IT&D	19,113	(1,587)	17,526	18,083	(1,900)	16,183	1,030	314	1,343	
Management	2,038	-	2,038	1,745	-	1,744	294	-	294	
Procurement	3,664	(154)	3,510	3,552	(42)	3,510	112	(112)	-	
Property	11,394	(1,197)	10,197	10,886	(1,309)	9,576	508	112	620	
Total Orbis	63,700	(10,276)	53,423	61,687	(11,645)	50,042	2,012	1,369	3,381	vii
ESCC Contribution	0	0	16,054	0	0	15,159	0	0	895	

Capital programme

Approved project	Total project – all years (£000)		2016/17 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Core Systems Development	1,470	1,470	9	10	(1)	-	-	(1)	
The Link	2,718	2,718	69	0	69	-	69	-	
SALIX Contract	4,032	4,032	380	74	306	-	306	-	viii
AGILE	9,031	9,031	3,748	2,619	1,129	(66)	1,195	-	ix
Capital Building Improvements	87,015	87,015	9,048	7,602	1,446	-	1,446	-	x
ICT Strategy Implementation	27,389	27,389	1,550	829	721	66	655	-	xi
BSD Gross	131,655	131,655	14,804	11,134	3,670	0	3,671	(1)	
Managed by Property on behalf of Children’s Services:									
St Peters Chailey	229	229	4	4	-	-	-	-	
Claverham – Diplomar Exemplar retention	-	8	-	8	(8)	(8)	-	-	
Mobile Replacement Programme	8,079	8,079	168	134	34	-	34	-	
Etchingham School	7,563	7,563	72	72	-	-	-	-	
St Mary Magdalene - retention	844	844	6	6	-	-	-	-	
Universal Infant Free School Meals	1,954	1,954	579	605	(26)	-	-	(26)	
Early Years	3,031	3,031	117	110	7	-	7		
Basic Need Programme	176,055	175,317	16,856	15,362	1,494	738	756		
BSD (for CSD) Gross	197,755	197,025	17,802	16,301	1,501	730	797	(26)	xii
Total BSD Gross	329,410	328,680	32,606	27,435	5,171	730	4,468	(27)	

Children's Services – end of year 2016/17

Summary of progress on Council Priorities, issues arising, and achievements

2016/17 summary of successes and achievements

Inspection – In December 2016 Ofsted and the Care Quality Commission (CQC) jointly inspected the local area's effectiveness in identifying and meeting the needs of children and young people who have Special Educational Needs and/or Disabilities (SEND). The inspection letter notes '*...a strong commitment to improving outcomes for children and young people who have special educational needs and/or disabilities that is shared by professionals across the county*' that '*Leaders have taken urgent action to address areas of weaknesses and improve services*' and '*They have correctly identified where improvements need to be made and in many cases have addressed these with some success.*' The findings of the inspection are being used to secure further improvements.

Early Years – 86.2% of eligible 2 year olds took up a place with an eligible early years provider which is above the national average of 70%. At the Early Years Foundation Stage 75.7% of pupils achieved a good level of development which is 6.4% above the national figure of 69.3%.

Key Stage 4 attainment – The 2016 overall Progress 8 Score for East Sussex is +0.04 which is significantly above the national Progress 8 Score of -0.03.

Education, Employment or Training (EET) not known – The proportion of academic age 16-17 year olds (year 12 and 13) whose EET situation is not known is 1% (106 young people out of a cohort of 11,064) which is better than the national figure of 2.7% and the South East figure of 3.5%. In East Sussex the proportion of 16 year olds whose situation is not known is 0.4% (24/5,396) and the proportion of 17 year olds is 1.4% (82/5,668). Finding out where our young people are, what they are doing and who needs support has been our priority so that we can prioritise and assign support accordingly. We plan to use this data further to help inform wider aspects of our work and that of other directorates, including Economic Development, to help identify needs/gaps as well as inform and shape provision.

Ofsted judgement of schools – 91.5% of Primary schools in East Sussex are judged by Ofsted to be good or outstanding against the national average of 90.8%. 100% of Special schools are judged by Ofsted to be good or outstanding against the national average 93.9%.

Service user feedback – 86.5% (539/623) of survey respondents agreed that things have changed for the better as a result of getting targeted support from Early Help services or Children's Centre Keywork services. Questionnaires are given to young people, parents/carers and keywork families to complete when their case closes.

85% (398/468) of respondents to a survey agreed that things have changed for the better as a result of Inclusion and SEND Provider Services in Q4. Pupils, parents, nurseries and schools complete the questionnaires either at the end of short term interventions or at agreed stages part way through longer term interventions.

Adoption – The average time (in days) between a child entering care and moving in with its adoptive family, for children who have been adopted, for the three year period 2013 – 2016 was 517 days against a national figure of 558 days. We continue to be ambitious about placing the children with more complex needs with adopters.

Rate of Looked After Children (LAC) – The final outturn for the rate of LAC is 53.3 per 10,000 against a target of 51.6 for 2016/17. Of the 564 children, 24 are Unaccompanied Asylum Seeking Children (UASC). The Council is committed to accepting the equivalent of 0.07% of our total child population (72 children) over 3 years, this equates to a further 48 young people (UASC) who will either come to the Council via the National Dispersal Scheme or present, for example, via Newhaven. The outturn for this measure currently masks however the achievement of sustaining the reduction in the number of LAC, as the rate of LAC excluding Unaccompanied Asylum Seeking Children (UASC) is below the target at 51.0 per 10,000 (540 children).

Attainment for LAC at Key Stage 4 in academic year 2015/16 – The proportion of LAC, who have been looked after continuously for at least 12 months, April 2015 – March 2016, who achieve positive Progress 8 scores (**ref i**) in East Sussex was -1.28 against a national average for LAC of -1.14 and a South East score of -1.14. This is a new measure of progress from academic year 2015/16. The Department for Education has also made available average Attainment 8 scores of children who have been looked after continuously, for East Sussex this was 24.5 against a national score for LAC of 22.8 and a South East score of 21.8. The proportion of LAC who achieved A* to C GCSE in English and maths (**ref ii**) in East Sussex was 18.8% compared to the national rate of 17.5% and the South East rate of 16.4%.

Participation in education, training or employment with training – At Q4 95.9% of young people were meeting the duty of RPA (Raising the Participation Age) by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 16 (Year 12) (**ref iii**), which is above national (95.2%) and south east (94%) levels as at February 2017 and an improvement on 95.5% in 2015/16. However, we have not met the ambitious target of 97%. The target for academic age 17 (Year 13) of 88% was achieved with a total of 88.6% recorded as meeting the duty to participate, an increase from 88.4% in March 2016.

The percentage of Looked After Children (LAC) participating in education, training or employment with training at academic age 16 (Year 12) at Q4 is 71.8% (23/32) against a target of 84% (**ref iv**), and at academic age 17 (Year 13) at Q4 is 71.1% (32/45) against a target of 70% (**ref v**).

One of the key reasons why the targets were not both met was due to unexpected and significant delays in the European Social Fund/Department of Works and Pensions/Skills Funding Agency monies and many contractors/sub-contractors still finalising their programmes to support children Not in Education, Employment or Training (NEETs) or those at risk of becoming not known. We have also introduced a re-engagement programme (I Can) with the Youth Employability Service (YES) and LAC to support those who are actively seeking EET and we expect more young people to sign up to this in the coming months.

Percentage of annual SEND review meetings where the child gave their view and /or participated – In Q4 86.1% (124/144) young people either gave their views and/or participated in their annual review meeting, the cumulative percentage for 2016/17 was 83.9% (969/1,155) against a target of 90% (**ref vi**). The shortfall is due to changes in the annual review system and the focus in 2016/17 on completing academic age 16 (year 11) reviews, for which it is more difficult to secure pupil voice. There has also been an increase in the number of emergency annual reviews requesting changes to placements which are less likely to include the pupil's views as, in many cases, their engagement in education will have reduced. Annual Review training has been planned with schools which will include a focus on embedding pupil voice.

Number of households eligible under the government's Troubled Families programme receiving a family support intervention – The number of households receiving a family support intervention in Q4 was 298 and the total for 2016/17 was 876 against a target of 1,014 (**ref vii**). Following an update from The Department of Communities and Local Government in January 2017, we are not required to reach our in-year target of 1,014 households receiving a family support intervention in the programme and the focus is on our cumulative target of 1,771 households receiving a family support intervention for the programme to date which we have achieved.

However, East Sussex Troubled Families performance is in the top 10% of local authorities nationally. In Q4, there were 161 successful payment by results claims, and a total of 652 for the year which represents a conversion rate of 56% (the percentage of cases being closed where a claim can be made). This is a significant improvement upon last year's conversion rate of 31%.

Revenue Budget Summary – At Q4 the department's provisional outturn is an overspend of £2.481m (**ref xii**) against a net revenue budget of £64.954m. During Q4, the department faced continued pressure across a number of services, to help mitigate this, teams have strived to make additional savings and review all expenditure resulting in a reduction to the Q3 forecast overspend of £0.482m.

During Q4, pressure continued to grow within Education and ISEND by £0.081m compared to Q3, resulting in an overspend at year end of £2.193m (**ref x**). The ISEND team has continued to monitor this pressure by reviewing individual cases and challenging individual costs. The department has also sought to mitigate these pressures through savings in other divisions. Early Help and Social Care has reduced its overspend by £0.254m to £0.796m (**ref ix**) - this has mainly been achieved through careful staff management, delayed recruitment and a review of all expenditure within the service. Communications, Planning and Performance have reduced their overspend by £0.267m to £0.060m (**ref xi**). This is primarily due to a small reduction in Home to School Transport costs.

Within the above outturn position, £4.725m (**ref viii**) of the planned £4.985m savings for 2016/17 were achieved, with a further £0.200m slipped to future years. The remaining £0.167m is within LAC and is currently due to be unachieved because of the additional agency placements discussed previously. The department will continue to seek mitigations through 2017/18. These savings figures also include £0.107m of savings brought forward from within the MTFP.

Capital Programme Summary – Spending for the year has remained broadly on track, with the exception of £0.088m slippage (**ref xiii**). The slippage relates to late invoicing in relation to the Lansdowne Secure Unit Grant Project and a delayed start for the Family Contact Project due to delays in obtaining quotes.

Performance exceptions (Q1 – Red and Amber RAG rated targets, and amendments Q4 – RAG status changed to Red, Green, and Carry Overs)								
Performance measure	Outturn 15/16	Target 16/17	16/17 RAG				2016/17 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Driving economic growth								
Proportion of LAC who achieve positive Progress 8 scores (Key Stage 4)	N/A	Ac year 15/16 equal to or above the national average for LAC	G	G	A	R	East Sussex -1.28 National -1.14	i
Proportion of LAC who achieve A* - C in GCSE in English and maths	N/A	Ac year 15/16 equal to or above the national average for LAC	G	G	A	G	East Sussex 18.8% National 17.5%	ii
% of young people meeting the duty of RPA (Raising the Participation Age) by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 16 (year 12)	96%	97%	G	G	A	R	95.9%	iii
% of LAC participating in education, training or employment with training at academic age 16 (year 12)	89%	84%	G	G	A	R	71.8% (23/32)	iv
% of LAC participating in education, training or employment with training at academic age 17 (year 13)	78%	70%	G	G	A	G	71.1% (32/45)	v
Priority – Helping people help themselves								
Percentage of annual SEND review meetings where the child gave their view and /or participated	90.1%	90%	G	A	A	R	83.9%	vi
Number of households eligible under the government's Troubled Families programme receiving a family support intervention.	895	1014	A	A	A	R	876 (cumulative total 1771)	vii

Savings exceptions (Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)					
Service description	2016/17 (£'000)				Note ref
	Target	Achieved	Slipped	Unachieved	
Savings					
Early Help	2,071	2,007	107	-	
Children's Support Services (including Music, Watersports, DofE and Safeguarding quality assurance)	309	350	23	-	
Home to School Transport	173	173	-	-	
Locality Services	992	922	70	-	
Specialist Services	138	138	-	-	
Looked after Children	884	717	-	167	
Youth Offending Team	124	124	-	-	
SLES	171	171	-	-	
ISEND	123	123	-	-	
Total Savings	4,985	4,725	200	167	viii
Variations to Planned Savings					
Early achievement of Early Help (£44k) and Support Services (£63k) savings brought forward	-	(107)	-	-	
Permanent Variations	0	0	0	0	
Total Permanent Savings & Variations	4,985	4,618	200	167	
	-	-	-	-	
Temporary Variations	0	0	0	0	
Total Savings with Variations	4,985	4,618	200	167	

Revenue budget										
Divisions	Planned (£000)			2016/17 (£000)						Note ref
				End of year outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Central Resources	3,307	(7,234)	(3,927)	2,534	(7,029)	(4,495)	773	(205)	568	
Early Help and Social Care	58,090	(11,233)	46,857	60,671	(13,018)	47,653	(2,581)	1,785	(796)	ix
Education and ISEND	74,857	(6,872)	67,985	76,378	(6,200)	70,178	(1,521)	(672)	(2,193)	x
Communication, Planning and Performance	19,878	(3,837)	16,041	20,209	(4,108)	16,101	(331)	271	(60)	xi
DSG non Schools	-	(62,002)	(62,002)	-	(62,002)	(62,002)	-	-	-	
Schools	166,446	(166,446)	-	166,446	(166,446)	-	-	-	-	
Total Children's Services	322,578	(257,624)	64,954	326,238	(258,803)	67,435	(3,660)	1,179	(2,481)	xii

Capital programme									
Approved project	Total project – all years (£000)		2016/17 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
ASDC (Aiming High Short Breaks: Disabled children)	829	829	13	13	-	-	-	-	
Family Contact	188	188	38	6	32	-	32	-	
House Adaptions for Disabled Children’s Carers	1,468	1,468	74	77	(3)	-	-	(3)	
Schools Delegated Capital	12,683	12,683	1,831	1,831	-	-	-	-	
Schools Information Hub – Czone replacement	230	230	147	144	3	-	3	-	
Lansdowne School Grant	261	261	261	208	53	-	53	-	
Robertsbridge Sports Hall	15	15	15	15	-	-	-	-	
Exceat Canoe Barn Changing Rooms	24	24	24	22	2	-	2	-	
Total CSD Gross	15,698	15,698	2,403	2,316	87	-	90	(3)	xiii

Communities, Economy & Transport – end of year 2016/17

Summary of progress on Council Priorities, issues arising, and achievements

2016/17 summary of successes and achievements – 114 Learndirect and Learn My Way courses were completed in our libraries in Q4, making a total of 363 during 2016/17; numbers were boosted by the introduction of our new IT for You project which aims to improve people's IT skills. 41 businesses were awarded funding as part of East Sussex Invest (ESI) 4 and are expected to create 130 jobs. 15 companies were supported by Locate East Sussex to either start-up or relocate into East Sussex from outside the county in 2016/17, 20 further existing companies were supported to relocate within the county. Funding was secured which will allow Locate East Sussex to continue and expand over the next three years. Over 2,500 extra premises are able to be connected to superfast broadband as part of our second contract to roll out access across the county. 75 apprentices have been recruited by the Council, Costain CH2M and schools; the retention rate for apprentices is 92%. The road condition statistics for 2016/17 were published in Q3, with the percentage of principal and non-principal roads requiring maintenance remaining the same as 2015/16 and the level of unclassified roads requiring maintenance falling; 180 carriageway asset improvement schemes costing £16m have taken place in 2016/17. STEAMfest, a series of events designed to encourage young people to study STEAM (Science, Technology, Engineering, Arts, Mathematics) subjects was delivered, 627 students and over 30 East Sussex businesses attended the 'BIG BANG event' in Eastbourne as part of the programme. We secured £128,000 funding from Arts Council England to run the 'Advantage East Sussex' programme in our libraries; the programme will include activities such as coding clubs for children, wellbeing boxes to support mental health and support for people with visual impairment to use specialist equipment and software.

Paragraphs marked (GS) below highlight important contributions to the East Sussex Growth Strategy.

Inward Investment (GS) – As part of ESI 4 a total of 41 businesses have been awarded funding during 2016/17; they are predicted to create 130 jobs and leverage £3.8m of private sector funding. ESI 4 has now closed and ESI 5 launched in April 2017. Our bid to the European Regional Development Fund (ERDF), in partnership with Essex County Council, to continue, expand and enhance our inward investment services was successful. As a result, the budget for Locate East Sussex will be doubled over the next three years to £420,000 per year, with the contract to run the new service, which started on 1 May 2017, awarded to the Lets Do Business Group.

Broadband (GS) – By the end of 2016/17 2,508 additional premises were able to connect to superfast broadband as part of our second contract. Final speed data for our first contract will now be available in 2017/18, but this is expected to be in line with the speeds reported at Q3, where 82% of premises were able to access speeds of 24mbps or above.

Apprenticeships (GS) – A total of 75 apprentices have started during 2016/17, 21 with the Council, nine with Costain CH2M and 45 in schools. Of the 100 apprentices who should still be part of a programme at the end of 2016/17, 15 have left with seven of these moving into a positive outcome; giving a retention rate of 92%. 67 young people participated in a work readiness programme during 2016/17, below the target of 80 (**ref i**). A number of courses scheduled for 2016/17 were delayed to April 2017 due to implementation of the Apprenticeship Levy. Despite the reduced number of young people attending courses, the target for the number of apprentices recruited in 2016/17 was met.

Cultural Destinations (GS) – The Tourism South East research into tourism in East Sussex is now being disseminated throughout the county and has been published on East Sussex in Figures. A conditional offer has been received for our Cultural Destinations funding bid, subject to securing all relevant match funding. We've launched a successful marketing campaign in main line London railway stations called 'Sussex Modern', promoting the county as a tourist destination (**ref iii**).

Newhaven Port Access Road – Geotechnical investigation work started in Q4 to inform the detailed design of the railway bridge and discussions with Network Rail on how this will be progressed are ongoing. Work has continued to develop the procurement documents necessary for tendering to take place at the end of Q1 2017/18. Work on the business case and the final tender price for submission to the Department for Transport in Q2 2017/18 continues. Main construction work is scheduled to commence in Q4 2017/18 (**ref ii**).

Terminus Road, Eastbourne – Construction of pedestrian improvements, using shared street space principles, to complement the improvements being made to the Arndale Centre has been delayed due to issues with the relocation of bus stops. Consultation on the relocations is due to take place in the first half of 2017/18, with construction of the pedestrian improvements scheduled to start in January 2018.

Employability and Skills – Four task group meetings have taken place, with each identifying campaigns which will be delivered in 2017 to promote skills in targeted sectors. STEAMfest 2017 delivered in school activity days to 838 year 7 and 8 students, with 120 students attending tailored Science, Technology, Engineering, Maths (STEM) University lectures and a further 627 students and over 30 East Sussex businesses attending the 'BIG BANG event' in Eastbourne.

Road Safety – The £1m Road Safety programme has continued to progress well; behavioural change experts have begun a detailed analysis of the county's crash data to identify trends and groups who will be amenable to behavioural change. The initial recommendations from this analysis will be presented to the project board in late April, followed by a trial of the suitable recommendations. We continue to work with the Sussex Safer Roads Partnership and local Road Safety Partnerships to target our resources effectively to address factors identified as having the potential to reduce the number of people Killed and Seriously Injured (KSI) on the county's roads. Provisional data shows that there were 383 KSI on our roads between January and December 2016, with 25 of these fatalities; of these 52 KSI and three fatalities occurred on trunk roads which are the responsibility of Highways England. This is a 9% increase in the number of KSI compared to 2015, and a 14% increase in fatalities. Compared to the 2005-2009 average the 2016 totals are a 1% increase in the number of KSI but a 24% reduction in the number of fatalities.

School Safety Zones – Following a review of the design options and crash history for the proposed scheme at St Richard's school in Bexhill it was decided that this scheme would not be taken forward. A review of the proposed scheme at Christchurch School in St Leonards is being carried out to ensure the design meets the defined objectives and is proportionate to the safety issues in the area. As neither scheme has been completed the target for 2016/17 has not been met (**ref iv**).

Trading Standards – Nine workshops were delivered in Q4 to 180 delegates, on topics such as Building Bridges to Care Professionals, and Safe, Warm & Healthy. During 2016/17 a total of 26 workshops were delivered to 599 delegates.

Working alongside community support volunteers officers visited 22 victims of financial abuse in Q4 to return mail containing cash and bank account details. Five call blockers were installed to the telephone lines of victims being persistently targeted by telephone fraudsters. The Rapid Action Team made two interventions in Q4 to prevent vulnerable people signing unfavourable contracts with doorstep tradesmen. During 2016/17 114 positive interventions have been made for vulnerable people who have become the target of rogue trading or financial abuse.

Revenue Budget Summary – The expected outturn position is an underspend of £441k and the department has delivered all of the planned savings. The main underspends are on: Highways £33k (**ref ix**), Libraries, due to the early delivery of savings and increased income, £160k (**ref vi**), Management and Support, due to staff vacancy and the decision to fund additional work at Hastings Library from capital budgets, £155k (**ref v**), and an increase in the income within the Registration Service within Communities £41k (**ref vii**). There are a number of smaller under and overspends across the service. In Operations and Contract Management, there is a net overspend of £79k (**ref viii**). This results from a £410k overspend within the Waste Service due to an increase in the tonnage of waste being disposed of, which is partially offset by a reduction in the cost of leachate management due to dry weather; this is further offset by underspends in Concessionary Fares where the number of journeys has been lower than originally planned, £187k; Transport Services due to staff vacancies and where the expected increase in the cost of a bus service did not materialise, £58k; and Payment to Operators where the cost of the Uckfield service is being met from the capital budget and not revenue as planned, £51k.

Capital Programme Summary – At outturn there is a spend of £47.531m against an approved budget of £54.967m. The net slippage of 7.437m is mainly due to Queensway Gateway Road due to delays in discharging planning conditions £1.879m (**ref xvi**), North Bexhill Access Road where the need to redesign a bridge structure has caused delays £1.592m (**ref xv**), Bexhill to Hastings Link Road due to delays including the negotiation of a number of land compensation payments £974k (**ref xiii**), Integrated Transport where there is contractor slippage in a number of projects including Uckfield Town Centre £592k (**ref xvii**), Broadband where the expected payment to BT was not made as expected as it formed part of their share of costs £406k (**ref xii**), Economic Intervention Fund where funds committed as loans and grants have not been drawn down by applicants £255k (**ref xiv**), Library Refurbishment due to a change in the scope of the Battle Library scheme £323k (**ref xi**), Hastings Library where delays are due to the discovery of the need to replace major stonework £318k (**ref x**). There are other smaller slippages across CET schemes. Works on highways maintenance schemes £468k and street lighting replacement £33k, have been accelerated by the contractor, resulting in a £507k spend in advance of the 2017/18 programme (**ref xviii**).

Performance exceptions (Q1 – Red and Amber RAG rated targets, and amendments Q4 – RAG status changed to Red, Green, and Carry Overs)								
Performance measure	Outturn 15/16	Target 16/17	16/17 RAG				2016/17 outturn	Note Ref
			Q1	Q2	Q3	Q4		
Priority – Driving economic growth								
Number of young people completing work readiness courses with the County Council	49	80	G	G	G	R	67	i
Deliver major transport infrastructure – Newhaven Port Access Road	Business Case delayed due to difficulties agreeing scope with Department for Transport (DfT)	Construction commenced	A	A	A	R	Main Construction now programmed to commence in Q4 2017/18.	ii
Deliver Cultural Destinations Action Plan as resources are secured	Tourism South East commissioned to undertake county-wide visitor data stock take	Continue to grow Coastal Cultural Trail	A	A	A	G	Coastal Cultural Trail grown	iii
Priority – Helping people								
Implement School Safety Zones (SSZ) to cover schools rated as high priority	2 zones completed	Implement School Safety Zones at two schools	G	G	A	R	St Richard's SSZ scheme no longer being progressed. Review being carried out for proposed Christchurch School SSZ scheme to ensure design meets the objectives	iv

Savings exceptions

(Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)

Service description	2016/17 (£'000)				Note ref
	Target	Achieved	Slipped	Unachieved	
Savings					
Use of the Parking Surplus to contribute towards the supported bus network and concessionary fares budget	630	630	-	-	
Change to the management of the Corporate Waste Reserve; efficiency improvements, with partners, of the service; and maximising income generation opportunities	1,780	1780	-	-	
Restructure of Transport Hub teams	75	75	-	-	
Efficiency savings in the Rights of Way and Countryside sites service	50	50	-	-	
Development Control, Transport Development Control and Environment	20	20	-	-	
Libraries Transformation Programme - internal review of the Library and Information Service	425	425	-	-	
The Keep - improved staff utilisation across a range of functions, increased income generation and reduction in sinking fund	77	77	-	-	
Continued modernisation of the Trading Standards Service	60	60	-	-	
Total Savings	3,117	3,117	0	0	
Variations to Planned Savings					
	-	-	-	-	
Permanent Variations	0	0	0	0	
Total Permanent Savings & Variations	0	0	0	0	
	-	-	-	-	
Temporary Variations	0	0	0	0	
Total Savings with Variations	3,117	3,117	0	0	

Revenue budget

Divisions	Planned (£000)			2016/17 (£000)						Note ref
				End of year outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Management and Support	1,684	(153)	1,531	2,823	(1,447)	1,376	(1,139)	1,294	155	v
Customer and Library Services	8,589	(2,411)	6,178	8,498	(2,480)	6,018	91	69	160	vi
Communities	3,674	(2,233)	1,441	3,678	(2,370)	1,308	(4)	137	133	vii
Operations and Contract Management	71,290	(36,422)	34,868	65,438	(30,491)	34,947	5,852	(5,931)	(79)	viii
Highways	16,687	(2,595)	14,092	17,291	(3,232)	14,059	(604)	637	33	ix
Economy	2,552	(1,807)	745	2,566	(1,857)	709	(14)	50	36	
Planning and Environment	2,884	(1,968)	916	2,649	(1,736)	913	235	(232)	3	
TOTAL CET	107,360	(47,589)	59,771	102,943	(43,613)	59,330	4,417	(3,976)	441	

Capital programme									
Approved project	Total project – all years (£000)		2016/17 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
The Keep	20,178	20,178	45	37	8	-	8	-	
Ceremonies Website	30	30	30	-	30	-	30	-	
Rye Library	87	87	56	16	40	-	40	-	
Hastings Library	8,466	8,782	3,573	3,255	318	-	318	-	x
Newhaven Library	1,712	1,712	62	23	39	-	39	-	
Southover Grange (formerly The Maltings)	1,307	1,307	1,000	917	83	-	83	-	
Hailsham Library	152	152	152	88	64	59	5	-	
Library Refurbishment Programme	1,983	1,983	348	25	323	-	323	-	xi
Combe Valley Country Park	432	432	8	8	-	-	-	-	
Newhaven ERF	474	474	90	85	5	-	5	-	
Newhaven Household Waste Recycling Site	2,038	2,038	1	1	-	-	-	-	
Travellers Site Bridies Tan	1,348	1,348	34	19	15	-	15	-	
Broadband	25,600	25,600	375	(31)	406	-	406	-	xii
Bexhill to Hastings Link Road	124,309	125,299	3,885	2,911	974	-	974	-	xiii
BHLR Complimentary Measures	1,800	1,800	130	79	51	5	46	-	
Reshaping Uckfield Town Centre	2,500	2,500	1,537	1,511	26	-	26	-	
Exceat Bridge Maintenance	500	500	30	5	25	-	25	-	
Economic Intervention Fund	9,025	9,025	1,552	1,297	255	-	255	-	xiv
Catalysing Stalled Sites	916	916	116	117	(1)	-	-	(1)	
EDS Upgrading Empty Commercial Properties	500	500	53	53	-	-	-	-	
EDS Incubation Units	1,500	1,500	-	-	-	-	-	-	
North Bexhill Access Road	10,602	10,602	6,192	4,600	1,592	-	1,592	-	xv
Queensway Gateway Road	6,000	6,000	3,000	1,121	1,879	-	1,879	-	xvi
Newhaven Flood Defences	1,500	1,500	800	800	-	-	-	-	
Sovereign Harbour/Site Infrastructure	1,700	1,700	1,170	1,170	-	-	-	-	
Swallow Business Park	1,400	1,400	895	895	-	-	-	-	
LGF Business Case Development	196	196	196	30	166	-	166	-	
Coastal Communities Housing	25	25	25	-	25	-	25	-	
Newhaven Port Access Road	23,219	23,219	582	554	28	-	28	-	
Street Lighting Invest to Save	737	737	17	16	1	1	-	-	
Local Sustainable Transport Fund - ES Coastal Towns	2,477	2,477	280	121	159	-	159	-	

Capital programme									
Approved project	Total project – all years (£000)		2016/17 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Local Sustainable Transport Fund - Travel choices for Lewes	1,196	1,196	2	2	-	-	-	-	
Eastbourne and Hastings Light Reduction	3,704	3,703	9	8	1	1	-	-	
Eastern Depot Development	1,586	1,586	200	28	172	-	172	-	
Newhaven Swing Bridge	1,548	1,546	35	33	2	2	-	-	
Waste Leachate Programme	250	250	11	11	-	-	-	-	
Hastings and Bexhill Junction Walking & Cycling Package	250	250	-	-	-	-	-	-	
Eastbourne/South Wealden Walking & Cycling Package	1,750	1,750	400	208	192	-	192	-	
Hastings and Bexhill Junction Improvement Package	1,893	1,893	-	-	-	-	-	-	
Hailsham/Polegate/Eastbourne Sustainable Transport Corridor	2,600	2,600	250	151	99	-	99	-	
Integrated Transport - LTP plus Externally Funded	46,553	46,553	5,981	5,389	592	-	592	-	xvii
Speed Management	2,948	2,948	122	93	29	-	29	-	
Terminus Road Improvements	6,250	6,250	695	554	141	-	141	-	
Highway Structural Maintenance	103,038	103,038	18,538	19,006	(468)	-	-	(468)	
Bridge Assessment Strengthening	16,860	16,860	1,134	936	198	-	198	-	
Street Lighting - Life Expired Equipment	7,902	7,902	867	900	(33)	-	-	(33)	
ROW CAMS System	30	30	24	19	5	-	5	-	
Rights of Way Surface Repairs and Bridge Replacement	4,617	4,617	465	470	(5)	-	-	(5)	
Total CET Gross	455,688	456,991	54,967	47,531	7,436	68	7,875	(507)	xviii

Governance – end of year 2016/17

Summary of progress on Council Priorities, issues arising, and achievements

Reconciling Policy, Performance and Resources (RPPR) – The RPPR process has been key to ensuring that the Council has been able to deliver its priorities whilst making savings of £16.6m in 2016/17 and has enabled Members to make informed decisions about plans for 2017/18, when a further £9.1m savings will need to be made. In making those decisions members had data available to them about the changing needs of the county's residents and our available resources. There were opportunities for all members to have input into the process and plans were shared and discussed with a wide range of partners, service users and businesses.

Devolution – Targeted devolution has taken a “strategic pause” throughout Q4 to enable the Government's position on a number of key policy areas to become clear. The “pause” was intended to come to an end after the County Council elections but this has been extended as a result of the general election. Detail on the future of devolution deals and the impacts for areas without a deal will be made clearer following the general election. Partners have been working on and continuing to develop specific pieces of work, namely, to progress the development of the Sub-National Transport Body, Transport for the South East, and to engage with key stakeholders across the Skills sector to co-design the Three Southern Counties (3SC) Skills Strategy.

Supporting democracy – During 2016/17 we supported 188 (46 in Q4) meetings including: six (two in Q4) County Council meetings; 11 (two in Q4) Cabinet meetings; 40 (six in Q4) Lead Member meetings; 46 (13 in Q4) scrutiny committees and review boards; and 85 (23 in Q4) other committees and panels. In addition, 562 (179 in Q4) school admission appeals were received and arranged, plus five (two in Q4) school exclusion appeal hearings.

The Members' ICT and 'paperlight' projects have been implemented this year. The ICT Member Reference Group has reviewed the experience of the 22 Members who trialled the Windows 'hybrid' and have endorsed the use of a Windows 'slimline' device to be introduced for all Members from May 2017. As a result of the 'paperlight' drive, the full year printing cost for meeting papers in 2016/17 was almost £29,000 less than in 2015/16, a 59% reduction.

During 2016/17 we have transformed the school appeals service by introducing a bespoke digital management system. This has improved the experience of those submitting appeals and back-office efficiencies: parents are now able to follow the progress of their appeal online, which has led to fewer phone queries to the team together with savings in paper, printing and postage. The new system functioned well as the number of appeals hit its peak during Q4 with 179 school admission appeals.

Preparations for the May 2017 Council elections continued in Q4 and the elections were held on 4 May 2017. Member Services worked with the Council's Communications and Policy teams and all departments to devise an induction programme for elected Members which is now taking place. Key improvements have been the development of a new Members' Intranet site, a programme of workshops for new Members, and production of new guides to help councillors resolve queries more effectively.

Legal Services – Orbis Public Law (OPL), our joint legal services partnership with Brighton & Hove City Council, and West Sussex and Surrey County Councils, continues to progress, with effective working relationships established across the partners. In our first year we have:

- Established a staff forum group in each office that gives feedback to the Project Board.
- Set up a commercial law pathfinder project that has established common working practices in preparation for single teams across the partnership.
- Completed an advocacy project, which has reviewed court representation in child law proceedings across the four authorities with a view to reducing expenditure on external barristers.
- Used our increased buying power to negotiate more favourable terms for external expenditure including barristers' fees, legal training and legal research materials.
- Held successful manager and staff engagement workshops.
- Established a joint training programme including continuing competency training and Think Change sessions for staff.
- Developed a joint budget approach.
- Registered the trademark for Orbis Public Law.
- Established a joint recruitment protocol.
- Appointed a Business Development Manager.
- Launched OPL noticeboards at each office and an OPL Yammer site which includes a number of special legal interest groups.
- We are also working towards standardising our office practices with the creation of an OPL office manual and a single practice management team.

During Q4 we completed planning and highways agreements securing contributions of £21,399. We also collected

debts and agreed repayment plans for money due to the Council totalling £59,915.

We advised and represented Trading Standards in a prosecution of a farmer pursuant to the Animal Welfare Act which resulted in fines of totalling £11,250 together with £9,300 prosecution costs. We also carried out a further prosecution for fraudulent use of a blue badge (disabled parking) which belonged to a deceased person. The defendant was convicted following a jury trial, at which one of our in-house advocates prosecuted, and is currently awaiting sentence.

We continued to advise Children's Services in pre-proceedings cases to enable families to keep their children within the family. Recent changes to case law, reducing the amount of time a child can be looked after by a local authority without a Care Order, and a general increase in referrals, have seen a sustained increase in cases in 2016/17 with a further 24 sets of proceedings being issued during Q4. The increase in referrals has been reflected nationally. Despite the increasing workload, the average case duration during Q4 was 23.61 weeks, well within the Government's target of 26 Weeks. This was achieved within the existing resources of the team. The figures are produced as part of quarterly monitoring by Legal Services based upon information collated by both Legal Services and Children's Services.

The number of court hearings to ensure that members of the community who are mentally incapacitated are protected continues to be high. In Q4 we made one application to the Court of Protection with nine cases waiting to be issued.

Effective publicity and campaigns – The residents survey showed that almost two-thirds of residents (63%) said the Council kept them well-informed of its services and benefits. The survey also showed good awareness levels of recent Council information and marketing campaigns: two-thirds (67%) of residents were aware of the teacher recruitment campaign, 61% were aware of the offer of free flu jabs, and more than half (51%, rising to 61% among parents) knew about changes to library opening hours.

Media work – During 2016/17 the press office dealt with 841 media enquiries (261 in Q4) and issued 157 press releases (33 in Q4). There were 1,183 media stories about the Council (391 in Q4). Media successes included highlighting the Council's effectiveness in combating Blue Badge fraud in a BBC1 documentary and actively working with journalists to give them a clear and informed understanding of the Council's budget process to enhance their reporting.

Digital and web activity – The Council's main website received 10.5 million page views during 2016/17 (3.3 million during Q4) from almost 1.3 million visitors (390,000 in Q4). Almost two-thirds (63%) of all traffic comes from internet searches but the traffic from social media links has increased by 86% year-on-year. Facebook is by far the biggest social media referrer, responsible for more than 90% of these visits.

In February 2017 a new East Sussex Jobs site, created with colleagues from HR, was activated. It is easier to use, more intuitive and works better on mobile devices. It also presents a stronger, bolder and more cohesive image of the Council as an employer and is designed to appeal more to younger applicants. The site had more than 225,000 users in its first six weeks.

Other major digital and web projects during the year have included the launch of the new online school appeals service and the development of fresher and brighter web and video packages to help in the recruitment of key staff, including care staff and social workers.

Third Sector support – The Voluntary and Community Sector (VCS) infrastructure service schedules for 2017/18 have been agreed with the current providers. The new service schedules include support for developing community resilience, developing formal and informal volunteering, and the countywide VCS network SpeakUp. The Healthwatch service and Independent Health Complaints Advocacy Service contracts were awarded to East Sussex Community Voice for 2017/20, the performance monitoring for the new contract will focus on relationship building with communities and providers, and the role of Healthwatch in informing and influencing service change in health and social care services. Support has also been provided to Public Health and Hastings & Rother Clinical Commissioning Group in developing two new small grants programmes for communities and small to medium sized voluntary organisations, the new programmes will be open during 2017/18.

Health and Wellbeing Board (HWB) – In November 2016 the HWB approved the East Sussex Health and Wellbeing Strategy 2016-2019 and updates to East Sussex Health and Wellbeing Strategy 2013-2016 annual progress report.

SE7 – In Q4, the SE7 made joint representations to Government on: Local Authority budget pressures and the need for a cross-party review of Adult Social Care funding; the need for Government intervention to prevent further Southern Rail industrial action and disruption to the South East economy; and the Industrial Strategy Green Paper. The partnership continues to provide a valuable forum for sharing learning and information on devolution deals, the first phase of Sustainability and Transformation Plans, and Local Government funding announcements.

The Berkshire Local Transport Body, Portsmouth City Council, Southampton City Council, Isle of Wight Council and Local Enterprise Partnerships (Berkshire Thames Valley, Coast to Capital, Enterprise M3, Solent and South East) have agreed to join the SE7 Authorities in establishing a Shadow Sub-National Transport Body (STB) for the South East. Work has focused (and will continue in Q1 of 17/18) on developing a governance model and local and regional priorities for inclusion in the draft Transport Strategy, to be discussed at the first Shadow STB Partnership Board

meeting on 26 June 2017.

World War 1 (WW1) commemorations – Our website (www.eastsussexww1.org.uk) now hosts 205 stories and events, approximately 63% of which have been submitted or contributed to by the public. In Q4, 13,364 users viewed the site 23,702 times; 114% more users and 79% more views than for the same period in 2016. Our WW1 Twitter profile (@EastSussexww1) has 1,460 followers who are regularly making contact to share their WW1 stories. Our sister website, Recording Remembrance (www.recordingremembrance.org.uk), now holds, as a result of engagement by the public, complete records for 146 war memorials across East Sussex; and a further 886 partial records are awaiting completion. During Q4, the public have made 100 contributions to the website; bringing the total number of contributions made to the records by the public to 7,405.

In February, we launched 12 new educational resources for teachers and students, one set on 'Places' in East Sussex, and another on the 'Empire'. In total, the website hosts 30 educational resources for students and teachers, which have been promoted to East Sussex libraries and schools.

We published three new stories in March to commemorate Women's History Month: one on the centenary of the 1917 Russian Revolution and its links to International Women's Day; another on the centenary of the establishment of the Women's Army Auxiliary Corps; and another on the commemorative play 'Raising Lazarus', to be performed at the Attenborough Centre at the University of Sussex in May. Alongside this, we focused our Twitter communications on our wide range of existing stories about women, which led to the website being viewed 8,274 times by 7,011 users in March, an increase of 82% and 89% respectively from Women's History Month last year. The WW1 East Sussex Project Officer gave a talk on women in East Sussex in WW1 at the Keep on International Women's Day, which received local press coverage and was attended by over 55 people.

We continue to release, month by month, digitised copies of our WW1 East Sussex newspapers, and our pages have received 650 views in Q4. Through examinations of the digitised newspapers, we have been able to assist the 'Search Your Past' Family History Service to discover further details about a missing relative during WW1.

Revenue Budget Summary – There were a number of underspends across Governance Services mostly due to staff vacancies and restructures in view of future savings requirements. This enabled the department to transfer £125k to reserves to fund pressures next year including; the Digital Your County project £40k (ref i), Coroners long inquest costs £50k, Ashdown Forest legal work £20k, and Legal Services software development £15k (ref ii). The final position was therefore £1k underspend.

Capital Programme Summary – The implementation of the committee management system (Modern.gov) and case management system (Norwell) is complete. Replacement laptops for Members have been funded from the revenue budget and the capital budget has therefore been moved to 2017/18 to fund future replacement hardware needs.

Performance exceptions

(Q1 – Red and Amber RAG rated targets, and amendments
Q4 – RAG status changed to Red, Green, and Carry Overs)

Performance measure	Outturn 15/16	Target 16/17	16/17 RAG				2016/17 outturn	Note ref
			Q1	Q2	Q3	Q4		
There are no Council Plan targets								

Savings exceptions

(Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)

Service description	2016/17 (£'000)				Note ref
	Target	Achieved	Slipped	Unachieved	
Savings					
Communication Service redesign and income generation	115	115	-	-	
Legal Services income generation	25	25	-	-	
Senior Management & Organisational Development	40	40	-	-	
Total Savings	180	180	0	0	
Variations to Planned Savings					
	-	-	-	-	
Permanent Variations	0	0	0	0	
Total Permanent Savings & Variations	0	0	0	0	
	-	-	-	-	
Temporary Variations	0	0	0	0	
Total Savings with Variations	180	180	0	0	

Revenue budget

Revenue budget										
Divisions	Planned (£000)			2016/17 (£000)						Note ref
				End of year outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Corporate Governance	3,649	(70)	3,579	3,569	(103)	3,466	80	33	113	
Corporate Support Services	3,418	(580)	2,838	3,362	(491)	2,871	56	(89)	(33)	i
Senior Management and Org Development	1,446	(364)	1,082	1,559	(398)	1,161	(113)	34	(79)	ii
Total Governance	8,513	(1,014)	7,499	8,490	(992)	7,498	23	(22)	1	

Capital programme

Capital programme									
Approved project	Total project – all years (£000)		2016/17 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Case Management / Committee Management Systems	86	86	3	3	-	-	-	-	
Total Governance	86	86	3	3	0	0	0	0	

Strategic Risk Register – Q4 2016/17

Ref	Strategic Risks	Risk Control / Response	RAG
New	<p>CYBER ATTACK</p> <p>Examples of the impact of a Cyber Attack to ESCC include:</p> <ul style="list-style-type: none"> • Financial fraud related to phishing of executives and finance staff. • Loss of Personally identifiable information and subsequent fines from ICO (Currently up to £500k rising to 4% of global revenue when GDPR comes into effect May 2018). • Total loss of access to systems that could lead to threat to life. <p>The National Cyber Security Centre (NCSC) has highlighted the substantial risk to British web infrastructure with elevated levels of Cyber Crime being reported against all areas of government.</p> <p>Cyber-attacks often include multi vector attacks featuring internet based, social engineering and targeted exploits against hardware, software and personnel. The remote nature of the internet makes this an international issue.</p> <p>Most attacks leverage software flaws and gaps in boundary defences. The layered defence of ESCC must be evaluated against evolving threats and the ability of our toolset to provide adequate protection.</p>	<p>Security Information and Event Management (SIEM) system capabilities to be expanded to leverage modern standards of detection and prevention. We currently use Logrhythm but are also in discussion with SPLUNK (these are leading suppliers of SIEM solutions). SIEM provides real-time analysis of security alerts generated by network hardware and applications.</p> <p>Education of key staff – Ongoing education of key staff to enable cascading of skills in detection and remediation. Creation of security champions to promote a visible approachable business based security team.</p> <p>Ongoing discussion and communication with the Info Sec industry to find the most suitable tools and systems to secure ESCC infrastructure.</p> <p>E Learning and policy delivery software is being expanded to cover Cyber threat. Active phishing software will be deployed to test our current defences and educate staff around the techniques and methods used by active threats.</p>	R

Strategic Risk Register – Q4 2016/17

Ref	Strategic Risks	Risk Control / Response	RAG
4	HEALTH Failure to secure maximum value from partnership working with the NHS. If not achieved, there will be impact on social care, public health and health outcomes and increased social care cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives.	<p>Implementation of East Sussex Better Together Programme by ESCC and Hastings and Rother CCG and Eastbourne, Hailsham and Seaford CCGs to transform health and social care in the county and deliver the Better Care Fund plan to improve outcomes for East Sussex residents, with robust governance arrangements reporting to County Council and Health and Wellbeing Board. Programme will develop the plan for a clinically and financially sustainable health and social care system in East Sussex. There will also be targeted use of the Better Care Fund to better integrate health and social care and contribute to whole system transformation. From April 2017 the ESBT partners have formed an Alliance and proposals regarding the development of an Accountable Care Organisation, including options around organisational form will be made in July 2017.</p> <p>In High Weald Lewes Havens the Connecting 4 You Programme has now been established to improve health and social care outcomes for residents. The Programme will have implications for management capacity and for the Medium Term Financial Plan. The RPPR process will be used to manage this risk and associated implications.</p> <p>The Sustainability and Transformation Plan for Sussex and East Surrey (STP) was submitted in June. Work to develop and deliver the plan is ongoing. Nine working groups have been formed covering: Acute provision (including mental health); workforce; primary and community care provision; digital improvement, estates; provider productivity improvement, communication and engagement and governance. The next submission is due mid-September.</p>	R
7	SCHOOLS Failure to manage the expected significant reduction in resources for school improvement from 2017/18 and the potential impacts of changing government policy on education, leading to reduced outcomes for children, poor Ofsted reports and reputational damage.	<ul style="list-style-type: none"> •Develop and implement a transition plan so the Standards and Learning Effectiveness Service and schools are prepared for the changes to funding and education policy. This includes: <ul style="list-style-type: none"> -Implementing a service restructure to remove direct delivery of school improvement and further develop commissioning model of school improvement. -Continue to build relationships with academies and sponsors, including the Diocese of Chichester, ensure a dialogue about school performance, including data sharing. •Continue to work with academies and maintained schools through the Education Improvement Partnerships to develop system leadership, school to school support and to broker partnerships. • Continue to broker support to academies to address any performance concerns and investigate the feasibility of trading some LA school improvement services with all schools on a full cost recovery basis. •Where academies do not appear to be accessing appropriate support, bring this to the attention of the DfE, who may exercise their intervention powers. •Continue to build a relationship with the Regional Schools Commissioner to ensure the work of the RSC and the LA do not duplicate and that schools have the support they need. 	R

Strategic Risk Register – Q4 2016/17			
Ref	Strategic Risks	Risk Control / Response	RAG
1	<p>ROADS</p> <p>Wet winter weather, over recent years has caused significant damage to many of the county's roads, adding to the backlog of maintenance in the County Council's Asset Plan, and increasing the risk to the Council's ability to stem the rate of deterioration and maintain road condition.</p>	<p>The additional capital maintenance funding approved by Cabinet in 2013 has enabled us to stabilise the deterioration in the carriageway network and improve the condition of our principle road network.</p> <p>The County Council's asset management approach to highway maintenance is maintaining the overall condition of roads, despite recent winter weather. The preventative approach to the maintenance of the County's highway network is being further rolled out across all highway asset types, including highway drainage.</p> <p>The new highways contract, which commenced on the 1st May, introduced a more preventative approach to highway drainage with the introduction of routine drainage ditch and grip* maintenance. We are also continuing with our targeted approach to gully cleansing, and developing a drainage strategy targeting flooding hotspots.</p> <p><i>*A highway grip is a shallow ditch connecting the road edge to the roadside ditch. Its purpose is to drain rain water from the highway into the roadside ditch.</i></p>	A
5	<p>RECONCILING POLICY, PERFORMANCE & RESOURCE</p> <p>Failure to plan and implement a strategic corporate response to resource reductions, demographic change, and regional economic challenges in order to ensure continued delivery of services to the local community.</p>	<p>We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning. We have adopted a commissioning approach which means evaluating need and considering all methods of service delivery, which includes working with partner organisations to deliver services. The Council Plan sets out targets for a 'One Council' approach to deliver our priorities and is monitored quarterly. The plans take account of known risks and pressures, including demographic changes, to design mechanisms to deliver the Council's priorities. The Autumn Statement confirmed the Government's departmental spending plans and uncertainty about future growth in the national economy. The have been Government announcements on additional funding for older people and a green paper on the issue is expected in the Autumn. The impact of the proposed changes to NNDR also remains a risk.</p>	A
8	<p>CAPITAL PROGRAMME</p> <p>As a result of current austerity, the capital programme has been produced to support basic need only and as a result of this there is no resource for other investment that may benefit the County e.g. that may generate economic growth. Additionally there is a risk, due to the complexity of formulas and factors that impact upon them, that the estimated Government Grants, which fund part of the programme, are significantly reduced. There continues to be a high level of annual slippage.</p>	<p>As a result of the high level Capital Programme Management Review delivery of the programme is much more robust. Governance arrangements have been reviewed and developed in support of this. This includes the Education Sub Board which in part focuses on future need for schools places and will focus on better forecasting of DfE grant. Regular scrutiny, by the Capital and Strategic asset board, of programme and project profiles (both in year and across the life of the programme) have also been timetabled. The Board also proactively supports the seeking of other sources of capital funding, including Local Growth Fund and European grants.</p>	A

Strategic Risk Register – Q4 2016/17			
Ref	Strategic Risks	Risk Control / Response	RAG
9	WORKFORCE Stress and mental health are currently the top two reasons for sickness absence across the Council, potentially leading to reduced staff wellbeing, reduced service resilience, inability to deliver efficient service and / or reputational issues.	<p>A range of initiatives and interventions to support managers and staff in this area are being taken forward. In particular, we have confirmed our commitment to the mental health 'Time for Change' pledge with a number of dedicated activities and have successfully been awarded funding from two sources in order to assist with our 16/17 and 17/18 wellbeing strategy.</p> <p>We have been awarded a grant of £10k from the LGA to develop an online mindfulness programme to support staff to be resilient at work. The programme commenced in January 2017 and the evaluation process will include data and recommendations for the future direction of support for employees who are absent with stress-related illness and improving wellbeing at work. More generally, a joint venture with Public Health offering ESCC staff work based health checks will launch in Spring 2017. The aim is to improve the health and wellbeing of adults aged 40-74 years through the promotion of earlier awareness, assessment, and management. It is anticipated that these checks will help to prevent the onset of cardiovascular disease.</p> <p>In considering stress absences, a new 'wellness tool' has been introduced designed to enable employees and managers to discuss any wellbeing concerns at the earliest possible stage. In addition, an automated process is now in place to ensure that all managers with employees absent due to mental health or stress are contacted by the first and tenth day of absence. The email is sent direct from Firstcare and provides guidance for managers on the resources available to support staff.</p>	A
10	RECRUITMENT Inability to attract high calibre candidates, leading to limited recruitment choices and therefore lack of the expertise, capacity, leadership and/or innovation required to deliver services and service transformation.	Work with departments is underway to understand key areas of recruitment difficulty. Strategies to address this will include refreshing and publicising more clearly the benefits of working in the public sector and ESCC in particular, as well as understanding the different markets we are competing in. To support this, different talent attraction approaches will be developed ranging from apprentices and interns through to highly experienced individuals.	A

Strategic Risk Register – Q4 2016/17

Ref	Strategic Risks	Risk Control / Response	RAG
6	<p>LOCAL ECONOMIC GROWTH</p> <p>Failure to deliver local economic growth, and failure to maximise opportunities afforded by Government proposal to allocate Local Growth Funding to South East Local Enterprise Partnership, creating adverse reputational and financial impacts.</p>	<p>All projects that secured capital funding from the South East England Local Enterprise Partnership (SELEP) have now been completed or construction is underway. SELEP submitted its formal submission for a 3rd round of Local Growth Funding to Government in July 2016. All the projects that Team East Sussex considered were included, with a cumulative value of around £30m to deliver a range of infrastructure projects. We were informed in February 2017 that East Sussex had been successful in securing £13.2m for two projects: £5m towards the transformation project including new conferencing facilities at Devonshire Park, Eastbourne; and £8.2m towards a number of strategic infrastructure investments, creating the opening for new business parks across the county in Hastings/Bexhill, Eastbourne and South Wealden through Seachange Sussex.</p> <p>We have also been working with Coast 2 Capital LEP (Lewes DC sits within both C2C and SELEP areas) following a call in December 2016 for projects that can start spending in Q4 2016/17 using underspend. We have been successful in bidding with a private developer for £1.6m for Newhaven Eastside South, which will create new business workspace. Lewes DC was successful with a further £3.5m on two projects: for Springman House (Lewes), providing a new medical centre and housing; and investment into Railway Quay (Newhaven).</p> <p>In spite of the continued uncertainty around availability of EU funding in the current programme period, work has continued on developing partner bids across the SELEP. Bids to augment the Business East Sussex service were secured in September for the project termed South East Business Boost until June 2019, providing a £1.1m injection to further enhance business support services supporting the growth of local companies (pre start-ups through to established), alongside a SEBB's small grants programme worth approximately £850k to East Sussex. A further bid termed South East Invest was successfully approved in February 2017 and awarded £1.38m over the next three years to May 2020 to enhance and increase our delivery of inward investment services.</p> <p>Whilst we know from Government that there won't be any subsequent rounds of Local Growth Funding, we are engaging with Government on various fronts to help shape what any replacement might look like. We will continue to invest in and develop pipeline projects for subsequent funding programmes, most notably looking towards the potential offered through the devolution of skills and infrastructure funding to the 3 Southern Counties; the Government's Industrial Strategy; and the emerging Sub-National Transport Board, which will enable direct engagement with Highways England and Network Rail to influence their investment programmes.</p>	A

Strategic Risk Register – Q4 2016/17			
Ref	Strategic Risks	Risk Control / Response	RAG
2	<p>ORDINARY RESIDENCE</p> <p>Risk from other areas placing clients in receipt of social care services in East Sussex, and transferring to ESCC the commissioning, care management and funding responsibility for the individual as a result of a successful Ordinary Residence claim.</p>	<p>Dedicated Ordinary Residence Panel set up. The Panel discusses and agrees strategic and legal responses to Ordinary Residence claims from and to other Local Authorities, and directs reporting content. Panel members contact other Local Authorities directly where appropriate, and instruct Legal Services representation (including Counsel, and applications for Secretary of State determination) on behalf of ESCC.</p> <p>Continued awareness raising for ASC operational staff (and particularly Social Care Direct) in line with published guidance on Ordinary Residence, resulting in earlier case referrals to Ordinary Residence team. Guidance for frontline staff was written and issued followed by panel members visiting all ASC Operational teams to deliver presentation and Q&A. OR Inbox established to provide advice to staff and monitor all known incoming/outgoing OR queries and claims.</p> <p>Regular information gathering and reporting to DMT on all Ordinary Residence case referrals and financial projections.</p>	A
11	<p>APPRENTICESHIP LEVY</p> <p>The Government will introduce the Apprenticeship Levy on 6 April 2017. The levy requires all employers operating in the UK, with a pay bill over £3 million each year, to invest in apprenticeships.</p> <p>This creates a potential financial risk for the Council. A Levy contribution of £550,000 will be deducted from the General Fund staffing budget; and £690,000 will be deducted from the (maintained) Schools delegated staffing budgets; but there is no certainty about how much of this will be returned to the budget in 2017-18 in the form of apprenticeship training vouchers.</p>	<p>We will develop a strategy and action plan covering Departments and Schools to maximise the numbers of new and existing staff receiving qualifying apprenticeship training.</p>	G

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Our priorities and delivery outcomes



Driving Sustainable Growth - delivery outcomes

- Employment and productivity rates are high throughout the County
- Individuals, Communities and Businesses thrive in East Sussex with the environment and infrastructure to meet their needs
- The workforce has and maintains the skills needed for good quality employment
- All children progress well from early years into education, training and employment

Keeping vulnerable people safe - delivery outcomes

- All vulnerable people in East Sussex are known to relevant local agencies and services are delivered together to meet their needs
- People feel safe at home
- People feel safe with support services

Helping people help themselves - delivery outcomes

- Commissioners and providers from all sectors put people first when providing services and information to help them meet their needs
- The most vulnerable adults get the support they need to maintain their independence and this is provided at or close to home
- Individuals and communities are supported and encouraged to be responsible, help others and make the most of community capacity and assets

Making best use of resources - delivery outcomes

- Applying strategic commissioning to ensure resources are directed to meet local need
- Working as One Council, both through the processes the Councils uses and the way in which it works, the Council will work in a well-connected way across teams to achieve the priorities
- Working in partnership to ensure that all publicly available resources are used to deliver maximum benefits to local people
- Ensuring the Council achieves value for money in the services commissioned and provided
- Maximising the funding available through bidding for funding and through lobbying for the best deal for East Sussex

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East Sussex Population Growth

2

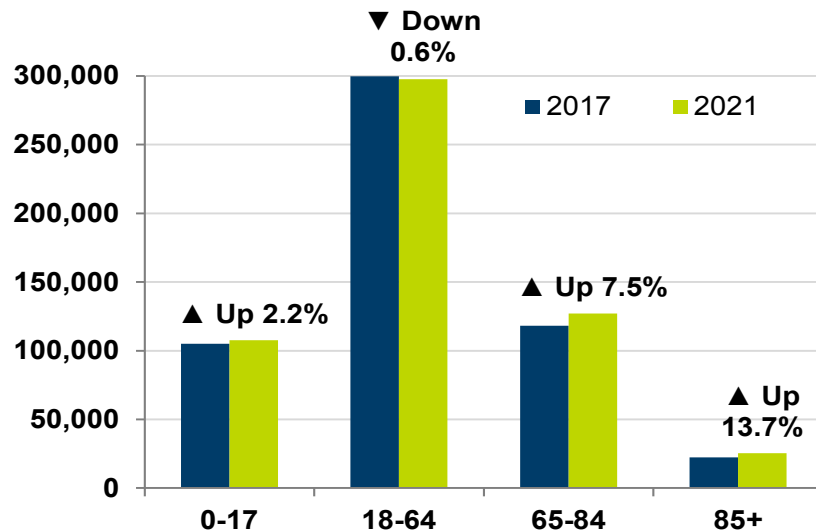
Population 2017 545,400	+	Births 20,600	-	Deaths 22,000	+	Migration in 124,700	-	Migration out 110,800	=	Population 2021 557,900 +12,500 (2.3%)
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Compared to 2017, by 2021 there will be:

- 12,423 more people living in East Sussex (+2.3%), with most growth at ages 65+
- 943 more people aged 85+ in Wealden, up 15.7%; but just 190 (7.4%) more in Hastings
- A 2.2% increase in the number of children and young people (age 0-17)
- A 0.6% decrease in working age population (age 18-64)

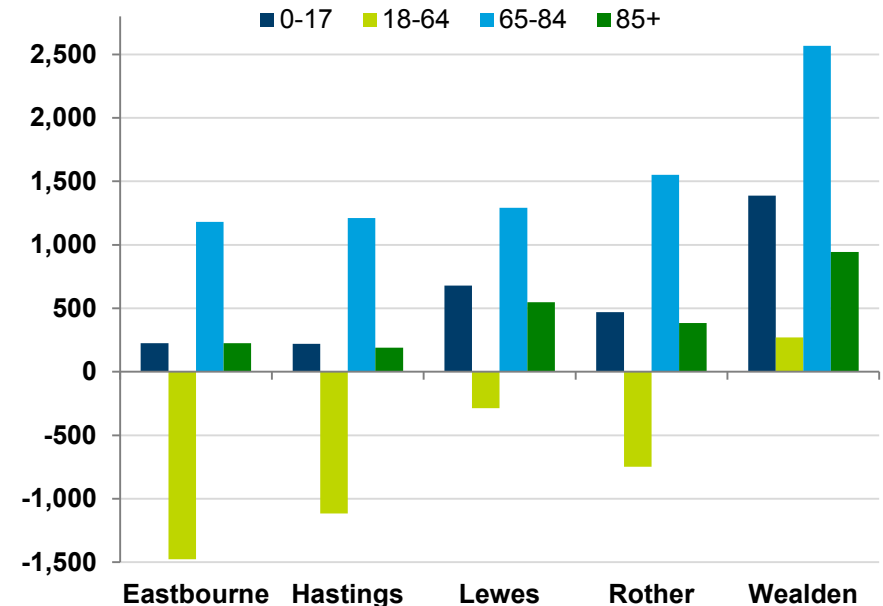
Projected population by age 2017-2021

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Age band	2017	2021	Actual change	% change
0-17	105,170	107,526	2,356	+2.2%
18-64	299,680	297,779	-1,901	-0.6%
65-84	118,211	127,122	8,911	+7.5%
85+	22,387	25,444	3,057	+13.7%
All people	545,448	557,871	12,423	+2.3%

District population change 2017-2021



Population % 85 + (mid 2015 est)



- On latest national estimate, before considering projected growth, East Sussex (4%) has a greater proportion of people aged 85+ than England (2.4%). Rother (5%) has over twice the national rate and Hastings (2.7%) has the lowest rate in the county.

Compared to 2017, by 2021 there will be:

- 253,261 households in the county, an increase of 3.5% from 244,411 in 2017; with the largest number of new households in Wealden, 3,375
- 3.5% increase in the number of one person households to 83,370

Source: ESCC household projections (dwelling-led), April 2017, ESCC household projections by type (dwelling-led), April 2017

Note: A dwelling is a self-contained unit of accommodation used by one or more households as a home, e.g. a house, apartment, mobile home, houseboat. A single dwelling will be considered to contain multiple households if either meals or living space are not shared. A household consists of one or more people who live in the same dwelling and also share meals or living accommodation, and may consist of a single family or some other grouping of people.

Housing need and supply

- East Sussex has 250,330 dwellings. Social housing consists of 9,670 Local Authority and 16,960 Private Registered Provider in 2016
- 6,552 dwellings were vacant in 2016; a decrease of 397 since 2015
- In 2015/16, 1,509 dwellings were completed of which 20% were affordable
- 192 households in the county were in temporary accommodation in 2015/16, compared to 177 in 2011/12

6.6% of households had fewer rooms than required, 8.7% in England and 7.5% in South East. Concentrations in urban coastal areas. 20.5% in Central St Leonards and over one third in parts of Devonshire ward, Eastbourne

- At the 2011 Census Hastings had a high proportion of private rented households (28.8%), East Sussex (17.8%), while Wealden had a high rate of owned property (78.7%), East Sussex (69.2%)

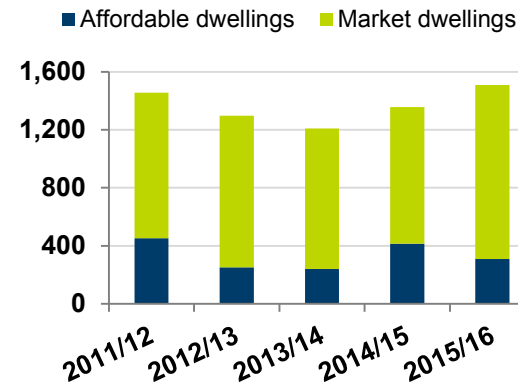
Sources: Census 2011, DCLG live tables on dwelling stock including vacants

Note: Affordable housing includes housing for social rent, shared ownership, low cost home ownership and sub-market rent

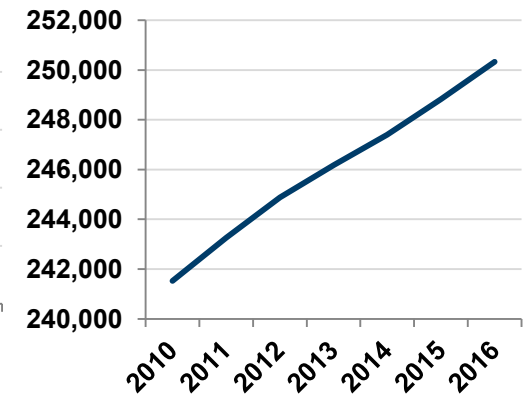
Adopted Local Plans (adoption date)	Number of dwellings over plan period
Eastbourne: Core Strategy Local Plan (February 2013)	5,022 (2006-2027) 239 p.a.
Hastings: The Hastings Planning Strategy (February 2014)	3,400 (2011-2028) 200 p.a.
Lewes: Joint Core Strategy (June 2016)	6,900 (2010-2030) 345 p.a.
Rother: Core Strategy (September 2014)	5,700 (2011-2028) 335 p.a.
Wealden: Core Strategy (February 2013)	9,440 (2006-2027) 450 p.a.
Long term proposed additional growth	
Wealden: Local Plan Draft Proposed Submission 14 March 2017*	11,456 (2013-2028) 763 p.a.

*Strategic direction of the draft Local Plan was supported at Wealden Full Council on 22 March 2017

Completed new dwellings

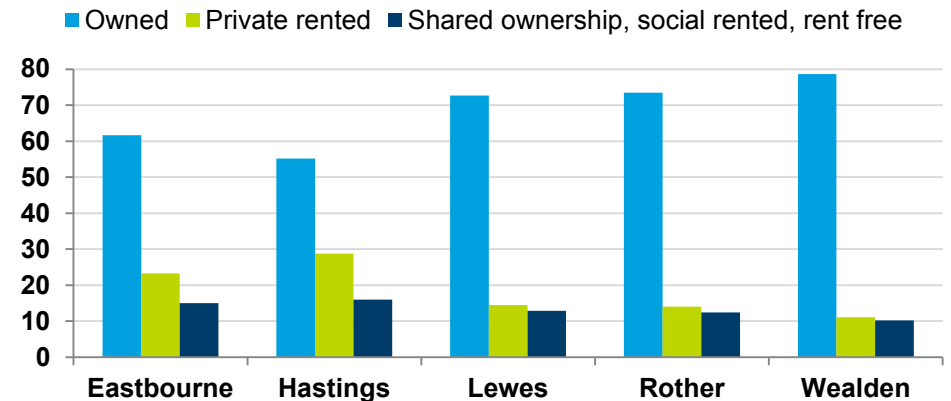


Total housing stock



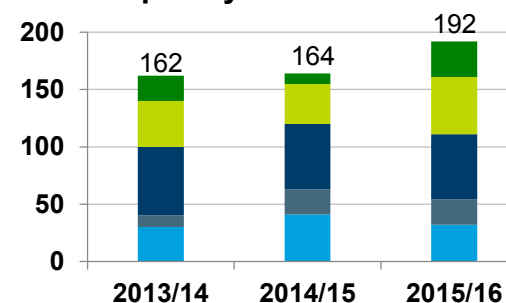
Source: ESCC housing completions by affordability, DCLG live tables on dwelling stock including vacants

Households percentage by tenure type



Source: ONS KS402, Census 2011

Number of households in temporary accommodation



	2013/14	2014/15	2015/16
Eastbourne	22	9	31
Hastings	40	35	50
Lewes	60	57	57
Rother	10	22	22
Wealden	30	41	32

Source: Gov.uk live tables on homelessness

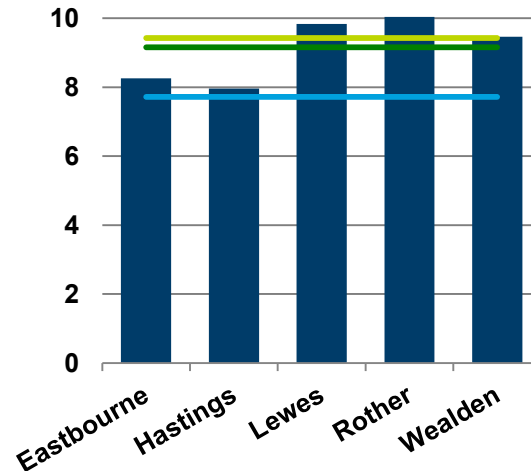
Housing affordability - buying

- Home ownership stood at 69.2% in 2011, highest in St. Marks, Bexhill at 91.3%, lowest in Central St. Leonards, Hastings at 26.7%

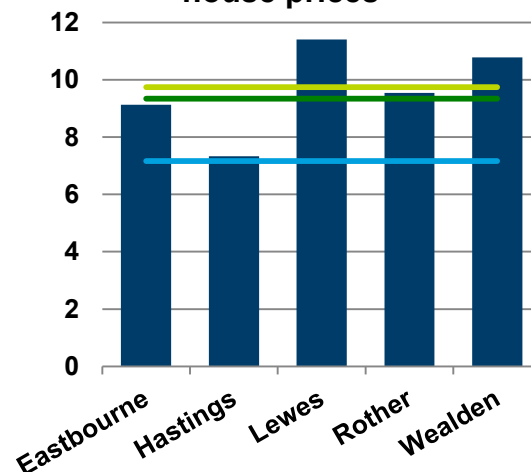
- The median property price/income is determined by ranking all property prices/incomes in ascending order. The point at which one half of the values are above and one half are below is the median
- The ratio of median earnings (£27,305) to median house prices (£250,000) in the county was 9.16 in 2016, highest in Rother at 10.04, lowest in Hastings at 7.96. The England ratio was 7.72

Source: ESIF: Median and lower quartile affordability ratios

Ratio of median earnings to median house prices



Ratio of lower quartile earnings to lower quartile house prices

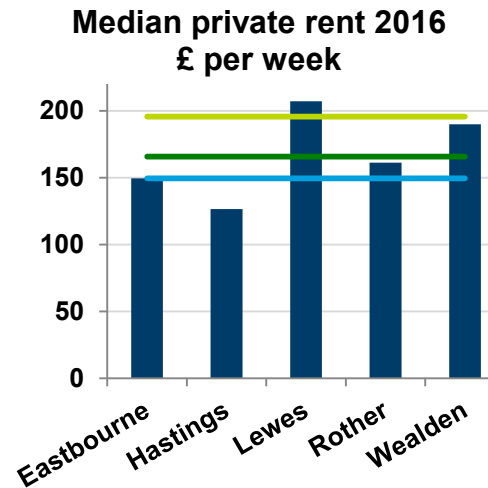


- The lower quartile property price/income ratio is determined by ranking all property prices/incomes in ascending order. The lowest 25 per cent of prices are the lower quartile and the highest 75 per cent are above the lower quartile
- The ratio of lower quartile earnings (£19,268) to lower quartile house prices (£180,000) in the county was 9.34 in 2016, highest in Lewes at 11.41, lowest in Hastings at 7.33. The England ratio was 7.16

Sources: Office for National Statistics, Ratio of house price to residence-based earnings (lower quartile and median)

Ratio of median earnings to median house prices

■ District ■ East Sussex ■ South East ■ England

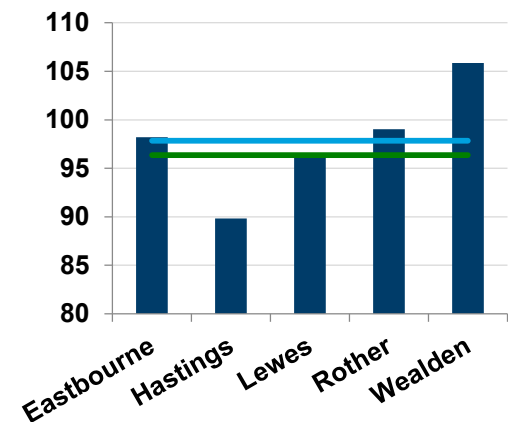


South East average not published, Hastings and Rother don't have any LA housing stock

- £207, lowest in Hastings at £127. The England average was £150
- The average local authority rent per week in 2016 was £85.88, highest in Lewes at £90.42, lowest in Eastbourne at £80.07. The England average was £87.93
- The average Private Registered Provider (PRP*) rent per week in 2016 was £96.40, highest in Wealden at £105.84, lowest in Hastings at £89.81. The England average was £97.84

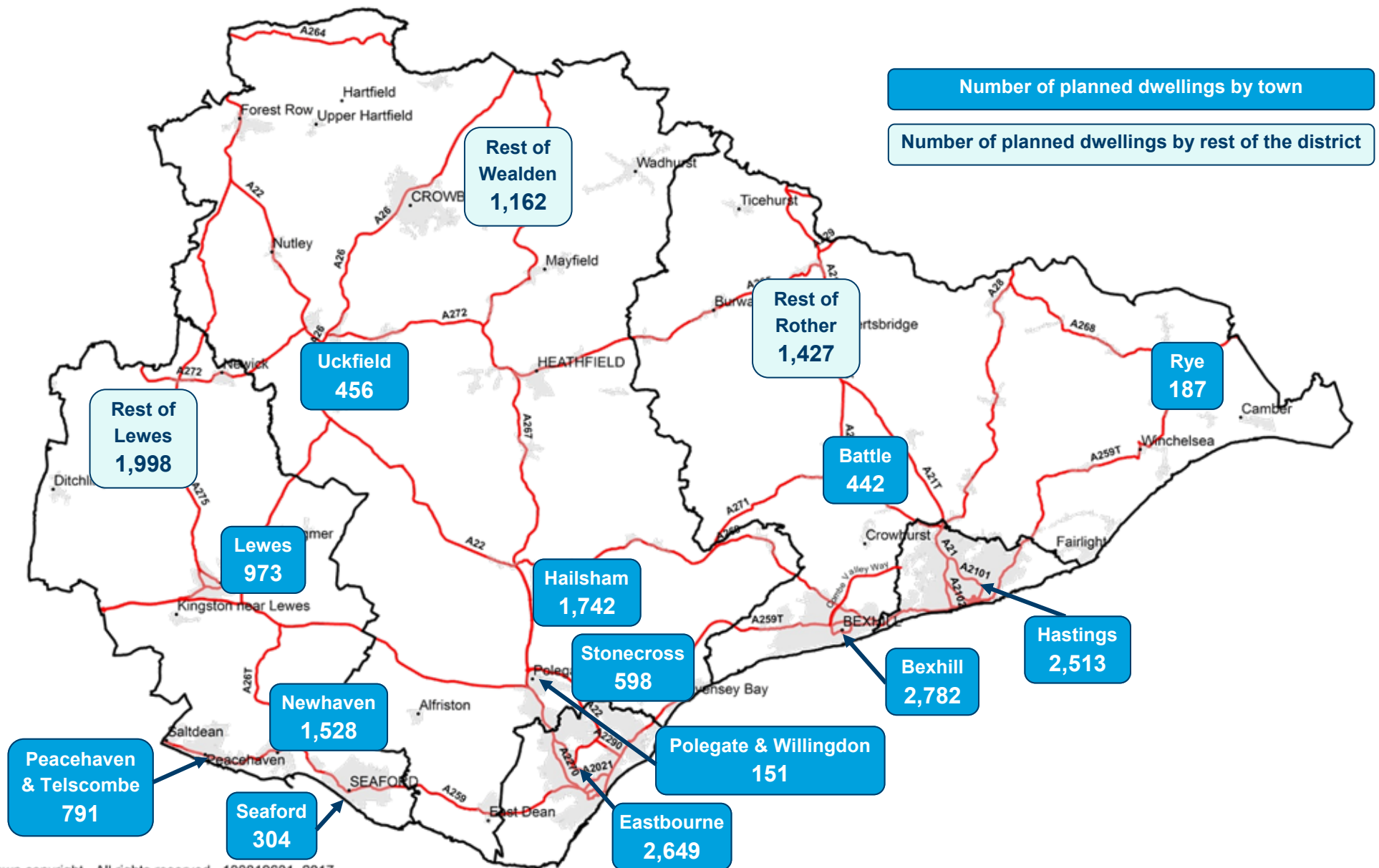
*PRPs are Housing Associations or not-for-profit housing providers approved and regulated by Government. They provide homes for people in housing need and many also run shared ownership schemes to help people who cannot afford to buy their home outright.
Source: Gov.uk Private rental market summary statistics, Gov.uk Live tables on rents, lettings and tenancies,

£ week



South East average not published

Planned housing growth in Adopted Local Plans (less completions to March 2016)



In 2017:

12,200

Unemployed people actively seeking work

Source: ONS model-based estimate Dec 2016

+

By 2021:

1,400

More economically active people aged 16+ in the workforce

Source: ESCC workforce projections by age-group

=

13,600

More jobs needed

-

6,300

New jobs expected

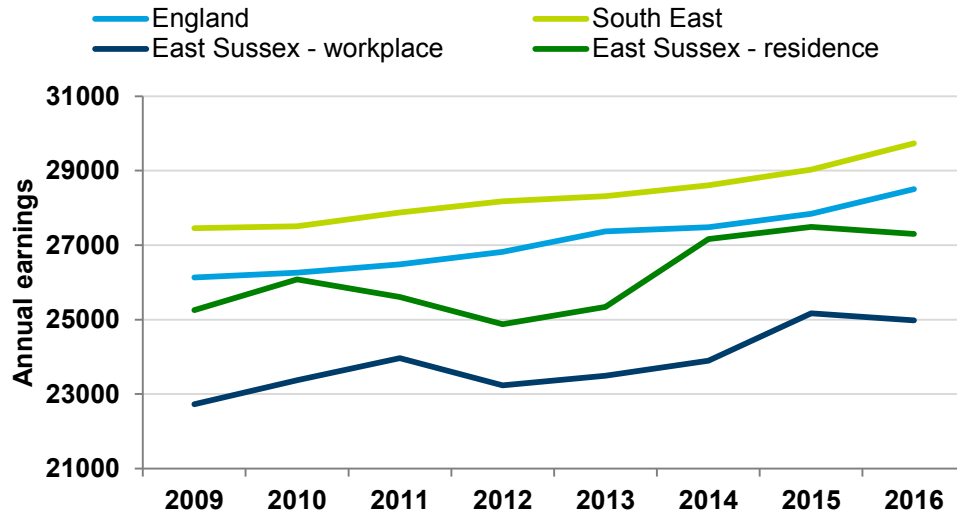
Source: East Sussex Economic Forecasting Model, Cambridge Econometrics, Sep 2014

=

7,300

Jobs shortfall

Average full-time earnings



Source: Annual Survey of Hours and Earnings (ASHE)

Employment

- 74.2% of working age population (age 16-64) in employment 2015/16 (up from 73.9% in 2015), England 74.3%, South East 77.6%
- County employment rate remains below pre-recession level of 76.0% in 2007
- Overall claimant rate for JSA or Universal Credit March 2017, 1.5%
- 18–24 year old claimant rate for JSA or Universal Credit March 2017:
 - 2.6% (1,015 claimants) down from 3.4% (1,305 claimants) March 2015
 - fell in all districts, the greatest change in Hastings, now 4.1% down from 5.9% March 2015
 - lowest rate, Wealden 1.3%

Sources: Office for National Statistics, Nomis, Annual Population Survey, Labour Force Survey

Earnings

Residence-based (those living in East Sussex)

- £27,305 average full-time wage in 2016, 4.2% below the national average and 11.2% below the South East average
- In 2015, 35.8% of work was part time, England 30.5%, South East 31.3%
- Average part time wage £9.20 per hour in 2016, compared to full time wage of £13.41
- Annual earnings for all residents has decreased by 0.9% since 2015, England +3.1%, South East +2.0%

Workplace-based (those working in East Sussex)

- £24,984 average full-time wage in 2016
- 12.3% below the national average and 16% below the South East average
- Average part time wage in 2016 was £8.86 per hour; full time £12.20

Source: Annual Survey of Hours and Earnings (ASHE), Office for National Statistics

Average (median) earnings, workplace-based

	2010	2012	2014	2016	% Change 2010/16
Eastbourne	£25,120	£22,972	£27,184	£25,150	+0.12%
Hastings	£21,700	£22,506	£24,266	£24,388	+12.39%
Lewes	£23,931	£25,160	£26,413	£28,983	+21.11%
Rother	£21,371	£21,492	£20,807	£22,406	+4.84%
Wealden	£23,341	£23,183	£21,346	£24,877	+6.58%

East Sussex Growth Strategy

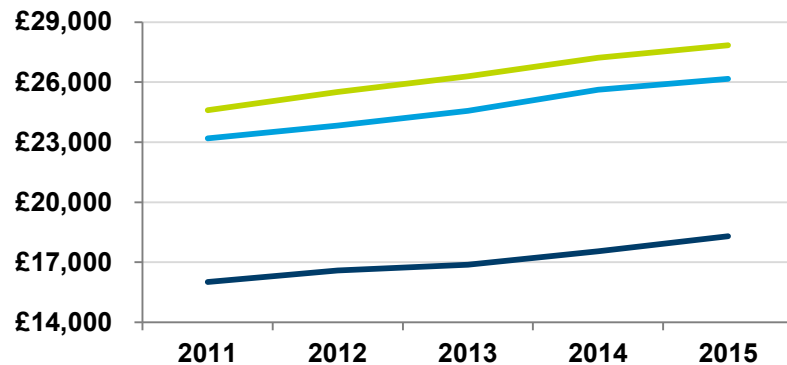
- Published in 2014, The East Sussex Growth Strategy (ESGS) sets out an ambitious vision for the East Sussex economy to 2020
- Goals include:
 - Increasing Gross Value Added per capita by 20% by 2020
 - Enhancing digital connectivity (e.g. broadband) and physical connectivity (e.g. roads)
 - Supporting business start-ups and promoting the county as a business location
 - Developing skills that match business needs
- ESGS highlights emerging high growth and innovative sub-sectors including: engineering and advanced manufacturing; health and social care; and digital, media and creative

Gross Value Added (GVA)

- GVA per head measures the value of goods or services produced in an area per person living in that area
- GVA per head in East Sussex in 2015 was £18,301; England £26,159, South East £27,847
- The East Sussex rate is an increase of 14.3% (£2,284) since 2011; above the increases in England, 12.8% (£2,975), and the South East, 13.2% (£3,249)

Source: ESCC Gross Value Added districts

GVA per head



Source: Office for National Statistics - Nomis, gross value added (GVA), 1997-2015 - county
Note: income is added to the GVA where people work, not where they live

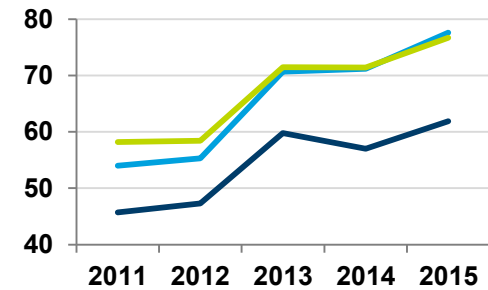
— England — South East — East Sussex

Active businesses and new business registration rates

- Business formation has been showing signs of recovery across the county
- More active businesses in 2015 (23,350) than in 2014 (22,520)
- More business starts (2,790) than closures (2,025), the number of business starts is the highest level since 2005 (2,875)
- All areas of the county, and nationally, saw a steady decrease in business registration rates between 2008 and 2010
- Between 2014 and 2015 there has been an 8.6% increase in registration rates in the county, England 9.0%, and South East 7.4%
- New business registration rate is highest in Wealden, 74.5, and lowest in Rother, 53.3
- Hastings saw the largest percentage growth in registrations between 2014 and 2015 with a 19.2% increase, there was a 4.1% decrease in Rother

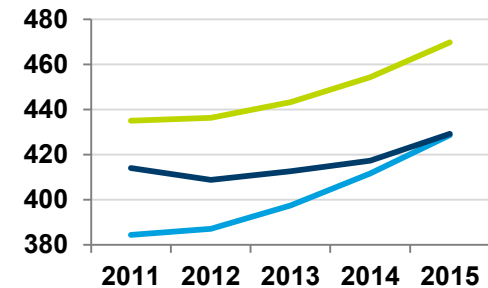
Source: ESCC Business demography, districts, ESCC New business registration rate, districts

New business rate per 10,000 population



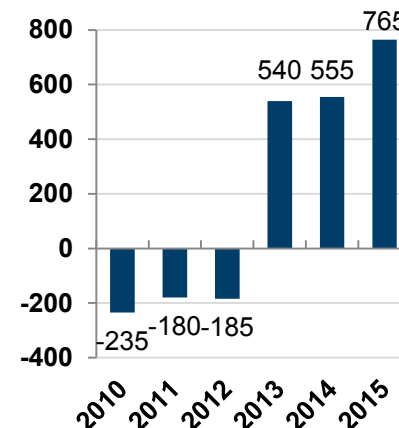
Source: Office for National Statistics - Business Demography data. NOMIS - mid-year estimate population data

Active business rate per 10,000 population



Source: Office for National Statistics Business Demography tables

East Sussex Business births - deaths



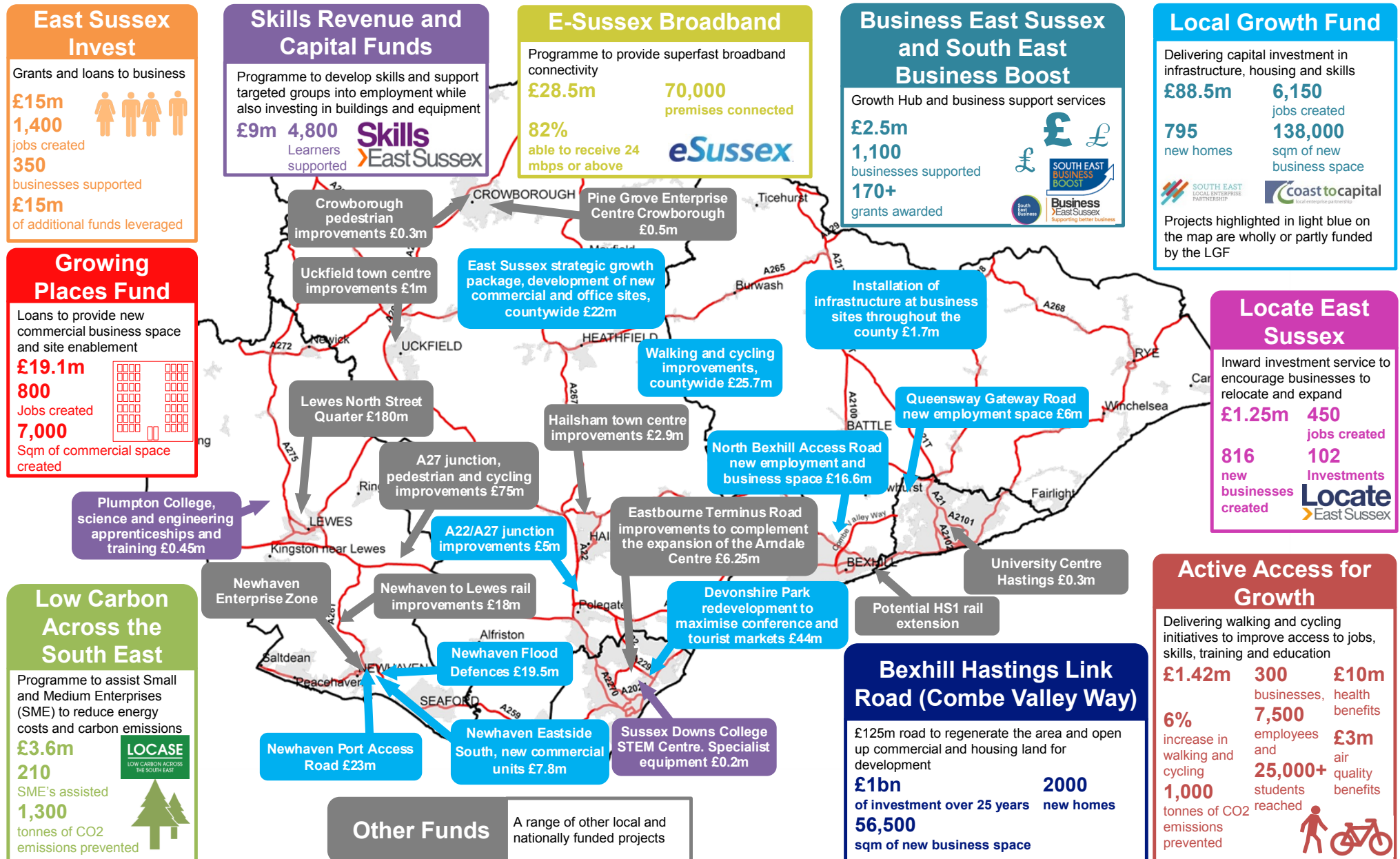
	2010	2011	2012	2013	2014	2015
Eastbourne	-60	-15	-40	75	105	160
Hastings	-40	30	5	70	95	170
Lewes	-15	-35	-65	160	160	115
Rother	-50	-20	-40	130	50	40
Wealden	-70	-140	-45	105	145	280

Source: Office for National Statistics Business Demography tables

Driving Economic Growth - East Sussex Growth Strategy

8

The map below highlights programmes and schemes which will contribute towards the East Sussex Growth Strategy which runs until 2020



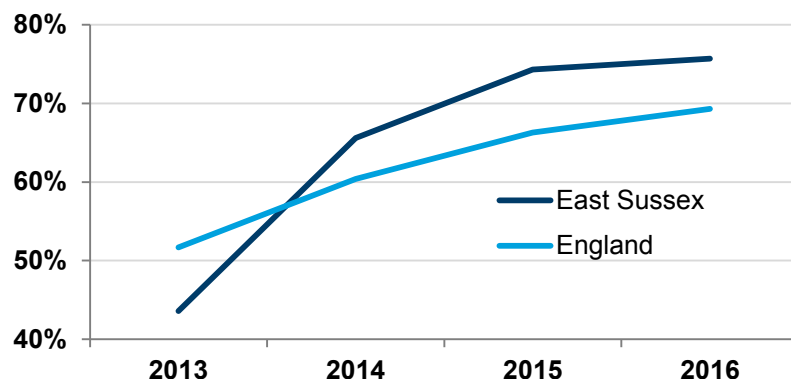
Funding sources: Local Growth Fund (LGF), Highways England, Department for Transport, East Sussex County Council, District and Borough Councils, Network Rail, Skills Capital, European Regional Development Fund (ERDF), European Social Fund (ESF), Big Lottery, and the Higher Education Funding Council for England.

Skills

- Achievement rates have continued to rise in 2016, but the improvement has been less marked than previously
- The average Attainment 8 score for East Sussex in 2015/16 was 49.3%, below the South East rate, 51%, and the national rate, 50.1%
- The Progress 8 score in the county for 2015/16 was 0.04, ahead of the rate in the South East, 0.02, and nationally, -0.03

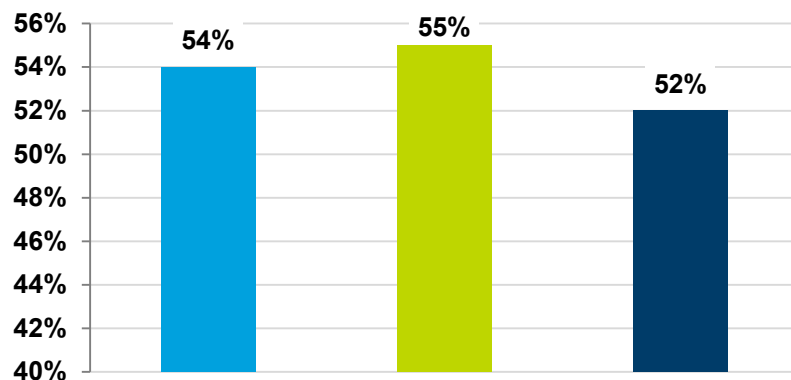
Early Years

Percentage of children that achieved a good level of development in all areas of learning



Key Stage 2

Pupils achieving level 4 at key stage 2 in reading, writing, and maths 2015/16



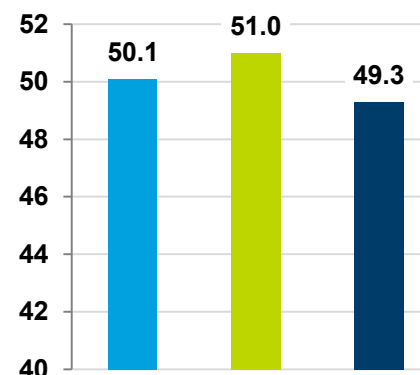
Source: Department for Education

Progress 8 and Attainment 8

- Two measures that schools are judged against from 2016. They are designed to encourage schools to offer a broad and balanced curriculum at Key Stage 4
- Attainment 8 is the students' average achievement across eight subjects: English, mathematics, three other English Baccalaureate (EBacc) subjects (from sciences, computer science, geography, history and languages), and three further subjects, from the range of EBacc subjects, or any other GCSE or approved, high-value arts, academic, or vocational qualification
- Progress 8 is based on students' progress measured across these eight subjects from the end of primary school (Key Stage 2) to the end of secondary school (Key Stage 4)

Attainment 8

Average score 2015/16



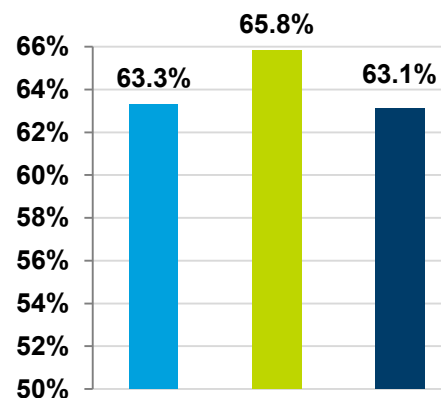
■ England

■ South East

■ East Sussex

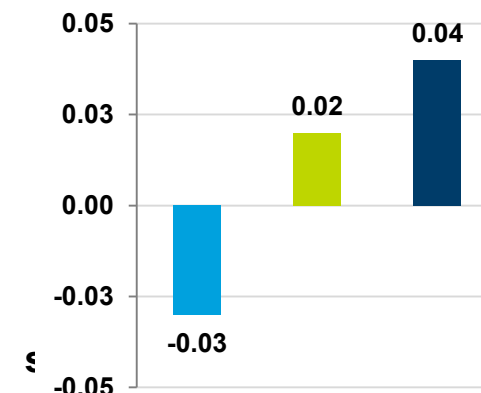
GCSEs

Pupils achieving A*-C in English and maths 2015/16



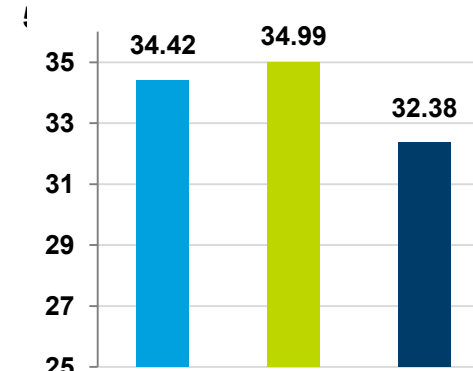
Progress 8

Average score 2015/16



A Level

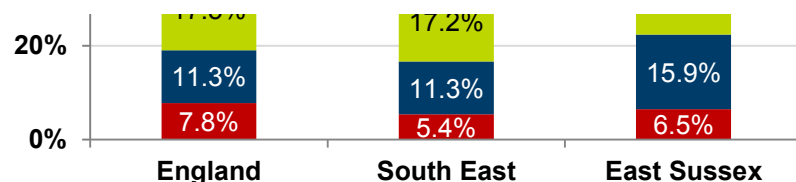
Average point score per entry 2015/16



Qualifications of working age population 2016

- 9.3% increase in people with a level 4 qualification in East Sussex since 2015

England



Note: Survey data, confidence level +/- 1.7 - 3.4% for East Sussex. Therefore care should be taken when reading these results
Source: Nomis/ONS. Annual Population Survey: Qualifications of working age population, 2005-2016 - districts
No qualifications: No academic or professional qualifications

Qualifications of working age population 2016

	None	Level 1	Level 2	Level 3	Level 4+	Other
Eastbourne	6.0%	13.2%	19.8%	19.9%	34.8%	6.3%
Hastings	11.7%	23.9%	14.7%	16.3%	29.6%	3.9%
Lewes	4.9%	14.4%	16.4%	16.3%	43.6%	4.4%
Rother	5.1%	14.5%	21.1%	21.0%	34.7%	3.6%
Wealden	5.2%	14.5%	25.1%	20.4%	30.0%	4.7%

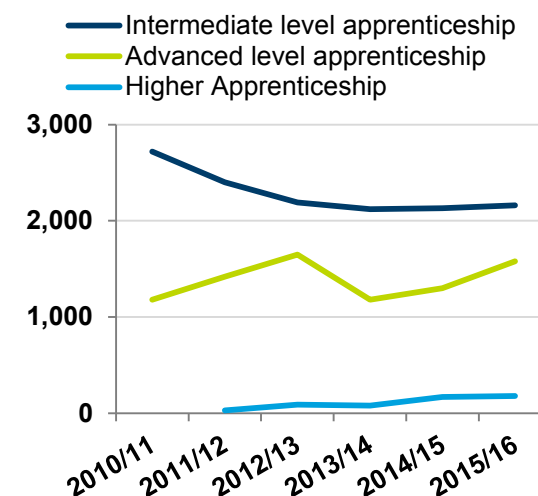
Meeting business needs

- Innovative firms employ a higher share of Science, Technology, Engineering and Maths (STEM) graduates
- 29.5% of A level entries in the county were for STEM subjects in 2015/16, lower than England (32.7%) but higher than the East Sussex rate in 2014/15 (27.8%)
- The Skills East Sussex (SES) engineering task group is delivering a range of STEM focused careers guidance and activities including focused events and employer site visits for schools, production of STEM careers materials, new curriculum planning and course delivery by local training providers, in order to stimulate interest in STEM learning and ensure that local provision meets increased demand
- 1,515 secondary school children participated in STEM learning and careers activities delivered through the SES Progress project in 2016/17
- Building on the success of the SES engineering task group, further task groups have been established to promote skills in sectors with identified future skills and employment needs. These include task groups for land-based industries, the construction industry, creative and digital industries, and SES is working with the East Sussex Better Together Workforce Strategy Group to explore ways of building skills for the Health and Social Care sector

Apprenticeship rates

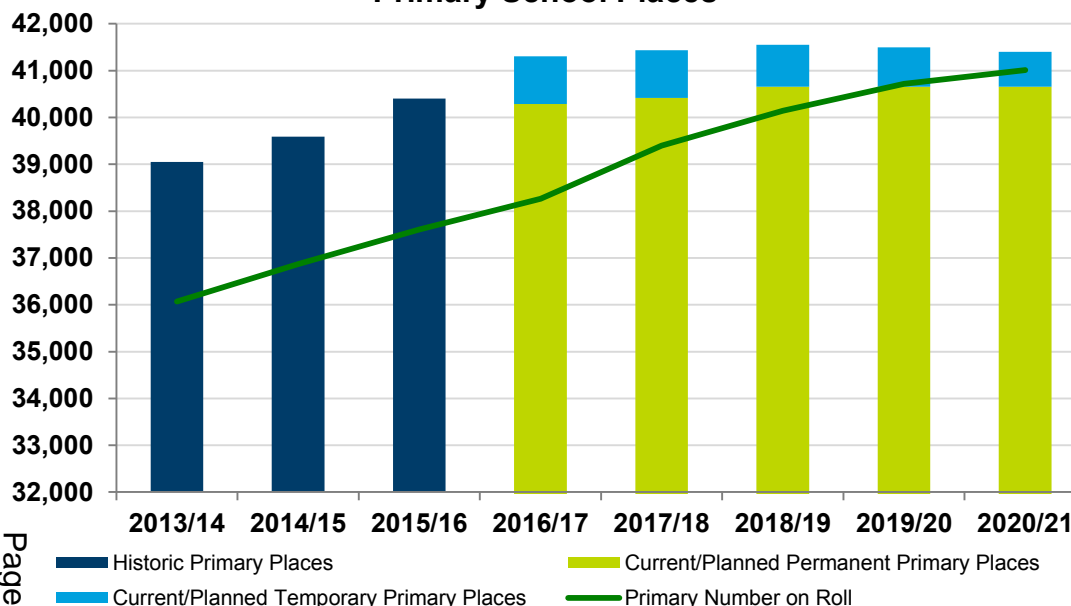
- In 2016/17 the Council took on 75 apprentices, and 67 young people participated in our work readiness courses
- Skills East Sussex delivered apprenticeship awareness sessions in secondary schools for 1,809 young people, and supported 240 young people into apprenticeships through its Progress project during 2016/17
- In 2017/18, the Council will be managing its own Apprenticeship Levy allocation. We will be supporting our staff to take up apprenticeships at all levels and working with our schools to help them upskill their workforce via apprenticeship courses. We will be working towards a target of 2.3% of the workforce undertaking an apprenticeship

East Sussex apprenticeship starts

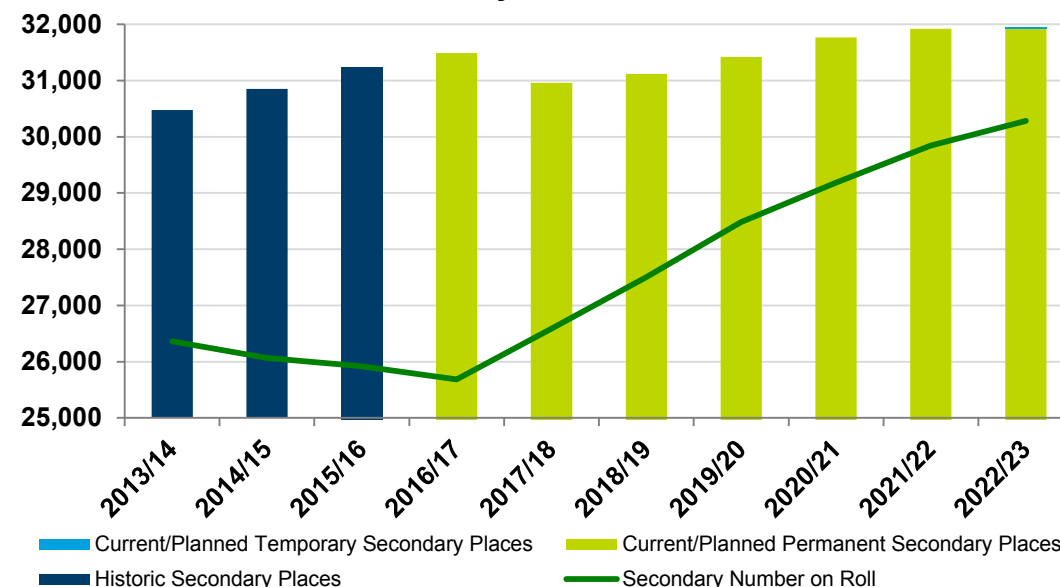


Source: DfE: FE data library, apprenticeships

Primary School Places



Secondary School Places



Source: ESCC Pupil Forecasting Model 1st July 2016

Primary school places

- Additional capacity is planned to meet forecast shortfalls in local areas
- Temporary capacity will be removed where and when it is no longer required
- Overall, from 2016/17 to 2020/21 a net increase in capacity of 98 places is planned for
- Total numbers of pupils in primary schools are forecast to peak around 2021/22

Secondary school places

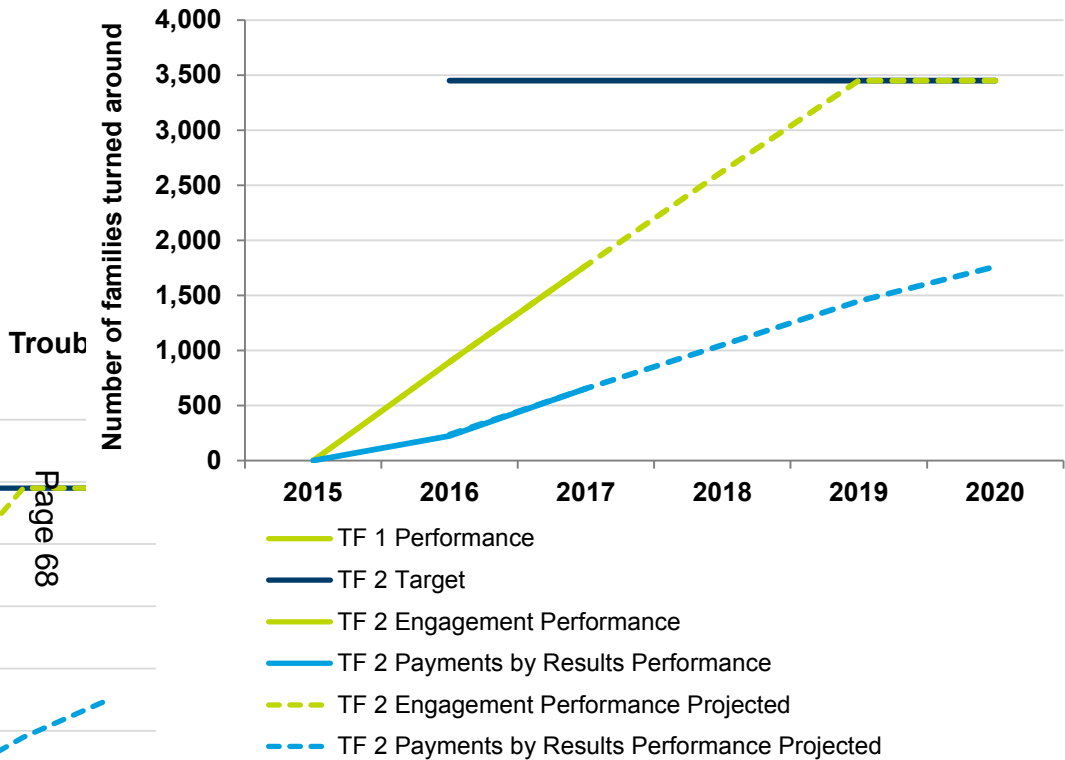
- Total number of places shown on the chart is fewer than primary as the majority of 16-17 year old students attend post-16 colleges rather than school sixth forms
- Secondary pupil numbers are expected to peak around 2024/25
- It is planned to add 459 additional places between 2016/17 and 2022/23 to meet rising demand. These will mainly be permanent places, with a small number of temporary places

Projected change in youth population

	2017	2018	2019	2020	% change 2017-2020	2021	2022	2023	2024	2025	% change 2021-2025
0-3	21,701	21,735	21,763	21,797	+0.4%	21,807	21,818	21,810	21,744	21,632	-0.8%
4-10	42,664	42,638	42,553	42,570	-0.2%	42,414	42,129	41,932	41,851	41,839	-1.4%
11-15	29,025	29,631	30,368	30,850	+6.3%	31,534	31,971	32,275	32,249	32,156	+2.0%
16-17	11,780	11,526	11,334	11,626	-1.3%	11,770	12,106	12,514	12,704	12,803	+8.8%

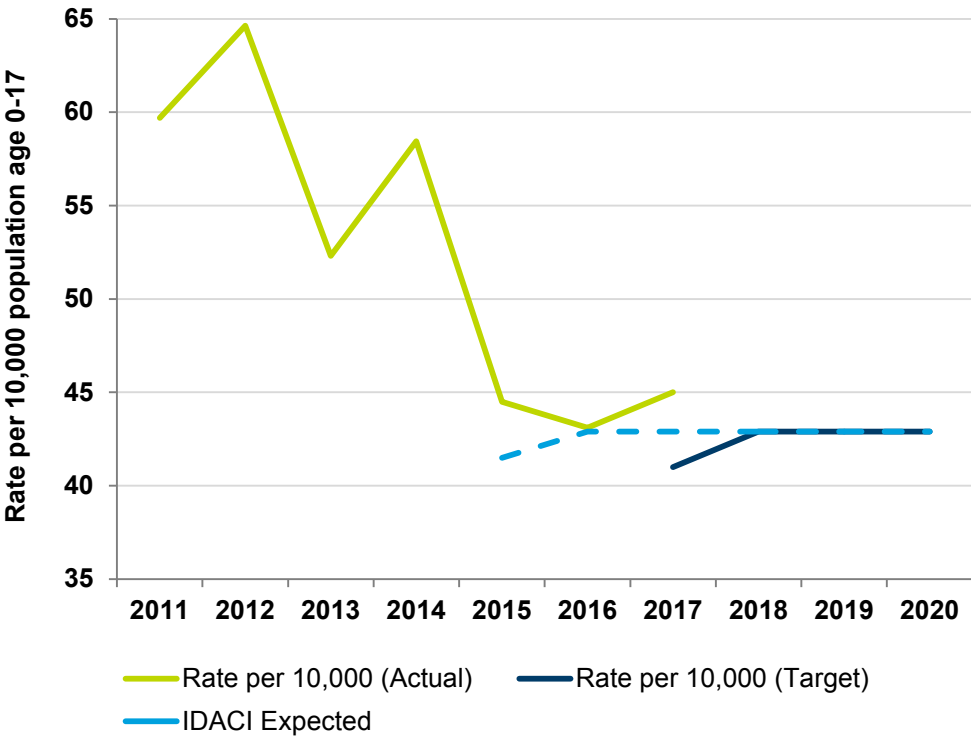
Source: ESCC dwelling-led population projections, April 2017

Troubled Families (TF) programme 2



Source: DCLG

Number of children with a Child Protection Plan



Source: CLA Return (903) / SE Sector Led Improvement Social Care Benchmarking

Child Protection (CP) Plans

- The number of CP plans for 2016/17 was 476, a rate of 45.2 per 10,000 children
- This is above the expected rate benchmarked for child deprivation; the Income Deprivation Affecting Children Index (IDACI). Conference Chairs are renewing their focus on ensuring the right children are made subject to plans for the right amount of time. The recent focus on Sexual Exploitation and on neglect practice may have contributed to better identification resulting in more children subject to plans
- Our aim is to reach and maintain the IDACI expected rate of 42.9 per 10,000 children

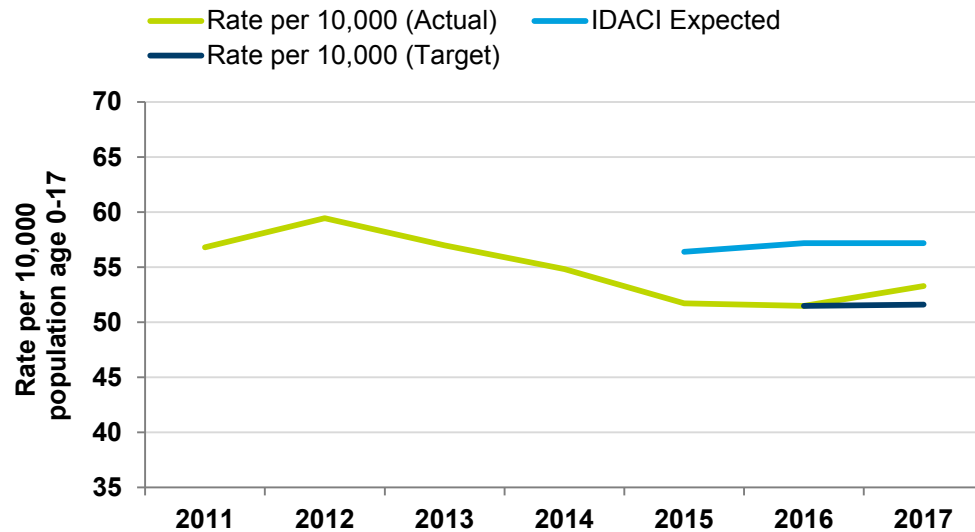
ice

target

of 1,015 households receiving support

- By 2016/17 1,771 households had received intervention support

Number of Looked After Children

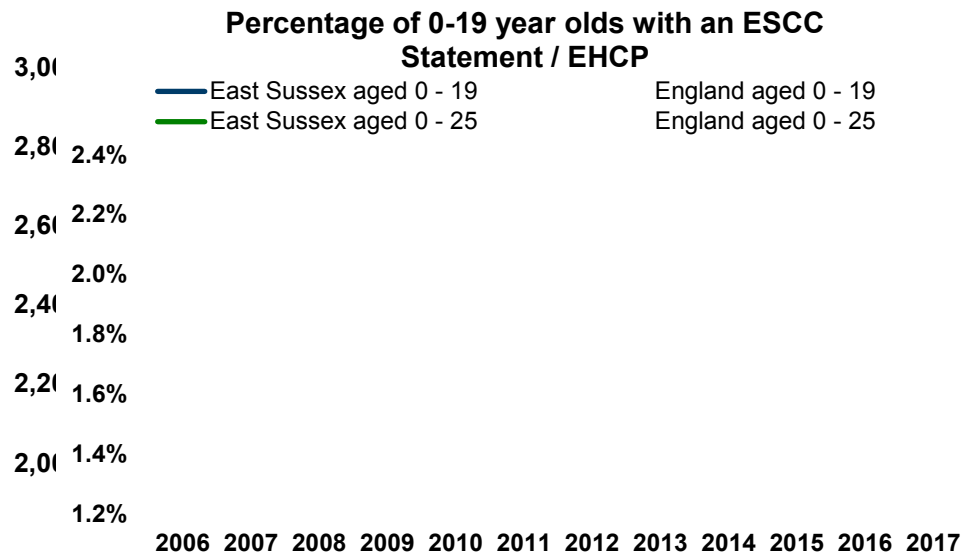


Source: Department for Education and ESCC

Looked After Children (LAC)

- LAC numbers have been reducing, with 564 children looked after in 2016/17 (53.3 per 10,000 children), compared to 620 in 2012 (59 per 10,000 children)
- Of the 564 children, 24 are Unaccompanied Asylum Seeking Children (UASC). The Council is committed to accepting the equivalent of 0.07% of our total child population (72 children) over 3 years, this equates to a further 48 young people (UASC) who will either come to the Council via the National Dispersal Scheme or present, for example, via Newhaven
- The rate of LAC excluding UASC is 51.0 per 10,000 (540 children)
- The average cost per LAC per week in East Sussex is £616, compared to the national average of £918 and a comparison group of 9 LA's average (including East Sussex County Council (ESCC)) of £1,005

Number of young people with an ESCC

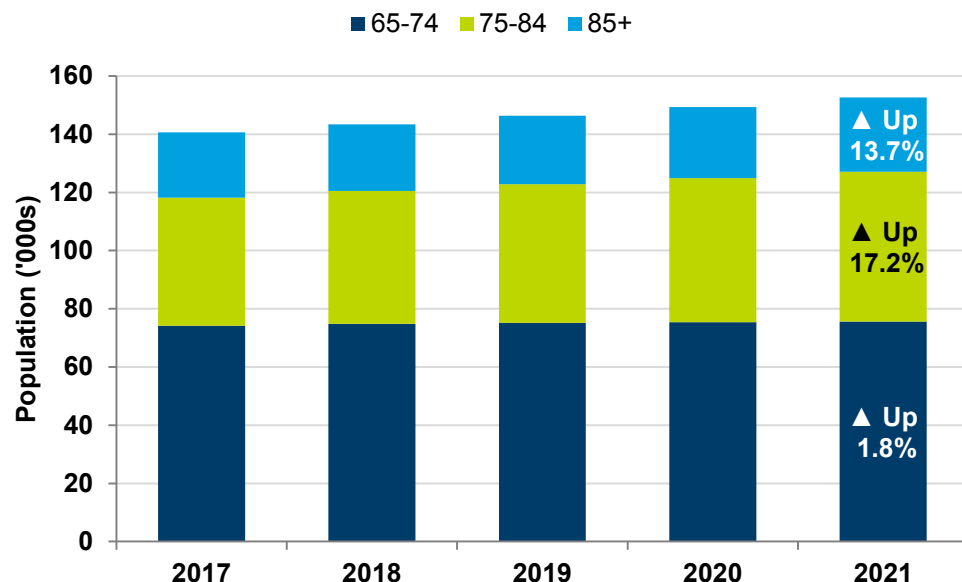


Source: Department for Education

Special Educational Need (SEN) and Disability

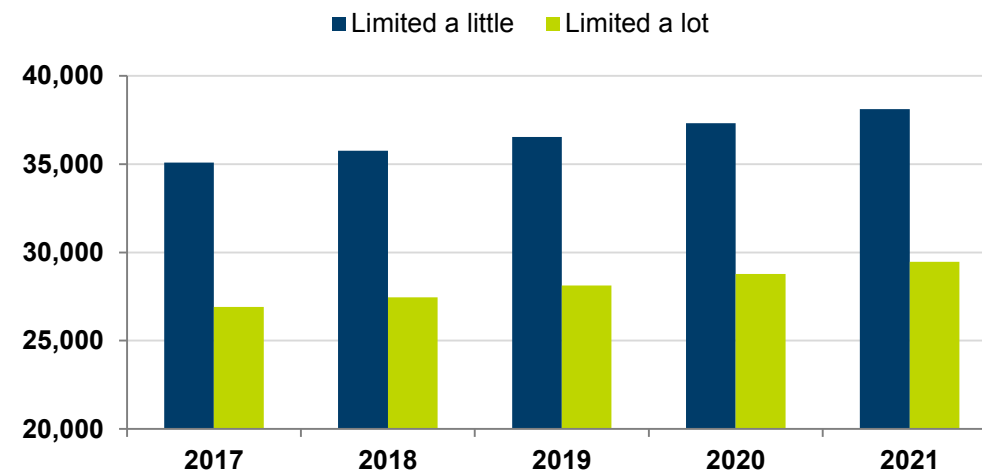
- Council funded high cost placements at Independent and Non-Maintained Special Schools (INMSS) have increased significantly since 2015 but remain between 7% and 8% of the total number of Statements/Education, Health & Care Plans (EHCPs)
- All EHCPs/Statements of SEN maintained by the Council increased by 37% from 2008 (2,193) to 2017 (2,997)
- Numbers are forecast to rise to approximately 3,350 by 2021
- The majority of provision is funded by a local authority (primarily ESCC) or from within a schools own delegated budget
- ESCC EHCPs/Statements of SEN as a percentage of population aged 0-25 (2.00% in 2017) continues to be above that for England (1.48% in 2016)
- Three new Free Schools have been approved by the DfE, who will fund the capital costs of the schools. The new schools will provide an extra 234 places. Despite this we still need to provide a further 131 special school places
- Evaluation of parental satisfaction locally is positive for new EHCPs

Increase in older people, 2017-2021



Source: ESCC population projections by age and gender (dwelling-led), 2014-2027

Older people (age 65+) with a limiting long term illness projections

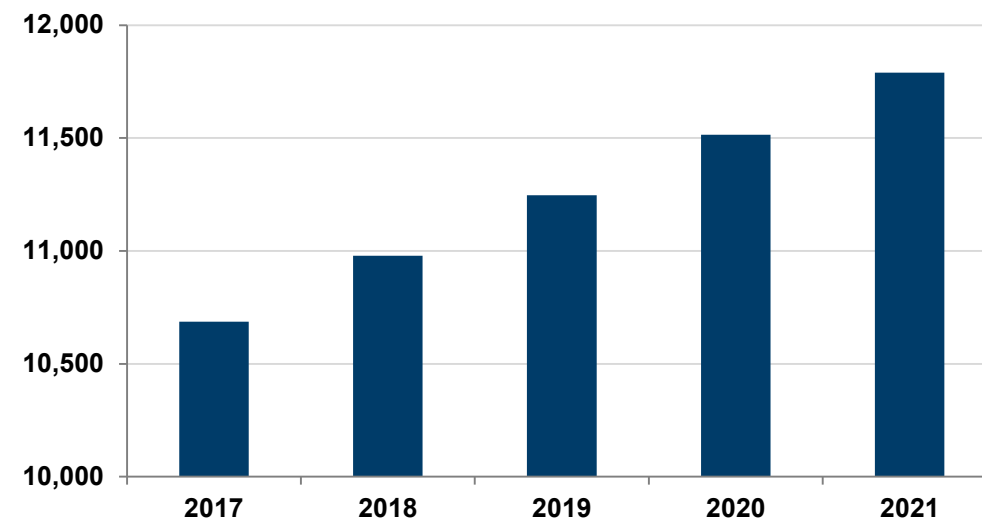


Source: POPPI (Projecting Older People Population Information), www.poppi.org.uk

Compared to 2017, by 2021 there will be:

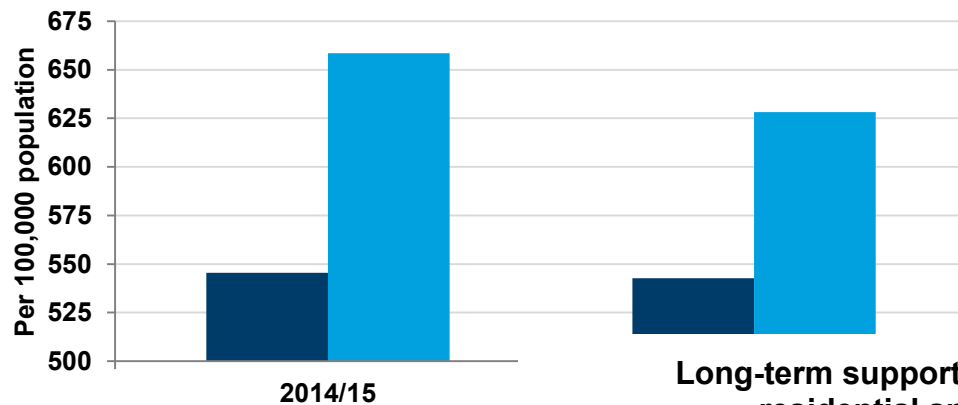
- A fall in the population of working age people (aged 18-64) of 0.6%
- A countywide increase in older people (aged 65+) of 11,968 (8.5%), from 140,598 to 152,566
 - Eastbourne: 1,579 more (up 6.2%), biggest increase in age 75-84 (12.1%)
 - Hastings: 1,664 more (up 9.2%), little rise in 65-74 (3.6%) but 13.6% in 85+ and 17.9% in 75-84
 - Lewes: 2,221 more (up 8.6%), biggest increase in age 75-84 (16.0%)
 - Rother: 2,434 more (up 8.1%), little rise in 65-74 (1.1%), 17.4% rise in 75-84
 - Wealden: 4,069 more (up 9.9%), 20.6% rise in 75-84 and 16.9% rise in 85+
- 38,120 older people (age 65+) projected to have a limiting long term illness whose day to day activities are limited a little (up 8.7%), 29,469 limited a lot (up 9.5%)
- 11,789 older people (age 65+) projected to have dementia (up 10.3%)

Older people (age 65+) with dementia projections



Source: POPPI: www.poppi.org.uk
Note: 2019 and 2021 figures estimated

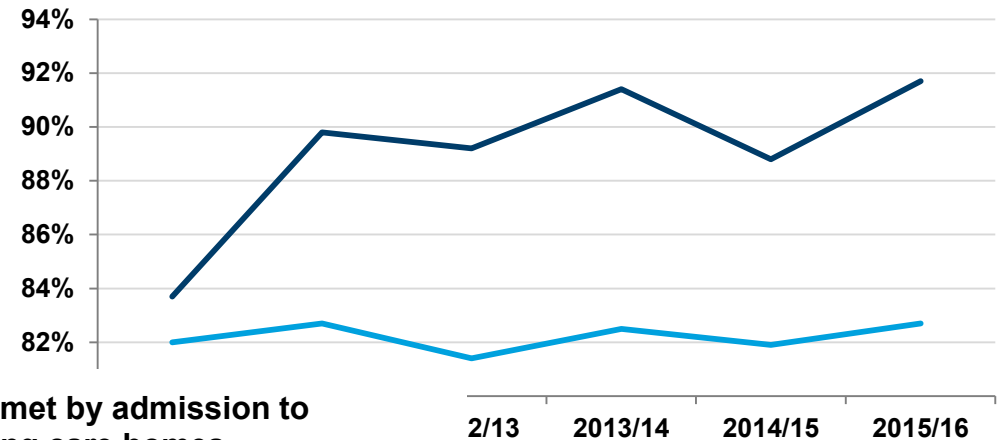
Long-term support needs met by admission to residential and nursing care homes (Older people age 65+)



Long-term support needs met by admission to residential and nursing care homes (Older people age 65+)

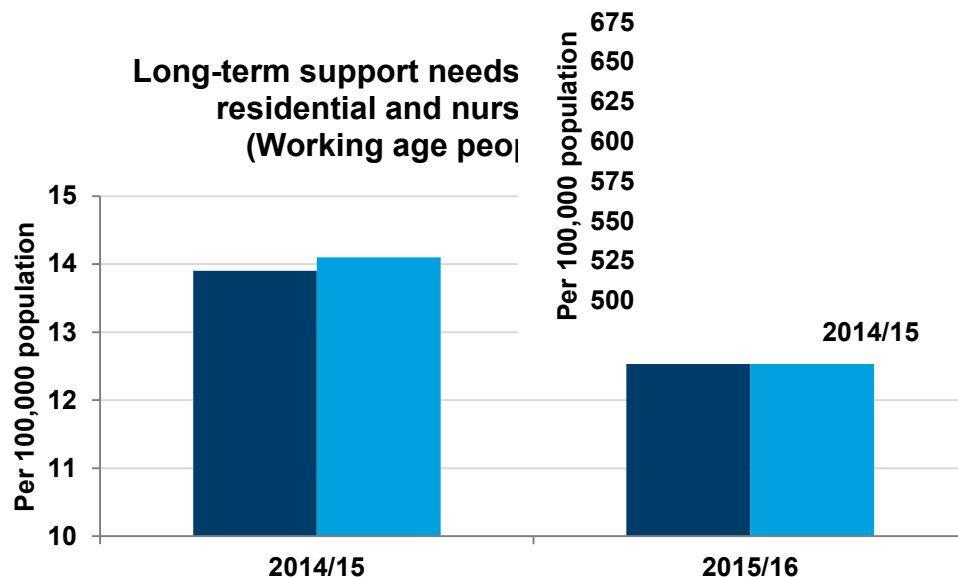
■ East Sussex ■ England

Older people (age 65+) still at home 91 days after discharge from hospital



a ASCOF 2B1

Long-term support needs residential and nursing care (Working age people)



promoting independence

term residential care has seen permanent (age 18-64) to residential and nursing care homes at the national rate

Older people (age 65+) reduced in 2015/16 and remain at the national rate

Older people (age 65+) still at home 91 days after discharge from hospital. Services increased in 2015/16 to 91.7%, compared to the national figure 82.7%

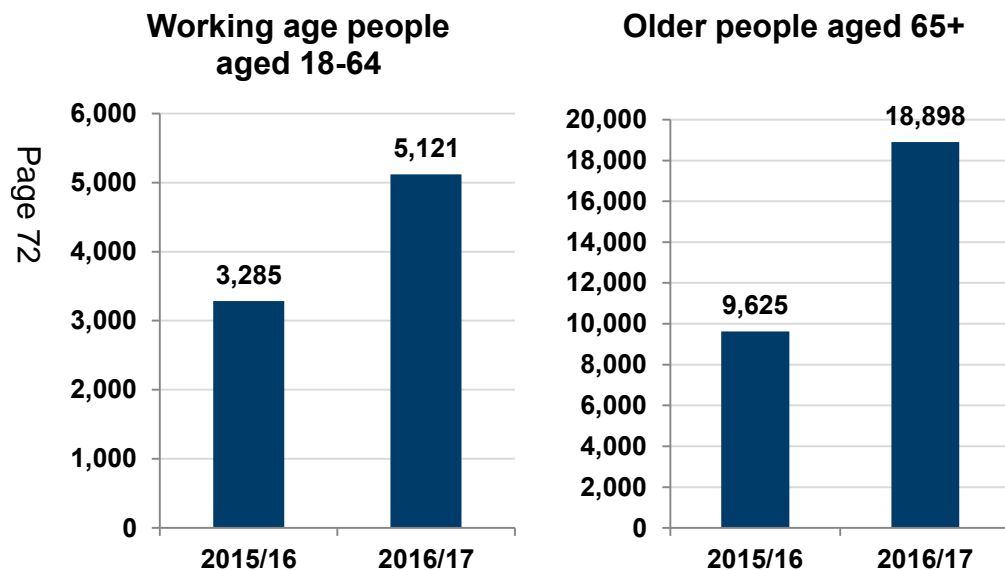
- The number of older people (age 65+) admitted to hospital due to falls has increased in 2015/16 to 2,148 per 100,000 (England 2,169)

Source: ASCOF and PHOF

Integrating health and social care

- East Sussex Better Together (ESBT) and Connecting for You (C4Y) are our local health and social care transformation programmes, which will help us to develop a fully integrated health and social care system
- East Sussex is covered by three Clinical Commissioning Groups (CCGs): High Weald, Lewes and Havens (HWLH); Hastings and Rother (H&R); and Eastbourne, Hailsham and Seaford (EHS)
- ESBT is a collaboration between the Council, EHS and H&R CCGs
- C4Y is a collaboration between the Council and HWLH CCG

Requests for support



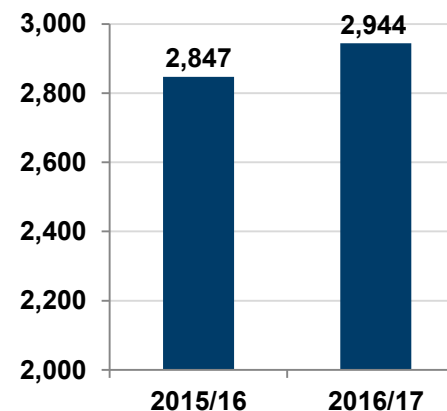
- The total number of requests for support has increased by 86% in 2016/17 to 24,019
- There has been a change in recording methods between 2015/16 and 2016/17 which will, in part, explain the increase in requests

Requests for Support are contacts from new clients or their representative, or someone acting on their behalf being made in relation to the provision of Adult Social Care services, excluding 'casual contacts' (A contact where personal details were not taken) and matters relating to adult safeguarding procedures

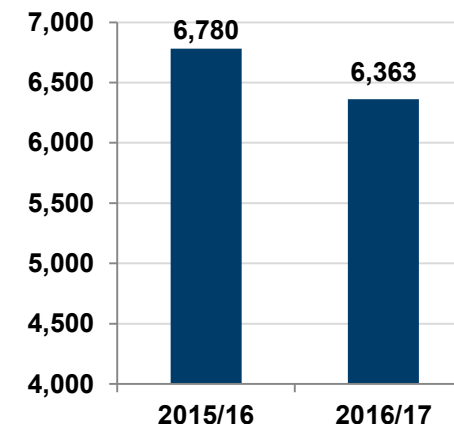
Source: East Sussex Health & Social Connect

Long term support

Working age people (age 18-64) receiving long term support



Older people (age 65+) receiving long term support

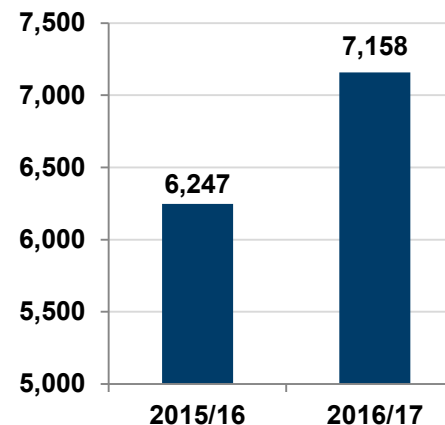


- The total number of clients receiving Long Term support has decreased by 3.3% in 2016/17, to 9,307

Long Term support encompasses any service or support which is provided with the intention of maintaining quality of life for an individual on an ongoing basis, and which has been allocated on the basis of eligibility criteria/policies (i.e. an assessment of need has taken place) and is subject to regular review

Source: East Sussex Health & Social Connect

Carers receiving support



- The total number of carers receiving support has increased by 14.6% in 2016/17

Carers receiving support including Information, Advice and Other Universal Services / Signposting

Source: East Sussex Health & Social Connect

East Sussex Better Together (ESBT) /
Connecting for You (C4Y) Boundary

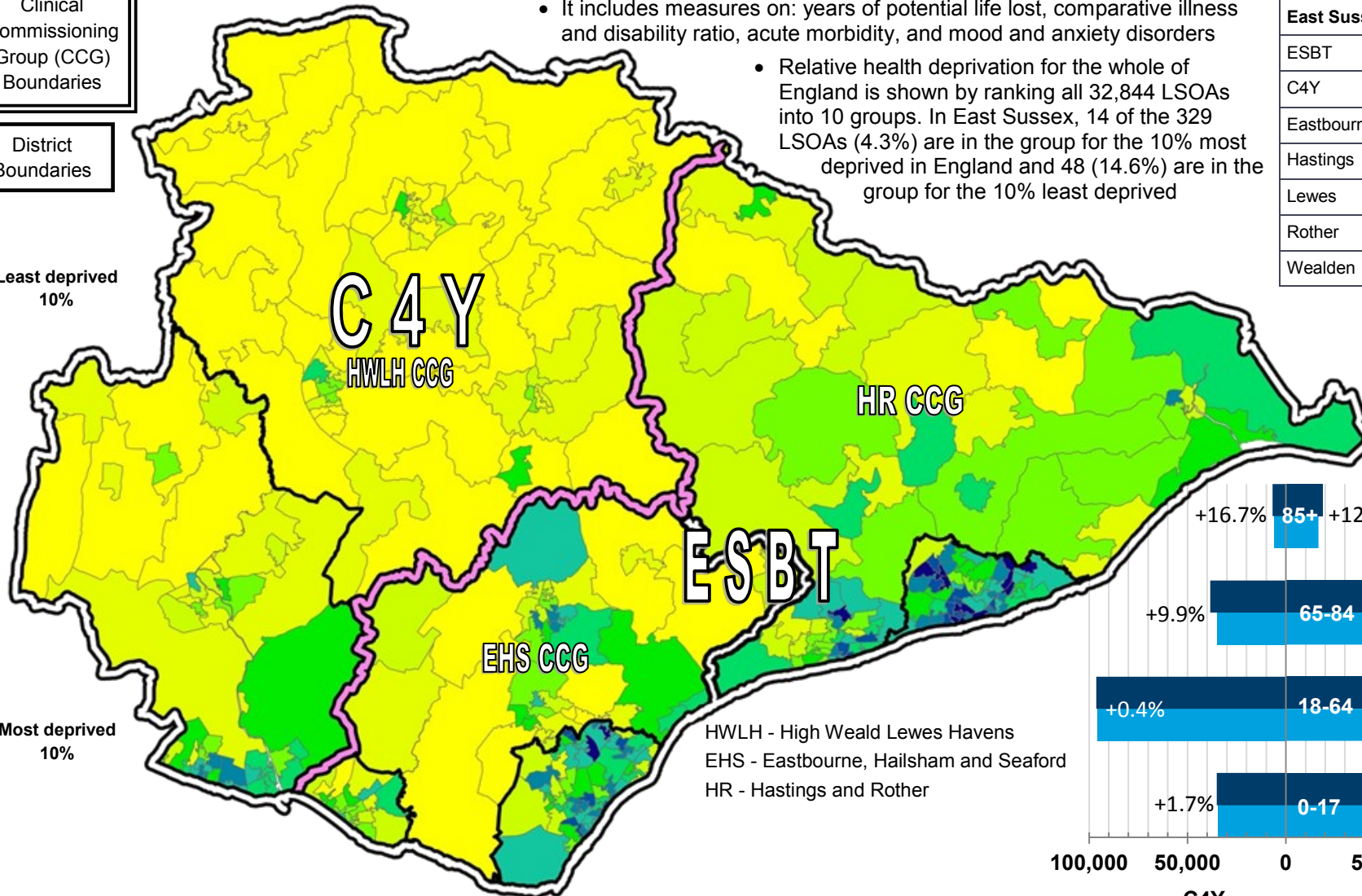
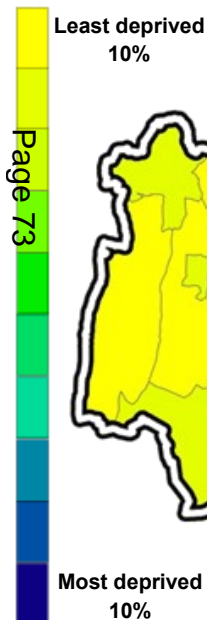
Clinical
Commissioning
Group (CCG)
Boundaries

District
Boundaries

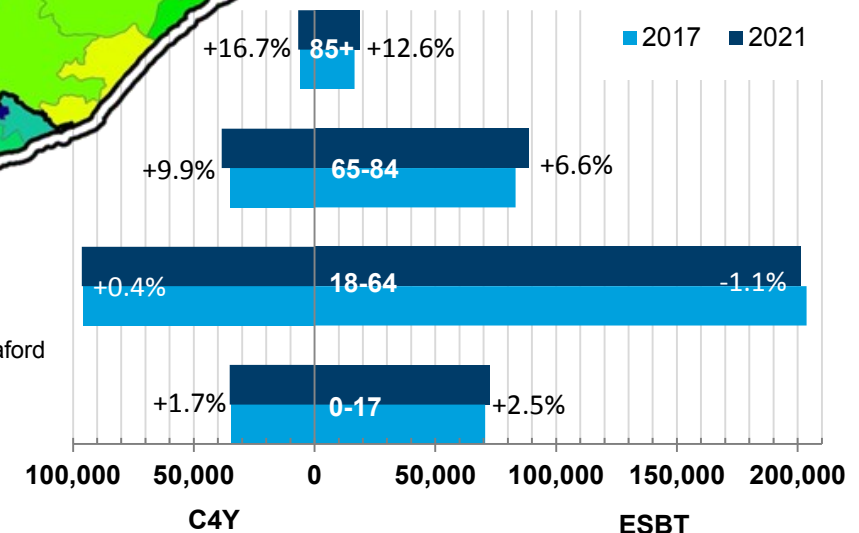
Map of Health and Disability Deprivation

- Health and Disability Deprivation measures relative health deprivation for small areas (Lower Super Output Areas (LSOAs)) in England
- It includes measures on: years of potential life lost, comparative illness and disability ratio, acute morbidity, and mood and anxiety disorders
 - Relative health deprivation for the whole of England is shown by ranking all 32,844 LSOAs into 10 groups. In East Sussex, 14 of the 329 LSOAs (4.3%) are in the group for the 10% most deprived in England and 48 (14.6%) are in the group for the 10% least deprived

Geography	Proportion of LSOAs in the most deprived 10% in England	Proportion of LSOAs in the least deprived 10% in England
East Sussex	4.3%	14.6%
ESBT	6.2%	4.8%
C4Y	0.0%	35.6%
Eastbourne	4.9%	0.0%
Hastings	18.9%	0.0%
Lewes	0.0%	9.7%
Rother	1.7%	5.2%
Wealden	0.0%	41.1%



Population projection 2021 Connecting for You (C4Y) East Sussex Better Together (ESBT)



East Sussex Better Together and Connecting 4 You are our local health and social care transformation programmes. We are working together with local people and organisations to design and commission safe, high quality and more integrated health and social care services that will meet the needs of people now and in the future.



State of the County Data

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We use a wide range of data to help us understand the context for our plans and the impact we are having through our work and in partnership. A selection of this data is listed below. Years are financial (April-March) or academic (September-August) unless otherwise stated.

Measure	14/15	15/16	15/16 Eng	Measure	14/15	15/16	15/16 Eng
Percentage of working age residents (16-64 year olds) with a level 4 or higher qualification (HNC, HND, degree etc) (CY)	31.0% (2015)	34.1% (2016)	37.9% (2016)	Rate per 10,000 (aged 0-17 population) of Looked After Children	52	51	60
Percentage of working age residents (16-64 year olds) with no qualifications or qualified only to NVQ1 (CY)	23.2% (2015)	22.4% (2016)	19.1% (2016)	Rate per 10,000 (aged 0-17 population) of children with a Child Protection Plan	44.5	43.1	43.1
Gross Value Added (GVA) per head (a measure of economic	£17,538	£18,302	£26,159	Percentage of children who ceased to be looked after adopted during the year ending 31 March	23%	24%	15%
Percentage of working age population (16-64 year olds) in employment	73.1%	73.8%	73.9%	Rate of hospital emergency admissions caused by unintentional and deliberate injuries in children and young people aged 0-14 years per 10,000 population	121.6	NA	NA
Claimant rate including Job Seeker's Allowance (JSA) and Universal Credit: claimants as a percentage of working age population (16-64 year olds), March	1.6%	1.5%	1.8%	Proportion of people who use Adult Social Care services who feel safe	72.2%	70.9%	69.2%
New business registration rate per 10,000 people over 16	57.0	61.9	77.6	Proportion of people (65 and over) who were still at home 91 days after discharge from hospital	88.8%	91.7%	82.7%
New houses built, total completed / total affordable	1,358 / 415	1,509 / 308	NA	Suicide rate per 100,000 of population, three year average	2012-2014 10.7	2013-2015 11.9	2013-2015 10.1
Percentage of children achieving a good level of development in all areas of learning ('expected' or 'exceeded' in the three prime areas of learning and within literacy and numeracy) in the Early Years Foundation Stage Profile (EYFSP)	74.3%	75.7%	69.3%	Percentage of children aged 4-5 years with excess weight (overweight or obese) LA by postcode of child	19.9%	22.6%	22.1%
Average Attainment 8 score per pupil state funded secondary schools	NM 15/16	49.3 Revised	50.1 Revised	Percentage of children aged 10-11 years with excess weight (overweight or obese) LA by postcode of child	29.6%	32.0%	34.2%
Average Progress 8 score for state funded secondary schools	NM 15/16	+0.04 Revised	-0.03 Revised	Long-term support needs of younger adults (aged 18-64) met by admission to residential and nursing care homes, per 100,000 population per year	13.9	12.9	13.3
Percentage of pupils reaching the expected standard at key stage 2 in reading, writing and mathematics	NM 15/16	52% Revised	54% Revised	Proportion of people who use Adult Social Care services who find it easy to find information about support	73.3%	76.2%	73.5%
Proportion of pupils in all maintained schools who achieve A*-C grades at GCSE or equivalent in English and maths	NM 15/16	63.1% Revised	63.3% Revised	Social isolation: percentage of adult social care users who have as much social contact as they would like	47.8%	42.6%	45.4%
Proportion of Looked After Children who achieve A* - C GCSEs in English and maths	NM 15/16	NA	15.9%	Long-term support needs of older adults (aged 65 and over) met by admission to residential and nursing care homes, per 100,000 population per year	545.5	542.6	628.2
Average point score (APS) per entry for level 3 exams including A levels (16-18 year olds)	NM 15/16	30.35 Revised	31.42 Revised	Proportion of older people aged 65 and over offered reablement services following discharge from hospital	1.5%	1.5%	2.9%
Percentage of A level entries that were for STEM (Science, Technology, Engineering and Mathematics) subjects	27.8% Revised	29.5% Revised	32.7% Revised	The outcome of short-term services: sequel to service: proportion of people who received short-term services during the year, where no further request was made for ongoing support or support of a lower level	88.8%	90.5%	75.8%
Percentage of exams awarded A/A* grades for A Level STEM (Science, Technology, Engineering and Mathematics) subjects	20.3% Revised	24.0% Revised	30.4% Revised	Number of people killed or seriously injured on the roads (CY)	351 (2015)	383 (2016)	NA

CY = Calendar Year (January-December)

NA = Data Not Available

NC = Data Not Comparable

NM = New Measure

TBC = To Be Confirmed

National and Local Outlook

1. Introduction

1.1 This Appendix provides an overview of the key current and anticipated issues at local and national level that will form the context for the next round of Reconciling Policy, Performance and Resources. The outcome of the recent general election means that there is significant uncertainty about the likely policies, priorities and timescales of the new Government so this report refers primarily to the declared intentions of the last Government. Details will be updated as more information becomes available. This Appendix should be read in conjunction with the 2016/17 end of year Council Plan monitoring (see agenda item 5 for Cabinet 27 June 2017) and provides the performance overview. This Appendix covers the following focus areas:

- Schools
- Children's Services
- Older People
- Health and Social Care Integration
- Partnerships
- Economy
- Infrastructure
- Workforce
- Customer Experience and Engagement
- Funding and Income

2. Schools

2.1 Ensuring that the county has good schools which help pupils achieve to the best of their ability is a vital part of the Council's mission. The "Excellence for All" Strategy sets out how the Council is seeking to influence and support schools in the face of an increasingly fragmented system, where the role of Local Authorities is increasingly reduced and marginalised. The two most immediate issues facing schools include:

a) Schools National Funding Formula

2.2 The previous Government had outlined its intention to replace the current funding system with one new National Funding Formula (NFF) which would determine the level of grant schools receive directly from the Department for Education (DfE). The NFF is intended to rectify disparities in the level of funding schools receive across the country and is proposed to be made up of the following factors:

- a basic pupil formula weighted by age;
- funding for additional pupil needs (eg pupils from deprived backgrounds, with low prior attainment, or English as an additional language);
- a lump sum payment with extra funding for small schools in sparsely populated areas; and
- adjusted funding based on the school's location.

2.3 Government had confirmed the following proposals to balance the different factors in the NFF and the impact on funding for individual areas and schools:

- The introduction of a NFF for schools, high needs and Local Authority services for schools in 2018/19;

- For 2018/19, the NFF will be used to calculate “notional” budgets for schools which will be aggregated up for distribution between schools via each Local Authority’s own local funding formula;
- In 2019/20 the local formula will be removed; and
- The schools funding block will be ring-fenced for spending on schools, but there will be some limited scope for movement between all funding blocks before 2019/20, and some continuing local flexibility from 2019/20, subject to consultation and approval of the Schools Forum and the majority of schools.

This stage of the consultation closed in April and the outcome was expected in summer 2017, but the general election has delayed this.

2.4 To help with the transition from the current arrangements to the NFF, the DfE had confirmed the minimum funding guarantee (which ensures individual schools’ budgets do not fall below a given percentage from one year to the next) will remain in place for 2018/19.

2.5 The transition to a NFF was originally scheduled to take place over a two year period. The DfE had intended to implement the NFF from 2017/18 with two years of a local formula. However, delays have meant Year 1 was lost. There will only be one year for local management (2018/19) before the full implementation in 2019/20.

2.6 The Dedicated Schools Grant (DSG) is currently divided into three blocks: a schools block, high needs block and early years block. In addition to DSG, Authorities receive Education Services Grant (ESG) which funds services for schools. Under the NFF it is proposed that a new, fourth funding block – the Central Schools Services Block – will be allocated to Local Authorities on a formulaic basis, to support some centrally provided Local Authority functions to replace ESG.

2.7 At present, ESG is split into two elements: “general funding” (£77 per pupil in 2017/18) to fund duties that Local Authorities are responsible for delivering (ie. school improvements, HR and financial advice) and “retained funding” (£15 per pupil in 2017/18) to fund duties Local Authorities provide for all pupils (ie. education welfare and Capital Programme). The “general funding” element of ESG will be removed with effect from September 2017. The Medium Term Financial Plan (MTFP) assumes, therefore, that the existing grant of £3.4m will be reduced to zero from 2018/19.

2.8 Local Authority historic commitments, as part of the Central Schools Services Block and which include spend on Combined Services, will be recognised by the DfE on the basis of actual costs which they will expect to “unwind over time”. It is therefore likely to add pressure over and above that assumed in the MTFP (reductions of £0.25m from 2018/19). It is, however, not possible at this stage to determine the likely reductions or their timing.

2.9 As the funding formula proposed in the consultation beds in, there will inevitably be “winners and losers”. Looking at the range of indicated gains/losses, the highest percentage “winner” in the primary phase could be 13.5% whilst the greatest loss could be 2.4%. For the Secondary Phase, the highest increase could be 5.1% and the greatest loss could be 2.5%. Overall, 48% of East Sussex schools appear to be “losers”, with smaller primary and secondary schools worst affected and some could struggle to continue to operate effectively.

b) Changes to Schools

2.10 The previous Government had an ambition for all schools to become academies and all schools that receive an Ofsted grade of “Inadequate” are required to convert. Currently, in East Sussex, of 192 schools, 52 are academies (27%): 29 primary schools, 13 secondary schools, 8 special schools, 1 all through school and 1 Pupil Referral Unit. A further 6 schools are expected to convert in September 2017.

2.11 Schools continue to receive funding to support the process of conversion to academy status but the Government does not reimburse Local Authorities for the costs they incur in supporting the conversion of schools. The estimated cost to East Sussex County Council (ESCC) of schools converting to academies is £2.3m.

2.12 When a school becomes an academy and the Council owns the land, the Council remains the freeholder and a lease of 125 year is granted to the Academy Trust. Once schools have transferred to academies, Local Authorities lose responsibility for employment of staff, ownership and asset management of school buildings, and responsibilities relating to the governance, organisation and curriculum. Local Authorities continue to have three main responsibilities:

- ensuring every child has a school place;
- ensuring the needs of vulnerable pupils are met; and
- acting as champions for all parents and families.

2.13 The previous Government supported the opening of Free Schools. In the last round of applications, 7 applications were made for Free Schools in East Sussex; of these, 3 were successful and have now progressed to the pre-opening stage; 2 were for pupils with Special Education Needs (SEN) and 1 was for Alternative Provision for secondary aged pupils.

2.14 Government had indicated its intention to approve the expansion of existing grammar schools, and allow existing non-selective schools to become selective in certain circumstances. Further details are expected in the coming months.

2.15 It is unclear, at this stage, how the revoking of the White Paper, which required all schools to have converted to academy status by 2020, may affect East Sussex, but if a significant number of schools convert to academies, impacts will need to be considered, such as the key impact on Local Authority responsibilities and staff numbers, on East Sussex traded services as well as the liability of school staff pensions.

3. Children's Services

a) Special Educational Needs and Disability

3.1 Significant changes have taken place within the field of Special Educational Needs and Disability (SEND) over the last 2 years which have created financial pressures for ESCC. These include:

- statutory changes in provision for SEND through the Children and Families Act 2014 which:
 - extended provision of statutory assessment for an Education Health and Care Plan (EHCP) from age 16 to 19 and for the provision of SEND support from age 19 to 25. No additional funding was provided for these changes;
 - heightened parental expectations, leading to more requests for additional provision and high-cost placements;

- revised the consultation process for SEND assessment through which schools can challenge Local Authorities and refuse the placement of a child with an EHCP; and
- changed responsibilities for the provision of education in health placements, shifting costs from health to education.
- Mainstream and special schools' capacity and willingness to manage pupils' learning and behaviour effectively;
- Parental lack of confidence in mainstream provision;
- Partners' prescription of statutory assessment and recommendations for additional or independent provision which places a financial burden on ESCC.

3.2 Changes in national policy have impacted upon the overall demand for statements of SEND/EHCPs, specialist school placements and post-16 provision. These drivers have increased demand for statutory assessment and specialist.

3.3 Five key strands of work to address the increased demand on provision and resources have been identified:

- Building capacity and an inclusive ethos in mainstream schools – targeted interventions and work through Education Improvement Partnerships to improve Quality First Teaching and confidence in supporting more children with higher levels of need;
- Improving parental confidence in local provision – ensuring that parents receive consistent messages from schools and support services about the ability of local schools to support their children appropriately within their local community;
- Robustly implementing the East Sussex post-16 pathways and ceasing EHCPs at age 16 where they are not required for the young person's chosen pathway. Helping young people (age 12 to 15) to strengthen their targets for independence and academic progression to ensure they are ready for transition at the age-appropriate date without the need for an ongoing EHCP;
- Increasing the number of local special school places through the development of specialist facilities in mainstream schools, Free Schools or Capital Programme; and
- Working with partners, East Sussex Better Together and Connecting For You, to take a joined-up approach to planning the use of resources available.

3.4 As part of the proposed High Needs Block funding formula, the Government required all Local Authorities to undertake a review of spend within SEND. In East Sussex, the opportunity will be taken to address some of the ongoing concerns and make changes to the current organisation for specialist provision for children with SEND across the county, this includes those who attend mainstream schools and those who require more specialist provision.

b) National Dispersal Scheme for Unaccompanied Asylum Seeker Children

3.5 The Council has responded to Government's request for Local Authorities to take part in the voluntary resettlement scheme for unaccompanied asylum seek children and young people. In line with the Government's calculation that every Local Authority should take the number equivalent to 0.07% of their total child population, ESCC has committed to finding placements for 72 children and young people.

3.6 The Council does not differentiate between the routes by which children and young people come to the UK, including:

- Spontaneous arrival usually via Newhaven Port;
- The National Dispersal Scheme administered by the regional Migration Partnership;

- Dublin 3 – unaccompanied children already in Europe with an identified relative in the UK; and
- Dubs children – unaccompanied children already in Europe with no family (eg. children from the Calais camps).

3.7 Every request is being considered actively and positively and the Council will continue to work with colleagues to support unaccompanied children and young people who need help and support.

c) Financial Pressures in Children's Services

3.8 There are a number of pressures within Children's Services arising from the above issues. These will need to be understood and considered in the round in order to create a sustainable budget. Work on this is ongoing and will continue over the summer. For 2018/19, the MTFP has provision to meet these as set out below:

	£m
Loss of Dedicated Schools Grant for central services due to National Funding Formula (NFF)	0.25
Loss of Education Services Grant due to NFF	1.18
Return of High Needs Block top-slice to schools and other Children's Services pressures due to NFF	5.5
Extension of foster care to 21	0.7
Total	7.63

4. Older People

a) Services for Older People

4.1 The previous Government responded to national concerns about financial pressures in social care for older people by introducing the following short-term measures:

- Adult Social Care (ASC) Precept – Government allowed Councils to raise additional money between 2017/18 and 2019/20 up to a maximum of 6% over the 3 years, specifically for ASC. The Council agreed a precept of 3% in 2017/18. Planning is based on a further 3% increase in 2018/19 and no rise in 2019/20;
- ASC Support Grant – a one off grant for 2016/17;
- Improved Better Care Fund (IBCF – announced autumn 2015); and
- Additional IBCF (announced in spring 2017 – see below)

The table below sets out the amounts in each funding stream for East Sussex.

	2017/18	2018/19	2019/20
	£m		
ASC Levy	7.4	15.2	15.2
ASC Support Grant (one-off in 2017/18)	2.6	0	0
Improved Better Care Fund (IBCF) – autumn 2015	0.3	7.8	14.9
Additional IBCF – spring 2017	11	7.3	3.6
Total	21.3	30.3	33.7

4.2 The Spring Budget 2017 acknowledged the pressure that the health and social care system is under, and announced an additional £2bn funding for ASC in England over the next three years, with £1bn to be made available in 2017/18. This funding has specific conditions attached to its use whose primary purpose is to protect ASC services but which also includes an intention to alleviate pressures on the NHS, such as measures to reduce delayed transfers of care. This additional

funding has enabled ESCC to mitigate the planned reductions in ASC services in 2017/18. An adjustment is required to the approved 2017/18 Budget and MTFP to take account of this additional funding, which has been applied as follows:

Application of funding in 2017/18	£000
Investment in East Sussex Better Together (ESBT) aligned budgets:	
To remove requirement for partners to offset ASC planned budget savings	7,007
To contribute towards service redesign investments	1,484
Mitigation of planned savings in ASC, outside of ESBT	781
Unallocated pending review during 2017/18	1,755
Total	11,027

4.3 These measures are not long-term and cease in 2020/21. They risk distorting the Council's priorities and will create a cliff edge if a long-term solution to ASC funding is not found by this time. The Council will be wholly reliant on local funding of services through Council Tax and Business Rates (or National Non-Domestic Rates – NNDR) by this date and is unlikely to be able to resource the resultant funding gap.

4.4 Additional pressures will continue to arise in this area because of demographic growth. This amounts to £1.8m in 2018/19, rising to £2.3m in 2019/20 and £2.6m in 2020/21. In addition, the demand and cost of services arising from meeting the changing needs of clients and the local population are projected to add further costs of £2.7m per annum to 2020/21. The total additional financial pressure arising from increased demand is therefore estimated at £14.8m over 2018/19 to 2020/21.

4.5 The previous Government had confirmed that it would set out its plans on the options for future financing in an Older People's Green Paper. The Government had clarified that these options will not include additional inheritance related taxes, but will seek a strategic approach to solving the long-term challenges of sustainably funding care in older age. It is likely that the new Government will need to address these issues and that may include a number of options including implementing the cap on care costs included within the Care Act 2014 (which has been deferred to 2020), and insurance and savings solutions.

5. Health and Social Care Integration

a) East Sussex Better Together - Accountable Care System

5.1 The East Sussex Better Together (ESBT) programme, which began in August 2014, is currently transitioning to the new ESBT Alliance arrangement, with the aim to transform health and social care in East Sussex, bringing together prevention, primary and community care, social care, mental health, acute and specialist care.

5.2 The Alliance is made up of five local partners:

- Eastbourne, Hailsham and Seaford Clinical Commissioning Group (CCG);
- Hastings and Rother CCG;
- ESCC;
- East Sussex Healthcare NHS Trust; and
- Sussex Partnership NHS Foundation Trust.

5.3 A joint Strategic Investment Plan has been developed by ESCC and the two CCGs to deliver financial sustainability for the whole health and social care system through to 2021.

5.4 The ESBT Alliance will also work closely with GP practices and other organisations providing health and care in East Sussex.

5.5 The next step to achieve this transformation is to build a new model of accountable care, through the ESBT Alliance, that integrates the whole health and social care system to achieve the best outcomes from the £850m budget for health and social care in the ESBT area.

5.6 The period from April 2017 will be a transition (or shadow) year, to test out the most effective ways of working together to provide the best and most sustainable services for local people.

b) Connecting For You

5.7 Connecting For You is a programme which is being developed in partnership with High Weald Lewes Havens (HWLH) CCG to address the specific needs of the population within that area and the challenges to delivering sustainable NHS and social care services. The programme has been put in place following the withdrawal of the HWLH CCG from the ESBT programme in 2016, and within the context of the need to explore integration between health and social care.

5.8 The programme is at an earlier stage of development than ESBT and has, to date, focused on promoting health and wellbeing, preventing avoidable ill-health and co-ordinating support services, including technology, equipment and accommodation, so that people can live independently in their own homes.

5.9 The programme is developing plans for an Accountable Care System in this area, but, in contrast to the ESBT area which contains an acute foundation trust across two sites, the HWLH area does not have a single acute catchment area, and is therefore exploring a different model based on a Multi-Specialty Community Provider (MCP) model which brings together primary, community and social care providers, including Sussex Partnership Foundation and Sussex Community Foundation Trust.

5.10 It is the intention this year for the Council and the CCG to develop a joint Strategic Investment Plan for 2018/19.

c) Sustainability and Transformation Partnerships

5.11 Sustainability and Transformation Partnerships (STP - previously known as Sustainability and Transformation Plans) bring together health organisations within specific NHS England determined geographies. East Sussex is within the Sussex and East Surrey (SES) STP, along with West Sussex, Brighton & Hove, Mid Sussex and the eastern part of Surrey, which covers 1.9m residents. The remit of STPs is to bring local health leaders, organisations and communities together to develop local blueprints for improved health, care and finances over the next five years, to deliver the NHS Five Year Forward View. There is a national expectation that STPs will work in partnership with Local Authorities.

5.12 The SES STP is segmented into four areas which either have or are developing place-based plans. East Sussex is geographically represented in two of these areas:

- the area covered by the Hastings and Rother CCG and Eastbourne, Hailsham and Seaford CCG, comprising the ESBT area; and
- the area covered by the High Weald Lewes Havens CCG, forming part of the South Central Sussex and East Surrey area with Brighton & Hove.

5.13 The SES STP has identified several priorities in 2017/18:

- An STP-wide Workforce Strategy;
- Shared patient records across health and care;
- An STP-wide protocol and infrastructure for information governance and management to enable system working;
- Commissioning reform;
- Accountable care provider vehicles for each place-based plan to enable the delivery of integrated health and care services for the population;
- Sharing learning on best practice across the STP; and
- Collective work on common issues such as payment and contracting.

6. Partnerships

6.1 Partners in the East Sussex public, private and voluntary and community sectors have worked hard and effectively over a lengthy period to build strong partnerships at both strategic and operational levels. There is a commitment and determination to use and develop these relationships to make best of the resources, energy and creativity to provide the best possible quality of life for current and future residents, communities and businesses in East Sussex. The strong local partnerships extend to broader geographical areas where the focus makes that appropriate: South East 7, South East Local Enterprise Partnership, Transport for the South East and Orbis all being good examples. The following areas are key partnership issues:

a) Image of East Sussex

6.2 East Sussex is a diverse county with great variations between places and communities. The need to explore how best to promote a strong reputation as a good place to live, work, visit and grow businesses is increasingly pressing for inward investment, supporting existing business growth, public sector workforce strategies, school leadership and teaching and promoting tourism and culture. Initial work has been undertaken by Team East Sussex (the East Sussex Economic Growth Board) from an economic perspective, by ESCC in relation to tackling school attainment issues and by ESBT from a workforce and innovation perspective. It is a complex area which will require focus and effective delivery in 2017/18 and beyond.

b) Orbis

6.3 East Sussex and Surrey County Councils have been working in partnership on business services since 2015 through Orbis; Brighton & Hove City Council joined the partnership in May 2017. Business Services budgets will be integrated by April 2018 and full integration of services will be achieved by April 2019. The Orbis Business Plan sets the expected efficiencies to be achieved. Orbis successfully delivered its targets in the first year of the business plan (2016/17) and is on track to achieve targets for the second year (2017/18). All services within Orbis had integrated leadership teams from June 2017 and integration is happening in many services.

6.4 Current focus is on strengthening and improving the quality and resilience of services to existing partners/customers rather than actively seeking to attract new partners at this stage. Opportunities for collaboration with other large Local Government partnerships such as Local Government Shared Services (LGSS - Cambridgeshire and Northamptonshire) and OneSource (London Boroughs of Havering and Newham) are, however, being explored.

6.5 The focus for 2017-2019 will be on continued integration of individual services and cross-cutting functions and the enabling IT and systems to support the

partnership. This brings both financial and non-financial benefits. Orbis will continue to be flexible to support organisational change, such as, ESBT and services to schools. The partnership will work to future proof its operating model and will, where necessary, adapt in response to changes that impact the ability to trade and operate.

c) Orbis Public Law

6.6 Orbis Public Law (OPL), the legal services partnership between Brighton & Hove City Council and the County Councils of East Sussex, Surrey and West Sussex has entered into its shadow operating budgets partnership period. OPL aims to establish a resilient, flexible, single legal service with a critical mass of expertise and provide a quality, cost effective service.

6.7 Each of the Council's legal teams face similar issues: increasing financial challenges and fewer resources making it harder to manage demand and provide the quality, and often specialised, legal service that Councils rely upon. Individually, each Council currently struggles to recruit and retain legal staff. The size and resilience of OPL will provide an effective vehicle to attract and retain excellent staff who share OPL's aspirations and ethos.

d) Strategic Property Asset Collaboration in East Sussex (SPACES)

6.8 SPACES is a partnership between Local Authorities, emergency services, health services and a number of Government departments in East Sussex and Brighton & Hove. The programme was formed in 2011 as part of the East Sussex Strategic Partnership with the aim of facilitating co-location and collaboration on property based activity. It aims to achieve £30m in capital receipts, £10m reduction in revenue costs and a 20% reduction in CO2 emissions. To date, £12.5m in benefits have been delivered across the partnership (£1.8m net benefit identified for ESCC).

6.9 This year the partnership has been successful in a bid for One Public Estate funding to support feasibility work and the development of final business cases for seven projects co-locating emergency services. Initial design work has been completed for Collaborative Workspace, to provide shared hot desks for public sector staff. A pilot will begin in the summer, to develop a business case for the potential of rolling out the shared spaces across East Sussex and Brighton & Hove.

e) Countryside Access Strategic Commissioning Strategy

6.10 There are 2,000 miles of public rights of way (PRoW - footpaths, bridleways, byways and restricted byways) in East Sussex, for which ESCC is responsible. ESCC is also responsible for managing 10 countryside sites (including Country Parks and Local Nature Reserves) totalling 1,160 hectares.

6.11 A wide engagement process has been undertaken to understand how and why people use PRoW and countryside sites. This research and engagement work helped identify the following four strategic outcomes in the draft Strategy:

- Enable residents and visitors to use the PRoW and countryside sites safely;
- Support and enable landowners, stakeholders and residents to exercise their rights and fulfil their responsibilities;
- Achieve the most efficient and effective management of PRoW and countryside sites for the benefit of residents, visitors and wildlife; and
- Enhance local communities through PRoW and countryside sites engagement.

6.12 The draft Strategy recommends a differentiated approach and considers PRoW separately to countryside sites, concluding:

- PRoWs should be managed in-house (activities including maintenance, enforcement and legal record keeping). A number of areas of improvement are identified, including how Public Health objectives are prioritised, working with those developing new paths and the contribution of the volunteer offer; and
- The management of countryside sites should be changed to improve both the visitor experience and conservation work. Other organisations experienced in community involvement, conservation and visitor engagement could be better placed to improve what the sites have to offer. The Cuckoo Trail and Forest Way are more like PRoW in their appearance and use, so they require different management arrangements to green open space. Consequently, it is proposed that the Cuckoo Trail and Forest Way continue to be managed in-house.

6.13 There has been a public consultation on the draft Strategy and the findings of this consultation and recommendations for implementation will be considered by Cabinet on 27 June 2017 (see agenda item 8).

f) Devolution

6.14 England has a very centralised governance system, with Whitehall setting out in detail the duties and responsibilities of local service providers, specifying many services and setting limits on local expenditure. This leads to national decisions being taken which do not take into account local variations of need and circumstances and often produces fragmented systems and strategies, with a number of Government departments trying to deal with aspects of the same issue. English devolution offered an opportunity to redress that balance and bring national funding streams together locally where that would be more effective. The new metro-mayors may gain greater local responsiveness in the areas they serve. ESCC, with partners locally and regionally, has sought and will continue to seek opportunities to achieve similar benefits in the southern area, away from the cities that have benefited to date. The Three Southern Counties (3SC) partnership, comprising Councils, public sector organisations and Local Enterprise Partnerships (LEPs) across East Sussex, Surrey and West Sussex will continue to seek to negotiate a devolution deal with Government that serves the needs of the residents, businesses and communities of the area.

6.15 The unique 3SC offer to Government is centred on the economy and infrastructure based on the following focus areas:

- Fiscal – exploring opportunities for the 3SC to have access to funding to deliver the partnership's priority outcomes with certainty and pace;
- Housing and Planning – working to ensure the relationships exist, the land is made available and freedoms and flexibilities are in place to deliver the needed homes, jobs and additional opportunities on surplus brownfield land;
- Infrastructure – ensuring the infrastructure (physical and digital) meets current and future needs of the 3SC area, to enable the housing and employment growth; and
- Skills – meeting the skills gap across the 3SC to allow businesses to grow.

6.16 The 3SC is confident of the compelling case that can be made to Government for a comprehensive 3SC devolution deal that works both in the local and national interest. Development of the broader 3SC programme of discussions with Government has been on “pause” since the beginning of 2017 to allow Government plans in a number of key initiatives to become clearer. The “pause” was intended to come to an end after the County Council elections but this has been extended as a result of the general election. Detail on the future of devolution deals and the impacts for areas without a deal will be made clearer by the new Government.

6.17 During the “pause” in broad 3SC activity, specific, priority areas have been progressed to enable the partnership to take full advantage of opportunities as they arise, including:

- Skills – the partnership held an engagement event with local skills providers to start the development on the 3SC Skills Strategy. Further engagement on and development of the Strategy will take place over the coming months and will tie in with the publication of a Skills White Paper (expected in 2017).
- Speaking with one voice – 3SC partners collaborated to develop single responses to a number of Government consultations, including, “Building a Modern Industrial Strategy” and “Fixing our Broken Housing Market”. These responses ensured the collective view of the area was incorporated into the development of key Government strategies/initiatives.
- Infrastructure – building on the strength of the partnership, the 3SC is working with Local Authorities and South East LEAs to develop a Sub-National Transport Body to oversee the delivery of strategic infrastructure and transport needs.

6.18 See paragraphs 9.5-9.10 for more detail on the Sub-National Transport Body (Transport for the South East) below.

7. Economy

a) Industrial Strategy Green Paper

7.1 In January 2017, Government released the “Building Our Industrial Strategy” Green Paper which sets out how the Government proposed to build a modern Industrial Strategy with the aim of improving living standards and economic growth by increasing productivity and driving growth across the whole country. Government identified ten “pillars” that it believed to be important to drive forward the Strategy, covering areas such as skills, infrastructure, business start-ups, growth, trade and inward investment.

7.2 ESCC submitted a response to the Green Paper consultation (in addition to contributing to responses submitted by the 3SC and South East Seven partnerships). ESCC welcomed the Green Paper and its aim to support economic growth, as this aligns with the Council's priority outcome to drive economic growth and will help ensure that the significant contribution made from this area to the UK economy is sustained into the future. The response also broadly welcomed the alignment of the respective ten thematic pillars into one single strategy.

7.3 The ESCC response reconfirmed what is set out in the County Council's Growth Strategy, citing in particular the infrastructure and skills needs in the context of local growth. The response identified a number of key challenges that need to be addressed to achieve economic growth in the county, including:

- the need to cater for the requirements of the particular priority industrial sectors in local areas (including construction, engineering and advanced manufacturing, healthcare [including social care], land management, digital and media, low carbon and environmental goods and services, professional and business services, culture and wholesale, retail and motor), in addition to those identified as being of national importance;
- the need to improve quality of the strategic road and rail infrastructure to facilitate economic growth;
- the provision of greater certainty in relation to longer-term levels of funding and the need for more innovative funding solutions, in appropriate circumstances, to improve the delivery of transport, broadband and the other types of infrastructure;

- the need for skills funding and provision to be designed to reflect local economic needs to ensure providers at all levels are delivering the skills that local employers require to grow and prosper;
- the importance of ongoing investment and support for Local Growth Hubs which have contributed significantly to the year-on-year growth of the East Sussex economy by helping businesses to grow and trade;
- there needs to be greater clarity on what the mechanisms will be to enable the realisation of the aims of the Strategy;
- the need for greater emphasis on natural capital which can complement growth, creating vibrant communities and the places business wants to invest with Local Nature Partnerships being given a greater role;
- the need for greater resources for cultural hubs in recognition of the role of cultural institutions and destinations in supporting and stimulating creative business clusters;
- given the ageing demographic of East Sussex, the inclusion in the Strategy of technological aids to meeting the needs of the county's ageing population; and
- the need for Local Authorities to be given the tools to unlock economic growth in their areas; in particular a stronger infrastructure spatial planning role to enable infrastructure to be planned in its widest sense to support sustainable growth and increased productivity.

7.4 It was anticipated that an Industrial Strategy White Paper would be published later in the year providing further opportunity for ESCC to contribute to the development of the Industrial Strategy. It was also anticipated that further Government consultation papers on related areas would be issued, including skills and employability and replacements for European Union (EU) Structural Funds, which would also provide further opportunities for ESCC to reflect its specific needs in the context of the local economy.

b) Skills

7.5 As part of the economic development work, Skills East Sussex continues to bring together businesses and education providers to help ensure that businesses in the county can access the skills they need both currently and in the future. A range of initiatives have been piloted by sector focused task groups to improve the quality of careers advice in schools, improve the curriculum offered locally to reflect business needs, and to influence nationally funded employment support projects to make sure that the adults they work with have the skills or are retrained to support the growth sectors. Further funding has also been secured to continue the work of the Career Enterprise Advisors who ensure that secondary schools have active relationships with local employers to improve the quality of careers advice and to help raise the aspirations and understanding about the range of careers available to young people.

7.6 Through the 3SC and the South East Local Enterprise Partnership (SELEP) work, the drive to persuade Government to devolve skills funding to a local level where it can be better targeted continues. As part of this, closer working with the universities and colleges across the county is being delivered.

7.7 A Skills White Paper was anticipated in 2017 and was expected to build on the Post-16 Plan issued by the DfE in 2016. It is anticipated that it would support choice at age 16 between academic learning leading to university or a new Technical Professional Education (TPE) route into work. There are likely to be 15 different TPE routes, including engineering and manufacturing, social care, construction, creative and design, digital and agriculture which are of particular importance to East Sussex,

delivered either through full-time school/college based learning with a period of work placement in a relevant industry, or via an apprenticeship programme. There will also be the introduction of an introductory or preparatory year for some learners, extending the TPE to three years.

c) Digital Economy Bill

7.8 This expected wide-ranging legislation would, amongst others things, entitle consumers to minimum broadband speeds and increase protection for intellectual property online. The Government had intended to introduce a broadband universal service obligation (USO) to give people “the right to request an affordable broadband connection, at a minimum speed, from a designated provider, up to a reasonable cost threshold”. Government’s ambition was for the USO minimum speed to be 10mbps (five times faster than the current USO), which it will “look to raise over time”. Analysis by Ofcom has shown that a download speed of 10mbps would currently enable consumers’ full participation in a digital society. Achieving this USO for all would need some high-cost interventions. These could be mitigated by introducing a “reasonable cost threshold” (RCT) whereby the appointed provider(s) would not be required to serve premises where the costs were higher unless the customer pays the difference. This approach is similar to the telephone service where the RCT is £3,400. If connection costs are above this, consumers are given the option of paying the excess construction charge. Any decision about the level of a RCT would involve a trade-off between the aspiration that the policy reaches as many people as possible and the call on any universal service fund to support the USO, which would eventually be passed, to some degree, to people and businesses. The proposed date for the introduction of a new broadband USO is 2020.

d) Economic Development Delivery

7.9 Following a successful start to the Local Growth Fund (LGF) programme, SELEP will be refreshing the Strategic Economic Plan for the region. This will ensure that future priorities are closely aligned with Government policy enabling access to future funded programmes directed towards delivering the needs of businesses locally, creating jobs, building homes and providing the skills necessary for now and in the future.

7.10 There will be a first call for the Growing Places Fund, which will provide up to £7.5m of interest free loans to developers, Local Authorities and businesses throughout the SELEP area. Team East Sussex will promote a series of bids maximising investment into the local economy.

7.11 Having seen the successful completion of the Swallows Business Park Infrastructure project in 2016/17, the East Sussex LGF programme for 2017/18 has now been confirmed and is profiled for £26m across ten projects:

- North Bexhill Access Road;
- Queensway Gateway Road;
- Newhaven Flood Defences;
- Coastal Communities Housing (Hastings);
- East Sussex Strategic Growth Package;
- Hastings and Bexhill Movement and Access Package;
- Hailsham, Polegate, Eastbourne Movement and Access Corridor;
- Devonshire Park Quarter Redevelopment;
- Eastbourne and South Wealden Walking and Cycling Package; and
- Eastbourne – Terminus Road Improvements Scheme.

7.12 In addition to the funding received through SELEP, three new Lewes District schemes will receive over £5m funding from the Coast to Capital LEP (C2C LEP) for Railway Quay and Eastside South, Newhaven, and Springman House, Lewes, alongside the £10m allocated investment in the Newhaven Port Access Road.

7.13 Funding has been secured through SELEP in 2017/18 for the East Sussex Growth Hub “Business East Sussex” to provide a one stop shop for business support services across the county. The funding secured equates to £113,000 per year in addition to the South East England Development Agency "legacy" funding of around £112,000. Over £1m funding has also been secured from the EU for the South East Business Boost (SEBB) Programme to enhance and extend the business support services available in East Sussex from August 2017 to June 2019. This is accompanied by a SEBB small grants programme of £850,000, enabling small businesses to access capital funding up to £10,000 to grow their business.

7.14 Locate East Sussex (the inward investment service for the county) continues to be part-funded by the Borough, County and District Councils. In addition, EU funding has effectively doubled the level of funding to enhance and extend the offer. A three year contract commenced in May 2017 with an annual budget of £420,000.

7.15 Work continues on the delivery of the superfast broadband programme for East Sussex. The first contract with BT was completed on time, on budget, over target and contributes to the Government’s target to have 95% superfast across the UK. The second contract started in September 2016 and will run until December 2018. It will deliver improved speeds to over 7,500 premises – many of whom were not eligible for support through the first contract – and is expected to bring superfast coverage in the county to 96% alongside commercial deployment activity. Take up of fibre broadband is currently running at 42% against the national benchmark for all projects of 20%. Faster broadband to businesses and communities remains a priority and ESCC intends to increase coverage to as close to 100% as possible.

7.16 ESCC’s East Sussex Invest (ESI) 5 replaced ESI 4 in April 2017, which had awarded £2m worth of grant and loan funding to 69 businesses projected to create 262 jobs over the next 6 to 12 months. To date, 128 jobs have been confirmed. ESI 5 will continue to support the local economy and create jobs. The fund offers grants ranging from £15,000 to £40,000 and loans from £10,000 to £200,000. In addition, there is a grant of £1,500 available for taking on a new apprentice.

7.17 The Catalysing Stalled Sites (CaSS) and Scheme Enabling Funds (SEF) capital funds have been used to positive effect, with a number of funding awards to develop pipeline projects towards other funding opportunities.

8. Environment

8.1 Two thirds of East Sussex is covered by the South Downs National Park and Area of Outstanding Natural Beauty. This designation is significant in attracting people to the county, but places constraints on infrastructure development and economic growth. There may be risks to the environment from leaving the EU arising from the possible loss of subsidy to farmers having an adverse impact on the landscape.

8.2 The Department for Environment, Food and Rural Affairs (DEFRA) was due, in 2016, to publish a 25 year environment plan to protect the UK’s environmental assets, but this was delayed due to the EU referendum. There is no timetable for the release of the Plan or the consultation period. Information provided by DEFRA

suggests that the plan would establish a series of indicators to record progress. The example indicators indicated by DEFRA are similar to those included in the East Sussex Environment Strategy (eg. on air and water quality).

9. Infrastructure

a) A27

9.1 Following the publication of the Department for Transport's (DfT) Roads Investment Strategy 2015-2020, £75m was allocated to smaller scale improvements to the A27 east of Lewes. Highways England (HE) consulted on proposed improvements, focused on Polegate, Wilmington, Berwick and Selveston, in late 2016. The identification of a preferred option by HE is expected by summer 2017 with construction expected to start in spring 2020 and be complete by spring 2023.

9.2 However, the A27 Reference Group, which brings together local MPs, Council Leaders and the LEPs along with the business community have continued to make the case to Government that there is a need for further investment in a new dual carriageway between Lewes and Polegate to support economic growth in the county, particularly in the Eastbourne/south Wealden area. To that end, Government allocated £3m of the £75m for the development of a more comprehensive long-term solution for the A27 by the County Council and HE.

b) High Speed Rail 1

9.3 Over the last three years, ESCC has been working with Hastings Borough and Rother District Councils, local MPs and the business community to make the case to Government and Network Rail (NR) for high-speed rail services to serve Bexhill, Eastbourne, Hastings and Rye, which could change significantly local economies.

9.4 NR has recently published its Kent Route Study for consultation which identifies the infrastructure options and costs available for funders for delivering high-speed rail services on the Marshlink line via Ashford International. The DfT has also published its consultation on the South Eastern franchise renewal which sets out options for improving passenger experience, increased capacity and improved reliability and performance on the South Eastern network from December 2018 when the new franchise comes into effect. Through responses to both these consultations and partnership working, partners are actively seeking the necessary investment in the appropriate additional high-speed rolling stock and infrastructure to enable high-speed trains to serve East Sussex during the next franchise period.

c) Transport for the South East (Sub-National Transport Body)

9.5 The Cities and Local Government Devolution Act 2016 makes provision for the establishment of Sub-National Transport Bodies (STB) for any area in England to oversee the delivery of strategic transport infrastructure in their area. STBs provide the mechanism for a sub-region to speak with a strong, common voice on transport infrastructure issues, giving partners greater influence over decisions and enabling the development of a single, strategic transport infrastructure framework which aligns the investment programmes and priorities from key agencies (ie. HE, NR and LEPs).

9.6 A shadow STB for the South East is being established covering Brighton & Hove, East Sussex, Hampshire, Kent, Medway, Surrey and West Sussex, Portsmouth, Southampton, the Isle of Wight and the Berkshire Local Transport Body (which represents the six Berkshire Unitary Authorities). The five LEPs in the area have also agreed to join the STB. The STB geography covers the major strategic road/rail corridors linking the key settlements, ports and airports in the South East.

9.7 The Shadow STB will develop the body's constitution and the Transport Strategy. Local Authority Leaders, LEP Chairs, a Berkshire Local Transport Body representative, and Chair of the Transport Forum will be voting members on the Board; and representatives from the DfT, Transport for London, HE, NR, Borough and District Councils and the Protected Environment will be non-voting members.

9.8 A Transport Forum will also be established to act as an advisory body to the Shadow Partnership Board, comprising a wider group of representatives from user groups, operators and Government and national agency representatives.

9.9 Work has been progressing in a number of areas to establish the Shadow STB, including:

- development of the governance structure for the shadow STB including the voting rights for each body;
- identification of the powers and responsibilities that should be included in the STB's constitution;
- development of the scrutiny arrangements and assurance framework;
- development of the draft vision, strategic priorities and outline methodology for the Transport Strategy;
- development of a communications plan and vision for the new body;
- ongoing discussions with the DfT about the constitutional arrangements and resourcing requirements for the STB; and
- ongoing discussions with key partners about their involvement in the shadow STB and liaison with other emerging STBs across the country.

9.10 The first meeting of the Shadow Partnership Board took place on 26 June 2017 where governance arrangements for the Shadow STB were discussed, along with development of both the Transport Strategy and the proposal to Government, setting out the way in which the STB will be constituted and the powers and responsibilities that are being sought. Once the proposal has been submitted, there will be a year-long parliamentary process before the STB will formally be established as a statutory body. It is anticipated that, subject to successful ongoing negotiations with the DfT, this stage is likely to be reached in April 2019.

10. Workforce

10.1 As the largest local employer and key provider of local public services, effective workforce management and development, in partnership, is a key part of the ESCC delivery strategy and economic growth plan. There are two substantive current issues in addition to the image issues identified under partnerships above:

a) National Living Wage

10.2 The Government introduced a new mandatory National Living Wage (NLW) for workers aged 25 and above from April 2016. This was initially set at £7.20 per hour and will rise to at least £9 per hour by 2020. The NLW is based on achieving 60% of median UK earnings by 2020, and therefore, the actual rate will change when set each year. The National Minimum Wage (NMW) continues to apply to employees under the age of 25.

10.3 A 1.69% increase was applied to those employees affected via the local pay spine and salary points in April 2016, costing £600,000. It was agreed in February 2016 that a provision for NLW in 2018/19 be set at £4.7m, which reflected increasing the lowest spinal column points to meet the national living wage whilst maintaining pay structure differentials. A review of the national pay spine is currently being undertaken but as yet, formal negotiations in relation to pay for 2018/19 onwards

have not begun. It is therefore prudent to leave the full provision of £4.7m in for 2018/19 and, if unused, hold in a temporary reserve for the next year to manage the risk of any backdated pay bill until the picture becomes clearer.

b) Apprenticeship Levy

10.4 From 6 April 2017, employers with an annual wage bill over £3m must pay an Apprenticeship Levy. The Levy is 0.5% of an organisation's annual wage bill. This equates to £600,000 per annum for the Council and £688,000 for Schools.

10.5 The Levy is collected by Government and, in return, employers receive electronic vouchers that can be exchanged with local providers for training of apprentices.

10.6 The Government has set a statutory target of 2.3% of the public sector workforce being apprentices. This equates to 102 apprentices for the Council and 137 in schools. A programme is being developed to make best use of the Levy. It has four key initial strands: i) communicating and engaging with managers and staff to ensure awareness of the new arrangements, ii) procurement work to secure local providers to deliver the apprenticeship training, iii) an analysis of the workforce to understand both current qualification training which, in future, can be delivered via an apprenticeship, as well as the job roles which could be recruited to on the basis of an apprenticeship, and iv) the creation of a dedicated workstream to support schools.

10.7 A key component of the approach is that it should complement existing workforce development and training plans that are already in place. Given the greater demands that the new standards place on managers, it is recognised that from a service delivery perspective, a balance needs to be struck between seeking to achieve the 2.3% target and spending the Levy, against distorting the composition of the workforce. The intention is that the Levy is used to support the Council's recruitment and retention needs, especially in "hard to recruit" areas.

11. Customer Experience and Communications

11.1 Communicating and engaging effectively with residents, communities and businesses is an ongoing core business need. A Customer Project Board has reviewed ESCC's relationship with its customers, focusing on identifying strengths and development opportunities in relation to customer experience, understanding what other Local Authorities and the private sector are delivering in terms of customer experience, and making recommendations for ways in which improvements can be made to the quality and consistency of customer experience across ESCC. The review has taken into account the current financial climate and recognises the need to make the best use of resources, but has also sought to ensure that opportunities are identified to benefit both customers and the Council.

11.2 In order to ensure that the project has, at its heart, a One Council approach to customers, the Board consists of senior officers from each department. This approach has enabled the Board to take an overview of customer experience from a wide range of service perspectives, and to ensure that future work supports the Council's priority outcomes and complements other corporate programmes, such as ESBT and Orbis/Orbis Public Law. The review also recognises that not all services are delivered directly and, irrespective of the service provider, customers rightly expect the same quality of service from ESCC.

11.3 Key successes of the project in 2016/17 were:

- New corporate email signatures and auto-acknowledgements were implemented, in order to provide clear information to the public when contacting the Council about response times, and a clear and professional corporate image.
- Creation of a Customer Promise which includes a set of new customer values and revised customer service standards. The Customer Promise was tested with both customers and staff through a number of engagement sessions. The new Customer Promise, to be launched mid-2017, reflects what customers confirmed they value and expect from the Council and will improve customer experience when applied consistently across all ESCC services. It will be supported by a package of staff training and guidance.
- Completion of a gap analysis which has identified where ESCC is lacking feedback from customers about the services it delivers. The Board has identified a series of recommendations that would enable customers quickly and simply to provide ESCC with feedback about their experience in contacting the Council, and about the way in which services have been delivered or information provided about what the Council does. This feedback will enable the Council to improve customer experience, service delivery and business efficiency.

11.4 It is proposed to pilot this customer experience system initially to enable customers to rate the quality and relevance of information and services available on and via the ESCC website, as well as providing feedback on the quality of responses to enquiries and requests which are responded to via social media and email. A short-term benefit will be that the real time data from the system will be used to improve any immediately resolvable issues. The medium-term aim will be to gain a broader understanding of findings, trends, and lessons learned through the information gathered, building a comprehensive picture of customer experience across the Council. The systems will be evaluated to determine if it provides value for money by looking at how effective it is at using customer feedback to improve service delivery, business efficiency and customer experience as a whole, which is an essential element of the Council's work.

12. Funding and Income

This section draws together the key current issues on finance. Specific updates on Adults' and Children's Services are provided under those headings above.

100% Retention of Business Rates

12.1 In October 2015, Government announced that, by 2020, Local Authorities would be able to keep 100% of the NNDR they raise locally. This represents a fundamental change to the way in which Local Government is financed and, unless mitigation is introduced, will remove the link between funding and local need.

12.2 The General Election has raised practical issues for the legislative timetable and the introduction of the 100% NNDR retention plans. ESCC continues to lobby against the changes as there is little correlation between NNDR and the main cost drivers for Local Government, namely, population, demography and deprivation.

12.3 The final position on NNDR for 2017/18 shows a reduction of approximately £500,000 per annum. The main reason for the reduction is the provisions for appeals that have been made following the revaluation which was carried out by Government earlier this year.

Collection Fund surplus/Council Tax base

12.4 Based on historic trends and evidence, the MTFP assumes an annual growth of 1% per annum in the Council Tax base, together with an annual Collection Fund surplus of £4m. There is a risk that this level of income will not be realised in the future, and the Collection Fund surplus in particular may not be sustainable. The position will continue to be monitored closely, and further analysis of the Collection Fund and Council Tax base will be carried out over the summer as more information becomes available from Borough and District Councils

Commercialisation

12.5 Over the last three years, ESCC has focused on looking at ways of optimising the income that could be generated from adopting a more business-like approach. Work has focused across four core areas: corporate initiatives, fees and charges, potential commercial activity and culture.

12.6 The key activities include:

- Corporate Initiatives - a revised approach to the Treasury Management Policy and optimisation of cash flows, revisions to the Council Tax reduction scheme and introduction of an NNDR pooling arrangement delivered by the Borough and District Councils in East Sussex, have collectively generated £5.5m of annual benefits to the Council.
- Traditional Fees and Charges - a complete review has been undertaken, including benchmarking against other County Councils with similar population and geographical characteristics. This showed that ESCC is performing well in terms of generating income per head of population and is charging for the vast majority of services that others are. The new opportunities identified from have now been implemented, generating the Council an additional £0.75m per annum.
- Other Income Generating Activity:
 - ESCC has developed/refreshed a number of trading initiatives which may, over time, generate new income opportunities, including, Orbis/OPL, Services to Schools and Buzz Active;
 - A review of ESCC's property portfolio has been completed and a new Investment Strategy is being developed in order to maximise the financial returns on assets;
 - Opportunities to optimise the income that can be generated from Council assets or activities are under regular review. This has included the investment in solar energy through Solar PV installations on corporate buildings which will generate £15,000 per year (or £300,000 over the initial 20 year investment period); and
 - Establishing a new advertising/sponsorship contract based on highways and property related assets.
- Culture - the focus has been income generation and has run parallel to the cost reductions/savings required to meet financial targets. The Council now needs to focus on operating in a more commercial way which combines both elements to maximise the cost effective use of limited resources.

12.7 The East Sussex Borough, County and District Councils are exploring opportunities with the Local Government Association to develop a peer challenge (following on from the successful, joint "Open for Growth" peer challenge the partners undertook in 2014) on commercialisation. The challenge could consider how, in light of the changing financial context for Local Authorities, all avenues to develop independent funding streams are being exploited fully. It is anticipated that the peer challenge would take place in spring 2018.

2016/17 Outturn

12.8 As detailed in the Council Plan end of year report being considered by Cabinet on 27 June 2017 (see agenda item 5), there was an overall underspend of £8.1m in 2016/17. This is mainly due to the change in Treasury Management Policy which released £8.3m one-off funding (see the Council Plan end of year report for a detailed explanation). The Council Plan report proposes that, in order to ensure greater sustainability in long-term finances, £1.2m be set aside to smooth the need for any additional savings in 2018/19, £1.1m be put in reserve to manage the in-year shortfall pressures arising from NNDR and other pressures that will impact 2017/18. The remaining £5.8m will be used to realise returns in future years through support for capital investment and/or reduced borrowing in the Capital Programme, thereby reducing the scale of future MTFP deficits.

General Contingency

12.9 The General Contingency has been increased in 2017/18 and 2018/19 to reflect the increase in ASC precept and Collection Fund surplus as it is set as a proportion of total corporate funding less Treasury Management.

Reserves

12.10 It is five years since the current reserves policy was approved and work has taken place to review the level/type of reserves held to ensure they are adequate and the policy is fit for purpose. The policy has been reviewed and refreshed to ensure that the policy is reflective of the Council's strategic agenda and the current financial risks and issues the Council faces through the medium-term.

12.11 The current reserves position is shown in the table below (£m).

	01.04.17 Estimate	01.04.17 Actual	31.03.21 Estimate
Held on behalf of others or statutorily ring-fenced	30.1	26.4	17
Named Service Reserves			
Waste Reserve	12.8	12.8	12.8
Set aside for the new Capital Programme 2018/23	26.8	26.8	0
Insurance	5.9	5.9	5.9
Total Named Service Reserves	45.5	45.5	18.7
Financing	11.8	14	1.9
Infrastructure	6.2	6.3	3.1
Transformation	3.9	5.2	1.3
Risk	2.2	4.5	3
Service Development	0.5	1.6	0.2
Strategic Service Reserves	24.6	31.6	9.5
Total excluding those held on behalf of others	70.1	77.1	28.2
Total Reserves	100.2	103.5	45.2

12.12 The Council's specific reserves can be split into three categories: those held on behalf of others, named service reserves and strategic service reserves. Reserves are a key element of the RPPR and financial management arrangements.

12.13 The increase in strategic service reserves balances at 01/04/17 of £7m against previous estimates are due to a number of movements, the main ones being:

- £2.3m set aside to smooth the need for additional savings in 2018/19 and in-year pressures from 16/17 Council underspend (see paragraph 12.8);
- £1.1m slippage on Orbis and Agile programmes and £0.7m lower than expected use of redundancies reserve;

- £0.6m payments for election costs being mainly in 17/18;
- £0.5m slippage on Supporting People projects; and
- the remainder being individual movements not exceeding £0.5m each on specific schemes and projects.

12.14 Additionally, there is a General Fund balance held by the Council of £10m. This was increased from £8.3m following review in 2016. This is a minimum general balance that is assessed annually in relation to risks facing the Council. The £10m is lower proportionately than most other Authorities.

Adequacy of Resources

12.15 It is crucial to bear in mind that the reserves are the only source of financing to which ESCC has access to fund risks and one-off pressures over a number of years. If the Council minimises the level of reserves to the point that financial planning across years is hampered, the risks and pressures would need to be managed through Council Tax increases (which would become difficult to sustain year on year). Reserves can only be spent once and the possibility of creating new reserves at a time when finances are challenged is limited.

12.16 The current levels and nature of the reserves are adequate and necessary and have been set with the issues that could have a significant impact over the planning period in mind, including:

- Changes to the Local Government finance system;
- The Accountable Care Organisation/East Sussex Better Together; and
- Other risks identified on the corporate risk register.

12.17 The actual reserves at 1/4/17 totalled £103.5m. Current planned use of these reserves is estimated to reduce them to £45.2m by the end of the MTFP period in 2020/21. Of which, £17m is held on behalf of others and £18.7m for specific service risks.

12.18 The Strategic Reserves have been in place for some years and have proved valuable in facilitating flexibility to respond to risks and priorities, and smoothing between years. It is proposed however that the Strategic Reserves can be further refined to three reserves to simplify their management and help ensure further flexibility and robustness, as set out below.

Reserve	Purpose	01.04.17 Actual	31.03.21 Estimate
		£m	
Financing Reserve	To manage known issues with a one-off or short-term financial impact or one-off remedial action while resolutions are sought over the life of the MTFP.	17.8	3.7
Priority Outcomes and Transformation Reserve	To fund the specified initiatives to change, protect and improve Council services, with particular emphasis on: Invest-to-save Seed funding for innovation (notably digital) and developments contributing to the County Council's priorities Investment in the redesign of the way services are delivered	5.2	3

Risk Reserve	To fund actions that mitigate the potential financial consequences of risks recognised in the Council's Corporate Risk Register and the Chief Finance Officer's robustness statement	8.6	2.8
Total Strategic Service Reserves		31.6	9.5

12.19 An updated Reserves Policy is set out below at the end of this Appendix.

Savings

12.20 The table below sets out the existing savings plans, adjusted for the impact of 17/18 additional funding for ASC announced in the Spring Budget (set out in paragraph 4.1 above). Appendix 4 provides details of these for 2018/19.

	2017/18 Savings	2018/19 Savings
Department	£000	
ASC - outside ESBT	771	2,359
Business Services/Orbis	1,472	1,396
Children's Services (excl. schools)	3,440	5,335
Communities, Economy & Transport	1,136	2,119
Governance Services	270	134
East Sussex Better Together:		
ASC	0	10,507
Children's Services	36	69
Subtotal ESBT	36	10,576
Subtotal Departments	7,125	21,919
Capital Programme Management	2,000	0
Total Savings	9,125	21,919

12.21 There continues to be a risk regarding achieving savings as profiled.

12.22 Savings have previously been identified for 2018/19 of £21.5m, adjusted to £21.9m where savings have been deferred from 17/18 due to the additional 17/18 funding announced in the Spring Budget. This requirement is unlikely to reduce and so savings plans should now be firmed up. The projected deficit on the MTFP beyond 2018/19 is currently estimated at £33.1m (see summary at the end of this Appendix) and Chief Officers will now begin to work up savings opportunities for 2019/20 and 2020/21, at approximately £30m-£40m over the two years (subject to further ASC grant modelling), and consider the appropriate balance of savings between service areas. Possible cross-cutting or corporate savings opportunities, such as further "commercialisation" (including investment in property or trading ventures) and drawing down from the Apprenticeship Levy pot to fund existing budgets, will be considered. Savings plans for all three years (firm for 2018/19 and outline for later years) will be scheduled for consideration by Cabinet in October.

12.23 The total savings requirement for the three years to 2020/21 is currently therefore estimated at approximately £50m-£60m. This is a significant reduction from the £70m-£90m originally estimated at the time of setting the 2016/17-2018/19 Plan, and reflects the conclusion of the withdrawal of RSG. It should be noted, however, that the future savings requirement is on top of the £111.9m savings achieved since 2010. The Council has a track record of making hard decisions in order to live within its means, but it has to be recognised that the scope for further savings is greatly

reduced and, even at a reduced level, very difficult decisions will continue to be required by Members.

Capital Programme

12.24 Current 2016-23 Capital Programme - the Capital Programme, as agreed at Full Council on 7th February 2017, focuses on a strategy to deliver core need as efficiently as possible. As agreed, where there are other service developments and investment opportunities that require capital investment (that are not identified as core need), they are required to be either match funded or produce a business case that demonstrates benefits. Approved bids will be added to the Programme in line with the current variation policy.

12.25 In addition to the core need, the current programme, includes a number of other fully funded schemes which are either funded through the SELEP, or for the provision of grants and loans. These were originally pump primed in the 2013-2018 programme and include the Economic Intervention Fund which, by 2021/22, will become self-funding.

12.26 At budget setting in February 2017, the remaining 2016-18 Capital Programme was combined with the future 2018-2023 Capital Programme. The total approved Capital Programme was £526.8m (gross). This included a general capital risk provision of £12.9m. The paragraphs below provide information regarding changes arising since February 2017.

12.27 2016/17 Year end outturn - in 2016/17, the County Council spent £79.6m (gross) compared to a budget of £93.3m, a variation of £13.7m. Of the £13.7m, £13.4m represents a number of scheme delays including; redesigning a bridge structure on the North Bexhill Access Road, longer tender and revaluations on Building Improvements, longer consultation periods for the Agile Programme, and delays in planning permission on Queensway Gateway Road. This was offset by £0.5m being spent in advance, mainly on transport schemes. Additionally, there was a £0.8m underspend on a number of Schools Basic Need projects and temporary school accommodation, where the need for the project contingency did not materialise.

12.28 Special School update - following the outcome in March 2017 of the free school bids, the provision within the Capital Programme has been reviewed. Initial estimates are that the successful bids have resulted in a reduced requirement of £9m. Provision, therefore, remains (for one Social, Emotional and Mental Health school for 80 pupils and a Profound and Multiple Learning Disability requirement for 51 pupils) of £18m.

12.29 In the 2016 Autumn Statement, Government announced a new National Productivity Investment Fund (NPIF) of £23bn to ensure the UK economy is fit for the future, and to tackle the perceived relatively low productivity identified in the emerging Industrial Strategy. The NPIF is aiming to target four areas that are critical for improving productivity: housing, transport, digital communications, and research and development. The Government is administering the fund through grants to Local Authorities and, from 2018/19, it will be based on a bidding mechanism. The grant for East Sussex in 2017/18 of £2.13m is for transport schemes and expenditure that are additional to existing approved plans. A number of options for using the funding have been considered. These include the extension of the A259 bus corridor between Newhaven and Brighton, and a package of measures to reduce congestion on the A22/A26 corridors. Neither of these is sufficiently developed to advance to

construction within the timescales, however, and the former would require Brighton & Hove City Council to prioritise it, given that it would effectively be a cross-border project. It is, therefore, proposed that the 2017/18 funding is allocated to Exceat Bridge. The project meets the Government's criteria and repair of the existing bridge is already in the Capital Programme. The additional funding would enable the construction of a two-lane "offline" bridge removing a key bottleneck.

12.30 Non-Specific Grants - there continues to be uncertainty in relation to Government grants. The approved budget included £209.8m of non-specific grants and the considerable risk associated with the 69% of unconfirmed grants was highlighted. These estimates were based on current levels and formula projections. After 2016/17 use, the remaining grants estimated against the 2017-23 Programme would have been £174.7m based on original estimates. Announcements in March 2017, however, have seen the following changes:

Grant	Year impacted	Movement (reduction) /increase
Basic Need funding	2019/20	(£6.938m)
Potential Future Basic Need funding reduction*	2020 onwards	(£5.062m)
SEND Funding	2017/18	£1.800m
Incentive grant funding	2017/18	£0.378m
School condition grant funding	2017/18	(£1.629m)
Total Reduction		(£11.451m)

** Given that the 2019/20 Basic Need funding announcement was significantly less than previously forecast, the future basic need forecast for 2020 onwards has been reduced in line with compensating school basic need reductions. A more detailed analysis will be carried out over the summer.*

12.31 These changes reduce the total grants available to £163.2m. Of the £163.2m, only £53.1m (33%) is currently confirmed, therefore Government grant risks remain.

12.32 Borrowing - the approved borrowing when the budget was set was £115.8m. This included £19.2m for 2016/17. Due to the significant amount of slippage, only £1.7m has been required. Details of the movement in borrowing are set out below:

Borrowing at Feb 2017	£115.8m
Less Borrowing forecast for 16/17	(£19.2m)
Add Borrowing Slippage (£19.2m less £1.7m used in 16/17)	£17.5m
Subtotal	£114.1m
Less Additional Incentive Fund 17/18	(£0.4m)
Less Additional SEND Funding	(£1.8m)
Less Special school reduction	(£9m)
Less Underspend in 16/17	(£0.8m)
Add Potential Schools Basic Need Grant reduction	£12m
Add Additional borrowing against contingency approved for increased scheme costs	£1.6m
Borrowing at May 2017	£115.7m

12.33 Capital receipts - a full review of capital receipts will take place over the summer for update in the autumn as part of the RPPR process.

12.34 Re-Profiling - as part of the ongoing RPPR process, departments have been asked to review spending profiles across all years. The table below sets out the changes (in £m) to planned profiles.

Year	16/17	17/18	18/19	19/20	20/21	21/22	22/23	Total
Approved gross programme at Feb 17	91.6	95.5	83.9	76.7	67.3	55.5	43.4	513.9
Approved Variations		9.6	2	0.1	(1.0)	0.2	- - -	10.9
2016/17 Slippage/ Spend in advance	(12.9)	12.9	- - -	- - -	- - -	- - -	- - -	0
Re-profiling		(21.6)	(4.7)	10.6	1.5	(2.7)	16.9	0
Net Nil adjustments		3.3	2.8	(1.9)	(1.9)	(1.8)	1.1	1.6
16/17 variations approve post Feb 17	1.7							1.7
Less 16/17 expenditure	(80.4)							(80.4)
Proposed 2017-23 Programme		99.7	84	85.5	65.9	51.2	61.4	447.7

12.35 Ongoing work - work continues to refine and update the Capital Programme. A Children's Services Sub-Board has been set up to scrutinise the £104m School Basic Need programme at a more granular level with an aim to manage and, where possible, drive down costs further. The Capital Strategic Asset Board has built in further in-year scrutiny of the Programme in line with the Quarterly monitoring cycle. Reviews of income streams are on-going.

12.36 The current Capital Programme focuses on delivering core need as efficiently as possible. Where there are other service developments/investment opportunities that require capital investment (not identified as core need), they must be either match funded or produce a business case that demonstrates benefits. Approved bids will be added to the Programme in line with the current variation policy.

12.37 During 2017/18, work will be undertaken to understand any factors that significantly impact the Council's long-term planning (eg. the Council's Property Strategy, changes in service strategy), to planning the future Programme.

12.38 The remaining 2017-23 Programme is below, including contingency (£m).

Current Programme at February 2017	513.9
Contingency at February 2017	12.9
Subtotal	526.8
Less 2016/17 planned expenditure at February 2017	(91.6)
Add Variations for 2017/18 onwards:	
East Sussex Strategic Growth Package	8.2
Coastal Communities Housing	0.6
NPIF – Exceat Bridge	2.1
Bexhill Hastings Link Road	2
Other small variations	(0.4)
Add Slippage/Spend in Advance	12.9
Less contingency (Feb 17)	(12.9)
Total Programme at May 2017 (excluding contingency)	447.7
Contingency at June 2017	11.3
Support for capital investment and/or reduced specific borrowing	5.8
Total	464.8

12.39 The current revised Capital Programme is below.

CAPITAL PROGRAMME 2017-23	Total Budget	Previous Spend	17/18	18/19	19/20	20/21	21/22	22/23	Total Remaining
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care									
Older People's Service Improvements (formerly Opportunities)	536	405	76	55					131
Social Care Information System	4,257	4,240	17						17
LD Service Opportunities <i>PSS Grant - 94189</i>	5,092 (1,900)	3,427 (1,900)	1,201	240	224				1,665
Refurbishment of Facilities to meet Care Quality Commission Standards	2,373	2,357	16						16
House Adaptations	2,719	719	532	468	250	250	250	250	2,000
Gross Scheme Specific Resource - Grant/External Contribution Scheme Specific Resource - S106 Contrintion Net	14,977 (1,900) 13,077	11,148 (1,900) 9,248	1,842 1,842	763 763	474 474	250 250	250 250	250 250	3,829 3,829
Business Services									
Core Back Office Services	1,268	847	50	50	321				421
The Link	2,718	2,649	69						69
SALIX Contract <i>SALIX Grant - 94106</i>	4,032 (3,762)	1,626 (1,356)	335 (335)	671 (671)	350 (350)	350 (350)	350 (350)	350 (350)	2,406 (2,406)
Property Agile Works <i>CERA Contribution</i>	9,606 (509)	8,411 (509)	1,195						1,195
Early Years	2,890	2,884	6						6
Early Years Nurseries <i>Early Years Capital Fund</i> <i>Schools Contribution</i> <i>Section 106 - D&Bs</i>	1,875 (1,406) (50) (150)		1,875 (1,406) (50) (150)						1,875 (1,406) (50) (150)
Mobile Replacement Programme	8,079	8,043	36						36
Universal Infant Free School Meals <i>Free School Meals Grant - 94194</i>	1,954 (1,954)	1,870 (1,870)	84 (84)						84 (84)
Core Programme - Schools Basic Need <i>School Contribution</i> <i>Section 106 - D&Bs</i> <i>Further S106 and Grant</i>	166,228 (40) (21,251) (148)	62,364 (3) (347) (148)	9,057 (37) (174)	16,089 (7,777)	22,366 (2,588)	17,577 (2,219)	14,250 (5,246)	24,525 (2,900)	103,864 (37) (20,904)
Core Programme - Capital Building Improvements	85,386	34,086	9,723	9,145	9,416	7,185	7,881	7,950	51,300
Core Programme - ICT Strategy Implementation	27,557	10,220	2,499	3,700	3,983	2,300	2,305	2,550	17,337
Gross Scheme Specific Resource - Grant/External Contribution Scheme Specific Resource - S106 Contrintion Net	311,593 (8,019) (21,251) 282,323	133,000 (3,886) (347) 128,767	24,929 (2,062) (174) 22,693	29,655 (671) (7,777) 21,207	36,436 (350) (2,588) 33,498	27,412 (350) (2,219) 24,843	24,786 (350) (5,246) 19,190	35,375 (350) (2,900) 32,125	178,593 (4,133) (20,904) 153,556
Children's Services									
Lansdowne Secure Unit <i>Grant - 94104</i>	261 (261)	208 (208)	53 (53)						53 (53)
Seven Sisters Canoe Barn <i>Grant - 94994</i>	24 (24)	22 (22)		2 (2)					2 (2)
Family Contact	188	156	32						32
House Adaptations for Disabled Children's Carers Homes	1,468	660	288	120	100	100	100	100	808
Schools Delegated Capital <i>Grant - 94977</i>	12,688 (12,688)	7,826 (7,826)	899 (899)	859 (859)	824 (824)	791 (791)	760 (760)	729 (729)	4,862 (4,862)
Direct to Schools Capital <i>Section 106 - Various</i>	65 (65)		65 (65)						65 (65)
School Information Hub	230	144	86						86
Gross Scheme Specific Resource - Grant/External Contribution Scheme Specific Resource - S106 Contrintion Net	14,924 (12,973) (65) 1,886	9,016 (8,056) (65) 960	1,423 (952) (65) 406	981 (861) (65) 120	924 (824) (65) 100	891 (791) (65) 100	860 (760) (65) 100	829 (729) (65) 100	5,908 (4,917) (65) 926
Communities, Economy & Transport									
New Archive and Record Office - "The Keep" - Phase 1 & 2 <i>Other Contributions - 94642</i>	20,178 (6,960)	20,128 (6,960)	36	14					50

CAPITAL PROGRAMME 2017-23	Total Budget	Previous Spend	17/18	18/19	19/20	20/21	21/22	22/23	Total Remaining
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Registration Ceremonies Website	30		30						30
<i>CERA Contribution</i>	(30)	(30)							
Rye Library	87	47	40						40
<i>Section 106 - 94327</i>	(35)	(16)	(19)						(19)
Hastings Library	8,782	5,858	2,612	312					2,924
<i>CERA Contribution</i>	(43)	(43)							
Newhaven Library	1,713	1,674	39						39
Southover Grange (formerly The Maltings)	1,307	1,073	234						234
Library Refurbishment	1,473	1,145	328						328
<i>Section 106 - 94318</i>	(93)	(88)	(5)						(5)
Newhaven S106 - ERF	474	469	5						5
<i>Section 106 - 94856</i>	(474)	(469)	(5)						(5)
Travellers Site Bridges Tan	1,347	1,332	15						15
Broadband	25,600	17,266	8,334						8,334
<i>BDUK Grant - 94191</i>	(10,640)	(10,640)							
Bexhill and Hastings Link Road	126,247	119,560	4,562	702	601	577	245		6,687
<i>LEP Funding (SELEP)</i>	(1,586)	(1,586)							
<i>Rental Income</i>	(44)		(11)	(11)	(11)	(11)			(44)
<i>Historic England Grant</i>	(407)	(107)	(60)	(40)	(67)	(67)	(66)		(300)
BHLR Complementary Measures	1,800	1,068	300	432					732
<i>Section 106 - 94350</i>	(36)	(36)							
Reshaping Uckfield Town Centre	2,500	2,474	26						26
<i>Section 106 - 94358</i>	(2,500)	(2,474)	(26)						(26)
Exeat Bridge Maintenance	2,633	38	462	2,133					2,595
<i>National Productivity Investment Fund</i>	(2,133)			(2,133)					(2,133)
Economic Growth & Strategic Infrastructure Programme									
Economic Intervention Fund	9,791	4,331	1,269	1,439	1,399	1,353			5,460
<i>Recycled Loan Repayments</i>	(1,700)	(228)	(472)		(435)	(565)			(1,472)
<i>CERA Contributions</i>	(900)		(900)						(900)
<i>Bond Repayment</i>	(80)	(80)							
Catalysing Stalled Sites	916	117	599	200					799
EDS Upgrading Empty Commercial Properties	500	53	447						447
EDS Incubation Units	1,500		650	500	350				1,500
North Bexhill Access Road	16,600	11,010	5,590						5,590
<i>LEP Funding (SELEP)</i>	(15,010)	(11,010)	(4,000)						(4,000)
Queensway Gateway Road	6,000	2,540	3,460						3,460
<i>LEP Funding (SELEP)</i>	(1,559)	(1,559)							
Newhaven Flood Defences	1,500	1,100	400						400
<i>LEP Funding (SELEP)</i>	(1,500)	(1,100)	(400)						(400)
Coastal Communities Housing	667		667						667
<i>LEP Funding (SELEP)</i>	(667)		(667)						(667)
East Sussex Strategic Growth Package	8,200		6,300	1,900					8,200
<i>LEP Funding (SELEP)</i>	(8,200)		(6,300)	(1,900)					(8,200)
A22/A27 Junction Improvement Package	4,500				2,500	2,000			4,500
<i>LEP Funding (SELEP)</i>	(4,000)				(2,000)	(2,000)			(4,000)
<i>S106 Contributions - D&B held</i>	(500)				(500)				(500)
LGF Business Case Development	196	30	166						166
Newhaven Port Access Road	23,271	876	320	11,268	10,345	462			22,395
<i>LEP Funding</i>	(10,000)			(5,000)	(5,000)				(10,000)
Real Time Passenger Information	2,449	2,149	300						300
<i>Section 106 - Various</i>	(517)	(287)	(230)						(230)
Eastern Depot Development	1,586	224	1,362						1,362
Waste Leachate Programme	250	11	239						239
<i>DEFRA Waste Performance Grant - 94048</i>	(159)		(159)						(159)
<i>DEFRA Waste Infrastructure Grant - 94105</i>	(29)	(11)	(18)						(18)
Integrated Transport - LTP plus Externally Funded									
Hastings and Bexhill Movement & Access Package	12,643		1,995	3,648	3,500	3,500			12,643
<i>LEP Funding (SELEP)</i>	(12,000)		(1,352)	(3,648)	(3,500)	(3,500)			(12,000)
Eastbourne Town Centre Movement & Access Package	3,000				1,000	2,000			3,000
<i>LEP Funding (SELEP)</i>	(3,000)				(1,000)	(2,000)			(3,000)
Eastbourne/South Wealden Walking & Cycling Package	9,450	808	1,892	1,750	2,500	2,500			8,642
<i>LEP Funding (SELEP)</i>	(8,058)	(808)	(500)	(1,750)	(2,500)	(2,500)			(7,250)
<i>Section 106 - 94806</i>	(250)		(250)						(250)
Hailsham/Polegate/Eastbourne Movement & Access Corridor	2,350	151	1,599	600					2,199
<i>LEP Funding (SELEP)</i>	(2,100)		(1,500)	(600)					(2,100)
<i>Section 106 - 94806</i>	(250)	(151)	(99)						(99)
Other Integrated Transport Schemes	37,288	18,994	3,699	2,919	2,919	2,919	2,919	2,919	18,294
<i>Developer and Other Contributions - Various</i>	(6,429)	(3,951)	(2,478)						(2,478)
<i>Section 106 - Various</i>	(3,528)	(2,864)	(664)						(664)
<i>LEP Funding (SELEP)</i>	(162)	(162)							

CAPITAL PROGRAMME 2017-23	Total Budget	Previous Spend	17/18	18/19	19/20	20/21	21/22	22/23	Total Remaining
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Speed Management	2,948	2,919	29						29
Terminus Road Improvements	6,250	1,024	2,000	2,726	500				5,226
External Contributions - Various	(450)		(450)						(450)
Section 106 - D&B held	(300)		(300)						(300)
LEP Funding (SELEP)	(1,055)	(550)	(505)						(505)
CAMS System	30	19	11						11
CERA Contribution	(30)	(30)							
Core Programme - Highways Structural Maintenance	234,346	117,747	18,849	19,550	19,550	19,550	19,550	19,550	116,599
CERA Contributions	(7,800)		(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(7,800)
DoT Highways Network Grant	(2,300)	(2,300)							
LEP Funding (SELEP)	(7,375)	(7,375)							
External Contributions - Various	(55)	(55)							
Core Programme - Bridge Assessment Strengthening	13,310	5,932	1,378	1,200	1,200	1,200	1,200	1,200	7,378
Core Programme - Street Lighting - Life Expired Equipment	10,133	4,883	850	880	880	880	880	880	5,250
Core Programme - Rights of Way Surface Repairs and Bridge Replace	4,883	2,338	395	430	430	430	430	430	2,545
Gross	608,728	349,388	71,489	52,603	47,674	37,371	25,224	24,979	259,340
Scheme Specific Resource - Grant/External Contribution	(116,461)	(48,585)	(21,072)	(16,382)	(15,813)	(11,943)	(1,366)	(1,300)	(67,876)
Scheme Specific Resource - S106 Contrinution	(8,483)	(6,385)	(1,598)		(500)				(2,098)
Net	483,784	294,418	48,819	36,221	31,361	25,428	23,858	23,679	189,366
Total Gross	950,222	502,552	99,683	84,002	85,508	65,924	51,120	61,433	447,670
Scheme Specific Resource - Grant/External Contribution	(139,353)	(62,427)	(24,086)	(17,914)	(16,987)	(13,084)	(2,476)	(2,379)	(76,926)
Scheme Specific Resource - S106 Contrinution	(29,799)	(6,732)	(1,837)	(7,777)	(3,088)	(2,219)	(5,246)	(2,900)	(23,067)
Total Net	781,070	433,393	73,760	58,311	65,433	50,621	43,398	56,154	347,677

Medium Term Financial Plan				
State of the County	17/18	18/19	19/20	20/21
	Approved Budget	Estimate	Estimate	Estimate
	£million	£million	£million	£million
CORPORATE FUNDING				
Business Rates	(71.879)	(73.970)	(76.559)	(78.090)
Revenue Support Grant	(26.727)	(14.966)	(3.491)	
Council Tax	(254.044)	(269.130)	(285.145)	(291.607)
Council Tax - Adult Social Care Precept	(7.355)	(7.800)		
Transition Grant	(2.696)			
New Homes Bonus	(2.250)	(1.589)	(1.524)	(1.500)
TOTAL CORPORATE FUNDING	(364.951)	(367.455)	(366.719)	(371.197)
PLANNED EXPENDITURE				
Net Service Expenditure	318.399	329.116	328.303	341.148
Pay Award/Inflation/National Living Wage	9.767	15.090	10.859	11.445
Adult Social Care Growth & Demography	5.119	4.500	5.000	5.300
Extension of Foster Care to 21	0.900	0.700		
Education Services Grant	2.278	1.178		
Dedicated Schools Grant	0.500	0.250	0.250	0.250
Childrens Services pressures	1.800	5.500		
ESBT/C4Y Investment	4.500			
Waste Housing Growth	0.119	0.124	0.130	0.136
ASC Support Grant	(2.597)	2.597		
Improved Better Care Fund	(0.286)	(7.528)	(7.088)	
Improved Better Care Fund - Supplementary	(11.027)	3.684	3.694	3.649
Economic Development Grants	1.000	(1.000)		
Home to School Transport	0.200			
Highways	1.300			
Community Match	0.150			
Youth Services	0.130			
Transition Funding for Schools	0.750	(0.750)		
Additional spending funded by additional IBCF	3.239	(3.239)		
Savings adjustment re additional IBCF	7.788	(0.445)		
Savings	(14.913)	(21.474)		
NET SERVICE EXPENDITURE	329.116	328.303	341.148	361.928
Corporate Expenditure	50.913	35.835	39.152	40.933
Treasury Management	(6.630)	0.500	0.500	0.500
Funding Capital Programme - base contribution	(2.000)			
Funding Capital Programme - New Homes Bonus	(0.628)	(0.661)	(0.065)	(0.024)
General Contingency	0.050	0.020	(0.010)	0.040
Contribution to balances and reserves	(6.765)	2.762	0.554	
Pensions	0.157	0.746	0.784	0.885
Apprenticeship Levy	0.600			
Levies	0.133	(0.050)	0.018	0.014
Other	0.005			
TOTAL CORPORATE EXPENDITURE	35.835	39.152	40.933	42.348
TOTAL PLANNED EXPENDITURE	364.951	367.455	382.081	404.276
DEFICIT/(SURPLUS)	0.000	0.000	15.362	33.079
NOT INCLUDED IN FIGURES ABOVE				
Care Act (shown at medium risk for 2020/21)				10.577
(Full range - low risk £2.5m; medium risk £10.6m; high risk £21.3m)				

	17/18	18/19	19/20	20/21
	Approved	Estimate	Estimate	Estimate
	Budget			
	£million	£million	£million	£million
Council 7th February 2017, DEFICIT/(SURPLUS)		0.589	11.732	25.407
Business Rates Retention & S31 grants		0.478	0.495	0.505
Council Tax rounding for precept calculation		0.015	0.015	0.016
Waste Housing Growth		0.119	0.243	0.379
General Contingency		(0.010)	(0.010)	(0.010)
Contribution to balances and reserves		(0.554)		
Dedicated Schools Grant				0.250
Adult Social Care growth and demography		(0.637)	(0.807)	(0.811)
IBCF Supplementary funding	(11.027)	(7.343)	(3.649)	
Additional spending funded by additional IBCF	3.239			
Savings adjustment re IBCF Supplementary	7.788	7.343	7.343	7.343
State of the County	0.000	0.000	15.362	33.079

Reserves and Balances Policy

Background

This policy sets out the Council's approach to reserves and balances. The policy has regard to LAAP Bulletin 77 "Local Authority Reserves and Balances", issued in November 2008.

In reviewing medium-term financial plans and preparing annual budgets, the Council will consider the establishment and maintenance of reserves for the general fund. The nature and level of reserves will be determined formally by the Council, informed by the judgement and advice of the Chief Finance Officer (CFO).

Types of Reserve

The Council will maintain the following reserves:

- A working balance to manage in-year risks, called the General Fund Balance;
- A means of building up funds to meet known or predicted requirements, called Earmarked Reserves.

Earmarked reserves will be maintained as follows:

- risk reserve: to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the CFO's robustness statement;
- priority outcomes and transformation reserve: to fund the transformation programme to change, protect and improve Council services;
- financing reserve: to enable the effective management of the medium-term financial strategy; and
- named service reserves will be held specifically for the capital programme, waste contract risk and insurance risk.

The Council will also maintain a number of other reserves that arise out of the interaction between legislation and proper accounting practices. These reserves, which are not resource-backed, are for accounting purposes and will be specified in the annual Statement of Accounts.

Principles to assess the adequacy of reserves

The CFO will advise the Council on the adequacy of reserves. In considering the general reserve, the CFO will have regard to:

- the strategic financial context within which the Council will be operating through the medium-term;
- the overall effectiveness of governance arrangements and the system of internal control;
- the robustness of the financial planning and budget-setting process;
- the effectiveness of the budget monitoring and management process

Having had regard to these matters, the CFO will advise the Council on the monetary value of the required general reserve.

In considering specific reserves, the CFO will have regard to matter relevant in respect of each reserve, and will advise the Council accordingly.

Underspends

The process for determining the specific use of any underspend will be based upon the principles of effective financial management. Therefore underspends will not

automatically be carried forward via reserves, nor will they only be available to the service that has identified the underspend.

Periodically during the year, Services will be asked to submit business cases for the use of underspend. Business cases will be determined by the CFO in conjunction with the Corporate Management Team. These will then be held in a Strategic Reserve.

Use of reserves

Members, as part of agreeing the budget, will agree the policy for drawdown of reserves on the advice of the CFO. Use of reserves will be approved by CMT and reported to Cabinet as part of the RPPR monitoring process.

The CFO will monitor the drawdown of specific reserves in accordance with the agreed policy, and keep Members advised.

East Sussex County Council
Savings 2018/19

Department	2018/19 Savings (£'000)
Adult Social Care - outside of ESBT	2,359
Business Services/Orbis	1,396
Children's Services (excl. schools)	5,335
Communities, Economy & Transport	2,119
Governance Services	134
East Sussex Better Together (ESBT):	
Adult Social Care	10,507
Children's Services	69
Subtotal ESBT	10,576
Subtotal Departments	21,919
TOTAL SAVINGS	21,919

Public Health

0

Adult Social Care - outside of ESBT			Gross budget *	Savings
			2016/17	2018/19
Service description	Description of savings proposal	Impact assessment	£'000	£'000
Carers	Stop Adult Social Care contribution to the Better Care Fund	Potential reduction in total funding available for carer support and services. Direct impact on carer support and therefore carers ability to continue in their caring role which is likely to result in increased demand and cost pressure on the Community Care budget.	1,141	136
Supporting People	Review Supporting People funding for floating housing support services: Home Works for people aged 16-64 and STEPS for people aged 65 and over	Potential reduction in funding will directly impact vulnerable people with housing support needs, including those who have a disability. The services support people who are homeless or at risk of homelessness to achieve and maintain suitable accommodation and build resilience. The impact would be broadly the same on people of all ages as removal of support to people who are homeless or at risk of homelessness is not age specific. Clients with multiple and complex needs are prioritised and vulnerability, need and risk of homelessness are key determinants of eligibility.	1,681	795
Substance Misuse	Review Substance Misuse Contracts	Potential impact on the following areas of work and activity listed below from a 20% reduction in funding. Impacts would also include reduced co-ordination of services and support for people in treatment and recovery who are often very vulnerable and living volatile lifestyles. <ul style="list-style-type: none"> • Coordinating the countywide implementation of the national drug and alcohol strategies • Producing drug and alcohol needs assessments • Commissioning recovery focused drug and alcohol treatment and support services • Coordinating partnership activity aimed at promoting good health and reducing drug and alcohol harm. 	68	21
Commissioned Services				952

Adult Social Care - outside of ESBT			Gross budget *	Savings
			2016/17	2018/19
Service description	Description of savings proposal	Impact assessment	£'000	£'000
Management and Support	Review of Training and Development; Staffing structures within Strategy, Commissioning, Planning, Performance & Engagement, and Contracts and Purchasing Unit	Review of the provision and access to training and development, with potential impact on support and training to operational staff. Review of staffing and capacity across Strategy and Commissioning, Planning Performance & Engagement and Contracts and Purchasing. Potential impact on staffing numbers.	3,184	716
Management and Support	Assessment and Care Management Staffing; Complaints Unit	Review of staffing levels and support available to operational services including operational guidance; translation of national policy into local practice; Review of capacity to respond to complaints in a timely manner.		57
Management and Support				773
Older People Services	Review Day Centre Services	Potential impact on individuals using these services. Reduced access to services for some people in some rural areas, negative impact on independent living and distress caused by changing provision, potential loss of friendship networks, and increased stress for carers.	203	69
Other Adults	Review Discretionary East Sussex Support Scheme (DESSS)	Potential impact on local residents facing temporary financial hardship where the need cannot be met any other way and there is a significant risk to a person's health and safety.	111	56
Learning Disabilities	Review Wealden Community Support Team	Potential impact on individuals receiving community support in their own homes and in the community. The team support individuals to undertake a range of activities within the home and community. Direct impact on people with learning disabilities to find work on a full time, part time or voluntary basis and participate in community activities.	350	175
	Review Supported Employment	Potential impact on individuals receiving community support in their own homes and in the community. Direct impact on people with learning disabilities to find work on a full time, part time, voluntary, or work experience basis.	48	24
Directly Provided Services				324
Community Safety	Review funding of Community Safety	Potential impact on staffing levels. Risk to partnership arrangements; funding domestic abuse and other partnership funded services. Potential impact on vulnerable individuals in the local community.	723	208
Community Safety				208
Other	Adjustment relating to impact of additional funding announced at Spring Budget 2017. To be mapped to detailed savings line.			102
				2,359

* The gross budgets shown reflect the areas against which savings have been proposed.

East Sussex Better Together (ESBT)			Gross budget *	Savings
			2016/17	2018/19
Service description	Description of savings proposal	Impact assessment	£'000	£'000
Adult Social Care: ESBT Integrated Strategic Investment Plan	ESBT whole system redesign and implementation of integrated health and social care commissioning and delivery	The transformation of the health and social care system at a time of increasing demographic pressures and financial constraint will be challenging. The scale and pace of change required across all services, taking account of the full £864m investment in the health and social care system, will present risks. There will be a need to ensure robust democratic accountability and control, the effective discharge of statutory responsibilities, strong financial control and a clear framework of managing the potential risks of unintended clinical and financial consequences. The formal agreements underpinning the integration will seek to mitigate these risks. There will be potential impacts for service users in how they access services and are supported in the future, which have already been subject to extensive consultation.		10,507
Children's Services: ESBT Integrated Strategic Investment Plan				69
			n/a **	10,576

* The gross budgets shown reflect the areas against which savings have been proposed.

** The Partnership did not formally exist in 2016//17, therefore no gross budget shown.

Business Services / Orbis - current & additional savings			Gross budget *	Savings
			2016/17	2018/19
Service description	Description of savings proposal	Impact assessment	£'000	£'000
Orbis Business Services partnership will deliver seamless and resilient business services, whilst providing savings to both authorities (East Sussex and Surrey County Councils)	The savings proposals per year show the aggregate sum relating to the ESCC one-third share. A two-thirds share is attributable to SCC; however, it is important to remember that the one-third/two-thirds split cannot be disentangled as the proposals reflect the integrated service design	Key factors for delivery of the Orbis Business Plan by the end of 18/19 include: <ul style="list-style-type: none"> • Clarity on level of interrogation of each function; • Recognising the needs of each partner, including agreement to changes in service offer as a result in service design (in line with the Target Operating Model); • Removal of cultural inertia and resistance to 'location based' support i.e. support will be provided by Orbis staff irrespective of whether they are based in Lewes, Kingston or elsewhere. 	21,688	1,396
				1,396

* The gross budgets shown reflect the areas against which savings have been proposed.

Children's Services			Gross budget *	Net budget *	Savings
			2016/17	2016/17	2018/19
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000
Early Help 0-5	Re-commission Health Visitor contract and achieve significant reduction in the cost (funded by Public Health) and other staffing and non staffing budget reductions	The Health Visitor (HV) contract has to be re-commissioned by April 18. This is funded by Public Health. The contract value will need to be reduced significantly as part of the commissioning process. We believe that savings are possible by a more flexible use of the skills mix, management savings and ceasing work with families that have lower level needs where appropriate. The integration of HV and Children's Centres has been challenging and work is ongoing to embed the changes and there is a risk that coupled with other savings proposals, there could be an adverse impact on performance. There will also be further reductions in management, officer and support posts.	18,928	15,519	1,067
Early Help 5-19	Reduction in open access youth work provision, closure of Uckfield Youth Centre, working with D&Bs and housing associations to identify alternative ways to fund and deliver youth services Management and staff savings achieved through services being delivered more efficiently in house	Fewer places to go and things to do for young people. Could increase anti- social behaviour and reduce ability to identify young people who may need targeted 1:1 help. Detached youth work provision will mitigate closure of Uckfield Youth Centre. Some reductions in FKW are unavoidable with the risk that we will reduce our ability to achieve successful PBR troubled family claims and stop families' needs escalating resulting in the need for more expensive social care interventions.			185
Early help 0-19	Consideration of different service delivery models for Early Help Services 0-5 and 5-19 to achieve management and staff savings.	The financial constraints faced by all Councils have led to some authorities considering alternative models for the delivery of early help and health visiting services. Alternative service models will need to be carefully considered to ensure viability. There is a risk that any changes, coupled with other savings proposals, could have an adverse impact on performance.			350
Support Services, including Admissions, Buzz and Music service	Management and staff savings, efficiency savings linked to agile working, reduced use of external venues, income generation, and training budget reductions. Reduction in fee remission and review of music service staffing.	There may also be a reduction in support for operational managers across planning, performance, information management, organisational development and change management. This may lead to reduced responsiveness to requests for information (e.g. Planning, performance, Data Protection Access Requests and Freedom on Information Requests). Reduced ability to support departmental priorities or new initiatives such as absence management, preparation for apprentice levy or external inspections. The reduced training budget and reduced training commissioning function will limit the ability to develop the children's workforce. Fee remission changes are in the process of being implemented with schools picking up the fee remission costs for individual pupils attending their schools (on a phased basis) using pupil premium following consultation with the Schools Forum in January 2016. The staffing arrangements of the music service are currently under review with further savings proposals being developed.			296
Home to School Transport	Implementing agreed changes to discretionary HTST and review of unsafe routes.	Savings to Home to School Transport (HTST) as a result of policy changes implemented during 16/17 continue to accrue. Review of unsafe routes will look at whether footpaths and bridleways can be used as safe walking routes to school, therefore reducing HTST costs.	11,708	11,221	566

Children's Services			Gross budget *	Net budget *	Savings
			2016/17	2016/17	2018/19
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000
Locality	Reductions to S17 budgets that support emergency payments e.g. accommodation and subsistence costs for families. Reconfiguration of SW posts within teams to reduce numbers of staff	Savings are predicated on robust budget monitoring and forecasting. There is a risk that benefit changes could result in pressure being placed on the S17 budget.	12,298	11,269	381
SWIFT and YOT	Income generation from both Public Health and external sources Reconfiguration of staffing from FKW posts to support court mandated/PLO assessments	Income generation will mitigate impact of budget reductions and further opportunities to trade externally will be pursued vigorously. May impact on PBR claims for Troubled Families but this will be mitigated by other Early Help services making compensatory increases.	1,675	539	134
Safeguarding and QA unit	Reductions in admin support and reduction in 1fte of Independent Reviewing Officer and Child Protection Advisor (IROs)	Safeguarding unit reductions are predicated on reduced numbers of LAC and CP plans. Caseloads are already above national averages and given there are currently 9.6 FTE, a further reduction of 1 FTE is likely to increase caseloads which could result in poor case planning.	1,378	1,265	53
LAC	Continued use of robust placement management	LAC modelling shows continued reduction in numbers however impact of Unaccompanied Asylum Seeking Children will need to be factored in.	25,106	21,712	952
SLES	Reduction in specialist posts and staff numbers, increase in traded activity and school to school support	Reduction in SLES school improvement provision will reduce capacity to increase the proportion of good and outstanding schools that will provide capacity for school to school improvement support, and limit the effectiveness of the LA's monitoring of the performance of all schools. This could impact negatively on pupil outcomes, increase the number of underperforming schools and schools in Ofsted categories of concern. Reduction in the statutory provision of Information, Advice and Guidance (IAG) to vulnerable young people will have a significant impact on performance which we will mitigate through the use of online mechanisms for delivering information, advice and guidance to young people. However the impact of limited face to face support and tracking could reduce the participation of vulnerable young people in education, training and employment 16-19.	25,650	2,985	218

Children's Services			Gross budget *	Net budget *	Savings
			2016/17	2016/17	2018/19
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000
ISEND and ESBAS	Reduction in staff posts, reduced placement costs and service redesign in 18/19, plus review of respite care	<p>Education Support, Behaviour and Attendance Service (ESBAS) will work to mitigate the impact on schools by extending the LA offer of traded work. Reduction in the provision of support to schools for improving behaviour and attendance and in early intervention for pupils facing barriers to engagement. Not all of this work is statutory but helps to manage the demand for expensive, statutory and more costly intervention. Reduction in the Short Term Agency Budget and Short Breaks provision will result in additional pressures on families.</p> <p>Reduction in ISEND assessment and planning may lead to delays in provision beyond statutory timescales but we would mitigate this by working to reduce the number of statutory assessments and plans, through building capacity in schools and colleges to support more young people with school/college based plans. The most significant savings have been delayed to 17/18 and 18/19 in the context of pressures and demands from the current SEN reforms.</p>	45,005	10,102	1,230
Other	Further vacancy control, reducing travel and other non staffing costs		152,815	64,604	(97)
					5,335

* The budgets shown reflect the areas against which savings have been proposed.

Communities, Economy & Transport - current & additional savings			Gross budget *	Savings
			2016/17	2018/19
Service description	Description of savings proposal	Impact assessment	£'000	£'000
Operations and Contract Management				
Waste Disposal Service	Review of Current approach during 2017/18	The review will consider options for: demand management; asset management; income generation and the impact of any changes on residents.	28,680	800
Grass Cutting	Review of grass cutting policy	Work with borough, district and parish councils the options for reducing the cost of grass cutting.	950	400
Economy				
Review fees & charges across the Planning Service.	To charge for pre-application advice on major/significant County matter proposals, and review Ordinary Watercourse Consents fees	Proponents of major schemes are unlikely to be resistant to making a pre-application charge, although they will expect a certain level of service in return, which they are probably already receiving. Proponents of smaller schemes, particularly waste uses, may be put off from having pre-application dialogue if charges are introduced. Hence, a threshold for schemes we do and do not charge for will need to be introduced. Certain District & Borough Council's may be reluctant to introduce ESCC as a party on their PPA's - we will need to clearly demonstrate the benefits of doing so. Potential that a substantial increase in OWC fees may put off people applying for OWC consent in the first place - this could lead to a greater need for enforcement. However, statutory consultation on major planning applications is assisting in identifying where OWC is required.	1,855	25
Communities				
Library and Information Service	Libraries Transformation Programme - internal review of the Library and Information Service	This extensive review of service delivery, the stock fund, opening hours and staffing structure will ensure that the current service is as efficient as possible. Staffing levels and expenditure on the stock fund will be benchmarked against other authorities, and any changes will have a low impact on the majority of our customers. During the review of opening hours, we will use management information about libraries usage to minimise the impact of any potential changes on our customers. Subject to sign off from Cabinet, proposals to change the opening hours of libraries will be publically consulted on in early 2016.	6,444	125
Library and Information Service	Libraries Transformation Programme - development and implementation of the Libraries' Strategic Commissioning Strategy	The outcome of the Strategic Commissioning Strategy will potentially affect change in the overall configuration and nature of the library service in East Sussex. The implementation of the Strategy itself will optimise how the Library and Information Service is delivered, responding to current and future need, to achieve the best possible service within available resources. The outcome of the Strategy is dependent on the findings of the needs assessment, however it is estimated that it could achieve further savings during 2018/19.	6,444	750
The Keep	Improved staff utilisation across a range of functions, increased income generation and reduction in sinking fund	An Income Generation Strategy is currently being developed. The Governance Board has approved, in principle, the approach of the sinking fund.	689	19
				2,119

* The gross budgets shown reflect the areas against which savings have been proposed.

Governance Services - current & additional savings			Gross budget *	Savings
			2016/17	2018/19
Service description	Description of savings proposal	Impact assessment	£'000	£'000
Communications	Revised services offer and some income generation. Staffing restructure; efficiencies; ceasing part of service	Ceasing support for departments in relation on-line hub where public can respond to consultations. Impact on effectiveness of consultations and added work for departments. Reduced ability to provide Departments with public/audience insight with effect on marketing efficiency	1,283	54
Legal Services	Income generation	Additional income generation from review of pricing and greater scale through partnership working. Restructure will mean less resilience, mitigated through development of Orbis Public Law.	2,128	50
Member Services	Efficiencies, staffing restructure	Reduced resilience and ability to ensure continued service at times of increased demand or staffing shortages.	541	
3rd Sector	Cease corporate support for AiRs (18/19); Reduction in Generic infrastructure or Healthwatch	Reduced support for the Voluntary and Community Sector.	937	30
				134

* The gross budgets shown reflect the areas against which savings have been proposed.

CHILDREN'S SERVICES SCRUTINY REVIEW of Educational Attainment at Key Stage 4 – ACTION PLAN			
SCRUTINY RECOMMENDATION		DIRECTOR'S RESPONSE AND ACTION PLAN	TIMESCALE
East Sussex Teacher Recruitment and Retention Strategy 2015-2017			
R1	<p>a) additional work is undertaken to understand the scale of the recruitment challenge in East Sussex. This would help the Children's Services Department and local schools establish clear targets for teacher recruitment and in turn, enable progress to be effectively monitored; and</p> <p>b) more focus is given to the retention of existing teaching staff. This would include developing a clearer understanding of why teachers are leaving the profession and whether there are factors which are specific to East Sussex.</p>	<p>The East Sussex Teacher Recruitment and Retention Strategy is currently being updated with partners and stakeholders in order to embed and develop further the strategies it has developed in relation to teacher recruitment and to place greater emphasis on the retention of staff .</p> <p>Action</p> <p>1.1 SLES to undertake a consultation with all schools to ascertain why teachers are leaving the profession in East Sussex in order to identify and local patterns</p> <p>1.2 SLES to undertake an analysis of which roles and specific subjects schools in East Sussex face a challenge in recruiting to.</p> <p>1.3 SLES to update the next phase of the East Sussex Teacher Recruitment and Retention Strategy 2017-19</p>	<p>July 17</p> <p>July 17</p> <p>July 17</p>
Succession planning and leadership			
R2	<p>a) work is undertaken to identify those schools with effective succession planning policies; and</p> <p>b) having identified the range of successful policies which local schools have adopted,</p>	<p>SLES acknowledges that the current succession policy needs to be updated to reflect current national and local developments regarding different models of leadership.</p> <p>Actions:</p> <p>2.1 SLES to work with the Primary External Advisors and the Secondary</p>	

	work is undertaken to update the current succession planning policy statement and to actively promote the new succession planning policy with governing boards and local schools. This would mean that governing boards and schools are better placed to promote suitably trained and motivated teachers to leadership roles at all levels as vacancies become available.	Headteacher Consultants to identify those schools with clear and effective succession planning policies 2.2 SLES to work with schools and Governors to update the current succession planning policy 2.3 SLES to work with colleagues to provide training opportunities for governors on the importance of succession planning and link this into the performance management cycle	July 17 Sept 17 Dec16
Recruitment Strategy - East Sussex as a unique place to live and work.			
R3	a) the Education Secretary's recent announcement of the expansion of the 'Opportunity Areas Programme' to include Hastings and the further funding it attracts be investigated as a possible resource for improving teacher recruitment and retention rates. b) where appropriate, the scope of the investigation into the viability of developing housing projects as a way of attracting teachers as 'key workers' is widened; this should include exploring with all local borough and district councils the potential for including teachers as key workers within plans for future affordable housing projects	SLES have worked with the East Sussex Communications team to develop a modern marketing strategy which promotes East Sussex as a place to live and work. The website and portal are now in place and an additional social media campaign has been implemented which has targeted teaching staff into senior leadership roles within East Sussex. Actions 3.1 SLES to work with the Hastings Educational Improvement Partnership and Robsack Wood Teaching School to investigate whether funding from the Hastings Opportunity Areas Programme can be accessed to support teacher recruitment and leadership development programmes. 3.2 SLES to work with colleagues from the Communications team to make more explicit and promote on the website the range of housing support that can be offered to teachers as key workers. 3.3 SLES to work with colleagues within Economic Development to establish an approach towards working with district and borough councils on key worker housing.	 Dec 17 Dec 17 July 18

Broadening the scope of the recruitment strategy		
<p>R4</p> <p>Consideration should be given to broadening the scope of the recruitment and retention strategy so as to explore other potential sources of recruitment and aligning these proposed developments within the 'Find Your Spark' recruitment campaign. This could include:</p> <p>a) activities aimed at inspiring young people within our local schools to become teachers; and</p> <p>b) finding ways of encouraging parents who might be interested in teaching as a career.</p>	<p>Within the Find Your Spark media campaign a flyer was produced which went into all primary schools to promote and encourage parents who may be considering a career change to consider teaching, this can easily be extended to secondary schools.</p> <p>Actions</p> <p>4.1 SLES to produce a secondary school flyer which targets parents who may consider a change of career into teaching.</p> <p>4.2 Work with the Post-16 Educational Improvement Partnership to establish and implement a programme with sixth formers which includes opportunities to visit schools on work placements and targets teaching as a positive and exciting career.</p>	<p>November 17</p> <p>July 18</p>
Partnership working between schools		
<p>R5</p> <p>Schools should be encouraged to work together to find innovative ways to develop teacher training models which share resources and good practice, are cost-effective and produce quality teachers which meet the needs of our schools. Such partnership working should be encouraged and promoted by the Children's Services Department through the Schools Direct and SCITT programmes</p>	<p>Currently secondary schools are members of the East Sussex Initial Teacher Training (ITT) network which includes all local Higher Education Institutions, School Direct providers, SCITT and the five teaching schools from across East Sussex who all offer teacher training programmes. They meet regularly and work together to promote all teacher training opportunities within East Sussex. In April 2017 four secondary schools will hear if their teaching school applications have been approved. If so, this will provide excellent opportunities to develop even further the range of local training opportunities and provide the lever for schools to work in partnership to develop their own secondary school SCITT.</p> <p>Actions</p> <p>5.1 SLES to support School Direct partner secondary schools and the Teaching Schools to explore how they can work together to develop new</p>	<p>July 18</p>

	models of teacher training delivery.	
Broadening the geographical area of search for recruits		
<p>R6</p> <p>Work is undertaken to investigate developing an 'East Sussex Ambassador' role. This role would involve the Ambassador travelling to recruitment fairs across the country to promote East Sussex as a place to live and work. The role would require partnership working between schools, as the Ambassador role could be performed by appropriately trained senior staff and/or governors from different schools</p>	<p>Currently through the East Sussex ITT network all providers have developed a joint approach to attending and offering Teach to train events and attendance at local University events, all of which are advertised through the East Sussex website www.eastsussex.gov.uk/teach and on websites of those offering Schools Direct. This group focuses on attending local events due to time and financial constraints on the staff involved. The Council has previously had mixed success with adopting Ambassador roles and would not propose to adopt it this time but consider it as part of the wider piece of work being undertaken to promote the Council.</p> <p>Actions</p> <p>6.1 Schools continue to work in partnership to promote opportunities to teach in East Sussex</p>	Dec 17

ECONOMY, TRANSPORT AND ENVIRONMENT SCRUTINY REVIEW OF SUPERFAST BROADBAND IN EAST SUSSEX – ACTION PLAN			
SCRUTINY RECOMMENDATION		DIRECTOR'S RESPONSE AND ACTION PLAN	TIMESCALE
R1	Further steps are taken to: a. Communicate when faster speeds are available as the project rollout continues; b. Provide additional advice to residents and businesses about checking speeds, selecting an Internet Service Provider (ISP) and information on other factors that affect broadband speeds; and c. Make it easier for residents and businesses to check for themselves the broadband coverage and the speed they can receive.	a. County Councillors, Parish Councillors and Community Leaders will be advised directly when updates are made to the Rollout Table (note: the rollout table details project activity only, not the commercial activity of the private sector) b. An information pack(s) will be produced and made available directly to Members and others, as well as being published online c. As above	a. with immediate effect b. by end June 2017 c. as above
R2	Details of coverage, including maps, are published at the end of Contract 2 and further information is provided to explain how and why finite funding levels may prevent the project from enabling superfast broadband access for some harder to reach premises.	Agreed that this will be provided at contract closure of the second contract (note: this will not include details of commercial coverage by private sector investors such as BT and Virgin Media)	Contract closure (6 months post end of deployment)
R3	Information is provided at the earliest opportunity outlining those premises that may not be 'connected' to superfast broadband and that the survey results are made available to communities and smaller suppliers to encourage the development of alternative delivery methods.	This will be provided once a third contract is in place. Please note that the contract provide 6 months for the winning bidder to make use of the surveys when complete before they are made available to the wider supplier network	Tbc. Timescales are dependent upon contract award and the completion of surveys

ECONOMY, TRANSPORT AND ENVIRONMENT SCRUTINY REVIEW OF SUPERFAST BROADBAND IN EAST SUSSEX – ACTION PLAN			
SCRUTINY RECOMMENDATION		DIRECTOR'S RESPONSE AND ACTION PLAN	TIMESCALE
R4	Once the total cost of providing superfast broadband to the remaining premises is known (or can be estimated), the Broadband Team clarifies how those premises receiving the slowest speeds will be prioritised in the context of the remaining available budget.	Options for the remaining premises will be developed and publicised once detail is known or can be estimated, and when detail is clear about remaining available budget	Tbc. Timescales are dependent upon contract award and the completion of surveys
R5	When, and if necessary, a 'community match' type funding programme is established for communities to bid into to pay for community based broadband schemes, in order to provide access for some of the hardest to reach premises not covered by the project, and a 'toolkit' is developed for communities who wish to implement their own broadband schemes.	Should Contract 3 not cover all premises, options for the remaining premises will be drawn up. This may include community match. A toolkit to assist any such communities will be developed as part of a "community match" scheme	Tbc. Timescales are dependent upon contract award and the completion of surveys
R6	Councillors, business organisations, and Parish Councils are encouraged to contact the Broadband Team with details of any Business Parks that do not have access to superfast broadband, so they can be included in the project rollout.	The Department welcomes the advice of Councillors, business organisations and Parish Councillors as to business parks that do not already have access to superfast broadband. Information will be matched against the team's own research. It would greatly assist the team if information could be provided at postcode level and sent to broadband@eastsussex.gov.uk .	Contact regarding this request will be made with Councillors, Parish Councils and business organisations once the report has been seen by Cabinet and County Council.

ECONOMY, TRANSPORT AND ENVIRONMENT SCRUTINY REVIEW OF SUPERFAST BROADBAND IN EAST SUSSEX – ACTION PLAN			
SCRUTINY RECOMMENDATION		DIRECTOR'S RESPONSE AND ACTION PLAN	TIMESCALE
R7	Lessons are learnt about the management of expectations when embarking upon complex projects of this nature, and to avoid “hype” at the outset, so that there is a careful distinction between aspirations or vision statements and the actual projected outcomes.	Before embarking on the delivery of complex projects of this nature, a communications plan will be developed by the relevant project owner to ensure that messaging around aspirations and expectations is realistic, and consistent, which can be used by all those involved in the promotion of the project.	As appropriate for project concerned
R8	<p>A phased communication plan is developed to address the expectations of residents and businesses in the County regarding the Broadband Project and recommendations 1, 2 and 3 of the review. The plan should include enhancement of information available, including:</p> <p>a. A revision of the web site design and information so that project rollout information, frequently asked questions, and other project information is provided more clearly on the Go East Sussex, e-Sussex and ESCC web sites;</p> <p>b. An information pack (including information sources to check speeds, ISP service offers and availability etc.) produced to assist ESCC Councillors, Parish Councils and Community Leaders when dealing with broadband issues in their Division or area; and</p> <p>c. A fact sheet created to address misconceptions about the Broadband Project and some of the frequently asked questions.</p>	<p>Work on a simple, phased, communication plan is underway.</p> <p>a. Agreed. A review and revision of website information is now underway</p> <p>b. An information pack(s) will be produced and made available directly and online, building on the information already provided on the current website. Please note that information will not cover expected and actual rollout information, including speeds, at sub-County level</p> <p>c. The existing FAQs will be reviewed and updated in a fact sheet format</p>	By end June 2017

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Scrutiny Review of Educational Attainment at Key Stage 4

Report by the Review Board

of the Children's Services Scrutiny Committee

Nicola Boulter, Parent Governor Representative (Chair)

Councillor Claire Dowling

Councillor Kim Forward

Councillor Roy Galley

Councillor Alan Shuttleworth

March 2017

Children's Services Scrutiny Committee – 20 March 2017

Cabinet – 6 June 2017

Full Council – 11 July 2017

Final report of the Scrutiny Review of Educational Attainment at Key Stage 4

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	Recommendations	Page
1	East Sussex Teacher Recruitment and Retention Strategy 2015-2017	10
	<p>a) additional work is undertaken to understand the scale of the recruitment challenge in East Sussex. This would help the Children's Services Department and local schools establish clear targets for teacher recruitment and in turn, enable progress to be effectively monitored; and</p> <p>b) more focus is given to the retention of existing teaching staff. This would include developing a clearer understanding of why teachers are leaving the profession and whether there are factors which are specific to East Sussex.</p>	
2	Succession planning and leadership	11
	<p>a) work is undertaken to identify those schools with effective succession planning policies; and</p> <p>b) having identified the range of successful policies which local schools have adopted, work is undertaken to update the current succession planning policy statement and to actively promote the new succession planning policy with governing boards and local schools. This would mean that governing boards and schools are better placed to promote suitably trained and motivated teachers to leadership roles at all levels as vacancies become available.</p>	
3	Recruitment Strategy - East Sussex as a unique place to live and work.	11
	<p>a) the Education Secretary's recent announcement of the expansion of the 'Opportunity Areas Programme' to include Hastings and the further funding it attracts be investigated as a possible resource for improving teacher recruitment and retention rates.</p> <p>b) where appropriate, the scope of the investigation into the viability of developing housing projects as a way of attracting teachers as 'key workers' is widened; this should include exploring with all local borough and district councils the potential for including teachers as key workers within plans for future affordable housing projects.</p>	

4	Broadening the scope of the recruitment strategy	11
	<p>Consideration should be given to broadening the scope of the recruitment and retention strategy so as to explore other potential sources of recruitment and aligning these proposed developments within the 'Find Your Spark' recruitment campaign. This could include:</p> <p>a) activities aimed at inspiring young people within our local schools to become teachers; and</p> <p>b) finding ways of encouraging parents who might be interested in teaching as a career.</p>	
5	Partnership working between schools	12
	Schools should be encouraged to work together to find innovative ways to develop teacher training models which share resources and good practice, are cost-effective and produce quality teachers which meet the needs of our schools. Such partnership working should be encouraged and promoted by the Children's Services Department through the Schools Direct and SCITT programmes.	
6	Broadening the geographical area of search for recruits	12
	Work is undertaken to investigate developing an 'East Sussex Ambassador' role. This role would involve the Ambassador travelling to recruitment fairs across the country to promote East Sussex as a place to live and work. The role would require partnership working between schools, as the Ambassador role could be performed by appropriately trained senior staff and/or governors from different schools.	

Objectives and scope of the review

1. At its meeting on 27 June 2016, the Children's Services Scrutiny Committee appointed a Scrutiny Review Board to conduct a scrutiny review of educational attainment in Key Stage 4. The Committee decided such a review was timely, as it would build on previous reviews of educational attainment relating to other, earlier Key Stages.
2. The primary indicator of educational attainment at Key Stage 4 is GCSE results. With this in mind, at its first meeting the Review Board considered a summary of the GCSE results for East Sussex for 2016. The Board welcomed the overall positive outcomes these (at the time provisional) results indicated. However, they were also struck by the stark difference in 'Attainment 8' outcomes between the top and bottom performing secondary schools/academies in East Sussex (a description of Attainment 8, Key Stages and other relevant aspects of the National Curriculum are provided in paragraph 7). The variability in outcomes led the Board to conclude it should investigate further and attempt to understand the causes of these differences.
3. More specifically, and following consideration of an overview of the barriers to sustained improvements in educational attainment, the Board decided to investigate the issues and challenges that schools and academies face in relation to the recruitment and retention of teachers and any impact this has on educational attainment.
4. A further goal of the review would be to make recommendations that would help schools/academies improve their teacher recruitment and retention rates. In turn, the Board hoped its recommendations would also ultimately not only help raise educational attainment overall, but also help close the gap between the top and bottom performing secondary schools/academies.

Background

5. The National Curriculum (NC) is a set of subjects and standards used by schools in England. It sets out what subjects are taught and the standards children should attain. Furthermore, the national curriculum is divided into blocks of years called Key Stages. At the end of each key stage, pupils are formally assessed. Key Stage 4 covers Years 10 and 11 (with pupils aged between 14 and 16). At the end of this stage most pupils take their GCSEs (or other national qualifications).
6. In recent years there have been a number of major developments relating both to the delivery of education and its assessment for children of compulsory school age. These developments are regularly cited as sources of additional pressures on teaching staff which may impact on recruitment and retention rates. Developments of particular relevance include:
 - the introduction of a new assessment framework that replaced national curriculum levels (which occurred within key stages) with a new process called 'Assessment Without Levels' (introduced in September 2015); and
 - the revised National Curriculum introduced for 2014 onwards.
7. Related to these developments, the Government announced that a new secondary school accountability system would be implemented from 2016. This included the introduction of a new headline measure called 'Attainment 8'. This measure records the achievement of a pupil across:
 - 8 qualifications including mathematics (double weighted) and English (double weighted);
 - 3 further qualifications that count in the English Baccalaureate (EBacc) measure; and
 - 3 further qualifications that can either be GCSE qualifications (including EBacc subjects) or technical awards from the DfE approved list.
8. The Government introduced this measure with the aim of encouraging schools to offer a broad, well-balanced curriculum. The Attainment 8 score for a school is based on the average of all its pupil's scores.

9. It is against this backdrop that the Board considered the 2016 provisional GCSE data for East Sussex schools. As highlighted above, the data indicates generally positive trends in East Sussex. However, it also highlights differences in Attainment 8 performance between secondary schools in the County as shown in the following table (with the top performing 'Attainment 8' school in East Sussex listed as number 1).

Provisional 2016 GCSE results for East Sussex Schools					
No.	Attainment 8 Score	Average Progress 8 Score	% 5+ A*-C Incl English & Maths	% A*-C English & Maths (basics measure)	No. of pupils at End of KS4
1	59	+0.56	81%	82%	188
2	56	+0.29	75%	76%	236
3	55	+0.14	72%	72%	228
4	55	+0.29	70%	72%	237
5	55	+0.38	73%	74%	148
6	55	+0.23	73%	73%	122
7	53	+0.33	72%	74%	233
8	53	+0.05	63%	66%	267
9	53	+0.36	72%	76%	231
10	52	+0.27	65%	68%	240
11	52	+0.24	66%	70%	192
12	51	-0.03	66%	71%	209
13	50	+0.07	60%	61%	197
14	50	+0.22	68%	69%	118
15	50	+0.47	58%	60%	228
16	49	-0.06	57%	59%	205
17	47	-0.12	56%	62%	170
18	47	-0.28	56%	59%	126
19	46	+0.11	46%	54%	97
20	46	+0.09	48%	58%	174
21	44	-0.41	46%	48%	118
22	43	-0.27	48%	51%	259
23	43	-0.20	53%	55%	92
24	42	-0.50	39%	43%	148
25	41	-0.57	39%	45%	181
26	41	-0.32	42%	42%	154
27	38	-0.75	38%	48%	21

Key	
	VA
	Local Authority
	Foundation Trust
	Academy

10. An additional 'Progress 8' column is also included within the table. Progress 8 aims to capture the progress a pupil makes from the end of primary school to the end of secondary school. It is a type of 'value added' measure, which means that pupils' results are compared to the actual achievements of other pupils with the same prior attainment. This data was not available to the Board at its early meetings and is included here as it provides, arguably, the most important attainment measure and a fairer picture of school performance.

11. The Board was concerned about what appears to be a significant variance in attainment outcomes in the above table. It is also an issue that the Children's Services Department recognises as requiring further attention: the 'Excellence For All 2016-17' strategy states that whilst notable progress has been made in improving outcomes on most indicators, this improvement *"is not consistent across all groups of pupils, and there remains too much variability across the county"*.

12. Based on this and other evidence presented to them, the Board decided to investigate the causes of these differences in performance and began by considering the results of a survey conducted by the Standards and Learning Effectiveness Service (SLES), a team based within East Sussex County Council Children's Services Department. This survey asked schools for their views on what they considered the barriers to sustained educational improvement to be. The survey results identified the following four areas as key barriers:

- Curriculum change
- Young people's mental health
- Budget pressures
- Teacher recruitment.

13. Of these, the Board focussed on the challenges local schools face with regard to teacher recruitment and retention and potential links to educational attainment outcomes; this issue has national significance and the Board wished to understand the local situation in more depth.

14. Having identified the area of search, the Board also wished to explore whether there is indeed a causal link between attainment and recruitment and retention. This fundamental link has also been identified at the national level by key stake holders: for example, the House of Commons Education Committee states in its report on the recruitment and retention of teachers that *"The quality of education in England depends on the quality of the teachers in our schools"* (February 2017). A National Audit Office report also states that 'Teachers are critical to the success of all money spent in England's schools' ('Training new teachers' February 2016).

15. Board members undertook evidence-gathering visits to discuss these issues with local secondary Headteachers and Principals. These sessions provided valuable testimony for the review; for example, one Principal commented that *"in recent years the recruitment situation had deteriorated and that for certain subjects and positions schools may only have one applicant"*. Another commented that *"where the number of applicants is low, there is less opportunity for schools to appoint high calibre candidates"*.

16. Two recently retired local secondary Headteachers who now serve as Consultant Headteachers (CHTs) also attended as witnesses as part of the review in November 2016. CHTs provide support and challenge to serving Heads in order to improve outcomes for our local young people. All local maintained and academy secondary schools are supported by a CHT.

17. One CHT witness described one East Sussex school's struggle to appoint high quality teachers to help it raise educational attainment levels (the school in question appears in the bottom half of the provisional Attainment 8 scores cited in paragraph 8). In response to a question about whether the appointment of experienced, high calibre candidates would make a telling difference to the school's results, one of the CHT witnesses commented that *"good teaching would indeed directly and massively improve outcomes"*.

18. Evidence was also considered regarding the importance of school leaders. For example, the 'School Leadership Challenge: 2022' report suggests that 'Good leadership is a key ingredient of good school performance. This is evident in England where schools with good leadership get better results and schools with weak leadership get worse results (report by 'The Future Leaders Trust', 'Teaching Leaders' and 'TeachFirst'). The importance of leadership roles within schools was also recognised locally, with one Principal saying "*every school needs good leadership at all levels*".

19. Many East Sussex schools and academies are clear that teacher recruitment and retention is a challenge for them. It is worth noting though that not all institutions believe they have a significant problem. For example, one local academy (which is ranked within the upper half of the above Attainment 8 table) indicated that it had not experienced many recruitment and retention problems recently because it is a school where the environment is such that people want to teach. It has an ethos of high quality teaching, high commitment, discipline and good attendance. The staff are very supportive of the school vision and their CPD is considered excellent. The resulting stability gives pupils confidence.

20. With the above preliminary findings in mind, the Board considered that:

- many East Sussex schools are facing significant recruitment and retention challenges; and
- based on both national and local sources, there is compelling evidence of a clear link between recruitment and retention challenges and educational attainment.

21. Given these initial findings, the Board focused on the relationship between recruitment and retention and educational attainment because it considered that that provided a realistic chance of developing practical recommendations to assist schools with the recruitment challenges they face. Such recommendations it was hoped, could then contribute toward the drive to sustained improvements in educational attainment at Key Stage 4.

Issues relating to teacher recruitment and retention

22. There are a wide range of issues which contribute to the pressures our schools are facing when trying to both recruit and retain existing teaching staff.

Secondary school population increase

23. The national secondary population rose to 2.76 million in 2016 (the first rise since 2005) as the increased births from 2002 reached secondary school age. The secondary school population is projected to continue increasing to 3.04 million by 2020 and further until 2025 when it will peak at 3.33 million (DfE 'National pupil projections – future trends in pupil numbers, July 2016). The implication of this projection is that unless class sizes increase, a significantly higher number of secondary teachers will be needed in the coming years.

Workload Pressure and Accountability

24. One CHT witness observed that *'teaching is a tough profession and keeping on top of workload is difficult. These pressures will get worse and this will lead to more teachers leaving the profession'*. At the national level workload is also recognised as a key pressure. For example, the Education Select Committee cites the Education Policy Institute's (EPI) finding that many teachers find their workloads unmanageable. When asked by the EPI about the extent to which they agreed with the statement 'My workload is unmanageable, 38% of teachers agreed and 13% strongly agreed, whilst only 3% strongly disagreed' (EPI 'Teacher workload and professional development in England's secondary schools – October 2016).

25. At more senior teacher levels, the issue of accountability, and especially the implications of the Ofsted judgements and school performance was seen by many as being a significant factor in recruitment. One East Sussex Principal commented that "people don't want to take on the responsibility to be accountable".

East Sussex as a place to live and work

26. There may also be issues which are peculiar to East Sussex:

- East Sussex is a coastal authority. This means the county does not have access to the same number of potential recruits living in neighbouring areas compared to a 'landlocked' authority.
- East Sussex has relatively high number of rural schools and recruiting to such schools can be more challenging (smaller schools can be perceived as having less career development prospects).
- It may also be more difficult to recruit to schools in the east of the county as in particular, younger recruits may be more drawn to living nearer to Brighton. One CHT witness stated that "*the nearer you are to Brighton the easier recruitment becomes*".

27. After considering the above range of pressures, consideration was given to the types of recruitment and retention problems that are apparent.

Subject specific issues

28. The evidence from national and local sources indicates that there are subjects where recruitment is more challenging. For example, the National Association of Headteachers (NAHT) survey for 2015 indicates that the subjects in which most respondents experienced recruitment difficulties were maths, science and English. Many schools also had problems with finding staff to teach languages, geography and history. In East Sussex, one Principal commented that there is a "*general shortage of maths teachers at all levels*".

Retention of staff

29. The National Audit Office reported that, between 2011 and 2014, the number of teachers leaving the profession rose by 11% overall. However, a number of different sources comment that there is not sufficient data on retention rates. For example, key data on retention rates by subject, region and route into teaching are not recorded by the Department for Education.

Leadership roles

30. The Board was presented with evidence relating to the importance of leadership roles within schools and the shortages faced. For example 'The School Leadership Challenge: 2022' report states that schools across England are set to face a leadership challenge in the next 5-7 years. Assuming no other changes to the system, there is a risk of a shortage of up to 19,000 leaders countrywide by 2022. The data suggests that this might be most acute in secondary schools, and that the situation could worsen across the country. One CHT witness commented that "*inspiring our middle leaders is really important. We need to develop new leaders as a priority*".

Further Evidence of pressures

31. The Children's Services Department's 'Teacher Recruitment and Retention Strategy in East Sussex' report recognises the growing and increasingly serious problem of teacher and headteacher recruitment and retention nationally which is also reflected locally. (Education Performance Panel – 23 June 2016). The same NAHT survey mentioned above supports this view and includes data showing that 20% of schools were not able to recruit at all and that 33% of schools report that their struggles in this area are the result of the significant numbers of teachers leaving the profession.

32. The Council's recognition of this subject as a critical issue is further demonstrated by the development of an 'East Sussex Teacher Recruitment and Retention Strategy 2015-17'. This strategy has the following four key aims and objectives:

Aim 1. East Sussex is shown as a diverse, vibrant and ambitious place to live and work. **Objective:** Create a local and national communication strategy to promote a positive and new perception of East Sussex that meets local needs.

Aim 2. Children and young people have access to inspirational, highly motivated, aspirational teachers and leaders. **Objective:** All school staff are entitled to access high quality and clear CPD opportunities at all career stages from ITT through to System leadership to support their development. Ensure that succession planning and talent management is identified within schools and Education Improvement

Partnerships.

Aim 3. The quantity of high quality teachers and leaders available to work in East Sussex education is increased to meet local needs. **Objective:** Ensure that sufficient ITT is available in East Sussex to meet local need which is coherent, flexible and understood by prospective trainees and school leaders.

Aim 4. The quantity, diversity and skill set of high quality governors available to work in East Sussex education is increased to meet local needs. **Objective:** Ensure that all governors have access to high quality training and support.

33. The development of the Department's recruitment and retention strategy, and within that the further development of a modern marketing strategy was welcomed by the Board. The overall effectiveness of these important strategies was also recognised. The Board considered that there are a number of practical recommendations which might assist the Children's Services Department and local schools with the challenges they are facing. The next section sets out the Board's findings and reasoning that lead to these recommendations.

Findings and Recommendations

East Sussex Teacher Recruitment and Retention Strategy 2015-2017

34. The Board noted that whilst local schools and East Sussex County Council have undertaken a wide range of teacher recruitment and retention activities prior to 2015, there was no single, over-arching strategy in place before then. The development of a strategy which brings this vital issue into focus was therefore welcomed.

35. However, given the fundamental links between educational attainment and teacher recruitment and retention, it was recommended that further work is undertaken to understand the level of need within East Sussex. This is necessary as it was not clear:

- how many teachers were required;
- at what level the need was being experienced;
- what subjects were a particular issue; and
- whether there are certain schools or areas that face more challenges than others.

36. Such an evidence based approach is advocated in the recent Education Select Committee's report which recommends that the Government should collect more 'granular' data on teacher retention rates; this would include the factors driving teachers away from the profession. The Board considered that if there was a cost-effective means to collect such data, a clearer picture about the level of need would be possible. This in turn would help the creation of a targeted recruitment strategy.

37. The Board also considered that whilst the issue of retention is mentioned within in the Department's strategy document, there was insufficient detail about how the local authority and local schools would go about improving this rate. The strategy should therefore place greater emphasis on retaining staff as this would be a cost-effective means of addressing teacher shortages. Increasing retention rates would also assist with addressing the leadership shortages identified in our schools.

Recommendation 1

- a) Additional work is undertaken to understand the scale of the recruitment challenge in East Sussex. This would help the Children's Services Department and local schools establish clear targets for teacher recruitment and in turn, enable progress to be effectively monitored; and
- b) Greater focus is given to the retention of existing teaching staff. This would include developing a clearer understanding of why teachers are leaving the profession and whether there are factors which are specific to East Sussex.

Succession planning and leadership

38. The Board considered more could be done to promote the role of middle and senior leaders in schools. With this in mind, it was noted there are schools in East Sussex which appear to have effective succession planning policies in place that help inspire future leaders from amongst their own staff. Policies such as these should be more widely shared, as this could help schools create a larger pool of experienced staff to look to develop and promote from.

Recommendation 2

- a) Work is undertaken to identify those schools with effective succession planning policies; and
- b) having identified the range of successful policies which local schools have adopted, work is undertaken to update the current succession planning policy statement and to actively promote the new succession planning policy with governing boards and local schools. This would mean that governing boards and schools are better placed to promote suitably trained and motivated teachers to leadership roles at all levels as vacancies become available.

Recruitment Strategy - East Sussex as a unique place to live and work

39. The Review Board welcomed the deployment of a modern marketing strategy which promotes East Sussex as a place to live and work. However, whilst it recognised that part of this strategy would necessarily include highlighting the 'rural beauty and stunning coastline' of East Sussex, it was agreed that further consideration be given to identifying potential benefits which are both more tangible and possibly unique to our county. This is because, for example, every rural/ semi-rural local authority will be able to promote the beauty of its countryside.

40. As a result, the Board suggested that further innovative ideas for attracting recruits to the county are explored as part of the Department's current strategy for promoting East Sussex. This could include developing further the work already being undertaken to investigate the viability of developing housing projects as a way of attracting teachers as 'key workers'.

Recommendation 3

- a) the Education Secretary's recent announcement of the expansion of the 'Opportunity Areas Programme' to include Hastings and the further funding it attracts be investigated as a possible resource for improving teacher recruitment and retention rates.
- b) where appropriate, the scope of the investigation into the viability of developing housing projects as a way of attracting teachers as 'key workers' is widened; this should include exploring with all local borough and district councils the potential for including teachers as key workers within plans for future affordable housing projects.

Broadening the scope of the recruitment strategy

41. The Review Board considered that schools could spot young people with the potential to become teachers and encourage inspire them to think about pursuing a career in the profession.

Recommendation 4

- Consideration should be given to broadening the scope of the recruitment and retention strategy so as to explore other potential sources of recruitment and aligning these proposed developments within the 'Find Your Spark' recruitment campaign. This could include:
- a) activities aimed at inspiring young people within our local schools to become teachers; and
 - b) finding ways of encouraging parents who might be interested in teaching as a career.

Partnership working between schools

42. Evidence indicates there is a need to increase the teacher training capacity within the county. In response to this challenge, one Principal commented that schools should look to help themselves and that “*all schools should join together to pay for someone with experience to do teacher training*”.

43. The Board agreed that collaborative working of this kind should be positively encouraged. They noted with interest that one local secondary school is aiming to develop a teaching training model that would involve a number of local schools working in partnership to share teacher training costs.

44. The Board considered that partnership working of this kind would have the potential to create training packages that could be tailored to meet the specific needs of local schools, and at the same time, reduce costs.

Recommendation 5

Schools should be encouraged to work together to find innovative ways to develop teacher training models which share resources and good practice, are cost-effective and produce quality teachers which meet the needs of our schools. Such partnership working should be encouraged and promoted by the Children’s Services Department through the Schools Direct and SCITT programmes.

Broadening the geographical area of search for recruits

45. The County Council’s recruitment strategy primarily focuses on seeking recruits from within East Sussex. This local focus in recruitment is driven in part by the limited resources available to the department and schools. However, the recruitment challenge faced by East Sussex schools is such that we need to find innovative and cost-effective ways of making contact with potential recruits from both within *and* from outside the local area.

46. Developments of this kind would work in conjunction with the East Sussex Initial Teacher Training Group and School Direct.

Recommendation 6

That work is undertaken to investigate the development of an ‘East Sussex Ambassador’ role. This role would involve ‘Ambassadors’ travelling to recruitment fairs across the country to promote East Sussex as a place to live and work. Partnership working between schools would be needed to ensure that appropriately trained senior staff and/or governors from different schools are recruited as ambassadors.

Concluding comments

47. The Board decided to focus this scrutiny review on teacher recruitment and retention and links to achieving sustained improvements in educational attainment at Key Stage 4. It did this to produce a number of practical, attainable recommendations that it hopes will be of real assistance to young people in East Sussex.

48. Sustained improvements in educational attainment are difficult to achieve and the contributory factors that affect performance in this area are numerous and complex. The situation is further complicated by an educational landscape that is subject to wide scale change. With this in mind, it was agreed that there remains scope for specific issues being identified in future as possible scrutiny subjects.

Appendix: Terms of reference, membership and evidence

Scope and terms of reference

This scrutiny review was established by the Children's Services Scrutiny Committee on 27 June 2016 to consider and make recommendations on educational attainment in Key Stage 4.

Board Membership and project support

Review Board Members:

Nicola Boulter, Parent Governor Representative (Chair)

Councillor Claire Dowling

Councillor Kim Forward

Councillor Roy Galley

Councillor Alan Shuttleworth

The Project Manager was Stuart McKeown

Support to the Board

The Review Board would like to thank for their co-operation and assistance those schools and academies listed below who were visited as part of this review. The Board would also like to thank the Consultant Head Teachers for their helpful and interesting contributions at its meeting in November 2016. The Board were also grateful for the support provided by officers listed below from within the Children's Services Department.

School/Academy visits were undertaken by members of the Review Board:

Councillor Claire Dowling – Uckfield Community Technology College

Councillor Kim Forward – The Hastings Academy

Councillor Roy Galley – Beacon Academy

Witnesses providing evidence

Ian Jungius, Consultant Headteacher

Lesley Young, Consultant Headteacher

Support was provided by the following officers:

Fiona Wright, Assistant Director (Education & ISEND)

Elizabeth Funge, Head of Education Improvement

Julie Dougill, Senior Manager: Leadership and Governor Services

Review Board meeting dates

26 September 2016

28 November 2016

24 January 2017

Evidence papers

No.	Title of Evidence	Date
1	Excellence for All 16/17	20 09 16
2	Provisional GCSE results	20 09 16
3	Changes to performance table document	20 09 16
4	Department for Education Key Stage 4 Guidance	20 09 16
5	Department handout on Key Issues for September meeting	26 09 16
6	GCSE results table	26 09 16
7	Education Performance Panel report on Teacher Recruitment and Retention Strategy (from 23 06 16 meeting)	12 10 16
8	East Sussex Teacher Recruitment and Retention Strategy 2015-17	12 10 16
9	East Sussex Leadership Framework 2015-16	12 10 16
10	Guidance on Consultant Head teachers	12 10 16
11	Find your spark Briefing Note	25 11 16
12	Link to find to 'find your spark' pages	25 11 16
13	Links to career change and leader videos	25 11 16
14	SCITT Get Into Teaching - DFE guidance	28 11 16
15	The School Leadership Challenge - and brief over document	12 12 16
16	Key Stage 4 - 2016 Attainment and Progress	12 12 16
17	Update on the Teacher Recruitment and Retention Strategy in East Sussex	23 01 17
18	Link to comments from Sir Michael Wilshaw, Her Majesty's Chief Inspector of Education, Children's Services and Skills (until 2016)	23 01 17
19	Education Select Committee	21 02 17
20	National Audit Office 'Training New Teachers'	03 03 17

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Scrutiny review of Superfast Broadband in East Sussex

Report by the Review Board

of the Economy, Transport and Environment Scrutiny Committee

Councillor Richard Stogdon (Chair)

Councillor Claire Dowling

Councillor Michael Pursglove

Councillor Pat Rodohan

Councillor Barry Taylor

March 2017

Economy, Transport and Environment Scrutiny Committee – 15 March 2017

Cabinet – 6 June 2017

Full Council – 11 July 2017



Report of the scrutiny review of Superfast Broadband in East Sussex

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Introduction by the Chair of the Review Board

Councillor Richard Stogdon

On 6 March 2012 the Cabinet of East Sussex County Council resolved to spend from its capital budget the sum of £15m in conjunction with Broadband Delivery UK (BDUK) and suppliers to roll out superfast broadband throughout East Sussex.

While the decision of the Cabinet received a broad welcome in the debates at both Cabinet and Full Council, some of the potential difficulties in providing superfast broadband to some of the more remote areas of East Sussex were then noted. At meetings of the Cabinet subsequent to that at which the initial decision was made, the Director of Economy, Transport and Environment referred Members to alternative solutions, which might be required, where roll out of the project was to prove more difficult.

Welcome though the County Council's decision was and indeed remains, by the summer of 2016, a number of issues requiring review had come to the notice of the Economy, Transport and Environment (ET&E) Scrutiny Committee. At its quarterly meeting in March 2016, the Committee received representations from County Councillors for some of the County's rural divisions. The issues requiring review were:

- a) Broadband speeds have not improved for some residents and small businesses, despite being connected to fibre enabled services;
- b) Broadband speeds are slow at peaks times of demand;
- c) Coverage has not reached all residents and premises and some have been left with slow or no broadband;
- d) In a number of cases, the provision of information concerning the timing and availability of superfast broadband to particular premises was not available.

Thereafter, the Committee set up a Scrutiny Review Board to investigate the concerns expressed. The Board has met on six occasions since July 2016 and has taken evidence from a number of County Councillors and other witnesses.

The Board's focus has been to gain a proper understanding of the engineering and technical issues encountered as part of the implementation of the first contract (Contract 1) with BT. It was found that the information contained in Appendix 2 of this report was particularly helpful in assisting the Board's understanding.

As the Scrutiny Review progressed, the extent to which the scope of the Broadband Project had been misunderstood became evident. Both officers and witnesses alike referred to the difficulty in successfully communicating complex technical information to a wide audience, particularly in the context of some of the "hype" surrounding the announcement of the original decision to implement the project.

The Board heard that for some, at least, the expectation was that all premises in the County would be provided with superfast broadband by the time Contract 1 was completed. There were a number of other misconceived expectations referred to in the Report, highlighting the considerable difficulty in communicating complex technical information, without a great deal of officer time and sophisticated resource.

Some County Councillors and other witnesses strongly represented the absolute requirement for fairness and equity concerning the way in which the Broadband project has been implemented. The Board found that criticism relating to the equity principle was and is largely connected with timing. The Board concluded:

- (1) From the outset, the County Council's intention was to provide a greatly improved broadband service to as many premises in the County as possible within the technical, engineering and financial constraints applicable;
- (2) While at the completion of Contract 1, full roll out was not achieved, the intention referred to at (1) above remains the firm ambition of the Council; and

(3) There remains every possibility that full roll out shall be achieved, if not at the conclusion of Contract 2, then, in all probability, at the conclusion of Contract 3, if there is sufficient funding.

It is, of course, desirable that every resident and business in the County should receive the same benefit at the same time under the roll out of the Broadband Project. However, in the context of widely differing conditions obtaining in different areas and divisions of the County, the achievement of parity/equity/fairness is necessarily elusive. For that reason the Board rejected the criticism that the roll out has been “unfair and inequitable”. The Board’s thinking is that at the completion of Contract 3, concerns relating to equity may well have been significantly dissipated.

Considerable criticism was levelled at the County Council concerning the quality of the information contained on the County Council’s website and information provided generally as to “availability” of improved broadband connection by reference to postcodes. It was also suggested that insufficient emphasis had been given to the publication of certain consultations and information relating thereto on the County Council’s website. Behind that criticism lay the suggestion that officers had failed to communicate as fully as certain critics would have wished in regard to a wide range of detailed questions.

Against the background of the hugely complimentary evidence provided by other witnesses from both rural and urban divisions of the County regarding the very helpful levels of service and communication provided by the County Council’s Officer Team, the Board found the criticism referred to in the preceding paragraph very difficult to reconcile.

The Board heard praise for the professionalism of County Council’s officer team from independent witnesses and other sources. Further, the Board found that the roll out of the Broadband project in East Sussex is one of the most successful in Britain. Due to that success it has been possible for the County Council to benefit from “Gainshare” (see paragraph 15) arising from Contract 1, to implement Contract 3. These are achievements not contemplated when the original County Council decision was made.

The advice provided to the Board both by County Council officers and BDUK indicates that at the conclusion of Contract 3, there is every possibility that the County Council’s original ambition may well have been achieved.

However that may be, the Board could not fail to be positively impressed:

- (a) by the dedication and professionalism of the very small team of East Sussex County Council officers charged with rolling out the East Sussex Broadband project and
- (b) by the very positive and enthusiastic feedback provided by a number of key witnesses in relation to the success of the project to date. Most particularly, the attention of Members is drawn to the evidence kindly provided to the Board by Sound Architect/ ENGage of Hadlow Down. This was a remarkable contribution, which has relevance for every part of East Sussex.

It is clear from the “Gainshare” achievements under the Contracts that the County Council has enjoyed significant value for money bonuses. The Board considered that it is too early to assess the overall “value for money” impact of the Broadband Project, which remains, as yet, incomplete. Indeed the Board believes it may be some years before the overall value can be properly appraised.

The Review Board is particularly grateful to the Officers of the County Council’s Communities Economy & Transport Department, County Councillors and the County Council’s Scrutiny team in assisting with the Board’s Review.

Councillor Richard Stogdon
Chair

Recommendations		Page
1	Further steps are taken to: a. Communicate when faster speeds are available as the project rollout continues; b. Provide additional advice to residents and businesses about checking speeds, selecting an Internet Service Provider (ISP) and information on other factors that affect broadband speeds; and c. Make it easier for residents and businesses to check for themselves the broadband coverage and the speed they can receive.	11
2	Details of coverage, including maps, are published at the end of Contract 2 and further information is provided to explain how and why finite funding levels may prevent the project from enabling superfast broadband access for some harder to reach premises.	14
3	Information is provided at the earliest opportunity outlining those premises that may not be 'connected' to superfast broadband and that the survey results are made available to communities and smaller suppliers to encourage the development of alternative delivery methods.	16
4	Once the total cost of providing superfast broadband to the remaining premises is known (or can be estimated), the Broadband Team clarifies how those premises receiving the slowest speeds will be prioritised in the context of the remaining available budget.	16
5	When, and if necessary, a 'community match' type funding programme is established for communities to bid into to pay for community based broadband schemes, in order to provide access for some of the hardest to reach premises not covered by the project, and a 'toolkit' is developed for communities who wish to implement their own broadband schemes.	16
6	Councillors, business organisations, and Parish Councils are encouraged to contact the Broadband Team with details of any Business Parks that do not have access to superfast broadband, so they can be included in the project rollout.	16
7	Lessons are learnt about the management of expectations when embarking upon complex projects of this nature, and to avoid "hype" at the outset, so that there is a careful distinction between aspirations or vision statements and the actual projected outcomes.	19
8	A phased communication plan is developed to address the expectations of residents and businesses in the County regarding the Broadband Project and recommendations 1, 2 and 3 of the review. The plan should include enhancement of information available, including: a. A revision of the web site design and information so that project rollout information, frequently asked questions, and other project information is provided more clearly on the Go East Sussex, e-Sussex and ESCC web sites; b. An information pack (including information sources to check speeds, ISP service offers and availability etc.) produced to assist ESCC Councillors, Parish Councils and Community Leaders when dealing with broadband issues in their Division or area; and c. A fact sheet created to address misconceptions about the Broadband Project and some of the frequently asked questions.	19

1. Overview

1. Before considering the effectiveness of the Broadband Project, it is necessary to understand that:
 - the Project is now embarking on a third phase of delivery where originally only one stage was envisaged; and
 - the aspirations of the programme in terms of both speed and coverage have been updated over this period.
2. In 2009 the UK Government announced an intention coupled with funding to move the UK to a better place for broadband services when compared to European neighbours. County Councils up and down the country made enthusiastic commitments to support this aspiration and were encouraged to produce Broadband Development Plans. Many of these aspired to 100% availability of superfast services. East Sussex shared that aspiration. A delivery unit was established within the Department of Media and Sport (BDUK) to establish how this might best be achieved and to manage the allocation of funding. It quickly became apparent that, while significant funding was being promised (circa £1.2billion), this would fall short of the funding required to deliver a superfast service to all premises in the UK. Estimates at the time suggested £20billion would be needed for full coverage, using best available technologies.
3. Against this background, a UK-wide target of 90% superfast coverage by 2015 was set and East Sussex County Council embraced that target. The project was set the task of delivering 90% superfast coverage as opposed to previous statements referring to 100% coverage. Moreover, the project was funded to deliver this 90% outcome and not 100%. The impact of this confusion in terms of percentages is fundamental in understanding some of the complaints about equity and fairness and the difficulty in correcting misconceptions regarding what would be achieved by Contract 1.
4. It is recommended that lessons are learnt about management of expectations when embarking upon significant projects of this nature. Specific issues have been:
 - Understandable concern with residents and businesses seeking to identify if they are within or outside the 90% coverage areas;
 - An inequality in provision;
5. A flexible approach has been needed to ensure best value. It requires permitting the supplier flexibility to substitute cheaper premises where unexpected engineering problems emerge in the delivery stage. The aim of this approach is to build the superfast broadband infrastructure at minimum cost. The downside is the difficulty in telling people if and when they are included in delivery plans, until after the installation work has completed.
6. However, this flexible approach has enabled superfast broadband services to a greater number of unserved premises for the least amount of public funding. This ensures that the limited funding goes further, allowing the Broadband Project to connect a maximum number of premises by following an engineering based approach. This has demonstrably worked. Contract 1 with BT (the first phase of the project) was completed on time, and exceeded the coverage targets.

7. There is a trade-off between maximising coverage and the provision of robust, publically available information. While the Board noted the concerns expressed about this approach in the course of the Scrutiny Review, it considered that the Officer Team acted reasonably in its application.
8. Inequality of service availability is a direct consequence of funding (and affordable technical solutions) to reach 90% superfast coverage before the end of 2015. Fortunately, during Contract 1, Government identified additional funding. This enabled the outcome target for the UK to be revised to 95% coverage by the end 2017. For East Sussex, under Contract 2, this has meant that an additional 7,000 premises will have access to superfast broadband.
9. Besides exceeding coverage targets and being completed on time, Contract 1 is exceeding the expected take up levels. This has resulted in around 40% of connected premises choosing to make use of the newly available superfast services. Additional revenue has thereby been generated for the supplier and a proportion returned to the County Council as State Aid clawback and Gainshare.
10. The clawback and Gainshare funding is now being invested in a third phase of delivery through Contract 3. Through changes in engineering methods and technology, as close to 100% superfast coverage is being sought. It is not yet clear how close this funding will get to 100% coverage. However, the Board noted that the magnitude of the challenge has been considerably reduced by the open access infrastructure that Contracts 1 and 2 have built in most parts of County. This reflects the underlying strategy of the programme to build fibre infrastructure across the County whenever and wherever possible, rather than relying on alternative technologies.

2. Background

11. The UK Government published the Digital Britain Report in June 2009, which set the national policy framework for improving the digital economy. It envisaged that a third of the country, predominately in rural areas, would not have access to superfast broadband (24Mbps or above), if left to market forces alone.
12. The Department for Culture, Media and Sport (DCMS) is responsible for the Government's broadband policies. Broadband Delivery UK (BDUK), which is a unit within the Department, runs several programmes to provide superfast broadband and better mobile connectivity in the UK. The Superfast Broadband Programme (formerly the Rural Broadband Programme), is designed to provide superfast broadband across the UK in 3 phases:
 - Phase 1 - to extend superfast broadband coverage to 90% of UK premises by December 2016.
 - Phase 2 - to extend superfast broadband coverage to 95% of UK premises by December 2017.
 - Phase 3 - to test options for rolling out superfast broadband past 95% coverage, with pilot projects completed by March 2016 (no date was set for providing access to the remaining premises).
13. East Sussex County Council (ESCC) took up the offer of BDUK funding and developed a combined project with Brighton & Hove City Council. A Local Broadband Plan was agreed by ESCC's Cabinet on 6 March 2012, which included the aspiration of providing superfast broadband to everyone (100% of homes and small business) in East Sussex.
14. An Open Market Review (OMR) was undertaken in October 2012 to determine the Intervention Area, in which the Broadband Project would operate. It needs to be carefully noted that the Intervention Area covers the predominantly rural parts of East Sussex, where commercial providers such as British Telecom (BT), Virgin Media etc. were not planning to provide services.
15. ESCC used a national framework contract, developed by BDUK, to undertake the work. The contract requires the supplier to provide a network infrastructure that is open access and capable of being used by a number of Internet Service Providers (ISP's). The contracts also contain a "Gainshare" mechanism whereby, if the supplier makes additional income above expected levels, funding is returned by the supplier and retained in the contract for further investment.
16. The ESCC Broadband Project is one of 44 across the UK. Three quarters of the projects (75%) used the BDUK framework, whilst 25% of contracts were procured independently, but all first round contracts were signed with BT Group. ESCC has entered into two contracts with BT Group to provide superfast broadband infrastructure:
 - Contract 1 (signed in May 2013) to deliver a 3 year programme of infrastructure improvements funded by ESCC £15m, BDUK £10.64m and BT £4.4m.
 - Contract 2 (signed in June 2015) to deliver an infrastructure programme to provide superfast broadband coverage to a further 5,000 premises (recently increased to 7,000). The work related to this contract is taking place during 2016 and 2017, and is funded by ESCC £3m (re-invested from the first contract) BDUK £3m and BT £265,000.

17. At the time of the Cabinet report in March 2012, funding from BDUK had not been announced. It was, therefore, impossible to predict whether or not there would be sufficient funding to provide superfast broadband to 100% of premises in East Sussex.
18. When Contract 1 was signed, there were no plans for further contracts (Contract 2 and Contract 3) and coverage was only intended to reach 90% of premises in East Sussex in Phase 1 of the BDUK Superfast Broadband Programme. Given that 100% coverage was merely an aspiration, it is unsurprising that public expectation had interpreted some of the “hype” surrounding initial announcements, as committed goals.
19. Councillors and residents expressed concerns centred around broadband speeds and coverage achieved under Contract 1 delivered by BT Openreach, namely:
 - Broadband speeds have not improved for some residents and small businesses, despite being connected to fibre enabled services;
 - Broadband speeds are slow at peak times of demand;
 - Coverage has not reached all residents and premises and some have been left with slow or no broadband;
 - In a number of cases, provision of information concerning the timing and availability of superfast broadband has been poor and precise information about when or whether superfast broadband will be provided to particular premises is not available.
20. The Review Board developed a number of lines of enquiry to explore the issues raised by Councillors and residents. The lines of enquiry reflected in this report are:
 - What has been delivered so far under Contract 1 with BT;
 - Whether the roll out of Contract 2 will address residents’ concerns about broadband speeds;
 - Future provision, including and whether there any other measures that can be taken to improve broadband coverage and speeds;
 - Residents’ expectations of the project; and
 - Communication about the project.
21. In undertaking the review, the Review Board examined the delivery of the first contract (Contract 1) with BT Group to establish if the outcomes specified in the contract had been achieved. The Board took evidence from officers, BT, and an independent technical advisor on the performance of the contracts. The Board also spoke to ESCC Councillors, representatives from community organisations and businesses about the delivery of the project.

3. Broadband Speeds

22. The Broadband Project is an infrastructure project, investing in the telephone network, to enable residents and businesses to have access to superfast broadband. The definition of '**connected**' means that users have the facility to get faster broadband speeds, when they are physically connected to the fibre enabled telephone network infrastructure. However, it needs to be clearly understood that users have to subscribe to the right package from an Internet Service Provider (ISP) to get faster broadband speeds. Users may also need to subscribe to a different broadband package, if they regularly need to send large data files over the internet (e.g. files containing technical drawings, film, music and other multimedia content).
23. The Board heard that network infrastructure built in Contract 1 has been designed with sufficient capacity for peak times of demand (committed data rate). It is often the capacity of the ISP's equipment and network, which is the cause of slower speeds at peak times of demand. Some ISP's also actively restrict speeds in order to manage data traffic on their network. Users' computer networking equipment can also be responsible for slower speeds (e.g. router, WiFi etc.). These are factors outside of the control of the project.
24. The actual broadband speed users experience depends on:
- the type of cabling used to connect them to the telephone network and the distance away from the cabinet if connected using fibre to the cabinet (FTTC);
 - the broadband package the user subscribes to and the capacity of their ISP's network;
 - the nature of the equipment they are using to connect to the internet e.g. router, WiFi, internal wiring, the age of equipment and the currency of the web browser used etc.

It is worth noting that the Broadband Project has control over the first of these issues, but all have an impact on user perceptions.

25. The use of fibre to the cabinet (FTTC) as a method of providing superfast broadband means a fibre optic cable is used to connect the telephone exchange to the cabinet in the street. The existing telephone wires are used to make the final part of the connection between the cabinet and the users' premises. The length of telephone cabling varies, and sometimes the most direct route has not been used. The telephone cable may have joints and other junction boxes in it. These factors affect the eventual broadband speed and reliability that can be achieved due to the natural degradation of signal strength.

Findings

26. The FTTC method of delivery, proposed by BT, is used because it offers a way of 'connecting' as many premises as possible for the funding available. FTTC typically delivers a speed uplift to superfast (over 24Mbps) for at least 80% of 'connected' premises. A further 10% will see a significant speed increase but not to superfast. The remaining 10% will see a negligible increase. It is unusual for any premises to see a speed reduction. Higher up-lift figures are typically seen in areas where there is a higher density of premises.
27. The length and quality of the existing telephone line varies between the FTTC fibre enabled cabinets and premises. This can reduce speeds because broadband speeds become slower with increased length of telephone cabling. Consequently, some premises have not benefited from faster speeds, although they are '*connected*' to fibre enabled cabinets, leading to confusion among residents as to whether the project roll out has been successful.

28. The Broadband Team confirmed that only those able to access superfast speeds count towards contractual outcomes. The Team is tackling the effect of long lengths of telephone cabling, and providing solutions for those affected. The implementation of the Contract 2 includes installing additional cabinets and re-arranging the telephone lines to shorten the length of telephone cabling. Fibre cabling to the premises (FTTP) is also being used to connect some of the more remote, harder to reach properties. The planning and procurement of Contract 3 further addresses these issues.
29. Although contract outcomes are measured by the number of properties that can achieve superfast broadband speeds (24 Mbps), many others have benefitted from an increase in broadband speeds below this level.
30. The evidence provided to the Board suggests some residents and even businesses are not aware of improved broadband access in their areas. Internet Service Providers (ISP's) have not so far consistently informed potential customers when faster broadband speeds become available. The Broadband Team do not have the resources to notify premises directly when faster speeds are available. Therefore, consideration should be given to finding a way to notify residents when broadband improvements have been completed in their area. Residents and businesses would also benefit from being able to check more easily for themselves, the broadband coverage and the speed they can receive.
31. In the past, when the Broadband Team has provided information about service availability, they have received negative feedback from those people who cannot yet access faster broadband. Account has to be taken of popular misconceptions when plans are devised to improve levels of communication in connection with the Broadband Project. Future communication should include a fact sheet to address misconceptions and tailor information so that it addresses the needs of those who do not have superfast broadband, as well as those who have.
32. Users need to choose their Internet Service Provider (ISP) carefully and subscribe to the right package in order to achieve the speeds and performance that they require. Actual broadband speeds (as opposed to advertised speeds) and performance at peak times of demand can vary between different providers and the broadband packages they offer. The choice of router, use of WiFi in the home or office, and other factors outside of ESCC's control also contribute to the eventual broadband speed.

Recommendations

The Board recommends that:

1. Further steps are taken to:

- a. Communicate when faster speeds are available as the project rollout continues;**
- b. Provide additional advice to residents and businesses about checking speeds, selecting an ISP and information on other factors that affect broadband speeds; and**
- c. Make it easier for residents and businesses to check for themselves the broadband coverage and the speed they can receive.**

4. Broadband Coverage

Contract 1

33. Contract 1 focussed on the provision of superfast broadband to as many premises as possible using BT's delivery method of fibre to the cabinet (FTTC). The Review Board established this approach to be the most cost effective way of improving broadband speeds to the greatest number of premises across East Sussex.
34. At the end of Contract 1 (July 2016), 70,443 premises in the Intervention Area (defined in paragraph 14 above) had been physically '*connected*' to the fibre enabled telephone network infrastructure by the project, of which 57,755 (82%) had access to superfast speeds. This was 6% more connections than had been planned for in Contract 1, which equates to an additional 3,550 premises. This raises the overall superfast broadband coverage in the County to 90% (made up of existing coverage including ESCC Broadband Project delivery, and planned commercial rollout).
35. Contract 1 provided around £20m of public funding to provide additional superfast coverage, over and above the suppliers' commercial plans. This is an average of around £350 per additional superfast premises served. Exceeding this figure as an average in Contract 1 would mean that the target number of premises would not have been reached.
36. Some premises are inherently difficult to reach on a cost effective basis. For that reason, a 'premises cap', set for the UK at £1,700, is applied. While that is not an allocation per premises, it is a maximum figure beyond which alternative approaches need to be investigated. Therefore, the project manages expensive premises to '*connect*' using a 'premises cap' concept. Residents and businesses need to understand the implications of this, which are that for every premises costing £1,700 to '*connect*', a further 9 premises needed to be '*connected*' at less than £200 to remain within the contract targets.
37. The take up of fibre based services in the Intervention Area has been 40% (as at March 2017) compared with the national average of 30.2% for similar broadband projects. The take up is in excess of the 20% forecast in the business case. The Board heard evidence that the ESCC contract is arguably the second best performing contract of this type nationally in terms of superfast coverage outcomes and represents good value for money.
38. If the Broadband Project had not been implemented, 50% of premises in East Sussex would have been left without access to superfast broadband services.

Contract 2

39. Contract 2 aims to enable a further 7,000 premises to access superfast services by re-routing telephone cabling and installing more fibre enabled cabinets to reduce the length of telephone cabling connecting premises to the cabinet. It will also use more fibre to the premises (FTTP) as an alternative way to connect properties to the network. This is now commercially more attractive because:
- It is cheaper to install because of an agreement with power companies that allows the shared use of power supply poles;
 - There now exists a widespread fibre network that was not available before;
 - Higher confidence in levels of end-user service take-up of superfast services.

Project delivery information

40. The Board heard evidence that Ofcom require BT Openreach to inform all Internet Service Providers (ISP's) at the same time when new services are available. Currently, rollout information is updated at the end of every quarter at postcode level to comply with this requirement. The Board heard that some residents believe the rollout information on the e-Sussex web site is insufficiently detailed concerning when and where superfast broadband will be available.
41. A number of technical and operational difficulties faced on the ground result in either delays, or a need to substitute for easier (cheaper) premises, meaning that it is difficult to be precise about when faster broadband services will be available e.g.
- The provision of new power supplies needed for the fibre enabled cabinets;
 - Difficulties in obtaining the necessary wayleaves from landowners for new cable routes;
 - Objections to the siting of some of the new cabinets;
 - The condition of existing ducts and cables being unsuitable for use;
 - Inability to share the use of power supply poles to install new fibre cables in Contract 1, thereby making the installation of fibre to the premises unfeasible for widespread use.

The Broadband Project Team have been instrumental in overcoming these operational and technical difficulties.

Findings

42. The delivery of Contract 1 has achieved and exceeded its objectives (see para 34) and has enabled access to superfast broadband speeds for as many premises as possible, within the funding available. Had the County Council used the fibre to the premises (FTTP) delivery method instead of fibre to the cabinet (FTTC), far fewer premises would have obtained access to superfast broadband speeds. In that context, the Review Board takes the view that the correct policy was pursued in setting the objectives in Contract 1.
43. The Review Board found that the broadband coverage delivered by the project in Contract 1 met and exceeded the target for the number of premises enabled to receive superfast broadband. Despite this achievement, there were a number of areas in the county at the end of Contract 1 that did not have access to superfast broadband. At the mid-point of Contract 2 (March 2017) the percentage of premises that had been enabled to access superfast broadband were: Lewes District 92%; Rother District 82%; Wealden District 89%; Eastbourne 98%; Hastings and Rye 94%. However, those who do not have superfast access wish to know when superfast broadband shall become available.
44. The Board heard that the Broadband Project had had a positive impact on businesses in East Sussex, increasing productivity, enabling expansion into new areas and improving employment. In general, businesses stated that they found superfast broadband coverage was good across the County (information about the projects such as the Swift Project operated by Sound Architect/Engage can be found in appendix 3).
45. Good contract management by the Broadband Team has ensured that value for money and coverage targets have been achieved. However, it has not been possible to provide superfast broadband to some of the hardest to reach premises.

46. Evidence from the project rollout tables for Contract 2 indicates that additional premises are able to access superfast broadband speeds. However, due to the technical and operational issues involved in the project, ESCC will not know exactly how many premises will be left without access to superfast speeds until the end of Contract 2 in December 2017, or until a survey is completed as part of Contract 3.
47. It is unlikely Contract 2 will resolve all of the concerns raised by residents and Councillors after the completion of Contract 1. The plans for Contract 3 are encouraging, although there is no certainty at this stage of the project that it will be possible provide superfast broadband access to all remaining premises.

Recommendations

The Board recommends that:

2. Details of coverage, including maps, are published at the end of Contract 2 and further information is provided to explain how and why finite funding levels may prevent the project from enabling superfast broadband access for some harder to reach premises.

5. Coverage for remaining premises

Contract 3

48. The Board heard that, as part of Contract 3, it should be feasible to examine what may help solve the challenges that exist for the remaining (hard to reach) properties, as there are now fewer of them. It is proposed to include the requirement in Contract 3 to carry out a survey to identify:
- precisely where the estimated 20,000 remaining properties are located;
 - the nearest network connection point and;
 - an estimate of how much it would cost to provide superfast broadband access to each of the remaining properties.

The provision of this information will enable communication with residents and businesses in relation to the cost and delivery of feasible superfast broadband services.

49. The Board also heard that Contract 3 will prioritise those that are experiencing speeds less than 15 Mbps and the service provision to any remaining business parks. The right environment for alternative technologies and smaller suppliers shall be available under Contract 3, although the overall outcomes will still be impacted by a finite level of available funding and the most expensive premises may still need to rely on alternative solutions or funding.
50. Identification and location of business parks can be difficult. After considerable effort, the project team has identified only two remaining business parks that are not yet able to order superfast services and these are now planned to be addressed. Given the importance of business connectivity to the local economy, it is recommended that a direct line of communication is established between ESCC Councillors, Parish Councils (or community leaders) and the project team to notify of any business parks that do not yet have connectivity. These will then be prioritised (subject to overall value for money checks) within either the current or subsequent delivery contracts.

51. It may also be possible to develop community based solutions to provide access to superfast broadband for the remaining hard to reach premises. However, the current Broadband Team does not have sufficient staff resources to work on and implement individual community based schemes, which are not part of Contract 3.

Alternative technologies and delivery methods

52. The Board explored a number of alternative technologies and methods to provide access to superfast broadband speeds.

Wireless to the Cabinet

53. BT can deploy this solution, but do not use this technology as part of the current contracts with ESCC, due to the cost of using point to point wireless as part of their delivery method. The Board heard that this could be used in the short term if it is the only option to 'connect' a property.

Satellite

54. There is a government funded voucher scheme offering up to £350 to offset the installation cost of satellite broadband, and other solutions such as wireless, for those premises that cannot receive a basic (2Mbps) broadband service. The Board heard that there have been some technical advances in superfast broadband satellite schemes, which may overcome some of the limitations of satellite and offer a short-term solution for those experiencing slow broadband speeds.

Universal Service Obligation (USO)

55. Government is consulting on the introduction of a Universal Service Obligation (USO) that would require providers to provide a minimum broadband speed of 10Mbps. However, this may be subject to an affordability cap above which subscribers would have to contribute towards the cost of providing the service. This is unlikely to be introduced until 2020 at the earliest, but could provide a way of providing broadband access to premises not covered by the Broadband Project.

Community based solutions

56. There is evidence that residents in areas where there is no superfast broadband provision, are beginning to club together to find alternative solutions to meet their broadband needs. In some cases, approaches are being made to BT's Community Fibre Partnership and options are being explored to pool funding allocated under the subsidised voucher scheme. There are also other providers offering community based solutions.

Findings

57. The requirement to undertake a survey of the remaining properties without superfast broadband, as part of Contract 3, will enable ESCC to target funding effectively. It will also enable ESCC to be clear about which properties will not have access to superfast broadband at the end of the project. This will enable other providers or community organisations, who may wish to set up projects, to fill gaps in coverage.
58. The priorities agreed for Contract 3 will focus on those premises experiencing slower speeds (less than 15Mbps). The Board also observed that the cost will always restrict the number of hard to reach properties that can be given access to superfast broadband.

59. In order to address the issue of fairness and equality of access, some match funding may be required for community based solutions for those premises that will not be covered by the project, and where people wish to work together to provide their own solutions. An approach similar to the existing 'community match' scheme could be adopted where ESCC provides some funding towards the cost of provision, matched by contributions from the community. ESCC funding could be provided by using some of the Gainshare income from Contracts 1 and 2 if this proves necessary.

60. In order to support community based solutions, ESCC should develop resources such as a toolkit or self-help guide, to help communities who want to implement their own broadband schemes. It will be important to provide information on the technology options available to them (e.g. satellite, fixed WiFi, wireless to the cabinet etc.) and how to go about delivering these solutions.

Recommendations

The Board Recommends that:

3. Information is provided at the earliest opportunity outlining those premises that may not be 'connected' to superfast broadband and that the survey results are made available to communities and smaller suppliers to encourage the development of alternative delivery methods.

4. Once the total cost of providing superfast broadband to the remaining premises is known (or can be estimated), the Broadband Team clarifies how those premises receiving the slowest speeds will be prioritised in the context of the remaining available budget.

5. When, and if necessary, a 'community match' type funding programme is established for communities to bid into to pay for community based broadband schemes, in order to provide access for some of the hardest to reach premises not covered by the project, and a 'toolkit' is developed for communities who wish to implement their own broadband schemes.

6. Councillors, business organisations, and Parish Councils are encouraged to contact the Broadband Team with details of any Business Parks that do not have access to superfast broadband, so they can be included in the project rollout.

6. Residents' Expectations and Project Communications

Expectations

61. The vision statement contained in the Broadband Plan agreed by ESCC's Cabinet at the beginning of the project stated:

"Our ultimate vision is for the competitive provision of superfast broadband (both fixed and mobile), offering typical speeds of 100Mbps, to everyone (100% of homes and small businesses) in East Sussex by 2017."

62. As many services go on-line, having good broadband speeds is becoming essential to daily living. Many people regard broadband as the fifth utility service. For school children, having decent internet access to complete homework and to carry out research is becoming increasingly important. Most Doctors Surgeries encourage patients to order repeat prescription on-line.

63. The Board heard evidence that some residents expected:
- an automatic upgrade to faster broadband speeds without having to subscribe to faster services; and
 - the project funding would be sufficient to enable all properties in East Sussex to have superfast internet access, no matter how remote they are.
64. However, the funding from central government was initially provided to enable 90% of premises *to have access* to superfast broadband under Contract 1. None of the broadband projects nationally, including East Sussex, were given enough funding to provide access to all premises.
65. There is also evidence that there is a perception that the project has finished, when in fact Contract 2 is half way through delivery (as at March 2017) and Contract 3 has not yet started. Consequently, some people are unaware of the steps that are still being taken to increase coverage and speeds.
66. The issue of fairness and equality of access for all residents, particularly those living in rural communities, was raised in evidence given by ESCC Councillors. It was put to the Board that some consider it inequitable that the occupiers of some premises are enabled to access superfast broadband while others are not. The Review Board recognises (as indeed the County Council recognised, when the decision was made to provide substantive funding for Contract 1) that the eventual aim of the project would be to enable as many premises in East Sussex to be connected to superfast broadband as possible.
67. The Board also noted that 100% coverage is not possible given limited funding and was not an objective of the project at outset. The Board recognises that in the nature of the three Contracts, delivery of broadband access is, of necessity, a staged process because of the technical requirements of the project. However, the eventual achievement of parity has not been ruled out, given the current success of the programme and now increasingly relates to the timing of provision.

Findings

68. The Board considers there have been a number of misunderstandings and misconceptions about the purpose of the project, which has contributed to unrealistic expectations by the public of what the project can deliver. It also appears that some have misunderstood that they need to subscribe to the right broadband package to get faster speeds.
69. The information on the e-Sussex web site, and particularly the rollout information in the News section, addresses people's expectations and common misunderstandings about the project. However, this information is not very prominent and does not explain how the coverage statistics are derived. This may account for why some residents contest the figures and statistics referred to.
70. ESCC needs to communicate clearly that:
- the project may not provide superfast broadband access for all premises with the funding it has available;
 - the project is still ongoing with details of what is being done when;
 - the options available to get better broadband for those who may find themselves without superfast services once the project is completed; and
 - there are other factors that affect broadband speed, beyond the control of the project.

71. It is recommended that lessons are learnt about management of expectations when embarking upon significant projects of this nature. Specific issues have been:

- Understandable concern with residents and businesses seeking to identify if they are within or outside the 90% coverage areas;
- An inequality in provision;

Project Communications

72. The Project Team, with support from the Corporate Communications Team, has:

- provided communications throughout the Broadband Project; and
- provided updates on the progress of the project through the internet site and press releases.

The web site contains up to date rollout information on both Contracts delivered by BT Group. The Project Team has also delivered presentations and briefings to various community and business groups.

73. The Board heard from representatives of the business community that they were well informed about the Broadband Project and project progress. The quality of the information provided by the Broadband Team was considered very good. However, some considered that once premises were enabled to receive superfast broadband, there was still a need to inform businesses that they have to change broadband package in order to benefit from faster speeds.

74. The Board heard that Parishes need to know when and where broadband will be delivered in their area, together with information about the speeds available. Officers explained that information can be provided on where and when broadband will be delivered at post code level on a quarter by quarter basis. However, it is not possible to obtain information on speeds until services are live. Once live, broadband speed information is publicly available from a number of sources (e.g. BT broadband checker, Ofcom broadband app etc.).

Findings

75. The evidence presented to the Board indicates that there is a need to undertake an additional phase of communication activity now that first contract of the project has been completed. There are a number of communication messages that would help:

- address expectations about the project;
- enable residents and businesses to understand what they can do to get faster broadband speeds; and
- enable better understanding what the project is delivering.

76. Councillors have been kept informed about the project delivery. Some Councillors may find it helpful to have an information sheet, or access to other resources about broadband, to assist them with community engagement when dealing with issues in their respective Division.

Recommendations

The Board recommends that:

7. Lessons are learnt about the management of expectations when embarking upon complex projects of this nature, and to avoid “hype” at the outset, so that there is a careful distinction between the actual projected outcomes and aspirations or vision statements.

8. A phased communications plan is developed to address the expectations of residents and businesses in the County regarding the Broadband Project and recommendations 1, 2 and 3 of the review. The plan should include enhancement of the information available, including:

a. A revision of the web site design and information so that project rollout information, frequently asked questions, and other project information is provided more clearly on the Go East Sussex, e-Sussex and ESCC web sites;

b. An information pack (including information sources to check speeds, ISP service offers and etc.) produced to assist ESCC Councillors, Parish Councils and Community Leaders when dealing with broadband issues in their Division or area; and

c. A fact sheet created to address misconceptions about the Broadband Project and some of the frequently asked questions.

7. Concluding comments

77. Overall, the project has achieved good levels of superfast broadband coverage in East Sussex with 90% of premises being enabled to access superfast services. The Broadband Project Team are now planning to exceed this original target through the delivery of the Contract 2 with BT Group and a third procurement underway. Efficient and effective contract management has enabled Gainshare income to be used to fund Contract 3 to provide superfast broadband access to as many of the remaining premises as possible.

78. While there may be some concern by those residents and businesses in the County that superfast broadband may not be achieved in their area, it needs to be understood and communicated that the task of superfast broadband provision is being continued by East Sussex County Council. A second phase of communications activity is needed to address expectations, explain the work that is in progress, and the proposed action to increase superfast broadband coverage to as near to 100% as possible.

79. There may be a minority of premises, at the end of the project, which will be unable to access superfast broadband. In these circumstances information, advice, and some match funding should be provided to help people to find solutions to meet their broadband needs.

Appendix 1

Scope and terms of reference

The Economy, Transport and Environment Scrutiny Committee understands the important role that broadband, and in particular superfast broadband, plays in developing the economy of East Sussex, in support of one of the County Council's Key Priorities.

The scope of the review is to examine the background to the establishment of the project and what has been achieved so far. The review examined the areas of work to be covered by the Contract 2 delivered by BT Openreach, together with the constraints imposed by the Contracts. The review also examined whether the Contract 2 will address the concerns of residents and businesses.

The review included an examination of the information available about the project and how people find out whether and when they will be able to access superfast broadband services.

Review Board Members

Councillors Richard Stogdon (Chair), Claire Dowling, Michael Pursglove, Pat Rodohan and Barry Taylor

Support to the Board was provided by the following officers:

James Harris, Assistant Director, Economy
Katy Thomas, Team Manager Economic Development

Witnesses

Stephen Frith, Independent Advisor to BDUK and ESCC on Broadband

Stephen Edwards, Director, Next Generation Access – BT Commercial

Parish Councils

Jerry Phillips, Isfield Parish Council

Andrew Wedmore, Brightling Parish Council

County Councillors:

Councillor John Barnes

Councillor Angharad Davies

Councillor Kathryn Field

Councillor Roy Galley

Councillor Rupert Simmons, Lead Member for Economy

Councillor Bob Standley

East Sussex Businesses

Chistina Ewbank, Association of Chambers in East Sussex (ACES)

Rachel Lewis, Managing Director, Sound Architect/ ENGage

Jeremy Woolger, President & Chairman, Crowborough & District Chamber of Commerce

Review Board meeting dates

26 July 2016

26 October 2016

11 January 2017

1 February 2017

23 February 2017

1 March 2017

List of evidence papers

Item	Date
ESCC Cabinet papers – reports and minutes	December 2011
ESCC Cabinet papers – reports and minutes	March 2012
ESCC Cabinet papers – reports and minutes	December 2012
ESCC Cabinet papers – reports and minutes	November 2016
The Superfast (Rural) Broadband Programme: update - National Audit Office Memorandum	January 2015
Members Briefing	October 2015
Rural Broadband and digital only services – Environment, Food and Rural Affairs Committee	November 2015
Members Briefing	December 2015
Emerging Findings from the BDUK Market Test Pilots, DCMS	February 2016
Oral evidence to the Culture Media and Sport Select Committee	April 2016
Digital Economy Bill - Queen's Speech	May 2016
New Broadband Universal Service Obligation consultation Summary of responses and Government response, DCMS	May 2016

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Appendix 2 Glossary of Terms

ADSL – Asymmetric Digital Subscriber Line is a type of digital subscriber line (DSL) technology, a data communications technology that enables faster data transmission over copper telephone lines rather than a conventional (voiceband) modem can provide. It is 'asymmetric' because the line is designed to provide faster download speeds (up to 8 Mbps) than upload speeds.

BDUK - Broadband Delivery UK. BDUK is the Government department located within the Department for Culture Media and Sport (DCMS) responsible for delivering superfast broadband and better mobile connectivity for the nation.

Broadband – A high speed internet connection, distinct from the old dial-up internet ('narrowband') which had a maximum speed of 56Kbps. Broadband is not a particular type of technology and there is no one official definition, so in terms of speed it may be classified differently by governments and regulatory bodies across the world.

Cloud / Cloud technology - Cloud computing is a kind of Internet-based computing that provides shared processing resources and data to computers and other devices on demand. Cloud based applications store data and software on remote computer servers ('the cloud'), rather than on an individual's computing devices.

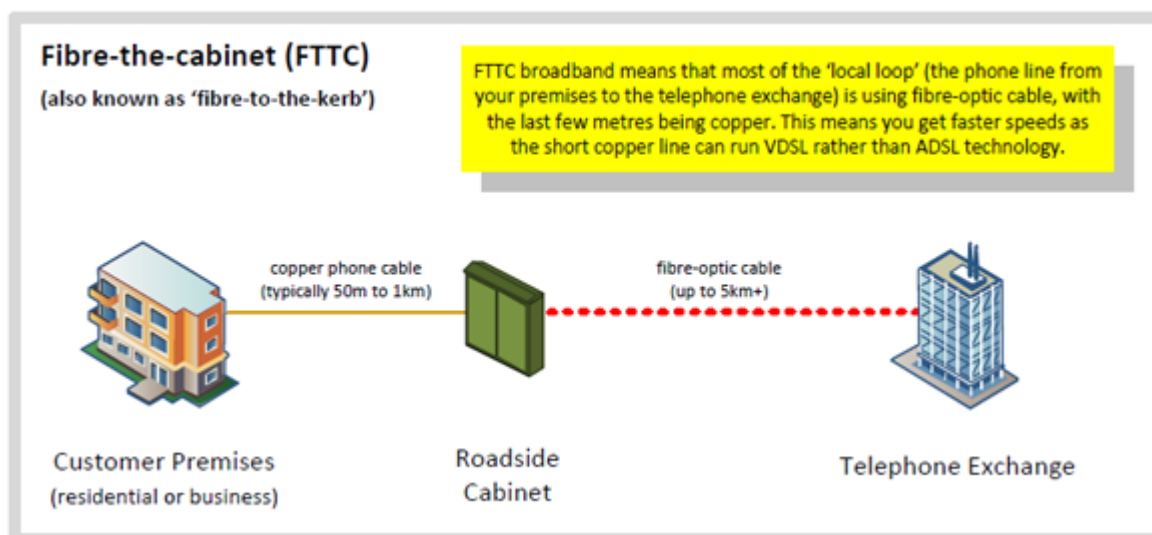
Contention ratio - Your contention ratio tells you the potential maximum demand on your broadband connection from yourself and other customers. Once your broadband signal leaves your home it joins a line connecting your neighbours and others to the web; so the more people using it at once, the slower it can become. A contention ratio of 50:1 (typical for ADSL broadband) means there are up to 50 people on one connection. This is often why you experience slower speeds during peak usage times.

DSL - Digital Subscriber Line. DSL is a wireline transmission technology that transmits data faster over traditional copper telephone lines already installed to homes and businesses. DSL-based broadband provides transmission speeds ranging from several hundred Kbps to millions of bits per second (Mbps).

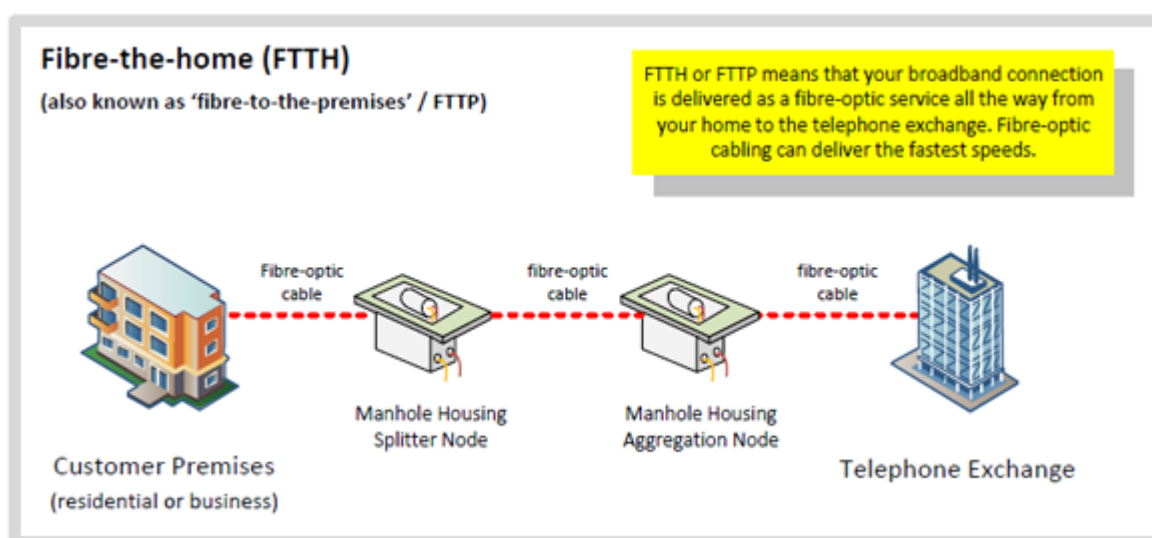
With DSL, a different frequency can be used for digital and analog signals, which means that you can talk on the phone while you upload data. For DSL services, two types of systems exist: Asymmetric Digital Subscriber Line (ADSL) and High-Rate Digital Subscriber Line (HDSL).

FLAN – Fixed Line Access Network. This is the copper cable telephone network originally developed by BT to provide telephone (voice communication) services.

FTTC – Fibre To The Cabinet. A type of broadband service which uses fibre optic cables to street cabinets then regular telephone or cable lines to reach homes. This is cheaper and quicker to deploy, but speeds are more limited than a full fibre solution like FTTH/FTTP (though still much faster than ADSL). If you sign up for fibre broadband now it is most likely to be FTTC, using either the BT Openreach or Virgin Media networks.



FFTP – aka FTTH – Fibre to the Premises/Home - Fibre To The Home/Fibre To The Premises. These are different terms for the same thing: a full fibre optic broadband connection. The connection speed of such a link is far greater than either ADSL or FTTC. Some FTTH services are now available in the UK and offer home users an incredible 1Gb speed. Vitally, this is not the limit of fibre so it's a future proof technology.



(Source: Think Broadband.com)

Fixed Wireless – This is a technology used to provide broadband services, particularly in remote or sparsely populated areas. As the term suggests, broadband access is provided by radio signals (or other wireless link) via a transmitter, rather than a cable, in a similar way to public Wifi hot spots.

ISP – Internet Service Provider. ISP's are the commercial companies and organisations that provide internet and broadband services e.g. BT, Virgin, Talk Talk, Plus Net etc.

NGA – Next generation Access. A term used to describe broadband and mobile communication technologies capable of superfast speeds i.e. greater than 24 Mbps.

Satellite broadband. This is where broadband services are provided via a satellite dish, rather than through a cable network. The signal is sent up to a receiving satellite, and therefore there can be some delay (or latency) in the signals being received. This can mean

that satellite services are not so good for streaming films, videos or other high data capacity applications such as on-line video gaming. There is also often a higher charge or cap for data use, compared with cable based solutions.

Speed - Broadband speed is measured in megabits per second, commonly written as Mb or Mbps (as in 24Mb, or 24Mbps). Megabytes (which is shortened to MB, or GB when referring to gigabytes) - ... denote memory capacity and file size, not speed. There are eight bits in a byte, so, if your download speed is eight megabits per second (8Mb), then that's actually shifting 1 megabyte per second (1MB).

It's an important distinction, because file sizes (such as songs, pictures and movie clips) are described in megabytes, as are download allowances.

Superfast Broadband – 'superfast' broadband is any broadband deemed to run at 24Mb or above. This essentially rules out any service running on old BT lines (ADSL) or any mobile broadband up to and including 3G: leaving us in the UK with 4G (potentially), fibre and cable as 'superfast'. The UK government has made a commitment to have superfast broadband available to 95% of the UK by the end of 2017.

USC – Universal Service Commitment / USO – Universal Service Obligation. These terms tend to be used interchangeably to refer to the minimum statutory service that broadband providers are required to provide. The current USC/USO is 2Mbps and the Government is currently consulting on proposals in the Digital Economy Bill to raise this to 10Mbps.

For example if a USO of 10 Mbps were to be introduced, BT, Virgin and other providers would have to provide access to broadband services of a minimum speed of 10Mbps. However, this may be subject to a reasonable cost threshold above which subscribers would have to pay for access.

VDSL – Very-high-bit-rate Digital Subscriber Line. A digital subscriber line (DSL) technology providing data transmission speeds faster than an asymmetric digital subscriber line (ADSL). VDSL offers speeds of up to 52 Mbit/s download and 16 Mbit/s upload, over a single flat untwisted or twisted pair of copper wires using the frequency band from 25 kHz to 12 MHz. These rates mean that VDSL is capable of supporting applications such as high-definition television, as well as telephone services (voice over IP) and general Internet access, over a single connection.

4G Mobile Communications. This refers to 'Fourth Generation' mobile telephone networks that are capable of providing superfast or Next Generation Access (i.e. greater than 24Mbps) data services. Hence they are seen as alternative to superfast broadband in areas where there is no fixed line network (copper or fibre).

Appendix 3 The SWIFT Project case study from Sound Architect/ ENGage

The Board heard evidence from Sound Architect / ENGage who are a charity that delivers the Swift Project and other projects that promote digital access.

Full details of their work can be found on their web sites <http://www.swiftproject.org.uk/> and www.soundarchitect.org.uk

Some quotes about broadband in East Sussex from Swift Programme participants:

“I have to say that as a potential customer I wasn’t particularly looking forward to our Skype session today but I am now feeling very modern and delighted to have been a Swift Skype pioneer.” BN

“The Skype technology worked, it was very successful and I think we all got a lot out of it. For me it will never completely replace actual meeting up but I can see it is another very useful tool to use in addition or to replace some face to face meetings.” ST

“As a non-digital person at the start of the course, I do feel more confident about trying out things such as social media and I have a much better grasp of how the digital world can affect a small business.” AC

“In all reality, we wouldn’t have been able to run this project without good Broadband connectivity as a lot of publicity was circulated online, all participant arrangements were made online and in order to run courses on Social Media (our most popular course) it was essentials to have good connectivity.” RM Swift Project Manager

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