



FULL COUNCIL - TUESDAY, 9 FEBRUARY 2021

Documents being circulated with the County Council agenda

Document	Report in County Council agenda to which it is related
Draft Council Plan 2021/22 (Appendix 1 of the Cabinet report) (page 3)	Cabinet report, paragraph 1
Progress with Council Plan and Budget 2020/21 since quarter 2 (Appendix 2 of the Cabinet report) (page 31)	Cabinet report, paragraph 1
Medium Term Financial Plan (Appendix 3 of the Cabinet report) (page 35)	Cabinet report, paragraph 1
Budget Summary 2021/22 (Appendix 4 of the Cabinet report) (page 37)	Cabinet report, paragraph 1
Savings (Appendix 5 of the Cabinet report) (page 71)	Cabinet report, paragraph 1
Council Tax Precepts (Appendix 6 of the Cabinet report) (page 75)	Cabinet report, paragraph 1
Reserves and Robustness Statement (Appendix 7 of the Cabinet report) (page 77)	Cabinet report, paragraph 1
Engagement Feedback (Appendix 8 of the Cabinet report) (page 89)	Cabinet report, paragraph 1
Capital Programme update (Appendix 9a of the Cabinet report) (page 103)	Cabinet report, paragraph 1
Capital Programme EqIA (Appendix 9b of the Cabinet report) (page 111)	Cabinet report, paragraph 1
Capital Strategy (Appendix 9c of the Cabinet report) (page 119)	Cabinet report, paragraph 1
Fees and Charges (Appendix 10 of the Cabinet report) (page 139)	Cabinet report, paragraph 1
Council Monitoring – Corporate Summary (Appendix 11 of the Cabinet report) (page 145)	Cabinet report, paragraph 2
Council Monitoring – Adult Social Care and Health (Appendix 12 of the Cabinet report) (page 152)	Cabinet report, paragraph 2
Council Monitoring – Business Services (Appendix 13 of the Cabinet report) (page 163)	Cabinet report, paragraph 2
Council Monitoring – Children’s Services (Appendix 14 of the Cabinet report) (page 170)	Cabinet report, paragraph 2
Council Monitoring – Communities, Economy and Transport (Appendix 15 of the Cabinet report) (page 174)	Cabinet report, paragraph 2
Council Monitoring – Governance Services (Appendix 16 of the Cabinet report) (page 179)	Cabinet report, paragraph 2
Council Monitoring – Strategic Risk Register (Appendix 17 of the Cabinet report) (page 184)	Cabinet report, paragraph 2
Response to scrutiny review of becoming a carbon neutral council (Appendix 18 of the Cabinet report) (page 193)	Cabinet report, paragraph 3
Looked after Children’s Services Annual Report (Appendix 19 of the Cabinet report) (page 201)	Cabinet report, paragraph 4

Treasury Management Policy and Strategy (Appendix 20 of the Cabinet report) (page 233)	Cabinet report, paragraph 5
Scrutiny review of becoming a Carbon neutral council (Appendix 1 of the Place Scrutiny Committee report) (page 259)	Place Scrutiny Committee report, paragraph 1
Bylaws for local nature reserve at Church Wood, Ninfield (Appendix 1 of the Governance Committee report) (page 287)	Governance Committee report, paragraph 1

Council Plan 2021/22

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Introduction

This Council Plan sets out our ambitions and what we plan to achieve by 2024 for our four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources in the short and long term.

The Council provides services used by all residents in East Sussex, including providing care and support to children, families and the elderly; maintaining the roads and providing library services; and working to boost the local economy. We have a long term track record for delivery, producing excellent results for the public.

2020/21 posed a number of unprecedented challenges for the Council, with COVID-19 having a tragic effect on many people in East Sussex, while also seeing a significant increase in the demand for, and cost of, social care and health services. The Council's resources have been reducing in real terms since 2010, and this financial challenge has only been exacerbated by the increased costs associated with responding to the pandemic. The Government has made additional funding available, which has been very welcome, however a long term funding solution has not been agreed presenting an ongoing challenge. As grants from Government have reduced, we have become more dependent on local council tax and business rates; however these bear little relationship to the need for services on the ground, and the level of business rates received may be affected by the economic challenges facing the county as we recover from the pandemic. As our resources do not reflect the demand for services we will continue to adjust our services to match the funds we have. We have been democratic, open and honest in determining the best level and quality of services we can provide, within available resources, and reviewed our Core Offer in 2020/21 to take account of the impact of the pandemic and the new operating context. We consider the Core Offer to be the realistic level of service we must provide, to both fulfil our statutory duties, and meet local need. In doing this we have based our decisions on local evidence of need and what works and makes a difference locally.

We do not work in isolation, so we will work with all our partners to make sure there is a shared view of priorities and that we make the most of opportunities and resources available locally. We lobby hard to protect and promote the interests of East Sussex.

We have set a number of delivery outcomes under each overarching priority outcome. These shape the Council Plan performance measures and targets that are the main tool we use to assess our progress. We also keep track of a wide range of related key data evidencing local need in East Sussex. These help us assess our impact more fully and respond appropriately when we need to do so. We review this data when making our plans and publish them with our State of the County report each year. A selection of this information is provided throughout the plan and listed in more detail at the end.

The Council has played a key role, through Team East Sussex in the publication of the East Sussex Economy Recovery Plan, which sets out six missions through which the economy in the county can go beyond recovery from the COVID-19 pandemic and can grow and thrive while also becoming cleaner and greener. As a member of the Environment Board for East Sussex, the Council also played a key role in the development of the East Sussex Environment Strategy 2020. The Council declared a climate emergency in October 2019, and is now working on plans to move towards carbon neutrality in all its operations as soon as possible, and in any event by 2050.



Keith Glazier
Leader



Becky Shaw
Chief Executive

The Priority Outcomes

The Council has four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources in the short and long term. Making best use of resources in the short and long term is the gateway priority through which any activity and accompanying resources must pass. For each priority outcome there are specific delivery outcomes. These are referenced to performance measures in this Portfolio Plan.



Driving sustainable economic growth - delivery outcomes

- East Sussex businesses are supported to recover and grow through the delivery of the Economy Recovery Plan
- The county's employment and productivity rates are maximised
- Individuals, communities and businesses thrive in East Sussex with the environmental and social infrastructure to meet their needs
- The workforce has and maintains the skills needed for good quality employment to meet the needs of the future East Sussex economy
- The value of our role as both a significant employer and a buyer of local goods and services is maximised
- All children progress well from early years to school leaver and 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 services
- We work with the wider health and care system to support people affected by Covid-19 to achieve the best health outcomes possible

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 get the support they need to maintain their independence and this is provided at or as close to home as possible
- Through our work with others, individuals and communities are encouraged to maintain and develop local mutual support systems

Making best use of resources in the short and long term - delivery outcomes

- Working as One Council, both through the processes we use and how we work across services
- Delivery through strong and sustained partnership working across the public, voluntary community, and private sectors to ensure that all available resources are used to deliver maximum benefits to local people
- Ensuring we achieve value for money in the services we commission and provide
- Maximising the funding available through bidding for funding and lobbying for the best deal for East Sussex
- To help tackle Climate Change East Sussex County Council activities are carbon neutral as soon as possible and in any event by 2050

Priority overview

A thriving economy in East Sussex is key to the wellbeing of the county. Ensuring that local people have access to relevant training and employment, well designed local infrastructure and services, a positively managed environment and accessible cultural activities, will have a positive impact on their wellbeing, enabling them to live independently of public sector support or benefits. Supporting our economy to recover and grow sustainably will help our communities to be more resilient and our businesses to be more competitive.

East Sussex businesses are supported to recover and grow through the delivery of the Economy Recovery Plan

East Sussex Reset: The Economy Recovery Plan for East Sussex, aims to build sustainable prosperity for our businesses, voluntary, community and social enterprise sectors, and support residents to access new opportunities that drive economic recovery and resilience. Developed by Team East Sussex (TES), the local economic growth board, in direct response to COVID-19, the Recovery Plan focuses on businesses, skills and employment in a post COVID-19 landscape. The plan also supports other activities being progressed at a local level, including climate change and health and wellbeing initiatives. The Plan consists of six missions: Thinking Local, Acting Local; Building Skills, Creating Jobs; Fast Forwarding Business; Better Places, Fuller Lives; Cleaner Energy, Greener Transport; and The Future is Digital. The plan seeks to deliver the change that is required to both respond to the pandemic but also capitalise on the opportunities it presents.

Trading Standards will offer assistance to businesses in East Sussex to ensure they adapt and thrive in the changing regulatory regimes brought about by the UK's departure from the EU in December 2020.

The county's employment and productivity rates are maximised

The county is an economy of small businesses with

Examples of planned work 2021/22

- Alongside partners we will begin to implement the East Sussex Economic Recovery Plan to help businesses and communities recover from the impact of COVID-19 on the economy
- The Business East Sussex (BES) Growth Hub is helping East Sussex businesses with advice following the end of the EU transition period, with Business Navigators on hand to offer the latest information on what businesses need to do
- We will continue to work with partners, including the Sussex Chamber of Commerce, to help businesses adapt to the new arrangements

great potential for growth. We deliver the Business East Sussex Growth Hub and a range of bespoke business support programmes to help businesses thrive and diversify, as well as grants and loans programmes to support sustainable growth. We have increased capacity to support business through the UK's transition from the EU and work closely with our partners to provide specialist advice, particularly in relation to exporting. Our commissioned Inward Investment service, Locate East Sussex, will continue to attract businesses to move into East Sussex, offering increased employment opportunities for the local workforce.

Individuals, communities and businesses thrive in East Sussex with the environmental and social infrastructure to meet their needs

Businesses can only thrive if they have the local infrastructure they need and access to the right skills in the local workforce. Our Highways contract with Costain and Jacobs is helping to maintain and improve our roads, while ensuring value for money for the Council. We also coordinate street works and manage parking controls, to help the local transport infrastructure cope with increasing demand. A number

of infrastructure projects will continue or be delivered in 2021/22, including the Queensway Gateway Road and new improvements to Terminus Road in Eastbourne as well as walking and cycling improvements in Eastbourne, Bexhill and Hastings.

Business in the 21st century also need modern digital infrastructure. Our e-Sussex project to rollout super and ultra-fast broadband across the county has improved access to services, jobs and education, and has played a key role in enabling people to work from home during the pandemic. Over 75,000 premises have been connected to improved broadband speeds during our first and second contracts of work with BT. We will continue to deliver a third phase of works in 2021/22, with the aim of connecting as close to 100% of premises in the county as possible. We will work with Government to support its plans to deliver even better digital and mobile infrastructure.

Together with a number of partner organisations we have established a shadow Sub-National Transport Body (STB) called Transport for the South East (TfSE), and have published a Transport Strategy for the South East, which sets out a plan through which the South East's economy could double over the next 30 years. The Strategy will be enhanced by a number of studies, which will inform a Strategic Investment Plan, which will set out a programme for investment over the next three decades.

We will build on the county's economic strengths and unique characteristics to drive economic growth in sectors with the most potential to grow and provide employment. We will build on the areas where the county performs strongly, such as creative industries and visitor economy, construction, engineering, health and social care, and food and drink production; and look to the future to attract and retain new businesses that will provide the jobs of tomorrow.



Examples of planned work 2021/22

- Construction of the Queensway Gateway Road will be completed
- We will continue our third phase of works with BT to ensure as close to 100% of premises in the county as possible have access to superfast broadband
- We will continue to ensure at least 56% of the Council's procurement spend is with local companies
- Our Social Value Measurement Charter (SVMC) will continue to boost the level of social value secured from Council procured contracts

The workforce has and maintains the skills needed for good quality employment to meet the needs of the future East Sussex economy

We want all local people to have the skills they need to succeed and for businesses to have access to a skilled workforce. Skills East Sussex (SES), the county's employment and skills board will continue to bring education providers together with business, to make sure that local training offers are relevant to the local economy. SES provider-employer partnerships deliver a range of programmes to improve careers advice for young people to: deliver retraining programmes for adults and young people via the Government's Plan for Jobs; promote and deliver work-based training via schemes such as Apprenticeships and T-Levels; and to support those adults and young people who are furthest from the work place through careers, pre-employment and digital inclusion initiatives.

The value of our role as both a significant employer and a buyer of local goods and services is maximised

As a body with significant spending power in the county we constantly review our procurement processes to ensure they are accessible to local suppliers, maximise the use of local providers in the supply chains, and secure added economic, social and environmental benefits. We have also updated our Social Value Measurement Charter to incorporate new measures that directly address the recovery of

the local economy.

The Council has been paying the Apprenticeship Levy of approximately £1m per year since 2017. We have successfully implemented a workforce-based approach and have developed a strategy and action plan to maximise our draw down of the Levy to support employing new apprentices and current staff receiving qualifying apprenticeship training. The Local Government Association (LGA) has recognised the work the Council's Apprenticeship team have done within our maintained schools and have used the Council as a case study to promote good practice for other authorities. Additionally, we are seeking to leverage the new Apprentice Incentive Scheme and Kickstart Programme that has been announced by central government to address sharp rises in unemployment, particularly for those aged 18-24, following the COVID-19 pandemic.

South East Business Boost 2020 is a business support programme, grant funded by the European Regional Development Fund with a combined value of £805,000. Four contracts were awarded in 2020/21 to local suppliers to deliver high quality support and advice (including how to apply for grant funding or further grow their business) to new East Sussex businesses, including those run by women and/or people from Black, Asian and Minority Ethnic (BAME) backgrounds. The procurement team helped to secure Social Value commitments through the contracts totalling £27,440.

State of the County 2019/20

- Working age residents with a level 4 qualification or above (degrees, HNC, HND etc.), 35.6% (England 40.0%) Calendar Year 2019
- Working age residents with no qualifications or qualified only to NVQ1, 19.2% (England 17.6%) Calendar Year 2019
- Annual gross full time earnings, median average (residence based), £30,116 (England £31,766)
- Working age population in employment, 80.1% (England 76.2%)
- Working age residents claiming unemployment related benefits (alternative claimant count), 3.0% (England 3.2%)
- New business registrations per 10,000 people over 16, 55.0 (England 76.9)
- New houses built, 1,852, including 468 affordable houses

Examples of planned work 2021/22

- Three Mental Health Support Teams in East Sussex will go live in 2021, providing a year-round service, with interventions for children in school and also available in the school holidays, delivering low intensity support and developing whole school approaches
- A new East Sussex Teaching Schools Network website will be launched which will enable users to access school to school support, and will provide a directory of courses and training opportunities offered locally and through partners across and beyond East Sussex

All children progress well from early years to school leaver and into education, training and employment

We want local people to have the skills they need to succeed and all children to progress well from early years through school and into education, training and employment. We will work in partnership with schools and settings, within available resources, to meet the needs of all pupils and deliver excellent educational outcomes. We will continue to place a strong focus on our most disadvantaged pupils to ensure that they achieve consistently high outcomes. We will also work closely with every school, setting and college to secure a strong Special Educational Needs and Disability (SEND) offer which makes education accessible to all children in their local community school.

The Hastings Opportunity Area is now in its fourth year and continues to work with local businesses, schools, colleges and nurseries to improve the education, emotional and mental wellbeing and employment prospects of young people in the town. Examples of best practice from this programme have been embedded across all areas of our work.

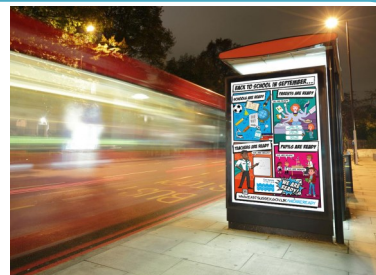
Educational attainment is negatively affected by poor rates of attendance. We will work closely with partners to secure a shared commitment across all providers to address pockets of poor attendance and reduce exclusions for all groups of children and young people. We will also develop and share best practice for encouraging attendance in the post 16 phase.

We will work with our partners, to promote post 16 participation in education and training, including provision and support for vulnerable groups and young people with learning difficulties/disabilities. Together, we will ensure that we prepare young people for work and improve their employability skills, including developing and utilising new online resources and virtual engagement activities and events, in response to restrictions imposed due to the pandemic.

The Excellence for All strategy 2019 - 2021, published in September 2019, outlines the shared vision, values and ambitions the Council and our partners have for creating an excellent education system in East Sussex where no pupil or educational establishment is left behind. Excellence for All will be updated again in 2021. It will address our learning from COVID-19 and the ways in which we can harness the creative solutions we developed to tackle the challenges of lockdown, to long-term, positive effect.

A bus stop advertisement promoting the 'We Are Ready' campaign, which encouraged pupils to return to school in September 2020.

Credit: Tom & Friends www.tomandfriends.co.uk



State of the County 2019/20*

- Children achieving a good level of development in the Early Years Foundation Stage, 76.0% (England 71.8%)
- Percentage of pupils reaching the expected standard at key stage 2 in reading, writing and mathematics 62% (England 65%)
- Average Attainment 8 score per pupil state funded secondary schools 45.3 (England 46.7)
- Average Progress 8 score for state funded secondary schools -0.06 (England -0.03)
- Percentage of pupils who achieved a 9-5 pass in English and maths GCSEs 41.7% (England 43.4%)
- Average Attainment 8 score for Looked After Children, 14.9 (England 19.1)
- Average point score (APS) per entry for level 3 exams including A levels, 30.98 (England 32.23)
- Attainment of A level students average point score (APS) per entry, best 3, 30.00 (England 32.89)
- Attainment of A level students achieving grades AAB or better at A level, of which at least two are in facilitating subjects, 9.6% (England 14.1%)

*This data is for the academic year 2018/19 and has not been updated as exams were suspended in 2020

Take a look at the targets we have set to measure our progress against delivering the aims under this priority on page 16

Priority overview

Ensuring vulnerable children and adults are safe is one of our key priorities and responsibilities to the community.

There will always be children and adults who cannot be looked after at home by their families. Where it is clear this is the case for children, we will intervene early and find permanent or long-term placements for them through fostering or adoption where appropriate. We will be ambitious so that they can achieve their best and we will continue with effective placement planning to ensure that the right child is cared for, in the right place, for the right amount of time and at the most appropriate cost. We will also ensure that vulnerable adults are safeguarded whether they are looked after at home or somewhere else.

The pandemic has resulted in some very specific new tasks and functions for Public Health and the challenges of adapting services and responding to new and emerging needs will continue to shape much of our work; whilst also changing the role of Public Health or the challenges already identified pre COVID-19. As demand for both health and social care services continues to increase and the financial challenges facing the Council remain, we will continue to ensure a focus on prevention and early intervention.

The East Sussex Youth Cabinet launched a 'Stay' campaign during COVID-19 to support young people



All vulnerable people in East Sussex are known to relevant local agencies and services are delivered together to meet their needs

One of our key objectives is that there is an effective multi-agency early help and child protection system, which ensures that children and young people who are, or are likely to be, at risk of harm are identified, supported and protected. This is part of a wider multi-agency safeguarding system, underpinned by strong statutory multi-agency governance and scrutiny by the East Sussex Safeguarding Children Partnership.

Through the partnership network of organisations which constitute the Children and Young People's Trust, we aim to work across health, social care, education, and criminal justice. We will work with partners in the statutory and voluntary sector to progress our priorities.

Ongoing government funding has now been confirmed for the Troubled Families programme in 2021/22. We will use this to support keywork and we will also work with partners to promote a whole system, whole family approach and identify as many external funding streams as possible to sustain family support programmes and youth work.

The East Sussex Safeguarding Adults Board (SAB) oversees the work undertaken towards the prevention of abuse, the SAB's areas of focus include:

- Ensuring the SAB provides strategic leadership to embed the principles of safeguarding across agencies and contributes to the prevention of abuse and neglect.
- Establishing robust feedback mechanisms on safeguarding policies and procedures.
- Making safeguarding personal, making sure adults are involved and consulted in the process of helping them to stay safe and agreeing goals to achieve.
- Ensuring learning from reviews is effectively

embedded into practice to facilitate organisational change across agencies.

- Ensuring the workforce is equipped to support adults appropriately where abuse and neglect are suspected.



The Council's partnership work with the NHS takes place in the wider context of the Sussex Health and Care Partnership (SHCP), which formally became the Sussex Integrated Care System (ICS) in April 2020. East Sussex is one of three place-based partnerships within the Sussex ICS, (alongside Brighton and Hove and West Sussex), with the Council being a lead partner with our local NHS in the East Sussex Integrated Care Partnership. Together we have agreed our East Sussex Health and Social Care Plan which sets out our shared Council priorities and commitments in the NHS Long Term Plan, and our ambitions to deliver greater levels of integrated care, early intervention and prevention to improve health and wellbeing outcomes and reduce health inequalities in our population.

Health and Social Care Connect, the Adult Social Care and Health (ASCH) contact centre, has continued to operate throughout the pandemic and will continue to provide a single point for information, advice and access to community health and social care services seven days a week, from 8am to 8pm, with the addition of the Shielded Line support for periods of national or local lockdowns. The ASCH Programme will develop the systems already in use to enable these to be used as effectively from a home base as from the office, for those staff who are self-isolating or for periods when it is not possible to physically accommodate the full team in the office, to ensure there is no impact on the service provided.



Examples of planned work 2021/22

- We will continue to help victims of mass marketing fraud
- We will support people who have been a victim of sexual violence and domestic abuse through the specialist domestic abuse and sexual violence service

People feel safe at home

We work with partners, including health services, police, ambulance, and fire and rescue services, to ensure people are safeguarded and able to live independently and free from abuse. We will raise awareness of safeguarding issues and enquire into concerns of abuse.

We support the most vulnerable families, helping them to find ways to manage independently and cope with problems so that they can stay together where possible and achieve better outcomes for children and parents.

Early Help services support families to tackle their problems before they become more difficult to reverse. Following a review of services, we have implemented a strategy to support vulnerable families in East Sussex and help manage the demand for statutory social care. The strategy includes keywork with vulnerable families, early years family support services integrated with delivery of the Healthy Child Programme by our health visitors, and evidence-based youth work with vulnerable young people. We also offer universal, open-access and drop-in early help services for children, families and young people where these are fully externally funded. We have a network of 16 children's and youth centres.

We work in partnership to reduce crime, anti-social behaviour and domestic abuse and help victims to stay safe from harm. We work with a number of partners to provide support services and raise awareness of domestic abuse across the county.

Our Trading Standards service helps to protect vulnerable people from exploitation such as rogue traders and cold callers. We also investigate food fraud, illicit tobacco and counterfeit alcohol to protect people from the increased risks associated with these. These services are provided in partnership with the police to ensure an effective level of prevention and support work is offered to the residents and businesses of East Sussex.



The Community Hub distributed thousands of items of PPE to help keep people safe during lockdown

People feel safe with support services

While we aim to help people stay safe and independent, this is not always possible. There will always be children and young people who cannot be cared for at home and with their families. Where it is clear this is the case for children, we will intervene early and find permanent or long-term, cost effective, placements for them through fostering or adoption where appropriate. Vulnerable adults that cannot cope by themselves need to have support services that are safe and of good quality; we will continue to monitor satisfaction with our commissioned services including through service user evaluations.

We work with the wider health and care system to support people affected by Covid-19 to achieve the best health outcomes possible

ASCH have responded to the pandemic by adapting the way we provide support to vulnerable adults. It

has been recognised that a longer term review of the ASCH model is needed to ensure that support continues to be provided while the pandemic is ongoing. The ASCH Programme has therefore been initiated to recommend new ways of working that ensure we continue to meet our statutory responsibilities under the Care Act and any new responsibilities specific to the pandemic. The Programme has a number of workstreams which cover the contact and assessment pathway and associated support functions. The Programme will need to take into account the potential long term impacts of COVID-19 on our population as we are already seeing people with an increasing level of need due to interruptions in their care and support. There are also the impacts of "long Covid" to consider, which seems to be affecting a proportion of those who have suffered with the virus for a number of months afterwards.

State of the County 2019/20

- Looked after children per 10,000 0-17 population, 56 (England 67)
- Children with a Child Protection Plan per 10,000 0-17 population, 50.4 (England 42.8)
- Percentage of children who ceased to be looked after adopted during the year ending 31 March, 16% (England 12%)
- Adult Social Care service users who feel safe, 70.9% (England 70.2%)
- People aged 65+ still at home 91 days after discharge from hospital, 92.8% (England 82.4%)
- Suicide rate per 100,000 2017 - 2019, 13.5 (England 10.1%)

Take a look at the targets we have set to measure our progress against delivering the aims under this priority on page 21

Priority overview

Whilst we must keep vulnerable people safe, people prefer and need to be independent. If we can encourage families and communities to work together to build better local communities, meet local need, and support individuals to stay independent, we can meet our objectives of breaking dependency, while reducing demand for services and therefore costs. Helping people to be self-supporting will become increasingly important as the resources available to public services decline.

Commissioners and providers from all sectors put people first when providing services and information to help them meet their needs

One of the best things we can do to support people is to focus very clearly on their needs when designing and providing services and when we make information available so people can help themselves.

Our focus is to provide people with the support they need as early as possible to help them remain healthy and independent. When they need them, our services will be provided by integrated health and care teams, meaning their care will be more efficient and personal, delivered by one system.

Our focus on providing support as early as possible should mean that people don't need health and care services as much. But when they do, we will make sure they can get services quickly, easily and, before they reach crisis point.

We want to ensure that local people receive the right services, in the right place, at the right time. This may mean they access and use services differently. We aim to empower them with the knowledge of how to best use available health and social care services, and how to best get the support they need.

The integrated community health and social care services have implemented Discharge To Assess (D2A)/Home First pathways. The pathways are designed to avoid prolonged stays in hospital for people awaiting assessment or commissioned

services to enable their discharge. Where possible D2A will aim to avoid unnecessary admissions to hospital, and where an admission is necessary, it will ensure that people are discharged as soon as is safe and practical, back to their own homes or to a D2A bed to have their assessments and services arranged outside of an acute hospital.

As part of the Core Offer for Adult Social Care we will provide information and advice for all those seeking care and support; and provide support that reduces the need for social care in the longer term and/or prevents the need for a more expensive service.

Public Health will continue to promote, protect and improve health and wellbeing, and reduce health inequalities. The needs and demands identified before COVID-19 will be married up with the needs and demands brought about by COVID-19 to ensure a coherent and effective future work plan.

We provide online access to information, for children and young people with Special Educational Needs and Disabilities (SEND) and their families, about services and expertise available in the area from a range of local organisations, including providers of education, health and social care. It also gives families the opportunity to feed back about services that are available.

We will continue to promote these schemes to ensure that people are able to quickly find information about a range of support options available in their local area.

People generally prefer to have as much control and choice as possible over the services they receive. Self-directed support offers control to clients and carers over how their care and support is provided. Inclusion, Special Educational Needs and Disability

(ISEND) has an important role to play in supporting pupils who are vulnerable to underachievement to do their very best. The service helps improve the lives and outcomes of pupils with SEND, helping them to achieve their ambitions and become successful adults. We will carry out statutory assessments of children with SEN where there are significant barriers to learning and we will aim to secure the right education provision for those with the greatest need.



Joint Community Rehabilitation staff ensure they wear masks and PPE where necessary to protect themselves and their clients

State of the County 2019/20

- 4-5 year olds with excess weight, 23.0% (England 23.0%)
- 10-11 year olds with excess weight, 32.0% (England 35.2%)
- Younger adults admitted to residential and nursing care homes per 100,000, 12.4 (England 14.6)
- Older people (65+) admitted to residential and nursing care homes per 100,000, 485.5 (England 584.0)
- Older people (65+) offered reablement services following discharge from hospital, 2.9% (England 2.8%)
- People who received short term services where no further request was made for ongoing support, 93.3% (England 79.5%)



The Youth Cabinet supported the clap for carers campaign

The most vulnerable get the support they need to maintain their independence and this is provided at or as close to home as possible

It is often best if people in need of care and support receive this at home, if possible, with the help of friends and family. We work to ensure that people's homes are safe, providing access to care services, and personal budgets so that people can choose the care and support they need.

Frail adults across East Sussex can receive Technology Enabled Care Services (TECS), to help manage risks and maintain independence at home. TECS includes Telecare, which offers a range of sensors and detectors to meet different needs, such as wearable alert buttons, fall detectors and medication dispensers. The sensors can be monitored 24/7 by a local contact centre.

Environmental sensors, such as smoke alarms or flood detectors are also linked to the centre for automatic alerts. Individuals can also benefit from scheduled live or recorded telephone calls to provide welfare checks or reminders during periods of reablement.

The Joint Targeted Area Inspection in February 2020 had a focus on the emotional wellbeing/mental health of children and young people and the inspection team commended many of the initiatives and services that are in place in the county. A multi-agency action plan has been developed to further improve services and that planning will also be linked to the findings of a Sussex wide review of Children & Young Person's Emotional Health and Wellbeing Service Review which was published May 2020.

We are developing a coordinated strategy of support for schools and colleges to meet the mental health and emotional well-being needs of pupils, ensuring that advice is consistent and evidence-based. During the pandemic, we developed new offers to children, families and schools to support emotional wellbeing and we will use the understanding from these to inform future developments. The county was also successful in its bid for three Mental Health Support Teams (MHSTs) as part of the Government's trailblazer scheme, which will become fully operational in spring 2021 working across 60 schools and providing mental health support for 24,000 pupils.

Through our work with others, individuals and communities are encouraged to maintain and develop local mutual support systems

People, families and communities across East Sussex have huge potential to thrive and to support each other. There is a substantial infrastructure of public, voluntary and community sector work across the county that can seek to help local people achieve their ambitions. We work with partners and communities across the county to help local communities thrive and tackle some of the most difficult issues that impact on people's happiness and wellbeing, such as loneliness.

We are working with partners across health, social care, the voluntary and community sector, and others to increase community and personal resilience in East Sussex. We aim to increase volunteering; improve and coordinate support to strengthen communities; and help individuals to improve their own health and well-being and take action to prevent disease and ill health.

As driver error contributes to over 90% of road collisions where people are killed or seriously injured (KSI), we continue to implement our £1m project to deliver behaviour change initiatives, alongside our ongoing programme of work to improve the road infrastructure. The programme has identified a number of target groups who are at the greatest risk of having a road traffic collision resulting in a KSI casualty and trials of behaviour change initiatives focusing on these groups are underway.

Examples of planned work 2021/22

- We will increase the number of members of the Support with Confidence scheme, which provides a register of people and organisations that have been vetted and approved by us, so users can be confident in their safety, training and quality
- We will support households as part of the government's Troubled Families programme



- The Flagship School, a special school for children with for children with autism and social, emotional and mental health difficulties is due to open in September 2021
- We will Continue to develop the specialist facilities programme to offer additional provision for pupils with autism and bring more capacity to local schools

State of the County 2019/20

- Adult Social Care service users who find it easy to find information about services, 75.7% (England 68.4%)
- Adult Social Care service users who have as much social contact as they would like, 52.4% (England 45.9%)
- Number of people killed or seriously injured on the roads, 410 (Calendar Year 2020)

Take a look at the targets we have set to measure our progress against delivering the aims under this priority on page 23

Priority overview

This priority underpins all our activities and is a key measure of success for all our priority outcomes. It applies to all the resources available for East Sussex, not only within the Council, but across the public sector, voluntary and community sector and private partners, and within local communities. We will work as a single unified organisation to deliver our priorities; ensuring high quality, streamlined services are commissioned and developed in partnership; working to reduce demand for services and focusing on our residents and communities.

Working as One Council, both through the processes we use and how we work across services

We will ensure that we work in a unified way so that resources are focused on delivering our priority outcomes. This means minimising the cost of back office services and directing resources to frontline services. We will focus on delivering services close to local people in the most cost effective way possible.

Our People Strategy recognises that the Council workforce is the key to our success. The strategy is based on the four themes of Leadership and Management; Performance Development and Reward; Employee Engagement and Inclusion; and Employee Health and Wellbeing. In conjunction with this, a 'Leadership and Management Capability Framework' has been developed which sets out the management and leadership expectations in support of the Council's priority outcomes and operating principles. We are committed to the development of our workforce and embedding our People Strategy into our culture.

Delivery through strong and sustained partnership working across the public, voluntary community, and private sectors to ensure that all available resources are used to deliver maximum benefits to local people

We will work in partnership across the public, voluntary and community, and private sectors to ensure that all appropriate available resources are used to deliver maximum benefits to local people. We will be proactive in making the best use of our assets, sharing property, ICT and staff with partners so we work as efficiently as possible, removing duplication and increasing flexibility. We will join with partners to seek opportunities to achieve better value through our procurement.

Orbis, our partnership with Surrey County Council (SCC) and Brighton & Hove City Council (BHCC) for some of our back office services, has allowed us to provide resilient services while achieving savings which are being used to sustain services for residents of all the counties.



The Strategic Property Asset Collaboration in East Sussex (SPACES) was formed by a number of public and third sector organisations coming together in partnership, to look for opportunities to co-locate and collaborate around property, to ensure cost effectiveness and to improve the customer journey by creating more effective environments to deliver services from.

The Council has agreed to enter into an improvement partnership with West Sussex County Council (WSCC), to address the significant challenges that WSCC are facing but also offer opportunities for both authorities to work together on shared priorities, such

as infrastructure, social care and climate change. A detailed action plan will be produced in 2020, setting out the challenges and actions that will be taken as part of the improvement partnership.

Examples of planned work 2021/22

- We will continue to embed the Orbis partnership; making cost savings while providing more effective and efficient services
- We will reduce the cost of the buildings we occupy and the amount of CO2 produced from Council operations
- We will maintain or reduce the number of working days lost to sickness absence

Ensuring we achieve value for money in the services we commission and provide

Across all our resources, services and partnerships we will seek to achieve the maximum positive impact to deliver our priority outcomes for people in East Sussex.

We may need to consider further changes to our Waste and Library services to ensure we are providing the best service possible within the resources available.

We have been working to reduce the cost of occupancy of corporate buildings, by consolidating our buildings and reducing our spend on energy, by 2% each year since 2016/17. We are aiming to continue to deliver savings by utilising our space in a more efficient manner and driving income from surplus spaces with a reduction in costs of 2% into 2021/22. This is dependent on the course of the pandemic and future ways of working.

Maximising the funding available through bidding for funding and lobbying for the best deal for East Sussex

We will continue to take all available opportunities to raise the distinct funding needs of the Council with Government until we have commitment of funding to cover all of the additional costs of COVID-19, as well as long term fair funding for our services; and we will work with partners to press for the best outcomes for the county. In view of the ongoing financial challenge we face, the Council has reviewed its Core Offer in 2020/21, to ensure it continues to set out the ambitious but realistic level of service we think we must provide to both fulfil our statutory duties and meet local need in the current financial climate. Feedback from our residents, partners and businesses helped develop the Core Offer and we are working with communities to build resilience where the Council can no longer provide services. Due to our funding position, even this Core Offer is unaffordable in the near future so we will use this model to work

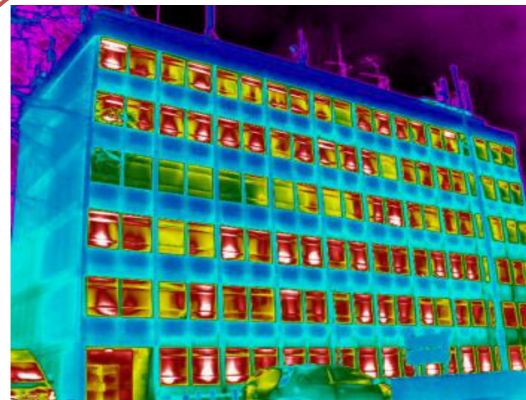
with our local MPs to press for the Government funding we need to provide the decent services we know are needed by this county.

To help tackle Climate Change East Sussex County Council activities are carbon neutral as soon as possible and in any event by 2050

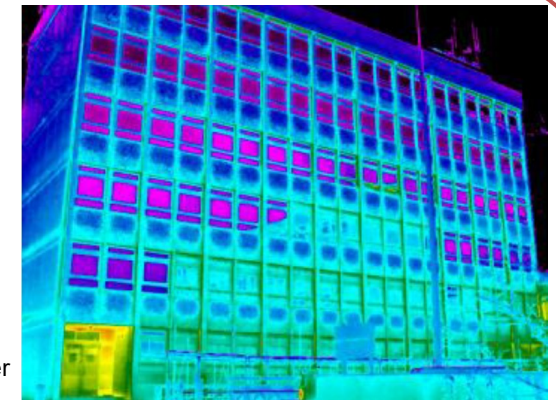
We will build on our earlier work to ensure all Council activities are carbon neutral as soon as possible and in any event by 2050. A Climate Emergency Plan has been developed and we will be working within the plan to focus on reducing the carbon footprint of the Council's operations. The target for 2021/22 is to have a further reduction of carbon emissions by 13% against the previous year.

Examples of planned work 2021/22

- We will begin to deliver, alongside partners, the Climate Action Change Plan that will help facilitate the take-up of electric vehicles; improve the energy efficiency of street lighting; and implement further energy efficiency measures for the Council's buildings
- We will refresh the Staff Travel Plan, particularly in light of COVID-19, to incorporate the commitments to the Climate Action Plan and reflect the evolving ways of working



Before



After

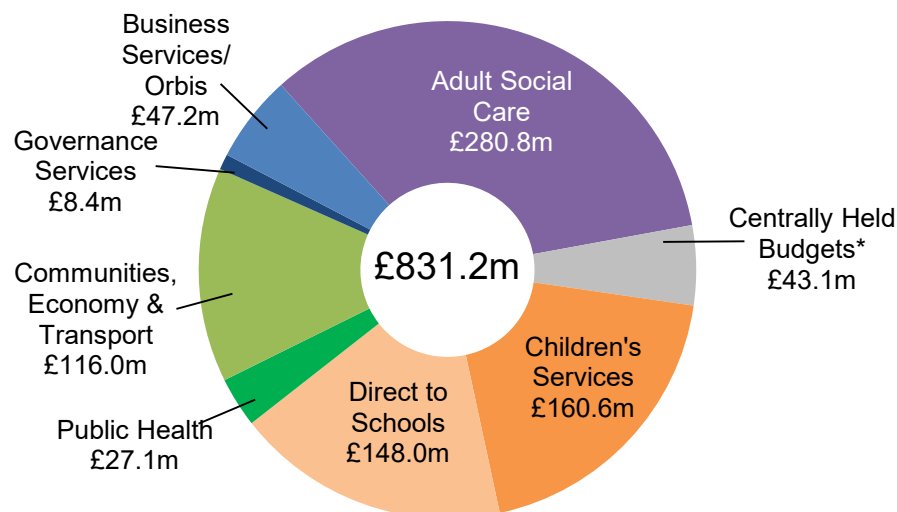
Energy efficiency measures at County Hall included replacing the old windows draughty windows which let a large amount of heat escape, in the right hand image, with newer more efficient versions which help to reduce heating costs and energy use, in the left hand image.

Take a look at the targets we have set to measure our progress against delivering the aims under this priority on page 26

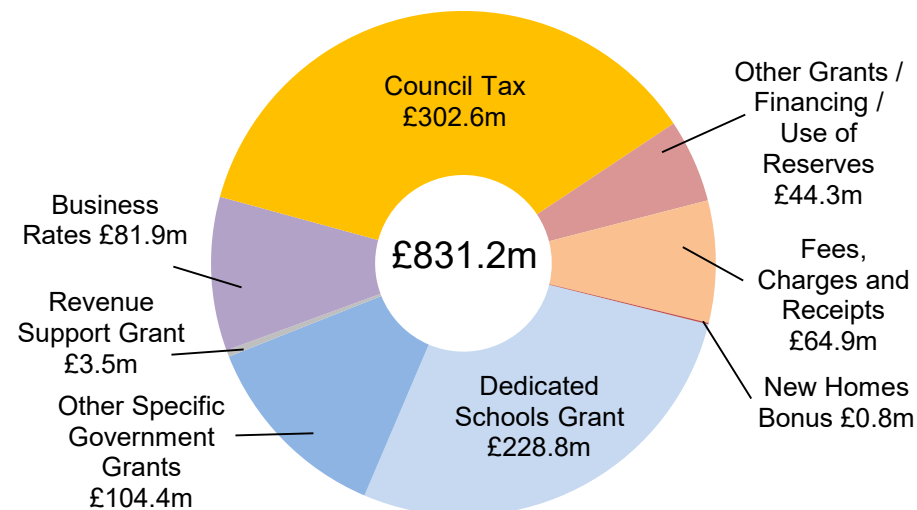
Revenue budget: gross and net

The charts below show how we will spend your revenue budget money in 2021/22, and where the money will come from (gross and net). More information on our revenue budget can be found in our [financial budget summary](#) which explains the difference between the gross and net budgets.

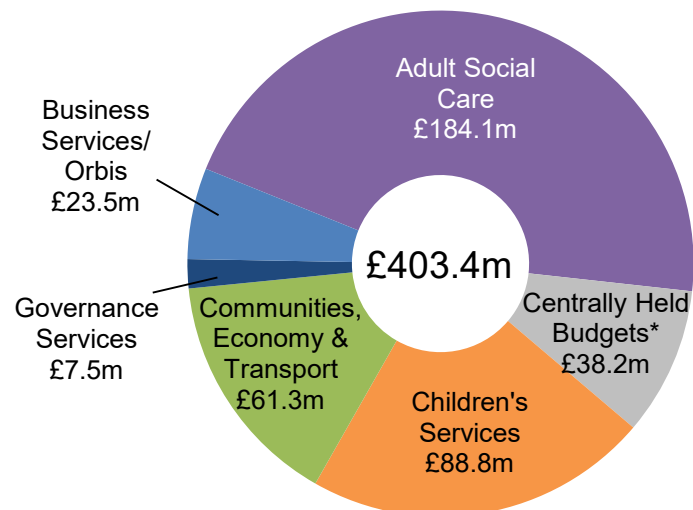
How we will spend your money (gross)



Where the money comes from (gross)



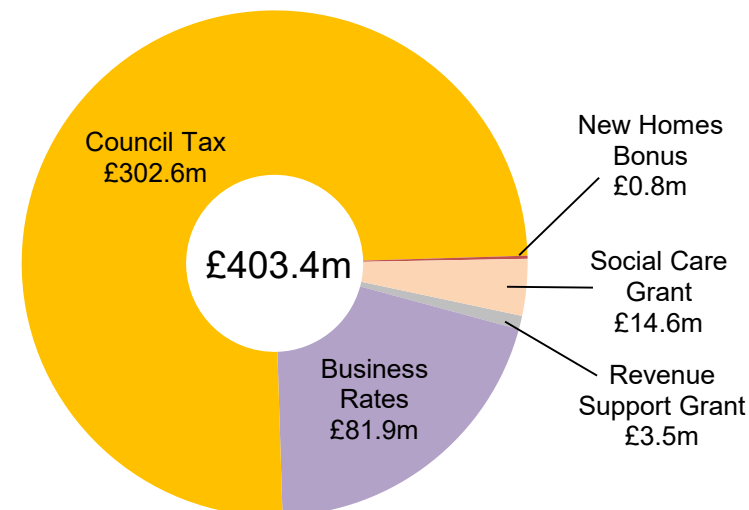
How we will spend your money (net)



*Centrally Held Budgets include Treasury Management and contributions to the Capital Programme

Pending new charts 2021/22

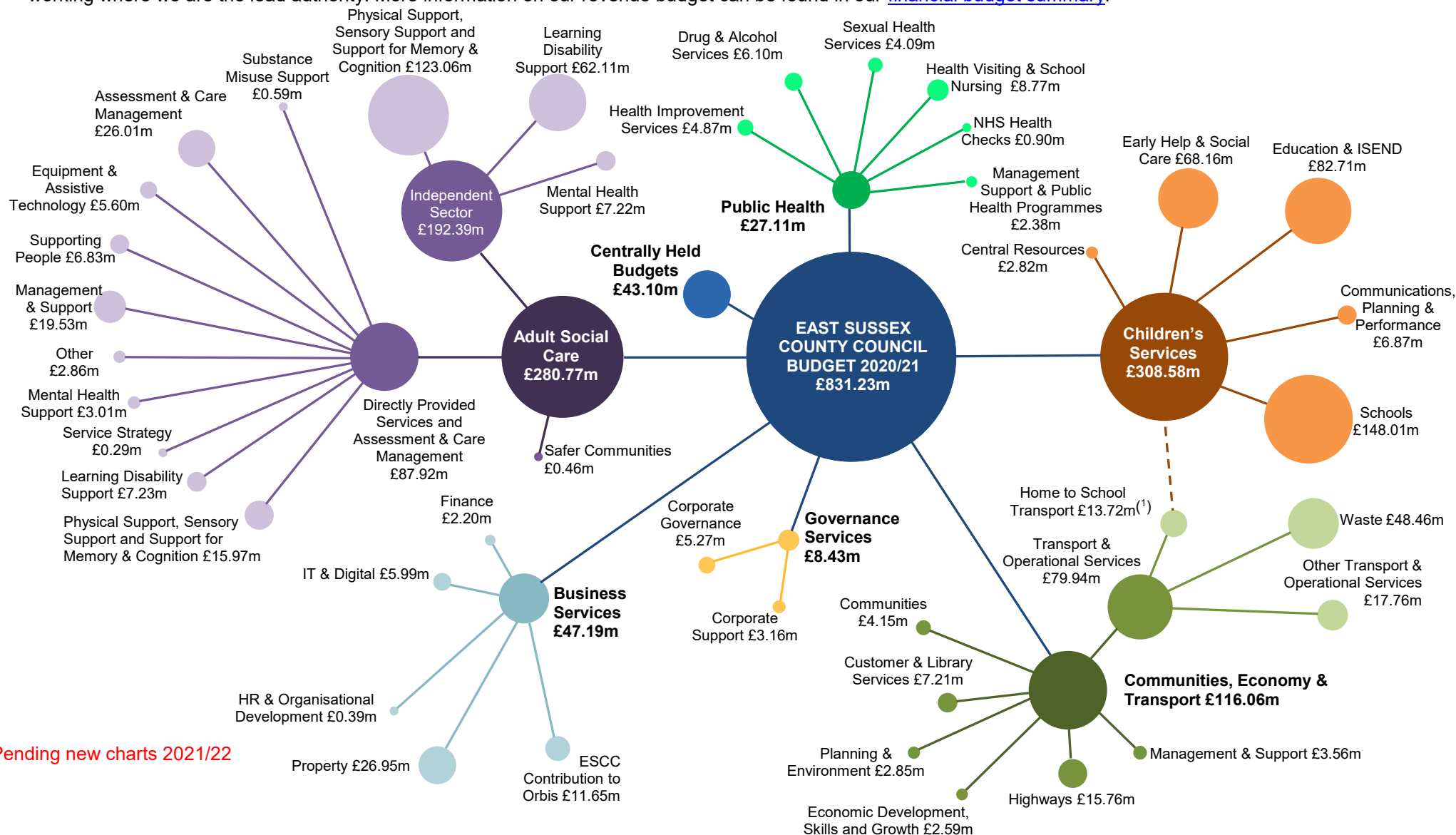
Where the money comes from (net)



Revenue budget

13

The diagram below is a visual representation of our gross revenue budget for 2021/22. It also shows East Sussex County Council spend inclusive of partnership working where we are the lead authority. More information on our revenue budget can be found in our [financial budget summary](#).



Pending new charts 2021/22

(1) Home to School Transport is administered by Communities, Economy and Transport on behalf of Children's Services.

Totals may differ from sum of components due to rounding

Capital Programme: projects in the year ahead 2021/22

As well as providing services, the Council invests in, and maintains, assets such as roads and buildings. The capital programme supports delivery of the Council's priority outcomes, particularly driving sustainable economic growth and keeping vulnerable people safe. Details of the full current capital programme to 2023/24 are in our [financial budget summary](#). Below are examples of key projects that will be underway in 2021/22 at a cost of £92.1m.

Economic Growth & Strategic Infrastructure £15.8m

- £5.1m to drive economic growth and create new jobs as part of the SELEP's Getting Building Fund
- £3.3m to increase the number of premises in the county that can access superfast broadband
- £0.7m to build the Newhaven Port Access Road

Community & Social Care Facilities £2.0m

- £0.9m for the development of Westfield Lane to provide additional accommodation for children within the county

Highways & Structural Maintenance £23.2m

- Structural maintenance of highways to maintain and improve the road surface

Integrated Transport Services £11.9m

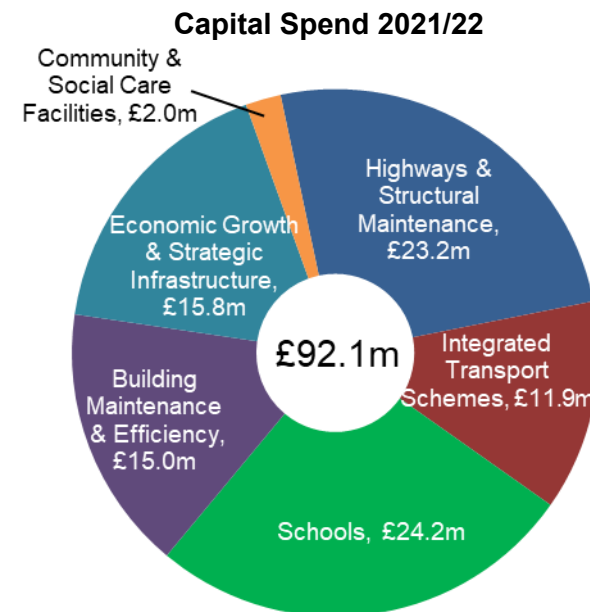
- £2.7m of junction improvements in Hastings, Bexhill, Eastbourne, Hailsham and Polegate
- £1.0m of walking and cycling movements in Eastbourne and South Wealden
- £2.6m for the next phase of the Eastbourne Town Centre Improvements

Schools £24.2m

- Primary school numbers in East Sussex peaked in 2018/19 and are starting to decline
- The previous high numbers in primary schools are now being reflected in rising Year 7 secondary school intakes. Secondary school numbers are likely to peak around 2024/25 or 2025/26
- We are planning, or in the process of creating, new school places in Eastbourne, Hailsham, Polegate, Robertsbridge and Newhaven/Peacehaven

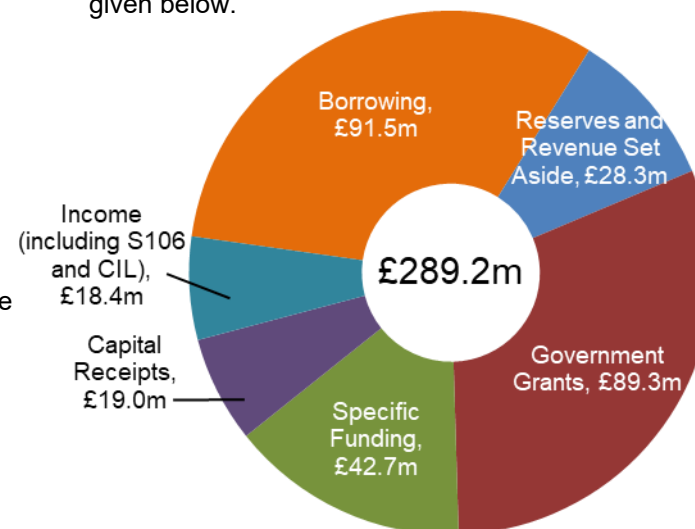
Building Maintenance & Efficiency £15.0m

- The Council will invest in improvements to buildings and technology to improve efficiency and reduce CO2 emissions



Capital Resourcing 2020/21 to 2023/24

Because capital projects may take several years to deliver we need to know how we will fund the full £289.2 million programme. Details of where this money will come from are given below.



All Council Plan targets aim to deliver positive outcomes for the people of East Sussex. We challenge discrimination and encourage respect, understanding and dignity for everyone living, working in or visiting East Sussex. We do this through our influence in the community, strategic planning, employment policies, and service delivery.

Equality impact assessment summary report for Council Plan 2021/22

Date of assessment: xx/03/2021

Summary of findings: All Council Plan targets aim to deliver positive outcomes for the people of East Sussex. This equality impact assessment has found that a number of the measures in the Council Plan will have a positive impact upon the lives of groups of people with protected characteristics. There should not be any negative impacts on any equality target groups.

Summary of recommendations and key points of action plan: None.

Groups that this project or service will impact upon:

	Positive	Negative	Neutral
Age	x	-	-
Disability	x	-	-
Ethnicity	x	-	-
Gender/Transgender	x	-	-
Marital Status/Civil Partnership	-	-	x
Pregnancy and Maternity	x	-	-
Religion/Belief	-	-	x
Sexual Orientation	-	-	x
Other (carers, literacy, health, rurality, poverty)	x	-	-

In line with the Equality Act 2010 we no longer publish equality objectives in a separate equality scheme. Instead, equalities data has been taken into consideration when developing performance targets for our Portfolio Plans and this Council Plan.

We will continue to report on our progress in ensuring equality is embedded throughout our work while delivering our priorities. This will form part of our annual report, which will be published in Autumn 2021.

New EqIA to be drafted in February 2021 once performance measures are finalised



More information on equality and diversity can be found on our [equality and diversity web page](#).

Driving sustainable economic growth – performance measures and targets

16

Performance measure	2020/21 Outturn (Target)	2021/22 Target	2022/23 Target	2023/24 Target	2020 - 2024 Outcome Summary
Work with Seachange Sussex to deliver major transport infrastructure – Queensway Gateway Road	(Commence construction of the final phase of the road)	Complete final phase of the road, road fully open to traffic and monitor impact	Monitor impact	No target set project completed	Improved connectivity between Queensway and the A21, improving journey times and reducing congestion on the local network. Enable the development of land for commercial and residential use in North Hastings, supporting economic growth, job creation and the delivery of new homes in the area
Deliver major transport infrastructure – Newhaven Port Access Road	(Complete construction and monitor impact)	Monitor impact	Monitor impact	Monitor impact	Improved connectivity into Newhaven Port from the strategic road network, supporting the delivery of the Enterprise Zone and unlocking employment land within the Port
Implement the East Sussex Economic Recovery Plan	New measure 2021/22	Report on the progress and delivery of the East Sussex Economic Recovery Plan	Report on the progress and delivery of the East Sussex Economic Recovery Plan	No target set as completed	Level of investment, projects delivered, and key outcomes stated across the six missions of the East Sussex reset plan
Number of additional premises with improved broadband speeds	(2,980 premises)	1,334 premises	No target set project completed	No target set project completed	As close to 100% of premises as possible have access to high speed broadband. Supporting employment, productivity, individuals and communities

Driving sustainable economic growth – performance measures and targets

17

Performance measure	2020/21 Outturn (Target)	2021/22 Target	2022/23 Target	2023/24 Target	2020 - 2024 Outcome Summary
Deliver the new Employability and Skills Strategy: East Sussex business sector skills evidence base developed	(Seven sector task groups maintained, with each working to establish a new annual action plan and reporting to Skills East Sussex on actions and achievements. Establish Careers East Sussex task group and develop All Age Careers Campaign to promote key careers in Priority sectors)	Establish a new 'carbon zero' task group to explore current and future employment opportunities and skills needs, to report to SES on actions and achievements alongside the existing seven task groups. In partnership with the Careers East Sussex task group, develop the Careers East Sussex website with resources to support adults looking for new careers	To be set 2021/22	To be set 2022/23	Training providers are developing a curriculum which is informed by sector skills evidence and our local businesses are actively engaged in supporting training provision in the county, supporting sustainable economic development
Deliver the new Employability and Skills Strategy: East Sussex Careers Hub	(East Sussex Careers Hub to support schools to achieve an average of 4 national benchmarks Develop a package of online resources to support youth employability on the Careers East Sussex portal)	To be set 2020/21 (subject to funding)	To be set 2021/22 (subject to funding)	To be set 2022/23 (subject to funding)	Helping our young people and adults become aware of careers opportunities available to them, supporting sustainable economic development
Create a pan-Sussex visitor economy group to re-start the leisure, hospitality, culture, retail and tourism economy and enhance existing marketing vehicles	New measure 2021/22	To be set 2020/21 based on the outcomes of a data and evidence gathering exercise and the consequent recommendations	To be set 2021/22	To be set 2022/23	Grow the visitor economy by raising the visibility of East Sussex, enhancing perceptions, increasing the number of visitors to the coast, increasing length of stay and spend

Driving sustainable economic growth – performance measures and targets

18

Performance measure	2020/21 Outturn (Target)	2021/22 Target	2022/23 Target	2023/24 Target	2020 - 2024 Outcome Summary
Create a cultural investment framework for mid to long term recovery planning	New measure 2021/22	Support at least three projects to repurpose redundant shops, offices and industrial units to shared creative workspaces	To be set 2021/22	To be set 2022/23	Create the conditions to ensure that East Sussex benefits from one of the fastest growing sectors of the economy, growing the creative economy by fostering creative start ups, upscaling creative businesses and attracting businesses into East Sussex
Job creation from East Sussex Programmes	135 jobs safeguarded or created)	140 jobs created or safeguarded	To be set 2021/22	To be set 2022/23	Grow the East Sussex economy and create more jobs by supporting the growth of businesses through capital investment
Percentage of Principal roads requiring maintenance	(8%)	8%	8%	8%	Achieve and maintain a good standard of road condition across all road types
Percentage of Non Principal roads requiring maintenance	(9%)	9%	9%	9%	
Percentage of Unclassified roads requiring maintenance	(15%)	15%	15%	15%	
Deliver a range of Family Learning programmes across East Sussex to provide high quality learning opportunities for parents/carers and their children to develop English, maths and language skills and to support a culture of learning in the family (subject to external funding)	(300 enrolments across Family English, maths and Language (FEML) and Wider Family Learning (WFL) programmes)	To be set March 2020/21 following review of COVID-19 measures	To be set 2021/22	To be set 2022/23	Families, from all backgrounds, have intergenerational learning opportunities and develop positive attitudes to learning. Learners develop skills which support them in taking steps back into education and employment
In partnership with funding organisations provide online learning (including skills for life and ICT courses) in libraries (subject to contract)	(50 courses)	To be set March 2020/21 following review of funding	To be set 2021/22	To be set 2022/23	People have access to free qualifications that support them into, or back into, work and education
The number of businesses and professionals receiving advice and support through training workshops and bespoke advice provided by Trading Standards	(200)	300	To be set 2021/22	To be set 2022/23	Businesses in East Sussex are equipped to thrive, comply with the law, and are supported to “get it right first time”

Driving sustainable economic growth – performance measures and targets

19

Performance measure	2020/21 Outturn (Target)	2021/22 Target	2022/23 Target	2023/24 Target	2020 - 2024 Outcome Summary
The Council's Apprenticeship Levy strategy supports the Council's workforce development and training plans	(Where appropriate Standards exist, ensure apprenticeship training is available and taken up (subject to the needs of the business), which addressing skills shortages in the Council)	Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council	Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council	Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council	Apprenticeships in the Council provide a positive opportunity for staff to develop and grow, enhancing the Council's workforce and career opportunities
The percentage of Council procurement spend with local suppliers	(54%)	56%	57%	57%	Support local businesses and help drive economic growth and employment in the county through our purchasing power
Economic, social and environmental value committed through contracts, as a percentage of our spend with suppliers	(>10.0%)	>10.0%	To be set 2021/22	To be set 2022/23	The Social Value Measurement Charter is used to provide robust measures in eligible contracts that commit suppliers to deliver the Council's social value objectives
The percentage of eligible 2 year olds who take up a place with an eligible early years provider	(Equal to or above the national average)	Equal to or above the national average	Equal to or above the national average	Equal to or above the national average	All children engage, attain and progress well from early years into education, training and employment
The percentage of pupils achieving a "good level of development" at the Early Years Foundation Stage	(Ac Year 2019/20 Measure not being monitored as assessments cancelled due to Covid-19)	Ac year 20/21 Measure will not be monitored as assessment results will not be published	Ac Year 2021/22 To be set	Ac Year 2022/23 To be set	
Average Progress 8 score for state funded schools	(Ac year 2019/20 Measure not being monitored as exams cancelled due to Covid-19)	Ac year 20/21 Measure will not be monitored as exam results will not be published	Ac year 2021/22 To be set	Ac year 2022/23 To be set	

Driving sustainable economic growth – performance measures and targets

20

Performance measure	2020/21 Outturn (Target)	2021/22 Target	2022/23 Target	2023/24 Target	2020 - 2024 Outcome Summary
The percentage of disadvantaged pupils achieving at least the expected standard in each of reading, writing and maths at Key Stage 2	(Ac year 2019/20 Measure not being monitored as exams cancelled due to Covid-19)	Ac year 20/21 Measure will not be monitored as exam results will not be published	Ac year 2021/22 To be set	Ac year 2022/23 To be set	The gap for disadvantaged pupils at all Key Stages is kept as small as possible so that all children attain and progress well from early years into education, training and employment
The average Attainment 8 score for disadvantaged pupils	(Ac year 2019/20 Measure not being monitored as exams cancelled due to Covid-19)	Ac year 20/21 Measure will not be monitored as exam results will not be published	Ac year 2021/22 To be set	Ac year 2022/23 To be set	
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)	(Monitoring will continue, but no target set due to COVID-19)	To be set June 2021 once an assessment of the impact of COVID-19 on opportunities is completed	To be set 2021/22	To be set 2022/23	Young people participate in education, training or employment with training until they are at least 18 improving their long term employment and health prospects
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)	(Monitoring will continue, but no target set due to COVID-19)	To be set June 2021 once an assessment of the impact of COVID-19 on opportunities is completed	To be set 2021/22	To be set 2022/23	
Average Progress 8 score for Looked After Children (LAC)	(Ac Year 2019/20 Measure not being monitored as exams cancelled due to COVID-19)	Ac year 20/21 Measure will not be monitored as exam results will not be published	Ac Year 2021/22 To be set	Ac year 2022/23 To be set	All children progress well from early years, through compulsory education, into education, training and employment
The percentage of LAC participating in education, training or employment with training at academic age 16 (Year 12)	(Monitoring will continue, but no target set due to COVID-19)	To be set June 2021 once an assessment of the impact of COVID-19 on opportunities is completed	To be set 2021/22	To be set 2022/23	Looked after Children participate in education, training and employment with training until they are at least 18 improving their long term employment and health prospects
The percentage of LAC participating in education, training or employment with training at academic age 17 (Year 13)	(Monitoring will continue, but no target set due to COVID-19)	To be set June 2021 once an assessment of the impact of COVID-19 on opportunities is completed	To be set 2021/22	To be set 2022/23	

Keeping vulnerable people safe – performance measures and targets

21

Performance measure	2020/21 Outturn (Target)	2021/22 Target	2022/23 Target	2023/24 Target	2020 - 2024 Outcome Summary
National outcome measure: The proportion of people who use services who say that those services have made them feel safe and secure	(≥83.8%)	≥83.8%	≥83.8%	≥83.8%	Services received by adults with long term support also have a positive impact on their safety
Health and Social Care Connect – percentage of referrals triaged and progressed to required services within required timescales	(90%)	90%	90%	90%	Services are provided in a timely manner
Health and Social Care Connect – % of contacts that are appropriate and effective (i.e. lead to the provision of necessary additional services)	(95%)	95%	95%	95%	Monitor the number of contacts from health professionals that aren't taken any further
The % of people affected by domestic violence and abuse who have improved safety/support measures in place upon leaving the service	New measure 2021/22	88%	88%	88%	To enable vulnerable people who have been affected by domestic violence to feel more in control of their life, and better able to make decisions to increase their safety
When they leave the service the % of those affected by rape, sexual violence and abuse who have improved coping strategies	(88%)	88%	88%	88%	Protect vulnerable people who have been affected by rape, sexual violence and abuse, and provide them with skills which enable them to be more in control of their lives and more optimistic about the future

Keeping vulnerable people safe – performance measures and targets

22

Performance measure	2020/21 Outturn (Target)	2021/22 Target	2022/23 Target	2023/24 Target	2020 - 2024 Outcome Summary
Rate of children with a Child Protection Plan (per 10,000 children)	(To be reviewed at Q2 2020/21 due to impact of Covid-19)	To be set April 2021	To be set April 2021	To be set April 2021	Children at risk from significant harm are kept safe
Rate (of 0-17 population) of referrals to children's social care services (per 10,000 children)	(535)	535	535	535	
Rate (of 0-17 population) of assessments completed by children's social care services (per 10,000 children)	(526)	526	526	526	
Rate of Looked After Children (per 10,000 children)	(Maintain 2019/20 outturn of 56.5 601 children)	To be set April 2021	To be set April 2021	To be set April 2021	
Average time between a child entering care and moving in with its adoptive family, for children who have been adopted (days) (Adoption Scorecard)	(Less than or equal to national average)	Less than or equal to national average	Less than or equal to national average	Less than or equal to national average	Children are placed for adoption as quickly as possible in order to achieve permanency
The number of positive interventions for vulnerable people who have been the target of rogue trading or financial abuse	(300)	200	To be set 2021/22	To be set 2022/23	Residents of East Sussex are safe in their own home and protected from criminals. Residents are empowered to feel safe and supported to say "no" to criminals and deter and disrupt criminal activity

Helping people help themselves – performance measures and targets

23

Performance measure	2020/21 Outturn (Target)	2021/22 Target	2022/23 Target	2023/24 Target	2020 - 2024 Outcome Summary
Road Safety: Implement behaviour change project	New measure 2021/22	To be set 2020/21 when funding confirmed	To be set 2021/22	To be set 2022/23	Reduce the number of KSI on East Sussex roads using behavioural change methods and the implementation of infrastructure schemes to improve outcomes for residents, businesses and visitors to East Sussex
Road Safety: Deliver targeted cycle training activities to vulnerable road users	New measure 2021/22	To be set 2020/21 when funding confirmed	To be set 2021/22	To be set 2022/23	
Road Safety: Implement infrastructure schemes on identified high risk routes to improve road safety	(6 schemes (subject to funding))	To be set 2020/21 when funding confirmed	To be set 2021/22	To be set 2022/23	
Percentage of older people who are delayed from discharge when they are medically fit	New measure 2021/22	Establish baseline	To be set 2021/22	To be set 2022/23	There are no unnecessary delayed discharges from hospital
National outcome measure: Proportion of working age adults and older people receiving self-directed support	(100%)	100%	100%	100%	Adults are able to take control of the support they receive
National outcome measure: Proportion of working age adults and older people receiving direct payments	(≥34.3%)	≥34.3%	≥34.3%	≥34.3%	Adults who require support are able to live as independently as possible
Number of carers supported through short-term crisis intervention	(390)	390	390	390	Carers are supported when they most need it enabling them to carry on in their caring role
Number of people receiving support through 'STEPS to stay independent' and Homeworks	(3,300)	3,300	3,300	3,300	Adults can maintain their independence
Enhance the delivery of Technology Enabled Care Services (TECS) more rapidly and more widely across areas including falls; frailty; crisis response; medication management, to avoid hospital admissions or re-admissions	(8,500 people receiving TECS)	8,500 people receiving TECS	8,500 people receiving TECS	8,500 people receiving TECS	

Helping people help themselves – performance measures and targets

Performance measure	2020/21 Outturn (Target)	2021/22 Target	2022/23 Target	2023/24 Target	2020 - 2024 Outcome Summary
Building upon existing joint and partnership working and in the context of the development of Integrated Care Systems (ICS) design, agree and implement: i - An integrated commissioning model. ii - An integrated provider model for Health and Social Care in East Sussex	New measure 2021/22	Service models developed and approved by the East Sussex Health and Social Care system and an implementation timetable with key milestones agreed	Service models implemented	No targets after 2022/23	Through joint and partnership working ensure all available resources are used to deliver maximum benefits to local people and achieve value for money
Number of providers registered with Support With Confidence	(10% increase on 2019/20 outturn)	10% increase on 2020/21 outturn	10% increase on 2021/22 outturn	10% increase on 2022/23 outturn	Increase the options for people who need support ensuring vulnerable people are given effective reliable support to help maintain their independence
The proportion of people who received short-term services during the year, where no further request was made for ongoing support	(>90.5%)	>90.5%	>90.5%	>90.5%	Provide effective early intervention to ensure people are given the support they need as quickly as possible, this will also reduce the need for more expensive intensive interventions at a later date ensuring the most effective use of resources
Through the Drug and Alcohol Funding streams, commission services that sustain the development of the recovery community in East Sussex	(Commission services)	To be set 2020/21	To be set 2021/22	To be set 2022/23	The rates of people entering recovery from drug and alcohol misuse are maximised and the stigma associated with misuse is reduced
Percentage of EHCP (Education, Health and Care Plans) annual review meetings where the child gave their view and/or participated	(85%)	85%	85%	85%	Children and young people with SEND participate in decisions to ensure that their needs are understood, and they are supported to achieve their potential

Helping people help themselves – performance measures and targets

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Performance measure	2020/21 Outturn (Target)	2021/22 Target	2022/23 Target	2023/24 Target	2020 - 2024 Outcome Summary
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 the 0 – 19 Early Help Service	(80%)	85%	85%	85%	The services provided are making a difference to the lives of service users
Number of households eligible under the government's Troubled Families programme receiving a family support intervention	(345)	To be set June 2021 pending information from Government	To be set June 2021 pending information from Government	To be set June 2021 pending information from Government	Families supported by family keywork achieve their goals and the Council is able to maximise payment by results claims
Number of new service user interventions started through One You East Sussex as part of the Integrated Lifestyle Service	7,000	7,000	To be confirmed following PH Review consultation	To be confirmed following PH Review consultation	Support people (particularly those with multiple lifestyle risk factors such as smoking, excessive alcohol consumption, poor diet and low physical activity) to make changes to improve health outcomes and reduce their risk of developing conditions such as diabetes, cancer and heart disease
Improved targeting of NHS Health Checks	New measure 2021/22	100% of GP practices recommence delivery of NHS Health Check service including targeted service	45% uptake rate by eligible patients (baseline 38.4%)	50% uptake rate by eligible patients	People understand their future risk of developing vascular disease and make changes to their lifestyle, or receive additional clinical advice and support to reduce their risk

Making best use of resources in the short and long term – performance measures and targets²⁶

Performance measure	2020/21 Outturn (Target)	2021/22 Target	2022/23 Target	2023/24 Target	2020 - 2024 Outcome Summary
Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence in non-school services	(9.24)	9.24	9.10	9.10	To maximise the use of resources and improve staff and customer wellbeing
Deliver the Property Asset Investment Strategy	(Outline business cases brought forward against at least 2 priority projects)	Outline Business cases brought forward against at least 2 priority projects	Delivery of one strategic disposal/development	To be set 2022/23	Our Property Asset Investment Strategy will explore income generation from property, optimise capital receipts and promote economic growth across the county
Cost of occupancy of corporate buildings per sq. metre	(2% reduction on 2019/20 revised cost base)	2% reduction on 2020/21	1% reduction on 2021/22	5% reduction on 2022/23	The net occupancy cost per square metre of corporate buildings is reduced per annum. Thus reducing operating costs to the Council.-This will be done through work to update the corporate approach to new ways of working and utilising space in a more efficient manner.
Reduce the amount of CO2 arising from County Council operations	(13% reduction on 2019/20)	13% reduction on 2020/21	13% reduction on 2021/22	13% reduction on 2022/23	A reduction in the amount of CO2 arising from Council operations is recorded on an annual basis, thus reducing the cost of energy to the Council and shrinking the carbon footprint

State of the County data

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We review 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. We publish this data each year in State of the County - Focus on East Sussex, when we start the planning process that leads to this Council Plan. A selection of this data is listed below. Unless otherwise stated the data refers to 2019/20. Where possible official national statistics are used for comparison with the England average (figures in brackets).

DSEG	Percentage of working age residents (16-64 year olds) with a level 4 qualification or above (includes degrees, HNC, HND and others)	35.6% (40.0%) Calendar Year 2019	KVPS	Rate per 10,000 (aged 0 –17 population) of Looked After Children	56 (67)
DSEG	Percentage of working age residents (16-64 year olds) with no qualifications or qualified only to NVQ1	19.2% (17.6%) Calendar Year 2019	KVPS	Rate per 10,000 (aged 0-17 population) of children with a Child Protection Plan	50.4 (42.8)
DSEG	Annual gross full time earnings, median average (residence based)	£30,116 (£31,766)	KVPS	Percentage of children who ceased to be looked after adopted during the year ending 31 March	16% (12%)
DSEG	Percentage of working age population (16-64 year olds) in employment	80.1% (76.2%)	KVPS	Proportion of people who use Adult Social Care services who feel safe	70.9% (70.2%)
DSEG	People claiming unemployment related benefits (alternative claimant count), percentage of population 16-64 years old	3.0% (3.2%)	KVPS	Percentage of people (65 and over) who were still at home 91 days after discharge from hospital	92.8% (82.4%)
DSEG	New business registration rate per 10,000 people over 16	55.0 (76.9)	KVPS	Suicide rate per 100,000 of population three year average	13.5 (10.1) 2017-19
DSEG	New houses built, total completed / total affordable	1,852 / 468	HPHT	Percentage of children aged 4-5 years with excess weight (overweight or obese), by postcode of child	23.0% (23.0%)
DSEG	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 (EYFSP)	76.0% (71.8%)*	HPHT	Percentage of children aged 10-11 years with excess weight (overweight or obese) by postcode of child	32.0% (35.2%)
DSEG	Percentage of pupils reaching the expected standard at key stage 2 in reading, writing and mathematics	62% (65%)*	HPHT	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	12.4 (14.6)
DSEG	Average Attainment 8 score per pupil state funded secondary schools	45.3 (46.8)*	HPHT	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	485.5 (584.0)
DSEG	Average Progress 8 score for state funded secondary schools	-0.06 (-0.03)*	HPHT	Proportion of older people aged 65 and over who received reablement services following discharge from hospital	2.9% (2.8%)
DSEG	Percentage of pupils who achieved a 9-5 pass in English and maths GCSEs	41.7% (43.4%)*	HPHT	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	93.3% (79.5%)
DSEG	Average Attainment 8 score per pupil for Looked After Children	14.9 (19.1)*	HPHT	Proportion of people who use Adult Social Care services who find it easy to find information about services	75.7% (68.4%)
DSEG	Average point score (APS) per entry for level 3 exams including A levels (16-18 year olds)	30.98 (32.23)*	HPHT	Social Isolation: percentage of Adult Social Care users who have as much social contact as they would like	52.4% (45.9%)
DSEG	Attainment of A level students (age 16-18) average point score (APS) per entry, best 3	30.00 (32.89)*	HPHT	Number of people killed or seriously injured on the roads	410 Calendar Year 2020
DSEG	Attainment of A level students (age 16-18) % achieving grades AAB or better at A level, of which at least two are in facilitating subjects	9.6% (14.1%)*			

*This data is for the academic year 2018/19 and has not been updated as exams were suspended in 2020

Figures in red to be updated when data available

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Progress with Council Plan & Budget 2020/21 since Quarter 2 (Q2)**1. Adult Social Care and Health**

1.1 Public Health COVID response: Significant pressures have arisen from new areas of work, including production and use of data, liaison with partners and public to minimise potential for transmission, advice and guidance provided by the clinical cell, testing facilities and the new test and trace service. The pressure of this new work continues to pose significant capacity issues in continuing with existing workloads.

1.2 Public Health Sexual Health services: Access has been greatly reduced across all Council and Clinical Commissioning Group (CCG) commissioned contraception and sexually transmitted infection (STI) services. This significant decrease in face to face access and activity has resulted in, and could continue to result in, a significant number of undiagnosed STIs and possibly HIV, and rising unintended pregnancy. We have procured, expanded and marketed online provision of STI testing, emergency hormonal contraception and bridging supplies of contraception to free up limited clinic space for those who need face to face services. A whole sexual health system activity dashboard has been developed to monitor the restrictions and recovery and enable reactive adaptation of services as required.

1.3 Public Health NHS Health Checks and Lifestyle services: Access to health services has been interrupted to varying degrees throughout the pandemic. Specialist providers have adapted service delivery, however, online service provision is not always possible and when it is possible it is not always welcomed by the public as an alternative.

1.4 Delayed Transfers of Care: Due to COVID-19 NHS England have paused the collection and publication of some official statistics, including Delayed Transfers of Care (DToc). Therefore, we will be unable to report on these measures for 2020/21. As a result, these measures have been deleted from the Portfolio Plan for 2021/22 and replaced with a new measure - Percentage of older people who are delayed from discharge when they are medically fit.

1.5 Percentage of Health and Social Care Connect (HSCC) referrals triaged and progressed to required services within required timescales: Activity is only available for April to August at this stage, during which time 86% of Health Hub Referrals were handled within the correct time scales across all priorities. This shortfall in performance is due to a staffing deficit of nurses within the Health Hub relating in part to the prioritisation of front line nursing provision across the system.

1.6 National outcome measure: Achieve independence for older people through rehabilitation/intermediate care. Target 90% or greater: Performance for April to August is 88.4%, it should also be noted that activity is showing a decrease, this is due to changes in activity and restrictions during lockdown and the ongoing context of COVID-19, as this measure relates to reablement both carried out in the person's own home and in community based reablement beds.

1.7 The proportion of people who received short-term services during the year, where no further request was made for ongoing support. Target: 90.5%: Performance for April to November is 87.7%, it should also be noted that activity is showing a decrease, this is due to changes in activity and restrictions during lockdown and ongoing context of COVID-19, as this measure relates to reablement both carried out in the person's own home and in community based reablement beds for existing clients. Performance against both this measure and the rehabilitation/intermediate care measure above is unlikely to improve as the scope for rehab has reduced as a result of COVID-19 due to redeploying rehab services to other areas and to support COVID-19 positive patients in the community.

1.8 Outcomes for people with mental health conditions arising from NHS mental healthcare: 50% of people completing treatment: Latest available performance against this measure of recovery following completed treatment fell short of its target rate in quarter 2 at 30.5.% due to the impact of COVID-19 on intensity of treatment interventions.

1.9 Number of carers supported through short-term crisis intervention. Target: 390: This target is related to the British Red Cross service, and is a volunteer delivered service one to one in people's homes. Many volunteers are aged over 70 or had to shield as well as carers of Clinically Extremely Vulnerable (CEV) people, therefore due to COVID-19 they have been unable to deliver business as usual. Between 1 April and 30 September, 55 carers were supported through short-term crisis intervention.

1.10 National outcome measures drawn from the Adult Social Care Survey: As a result of concerns raised by local authorities in relation to the practicalities of undertaking the Adult Social Care Survey (ASCS) during the pandemic, NHS Digital sent a letter to local authorities to announce that the ASCS for 2020-21 would now be voluntary, not mandatory as originally stated in September. There are a significant number of practical considerations in relation to the feasibility of undertaking the large-scale work required to carry out the ASCS. There are also specific concerns about the response rate we may receive, particularly from care home residents. Due to these issues, and the fact that we will have feedback through some other local mechanisms we, alongside the majority of other Local Authorities, will not be undertaking the voluntary ASCS for 2020-21.

As we will not be undertaking the voluntary ASCS for 2020/21, we will be unable to report on the following measures in the Portfolio Plan:

- Overall satisfaction of people who use services with their care and support
- The proportion of people who use services who have control over their daily life
- Self-reported experience of social care users quality of life
- Proportion of people who use services, who reported that they had as much social contact as they would like
- The proportion of clients who find it easy to find information about services
- The proportion of people who use services who say that those services have made them feel safe and secure (**Council Plan measure**)

2. Children's Services

2.1 Children subject to Child Protection (CP) plans: The numbers of children subject to a CP plan continued to rise from a rate of 55.3 per 10,000 (588 children) at the end of quarter 1, to a rate of 59.9 (637 children) at the end of quarter 2. This was above our target of 55.9 (596 children). This is in part due to CP plans not ceasing as it was difficult to end plans safely if children were not being seen regularly at school and some contact by social work staff was happening virtually. Targeted work, since schools returned in September has focused on a safe reduction in the number of plans now that more face to face visiting is taking place and more children are in school. As a result of this work the number of CP plans as at 14 December had reduced to a rate of 51.3 (545 children).

2.2 Looked after Children (LAC): There has been a small increase in the number of LAC from a rate of 56.4 per 10,000 (599 children) at the end of quarter 1 to a rate of 57.0 (606 children) at the end of quarter 2. This rate has continued to rise and is currently 57.7 (614 children), this is above our target rate of 56.5 per 10,000 (601 children). As reported at quarter 1, some families have felt unable to retain care of their challenging teenagers and we have seen higher numbers of children involved in criminal exploitation. Placements for challenging teenagers are usually within residential accommodation which is the most expensive option.

3. Communities, Economy and Transport

3.1 The East Sussex Economic Recovery Plan has been agreed and published; the dynamic plan is a collaboration of public and private partners through Team East Sussex.

3.2 £1.8m of funding for East Sussex has been secured through tranche 2 of the Emergency Active Travel fund. The money will be used to upgrade a series of footways/cycleways in the county, and introduce temporary measures at 10 schools to ensure the streets around the schools are safer, and encourage sustainable travel. Pilot schemes at the schools are scheduled to commence in January 2021.

3.3 The Council, working with Team East Sussex partners, has secured £11.2m in grant funding through the South East Local Enterprise Partnership's bid to the Government's new Getting Building Fund. East Sussex secured funding for eight projects that will create over 400 jobs, safeguard 183 jobs, provide 8,700sqm of new commercial and educational space, assist 345 learners, avoid 3.3m kg of CO2 emissions and unlock match funding of £8.4m. This will see investments in UTC Maritime & Sustainable Technology Hub (in Newhaven), Sussex Innovation Charleston Access Road (Lewes), Creative Hub Fisher street (Lewes), Restoring the Glory of the Winter Gardens (Eastbourne), Riding Sunbeams Solar Railways (Wealden), Fast Track Business Solutions for the Hastings Manufacturing Sector (Hastings) and the Observer Building (Hastings).

3.4 Road Safety: We have received positive results from a number of the behaviour change trials and also the speed management programme. These include the final results from the Notice of Intended Prosecution (NiP) Trial, which have shown that receiving the redesigned NiP and leaflet significantly reduced speeding reoffending by 23% within six months. This would translate to 560 fewer reoffences over the six months if everyone in the trial had received the new leaflet and NIP. The results of the Anniversary Trial have been analysed and showed that 8% of the participants were less likely to reoffend after engagement with the trial, which meant 80 fewer reoffences than business-as-usual. The results of one further trial is currently being analysed. Preliminary results from eight schemes that were part of the Speed Management Programme have indicated over a 50% reduction in the average number of crashes and over a 60% reduction in the average number of casualties per annum.

3.5 Trading Standards: A recently released national report by the Association of Chief Trading Standards Officers has shown that during 2019/20 the East Sussex Trading Standards team helped to prevent residents of East Sussex from losing an estimated quarter of a million pounds in a single year. It also highlighted that nearly 300 scams victims were helped, around 10,000 counterfeit products with a street value of £100,000 were removed from the market, £20,000 worth of tobacco was seized, and fraudulent traders were ordered to pay back £114,000 through the Proceeds of Crime Act.

4. Budget 2020/21

4.1 There is currently minimal expected change to the projected Q2 revenue budget forecast non-COVID service overspend of £2.2m and residual COVID-related pressure (after Government grants) of £3.3m. The general contingency of £3.9m will offset the deficit after applying underspends from Treasury Management, other centrally held budgets and Business Rates. Therefore there is currently an estimated break even position, subject to further Government announcements and final service review; any surplus or deficit will be managed through reserves.

5. Previously agreed investments

5.1 During the 2020/21 RPPR process, Cabinet and Scrutiny Committees considered potential areas for investment in November and December, based on projected funding announced in the Government's September 2019 Spending Round.

5.2 This included re-profiling of savings, a revenue contribution to capital and investment in revenue schemes; these schemes are intended to produce savings in the longer term for the Council, with the expectation that they are self-funding thereafter. A summary of the agreed revenue investment is shown below.

Table 1 – 2020/21 Allocations

	£m			
	2020/21	2021/22	2022/23	Total
Revenue schemes:				
ASC/CS - Accommodation and Floating Support	0.978	0.582	0.160	1.720
<i>Year 3 funded from savings</i>			(0.160)	(0.160)
CS - No Wrong Door	1.125	1.125	1.125	3.375
<i>Year 3 funded from savings</i>			(1.125)	(1.125)
CS - Family Group Conferencing expansion	0.350			0.350
Total revenue schemes	2.453	1.707	0.000	4.160

5.3 Progression of these schemes has been significantly delayed due to Covid and the proposed re-profiled spend is shown below. It is proposed that this is managed via reserves.

Table 2 – 2020/21 Allocations Re-Profiled

Description	Revised Profile £m				
	2020/21	2021/22	2022/23	2023/24	Total
Revenue schemes:					
ASC/CS - Accommodation and Floating Support	0.298	0.680	0.582	0.160	1.720
<i>Year 4 funded from savings</i>				(0.160)	(0.160)
CS - No Wrong Door	0.005	1.120	1.125	1.125	3.375
<i>Year 4 funded from savings</i>				(1.125)	(1.125)
CS - Family Group Conferencing expansion	0.030	0.320			0.350
Total revenue schemes	0.333	2.120	1.707	0.000	4.160

Appendix 3 – Medium Term Financial Plan

Medium Term Financial Plan	2020/21	2021/22	2022/23	2023/24
	Approved Budget	Estimate	Estimate	Estimate
	£million	£million	£million	£million
TAXATION & GOVERNMENT FUNDING		(403.437)	(416.745)	(420.930)
Business Rates (Inclusive of BR Pooling in 2020/21 & 2021/22)	(82.023)	0.501	0.227	(1.342)
Revenue Support Grant	(3.548)	(0.020)	1.027	1.202
Council Tax	(296.698)	(3.445)	(6.248)	(8.633)
Local Tax Income Guarantee for 2020/21, split over 3 years		(1.047)		
Local Council Tax Support Grant 2021/22		(2.621)	2.621	
Adult Social Care Precept	(5.771)	(4.486)	(4.655)	
New Homes Bonus	(0.767)	0.262	0.391	0.114
Social Care Grant	(14.630)	(2.452)	2.452	
TOTAL TAXATION & GOVERNMENT FUNDING	(403.437)	(416.745)	(420.930)	(429.589)
SERVICE PLAN				
Service Expenditure	359.787	365.210	381.374	389.256
Investment of unallocated funding – Revenue	2.453	(0.746)	(1.707)	
Inflation				
Pay Award 2020/21	3.415	0.074		
Contractual inflation (contract specific)	0.658	0.539	0.993	2.459
Normal inflation for contracts	9.182	6.763	7.874	7.253
Adult Social Care				
Growth & Demography	3.840	3.413	3.917	4.063
Future demand modelling net of attrition (Covid-related)		1.133	(0.365)	(0.132)
Pressures approved via protocol		(0.743)		
Winter Pressures	2.586	(2.586)		
Improved Better Care Fund	(21.137)			
Children's Services				
Dedicated Schools Grant	1.778		0.422	
Growth & Demography	1.555	1.070	2.635	0.993
Looked After Children	5.015	1.909		
Disabled Access Regulations for Buses/Coaches	0.012	0.043	0.098	
Home to School Transport		0.523		
Residential Homes - staffing	0.549			
Looked After Children Placements (Covid-related)		3.429	(0.795)	(0.789)
Pressures approved via protocol		0.184	(0.124)	(0.124)
Special Educational Needs and Disability (SEND) High Needs Block Additional funding	(1.276)	(0.814)	(2.138)	
Communities, Environment & Transport				
Waste Housing Growth	0.108	0.236	0.238	0.198
Street lighting Electricity/Re-payment of Investment	(0.195)	(0.655)		
Climate Change Officer	0.055			
Pressures approved via protocol		0.262	0.014	0.015

Medium Term Financial Plan	2020/21 Approved Budget £million	2021/22 Estimate £million	2022/23 Estimate £million	2023/24 Estimate £million
Business Services				
IT & Digital Licences	0.123	0.025		
IT & Digital Data Centre	0.093			
Apprenticeship Team	0.117			
Pressures approved via protocol		0.110	0.004	0.005
Governance Services				
Coroners - post mortems / pathology	0.033			
Additional resource to support Equalities and Diversity		0.060		
Additional capacity in Legal Services to support Children's Social Care		0.143		
Potential Investment Areas				
Voluntary Sector, Community Hubs, Shielded Group		0.880		
Support to economic development		0.100	0.025	(0.055)
Savings				
Savings 2020/21 - 2021/22	(4.227)	(2.953)		
Temporary mitigations to savings	0.686	(0.298)	(0.388)	(0.100)
Savings Slippage		4.063	(2.821)	(1.242)
NET SERVICE EXPENDITURE	365.210	381.374	389.256	401.800
Corporate Expenditure		38.227	35.371	38.745
Treasury Management	18.238	0.471	1.221	1.000
Funding Capital Programme - New Homes Bonus	0.767	(0.767)		
Investment of unallocated funding – Capital	1.242	(1.242)		
General Contingency	3.850	0.130	0.030	0.080
Contingency for Potential Pay Award		2.071	2.511	2.400
Contribution to balances and reserves	2.786	(2.138)		
Pensions	9.823	(1.400)	(0.400)	
Apprenticeship Levy	0.600			
Levies & Grants	0.921	0.019	0.012	0.012
TOTAL CORPORATE EXPENDITURE	38.227	35.371	38.745	42.237
TOTAL PLANNED EXPENDITURE	403.437	416.745	428.001	444.037
CUMULATIVE DEFICIT/(SURPLUS)	0.000	0.000	7.071	14.448
ANNUAL DEFICIT/(SURPLUS)	0.000	0.000	7.071	7.377

Budget Summary 2021/22

Revenue Budget 2021/22

Medium Term Financial Plan 2021/22 to 2023/24

Capital Programme to 2029/30

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Further information can also be obtained from our website:
eastsussex.gov.uk

or by writing to:
 Ian Gutsell
 Chief Finance Officer
 East Sussex County Council
 County Hall, St Anne's Crescent
 Lewes
 East Sussex BN7 1UE
 or by email to:
finance@eastsussex.gov.uk

Chief Finance Officer's Foreword

Introduction

This budget summary provides detail on the 2021/22 revenue budget and the Capital Programme to 2029/30. It gives analysis of expenditure by type and also by accountability, along with detail of our resources to finance that expenditure. The summary provides a useful source of information for Council officers, elected members and the public alike.

The 2021/22 Approved Budget

In 2021/22 the Council (including schools) will spend £868.4m to deliver services to the people of East Sussex, with a further £92.1m of investment in infrastructure and assets through its capital programme. The Council's stated priorities outcomes are:-

- Economic Growth;
- Helping people to help themselves;
- Keeping vulnerable people safe; and
- Making the best use of resources.

Revenue Budget

Making best use of our resources means achieving all stated outcomes within the context of increasing demand and diminishing resources available to the Council. In setting the revenue budget, new savings are not being sought; the previously agreed £3.5m will be delivered over the MTFP period with £0.9m being delivered in 2021/22. However the council still faces the ongoing challenges presented by Covid-19 and local government funding reviews and reform. Therefore, while for 2021/22 the budget is balanced, there remain significant uncertainties for future years; not least due to delays in the Comprehensive Spending Review, the Fair Funding Review and Business Rates Retention. At the same time, key services have been protected as far as possible from the effects of increased prices and demand through the Council's core offer.

With the exception of one off grants in support of Covid-19 pressures, Government grants amount to £327.3m; 38% of the total expenditure of the Council.

Council Tax finances 36% of the total expenditure of the Council. For 2021/22 the Council Tax will be increased by 3.49%. Band D Council Tax will therefore be £1,544.04 per annum; an increase of £52.02 on current year.

Capital Programme

The Capital Strategy to 2040/41 has provided the opportunity to review the programme, reset priorities and present a ten-year programme that commits to funding core basic need capital investment to maintain capital assets delivering core services to the residents of East Sussex.

The programme to 2029/30 is £586.0m gross, £527.2m net. The programme focusses on a strategy to deliver core need, in support of the delivery of priority outcomes, as efficiently as possible. Of this, an estimated 36% will be funded by Central Government grants.

Climate Change

An evidence-based climate emergency plan is being developed to identify the measures required for the County Council to get to net zero emissions by 2050 or earlier. This will build on the measures taken to date, which have already reduced the corporate carbon footprint by 46% over the last ten years.

Performance measures and actions will be built into the Council Plan and agreed through the RPPR process in future years; updating our corporate priorities to reflect the priority to reduce emissions to net-zero.

Ian Gutsell
Chief Finance Officer
February 2021

Medium Term Financial Planning

£'m	2020/21 Budget	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
TAXATION & GOVERNMENT FUNDING		(403.437)	(416.745)	(420.930)
2021/22)	(82.023)	0.501	0.227	(1.342)
Revenue Support Grant	(3.548)	(0.020)	1.027	1.202
Council Tax	(296.698)	(3.445)	(6.248)	(8.633)
Local Tax Income Guarantee for 2020/21 - split over 3 years		(1.047)		
Local Council Tax Support Grant 2021/22		(2.621)	2.621	
Adult Social Care Precept	(5.771)	(4.486)	(4.655)	
New Homes Bonus	(0.767)	0.262	0.391	0.114
Social Care Grant	(14.630)	(2.452)	2.452	
TOTAL TAXATION & GOVERNMENT FUNDING	(403.437)	(416.745)	(420.930)	(429.589)
SERVICE PLAN				
Service Expenditure	359.787	365.210	381.374	389.256
Investment of unallocated funding – Revenue	2.453	(0.746)	(1.707)	
Inflation				
Pay Award 2020/21	3.415	0.074		
Contractual inflation (contract specific)	0.658	0.539	0.993	2.459
Normal inflation for contracts	9.182	6.763	7.874	7.253
Adult Social Care				
Growth & Demography	3.840	3.413	3.917	4.063
Future demand modelling net of attrition (Covid-related)		1.133	(0.365)	(0.132)
Pressures approved via protocol		(0.743)		
Winter Pressures	2.586	(2.586)		
Improved Better Care Fund	(21.137)			
Children's Services				
Dedicated Schools Grant	1.778		0.422	
Growth & Demography	1.555	1.070	2.635	0.993
Looked After Children	5.015	1.909		
Disabled Access Regulations for Buses/Coaches	0.012	0.043	0.098	
Home to School Transport		0.523		
Residential Homes - staffing	0.549			
Looked After Children Placements (Covid-related)		3.429	(0.795)	(0.789)
Pressures approved via protocol		0.184	(0.124)	(0.124)
SEND High Needs Block Additional funding	(1.276)	(0.814)	(2.138)	

Medium Term Financial Planning

£'m	2020/21 Budget	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Communities, Environment & Transport				
Waste Housing Growth	0.108	0.236	0.238	0.198
Street lighting Electricity/Re-payment of Investment	(0.195)	(0.655)		
Climate Change Officer	0.055			
Pressures approved via protocol		0.262	0.014	0.015
Business Services				
IT & Digital	0.216	0.025		
Apprenticeship Team	0.117			
Pressures approved via protocol		0.110	0.004	0.005
Governance Services				
Coroners - post mortems / pathology	0.033			
Additional resource to support Equalities and Diversity		0.060		
Additional capacity in Legal Services to support Children's Social Care		0.143		
Potential Investment Areas				
Voluntary Sector, Community Hubs, Shielded Group		0.880		
Support to economic development		0.100	0.025	(0.055)
Savings				
Savings 2020/21-2021/22	(4.227)	(2.953)		
Temporary mitigations to savings	0.686	(0.298)	(0.388)	(0.100)
Savings Slippage		4.063	(2.821)	(1.242)
Net Service Expenditure	365.210	381.374	389.256	401.800
Corporate Expenditure		38.227	35.371	38.745
Treasury Management	18.238	0.471	1.221	1.000
Funding Capital Programme - New Homes Bonus	0.767	(0.767)		
Investment of unallocated funding – Capital	1.242	(1.242)		
General Contingency	3.850	0.130	0.030	0.080
Contingency for Potential Pay Award		2.071	2.511	2.400
Contribution to balances and reserves	2.786	(2.138)		
Pensions	9.823	(1.400)	(0.400)	
Apprenticeship Levy	0.600			
Levies & Grants	0.921	0.019	0.012	0.012
TOTAL CORPORATE EXPENDITURE	38.227	35.371	38.745	42.237
TOTAL PLANNED EXPENDITURE	403.437	416.745	428.001	444.037
CUMULATIVE DEFICIT/(SURPLUS)	0.000	0.000	7.071	14.448
ANNUAL DEFICIT/(SURPLUS)	0.000	0.000	7.071	7.377

Resources - funding / core spending power

Settlement Funding Assessment 2021/22

For only the second time since the introduction of current formula, Government funding to local authority services has increased. However 2021/22 sees a very limited increase being provided only on the Revenue Support Grant.

Settlement Funding Assessment (SFA):

Funding	2020/21	2021/22	1 year change	1 year change
	£'000	£'000	£'000	%
Business Rates Retention	12,291	12,291	0	0.00%
Business Rates Top-up	62,773	62,773	0	0.00%
Total Business Rates	75,064	75,064	0	0.00%
Revenue Support Grant (RSG)	3,548	3,568	20	0.56%
Total - ESCC	78,612	78,632	20	0.03%

The SFA represents the general funding level provided by Government to local authorities. For 2021/22, the increase in SFA is £0.020m or 0.03%. This represents a Consumer Price Index (CPI) increase to the Revenue Support Grant. The increase is small in comparison to the decreases the Council has experienced in SFA, 2019/20 was the final year of the four year offer, in those four years the SFA decreased £59.653m or (43.5)%

Business rates retention is based on the Government's national assessment of business rate yield. The Council's budget for business rates retention reflects its 9% share of locally collected business rates from information provided by the District and Borough Councils.

Resources - funding / core spending power

Core Spending Power

Core Spending Power represents the Government's assessment of the funding they provide to us. It includes their assumptions on growth and inflation. The calculation is designed to give their view as to how local authority spending is changing overall.

The table below details changes to the County Council's Spending Power for 2015/16 to 2021/22; 2021/22 reflecting a one-year settlement only.

Core Spending Power	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	6 Year Change £'000	%
Business Rates retention	11,302	11,396	11,462	11,855	34,939	12,291	12,291	989	8.8%
Business Rates Top-Up	56,828	57,302	58,638	60,351	42,413	62,773	62,773	5,945	10.5%
Revenue Support Grant	68,875	45,107	26,727	14,966		3,548	3,568	-65,307	-94.8%
Settlement Funding Assessment	137,005	113,805	96,827	87,172	77,352	78,612	78,632	-58,373	-42.6%
Compensation for business rates capping	994	994	1,053	1,655	2,407	3,009	3,911	2,917	293.6%
Council Tax	227,221	242,632	257,380	276,720	289,773	300,874	319,071	91,851	40.4%
Improved Better Care Fund			11,313	15,157	18,551	21,136	21,136	21,136	
New Homes Bonus	2,275	2,720	2,078	1,231	886	761	505	-1,770	-77.8%
New Homes Bonus returned funding	222	159	168				0	-222	-100.0%
Transition Grant		2,704	2,696					0	
Adult Social Care Support Grant			2,597	1,616				0	
Winter pressures Grant ¹				2,586	2,586			0	
Social Care Support Grant ²					4,417			0	
Social Care Grant						14,631	17,083	17,083	
ESCC Core Spending Power	367,716	363,012	374,113	386,136	395,972	419,023	440,338	72,622	19.7%

¹ For 2020-21, Winter Pressures Grant allocations were rolled into the Improved Better Care Fund, and no longer ringfenced for alleviating winter pressures.

² For 2020-21, Social Care Support Grant allocations were rolled into the Social Care Grant.

For the Council, last years Spending Power calculation showed that spending would increase by £54.2m or 14.7% in the 5 years since 2015/16. This year's calculation suggests a 6 year increase in Spending Power of £72.6m or 19.7%. The increase is due to the Government's assumption that councils will take up the allowance to increase Council Tax by 5.99% in 2021/22, which includes an adult social care precept at 3%, there is also additional social care funding of £2.5m.

The Government revises this measure each year, the combination of additional inclusions and changes to Core Spending Power mean the Government's presentation of Core Spending Power may lead to public confusion with regards to the County Council's financial position.

Resources - specific and special grant funding

Direct impact on County Council Services

	Rebased Budget 2020/21 £'000	Estimate 2021/22 £'000	Change £'000
Adult Social Care/Public Health			
Public Health Grant	27,702	26,971	(731)
Improved Better Care Fund incl. Winter Pressures	21,137	21,137	0
Local Reform and Community Voices Grant - War Pensions scheme disregard	248	218	(30)
Local Reform and Community Voices Grant	54	54	0
Former Independent Living Fund (ILF) Recipient Grant	956	956	0
	50,097	49,336	(761)
Children's Services			
Troubled Families Grant	2,348	1,746	(602)
Unaccompanied Asylum Seeking Children (UASC)	1,580	2,254	674
Extended Rights to Free Transportation	701	701	0
Staying Put	292	297	5
Youth Offending Team Grant - Core	420	420	0
Youth Offending Team Grant - Secure Remand	197	197	0
School Improvement grant	190	145	(45)
Hastings Opportunity Area Fund	176	577	401
Early Years Professional Development grant	111	111	0
DfE 18+ Care Leavers Service	81	81	0
KS2 moderation and phonics	25	25	0
	6,121	6,554	433
Communities Economy and Transport			
PFI Grant - Waste	2,996	2,996	0
Transport of the South East	1,225	1,000	(225)
Bus Service Operators Grant	426	426	0
DEFRA - Area of Outstanding Natural Beauty High Weald	294	281	(13)
Bikeability Grant for Local Highway Authorities	118	118	0
Lead Local Flood Authority Grant	48	48	0
Arts Council	2	2	0
DEFRA - Countryside Stewardship	0	24	24
DfT Transport Services	17	17	0
	5,126	4,912	(214)
Business Services			
PFI Grant - Peacehaven Schools	1,759	1,759	0
Local Reform and Community Voices Grant (moved from Governance)	307	307	0
	2,066	2,066	0
Centrally Held items			
Inshore Fisheries Conservation Authorities Grant	58	58	0
MHCLG New Burdens grant	12	12	0
	70	70	0
Total Direct Impact	63,480	62,938	(542)

Indirect impact - where the Council acts as "agent" to transfer funds

	Rebased Budget 2020/21 £'000	Estimate 2021/22 £'000
Children's Services		
Dedicated Schools Grant	228,797	235,901
Pupil Premium Grant	8,847	8,931
Teachers Pension Grant	3,611	3,611
Universal Infant Free School Meals	3,362	3,362
PE and Sport Grant	2,073	2,073
Teachers Pay Grant	1,861	1,861
Higher Education Funding Council grant	755	715
	249,306	256,454

Communities Economy and Transport

Skills Funding Agency	564	564
Community Learning	202	202
Adult Social Care/Public Health		
Disabled Facilities Grant (passported to Districts & Boroughs)	7,160	7,160

Total Indirect Impact	257,232	264,380
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Grant Funding Summary

Government Specific and Special Grants		
Total Direct Impact	63,480	62,938
Total Indirect Impact	257,232	264,380
	320,712	327,318
Grants from other agencies		
-	0	0
	0	0
Total	320,712	327,318

Summary by department

Adult Social Care/Public Health	57,257	56,496
Children's Services	255,427	263,008
Communities Economy and Transport	5,892	5,678
Governance Services	0	0
Business Services	2,066	2,066
	320,642	327,248
Corporate items	70	70
	320,712	327,318
Grants from other agencies	0	0
Total	320,712	327,318

(please note, at this stage not all grants are confirmed)

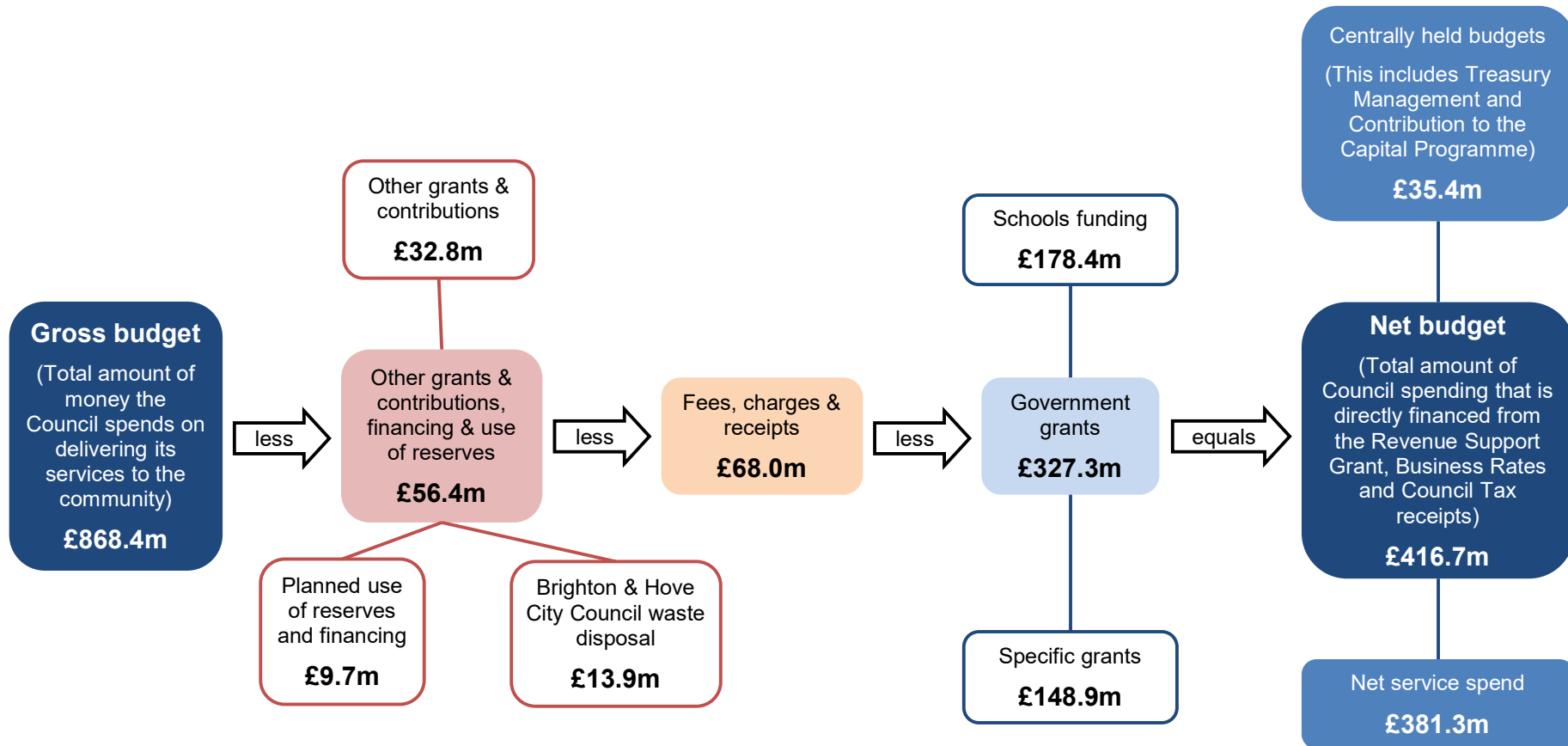
Covid-19 Grants

Information to follow

Revenue Budget Summary 2021/22

ESCC Budget	2020/21 Budget £000	2021/22 Budget £000	Change £000	%
Gross Expenditure	831,228	868,433	37,205	4.48%
Less:				
Fees, Charges & Receipts	(64,917)	(68,013)	(3,096)	
Specific Government Grants	(318,629)	(327,318)	(8,689)	
Financing and Planned use of reserves	(7,264)	(9,682)	(2,418)	
Other grants and contributions	(36,981)	(46,675)	(9,694)	
Net Expenditure	403,437	416,745	13,308	3.30%
Made up of:-				
Net Service Expenditure	365,210	381,374	16,164	
Treasury Management	18,238	18,709		
Funding Capital Programme - New Homes Bonus	767			
Investment of unallocated funding – Capital	1,242			
General Contingency	3,850	3,980		
Contingency for Potential Pay Award		2,071		
Contribution to balances and reserves	2,786	648		
Pensions	9,823	8,423		
Apprenticeship Levy	600	600		
Levies and Grants	921	940		
Net corporate expenditure	38,227	35,371	(2,856)	-7.47%
Net Budget	403,437	416,745	13,308	3.30%
Funded by:-				
Business Rates & S31 Grants	(81,909)	(81,522)		
Revenue Support Grant	(3,548)	(3,568)		
Local Tax Income Guarantee for 2020/21 - split over 3 years		(1,047)		
Local Council Tax Support Grant 2021/22		(2,621)		
New Homes Bonus	(767)	(505)		
Social Care Grant	(14,630)	(17,082)		
Collection Fund adjustment	(830)	1,101		
Collection Fund Council Tax (Surplus)/ Deficit	(879)	(1,146)		
Funding Other Than Council Tax	(102,563)	(106,390)	(3,827)	3.73%
Council Tax Requirement	300,874	310,355		
Taxbase: Number of "Band D" equivalent dwellings	201,656	201,002		
Band D Council Tax	£1,492.02	£1,544.04		3.49%

Revenue Budget Summary 2021/22 - gross budget to net budget



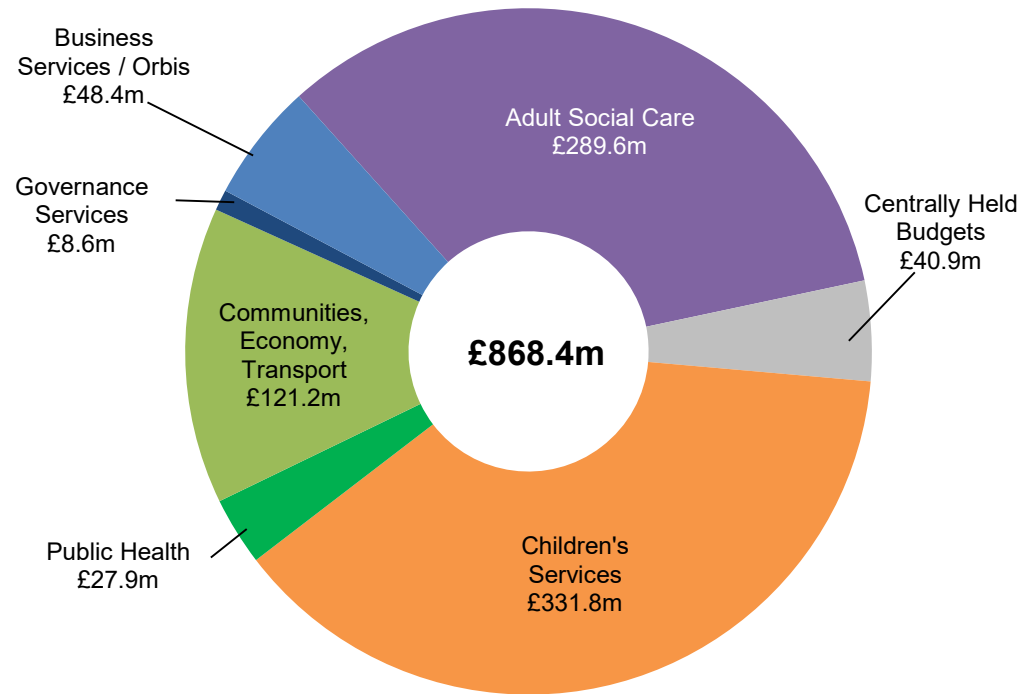
Revenue Budget Summary - departmental budget movements 2017/18 to 2020/21

	2017/18 Rebased Budget £'000	Net Movt %	2018/19 Rebased Budget £'000	Net Movt %	2019/20 Rebased Budget £'000	Net Movt %	2020/21 Rebased Budget £'000	Net Movt 17/18 to 20/21 %
Adult Social Care	168,608	-1.90%	165,407	3.66%	171,456	7.37%	184,093	9.18%
Public Health	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Business Services / Orbis	21,282	4.64% ¹	22,270	4.30%	23,227	3.48%	24,036	12.94%
Children's Services (excl. schools)	68,562	0.14%	68,655	12.61%	77,314	14.90%	88,838	29.57%
Communities, Economy & Transport	63,384	-1.86%	62,206	-0.93%	61,626	-0.48%	61,330	-3.24%
Governance Services	7,280	-1.21%	7,192	2.42%	7,366	-5.15%	6,987	-4.02%
Total Departments	329,116	-1.03%	325,730	4.68%	340,989	7.12%	365,284	10.99%

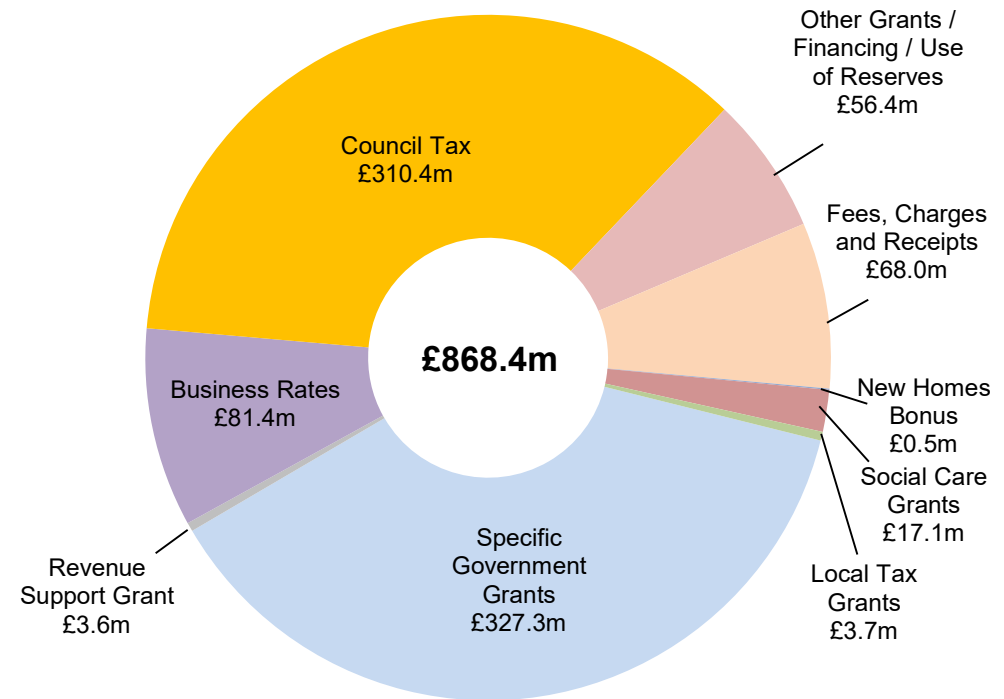
¹ Net increase includes centralisation of printing and franking budgets totalling £1.2m

Revenue Budget Summary 2021/22 - gross revenue budget

How we will spend your money (gross)

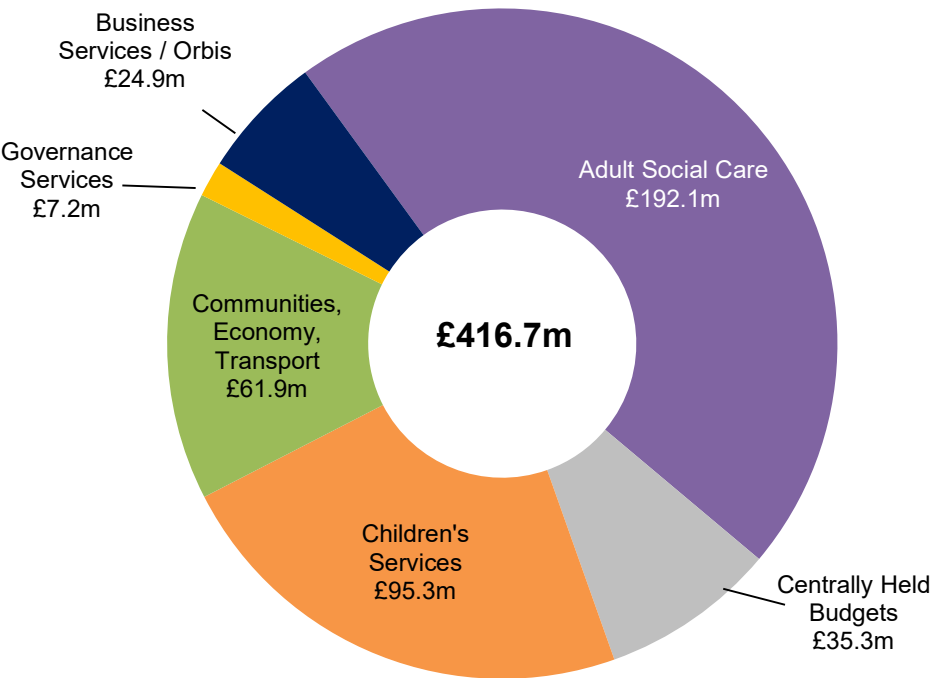


Where the money comes from (gross)

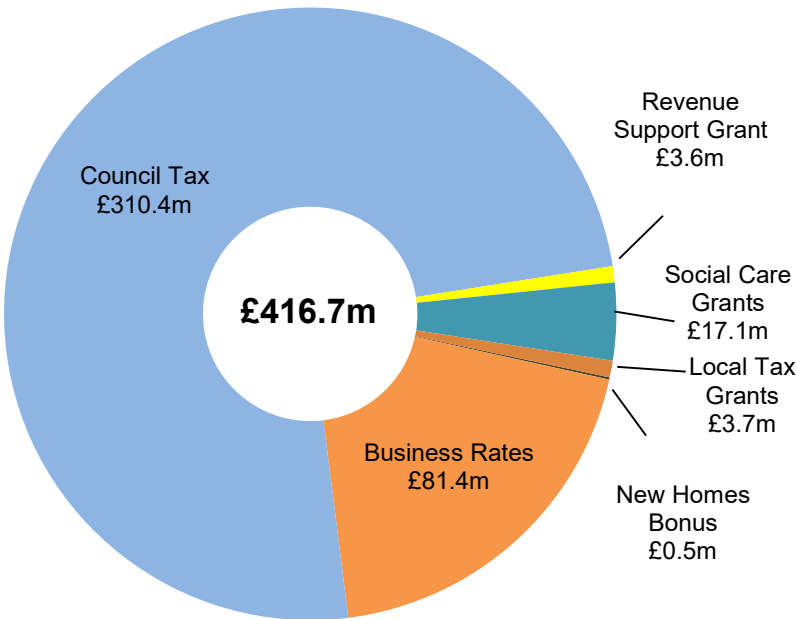


Revenue Budget Summary 2021/22 - net revenue budget

How we will spend your money (net)



Where the money comes from (net)



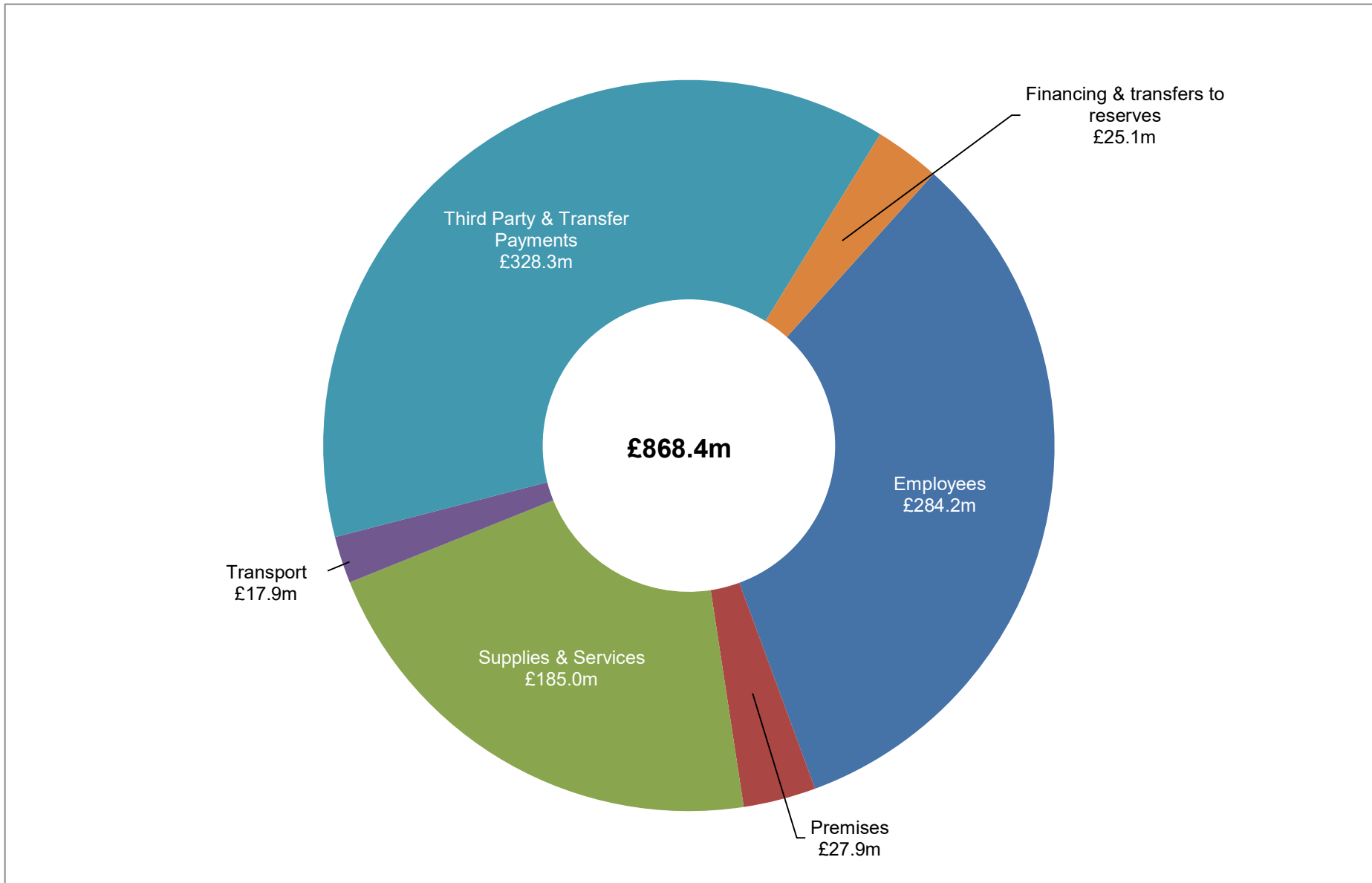
Revenue Budget Summary 2021/22 - budget changes 2020/21 to 2021/22

	2020/21 Rebased Net Budget	Additions	Reductions	2021/22 Net Budget	Change	
	£'000	£'000	£'000	£'000	£'000	%
Adult Social Care	184,093	8,006	(18)	192,081	7,988	4.34%
Public Health	-	-	-	-	-	0.00%
Business Services / Orbis	24,036	966	(136)	24,866	830	3.45%
Children's Services (inc. schools)	88,838	6,595	(157)	95,276	6,438	7.25%
Communities, Economy & Transport	61,330	1,206	(594)	61,942	612	1.00%
Governance Services	6,987	222	-	7,209	222	3.18%
Total Departments	365,284	16,996	(905)	381,374	16,091	4.40%
Centrally held budgets	38,227	3,191	(6,047)	35,371	(2,856)	-7.47%
Total	403,511	20,187	(6,952)	416,745	13,235	3.28%

Revenue Budget Summary 2021/22 - subjective analysis

Department	Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	53,145	899	1,129	13,551	220,895	4	289,623	(29,525)	(31,979)	(36,382)	(400)	(98,286)	744	192,081
Public Health	2,047	-	16	112	25,727	-	27,902	(26,971)	-	-	(1,248)	(28,219)	317	-
Business Services / Orbis	2,813	11,193	115	31,803	2,474	11	48,409	(2,501)	(3,062)	(9,042)	(359)	(14,964)	(8,579)	24,866
Children's Services	193,512	11,306	1,623	48,218	76,972	203	331,834	(262,521)	8,498	(5,465)	(370)	(259,858)	23,300	95,276
Communities Economy & Transport	16,637	4,146	14,991	82,463	543	2,420	121,200	(5,677)	(19,925)	(16,868)	(1,040)	(43,510)	(15,748)	61,942
Governance Services	5,378	317	58	1,998	808	-	8,559	(53)	(207)	(256)	(800)	(1,316)	(34)	7,209
Services	273,532	27,861	17,932	178,145	327,419	2,638	827,527	(327,248)	(46,675)	(68,013)	(4,217)	(446,153)	-	381,374
Centrally held budgets	10,693	-	-	6,809	900	22,504	40,906	(70)	-	-	(5,465)	(5,535)	-	35,371
Total	284,225	27,861	17,932	184,954	328,319	25,142	868,433	(327,318)	(46,675)	(68,013)	(9,682)	(451,688)	-	416,745

Revenue Budget Summary 2021/22 - subjective analysis



Revenue Budgets - Adult Social Care

2020/21	2021/22														
Rebased Net Budget	Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	Total Expenditure	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Physical Support, Sensory Support and Support for Memory & Cognition															
50,864	Residential & Nursing	3,910	209	86	373.00	74,464	-	79,042	-	(3,140)	(18,479)	-	(21,619)	126	57,549
6,334	Supported & Other Accommodation	-	-	-	-	6,537	-	6,537	-	-	-	-	-	-	6,537
27,306	Home Care	6,017	-	344	93.00	22,462	-	28,916	-	(810)	-	-	(810)	3	28,109
1,550	Day Care	208	97	-	29.00	1,485	-	1,819	-	-	(429)	-	(429)	149	1,539
17,716	Direct Payments	-	-	-	-	18,386	-	18,386	-	-	-	-	-	-	18,386
(6,624)	Other Services	695	17	14	6,108.00	2,080	-	8,914	(2,018)	(13,534)	-	-	(15,552)	-	(6,638)
(9,824)	Fairer Charging *	-	-	-	-	-	-	-	-	-	(10,347)	-	(10,347)	-	(10,347)
-	Meals in the Community	-	-	-	-	-	-	-	-	-	-	-	-	-	-
87,322	Subtotal	10,830	323	444	6,603.00	125,414	-	143,614	(2,018)	(17,484)	(29,255)	-	(48,757)	278	95,135
Learning Disability Support															
38,785	Residential & Nursing	1,615	104	8	92.00	40,932	-	42,751	-	-	(3,318)	-	(3,318)	25	39,458
13,726	Supported & Other Accommodation	1,691	22	32	23.00	12,619	-	14,387	-	(21)	(137)	-	(158)	16	14,245
1,287	Home Care	-	-	-	-	1,367	-	1,367	-	-	-	-	-	-	1,367
3,761	Day Care	1,904	136	32	63.00	1,765	4	3,904	-	-	(389)	-	(389)	312	3,827
7,369	Direct Payments	-	-	-	-	7,641	-	7,641	-	-	-	-	-	-	7,641
2,211	Other Services	1,296	10	68	82.00	982	-	2,438	(153)	(5)	(98)	-	(256)	5	2,187
(1,352)	Fairer Charging *	-	-	-	-	-	-	-	-	-	(1,352)	-	(1,352)	-	(1,352)
65,787	Subtotal	6,506	272	140	260.00	65,306	4	72,488	(153)	(26)	(5,294)	-	(5,473)	358	67,373
Mental Health Support															
3,191	Residential & Nursing	-	-	-	-	3,902	-	3,902	-	-	(538)	-	(538)	-	3,364
2,596	Supported & Other Accommodation	-	-	-	-	2,702	-	2,702	-	-	-	-	-	-	2,702
395	Home Care	-	-	-	-	431	-	431	-	-	-	-	-	-	431
33	Day Care	36	3	1	15.00	35	-	90	-	(52)	(2)	-	(54)	-	36
1,018	Direct Payments	-	-	-	-	1,055	-	1,055	-	-	-	-	-	-	1,055
(695)	Other Services	-	-	-	-	3,005	-	3,005	(34)	(4,166)	-	-	(4,200)	-	(1,195)
(497)	Fairer Charging *	-	-	-	-	-	-	-	-	-	(497)	-	(497)	-	(497)

Revenue Budgets - Adult Social Care

2020/21		2021/22													
Rebased Net Budget		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	Total Expenditure	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6,041	Subtotal	36	3	1	15.00	11,130	-	11,185	(34)	(4,218)	(1,037)	-	(5,289)	-	5,896
Substance Misuse Support															
476	Other Services (including residential)	-	-	-	-	476	-	476	-	-	-	-	-	-	476
476	Subtotal	-	-	-	-	476	-	476	-	-	-	-	-	-	476
Other Adult Services															
434	Other Services	568	-	4	36.00	137	-	745	-	-	-	-	-	-	745
434	Subtotal	568	-	4	36.00	137	-	745	-	-	-	-	-	-	745
2,498	Equipment & Assistive Technology	-	-	-	3,316.00	2,283	-	5,599	-	(2,557)	(544)	-	(3,101)	-	2,498
6,520	Supporting People	560	13	-	4.00	5,857	-	6,434	-	(310)	-	-	(310)	-	6,124
459	Safer Communities	457	-	3	-	425	-	885	-	(25)	-	(400)	(425)	-	460
22,969	Assessment & Care Management	25,522	79	391	1,115.00	877	-	27,984	(54)	(3,191)	(132)	-	(3,377)	15	24,622
694	Carers	1,271	-	88	390.00	1,490	-	3,239	-	(2,545)	-	-	(2,545)	-	694
(9,107)	Management & Support	7,395	209	58	1,812.00	7,500	-	16,974	-	(1,623)	(120)	-	(1,743)	93	15,324
-	Improved Better Care Fund and Disabled Facilities Grant	-	-	-	-	-	-	-	(27,266)	-	-	-	(27,266)	-	(27,266)
184,093	Total	53,145	899	1,129	13,551	220,895	4	289,623	(29,525)	(31,979)	(36,382)	(400)	(98,286)	744	192,081

* Fairer Charging is income from clients for non residential/nursing services. This represents contributions towards packages of care that may include a combination of Supported Accommodation, Home Care, Day Care, Direct Payments or Other Services.

Main changes between years	£'000
Rebased Net Budget 2020/21	184,093
Growth / Pressures	1,702
Inflation	6,304
Savings	-
Pay award	-
Tfrs between depts	(18)
Departmental Estimate 2021/22	192,081

Revenue Budgets - Public Health

2020/21		2021/22													
Rebased Net Budget		Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
10,429	Mental Health and Best Start	-	-	-	-	10,704	-	10,704	-	-	-	-	-	-	10,704
11,368	Risky Behaviours and Threats to Health	13	-	-	60	10,427	-	10,500	-	-	-	-	-	50	10,550
3,066	Health Systems	-	-	-	9	2,857	-	2,866	-	-	-	-	-	-	2,866
643	Communities	-	-	-	-	1,278	-	1,278	-	-	-	-	-	-	1,278
(25,506)	Central Support	2,034	-	16	43	461	-	2,554	(26,971)	-	-	(1,248)	(28,219)	267	(25,398)
- Total		2,047	-	16	112	25,727	-	27,902	(26,971)	-	-	(1,248)	(28,219)	317	-

Main changes between years		£'000
Rebased Net Budget 2020/21		-
Growth / Pressures		-
Inflation		-
Savings		-
Pay Award		-
Tfrs between depts		-
Departmental Estimate 2021/22		-

Revenue Budgets - Business Services / Orbis

2020/21 Rebased Net Budget	2021/22													
	Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
495 Finance	344	485	56	1,318	7	-	2,210	(230)	-	(5)	-	(235)	(1,007)	968
3,576 IT & Digital	(267)	39	1	6,513	-	-	6,286	(121)	(1,480)	(51)	(195)	(1,847)	(782)	3,657
- HR & Organisational Development	107	-	2	254	-	6	369	(61)	-	(302)	(6)	(369)	-	-
467 Procurement	72	-	1	39	904	-	1,016	(307)	(123)	-	(39)	(469)	(80)	467
7,841 Property	2,557	10,669	55	11,873	1,563	5	26,722	(1,782)	(1,459)	(8,684)	(119)	(12,044)	(6,710)	7,968
11,657 Contribution to Orbis Partnership	-	-	-	11,806	-	-	11,806	-	-	-	-	-	-	11,806
24,036 Total	2,813	11,193	115	31,803	2,474	11	48,409	(2,501)	(3,062)	(9,042)	(359)	(14,964)	(8,579)	24,866

Main changes between years		£000
Rebased Net Budget 2020/21		24,036
Growth / Pressures		726
Inflation		199
Savings		(136)
Pay Award		-
Tfrs between depts		41
Departmental Estimate 2021/22		24,866

Revenue Budgets - Children's Services

2020/21		2021/22													
Rebased Net Budget		Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Early Help & Social Care															
1,141	Policy Support & Commissioned Services	1,959	-	10	129	660	-	2,758	(1,746)	(77)	-	-	(1,823)	206	1,141
5,747	Early Help Keywork and Children's Centres	6,689	407	181	507	100	-	7,884	-	(2,072)	(55)	-	(2,127)	(96)	5,661
13,060	Locality Social Work & Family Assessment	8,663	-	221	386	3,764	-	13,034	-	(262)	-	-	(262)	25	12,797
31,745	Looked After Children	11,740	210	554	2,280	27,923	203	42,910	(1,961)	(246)	(3,785)	-	(5,992)	195	37,113
3,079	Other Children & Families	1,931	32	86	49	4,038	-	6,136	(2,254)	(398)	-	-	(2,652)	(195)	3,289
695	Youth Justice	1,179	28	31	29	326	-	1,593	(617)	(281)	-	-	(898)	-	695
55,467	Subtotal	32,161	677	1,083	3,380	36,811	203	74,315	(6,578)	(3,336)	(3,840)	-	(13,754)	135	60,696
Education & ISEND															
11,651	ISEND	17,593	95	275	5,460	38,220	-	61,643	(48,278)	(112)	(652)	-	(49,042)	(781)	11,820
2,775	Standards & Learning Effectiveness	3,780	-	105	24,859	529	-	29,273	(26,730)	(1,259)	(227)	(99)	(28,315)	1,816	2,774
281	Other Education	214	-	-	73	187	-	474	(192)	-	-	0	(192)	-	282
14,707	Subtotal	21,587	95	380	30,392	38,936	-	91,390	(75,200)	(1,371)	(879)	(99)	(77,549)	1,035	14,876
887	Adoption South East	1,257	-	36	243	-	-	1,536	-	(563)	-	-	(563)	2	975
-	Schools	132,018	10,508	59	12,605	1,110	-	156,300	(178,372)	14,023	-	(100)	(164,449)	8,149	-
Management & Support															
13,335	Admissions & Transport	436	-	7	263	1	-	707	(1,089)	-	(20)	(171)	(1,280)	14,886	14,313
3,094	Management & Support	4,508	26	25	1,223	114	-	5,896	(1,282)	(149)	(718)	-	(2,149)	(922)	2,825
1,348	Safeguarding	1,545	-	33	112	-	-	1,690	-	(106)	(8)	-	(114)	15	1,591
17,777	Subtotal	6,489	26	65	1,598	115	-	8,293	(2,371)	(255)	(746)	(171)	(3,543)	13,979	18,729
88,838	Total	193,512	11,306	1,623	48,218	76,972	203	331,834	(262,521)	8,498	(5,465)	(370)	(259,858)	23,300	95,276

Main changes between years		£'000
Rebased Net Budget 2020/21		88,838
Growth / Pressures		6,040
Inflation		555
Savings		(134)
Pay Award		-
Tfrs between depts		(23)
Departmental Estimate 2021/22		95,276

Revenue Budgets - Communities, Economy & Transport

2020/21		2021/22													
Rebased Net Budget		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financin g and Transfer to Reserves	Total Expenditure	Government Grants	Other Grants and Contributio s	Fees, Charges & Receipts	Financing and Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Services															
(176)	Registration	1,350	146	37	83	-	-	1,616	-	(4)	(1,966)	-	(1,970)	-	(354)
711	Road Safety	845	8	35	121	-	-	1,009	(118)	(95)	(72)	-	(285)	(14)	710
697	Trading Standards	1,151	-	3	114	-	-	1,268	-	(442)	(32)	(44)	(518)	4	754
77	Travellers Sites	208	72	5	15	-	-	300	-	(102)	(120)	-	(222)	-	78
228	Emergency Planning	362	-	3	11	-	-	376	-	(147)	(1)	-	(148)	-	228
1,537	Subtotal	3,916	226	83	344	-	-	4,569	(118)	(790)	(2,191)	(44)	(3,143)	(10)	1,416
Customer & Library Services															
4,083	Libraries	2,677	1,213	44	1,001	-	3	4,938	(202)	(107)	(264)	(99)	(672)	(423)	3,843
731	Archives & Record	571	605	4	736	-	-	1,916	-	(1,014)	(83)	(114)	(1,211)	185	890
226	Customer Care	218	-	1	15	-	-	234	-	-	-	(8)	(8)	-	226
5,040	Subtotal	3,466	1,818	49	1,752	-	3	7,088	(202)	(1,121)	(347)	(221)	(1,891)	(238)	4,959
Transport & Operational Services															
6,885	Passenger Services	-	-	-	10,260	-	-	10,260	(426)	(219)	(34)	(26)	(705)	(1,597)	7,958
-	Home to School and ASC Transport	109	-	14,132	851	-	-	15,092	(17)	(10)	(62)	-	(89)	(15,003)	-
(265)	Parking	754	-	3	3,234	143	920	5,054	-	(291)	(6,629)	(259)	(7,179)	1,862	(263)
28,785	Waste Disposal	369	394	13	48,057	181	-	49,014	(2,996)	(13,943)	(3,138)	-	(20,077)	2	28,939
680	Rights of Way/Countryside Management	672	125	34	364	3	-	1,198	-	(95)	(434)	-	(529)	12	681
386	Other Transport & Operational Services	805	6	592	180	-	47	1,630	-	-	(263)	(155)	(418)	(843)	369
36,471	Subtotal	2,709	525	14,774	62,946	327	967	82,248	(3,439)	(14,558)	(10,560)	(440)	(28,997)	(15,567)	37,684

Revenue Budgets - Communities, Economy & Transport

2020/21 Rebased Net Budget	2021/22													
	Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financin g and Transfer to Reserves	Total Expenditure	Government Grants	Other Grants and Contributio ns	Fees, Charges & Receipts	Financing and Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Highways														
1,938 Contract Management	887	-	9	506	-	-	1,402	-	-	-	(129)	(129)	10	1,283
10,967 Contract Costs (fixed and reactive)	-	1,369	-	12,061	-	-	13,430	-	(147)	(2,317)	-	(2,464)	-	10,966
402 Non Contract Works	-	58	-	383	168	-	609	-	(70)	-	-	(70)	-	539
13,307 Subtotal	887	1,427	9	12,950	168	-	15,441	-	(217)	(2,317)	(129)	(2,663)	10	12,788
Planning & Environment														
266 Environment	357	70	4	73	-	-	504	-	-	(222)	(18)	(240)	-	264
625 Planning	1,307	-	26	285	-	-	1,618	(48)	(31)	(871)	(30)	(980)	12	650
- High Weald	377	23	7	357	-	-	764	(304)	(489)	-	(6)	(799)	35	-
891 Subtotal	2,041	93	37	715	-	-	2,886	(352)	(520)	(1,093)	(54)	(2,019)	47	914
1,181 Economic Development Skills and Growth	1,534	57	18	1,568	26	-	3,203	(566)	(888)	(360)	(152)	(1,966)	42	1,279
2,903 Management & Support	2,084	-	21	2,188	22	1,450	5,765	(1,000)	(1,831)	-	-	(2,831)	(32)	2,902
61,330 Total	16,637	4,146	14,991	82,463	543	2,420	121,200	(5,677)	(19,925)	(16,868)	(1,040)	(43,510)	(15,748)	61,942

Main changes between years		£'000
Rebased Net Budget 2020/21		61,330
Growth / Pressures		982
Inflation		224
Savings		(594)
Pay Award		-
Tfrs between depts		-
Departmental Estimate 2021/22		61,942

Revenue Budgets - Governance Services

2020/21		2021/22													
Rebased Net Budget		Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2,693	Corporate Governance	1,806	2	39	1,073	808	-	3,728	-	(120)	(3)	(800)	(923)	(32)	2,773
Corporate Support															
1,000	Communications	1,054	-	3	45	-	-	1,102	(53)	(47)	(1)	-	(101)	(2)	999
1,771	Legal	2,050	-	10	134	-	-	2,194	-	(29)	(252)	-	(281)	-	1,913
2,771	Subtotal	3,104	-	13	179	-	-	3,296	(53)	(76)	(253)	-	(382)	(2)	2,912
Community Services															
995	Coroners	275	315	4	412	-	-	1,006	-	(11)	-	-	(11)	-	995
-	Third Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-
995	Subtotal	275	315	4	412	-	-	1,006	-	(11)	-	-	(11)	-	995
528	Senior Management & Organisational Development	193	-	2	334	-	-	529	-	-	-	-	-	-	529
6,987	Total	5,378	317	58	1,998	808	-	8,559	(53)	(207)	(256)	(800)	(1,316)	(34)	7,209

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Main changes between years	
	£'000
Rebased Net Budget 2020/21	6,987
Growth / Pressures	203
Inflation	19
Savings	-
Pay Award	-
Tfrs between depts	-
Departmental Estimate 2021/22	7,209

Capital programme to 2029/30

Introduction

The planned capital programme supports the Council's Capital Strategy to 2040/41. It comprises target led basic need investment that supports services in the delivery of priority outcomes to 2029/30. It includes providing for essential school places, investments in roads and transport infrastructure, enhancing the life of existing assets and ensuring they are fit for purpose, as well as support for strategic investment.

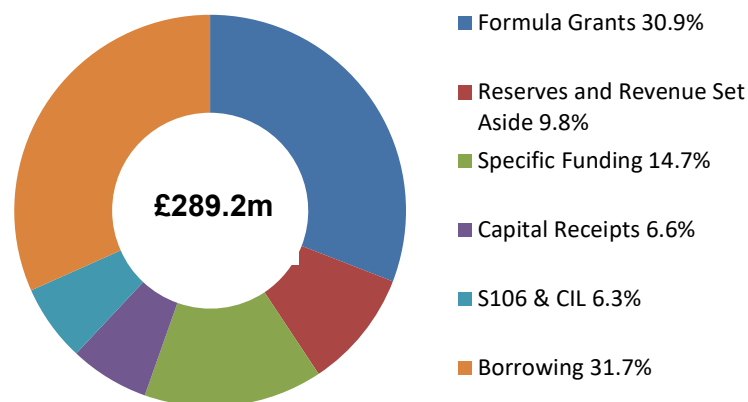
The proposed programme includes:

- Improvement to roads and transport infrastructure;
- Integrated transport schemes;
- Providing necessary school places and school access initiatives, safeguarding and temporary accommodation;
- Capital Building Improvements and energy saving measures;
- Supported accommodation and improvements;
- Essential Libraries work to keep libraries in their current condition and stop them from deteriorating;
- Support of Economic Growth and Strategic Infrastructure investment; and
- Investment in energy efficiency technologies.

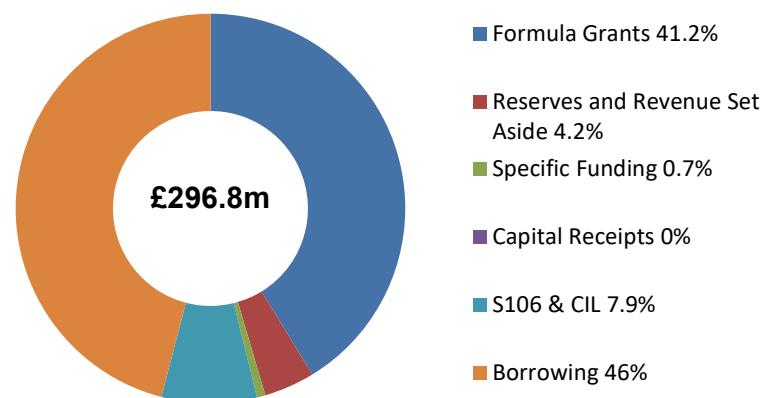
An estimated 36% (£211.7m) will be funded from Government grants, with 10% (£58.8m) funded from scheme-specific income, requiring the remainder (£315.5m) funded locally through borrowing, capital receipts and use of reserves set aside for a specific purpose.

Total Programme of £586.0m comprising:

MTFP Programme to 2023/24



Programme 2024/25 to 2029/30



Capital programme - current programme and resources

Capital Programme	2020/21	2021/22	2022/23	2023/24	2020-24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Remaining
	MTFP Period				Programme Total							Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	170	194	50	50	464							464
Business Services	30,508	39,215	29,606	26,413	125,742	23,287	24,269	18,199	23,299	16,262	23,525	254,583
Children's Services	924	810	779	50	2,563							2,563
Communities, Economy & Transport	47,133	51,866	35,146	26,309	160,454	26,841	27,146	27,283	28,015	29,262	29,367	328,368
Gross Expenditure by Department	78,735	92,085	65,581	52,822	289,223	50,128	51,415	45,482	51,314	45,524	52,892	585,978
Section 106 and CIL	(6,528)	(5,161)	(234)	(1,929)	(13,852)	(111)	(50)	(50)				(14,063)
Other Specific Funding	(16,203)	(19,272)	(6,825)	(350)	(42,650)	(350)	(350)	(350)	(350)	(350)	(350)	(44,750)
Net Expenditure	56,004	67,652	58,522	50,543	232,721	49,667	51,015	45,082	50,964	45,174	52,542	527,165
Current Funding Assumptions	2020/21	2021/22	2022/23	2023/24	2020-24	2024-30	Total					
	MTFP Period				Programme Total	Programme Total	Resource					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
Capital Receipts	1,809	6,866	4,658	5,695	19,028		19,028					
Formula Grants	27,007	20,869	19,737	20,895	88,508	122,411	210,919					
New Homes Bonus	767	-	-	-	767		767					
Section 106 and CIL Target	-	1,551	1,368	1,587	4,506	23,236	27,742					
Recycled Loans	650	500	500	500	2,150	850	3,000					
Reserves and revenue set aside	5,269	5,346	7,726	7,844	26,185	11,661	37,846					
Borrowing	20,502	32,520	24,533	14,022	91,577	136,286	227,863					
	56,004	67,652	58,522	50,543	232,721	294,444	527,165					

Capital programme - Adult Social Care

Adult Social Care	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Remaining Budget Total
	MTFP Period										
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Specific Projects:											
Greenacres	120	144									264
House Adaptations	50	50	50	50							200
Gross Expenditure	170	194	50	50	0	0	0	0	0	0	464
S106 & CIL											
Other Specific Funding	(120)	(144)									(264)
Net Expenditure	50	50	50	50	0	0	0	0	0	0	200

Capital programme - Business Services

Business Services	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Remaining Budget Total
	MTFP Period										
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:											
Schools Basic Need (delivered on behalf of CSD)	14,082	15,905	7,386	6,275	12,025	12,025	6,275	3,400	1,900	9,600	88,873
Capital Building Improvements	7,340	9,624	10,064	7,982	7,982	7,982	7,982	7,982	7,982	7,982	82,902
IT & Digital Strategy Implementation	3,908	10,080	10,056	11,006	2,930	3,912	3,592	11,567	6,030	5,593	68,674
Specific Projects:											
Lansdowne Secure Unit Phase 2	2,278	124									2,402
Energy Efficiency - SALIX scheme	440	350	350	350	350	350	350	350	350	350	3,590
Special Educational Needs		800	1,600	800							3,200
Specialist Provision in Secondary Schools	1,666	1,178	150								2,994
Disability Children's Homes		242									242
Westfield Lane (delivered on behalf of CSD)	350	850									1,200
Property Agile Works	374										374
IT & Digital - Utilising Automation	70	62									132
Gross Expenditure	30,508	39,215	29,606	26,413	23,287	24,269	18,199	23,299	16,262	23,525	254,583
S106 & CIL	(5,738)	(4,522)	(185)	(1,819)							(12,264)
Other Specific Funding	(2,718)	(474)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(5,992)
Net Expenditure	22,052	34,219	29,071	24,244	22,937	23,919	17,849	22,949	15,912	23,175	236,327

Capital programme - Children's Services

Children's Services	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Remaining Budget Total
	MTFP Period										
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:											
Schools Delegated Capital	791	760	729	0							2,280
Specific Projects:											
House Adaptations	50	50	50	50							200
Conquest Centre redevelopment	83										83
Gross Expenditure	924	810	779	50	0	0	0	0	0	0	2,563
S106 & CIL											
Other Specific Funding	(791)	(760)	(729)								(2,280)
Net Expenditure	133	50	50	50	0	0	0	0	0	0	283

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Remaining Budget Total
	MTFP Period										
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:											
Bridge Assessment Strengthening	1,340	1,212	1,260	1,626	1,675	1,725	1,777	1,830	1,885	1,942	16,272
Highways Structural Maintenance	19,430	16,824	17,521	18,047	18,588	19,146	19,720	20,312	20,922	21,548	192,058
Highways Maintenance (eg Drop Kerbs and Patching)	1,000										1,000
Rights of Way Surface Repairs and Bridge Replacement Programme	496	615	615	465	475	484	494	504	514	524	5,186
Street Lighting and Traffic Signals (life expired)	2,653	3,351	1,545	1,592	1,639	1,688	1,739	1,791	1,845	1,885	19,728
Specific Projects:											
Broadband	4,279	3,276	3,277								10,832
Bexhill & Hastings Link Road (BHLR)	1,652	643	252								2,547
BHLR Complementary Measures	219										219
Community Match Fund	55	1,021	250								1,326
Economic Growth & Strategic Infrastructure Programme											
Economic Intervention Fund - Grants	392	518	382	385	388	435					2,500
Economic Intervention Fund - Loans	800	500	500	500	500	200					3,000
Stalled Sites	102	150	97	0							349
EDS Upgrading Empty Commercial Property		7									7
East Sussex Strategic Growth Package Enabling Fund											
Hailsham HWRS	97	53									150
Other Integrated Transport Schemes	1,381	4,542	2,969	3,069	3,019	3,019	3,019	3,019	3,019	3,019	30,075
The Keep	24	73	49	96	26	0	85	110	628		1,091
Library Refurbishment	670	262	619	449	449	449	449	449	449	449	4,694
Newhaven Port Access Road	3,486	738	20	20	21						4,285
Real Time Passenger Information	184	100	44	60	61						449

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Remaining Budget Total
	MTFP Period										
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Parking Ticket Machine Renewal	138										138
Queensway Depot Development (Formerly Eastern)	300	853									1,153
Registration Ceremonies Website											
Terminus Road Improvements	200										200
Emergency Active Travel Fund - Tranche 1	535										535
Local Enterprise Funded Schemes											
Eastbourne Town Centre Phase 2	467	2,547									3,014
Bexhill Enterprise Park North	440	1,500									1,940
Exceat Bridge	734	917									1,651
Eastbourne/South Wealden Walking & Cycling Packag	531	1,000	1,953								3,484
Hailsham/Polegate/Eastbourne Movement & Access Corridor	335	1,074									1,409
Hastings & Bexhill Movement & Access Package	1,237	1,579	3,793								6,609
Queensway Gateway Road	504										504
Sidney Little Road Business Incubator Hub	73	362									435
Skills for Rural Businesses Post Brexit	1,062	1,627									2,689
Bexhill Creative Workspace	554	392									946
Eastbourne Fisherman's Quayside & Infrastructure Development Project	0	1,080									1,080
Getting Building Fund - Fast Track Business Solutions	250	3,250									3,500
Getting Building Fund - Observer Building	913	800									1,713
Getting Building Fund - Restoring Winter Gardens	600	1,000									1,600
Gross Expenditure	47,133	51,866	35,146	26,309	26,841	27,146	27,283	28,015	29,262	29,367	328,368
S106 & CIL	(790)	(639)	(49)	(110)	(111)	(50)	(50)				(1,799)
Other Specific Funding	(12,574)	(17,894)	(5,746)								(36,214)
Net Expenditure	33,769	33,333	29,351	26,199	26,730	27,096	27,233	28,015	29,262	29,367	290,355

Reserve Balances

	Anticipated Balance 1st Apr 2021 £'000	Net planned Movements 2021/22 £'000	Anticipated Balance 31st Mar 2022 £'000	Estimated Balance 31st Mar 2025 £'000
Held on behalf of others or statutorily ringfenced				
Balances held by Schools	15,041	0	15,041	15,041
Extended Schools	1,764	0	1,764	1,764
Schools Supply Teacher Insurance	475	0	475	0
Schools	17,280	0	17,280	16,805
Public Health	3,267	(1,248)	2,019	1,227
On Street Car Parking	2,082	452	2,534	3,755
EU Exit Funding	255	0	255	255
ACRES (Adult College of Rural East Sussex)	422	0	422	422
The Keep - Archive Service	517	(73)	444	299
High Weald	189	0	189	189
Sussex Air Quality Partnership	47	(8)	40	0
Lewes Athletics Track	4	0	4	4
Subtotal held on behalf of others or statutorily ringfenced	24,063	(876)	23,187	22,957
Service-Specific Reserves:				
Corporate Waste	16,113	0	16,113	4,985
Capital Programme	8,854	(1,670)	7,184	6,020
Insurance Risk	5,945	0	5,945	5,945
Total Named Service Reserves	30,912	(1,670)	29,242	16,950
Strategic Reserves:				
Priority Outcomes and Transformation reserve: to fund the transformation programme to change, protect and improve Council services	6,914	(845)	6,069	3,283
Financial Management reserve: to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the CFO's robustness statement, and to enable the effective management of the medium-term financial strategy and investment strategy	36,974	(3,996)	32,979	18,440
Total Strategic Reserves	43,888	(4,841)	39,048	21,723
General Fund	10,000	0	10,000	10,000
Total Reserves	108,863	(7,387)	101,476	71,629

This table provides a summary of planned movements in and out of the individual reserves over the financial year 2021/22.

Explanation of key terms

Balances

A working balance is needed so that payments can be made before income is received, and as a cushion against unexpected expenditure during the year.

Band D Property

Property band commonly used to specify the average council tax. The band includes property values between £68,001 and £88,000 (as at 1st April 1991).

Budget

An expression mainly in financial terms of the Council's policy for a specified period.

Business Rates

A charge on commercial and industrial buildings fixed by the Government and collected by District and Borough Councils. As of 2013/14 a proportion is retained and shared locally amongst authorities (including Fire & Rescue), rather than going to the Government for redistribution on a national basis. That part of business rates going to Government is redistributed as "Top-Up" grant, where local need is assessed as greater than the share of business rates retained locally. For County Councils are "Top-Up" authorities, receiving only a small share of business rates.

Depreciation

Amounts charged to services revenue for the use of assets/ infrastructure.

Capital Expenditure / Capital Programme

Expenditure on the acquisition of assets, or which adds to rather than maintains the value of existing assets. It is financed mainly from borrowing and charged to the revenue account over a number of years.

Capital Financing

Capital expenditure is financed by loans, Government grants, external contributions (e.g. developers' contributions to specific schemes) contribution from the revenue account, and proceeds from the sale of assets. The revenue budget bears the cost of direct revenue contributions, together with interest and the provision for repayments of these loans.

Capital Receipts

Income received from the sale of capital assets, together with specific contributions, including Government grants, towards capital expenditure.

Contingency

A sum set aside to meet future pay and price rises over and above provision made in departmental budgets.

Council Tax Requirement

This is an amount calculated, in advance of each year, by each billing authority (e.g. Lewes District Council) and by each major precepting authority, (e.g. East Sussex County Council). It is the amount of revenue to be met from Council Tax, and is equivalent to an authority's Band D Council Tax multiplied by its council tax base.

Dedicated Schools Grant (DSG)

A major ring-fenced government specific grant, introduced in 2006/07, which provides funding for schools and schools-related expenditure.

Earmarked Reserves

Reserves which are set aside for specific purposes.

Government Grants

Contributions by central Government towards either the revenue or capital cost of local authority services.

Levies

A contribution which the County Council is required to make towards the costs of Ashdown Forest Conservators, Environment Agency (for flood defence) and Sussex Inshore Fisheries and Conservation Authority.

Net Budget Requirement

The total expenditure (after deduction of income) that the Council can finance from the aggregation of Revenue Support Grant, Business Rates and Council Tax.

New Homes Bonus

A government grant which is aimed at encouraging local authorities to increase the number of homes in their area.

Precept

The income which the Council requires a District or Borough Council to raise on its behalf from Council Tax.

Provisions and Reserves

Provisions are made for liabilities and losses which are likely or certain to be incurred but the amount or dates on which they will arise cannot be determined accurately. Internal reserves are set aside to finance future expenditure for purposes falling outside the definition of provisions.

Revenue Expenditure

Expenditure that the Council incurs on the day-to-day costs of providing services including principally on pay, running costs of buildings, equipment, third party payments and capital financing costs.

Revenue Support Grant (RSG)

Additional funding received from central government, outside that received through the business rates retention scheme.

Slippage

Actual capital payments or income, spent or received in a year different to that planned in the capital programme.

Specific and Special Grants

Grants paid by central Government for specific services and allocated to local authorities according to specific policies criteria.

Supported Borrowing

The level of borrowing that the Government will support via grant towards interest and principal repayments.

Tax Base

All domestic properties are placed in one of eight valuation bands. The council tax base is calculated according to Government regulations to assess, by proportion, the equivalent number of Band D properties. The County's net expenditure is divided by this number to give the council tax levy.

Third Party Payments

Payments made to agencies and contracted service providers, e.g. payments to private sector nursing homes.

Transfer Payments

Money paid by a local authority to an individual specifically to enable them to pay someone else e.g. awards paid to students to enable them to pay fees.

East Sussex County Council - Savings 2021/22 to 2023/24

Appendix 5

	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Communities, Economy & Transport	594	1,462	100	2,156
Children's Services	134	1,747	0	1,881
Business Services / Orbis	136	0	1,242	1,378
Total Departments	864	3,209	1,342	5,415

Children's Services

East Sussex County Council - Savings 2021/22 to 2023/24		Gross budget	Net budget	Savings				Protected characteristics								
		2018/19	2018/19	2021/22	2022/23	2023/24	Total	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance
Activity	Savings Proposal and impact Assessment	£'000	£'000	£'000	£'000	£'000	£'000									
Children's Social Care																
Safeguarding Services	The ACT service, an assertive outreach service for young people aged 16-24 who are at risk of or being exploited criminally; the problem solving team which supports the Family Drug and Alcohol Court; and Video Interactive Guidance which helps parents who are already in difficulty learn how to respond better to their children will continue alongside existing activity levels for families who are going through court proceedings and the Foundations Project which works with families who have already had children removed from their care. The deferment of savings in 2020/21 and 2021/22 means the Family Group Conferences/family meetings, when children are subject to child protection plans, will continue and be expanded, subject to the budget being agreed. These services will be reduced if savings are made in later years.	44,026	38,105		854		854	-								
Early Help	Following Lead Member decisions and remodelling the Early Help Service, there will be a reduction in the family key work service, which has been deferred until 2021/22 and 2022/23. Savings will be generated in 2021/22 as a result of ceasing to run services from 10 children's centres and 2 nurseries.	9,592	5,652	134	893		1,027	-		-	-		-			
TOTAL Children's Services				134	1,747	0	1,881									

Business Services / Orbis

East Sussex County Council - Savings 2021/22 to 2023/24		Gross budget	Net budget	Savings				Protected characteristics									
		2018/19	2018/19	2021/22	2022/23	2023/24	Total	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance	
Activity	Savings Proposal and impact Assessment	£'000	£'000	£'000	£'000	£'000	£'000										
Business Services: Orbis and Managed on Behalf of (MOBO) services: Finance, IT&D, Procurement, Property Services, HR and OD and Business Operations	The Advisory and Change areas of support are being analysed and presented to the 3 partner Councils to determine which elements need to form part of the Core Offer as they are essential in supporting the partners deliver their priorities, and which elements will no longer be provided. The aim would be to reduce spending as set out in this table although the details of how this might be achieved is still being developed.	47,534	22,270	136		1,242	1,378									y	
TOTAL Business Services / Orbis				136	0	1,242	1,378										

East Sussex County Council

Council Tax Precepts for 2021/22

	£	£	£
Gross Expenditure		868,433,000	
Income		451,688,000	
Net Budget			416,745,000
Business Rates & S31 Grants	18,749,000		
Business Rates Top Up	62,773,000		
Revenue Support Grant	3,568,000		
Local Tax Income Guarantee for 2020/21	1,047,000		
Local Council Tax Support Grant	2,621,000		
New Homes Bonus	505,000		
Social Care Grant	17,082,000		
<i>Previous year's surpluses/(deficits)</i>			
Collection Fund Adjustment	- 1,100,810		
Council Tax Collection Fund	<u>1,145,836</u>		
		<u>106,390,026</u>	
			106,390,026
Council Tax Requirement			310,354,974
<i>Tax base (total equivalent Band D properties)</i>			201,001.9
Basic council tax			1,544.04
Therefore Council Tax per Category of Dwelling:-			
	<i>Proportion of</i>		
	<i>Basic Council Tax</i>	£	
Band A	6/9	1,029.36	
Band B	7/9	1,200.92	
Band C	8/9	1,372.48	
Band D	9/9	1,544.04	
Band E	11/9	1,887.16	
Band F	13/9	2,230.28	
Band G	15/9	2,573.40	
Band H	18/9	3,088.08	
Precept to Each Billing Authority			
	<i>No of band D</i>		
	<i>equivalent dwellings</i>	£	
Eastbourne	34,532.2	53,319,098	
Hastings	25,722.0	39,715,797	
Lewes	36,711.4	56,683,870	
Rother	37,606.7	58,066,249	
Wealden	66,429.6	102,569,960	
Total	<u>201,001.9</u>	<u>310,354,974</u>	

Schedule of Instalments for payment from Districts & Boroughs

14 April 2021
 21 May 2021
 29 June 2021
 04 August 2021
 10 September 2021
 15 October 2021
 23 November 2021
 04 January 2022
 08 February 2022
 16 March 2022

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Reserves and Budget Robustness Statement

1.0 Reserves

- 1.1 The Council's (ESCC) approach to the management and accounting for earmarked reserves is set out in the Reserve Strategy adopted by the Cabinet in June 2017. The Reserves have been reviewed using the principles set out in the Policy ensuring that they are reflective of the Council's strategic agenda and the current financial risks and issues the Council faces through the medium term.
- 1.2 It is crucial to bear in mind that the reserves are the only source of financing to which the Council has access to fund risks and one-off pressures over a number of years. If the Council minimises the level of reserves too significantly there is a risk that in future, the ability to properly manage unforeseen or one off costs will be significantly hampered. Reserves can only be spent once and the possibility of creating new reserves in an era where budgets are tight and can become overspent, not just individually but corporately, is limited.
- 1.3 Reserves are a key element of the Council's financial management arrangements. Reserves can be broadly categorised as follows:
- **General Fund Balance** - a working balance to manage in-year risks if they cannot be managed via other mitigations. It is best practice for a well-run authority to hold such a balance to assist in delivering services over a period longer than one financial year.
 - **Earmarked Reserves** - funds that are held to meet known or anticipated future one-off requirements, facilitating transformation and the management and mitigation of future financial risk and uncertainty.
- 1.4 ESCC General Fund Balance and Earmarked Reserves are estimated to total £108.9m as at 1 April 2021: an increase of £1.3m against the actual reserves at 1 April 2020 totalling £107.6m. Given the financial uncertainties as a result of Covid-19 and the longer term of the impending Spending Review 2021, efforts have been in year to increase reserve levels: Movements in year are:
- A net decrease of £0.9m in reserves held on behalf of others or statutorily ringfenced;
 - Waste reserve – an increase of £1.5m to meet future risk arising from legislative change resulting from the Environment Bill 2019-21. For which the report on the latest consultation is expected spring 2021.
 - Capital reserve – a £0.4m reduction is reflective of the use of reserve to fund items of investment for which the Council would not want to borrow and consistent with the new capital strategy;
 - Insurance reserve – a decrease in the balance of £0.6m, this is due to anticipated settled insurance claims in 2020/21.
 - Financial Management – a net increase of £2.0m, movements shown in Table 1 below.

Table 1: Movements in Financial Management Reserve 1 April 2020 to 1 April 2021

Description	Movement
Investment of Unallocated Funding, approved at County Council February 2020	£2.1m
Term Time Only Compensation Payments	£1.2m
Planned draw for Council Tax Collection Fund Adjustment	£(0.7)m
Pay Award 2020/21 extra 0.25% increase (as only budgeted 2.5% and the award was 2.75%)	£(0.3)m
Back Pay Claims: Regular enhancements & allowances during A/L and sickness	£(0.2)m

Use of reserves to cover remaining deficit - quarterly council monitoring - Qtr2	£(0.1)m
Total Movement	£2.0m

- Priority Outcomes and Transformation – a net decrease of £0.3m, movements shown in Table 2 below.

Table 2: Movements in Priority Outcomes and Transformation Reserve 1 April 2020 to 1 April 2021

Description	Movement
One off travel underspend due to Covid 19	£0.9m
Planned draw for Modernising Back Office Systems (MBOS) - Discovery phase	£(0.6)m
Planned draw for Modernising Back Office Systems (MBOS) - PAMS	£(0.4)m
Planned draw Accessible websites and web applications	£(0.1)m
Reductions of less than £0.1m in a number of other projects/schemes	£(0.1)m
Total Movement	£(0.3)m

- 1.5 The estimated balance at 31 March 2025 is now £71.6m. Of this £21.7m relates to available strategic reserves: this position represents the known planned use for these reserves. The current reserves position is summarised in the table below.

Table 3: Summary of Reserves

	Statement of Accounts 2019/20	Full Council February 2020 (£m)	Full Council February 2021 (£m)	
			01.04.21 Estimate	Estimated Balance at 31.03.25
Earmarked Reserves:				
Held on behalf of others or statutorily ringfenced	25.0	20.3	24.1	23.0
Named Service Reserves				
Waste Reserve	14.6	9.7	16.1	5.0
Capital Programme Reserve	9.3	5.8	8.9	6.0
Insurance Reserve	6.5	5.4	5.9	5.9
Subtotal named service reserves	30.4	20.9	30.9	16.9
Strategic Reserves				
Financial Management	35.0	22.5	37.0	18.4
Priority Outcomes and Transformation	7.2	4.1	6.9	3.3
Subtotal strategic reserves	42.2	26.6	43.9	21.7
Total Earmarked Reserves	97.6	67.8	98.9	61.6
General Fund Balance	10.0	10.0	10.0	10.0
TOTAL RESERVES	107.6	77.8	108.9	71.6

- 1.6 At 1 April 2021 the estimated Earmarked Reserves are as follows:-

- 1.7 **Held on behalf of others or statutorily ringfenced** amount to £24.1m – most significantly this comprises £15.0m schools' balances which cannot legally be spent on ESCC activities, and ringfenced Public Health Reserve of £3.3m.
- 1.8 **Named Service Reserves** that are set aside to manage a specific financial risk, amount to £30.9m and comprise of a:-
- Waste Reserve – to manage financial risks relating to the waste contract and legislative change. These risks are reviewed and managed through this reserve on a 4 year rolling programme; the reserve is shown as reducing to reflect emerging risks, which include but are not limited to reduced recycle prices increasing disposal costs, reduced recycling during collection contractor transition in the next two years, and changes in law/compliance with waste regulations/contractor policy change.
 - Capital Programme Reserve – to support the Council's Capital Programme and to reduce the need to borrow, that has a consequential increase in pressure on revenue budgets. The estimated balance at 31 March 2025 is now £6.0m; this now reflects a plan to draw on the reserve over the life of the capital programme in support of expenditure on the Economic Intervention Fund and House Adaptations.
 - Insurance Reserve – this is to fund insurance liabilities that have arisen over previous years, this is based on the liability estimated by the Actuary in 2020 and other local knowledge and represents estimates that may become payable in 2020/21 and beyond.
- 1.9 **Strategic reserves** are as follows:-
- A Financial Management reserve – to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the Chief Finance Officer's (CFO) robustness statement, including the risk of the pay award being over that planned within the Medium Term Financial Plan (MTFP). It also enables wider management of the medium-term financial strategy and the investment strategy. In 2021/22 this will also include additional investment in the authorities core financial systems for the outcome of the tender exercise.
 - The Priority Outcomes and Transformation reserve – to fund the transformation programme to change, protect and improve Council services.
- 1.10 There has been a movement overall on the strategic reserves since they were last reported; The balance at 31st March 2024 of the strategic reserves was estimated to be £26.6m and is now estimated at £21.7m at 31st March 2025. The key movements in these balances are as follows:
- Financial Management reserve — a net reduction of £4.1m, movements shown in Table 4 below.

Table 4: Movements in Financial Management Reserve

Description	Movement
Draw for Pay Award 2020/21 extra 0.25%	£(0.3)m
Potential draw on reserve for deficit - per Q2 position	£(0.1)m
Revised Bid: Elections 2021/22	£0.1m
Collection Fund Adjustment	£1.1m
Modernising Back Office Systems (MBOS) Internal Implementation costs	£(4.9)m
Total Movement	£(4.1)m

- Priority Outcomes and Transformation reserve – a net reduction of £0.8m, movements shown in Table 5 below.

Table 5: Movements in Priority Outcomes and Transformation

Description	Movement
New Allocation: Home to Schools Transport Review - Adams Consultancy	£(0.3)m
New Allocation: Highways reprocurement project costs	£(0.3)m
New Allocation: Robotics and Virtual Assistants	£(0.2)m
New Allocation: Data Visualisation Catalyst	£(0.1)m
New Contribution: Additional Voluntary Contributions Scheme	£0.1m
Total Movement	£(0.8)m

- 1.11 In the recent uncertain financial, economic and political times some councils have been close to collapse as they have grappled with the challenge of delivering services within a difficult financial landscape, the considerable costs and pressures presented by COVID-19 and the unknown impact of EU Exit. That uncertainty is brought into sharp focus given the lack of clarity about what funding will be provided for councils beyond next year. It is essential that we maintain sufficient reserves to weather this period of uncertainty. It therefore continues to be a priority to, where possible, bolster the Financial Management reserve with any unused contingency once the final outturn position is known and other one-off funding.
- 1.12 Additionally it is proposed that, as in previous years, any changes to Business Rates and Collection Fund be managed through reserves. Details of the reserves summarised above can be found in the Budget Summary at Appendix 4. The Chief Finance Officer Statement on Budget Robustness follows.

2.0 Chief Finance Officer Statement on the Budget Robustness

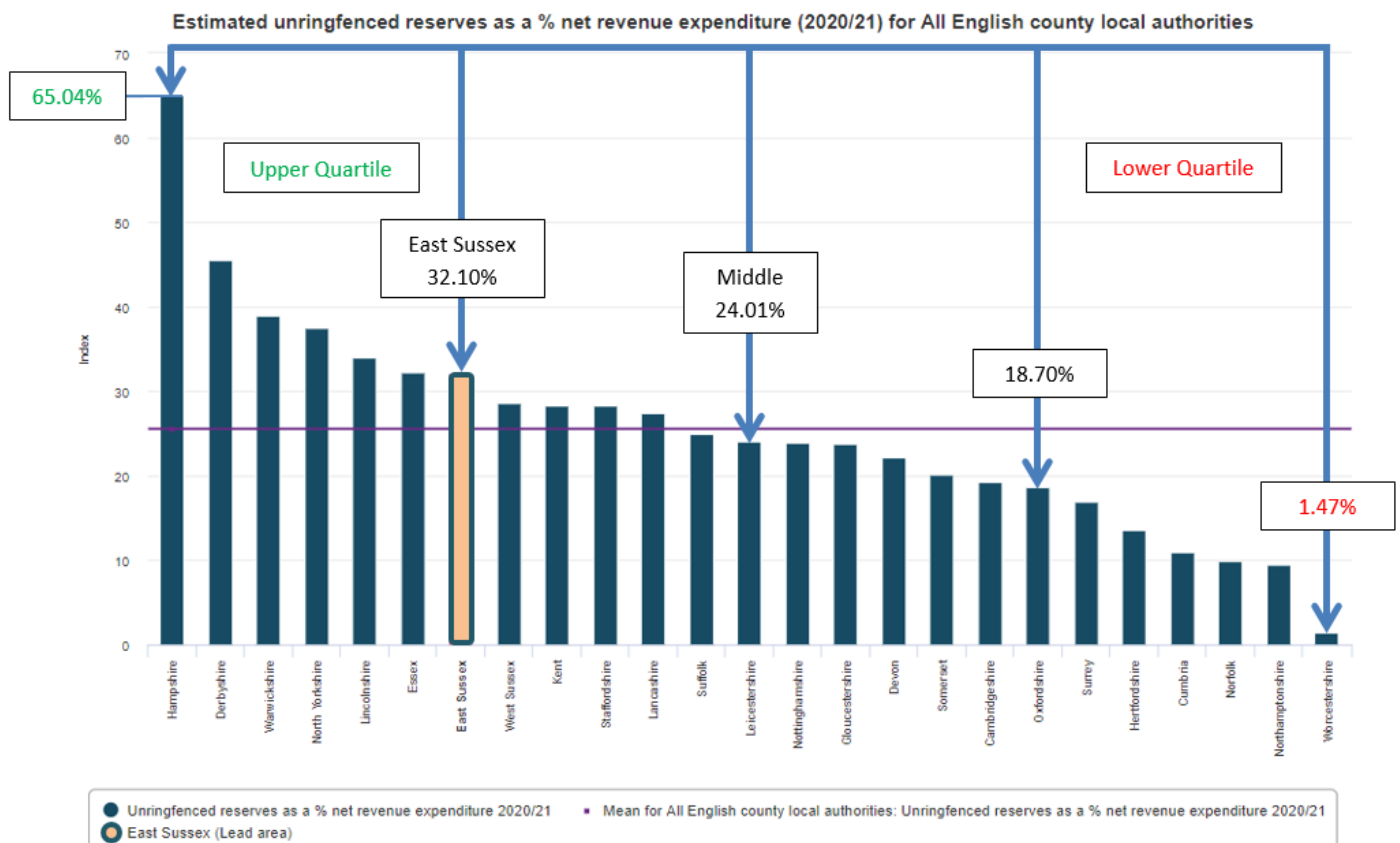
- 2.1 Section 25 of the Local Government Act 2003 places a statutory duty on the Chief Financial Officer (CFO) to review the Medium Term Financial Plan and comment upon the robustness of the budget and the adequacy of the reserves to be held by the authority when it is making the statutory calculations required to determine its Council Tax or precept. The authority is required to take this report into account when making that decision.
- 2.2 Section 26 of the Local Government Act 2003, places an onus on the CFO to ensure the authority has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

3.0 Report of the Chief Financial Officer on the robustness of the 2021/22 budget proposal.

- 3.1 It is the opinion of the CFO that the draft budget for 2021/22 is based upon a sound financial strategy that will enable the Council to deliver its proposed Council Plan successfully.
- 3.2 Both the Revenue Budget and Capital Programme have been formulated having regard to a number of factors including funding availability; risks and uncertainties; inflation; priorities; demography and service pressures. The development of the Core Offer, although not specifically about setting a balanced budget, has enabled the Council to engage nationally and locally with Government Ministers, MPs and local partners and stakeholders to set out what level of services the residents of East Sussex should expect from a well-run, financially sound authority.
- 3.3 As the development of the Council Plan and budget for 2021/22 has progressed, the position has been subject to reviews with Chief Officers, other officers and Members, including Cabinet and Scrutiny Committees. Due consideration has also been given to reconciling the over-arching financial strategy with corporate priorities and hence all the proposals have been developed as an integral part of service planning (the process known as Reconciling Policy, Performance and Resources (RPPR)).
- 3.4 **The 2021/22 draft budget is balanced** and, in finalising the draft budget, consideration has been given to unforeseen issues that could arise during the year and ensuring that those risks can be managed. The strategic risk register has been reviewed and an analysis of ESCC's financial position in the current year has been carried out, to identify direct impacts and risks that are inherent within the 2020/21 budget. Notwithstanding that the draft budget for 2021/22 is balanced, there are significant risks to the budget as the impact on residents, services and the economy of East Sussex of COVID-19 and lockdown 3 continues into 2021/22 together with the underlying pressures faced by the County Council as it strives to maintain services within its Core Offer. The County Council holds a general contingency of £4.0m within the base revenue budget to cushion the impact of unexpected events and emergencies in year. Additionally there is a sum (agreed at Full Council in February 2020) for potential additional borrowing for the capital programme of £7.5m.
- 3.5 Increasing the Council Tax will provide a more sustainable income to the Council which will help to protect services. Implementing the 1.5% Adult Social Care precept and the allowed 1.99% precept (before triggering referendum) will support and help protect services that are already under significant pressure.
- 3.6 The **Adequacy of Earmarked Reserves** has been reviewed and is considered reasonable. The approach remains to take every opportunity to increase reserves to help future proof

Council services. The strategic reserves of £21.7m remain available for smoothing the MTFP and mitigating any delayed achievement of savings, the core offer and any unforeseen events arising. In particular any financial pressures arising as a result of the ongoing pandemic that are not covered by the grant made available by the Government in 2021/22. In support of this consideration, graph 1 below shows the LGA's analysis of unringfenced reserves as a % of net revenue expenditure in 2020/21. The Council is placed at 7th out of the 25 shire counties, with reserves slightly increased to 32.1%, from 26.5% last year, of net revenue expenditure. Even after applying estimated use in 2020/21 this would still see the county at 28.9% of net revenue expenditure.

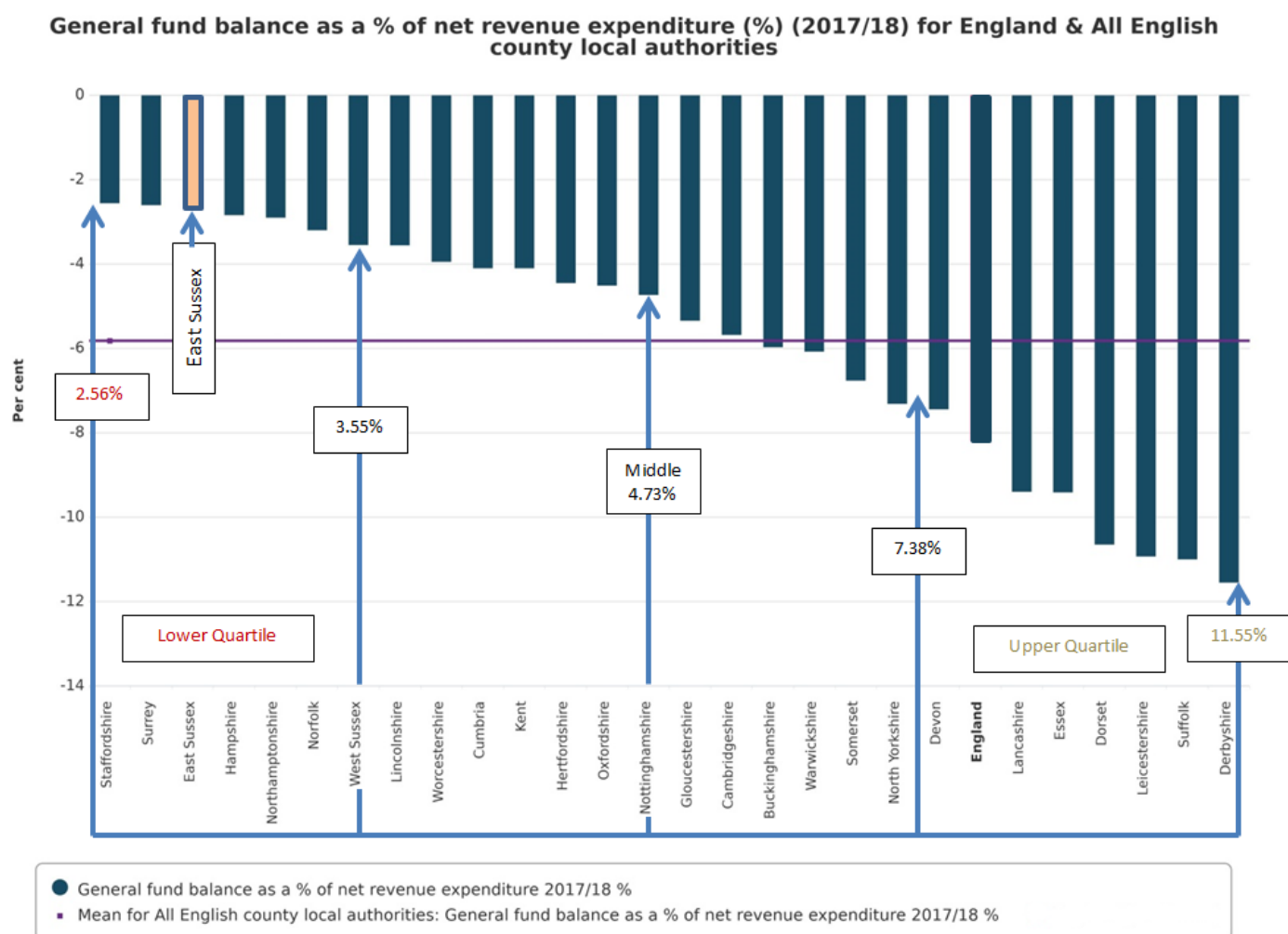
Graph 1: Unringfenced Reserves as a % of Net Revenue Expenditure 2020/21



Source:
Local Government Association

- 3.7 For the **General Fund Balance** there are two main approaches taken by Councils to determine their required minimum level: either by a straight percentage of the Council's current spending: or an assessment of risks and the impact identified risks will have on the Council's overall financial position. The Local Government Association provided benchmarking data which shows that in 2017/18, the Council was ranked 25th out of the 27 shire counties in terms of general fund balance as a % of net revenue expenditure, see Graph 2 below.

Graph 2: General Fund Balance as a % of Net Revenue Expenditure 2017/18 (latest available)



Source:
Local Government Association

Powered by LG Inform

- 3.8 The challenge is to maintain an appropriate level of reserves, whilst also mitigating the pressures faced within the MTFP.
- 3.9 To ensure the ongoing approach of maximising fees and charges they continue to be classified into three categories:
1. No scope or discretion to set fees to fully recover costs (for example, if the fees & charges are statutory, pre-set or set within a framework, there is little opportunity to change the methodology for these in order to recover more costs).
 2. May be scope to recover costs, but could be a good reason why not - for example, accepted element of subsidy, or the fee is to manage demand or shape behaviour.
 3. Opportunity to change methodologies and to recover more costs, within the constraints of what the market will allow (i.e. likely impact on demand) (could be a phased move towards this).
- Approximately 12% of the Council's fees & charges fall into category three (market led) and therefore this is a low risk area. Work however continues to ensure full recovery is targeted in this area.
- 3.10 A risk-based assessment of issues, which could have a major impact on the Council's finances, provides a flexible and responsive approach that better reflects the continuously changing environment within which Local Government has to work. This approach will take into account the type of risk, the potential magnitude of the financial risk and a judgement as to how likely the issue is to arise. Table 6 below identifies a number of the high level

risks that may have financial implications, which assist in determining the required minimum level of General Fund Balance to be retained.

Table 6: Financial Assessment of 2021/22 Risks

Risk	Potential magnitude	Estimate of potential impact	Magnitude
			£m
Growing demand for services is already impacting on service budgets particularly in Children's Services (CSD) and Adult Social Care (ASC). Service departments are forecasting a £2.2m BAU overspend in 2020/21 [Q2 position].	ASC 2021/22 budget £192.1m. CSD SEND budget for 2021/22 £11.8m.	2% increased unfunded demand	4.1
Risk that inflation on utilities and other areas where budgets were not uplifted for inflation become unmanageable within budget allocations.	Total utilities and other budget 2021/22 circa £87.2m.	3% increase in current provision.	2.6
Risk that inflation on pay is more than the contingency of 1.5% due to pressure from unions and political commitment.	Each 0.5% increase is approx. £0.7m	Between 0.5% and 2.5% additional increase	0.7 to 3.5
Delivery of the core offer is complex and plans still to be finalised. Therefore a risk exists that it will not be possible to make the planned service changes within the timeframe required.	Impact of moving to core offer is £0.9m of savings in 2021/22	20% non-achievement	0.2
Non achievement of Fees & Charges targets built into the revenue budget, due to the continuing pandemic and economic climate.	Planned Fees & Charges for 2021/22 is £68.0m.	Underachievement provision of 5%	3.4
Business Rate Revaluation and forecasting risk significantly increases risk of inaccurate forecasts.	Reduction in anticipated revenue from Business rates local share of £11.5m.	Rates collected reduces by 5%	0.6
Changes in historic weather patterns may be being the potential for adverse weather conditions which may present the Council with additional unfunded costs. The impact of weather as opposed to additional prevention cannot be quantified.	Historic winter maintenance spend is circa £1.1m.	10% increase in costs due to adverse weather	0.1
	Pressures due to unknown event impacts i.e. floods	0.5% of insurance reserve & provision	0.04
COVID-19 Ongoing impacts and implications beyond April 2021 As noted at 3.6 the strategy is to hold as much in reserve as possible to manage the risk that grants provided do not cover the ongoing costs of the pandemic.			
Impact of No Deal Brexit:			
Inflation (excl. pay award)	Inflation provided in MTFP £7.3m.	5% increase in current provision	0.4
Infrastructure (e.g. transportation links; emergency planning)	£52.4m estimated highways infrastructure expenditure	2% additional cost	1.0

	2021/22 to 2023/24		
Unexpected Costs (e.g. additional trading standards officers; waste collection; service delivery etc.)	Estimated net budget for ESCC in 2021/22 is £416.7m.	1% increase in costs	4.2

- 3.11 Taking everything into account, the General Fund Balance of £10.0m, is sufficient based on professional judgement which, given the level of risks, is a minimum general balance and remains lower proportionately than other shire counties. This is, however, considered adequate on the basis that the budget balances for 2021/22 and that, in addition, as noted at 3.4, an in-year contingency is held.
- 3.12 The MTFP provides an estimated position for the next three years, shown at Table 7.

Table 7: Medium Term Financial Plan Position

	2021/22	2022/23	2023/24
Estimated Annual Deficit / (Surplus) - non cumulative	£0.000m	£7.071m	£7.377m
Estimated Annual Deficit / (Surplus) - cumulative	£0.000m	£7.071m	£14.448m

- 3.13 We are balancing the budget for 2021/22, and although there are challenges and significant levels of uncertainty, the Council has a robust planning process and sufficient reserves, and will continue to strive towards a balanced position in 2022/23.
- 3.14 For future years work will continue to identify. In addition the effects of a number of national funding decisions will impact on the financial position, the timing of which is yet to be determined. These are significant areas of change that currently are not fully understood and cannot be fully quantified but will have potential significant financial impact, and include:-
- Changes to the Local Government finance system to pave the way for the implementation of Business Rate Retention. As part of these reforms, the main Local Government grant will be phased out and additional responsibilities devolved to Local Authorities. This will be through incorporating existing grants including Public Health (effectively ending the ring fence) and Revenue Support Grant. The new responsibilities are as yet unknown and could bring significant risks to funding, particularly if they are demand led. Business Rate Retention will sit alongside the implementation of the outcome from the fair funding review, and the Government have announced they will aim for local authorities to retain 75% of business rates. Business rates will then be redistributed according to the outcome of this new needs assessment. It is not currently possible to estimate the impact of this on the Council until further detail is provided;
 - The Comprehensive Spending Review will change the total quantum of funding to Local Government;
 - The Fair Funding Review consultation and outcome; this will be the basis of the new needs assessment upon which business rates will be redistributed;
 - The future funding of social care;
 - Impact of new Government policies;
 - Potential taxation reform; and
 - Environmental targets, including the impact of Climate Emergency.
- 3.15 The uncertainty regarding the future finance system means it is increasingly important to hold sufficient reserves to manage this unquantifiable financial risk. Therefore it continues

to be proposed that every opportunity should be taken to top up the Council's strategic reserves.

- 3.16 In addition to all these areas of uncertainty, the effects of Brexit and Covid 19 on the economy of the country, the duties the Government expects us to carry out and the workforce available to both the Council and the service providers on whom we rely, particularly in the Care Sector, remain unclear. It will be an additional factor that we need to take into account as the details of any deal and the practical realities begin to emerge.

Reserves and Balances Policy

1.0 Background

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

- 1.1 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).

2.0 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.

- 2.1 Earmarked reserves will be maintained as follows:

- priority outcomes and transformation reserve: to fund the transformation programme to change, protect and improve Council services;
- financial management reserve: to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the CFO's robustness statement, and to enable the effective management of the medium-term financial strategy and investment strategy.
- named service reserves will be held specifically for the capital programme, waste contract risk and insurance risk.
- other reserves will be held on behalf of others (e.g. Schools) and/or statutorily ring-fenced (e.g. Public Health).

- 2.2 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.

3.0 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

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

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

4.0 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.

- 4.1 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.
- 5.0 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.
- 5.1 The CFO will monitor the drawdown of specific reserves in accordance with the agreed policy, and keep Members advised.

Feedback from Engagement Exercises

1. Young people

1.1. The Chief Executive joined a meeting of the East Sussex Youth Cabinet on 8 December 2020 to discuss the County Council's budget setting process and young people's priorities for the year ahead. A presentation was delivered on the priority outcomes and factors the County Council considers in setting its budget each year, and the particular issues and trends to be considered this year as a result of the coronavirus pandemic.

1.2. A discussion followed the presentation, in which the following areas were covered:

Youth Opportunities

1.3. Youth Cabinet asked how the County Council was supporting young people impacted by the coronavirus pandemic.

1.4. ESCC was undertaking a range of work to address the impact of the pandemic on young people, including: supporting schools to ensure vulnerable young people that had missed learning in the first lockdown had the support they needed to catch up; working with Team East Sussex to deliver the East Sussex Economy Recovery Plan, which included actions to develop young people's skills and support them into employment; introducing the Kickstart Scheme to provide six month work placements for young people at risk of long-term unemployment; and taking forward the recommendations of the Sussex-wide review of emotional health and wellbeing support for children and young people.

COVID-19 Vaccine

1.5. Youth Cabinet shared their views on the vaccine, which included feeling hopeful it would bring positive change and help the most vulnerable, wanting more detailed information about its safety given the quick development and concerns that lack of trust may impact take-up.

Spending and savings decisions

1.6. Youth Cabinet asked if the Council had to make more savings in future, what areas it would consider; and if the Council had more money to spend in future, where it would prioritise?

1.7. Some savings had been planned in the Medium Term Financial Plan that may have to be taken in future to deliver a balanced budget. These were identified when we planned our Core Offer and were areas of activity beyond those that we had identified as the Council's core service offer in times of limited resources. Beyond that, the increased remote working adopted during the pandemic may translate into some ongoing savings (i.e. savings from meeting travel costs) if services could be delivered as effectively remotely in the long-term; but being so close to our Core Offer left limited other opportunities.

1.8. For any additional spending, officers would make recommendations to Members that delivered our priority outcomes and invested in prevention wherever possible, to reduce the need for services in future. Any future spending and savings decisions would be taken following engagement with stakeholders, including the Youth Cabinet.

Lobbying

1.9. Youth Cabinet had concerns that the reduction in grant funding, alongside increase in demand and new pressures arising from the pandemic would result in further pressure on restricted resources and impact services for the most vulnerable. Youth Cabinet wanted to support lobbying efforts for more sustainable funding.

1.10. Youth Cabinet were encouraged not to underestimate the power of their voice and to reach out to MPs to share any concerns that they had. Youth Cabinet would meet with West Sussex County Council Youth Cabinet to consider opportunities to jointly raise their concerns and would also meet with Baroness Deborah Steadman-Scott OBE DL (Minister of State for Department of Work and Pensions) to discuss influencing policy making and priorities of the Government.

Domestic Violence

1.11. Youth Cabinet shared that domestic violence had been identified as a top issue in the local UK Youth Parliament Ballot and wanted to understand what was being done to address the increase in domestic violence seen nationally during the coronavirus pandemic.

1.12. Responding to domestic violence was a key priority for ESCC, in line with our priority to keep vulnerable children and adults safe, and for the Safeguarding Adults Board and East Sussex Safeguarding Children's Partnership. Unfortunately, given the increase locally and nationally in reports of domestic violence in the last year, it would need to continue to be a key priority.

1.13. ESCC commissioned specialist domestic abuse services in East Sussex to deliver a pan-Sussex five year Domestic Abuse Strategy. This strategy focussed on taking a multi-agency, partnership, trauma-informed and holistic approach; and supporting children affected by domestic abuse was one of the priority areas of the strategy. The current recommissioning of the service would include a requirement to support children experiencing domestic abuse, as victims in their own right, in line with the new requirements of the Domestic Abuse Bill. Sussex Police worked closely with schools and ESCC to ensure that children and young people who experienced domestic abuse at home were supported; and sessions teaching about healthy relationships were also delivered to children in schools by the Safer East Sussex Team.

Race Equality

1.14. The Youth Cabinet asked what the Council was doing to progress towards race equality.

1.15. ESCC had taken a range of actions but also recognised the approach to progressing race equality was as important as the actions themselves. ESCC had prioritised listening to concerns and experiences of Black, Asian and Minority Ethnic (BAME) staff and residents to inform the approach.

1.16. In terms of actions taken this year, ESCC had delivered a series of staff webinars to highlight the importance of race equality and the need to ensure that our services were inclusive and addressed racism wherever we had the power to do so. For example, Children's Services had revised its guidance for schools on race equality, which the Youth Cabinet were thanked for their role in. The Council had a Corporate Equality Group, which worked closely with our BAME Staff Forum to hear their views about how we could keep working together to progress race equality. ESCC was also working with the NHS to respond to the disparities in the impact of COVID-19 on the BAME community. ESCC would continue to listen and learn before it acted to ensure that equality was at the forefront.

Environment

1.17. The Youth Cabinet asked how the Council could guarantee environmental targets were being met across the County, including by businesses.

1.18. As one of the biggest employers in East Sussex, the Council had set a five-year plan to reduce carbon emissions from its own activities. We would lead by example and support businesses to progress towards a more green and sustainable future.

Future priorities

1.19. Following the meeting, the Youth Cabinet shared that the annual 'Make Your Mark' survey had identified in East Sussex that young people's priorities were:

National issues

- Free University/ No Tuition Fees
- Support our Mental Health
- Take Action on Climate Change and End Plastic Pollution

Local issues

- Tackle Domestic Violence
- Homelessness
- Training and Jobs for Young People

1.20. The Youth Cabinet anticipated choosing one national and one local issue as its campaign priorities in January 2021.

2. Place Scrutiny Committee

2.1. The Place Scrutiny Committee RPPR Board met on 22 December 2020 to discuss the comments it wished to make to Cabinet on the draft Portfolio Plans, Medium Term Financial Plan (MTFP), Savings Plan and the announcements regarding the provisional Local Government Financial Settlement for 2021/22.

2.2. The RPPR Board made the following observations and comments:

2.3. Pothole repairs and road maintenance:

- The Government has announced a £1.7 billion fund for pothole repairs and road maintenance. The Board acknowledges that the spending of any additional funding will be prioritised in accordance with the existing asset management plans. It requests consideration is given to allocating some of the additional funding to renewing road markings in line with the recommendations of the recent scrutiny review, in order to improve road safety and traffic flows around the County.

2.4. Access to the internet:

- Access to the internet via the Library Service for those who cannot afford a connection and for rural communities through the Superfast Broadband Project has become increasingly important under the Covid-19 restrictions as people work from home more or have to apply for benefits such as Universal Credit or make online job applications. In rural areas decent broadband is also important for home education and those who have home based businesses.
- The Board considers that more emphasis should be given to the services that provide internet access to address digital exclusion (e.g. through the Library Service) and enable access to decent broadband in rural areas which supports residents and the local economy. The Broadband Project has achieved over 97% coverage for superfast broadband compared with a national average of 85%. However, reaching a target of 100% superfast broadband coverage is now more important and greater

emphasis should be given to the Broadband Project's future plans and ambition to enable all residents to get connected to faster broadband services.

2.5 Support for local businesses:

- The Board discussed the range of services and measures contained in the Portfolio Plan to support local businesses and the local economy. The Board observed that support for local businesses and the local economy is very important in the current circumstances created by the Covid-19 pandemic. The Board notes the very good work in this area and suggests that it would be beneficial to provide some additional resources to undertake more marketing of the support available for businesses.

2.6 Trading Standards:

- The Board notes the important work that the Trading Standards Team carry out to protect vulnerable people and particularly the elderly from scams. It commented that it is important that the Trading Standards Team has adequate resources to continue with existing work and meet future requirements, such as the additional demands on the service created by leaving the European Union and supporting local businesses.

2.7 Household waste disposal:

- The Board heard the savings proposed for this service in 2021/22 will largely be achieved through operational efficiency savings. The Board suggests Cabinet considers amending the description of the savings proposal and its impact in the Savings Plan to reflect this.

2.8 Future years performance targets:

- The Board observed that for a number of the performance targets in the Business Services draft Portfolio Plan, the future years targets were set below the level achieved at outturn. The Board commented that the department could consider setting more ambitious targets where appropriate.

Summary Comments to Cabinet

2.9 The Place Scrutiny Committee RPPR Board congratulates officers in putting together a budget for 2021/22 in difficult circumstances and acknowledges the uncertainty that is present in the budget setting process. The Board looks forward to receiving an updated MTFP at Cabinet in January 2021 and considers that it is important to also look at the potential impacts of Covid-19 on future budgets.

2.10 Covid-19 has accelerated a number of changes in the economy such as more home working and locally based businesses. The whole economy has shifted, and the Council will need to review the services it provides in that context. The Council needs to be sure footed and flexible to react to changes in the economy and Council Tax and Business Rate bases which will affect the Council's income.

2.11 If longer term funding arrangements ease or improve (e.g. a long term solution for Adult Social Care funding is found) the Council should be ready with the priorities for where it would like to invest in services as we recover from the impacts of Covid-19.

2.12 The Place Scrutiny Committee RPPR Board believes that the focus should be on help and support for residents and the local economy. At the heart of this will be investing in highways and support for local businesses, as well as the increasing importance of broadband and access to the internet for everyone in the community. The existing work in Economic Development, Skills and Growth; Superfast Broadband; Highways Maintenance and; Library Services all support these key service areas and should be considered for further investment should the opportunity arise.

3. People Scrutiny Committee

3.1. The People Scrutiny Committee RPPR Board met on the 17 December 2020 and agreed a number of comments and recommendations to be put on behalf of the parent committee to Cabinet for its consideration in January 2021. The information supplied to the Board to support its discussions comprised of a 2020 Spending Round briefing, the latest information regarding budget proposals and the draft portfolio plans for the Adult Social Care and Health Department and the Children's Services Department.

3.2. The comments of the People Scrutiny Committee RPPR Board are set out below:

Adult Social Care and Health

3.3. The Board welcome that no new savings are proposed for the coming year financial year but remain concerned that any further savings could lead to significant reductions in the services provided by the Adult Social Care and Health (ASCH) Department. The Board are also supportive of using the Adult Social Care 3% precept and recommend it is used over a two-year period and that the impact of the additional funding is closely monitored.

3.4. The Board also reviewed the contents of the draft Adult Social Care and Health Portfolio Plan. Key discussion points included:

- the long-term impact of reduced access to face-to-face sexual health services (caused by the need to have in place Covid-19 service model restrictions). Given its concern, the Board requested further information about the support being provided.
- with regard to the Performance Measures and Targets section of the draft portfolio plan, and in response to a query about how targets are set, the Board were provided with clarification about the Department's approach to developing targets which are challenging and realistic in the context of the pandemic.
- the scale of food poverty in the county and how the Department gathers data which enables it to understand the level of need. Given its concern about the long-term impact of food poverty, the Board requested further information about the support being provided.
- the Board are keen that new ways of working are developed in response to the challenges caused by the Covid-19 pandemic. Members therefore welcomed the department's ASCH Programme, an initiative that aims to build on the lessons learnt from responding to the pandemic and ensure new working practices which deliver improved customer service and efficiencies are embedded.

Children's Services

3.5. The Board are particularly concerned about the potential impact of planned savings and the pandemic on services provided by the Children's Services Department. This includes a concern that there may be 'hidden impacts' which may only become apparent in the medium to long term. In particular, the Board are concerned about savings relating to elements of Early Help and Safeguarding services. The Board therefore welcomed the proposal to defer for a further year savings relating to these areas of activity. However, Councillors Ungar and Webb requested that their opposition to any planned or other savings are noted in the comments to Cabinet.

3.6. The Board also reviewed the content of the draft Portfolio Plan for Children's Services and sought clarification regarding a number of issues. This included clarification

about the department's approach to helping families with the most complex needs and the reasons for considering whether to develop increased capacity at children's homes.

General comments to Cabinet

3.7. The Board expressed regret that it again had not been possible for the Council to develop budget proposals within the context of a three-year financial planning process. The Board also agreed to emphasise the importance of achieving a balanced budget which recognises the pressures on both the Adult Social Care and Health and Children's Services Departments.

3.8. In the context of the unprecedented challenges the pandemic has presented, the Board also agreed to report to Cabinet its acknowledgement of the high-quality nature and range of services provided by staff in both the Adult Social Care and Health and Children's Services Departments. The Board also commended the work of other partner organisations such as borough and district councils and the voluntary sector.

4. East Sussex Wider Strategic Partners

4.1. The Leader, Deputy Leader and Chief Officers held a virtual meeting with representatives of the Council's wider strategic partners on 8 January 2021. Participants in the meeting were from public, voluntary and private sector organisations and service user groups. 28 partner organisations were represented in the meeting and ESCC is grateful to all partners for the comments and feedback provided.

4.2. The Leader took the opportunity at the start of the session to reflect on how tremendously challenging the last year had been for all people, organisations and businesses in East Sussex. Flexible, innovative and committed partnership working had been fundamental to the success of the pandemic response so far and it would continue to be key to supporting residents, particularly the most vulnerable, through the coming challenging months.

4.3. A presentation was then given, which covered the context to this year's budget setting and the latest financial position for 2021/22. Partners were updated on how the coronavirus pandemic had changed the way the Council worked and the impact the pandemic, and accompanying economic uncertainty, was expected to have on future need for Council services. Partners were also reminded of the ongoing financial challenge generated by the need to meet demographic pressures with stretched resources. Partners were updated on how the announcements made in the Spending Review had impacted the Council's Medium Term Financial Plan (MTFP); how previously proposed savings had been reprofiled; and the Capital Programme. Partners were asked for views and feedback on what the Council should take into account in applying the ASC Levy in 2021/22 and 2022/23. The ongoing importance of joint lobbying was emphasised, to press for appropriate and sustainable resources to meet the needs of East Sussex residents. Lobbying undertaken with partners to date had helped secure additional resources and meant the Council had not needed to find additional savings for 2021/22.

4.4. After the presentation, the following questions, comments and feedback were provided by partners:

- The County Council's commitment and approach to honest and transparent partnership working was welcomed by partners, as it enabled challenging conversations to take place in a constructive way and ensured that the best possible use was made of collective resources to meet the needs of East Sussex residents.

- Partners asked whether the change to increased remote working had created opportunities for the County Council to consider sale or lease of some of its properties. ESCC was reviewing its office portfolio to consider what buildings the Council needed now, and would require in the future, to deliver services effectively and efficiently. This review would consider how the Council could embed the benefits of increased remote and digital working, while recognising that an entirely remote-working model was not possible for many services or optimal for team working and staff wellbeing. Parts of County Hall had been shut to ensure financial and emissions savings were made from reduced cleaning and heating while national COVID guidance required many staff to work from home. The Council also had a Property Asset Disposal and Investment Strategy which ensured any buildings were disposed of as soon as they were surplus, which often involved sale or lease to partners at a peppercorn rate. Council buildings that were potentially available for lease or sale were shared through the Strategic Property Asset Collaboration in East Sussex (SPACES) programme, which public and voluntary sector partners were represented on. Partners were also encouraged to contact Chief Officers directly if there were specific ESCC buildings they were interested in leasing, buying or sharing.
- It was recognised that voluntary sector partners had been highly successful in leveraging additional funding into the county to support the COVID response, but that this left those organisations in a vulnerable financial position if and when those funding streams ended.
- Clarity on savings planned for 2021/22 was sought and it was confirmed that savings attributed to the Early Help Service in 2021/22 reflected the full savings generated from the closure of children's centres and end to provision of nurseries in Bexhill in 2020, following the review of the Early Help Service. All other planned savings in the Safeguarding and Early Help services had been deferred to 2022/23 in recognition of the pressure families and communities were under. This was welcomed by partners and groups that represented parents and carers.
- Partners asked how the coronavirus pandemic had impacted demand on Children's Services and it was confirmed that the number of Looked After Children had remained relatively stable, although there had been movement in children moving in and out of the service. The Council recognised that those working with children and young people in the county had gone above and beyond to ensure their safety was maintained in the pandemic and partners were asked to convey the Council's huge gratitude to all, including parent and foster carers.
- The particular impact of the pandemic on young people and their future opportunities was noted and it was confirmed that Children's Services would continue to target its support to the most vulnerable.
- Partners asked if the Council could afford not to take any ASC Levy, or to not take the full levy in 2021/22. The decision on how to apply the ASC Levy would take a range of factors into account, including the financial pressures facing residents this year; that prudent planning and decisions taken to date meant we did not necessarily need to take the full levy in 2021/22; but that there was a need to safeguard social care services given future funding uncertainty, anticipated additional pressures arising from the pandemic and large gaps projected in future years of the MTFP.
- The very significant pressures the whole health and social care system was currently under in responding to the second wave of coronavirus cases was noted and would need to be factored into planning alongside longer term demographic pressures.

4.5. Partners were encouraged to contact the Leader, Deputy Leader or Chief Officers if they wished to any make further comments on the budget following the meeting.

5. Trade union representatives

5.1. A meeting was held with trade union representatives on 20 January 2021 to consult on the Council's draft Council Plan and budget proposals for 2021/22.

5.2. The Leader of the Council opened the meeting and thanked the trade unions, and the staff they represent, for their hard work over the last year keeping services running in the face of the coronavirus pandemic. The Leader explained that the financial position this year was less challenging than previously. This was because lobbying by the Council with its partners across the sector had led to Government announcing additional grant funding and Council Tax flexibilities in the Spending Review in November. These provisions, combined with some savings planned in the Medium Term Financial Plan, had allowed the Council to balance its budget this year.

5.3. The Leader said the decision as to whether to increase Council Tax this year would not be taken lightly and the Council was very aware of the challenging times facing residents. The Council, however, continued to face significant uncertainty beyond next year and funding raised from Council Tax and the Adult Social Care (ASC) Levy would allow the Council to safeguard social care services where there were significant pressures. The Leader pledged to continue to lobby the Government strongly to deliver a sustainable funding settlement for local government, and for social care in particular, in the longer-term.

5.4. The Assistant Chief Executive outlined the budget proposals to be considered by the Cabinet and the detail of the provisions made in the Spending Review that enabled officers to present a balanced budget this year. These included £2.5m additional one-off social care grant funding; estimated £1m compensation for 75% of irrecoverable Council Tax and Business Rates in 2020/21, lost as a result of Covid-19; £2.6m in Council Tax Support Grant to support households unable to afford Council Tax payments next year; and £4.5m generated through a proposed 1.5% Adult Social Care Council Tax precept. The precept was in addition to a 1.99% increase in Council Tax, meaning the planned council tax increase for 2021/22 was 3.49%. Savings of £864k were also required but it had been possible to defer some planned savings in Children's Social Care (in the family key work and safeguarding services) due to the additional funding settlement and in recognition of the pressure families were under as a result of the pandemic.

Lobbying

5.5. Trade union representatives welcomed the lobbying undertaken over the past year by the Council and asked for further details about it.

5.6. The Leader had written on behalf of the Council to the Chancellor and Secretary of State for Housing, Communities and Local Government about funding needs. The Council also contributed to national lobbying via the County Councils Network (CCN), the Local Government Association and with partners in the South East. Lobbying on funding focussed on the need for a sustainable long term funding settlement, recognising the uncertainty created by Covid-19 had made that difficult for Government to deliver this year.

5.7. The Lead Member for Education and Inclusion, Special Educational Needs and Disabilities added that extensive lobbying of MPs had taken place, and the frequency of meetings with MPs had increased during the pandemic. Members who were also Members of district and borough councils were also lobbying via the District Council Network. The Director of Children's Services confirmed lobbying of the Department for Education on issues impacting East Sussex children and families took place through the CCN, as the

Leader was the Chair of their Children and Young People's Board; and through officer groups such as the Association of Directors of Children's Services.

Health and social care integration

5.8. Trade union representatives asked for an update on health and social care integration work in East Sussex and for further detail on the reset of activities referred to in the Cabinet report.

5.9. The Director of Adult Social Care explained that the integration programme had not progressed as expected this year due to the pandemic but that the significant progress achieved in the several years the programme had been running had put the whole health and social care system in a strong position for responding to the pandemic. It had helped the Council continue to flexibly and effectively deliver services, for example, through the integrated community services teams comprising district nurses and social care workers.

5.10. The reset of plans for integration during 2021/22 included undertaking those activities originally planned for 2020/21, such as greater care coordination; further locality team integration, including developing stronger links with Primary Care Networks (PCNs); and shared access to a single data source but informed by the lessons learned from Covid-19 to ensure we built on progress made during the response. The integration programme would also take into account the proposals in the NHS England consultation document on the structure of Integrated Care Systems.

Early Help and Safeguarding Services

5.11. Trade union representatives asked for more detail on the Early Help and Safeguarding Services savings planned over the Medium Term Financial Plan.

5.12. The Director of Children's Services explained that the savings for 2021/22 were generated by the decision taken in 2019/20, following a review of the Early Help Service, to cease running services from 10 Children's Centres and two nurseries. The two nurseries were closed on 31st December 2020, so the effect of those savings would be realised during 2021/22, as they had run for a portion of 2020/21.

5.13. The Director explained that the 2022/23 savings for the Safeguarding and Early Help services included the reduction of family group conferences services; reduction in specialist drug and alcohol assessment teams; and reduction in the family key work service. These were savings identified for an earlier iteration of the Medium Term Financial Plan but had been able to be deferred repeatedly due to additional one-off funding received each year. The ability to do so again this year was very positive as the savings would have a significant impact. The need to take the savings in future was dependent on whether the Council received a fair funding settlement that adequately reflected pressures on Children's Services and our lobbying would continue to press for that.

Council Tax

5.14. Trade union representatives had concerns about the impact of an increase in Council Tax, particularly as East Sussex already had high rates, and asked how the planned increase in East Sussex compared to elsewhere in the country. Trade unions also suggested the Council should work to increase residents' awareness of why Council Tax increases were necessary.

5.15. The Leader said that a number of factors had been considered by officers in making the recommendation of a 3.49% total increase. The Council was very conscious of the huge burdens facing residents and due to prudent decisions in the past and success with lobbying, it was not necessary to recommend taking the full 3% ASC Levy this year, which

would have meant a 4.99% increase. The Leader agreed it was important to try to increase awareness that Council Tax increases were necessary to fund pressures in adults and children's social care, and thereby did not fund an increase in the universal service offer; but that it was a challenging situation to communicate as the majority of residents did not come into contact with social care services so were not familiar with the work the Council spent the majority of its budget on.

5.16. The Leader confirmed the comparison tables of councils' Council Tax levels would be published once local authorities' budgets were set. However, the Leader knew that ESCC's planned increase was below those proposed by most of our regional neighbours, who planned to take the full 3% ASC Levy increase in 2021/22.

Savings

5.17. Trade union representatives welcomed the stable position the Council was in this year but acknowledged there were still savings to be made, including in delivering the Keep Sustainability Plan and that the decision to reduce hours there could create a need for redundancies. Further detail was also requested on the savings proposed for Trading Standards in 2022/23 and 2023/24.

5.18. The Director of Communities, Economy and Transport confirmed that every effort would be made to minimise redundancies following the reduction in opening hours at the Keep. The Trading Standards savings would involve a reduction in the more routine inspections and preventative work of the team. The service would continue to fulfil its statutory role to keep people safe through high risk food sampling and animal health disease control.

Climate Change

5.19. Trade union representatives asked whether the Council could have gone further to address climate change with its budget proposals, particularly with more investment in cycle paths and public walkways given the health benefits they can also have to residents.

5.20. The Leader and Director of Communities, Economy and Transport responded that the Council knew the Climate Change response was a hugely important part of its work and that there needed to be cross-Council consideration of the way all decisions and activities impacted our ambitions to reduce carbon emissions.

5.21. The Director of Communities, Economy and Transport said that the Council was clear on its ambitions, having declared a Climate Emergency; and the Transport for South East Sub-National Transport Body, which was chaired by the Leader, had set out a plan for net carbon neutral transport across the South East by 2050. The Director agreed efforts to increase cycling and walking was an important part of tackling climate change as the Council could affect action on climate change in three main ways – via reducing emissions from the Council estate, developing greener transport infrastructure, and by encouraging people to adopt greener behaviours.

5.22 The Director outlined the range of specific work the Council was doing to tackle climate change, including:

- Work to reduce carbon emissions from, and make improvements to, its own estate; including being one of the first councils to install electric charging points for its pool fleet at County Hall.
- Cabinet would consider a scrutiny report on 26 January with a series of recommendations on how it could reduce its carbon emissions from its own activities.

- Cabinet would consider a scrutiny report on 26 January with a series of recommendations on how it could reduce its carbon emissions from its own activities.
- Making ongoing investments in improving walking and cycling infrastructure as part of its capital programme; and developing a Local Walking and Cycling Investment Plan to enable bids for a share of the £2bn Government capital funding for cycling and walking infrastructure.
- Using the Local Transport Plan to influence people's behaviour through the promotion of cycling and walking and public transport; and
- Using its convening power to encourage greener decisions and behaviours among residents.

Divestment

5.23 The trade union representatives asked for an update on County Council plans for divestment from fossil fuels.

5.24 The Chief Finance Officer confirmed a report with an update on the position of the East Sussex Pension Fund would be reported to the 1st March Pension Committee.

Future Years

5.25 Trade union and County Council representatives concluded by acknowledging what a challenging year it had been for staff and that the ongoing uncertainty in funding for local government added to challenges for teams and staff. The Leader thanked trade unions for their work to support staff and all agreed that open and early communication would continue to be important for managing the challenges that would be faced in the years ahead.

6 Business Representatives

6.22 The Leader, Deputy Leader and Lead Member for Economy, supported by officers, held a remote meeting with business and culture representatives on 25 January to consult on the Council's budget proposals and draft Council Plan for 2021/22. The Chief Executive and Chief Finance Officer delivered a presentation on the policy context and latest economic intelligence informing the proposals; the Council's plans to support economic recovery and development in 2021/22; and revenue and capital spending proposals.

6.23 Following the presentation, the Lead Member for Economy commented that while data included in the presentation, on the increase in unemployment support claimants since March 2020 and the number of local jobs supported by Government schemes, gave real cause for concern; the Team East Sussex Economy Recovery Plan had been developed at pace, incorporating feedback from over 70 stakeholders, and was already helping to bring additional investment into the county to address the range of challenges and opportunities brought by the pandemic. The strength of partnership work through Skills East Sussex also put us in a strong position to ensure residents and businesses had access to the training and skills needed for recovery.

6.24 A discussion followed, in which business and culture representatives welcomed the Council setting a balanced and stable budget in a time of such uncertainty. The following issues were also discussed:

Capital Spending

- The Chief Finance Officer explained that the Treasury Management line in the Medium Term Financial Plan, in part, represented the revenue costs of the borrowing required to

support the capital programme. The proposed increase in budget beyond 2021/22 reflected the potential for additional need to borrow to fund the programme in future years. The Chief Finance Officer also confirmed that the budget summary 2021/22 was in draft so all figures represented a point in time and a final version would be published when the final Local Government Finance Settlement had been received and the budget had been approved by Full Council.

Coronavirus - Government support to businesses

- Business and culture representatives echoed concerns outlined at the start of the session about the potential for a significant increase in unemployment following the end of the Government's coronavirus employment support schemes, which were supporting just over 40,000 jobs in the county at the end of October 2020. This was equivalent to 13% of the East Sussex working-age population. Business representatives also fed back anecdotal reports that a number of local businesses were just managing to stay afloat, and only with the support provided by Government. Business and culture representatives acknowledged that the risk of job losses arising from the end of Government support schemes would be replicated across the country and there was a limit to what could be done locally to intervene. Instead, representatives encouraged the County Council to take all opportunities to press for Government to continue financial support to businesses, particularly in hospitality and the visitor economy, for as long as it possibly could, to see businesses through to a time when they could generate income again. Further interventions on a similar scale to the grants made at the start of the pandemic would make a real difference.
- The particularly challenging outlook facing businesses in the visitor economy was recognised by all. Government understood the impact of restrictions on the sector and emergency grants had been provided in response. It was noted there may be opportunities to improve the agility and effectiveness of those and the Council would work with business and culture representatives to amplify feedback on what support was effective and what could be improved. Pan-Sussex work focussed on the longer-term recovery of the sector was also underway and would work to raise the profile of the offer of all parts of the visitor economy with a strong pan-Sussex brand. The need to not mix this branding with the distinct offer of East Sussex as a business location was also noted.

UK Shared Prosperity and Levelling Up Funds

- The basis for allocations of the UK Shared Prosperity Fund (UKSPF) and Levelling Up Fund were discussed. The Assistant Director for Economy fed back that the UKSPF was expected to be allocated on the basis of evidenced need to increase prosperity, using indicators that may assess relative economic performance and/or levels of deprivation, which indicated East Sussex would qualify for funding to address some of the long-term challenges faced in the local economy.
- Business representatives noted there had been signals that areas in the South East would struggle to secure funding from the Levelling Up Fund, as it was expected to be targeted towards northern regions. The Leader said that Ministers did recognise there was a need for 'levelling up' across the country, not just in the Midlands and the North, and Assistant Director of Economy expected that, provided business leaders and the Council could continue to work together to develop strong proposals for investment based on evidenced delivery of jobs and growth, we should be able to attract funding from both funds.

Business Rates

- Business representatives asked what contingency the County Council had in place for a potentially significant reduction in business rates collection as a result of the pandemic. The Chief Finance Officer explained that Borough and District Councils dealt with collection of business rates and on the basis of their projections, we had factored a reduction of 5% into our projected collection for 2021/22. Should the reduction in collection be greater than the 5% projected, the County Council had some limited financial reserves as some further contingency. The latest Spending Review had also confirmed that councils would be reimbursed up to 75% of business rates losses incurred in 2020/21 as a result of the pandemic. All recognised the need for broader reform of business rates, to address irregularities produced by the system, and better capture the value generated by non-property based businesses.

Broadband

- Business representatives asked what plans the Council had for further investment in broadband, given residents' and businesses' increased reliance on reliable and fast broadband to work remotely. The Lead Member for Economy confirmed that the e-Sussex project had thus far enabled 97.5% of East Sussex premises to access superfast broadband and that capital funding had been allocated in 2021/22 to work to extend this to as close to 100% of premises as possible. The Lead Member for Economy also actively lobbied for the engineering flexibilities that would enable the project to deliver on its goal.

Coronavirus pandemic – opportunities

- Business and County Council representatives agreed that while the potential impact of the pandemic on local business and employment was a huge concern, the pandemic had also increased prosperity in some sectors and the opportunity for business and jobs growth. Business representatives noted that increases in unemployment had traditionally driven an increase in start-up businesses and this trend was already being seen locally with start-ups increasing by a third. Grants to support this increase in innovation and enterprising activity would therefore also be an important part of plans for recovery.
- The extent to which the pandemic, and shift to remote working, had driven a trend of businesses moving out of areas they were previously concentrated, such as London and Brighton, to areas of East Sussex was discussed. The Lead Member for Economy and Assistant Director for Economy confirmed that there had been a positive trend in uptake of business spaces in parts of East Sussex, although the extent to which that could be attributed to the pandemic was unclear. There were currently no empty commercial spaces in Newhaven or Rye, which had not traditionally been the case, indicating strong business growth and commercial activity in those areas, enabled by investment in broadband infrastructure. Business representatives emphasised a need for B1 class development across the county to accommodate this growth, primarily of industrial and flexible small business spaces, rather than large office developments. While there had previously been some debate as to whether this development was economically viable in East Sussex, the lack of empty commercial space indicated there was demand and need for it.

6.25 The Leader concluded the meeting by thanking business and culture representatives for their comments and engagement. The Leader also thanked representatives for their ongoing dedication to working in partnership to support the development of the local economy which would be fundamental to the success of a strong recovery. Representatives were encouraged to send any further comments or questions to the Leader or Chief Executive.

Appendix 9(a): Capital Programme 2020-21 to 2029-30 and Capital Strategy

1. Background

- 1.1 Through the Reconciling Policy Performance and Resources (RPPR) process the capital programme is reviewed and monitored annually to ensure that it supports the Council's Core Offer and departmental service strategies; either providing for basic need or via strategic investments demonstrating benefit to the Council.
- 1.2 At full council in February 2020 the target led basic need capital strategy of 20 years, supported by a 10 year planned capital programme, was approved. The planned capital programme 2020/21 to 2029/30 reported as part of the State of the County Report in July 2020, had a total programme expenditure of £570.3m.
- 1.3 The capital programme focusses on the delivery of targeted basic need to enable the Council to continue to deliver services as efficiently as possible. Basic need for the purposes of the capital programme is:
- Place: ensuring we meet future need;
 - Asset Condition: maintaining our assets to an agreed level;
 - ICT Strategy: ensure that our ICT is fit for purpose for delivering modern council services in a digital era and protecting data.
- 1.4 Investment beyond basic need, including asset enhancements and strategic investments will be considered separately via business cases. Business cases should support organisational strategic direction. Payback will be expected as agreed in the Business Case and will annually be used to reduce the borrowing requirement as part of affordability management. As such these will not be included in the capital programme until their overall impact, including funding implications, have been assessed and approved.

2. Capital Programme Update

- 2.1 Table 1 below summarises the movements to the approved capital programme since State of the County in July 2020. Noting that the first 3 years of the programme over the MTFP (Medium Term Financial Plan) period, to 2022/23, are approved, and this years' RPPR process will add 2023/24. Whilst the remaining years to 2029/30 are indicative to represent the longer-term planning for capital investment. The capital programme has not been extended by a further year due to the current uncertainty around future government funding.

Table 1 - Capital Programme (gross) movements (£m)	2020/21	MTFP Programme			2024/25 to 2029/30	Total
		2021/22	2022/23	2023/24		
Approved programme at July 2020	96.889	69.391	59.285	51.688	293.076	570.329
Programme Refresh (see 2.3)	(23.571)	17.105	1.753	1.034	3.679	0.000
Projected over / (under) spend (see 2.4)	(0.207)	-	-	-	-	(0.207)
House Adaptations added year (see 2.4)	-	-	-	0.100	-	0.100
Approved Variations (net nil) (see 2.6)	5.624	5.589	4.543	-	-	15.756
Total Programme	78.735	92.085	65.581	52.822	296.755	585.978

- 2.2 As part of the RPPR process, Service Finance and Departmental Capital Teams have completed a capital programme refresh, re-profiling their programmes and schemes as accurately as possible based on current knowledge held. The impact of Covid-19 on the programme is being reported as part of the capital monitoring process, with any slippage and/or spend in advance included as part of the Q2 refresh process (plus any subsequent updates from services for quarter 2.5), and are reflected in the table below. The detailed proposed programme is provided at Appendix 4.
- 2.3 The re-profiling of programmes and schemes includes £23.6m net slippage in 2020/21. This comprises of £15.7m net slippage (of which £13.9m is COVID-19 related) that relates to the South East Local Enterprise Partnership (LEP) schemes being delivered by, or in partnership with others, where those organisations control the timetable; and £7.9m net slippage (of which £5.6m is COVID-19 related) relating to schemes within the Council's control.
- 2.4 The £0.2m underspend relates to Parking Ticket Machine Renewals and House Adaptations for Disabled Children's Carers Homes, both are funded from reserves and therefore have a net nil impact on the overall programme. When the 10 year capital programme was set, Council approved that House Adaptation budgets would be set to be reflective of demand rather than representing a budget allocation that continuously slips, and be funded by contributions from reserve having net nil impact on the programme.
- 2.5 Within the programme there are a number of overspends relating to the Covid-19 pandemic. Should mitigations within programmes not be forthcoming it is proposed that in order to maintain the integrity of the basic need targets set, any overspend be funded by, in the first instance any of the remaining COVID-19 tranche 1-4 funding from Government. Or, as reported at February 2020, a capital risk provision of £7.5m is held. This risk provision is a permission to borrow for emerging risks and is managed through ensuring Treasury Management capacity rather than representing funds that are within the Council's accounts. If utilised to fund COVID-19 overspend it would, therefore, require additional borrowing.
- 2.6 The approved variations to the programme relate to fully funded schemes having net nil impact on the capital programme, totalling net £15.8m as follows:

Table 2: Approved Variations	Value (£'m)
Emergency Active Travel Fund Tranche 1	0.535
Schools Condition Allocation additional grant	1.850
Strategic Investment for Utilising Automation to Support Core Officer	0.132
Robertsbridge - Revised Business Case	0.855
Robertsbridge – Building Maintenance transfer	(0.300)
Lansdowne Secure Unit – cost increase (Specific funding to be confirmed)	0.849
SALIX Scheme – increased loan offer	0.157
Net LEP Schemes increase	6.393
Hailsham HWRS – increased S106	0.053
Modernising Back Office Systems (MBOS) – Internal Implementation Costs	5.232
Total gross increase	15.756

- 2.7 The capital budget allocation for Special Education Need provision is £3.2m over the MTFP period. Work is ongoing to identify priority provision in accordance with Basic Need and Core Offer requirements and taking into account place planning estimates. It is anticipated that the current funding allocation will not be sufficient to deliver all the priorities currently identified. The DfE (Department for Education) have provided local authorities with Special Provision funding between 2018/19 and 2020/21 to make capital investment in the provision for pupils with special educational needs. There have been no announcements made on future capital funding, however, future funding may be made available from the DfE in recognition that this continues to be an area of pressure for local authorities.

- 2.8 The capital programme provides for the need for additional school places in areas driven by demand as a result of developments, migration and birth rates as a basic need requirement. The level of investment in the programme provides for current estimated places, including the provision of temporary accommodation where required, supported by an estimated level of government grant. There is therefore a risk that grant reduces and place requirements increase. Due to the potential significance of these risks a risk factor was applied to the programme from 2020/21 onwards to manage these risks.
- 2.9 Cabinet on 23 June 2020 considered a report on Modernising Back Office Systems (MBOS) and approved the procurement for a Software-as-a-Service (SaaS) solution to replace the current system for Finance, HR and Procurement. The approved variation of £5.2m detailed at paragraph 2.6 relates to the forecasted internal implementation costs of the project, to be funded from use of reserves and therefore having a net nil impact on the overall programme. The external implementation contract cost of the new system will be determined as part of the procurement process and the budget requirement will be reflected in the capital programme in accordance with the capital variation process. The Financial Management reserve includes provision for additional investment required in the authorities core financial systems as detailed in the Reserves and Robustness Statement at Appendix 7.

3. Funding Updates

- 3.1 Table 3 provides an updated funding position. Updates reflect approved variations, the programme refresh and other funding updates detailed below.

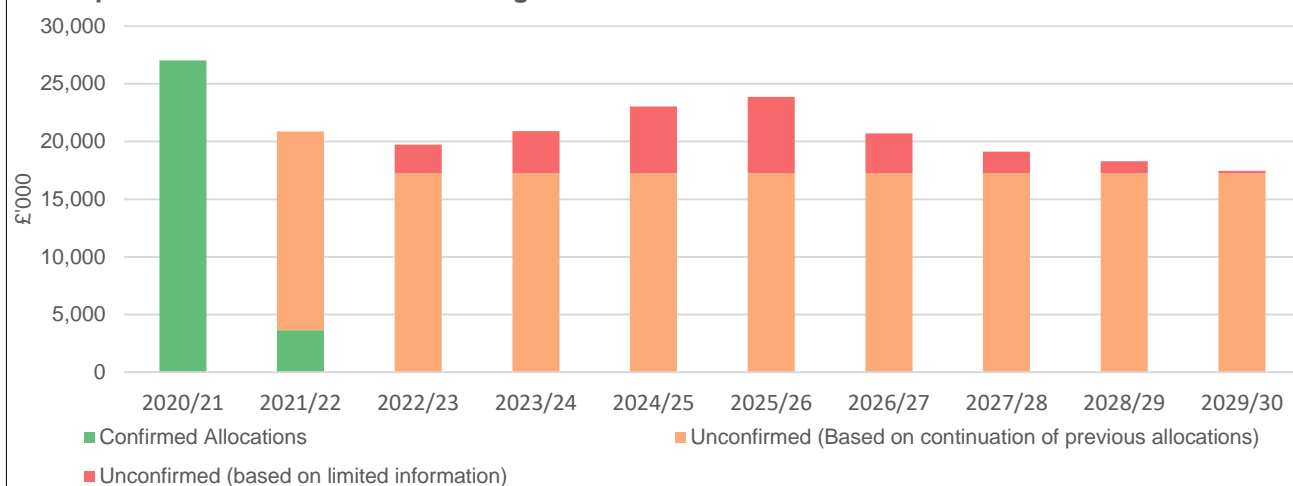
Table 3 - Capital Programme Funding Update (£m)	2020/21	MTFP Programme			2024/25 to 2029/30	Total
		2021/22	2022/23	2023/24		
Gross Expenditure	78.735	92.085	65.581	52.822	296.755	585.978
Specific Funding	(16.203)	(19.272)	(6.825)	(0.350)	(2.100)	(44.750)
Section 106 & CIL (identified and target)	(6.528)	(6.712)	(1.602)	(3.516)	(23.447)	(41.805)
Capital Receipts	(1.809)	(6.866)	(4.658)	(5.695)	-	(19.028)
Formula Grants	(27.007)	(20.869)	(19.737)	(20.895)	(122.411)	(210.919)
New Homes Bonus	(0.767)	-	-	-	-	(0.767)
Reserves and Revenue set aside	(5.919)	(5.846)	(8.226)	(8.344)	(12.511)	(40.846)
Borrowing	(20.502)	(32.520)	(24.533)	(14.022)	(136.286)	(227.863)
Total Funding	(78.735)	(92.085)	(65.581)	(52.822)	(296.755)	(585.978)

- 3.2 **Specific Funding:** The approved programme is supported by £44.8m of scheme specific grants and external funding which is sourced and managed by services at a project level, in the main comprising of LEP funding; grants for Broadband project, Salix contributions to support energy efficiency measures and Devolved Formula Capital grant toward schools delegated capital works. The level of this specific funding is shown at a departmental level at Appendix 4. Specific funding from the DfE to fund increased costs at Lansdowne secure unit to the value of £0.8m is currently subject to confirmation and therefore at risk of requiring additional borrowing.
- 3.3 **Section 106 (S106) & Community Infrastructure Levy (CIL):** The capital programme reported as part of the State of the County 2020 included a total of £41.8m of S106 and CIL funding, of which £13.4m was identified as applied to specific schemes, and an additional £28.4m targeted over the ten year programme. Work is ongoing through the S106 and CIL Working Group to

maximise specific sums that can be allocated to projects / programmes. This has resulted in an approximately £4.7m of additional specific S106 being identified towards the targets that can be applied to the capital programme and reduce the targeted amount. In addition, a bid for additional CIL funding of £0.7m has been approved by Lewes District Council towards Seahaven Academy.

- 3.4 The government published the Planning for the Future White Paper in August 2020, proposing reform of the planning system in England. One of the proposals is to replace S106 and CIL with a national Infrastructure Levy. The Government acknowledge that this may impact on the ability to get new and improved infrastructure in place before developments are occupied and therefore suggest that councils consider forward funding the necessary infrastructure improvements. Should this happen, it would pose uncertainty and risk to funding assumptions and potentially an increased burden for the Council in providing crucial infrastructure investment. This will continue to be reviewed as part of the CIL and S106 Working Group and any necessary updates reported through the RPPR process.
- 3.5 **Capital Receipts:** Property Services hold a schedule of capital receipts available to support the capital programme, which is reviewed regularly and estimates are based on Property Officers' professional judgement on a site by site basis. There have been minor changes to the anticipated value of receipts since previously reported and the profile has been updated to reflect some delays in light of market conditions as a result of the Covid-19 pandemic.
- 3.6 The Council also holds a number of assets that would generate Valuing People's Needs (VPN) receipts from disposal. These relate to properties granted to the Council by the NHS for the provision of accommodation for clients with a learning disability. A condition of the property grant is that capital receipts are ring-fenced to future Learning Disability developments. Such developments are beyond basic need and therefore require a business case to be approved for inclusion in the capital programme; as such, future VPN capital receipts are not included in the estimated capital receipt figure. They will be brought into the capital programme to support business cases that are in line with NHS outcomes.
- 3.7 **Formula Grants:** The capital programme is supported by £210.9m of non-specific formula grants, which represents 36% of the total programme funding. Ahead of further government announcements and decisions there are no further material updates to the overall funding position with regards to Formula Grants. There continues to be considerable risk in relation to these grants with 85% of the value assumed remaining unconfirmed and being based on current levels and formula projections. The one-year Spending Review (SR) on 25 November set government department's revenue and capital budgets for 2021/22 only. Details of the 2021/22 formula grant allocations to local authorities are still to be announced and therefore we continue to have no certainty over future years capital grants.
- 3.8 The graph below provides a risk rating of formula grants assumed within the capital programme financing. This shows the increasing uncertainty and risks over the medium and long term. If actual grant settlements are lower than assumed, then the core programme basic need targets will be reviewed before consideration of additional borrowing as part of the capital risk provision (see 3.14).

Graph 1 - Formula Grants RAG Rating



- 3.9 **New Homes Bonus:** New Homes Bonus is a (non-specific) grant given by Central Government to Councils based on the number of homes build or brought back into habitation in the previous year. From 2021/22 onwards the New Homes Bonus grant will be retained in revenue rather than transferred to fund the capital programme.
- 3.10 **Reserves and Revenue Set Aside:** The Council can use revenue resources to fund capital projects, where these have been approved as part of the budget setting process or an approved business case. This includes specific reserves, payback from invest to save schemes and revenue contributions (CERA).
- 3.11 **Borrowing:** The updated capital programme has a borrowing requirement for the period 2020/21 to 2029/30 of £227.9m, which represents 39% of the total programme funding. This is a reduction of £0.9m compared to that reported in the State of the County report of £228.8m. The Capital Strategy seeks to maximise the application of other funding sources in order to reduce the council's borrowing requirement which has a long term revenue implication.
- 3.12 Borrowing can be applied to basic need expectations where government grants and other external funding is not sufficient to meet approved targets. For example, of the £227.9m overall programme borrowing, £67.3m (11% of total programme funding) is required to fund Highways Structural Maintenance basic need targets above government grant funding.
- 3.13 Current Treasury Management modelling has estimated, that for every £10m borrowed, there would be an associated revenue cost of £0.385m per annum over the current MTFP period (assuming a 30 year asset life). Following the Spending Review announcement on 25 November, the Public Works Loan Board (PWLb) have lowered borrowing rates by 100bps for all new Standard Rate and Certainty Rate Loans, bring rates back down to levels before an increase in October 2019.
- 3.14 **Capital Risk Provision:** The capital programme has been set with a Capital Risk Provision of £7.5m, which represents approximately 2.6% of the programme up to 2023/24. While capacity within borrowing arrangements is ensured through Treasury Management for this provision, no borrowing for this is planned to be undertaken currently. These are not funds that are in the Council's accounts, but a permission to borrow to meet unfunded pressures that may arise.
- 3.15 There are a number of risks and uncertainties regarding the programme to 2023/24 and beyond which have necessitated holding a risk provision, these risks include:
- Inflationary pressures on construction costs;
 - Uncertainty about delivery of projects in the programme, e.g. highways and infrastructure requirements;

- Any as yet unquantifiable impact of supply issues and cost increases associated to Brexit and Covid-19;
- Any as yet unknown requirements;
- Residual project provision (previously removed) if required; and
- Uncertainty regarding the level of government grants and the ability to meet CIL and S106 targets.

Capital Strategic Asset Board (CSAB) have reviewed the need for an additional provision for inflation risks in the current programme and it is considered that the level of risk provision remains reasonable given inflation levels already built into the planned programme.

4. Capital Strategy Update

- 4.1 In 2017, the CIPFA (Chartered Institute of Public Finance and Accountancy) Prudential Code was revised and included the requirement for Local Authorities to produce a Capital Strategy. The Council's current Capital Strategy covers the period 2020/21 to 2040/41 and was approved as part of RPPR 2020/21. The Capital Strategy has been updated as part of the 2021/22 RPPR process to reflect emerging risks, principles and corporate priorities, following a review of the requirements of the CIPFA Prudential Code, and informed by discussions at CSAB. The updated Capital Strategy can be found at **Appendix 9(c)**.
- 4.2 Updates to the Capital Strategy include the emerging relevance of Environmental, Social and Governance (ESG) considerations, particularly in relation to climate change, and how the capital programme can support the council's aims through the RPPR process. This has been informed by the council's Climate Emergency Action Plan in June 2020 and subsequent Place Scrutiny Committee scrutiny review of Becoming a Carbon Neutral Council (due to be reported to Full Council in February 2021), which sets a direction of travel for the Council in its ambition to become carbon neutral.

5. Other Corporate Strategies for Consideration

- 5.1 **Treasury Management Strategy:** The proposed capital programme investment has consideration directly to the Treasury Management Strategy. A specific model developed for this purpose continues to be used and updated to remain current. Any borrowing required is within the limits set by the Treasury Management Strategy, which sets out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy.
- 5.2 Should there be any unused underspend on Treasury Management in 2020/21, after the impact of Covid-19 and outturn on service budgets is managed, it is proposed, as is normal policy and practice, that this would be used to reduce borrowing for basic need. This will help provide for a sustainable programme and provide for future years investment need.
- 5.2 **Property Asset Disposal and Investment Strategy:** At State of the County 2017 it was agreed to set some money aside in the Financing Reserve to help realise returns in future years through support for investment and/or for reduced borrowing in the capital programme. The Property Asset Disposal and Investment Strategy was approved at Cabinet on 24 April 2018. Opportunities will continue to be considered that align with the priorities within the strategy which can now be facilitated by the use of some of these funds to bring forward the development of potential investment sites. Updates will be provided to this through the RPPR process as necessary.

6. Conclusion

- 6.1 It is recommended that updates to the Capital Strategy to 2040/41 are approved, based on target driven basic need, which supports the Council's Core Offer and wider service strategies adopted. In support of the Capital Strategy, it is also recommended that the capital programme to 2029/30 as presented is adopted, with the first 3 years of the programme to 2023/24 over the MTFP period being approved whilst the remaining years to 2029/30 are indicative to represent the longer term planning for capital investment. The programme will continue to be

reviewed through the RPPR, CSAB, Sub Boards and variation process to ensure it remains aligned to the MTFP, Treasury Management Strategy and other council strategies.

- 6.2 The one-year Spending Review (SR) on 25 November set government department's revenue and capital budgets for 2021/22 only, providing no certainty over future years capital grants. Capital investment should also be considered alongside revenue, which adds further uncertainty. Therefore the 10 year programme has not been extended for an additional year, as it would be not be considered meaningful to add an additional year at present. Work will be progressed next financial year to push the programme out a further 2 years to maintain the 10 year planning horizon and link into, and support the Council's other strategies. The Capital Strategy and programme will be reviewed, giving consideration to longer term council strategies and revised targeted basic need expectations, once a longer term funding settlement is announcement. In the meantime, requirements outside basic need will need to be supported by a business case and funding identified.

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Following the introduction of the Equality Act 2010 ('the EA') a public authority must, in the exercise of its functions, have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics set out in the EA are age, disability, race, pregnancy/ maternity, religion or belief, gender (including gender reassignment) and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. When making decisions the County Council also considers other matters such as the impact of rurality, deprivation and being a carer.

The Capital Programme requires Members to have due regard to the Equality Duty contained in Section 149 of the EA as set out above.

Having “due regard” does not necessarily require the achievement of all the aims set out in section 149 of the EA. Instead it requires that Members understand the consequences of the decision for those with the relevant protected characteristics and consider these alongside other relevant factors when making the decision to pursue one course of action rather than another, alternative course of action that may have different consequences. The regard which is necessary will depend upon the circumstances of the decision in question, and should be proportionate. Where a decision is likely to have an impact on a significant number of people, or where it is likely to have a significant impact on even a small number of people, the regard required will be high.

This means that in setting the Capital Programme, the three equality aims set out above had to be considered as a relevant factor alongside financial constraints and all other relevant considerations. Due to the ongoing financial pressures the Council is facing, the current capital programme focusses on a strategy to deliver core need as efficiently as possible. As agreed, service developments and investment opportunities that are outside core need are required either to be match funded or produce a business case that demonstrates benefits. Approved bids are added to the programme in line with current variation policy and financial regulations. Members must consider the equalities impacts of agreeing this capital programme. Specifically, Members need to take account of what the potential impacts of spending on this programme rather than other areas will be for the communities in East Sussex. It will be open to Directors and Lead Members at the time of taking those decisions to spend more on one activity and less or none on another.

The EA does not require an equality impact assessment (EIA) to be carried out; however the cases considering the public sector equality duty have held that an EIA is the best way to demonstrate that the equalities impacts have been identified and considered. Where a project which was included in the Capital Programme is likely to have impacts upon equalities, officers have considered the consequences for those with protected characteristics of that particular project or bid not being included in the Programme up to 2029/30, and have summarised these impacts for Members to consider. Where EIAs have been conducted these will be available as background documents.

	Impact on Protected Characteristics									Comments
	Age	Disability	Ethnicity	Gender & Transgender	Marriage and Civil Partnership	Pregnancy and Maternity	Religion & Belief	Sexual Orientation	No significant relevance to equality	
Adult Social Care										
Greenacres										Funded by NHSE Capital and ESCC will only contribute if there is shortfall.
CORE House Adaptations for Disabled People										

[illegible]

[illegible]

[illegible]

[illegible]

	Impact on Protected Characteristics									Comments
	Age	Disability	Ethnicity	Gender & Transgender	Marriage and Civil Partnership	Pregnancy and Maternity	Religion & Belief	Sexual Orientation	No significant relevance to equality	
Queensway Gateway										Funded by the South East Local Enterprise Partnership
Hastings and Bexhill Movement & Access Package										
Eastbourne Town Centre Phase 2										Consideration of access issues have been included in design
Eastbourne/South Wealden Walking & Cycling Package										
Hailsham/Polegate/Eastbourne Movement & Access Package										
Terminus Road										Consideration of access issues have been included in design
Bexhill Enterprise Park North										Funded by the South East Local Enterprise Partnership
Skills for Rural Businesses Post Brexit										Funded by the South East Local Enterprise Partnership
Sidney Little Road Business Incubator Hub										Funded by the South East Local Enterprise Partnership
Bexhill Creative Workspace										Funded by the South East Local Enterprise Partnership
Eastbourne Fisherman's Quayside & Infrastructure Development Project										Funded by the South East Local Enterprise Partnership

	Impact on Protected Characteristics									Comments
	Age	Disability	Ethnicity	Gender & Transgender	Marriage and Civil Partnership	Pregnancy and Maternity	Religion & Belief	Sexual Orientation	No significant relevance to equality	
SE LEP Getting Building Fund – Fast Track Business Solutions										Funded by the South East Local Enterprise Partnership
SE LEP Getting Building Fund – Observer Building										Funded by the South East Local Enterprise Partnership
SE LEP Getting Building Fund – Restoring Winter Gardens										Funded by the South East Local Enterprise Partnership

Capital Strategy

2021/22 to 2040/41

CAPITAL STRATEGY

2021/22 – 2040/41



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Annex A - Basic need service definitions

Annex B – Business case guidance

1. Purpose of the Strategy

- 1.1 The purpose of the Capital Strategy is to drive the authority's capital investment ambition whilst also ensuring appropriate capital expenditure, capital financing and treasury management within the context of the sustainable, long-term delivery of services.
- 1.2 The Capital Strategy supports the Council Plan, which is our vision for a basic but decent level of service for East Sussex, in a difficult financial climate, the core offer is set out under the following priority outcomes, further information is available at:

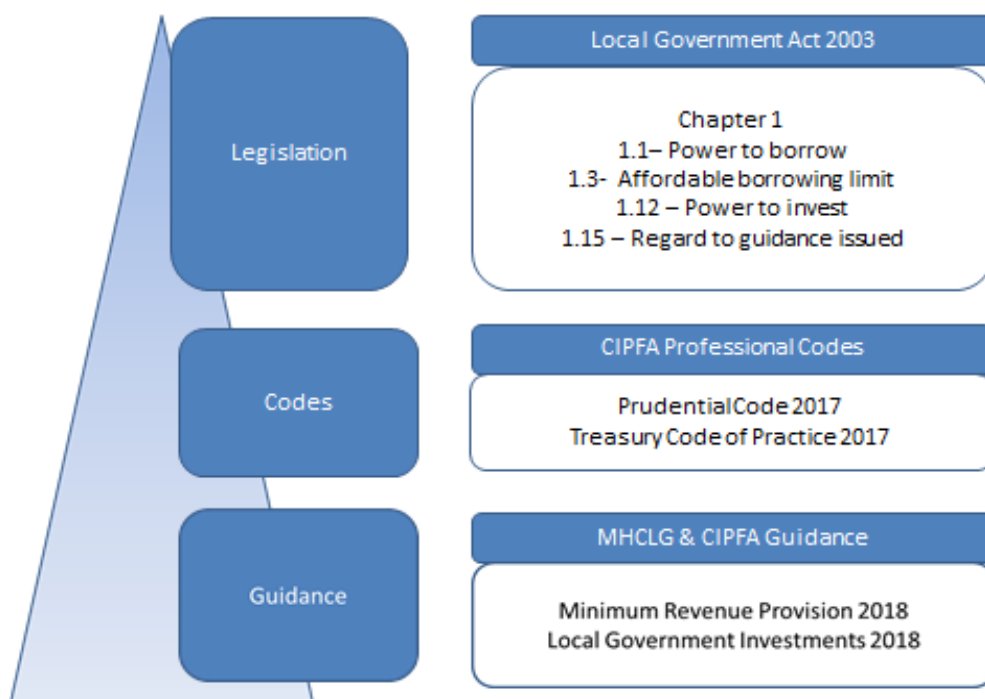
<https://www.eastsussex.gov.uk/yourcouncil/about/keydocuments/coreoffer/coreofferindex/>

- Driving sustainable economic growth
- Keeping vulnerable people safe
- Helping people help themselves
- Making best use of resources in the short and long term

- 1.3 The Strategy prioritises investment in assets that support the objectives of the Council Plan.
- 1.4 The aim of this Capital Strategy is also to ensure that all elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

2. Technical Background

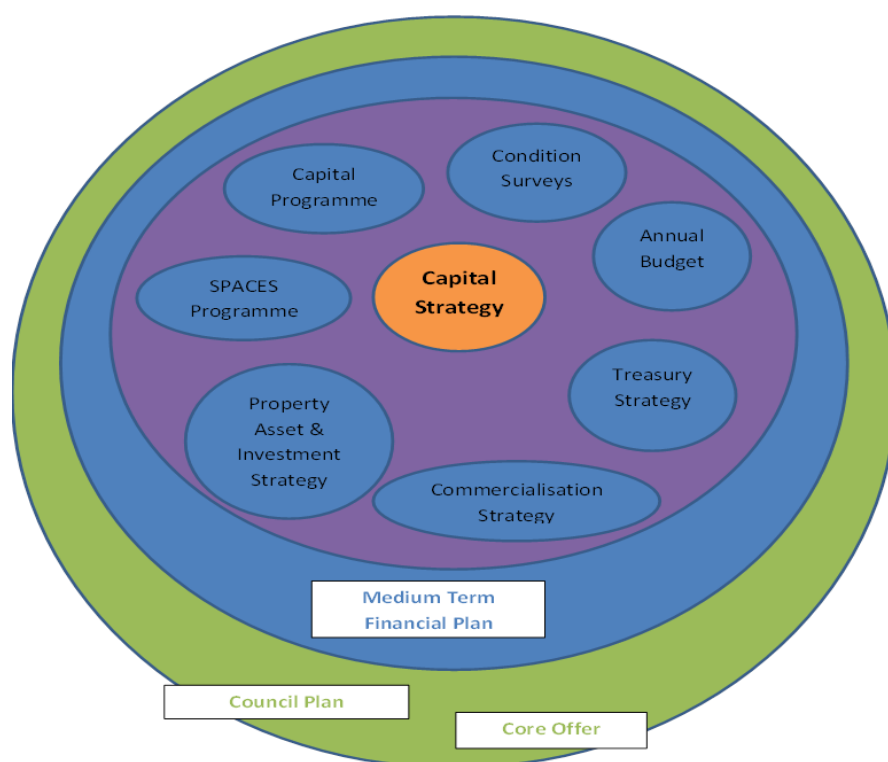
- 2.1 The Capital Strategy is framed within the following statute and guidance:



- 2.2 In response to a growing number of authorities increasing their use of non-financial investments (such as commercial property portfolios) to generate income in response to reducing resources to deliver their core services the Prudential Code was updated in 2017. The revised code and guidance sought to increase transparency and to provide a single place to assess the proportionality of this activity in comparison to an authority's core services.
- 2.3 The Strategy is completed in line with best practice as outlined within the Chartered Institute of Public Finance and Accountancy (CIPFA) revised 2017 Prudential and Treasury Management Codes, it:
- Applies a long-term approach;
 - Explores external influence on Capital Strategy e.g. Local Enterprise Partnership (LEP);
 - Examines Commercial activity/ambition;
 - Determines implications of Treasury Management Strategy;
 - Ensures Council Plan priorities drive capital investment;
 - Examines available resources and capacity to deliver;
 - Assesses affordability against ambition and address any gap;
 - Identify capital financing principles;
 - Demonstrate integration with other strategies and plans;
 - Produce a 10-year capital investment plan, with actions, timescale, outputs and outcomes; plus a 3-year funded programme in line with the Medium Term Financial Plan (MTFP).
 - Identify risks and mitigation;
 - Outline Governance, monitoring processes and procedures.

3. Reconciling Policy, Performance and Resources Framework

- 3.1 The Capital Strategy is an integrated part of the Councils planning framework, Reconciling Policy, performance and Resources (RPPR). It will have an impact on and will be impacted by the other strategies and documents both internally and externally: Internally this includes:-



Name	
Council Plan	<ul style="list-style-type: none"> • Sets ambitions and plans for each of the four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources.
Capital Planned Programme	<ul style="list-style-type: none"> • The programme sets out for the coming 10 years the programme of capital investment that supports delivery of the Council's priority outcomes updated each year to maintain the 10 year horizon.
Medium Term Financial Plan	<ul style="list-style-type: none"> • The Medium Term Financial Plan covers up to the next five years, it is updated each year to encompass any economic or political impacts.
Annual Budget	<ul style="list-style-type: none"> • The annual budget details the intended revenue (current) expenditure for the next financial year, it allows the Council to set its Council Tax rate for that year. Including any impact from planned investment.
Capital Strategy	<ul style="list-style-type: none"> • With a scope of 20 years, the strategy sets the framework in which the capital programme is planned and allows the Council to prioritise the use of its resources to support the long term priorities.
Treasury Strategy	<ul style="list-style-type: none"> • Setting out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy.
Property Asset & Investment Strategy	<ul style="list-style-type: none"> • The key purpose of the Strategy is to deliver an ongoing net income stream to the Council with investment defined as allocating money in the expectation of some benefit in the future.
SPACES Programme (Strategic Property Asset Collaboration in East Sussex)	<ul style="list-style-type: none"> • A well-established multi organisation partnership that has been delivering property and land co-location and collaboration projects across East Sussex and Brighton & Hove since 2011.
Environmental policies, plans and Strategies	<ul style="list-style-type: none"> • The County Council agreed a Climate Emergency Action Plan in June 2020 and is also a partner in the Environment East Sussex Board, which has developed an Environment Strategy for East Sussex.

3.2 In addition to the internal framework there are a number of external organisations and partners who inform our capital strategies, these include, but are not limited to:

- South East Local Enterprise Partnership (*SELEP*);
- Coast to Capital Local Enterprise Partnership;
- District and Borough Councils via their Local Plans: There is a new requirement for contribution receiving authorities to publish an annual 'Infrastructure Funding Statement' (IFS). Each authority IFS will improve provides transparency, increased accountability and promoted infrastructure delivery through publication of Section 106 (S106) and Community Infrastructure Levy (CIL) monies held, including details on allocations and spending. Districts and boroughs will also provide future spending priorities on infrastructure linked to their Local Plans with a statement on projects or types of infrastructure they intend will be funded by CIL. Providing the opportunity to actively bring processes together on monitoring, spending and promote delivery. The Council will continue to work in partnership with its districts and boroughs on infrastructure planning and delivery though the IFS and Local Plan reviews;
- Local Planning Authorities, such as District and Bourgh councils and the South Downs National Park Authority may impose planning conditions to specific schemes.
- East Sussex Clinical Commissioning Group;
- Brighton University;
- SPACES (*Strategic Property Asset Collaboration in East Sussex Programme*) is a partnership that includes East Sussex County Council (ESCC), all district and borough councils, Brighton & Hove City Council, three emergency services, representatives from the voluntary and community sector, NHS including Clinical Commissioning Groups (CCGs), Trusts and NHS Property Services and some central government departments such as Probation Services, Job Centre Plus (Department for Work and Pensions - DWP) and Department for Transport (DfT).

3.3 The Council will actively seek opportunities to engage with other partner organisations to achieve positive outcomes for our residents, using all available forums to develop connections that can be utilised to achieve mutually beneficial approaches to deliver capital projects.

4. Principles

4.1 Capital expenditure can be defined as expenditure that results in the acquisition, construction or enhancement of an asset (e.g. land, buildings, roads, plant and equipment), that continues to benefit the Council for a period of more than one financial year. At East Sussex County Council (ESCC), projects can be capitalised if they meet the definition of capital expenditure and are over the current approved de minimus of £20,000. Any item below this limit is charged to revenue.

4.2 The strategy sets the strategic direction for next 20 years and is supported by a 10 year planned programme. Published as a separate document, the Capital Programme will be updated annually through the RPPR process, to ensure that the Council continues to focus on the right priorities and is able to react to changes in circumstances.

TO NOTE FOR 2021/22 ONLY: The programme has not been updated for an additional year to maintain the 10 year horizon due to the increased uncertainty and risks to long term local government financing as a result of the Covid-19 pandemic. The government has provided a one year funding settlement only, including capital grants, so there continues to be considerable risk in relation to this source of funding which supports a large proportion of the capital programme.

4.3 The Prudential Code requires that authorities demonstrate that they make capital expenditure and investment decisions in line with services objectives and have proper stewardship arrangements, provide value for money, are prudent, sustainable and affordable.

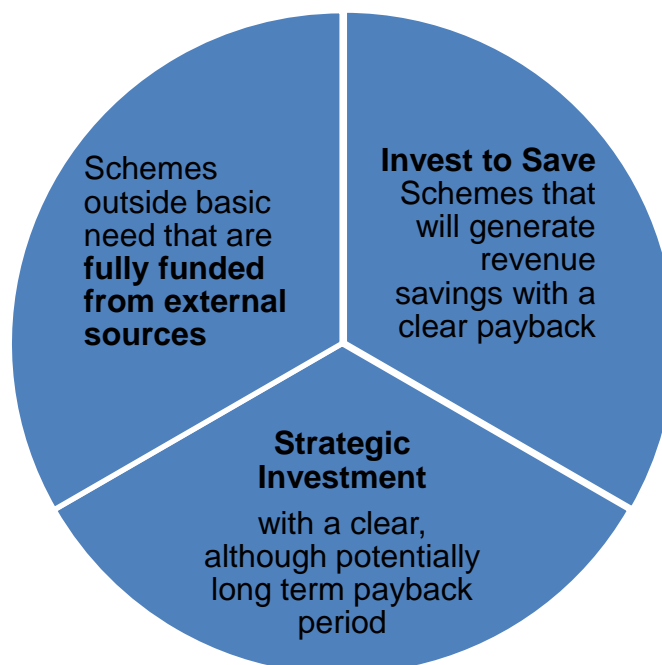
4.4 To ensure that the Council meets the requirements, it will:

- **Ensure capital expenditure contributes to the achievement of the Council's Priority Outcomes.** Capital is considered annually as part of the RPPR process, which underpins the financial planning process;
- **Ensure investment decisions make best use of resources.** A capital and treasury model is in place to ensure that the impact of capital expenditure and use of resources is understood and a holistic view taken;
- **Have a clear framework for making capital expenditure decisions.** Basic need provides a platform that **must** be funded. Other decisions require a business case that meet certain criteria to be approved (see Appendix B);
- **Ensure a corporate approach to generating capital resources is established.** The approach to providing funding for capital is set out in section 5 of this strategy;
- **Have access to sufficient long-term assets to provide services.** The Council use statistical information, including population trends and housing development plans along with asset condition surveys and regular valuations of our assets to help plan long-term need.

- 4.5 **Basic Need** - The strategy focusses on the delivery of basic need for the Council to continue to deliver our services as efficiently as possible. Basic need for the purposes of the capital strategy is further detail is provided in in *Appendix A*:



- 4.6 **Investment Projects** - In addition to the basic need programme the Council will consider business cases for:



- 4.7 In all cases, a clear payback to the Council should be demonstrated. This payback will reduce borrowing in the year it is received and contribute to the sustainability of the programme.
- 4.8 Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs, investment requirements and any credit information must be disclosed, including the ability to sell the asset and realise the investment cash (in line with good practice this will not be ring-fenced but treated as a general capital receipt).
- 4.9 If the Council borrows to fund any non-treasury (strategic) investment, there should also be an explanation of why borrowing was required and why the Ministry of Housing, Communities & Local Government (MHCLG) Investment Guidance and CIPFA Prudential Code have not been adhered to. If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the Capital Strategy.

5. Funding

5.1 The Councils Capital Programme is funded from a range of sources including:

- **Prudential Borrowing** – The introduction of the Prudential Code in 2004 allows the Council to undertake unsupported borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. This has revenue implications for the Council in the form of financing costs, including Minimum Revenue Provision, which will be considered via the RPPR process.
- **External Grants for Specific Purposes** – these include grant allocations categorised for specific purposes to deliver specific schemes or outcomes. Where the council is already funding a scheme or targeted outcome from council funding streams such as borrowing or capital receipts, then such grants will be used to offset these forms of council funding in the defined order outlined at 5.2.
- **External Grants for Non-Specific Purposes** – grant allocations for the delivery of the Council's capital plans (most often from government departments), that are categorised as non-specific. Any grants attracted are used to fund the approved Basic Need capital programme and reduce the Councils need to borrow.
- **Infrastructure Contributions (Section 106 and Community Infrastructure Levy) -**
S106 Contributions – some projects within the Capital Programme are funded by contributions from private sector developers. Where applicable we request contributions for infrastructure such as roads and transport, schools, libraries, household waste recycling centres and rights of way relating to development that has an impact in East Sussex.

Community Infrastructure Levy (CIL) - CIL is a standard charge on developments used to fund a wide range of infrastructure that is needed because of the development. The Charging Authorities (District & Borough Councils) are required to produce a CIL Charging Schedule, which sets out the rates of CIL to be charged on development, East Sussex County Council can then approach the Charging Authority to drawdown some or all of the CIL to fund infrastructure projects.

Infrastructure Contributions represents an important source of funding as it can act to facilitate leverage of additional external funding crucial to meet the County's infrastructure requirements.

- **Other External Contributions** - Other organisations and partners such as may from time to time make a contribution towards the delivery of a specific capital project. The same principles will apply as to External Grants for Specific Purposes (see above).
- **Reserves and Revenue Set Aside** – The Council can use revenue resources to fund capital projects, where these have been approved as part of the budget setting process or an approved business case. This includes specific reserves, payback from invest to save schemes and revenue contributions (CERA).
- **Capital Receipts** – The Council can generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources, which will be available to support the Council's plans. This funding source will be prioritised to fund assets with the shortest useful life, such as IT equipment, to reduce the requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost.
- **Capital Reserve** – The Council has set aside funds in a reserve that can be drawn upon to fund capital schemes, however reserves can only be used once and therefore are a finite resource.
- **New Homes Bonus** – New Homes Bonus is a (non-specific) revenue grant given by Central Government to Councils which is based on the number of homes build or brought back into habitation in the previous year and is payable for four years. New Homes Bonus can be used to fund revenue or capital expenditure. This will be decided annually through the RPPR process.

5.2 The application of these funding sources to capital expenditure incurred during the year will be applied in the following order where possible to minimise revenue implications:

- a. Scheme specific income e.g. specific grants, S106 contributions, Community Infrastructure Levy and Other External Contributions
- b. Reserves and Revenue set aside funding where agreed;
- c. Non-Specific grants
- d. New Homes Bonus
- e. Capital Receipts
- f. Capital reserve (dependant on allocations for any specific items of investment set aside for future years)
- g. Borrowing

5.3 **Leasing** - Lease obligations are similar to borrowing as they have an ongoing revenue budget commitment. Leasing will be considered following due diligence over the life of the asset, comparing the financial and non-financial benefits and risks to the Council owning and delivering such assets itself.

6. Environmental, Social and Governance (ESG) Considerations

6.1 Environmental, Social and Governance (ESG) considerations will become more relevant in capital decision making in order to support the council's strategies. ESG requirements will need to be supported within the business case (see Section 4), and once approved, any capital items will enter the programme via the variation process.

6.2 In October 2019 the County Council declared a Climate Emergency and set a target of achieving carbon neutrality from its activities as soon as possible and in any event by 2050, in line with the new target for the UK agreed by Parliament in 2019. The County Council agreed a Climate Emergency Action Plan in June 2020. In

accordance with the Climate Emergency Action Plan, where possible, officers will support these strategies through identifying a programme of energy efficient projects linked to capital programmes and embed low carbon outcomes in where appropriate in capital contracts.

- 6.3 To ensure that the costs and benefits of any potential projects is balanced with the social, economic and environmental implications of carbon reduction initiatives, the following should be considered.
- Energy efficiency measures should be considered at the start of any capital project and included in the whole project costs when establishing a business case;
 - Where possible, ESG schemes should be integrated within existing funded programmes, e.g. boiler replacement programme with carbon low carbon replacements as part of the capital building maintenance programme;
 - A whole building approach should include whole life costings which will range from shorter to longer term pay back periods, and it may be possible to use short term savings to subsidise longer term improvements.
 - Scheme Specific Funding, such as external grants and Section 106/CIL contributions should be considered and actively sought to fund projects. This should include lobbying of government departments to provide funding for low carbon measures, such as the Department of Education when funding new schools and major improvements.

7. Debt, Borrowing and Treasury Management

- 7.1 A requirement under the Chartered Institute for Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services is to prepare a Treasury Management Policy and Strategy setting out the Council's policies for managing investments and borrowing. The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 7.2 The Local Government Act 2003 permits local authorities to borrow to finance capital expenditure provided that the plans are affordable, prudent and sustainable in the long term. The Treasury Management Policy and Strategy and the Capital Programme identifies a borrowing need. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet the capital expenditure plans.
- 7.3 Under the Prudential Code and Treasury Management Code, the Council is required to set parameters around its borrowing and treasury activity, including an authorised borrowing limit for each year which cannot be breached. Additionally, when funding capital expenditure through borrowing, the Council is required to set aside a sum from revenue each year to repay the debt, known as the Minimum Revenue Provision (MRP).
- 7.4 To ensure the separation of the core treasury function under security, liquidity and yield principles (SLY), and the policy and commercialism investments usually driven by expenditure on an asset, the Capital Strategy is reported separately from the Treasury Management (TM) Strategy. Therefore, the debt related to the activity and the associated interest costs, payback period, Minimum Revenue Provision policy or

for non-loan type investments, the cost against the current market value and the financial risks are part of the Treasury Management Policy and Strategy.

- 7.5 The proposed capital programme investment has consideration directly to the Treasury Management Strategy. A specific model developed for this purpose continues to be used and updated to remain current so that it remains responsive to any treasury management risks, such as interest rate volatility. Any borrowing required is within the limits set by the Treasury Management Strategy, which sets out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy.

8. Commercial Activity

- 8.1 The council's Property Asset Disposal and Investment Strategy was approved at Cabinet on 24 April 2018. The key purpose of the Strategy is to deliver an ongoing net income stream to the Council with investment defined as allocating money in the expectation of some benefit in the future, providing the framework and template for the Council's approach to considering the commercial opportunities that exist, or can be created, in order to drive value for residents and businesses.

9. Governance

- 9.1 The Council's constitution and financial regulations govern the capital programme as set out below:
- All capital expenditure must be carried out in accordance with the financial regulations and the Council's constitution;
 - Capital expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards;
 - The Capital Programme approved by Full Council as part of the Council's annual RPPR budget report sets the capital funding availability for the Council. This is updated and approved by Full Council as part of the Council's RPPR State of the County report;
 - All schemes are formally approved into the capital programme by following the process set out in the financial regulations;
 - With the exception of strategic projects supported by a business case, Basic Need will only be added to, or removed from, the Capital programme as part of the annual budget setting process or as part of State of the County. Any request outside of this process would have to be approved by Cabinet;
 - Officers are not authorised to commit expenditure without prior formal approval as set out in the financial regulations;
 - Each scheme must be under the control of a responsible person/project manager.
- 9.2 The Council has a Capital Strategic Asset Board (CSAB), a cross-departmental group consisting of officers from each service department, finance, property and procurement. CSAB oversees the development and delivery of the Council's capital programme.
- 9.3 Departmental Capital Boards/sub boards exist for the school basic need programme, Property Maintenance and related projects; Communities, Economy and Transport; and Information, Technology and Digital. There is also a CIL & Section 106 Working Group that reports to the CSAB.

- 9.4 In year, the Capital Programme is monitored and reported to the Corporate Management Team and then to Cabinet and Full Council, on a quarterly basis, as part of the Council's RPPR monitoring.
- 9.5 Governance arrangements, including risk management (see section 10), will be reviewed to ensure that it remains fit for purpose and is in line with best practice.

10. Risk

- 10.1 The Council seeks to minimise its exposure to risks that are unwanted and unrewarded. Capital is managed centrally on an ongoing basis to ensure that there is sufficient liquidity in the short and medium term to meet costs and support front line services, as well as meeting long-term solvency and funding requirements.
- 10.2 The Council is exposed to a range of risks that could be triggered by local, national or global events resulting in, for example:
- Financial risks related to the investment of the Council's assets and cash flow, market volatility, currency etc.
 - Macroeconomic risks related to the growth or decline of the local economy, interest rates, inflation and, to a lesser degree, wider national and global economics.
 - A credit and counterparty risk related to investments, loans to institutions and individuals and counterparties in business transactions.
 - Operational risks related to operational exposures within its organisation, its counterparties, partners and commercial interests.
 - Strategic risks related to key initiatives undertaken by the Council such as significant purchases, new ventures, commercial interests and other areas of organisational change deemed necessary to help the Council meet its Priority Outcomes.
 - Reputational risks related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception.
 - Environmental and social risks.
 - Governance risks related to ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks that balance oversight and efficiency.
- 10.3 Managing the Council's risks is an area of significant focus for senior management and members, and the Council adopts an integrated view to the management and qualitative assessment of risk.
- 10.4 The Council aims to minimise its exposure to unwanted risks – risks that are avoidable and which carry no commensurate reward for the Council – through a range of cost effective mitigation strategies.
- 10.5 To ensure that risks to the delivery of the capital programme, a structured framework of planning and monitoring is maintained as detailed in section 9, which is intended to identify those schemes at risk of non or late delivery.
- 10.6 The Council maintains a contingency at a corporate level, to mitigate possible risks arising from the capital programme. Control of this contingency is maintained by the CSAB, which operates within the normal governance arrangements (see section 9).
- 10.7 As part of capital planning, a number of potential projects or needs for additional funding maybe identified, these are added to a register of such schemes, with the risks and impacts analysed. The CASB will review these on a regular basis and

commission further work as necessary to bring the business cases forward if risk is deemed to have developed to a point where further action is required.

11. Skills and Knowledge

- 11.1 The Capital Programme and Treasury Management Strategy are managed by a team of professionally qualified accountants with extensive Local Government Finance experience, who attend courses on a regular basis to keep abreast of new developments. The Council's Section 151 Officer is the officer with overall responsibility for Capital and Treasury activities and is a qualified accountant.

BASIC NEED SERVICE DEFINITIONS

1. Place

- 1.1 The overarching principle of “Place” is that the Council ensures that it is investing in its assets to meet future need. The areas of agreed investment are:

1.2 Schools Basic Need Programme

- 1.2.1 Ensuring the provision of sufficient school places is a statutory duty of the Council and needs to be funded. The requirement for school places in East Sussex is driven by housing growth, inward migration and changes in birth rates.
- 1.2.2 The programme will recognise the potential need for additional primary school places in areas of new housing development together with the increase in secondary school places required for those children already at primary school, which reflects an historic increase in births.

1.3 Economic Development including Place Shaping

- 1.3.1 A Council’s priority outcome is to drive sustainable growth. Working with our partners, the Council will include in its capital programme schemes that support this outcome.
- 1.3.2 The Council will consider, as part of the “Other Investments” outside of basic need, schemes that will provide long-term benefits and demonstrate payback of the initial investment.

1.4 House Adaptations

- 1.4.1 House adaptations for both adults and children are an important element of allowing people to remain in their homes (District & Boroughs) or in accommodation, which meets their needs (County).
- 1.4.2 Working alongside our partners in Districts and Boroughs to ensure Disabled Funding Grant is utilised, along with our own resources, to provide the best outcomes for our residents.

1.5 Integrated Transport

- 1.5.1 The integrated transport delivers the objectives of the County’s Local Transport Plan, which is complemented five-year implementation plans, delivering priority schemes. The schemes to be delivered are only added to the capital programme when external grant or contributions have been secured.

2. Asset Condition

- 2.1 The overarching principle of “Asset Condition” is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. The areas include:

BASIC NEED SERVICE DEFINITIONS

2.2 Highways Structural Maintenance

- 2.2.1 Maintenance of public highways and public rights of way across the county is a statutory requirement of the County Council under the Highways Act. ESCC has very clear obligations to maintain the public highway, and, therefore, without adequate supporting capital maintenance budget the pressure on revenue budgets will undoubtedly increase and the Council will be at greater risk of third party claims for damages.
- 2.2.2 Road condition, and the ability to prevent the formation of potholes, has long been a priority for Members, and, in recent years, the focus of the Capital Maintenance Programme has been to improve the overall condition of the carriageway through programmes of preventative patching and carriageway resurfacing.
- 2.2.3 We receive many requests to install physical features to prevent driving or parking in unsuitable places. All requests are assessed by the Road Safety team and will not be taken forward unless the location meets the criteria used by our scoring system.
- 2.2.4 If we can improve safety by making minor changes, this will be carried out as part of the highway's maintenance programme. However, more complex improvements, such as traffic calming schemes, pedestrian crossings or cycle lanes are funded from our budget for transport improvements and undergo a strict scoring process.
- 2.2.5 To ensure that highways drainage is adequate to meet the needs of maintaining safe roads and, as the occurrence of extreme weather events increases, is able to cope with those events

2.3 Bridge Strengthening/Street Lighting/Traffic Signals

- 2.3.1 As traffic continues to increase on our roads there is requirement for a programme of bridge strengthening and replacement to ensure they remain safe.
- 2.3.2 To ensure that street lighting is adequate and, as the existing stock comes to the end of its life, it is replaced with modern, energy efficient, technology that also addresses the issue of light pollution.
- 2.3.3 To ensure that the maintenance of traffic signals is adequate to meet the needs of maintaining safe roads and that meet the needs of all users.

2.4 Rights of Way

- 2.4.1 Maintaining and protecting the public's right to use the 2000 miles (3,500km) of footpaths, bridleways and byways in East Sussex.

BASIC NEED SERVICE DEFINITIONS

2.5 Real Bus Information

- 2.5.1 Real Time Passenger Information (RTPI) has been introduced in East Sussex to help provide better, more reliable information about bus services. The County Council continues to work with neighbouring local authorities and bus operators to roll out the system, which enables live bus times (real time information) to be displayed on electronic RTPI signs installed at a number of major bus stops and also on the Traveline website, text messages and smartphone apps..

2.6 Building Maintenance - schools

- 2.6.1 Work related to legislation, statutory requirement, health and safety and urgent repair work, as identified via the condition surveys and plans that ensure that schools are maintained at a minimum requirement, including the provision of temporary classrooms, plans based on birth rates and population projections are included in the Place (see section 1.2 above).

2.7 Building Maintenance – non schools

- 2.7.1 Work related to legislation, statutory requirement, health and safety and urgent repair works. The money spent on capital will avoid higher running costs helping to reduce the cost of occupancy of corporate buildings.

2.8 Libraries

- 2.8.1 To maintain libraries in a safe and suitable condition from which to deliver the outcomes of the Libraries Strategic Commissioning Strategy.

2.9 Energy Efficient Projects

- 2.9.1 Where funding from Salix can be attracted that pays back the investment, these will be added to the capital programme.

3. IT&D Strategy Programme

- 3.1 The overarching principle of the IT&D strategy is to ensure that our Information and Communications Technology (ICT) is fit for purpose for delivering modern council services in a digital era and protecting any data held.
- 3.2 The business has a dependent on a basic level of infrastructure in order to be able to function. A substantive proportion of the ICT Strategic Investment bid is for operational activity, essential to keep working, services that support the rest of the organisation.
- 3.3 Continued investment in provisioning operational services keeps the Council's technology tools up to date and working, to ensure that as an organisation, contractual support obligations are maintained and ESCC remains secure, resilient and compliant.

BASIC NEED SERVICE DEFINITIONS

- 3.4 In order to stay ahead of business user expectation, investment in developing current systems is fundamental. Failure to keep pace with technological development will, in the short-term, paralyse Council infrastructure. The current development activity will become the future operational activity. Failure to build upon the technology investments already made will leave the Council ill prepared for the future, compromising the ability of the infrastructure to support the business in achieving its goals, making it difficult to share business information securely with partners and access it more flexibly across traditional boundaries.

BUSINESS CASE GUIDANCE

- B1. The Council does not prescribe how a business case should be made but a template is available for services to use as necessary. There are also some basic principles.
- B2. The 5-Case Business Case model, as recommended by HM Treasury, sets out some basic questions that all business cases should answer.

The Strategic Case

- **Is the proposal needed?**
 - Will it further the Council's objectives?
 - Is there a clear case for change?

The Economic Case

- **Is it value for money?**
 - Have a range of options been considered?
 - Is it the best balance of cost, benefits and risk?

The Commercial Case

- **Is it viable?**
 - Is there a supplier who can meet our need?
 - Can we secure a value for money deal?

The Financial Case

- **Is it affordable?**
 - Are the costs affordable and realistic?
 - Is there funding available and is it supported?
 - Is there a clear payback?

The Management Case

- **Is it achievable?**
 - Are we capable of delivering the project?
 - Do we have robust systems and processes in place?

Appendix 10 - Fees and Charges approved at Q3 2020/21 over 2%, to be applied in the financial year 2021/22

Department	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
Business Services	Deferred Payment Agreements (DPAs). Based on uplifted resource time.	Start up (Business Operations)	69.00	71.00	2.00	2.9%
Business Services		Annual Fee (Business Operations)	150.00	154.00	4.00	2.7%
Business Services		Redemption (Business Operations)	62.00	64.00	2.00	3.2%
Children's Services	Accommodation Projects Uplift based on Retail Price Index (RPI) rent increase since February 2015. New Lease commenced 2020.	Rent for former Rye Scout Hut	1,200.00	1,400.00	200.00	16.7%
Children's Services	Lansdowne is one of 15 Secure Children's Homes in England and Wales. There are two purposes for secure children's homes; the first is to provide care for vulnerable children who are remanded or sentenced by a criminal court and, the second is to care for children who need to be placed for their own safety, or the safety of others. Young people placed in secure establishments under the latter circumstances are usually placed for welfare reasons under Section 25 of the Children Act (1989). The uplift is based on benchmarking with Swanick and Atkinson secure unit.	Secure Accommodation Charges (7 beds per night charge)	985.00	1,080.00	95.00	9.6%
Children's Services	Buzz Active provides outdoor activities out of three locations in East Sussex, Bushey Wood, Eastbourne and Cuckmere. We run nationally accredited courses, taught by qualified instructors, for individuals, groups and families, for children from 6 onwards, for schools, and groups with special needs. Buzz also provides schools and educational establishments with advice and support, resources, training and planning for leading offsite activities. Uplift being based on benchmarking.	All course fees and membership fees have increased by 2.75%	various	various	-	2.75%

Department	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
Children's Services	Standards and Learning Effectiveness Service (SLES) Work Experience - Providing a work experience service to maintained and academy secondary schools with East Sussex to enable them to manage the process of arranging their work experience placements including undertaking pre-placement Health and Safety (HS) checks on businesses hosting a student. The uplift is based on benchmarking against Brighton and Hove City Council and Kent County Council.	Work Experience Service - Academic Year Subscription	300.00	310.00	10.00	3.3%
		Health and Safety Assessment and Support (subscriber rate)	15.00	15.50	0.50	3.3%
		Matched Placement Service (subscriber rate)	48.00	49.50	1.50	3.1%
		Bespoke matched placements (subscriber rate)	66.00	68.00	2.00	3.0%
		Health and Safety Assessment and Support (non-subscriber rate)	24.00	25.00	1.00	4.2%
		Bespoke matched placements (non-subscriber rate)	89.00	92.00	3.00	3.4%
		Out of Area Health and Safety check (student coming into East Sussex)	60.00	62.00	2.00	3.3%
		Out of Area Health and Database check (student coming into East Sussex)	30.00	32.00	2.00	6.7%
		Brighton and Hove High School - Health & Safety check	45.00	47.00	2.00	4.4%
		Brighton and Hove High School - Out of area Health & Safety check	65.00	67.00	2.00	3.1%
Communities, Economy and Transport	Registration - The Service is responsible for registering all births, deaths and still-births, and for registering and conducting all civil marriages and civil partnerships that occur within East Sussex, in addition to providing citizenship ceremonies for all of the county's new British citizens. The team also retains responsibility for the custody of all registers dating back to 1837, and licences over 100 Approved Marriage Premises (AMP) located across the county. Benchmarking against Brighton and Hove City Council, West Sussex, Surrey and Kent County Council. [NB: * includes vat]	Registrars Pen*	10.00	12.00	2.00	20.0%
		Certificate Case*	20.00	25.00	5.00	25.0%
		Standard Private Citizenship Ceremony	100.00	120.00	20.00	20.0%
		Peak Demand Day Surcharge	100.00	150.00	50.00	50.0%
		Surcharge for Approved Marriage Premises (AMP)/Registrar's Office (RO) ceremony 5.01pm-9.59pm	150.00	175.00	25.00	16.7%
		Surcharge for AMP/RO ceremony 10pm-8.59am	250.00	275.00	25.00	10.0%
		Ceremony Preparation Meeting (weekdays / Saturday)	60.00	65.00	5.00	8.3%
		AMP Licencing (3 years)	1,995.00	2,095.00	100.00	5.0%

Department	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
Communities, Economy and Transport	Transport Development Control. The team is responsible for: Providing highway authority advice in the preparation of Local Plans by Borough and District Councils; Site supervision and management of developer led improvement schemes and development; Providing the statutory highway comments on planning applications and pre-application enquiries; Presenting evidence at appeals; Securing development transport contributions and highway improvements; Travel Plans, negotiating Section 38/278 agreements; Responding to Local Land Charge Searches; Maintaining the Highway Terrier, and producing highway land information; The team also provides Section 184 licences for dropped kerbs and new accesses. Benchmarking against other authorities in the South East.	Pre-application service for planning applications:				
		Up to 10 Dwellings	210.00	215.00	5.00	2.4%
		11-30 Dwellings	440.00	450.00	10.00	2.3%
		31-50 Dwellings	880.00	900.00	20.00	2.3%
		81-199 Dwellings	2,195.00	2,240.00	45.00	2.1%
		Highway Extent and related queries:				
		Traffic schemes questions is for details of a specific planned scheme	22.00	22.50	0.50	2.3%
Communities, Economy and Transport	Trading Standards protects consumers and traders in East Sussex. The service enforces government legislation, offers advice to businesses and consumers, provides licences and inspections for businesses and investigates offences and prosecutes offenders. Uplift is based on benchmarking against other authorities in the South East.	Business Advice	78.00	81.00	3.00	3.8%
		Accredited Financial Advisor Advice	45.00	50.00	5.00	11.1%
		Primary Authority (External Consultancy)	1,500.00	1,620.00	120.00	8.0%
Communities, Economy and Transport	Traveller Sites in Hailsham, Maresfield, Polegate, Robertsbridge and Bridies Tan. Benchmarking against Brighton and Hove City Council and West Sussex County Council.	Rental - Bridies Tan	54.00	64.00	10.00	18.5%
Communities, Economy and Transport	Transport Monitoring - speed surveys and traffic counts. Currently there is no reliable source for benchmarking but it is hoped that in the future this will be benchmarked against a reliable source in the Midlands.	12 hr one camera classified turning count - Cyclist Touring Club (CTC)	510.00	535.00	25.00	4.9%
		12 hr multiple camera CTC	920.00	945.00	25.00	2.7%
		12 hr CTC with pedestrians	580.00	630.00	50.00	8.6%
		12 hr single pathway pedestrian & cyclist count	285.00	299.00	14.00	4.9%
		12 hr two pathway pedestrian and cyclist count	445.00	475.00	30.00	6.7%
		Sale of pre-existing dataset	85.00	95.00	10.00	11.8%

Department	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
Communities, Economy and Transport	Flood Management: The focus of the Flood Risk Management service is on surface water, minor watercourse and groundwater flooding. The team is responsible for Ordinary Watercourse consenting, responding to general land drainage enquiries, and is involved in identifying funding streams to deliver flood alleviation/management schemes in the county. Benchmarking based on: Watercourse consenting set by legislation so no scope for change Rates for data provision and pre-application meetings have been informed by rates used by the Environment Agency which provides a comparable service.	Data provision	107.00	113.42	6.42	6.0%
		Pre application hourly review	92.00	97.52	5.52	6.0%
Communities, Economy and Transport	Highways Network Assurance - The Highways Act 1980 permits ESCC, as a highway authority, to grant licences and take enforcement action with respect to items on or affecting the highway. Uplift is required in order to take into account the rise in inflation as indicated by the Royal Institute of Chartered Surveyors Professional Services Indices.	S184 Dropped Kerb/Vehicle Crossover licence	356.65	368.06	11.41	3.2%
		S184 Dropped Kerb/Vehicle Crossover licence renewal	127.37	131.45	4.08	3.2%
		Licence to plant and maintain vegetation in Highway	58.28	60.14	1.86	3.2%
		Highway information - copy of agreement	58.28	60.14	1.86	3.2%
		Licence to place building materials on Highway	89.01	91.86	2.85	3.2%
		Licence to place crane, cherry picker etc on Highway	112.33	115.92	3.59	3.2%
		Licence to place crane, cherry picker etc on Highway - change of day	35.66	36.80	1.14	3.2%
		Licence to place hoarding on the Highway	110.21	113.74	3.53	3.2%
		Licence to place scaffolding on the Highway	110.21	113.74	3.53	3.2%
		Licence to place skip on the Highway	58.28	60.14	1.86	3.2%
		Licence to place a bench, notice board, planter, waste bin on Highway	58.28	60.14	1.86	3.2%
		Licence to place a grit bin on Highway	58.28	60.14	1.86	3.2%
		Licence to place wheelie bin on Highway	58.28	60.14	1.86	3.2%
		Licence to erect a sign in the Highway	58.28	60.14	1.86	3.2%
		Licence to plant posts, bollards in the Highway	58.28	60.14	1.86	3.2%
		Reclaiming illegally placed banners	58.28	60.14	1.86	3.2%
		Section 50 licence	550.00	567.60	17.60	3.2%
		Site inspection to assess safety and condition	54.00	55.73	1.73	3.2%

Department	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Licence to place tables and chairs (traders) on Highway:				
		- Tables and Chairs	264.94	273.42	8.48	3.2%
		- Objects (traders)	132.47	136.71	4.24	3.2%
		Licence to affix apparatus to street furniture	58.28	60.14	1.86	3.2%
		Temporary attachment of apparatus to streetlight	58.28	60.14	1.86	3.2%
		Licence to make an excavation in Highway	387.22	399.61	12.39	3.2%
		Traffic survey	58.28	60.14	1.86	3.2%
		Licence to discharge treated effluent from private drainage system into Highway	376.21	388.25	12.04	3.2%
Communities, Economy and Transport	The Keep provides an Archive Service that is utilised by many organisations along the South Coast. It is a partnership between East Sussex County Council, Brighton and Hove City Council and the University of Sussex. Public access to the Archives is facilitated and a wide program of educational talks and events is provided. It is also the base for the Sussex Family History Group who pay a notional rent and their activities support the maintenance and indexing of Family Records. Other material requiring specialist storage is archived here by other entities such as The National Archives and University of Brighton. The uplift is based on benchmarking against West Sussex County Council.	Digital image A4				
		pre-existing image	3.00	8.00	5.00	166.7%
		Printed image A4				
		pre-existing image	5.50	11.00	5.50	100.0%
		new	10.50	11.00	0.50	4.8%
		Digital image A3				
		pre-existing	3.00	8.00	5.00	166.7%
		Printed image A3				
		pre-existing	6.00	12.00	6.00	100.0%
		new	11.00	12.00	1.00	9.1%
		Printed certificates				
		Wedding	10.00	14.00	4.00	40.0%
		Certified copies				
		Typed extract and copy of original	20.00	25.00	5.00	25.0%
		Certified copy of original	17.00	20.00	3.00	17.6%
		House plans				
		digital	13.00	20.00	7.00	53.8%
		printed	25.00	35.00	10.00	40.0%
		Tithe maps				
		Map -digital	10.00	20.00	10.00	100.0%
		Apportionment	3.00	5.00	2.00	66.7%
		Wills				
		digital	10.00	15.00	5.00	50.0%
		printed	10.00	20.00	10.00	100.0%
		Detailed quote for larger reprographic projects	15.00	30.00	15.00	100.0%

Department	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Research Services				
		Building look up service - private	25.00	35.00	10.00	40.0%
		Conservator Services				
		On site per hour	60.00	65.00	5.00	8.3%
		Off site per hour	30.00	35.00	5.00	16.7%
		Camera passes				
		Per day	12.00	15.00	3.00	25.0%
		Parking				
		Car Parking full day	2.50	4.00	1.50	60.0%
		Car Parking staff	1.00	1.50	0.50	50.0%

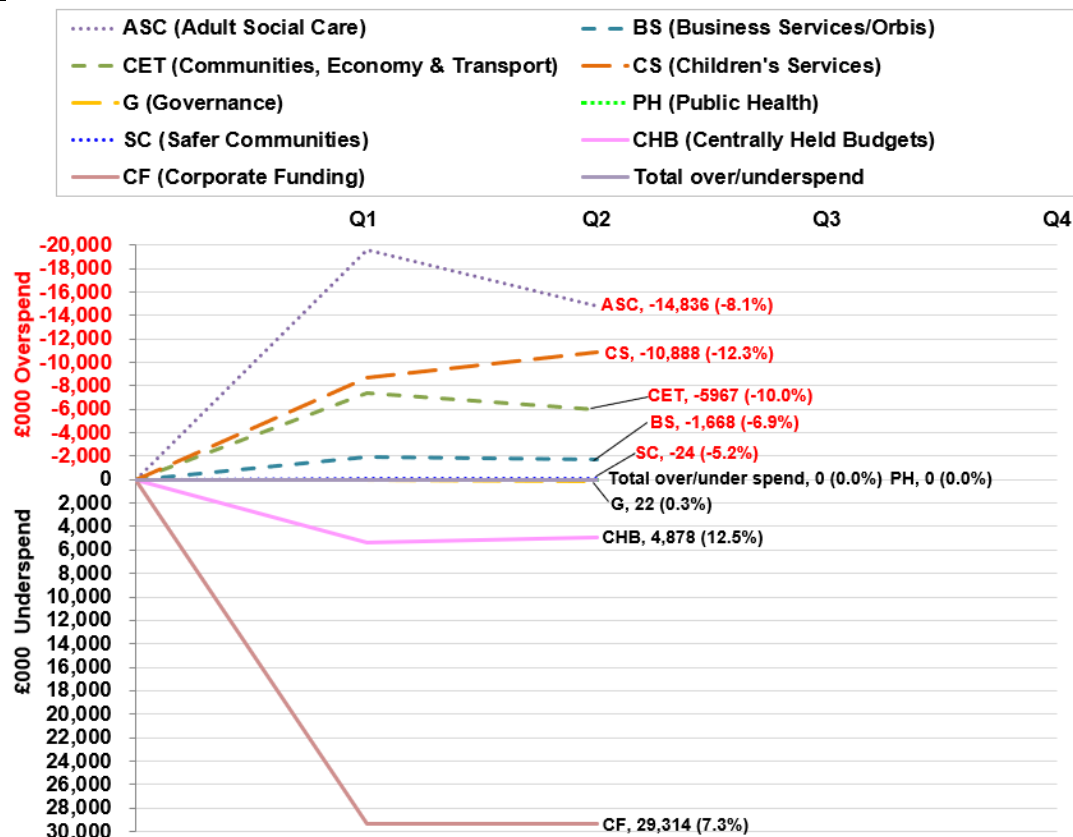
Council Monitoring Corporate Summary – Q2 2020/21

Council Plan performance targets

Priority	Red	Amber	Green	Amend/Delete
Driving sustainable economic growth	1	0	22	0
Keeping vulnerable people safe	0	3	8	0
Helping people help themselves	1	3	15	1
Making best use of resources	1	1	2	0
Total	3	7	47	1

Q2 2020/21	Q1 2020/21	Q2 2020/21
<p>There are 58 individual measures in the Council Plan.</p> <ul style="list-style-type: none"> Appendix 2 ASC&H – 1 Red, 4 Amber Appendix 3 BSD – 1 Red, 1 Amber, Appendix 4 CSD – 2 Amber Appendix 5 CET – 1 Red, 1 Amend/Delete 	<p>Red, 1, 2% Amber, 2, 3% Green, 55, 95%</p>	<p>Amend/Delete, 1, 2% Red, 3, 5% Amber, 7, 12% Green, 47, 81%</p>

Revenue budget outturn (net £000)



Revenue budget summary (£000)									
Divisions	Q2 2020/21								
	Planned			Outturn			(Over) / under spend		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Services									
Adult Social Care	280,794	(97,225)	183,569	278,408	(94,559)	183,849	2,386	(2,666)	(280)
Safer Communities	484	(25)	459	1,453	(994)	459	(969)	969	-
Public Health	29,082	(29,082)	-	28,164	(28,164)	-	918	(918)	-
Business Services / Orbis	52,823	(28,809)	24,014	54,158	(29,232)	24,926	(1,335)	423	(912)
Children's Services	340,633	(251,760)	88,873	343,084	(253,566)	89,518	(2,451)	1,806	(645)
Communities, Economy & Transport	121,259	(61,394)	59,865	120,485	(60,219)	60,266	774	(1,175)	(401)
Governance Services	7,490	(508)	6,982	7,734	(800)	6,934	(244)	292	48
Subtotal Planned Budget	832,565	(468,803)	363,762	833,486	(467,534)	365,952	(921)	(1,269)	(2,190)
COVID-19 related									
Adult Social Care	-	-	-	44,441	(29,885)	14,556	(44,441)	29,885	(14,556)
Safer Communities	-	-	-	24	-	24	(24)	-	(24)
Public Health	1,195	(1,195)	-	1,195	(1,195)	-	-	-	-
Business Services / Orbis	-	-	-	472	284	756	(472)	(284)	(756)
Children's Services	-	-	-	8,762	1,481	10,243	(8,762)	(1,481)	(10,243)
Communities, Economy & Transport	-	-	-	1,712	3,854	5,566	(1,712)	(3,854)	(5,566)
Governance Services	-	-	-	26	-	26	(26)	-	(26)
Subtotal COVID-19 related	1,195	(1,195)	0	56,632	(25,461)	31,171	(55,437)	24,266	(31,171)
Total Services	833,760	(469,998)	363,762	890,118	(492,995)	397,123	(56,358)	22,997	(33,361)
Centrally Held Budgets (CHB)									
Planned Budget									
Treasury Management	19,938	(1,700)	18,238	18,705	(1,675)	17,030	1,233	(25)	1,208
Capital Programme	3,453	-	3,453	3,453	-	3,453	-	-	-
Unfunded Pensions	10,080	-	10,080	8,931	-	8,931	1,149	-	1,149
General Contingency	3,850	-	3,850	-	-	-	3,850	-	3,850
Contrib to Reserves	1,782	-	1,782	1,764	-	1,764	18	-	18
Apprenticeship Levy	600	-	600	599	-	599	1	-	1
Levies, Grants and Other	1,021	(70)	951	999	(152)	847	22	82	104
Subtotal Planned Budget	40,724	(1,770)	38,954	34,451	(1,827)	32,624	6,273	57	6,330
COVID-19 related									
Treasury Management	-	-	-	-	650	650	-	(650)	(650)
Levies, Grants and Other	-	-	-	291	511	802	(291)	(511)	(802)
Subtotal COVID-19 related	0	0	0	291	1,161	1,452	(291)	(1,161)	(1,452)
Total Centrally Held Budgets	40,724	(1,770)	38,954	34,742	(666)	34,076	5,982	(1,104)	4,878

Revenue budget summary (£000)									
Divisions	Q2 2020/21								
	Planned			Outturn			(Over) / under spend		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Corporate Funding									
Planned Budget									
Business Rates	-	(82,024)	(82,024)	-	(82,024)	(82,024)	-	-	-
Revenue Support Grant	-	(3,548)	(3,548)	-	(3,548)	(3,548)	-	-	-
Council Tax	-	(301,753)	(301,753)	-	(301,753)	(301,753)	-	-	-
Social Care Grant	-	(14,630)	(14,630)	-	(14,630)	(14,630)	-	-	-
New Homes Bonus	-	(761)	(761)	-	(761)	(761)	-	-	-
Subtotal Planned Budget	0	(402,716)	(402,716)	0	(402,716)	(402,716)	0	0	0
COVID-19 related									
COVID-19 funding	-	-	-	-	(29,660)	(29,660)	-	29,660	29,660
Business Rates	-	-	-	-	346	346	-	(346)	(346)
Subtotal COVID-19 related	0	0	0	0	(29,314)	(29,314)	0	29,314	29,314
Total Corporate Funding	0	(402,716)	(402,716)	0	(432,030)	(432,030)	0	29,314	29,314
Total	874,484	(874,484)	0	924,860	(925,691)	(831)	(50,376)	51,207	831
Contribution to reserve; support Future Workstyles Programme	-	-	-	975	-	975	(975)	-	(975)
Use of reserves to fund revenue deficit	-	-	-		(144)	(144)	-	144	144
Final Total	874,484	(874,484)	0	925,835	(925,835)	0	(51,351)	51,351	0

Revenue Savings Summary 2020/21					
Service description	2020/21 (£'000) – Q2 Forecast				
	Original Target for 2020/21	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved
Savings					
ASC	248	854	854	0	0
BSD / Orbis	1,161	1,161	570	591*	0
CS	770	2,028	1,794	234*	0
CET	1,362	2,362	323	2,039*	0
GS	-	-	-	-	-
Total Savings	3,541	6,405	3,541	2,864	0
ASC			-	-	-
BSD / Orbis			-	-	-
CS			-	-	-
CET			-	-	-
GS			-	-	-
Subtotal Permanent Changes ¹			0	0	0
Total Savings & Permanent Changes	3,541	6,405	3,541	2,864	0

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total
ASC	-	-	0
BSD / Orbis	-	591	591
CS	188	46	234
CET	14	2,025	2,039
GS	-	-	0
Total	202	2,662	2,864

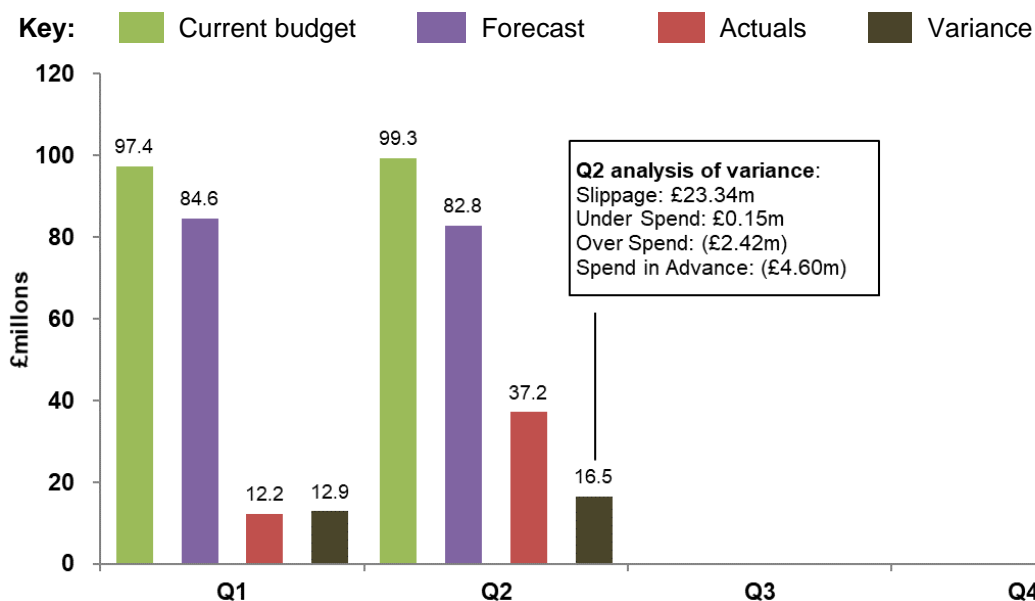
¹ Permanent changes will replace a previously agreed saving that can no longer be achieved. It is done via approval of quarterly monitoring.

² Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

* Means that a slipped or unachieved saving within this total is COVID-19 related – see individual departmental reports for details.

Capital Programme (gross £ millions) – approved projects



Capital Programme Summary (£000)

	2020/21									
	Budget	Total Projected Exp.	Analysis of Variation (Planned Programme)				Analysis of Variation (Covid-19 Related)			
			Variation (Over) / Under	(Over) / under spend	Slippage to future years	Spend in advance	Variation (Over) / Under	(Over) / under spend	Slippage to future years	Spend in advance
Adult Social Care	314	170	-	-	-	-	144	-	144	-
Business Services	34,372	31,139	1,743	-	5,096	(3,353)	1,490	(1,210)	2,700	-
Children's Services	978	924	34	-	34	-	20	-	20	-
Communities, Economy & Transport	63,604	50,563	1,932	153	3,028	(1,249)	11,109	(1,212)	12,321	-
Covid-19 Risk Factor	-	-	-	-	-	-	-	-	-	-
Gross Expenditure	99,268	82,796	3,709	153	8,158	(4,602)	12,763	(2,422)	15,185	0
Section 106 and CIL	(9,410)	(5,299)	3,546	-	3,546	-	565	-	565	-
Other Specific Funding	(29,202)	(17,733)	766	-	766	-	10,703	-	10,703	-
Capital Receipts	(2,915)	(2,915)	-	-	-	-	-	-	-	-
Formula Grants	(28,167)	(27,367)	800	-	800	-	-	-	-	-
Reserves and revenue set aside	(5,910)	(4,962)	778	153	775	(150)	170	-	170	-
Borrowing	(23,664)	(22,098)	(2,181)	-	2,271	(4,452)	3,747	-	3,747	-
Covid-19 tbc	-	(2,422)	-	-	-	-	(2,422)	(2,422)	-	-
Total Funding	(99,268)	(82,796)	3,709	153	8,158	(4,602)	12,763	(2,422)	15,185	0

Centrally held budgets (CHB) and Corporate Funding

The Treasury Management (TM) Strategy, which provides the framework for managing the Council's cash balances and 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. During Quarter 2 the Bank of England bank rate was at a record low of 0.10%. Market investment rates during the quarter have reduced and where possible a number of Local Authority investments were made to secure a fixed return, with market volatility and the increased risk of a reduced interest rate environment these investments up to 2 years lock in some value into 2020/21 and beyond. The average level of Council funds available for investment purposes during the quarter was £244m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, external debt repayments, receipt of grants and progress on the Capital Programme.

The total amount received in short term interest for the quarter to 30 September 2020 was £469k at an average rate of 0.76%.

The majority of the Council's external debt was held as long term loans (£234.9m). Borrowing of £1.3m matured on the 30 September held with the Public Works Loan Board (PWLb) the loan rate was 8.125% and a further £1.3m will mature by March 2021 at the same rate. No long term borrowing was undertaken in the quarter and no further cost effective opportunities have arisen during Q2 to restructure the existing PWLB or wider debt portfolio. The debt portfolio is reviewed by treasury advisors Link Asset Services. With the current PWLB arrangements in place there is a cost to restructuring debt, if the terms move in the Council's favour Link Asset Services will advise.

The comparable TM budget is forecast at an underspend of £1.2m; this is based on the position on the capital programme removing the need to borrow externally in 2020/21, together with the financial information presented above.

There is also an estimated Covid risk of £0.65m for loss of investment income. Following the outbreak of the pandemic in late March the bank rate was cut twice from 0.75% to a record low of 0.10%; pre pandemic the forecast for interest rates were to remain at 0.75% for the remainder of 2020/21. Current forecasts now up to 24 months for interest rates are flat at 0.10% (or even lower). Most of our investments that are not fixed rate are linked to bank rate and the loss of investment income was estimated based on that decrease.

The Council holds a general contingency of £3.9m that will offset the deficit; the remaining deficit will be covered from the Financial Management Reserve.

Reserves and Balances 2020/21 (£000)

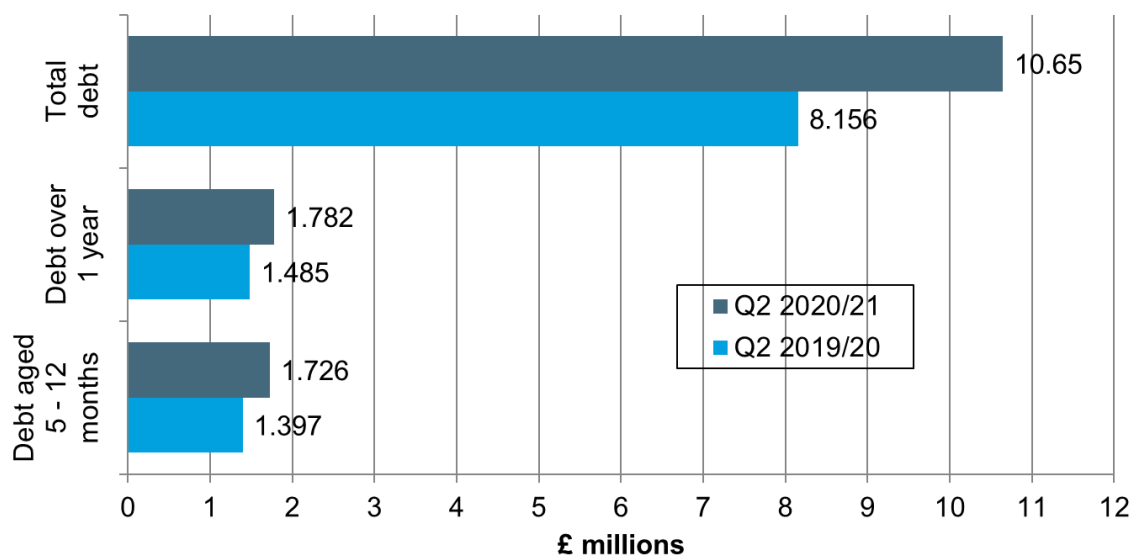
Reserve / Balance	Balance at 1 Apr 2020	Planned net use at Q1	Planned net use at Q2	Movt	Est. balance at 31 Mar 2021
Statutorily ringfenced or held on behalf of others:					
Balances held by schools	15,041	-	-	-	15,041
Public Health	4,026	(607)	(444)	163	3,582
Other	5,929	(717)	(87)	630	5,842
Subtotal	24,996	(1,324)	(531)	793	24,465
Service Reserves:					
Capital Programme	9,334	(1,476)	(1,168)	308	8,166
Corporate Waste	14,613	-	1,000	1,000	15,613
Insurance	6,463	-	-	-	6,463
Subtotal	30,410	(1,476)	(168)	1,308	30,242
Strategic Reserves:					
Priority / Transformation	7,173	(2,334)	(602)	1,732	6,571
Financial Management	35,001	(2,820)	(2,846)*	(26)	32,155
Subtotal	42,174	(5,153)	(3,447)	1,706	38,727
Total Reserves	97,580	(7,954)	(4,146)	3,807	93,434
General Fund	10,000	-	-	-	10,000
Total Reserves and Balances	107,580	(7,954)	(4,146)	3,807	103,434

* includes estimated use of £144k to cover the unfunded revenue deficit

Changes to Fees & Charges

There were no changes to fees and charges during Q2.

Outstanding debt analysis (£ millions)



The value of debt aged over 5 months at Quarter 2 has increased by £1.439m to £3.508m compared to the 2019/20 outturn of £2.069m. This rise in outstanding debt is partly due to the four month suspension in debt collection, and includes an increase of £0.969m due from ASC client contribution and £0.250m due from other local authorities.

Debt recovery recommenced for commercial debt on 1st July 2020 and for ASC debt on 1st August 2020. Work is on-going to collect outstanding income quickly and progress debts through the debt recovery routines.

Aged Debt continues to be a high priority focus area with a continuous improvement approach to re-engineer systems and processes. A full review of the end to end debt recovery process commenced in September 2020 with a small cross-departmental working group of key colleagues from Business Operations, ASC and Legal Services. Priorities for Quarter 3 include further debt recovery workshops, focused debt recovery catch up, and further mailshots to encourage customers to pay by direct debit.

Adult Social Care and Health – Q2 2020/21

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

Adult Social Care (ASC)

COVID-19 – Following the pause of centralised support to the Shielded Group as at the start of August, East Sussex has also paused elements of its support – most notably the food distribution service. However, support arrangements are still available:

- Community Hub provision continues in each District and Borough. As demand has fallen to circa 25 calls per week, provision has generally been taken into existing contact centres and is being used as business as usual. Regular demand monitoring is still occurring, and any significant increase would require a review of arrangements.
- Health and Social Care Connect (HSCC) has taken responsibility at a county level for advising previously shielding people. Additional capacity is being recruited into HSCC to support this and prepare for a second wave.
- Recognising that food security has been a key issue during the initial lockdown investment has been agreed to:
 - Support 15 foodbanks across the county through £270k of funding.
 - Develop food partnerships in each District and Borough to Provide £100k of additional funding to groups to help those accessing food banks.
 - Fund Citizens Advice to provide fuel vouchers.
- The East Sussex Vulnerable People Group has evolved to become a network to provide ongoing coordination on specific issues.

The COVID-19 Shielding Framework sets out the five stages for shielding in future, as part of three elements we should have in hand now:

- A. Meeting statutory needs of Clinically Extremely Vulnerable (CEV)
- B. Primary care maintaining the Shielded Patient List (SPL)
- C. Planning the '5 stages' of Shielding:
 - i. Contacting CEV people in the area of intervention.
 - ii. Implementing a local model of food and basic support.
 - iii. Reporting on support provided to CEV people.
 - iv. A process for clinical review points for pausing shielding.
 - v. Ending shielding and associated support.

In addition, the COVID-19 Shielding Framework proposes five broad 'objectives' for our plans:

1. Data Management and the ability to contact CEV people at short notice.
2. A Contact Strategy to signpost CEV people to the support they need.
3. A Local Food Offer for those without alternative support.
4. Re-establishment of a local 'Basic Support Needs Service' (in the VCSE).
5. Collaboration opportunities with neighbouring councils.

In response to this we have set up a Shielded Framework Steering Group, a development of previous governance structures to lead and deliver this work.

Health and Social Care Integration – Good progress has been made with revising and updating our integration programme priorities and objectives for 2020/21 to take account of:

- The learning from new ways of working that have rapidly been developed as part of our system response to the pandemic and sustaining new models of delivery where there have been agreed benefits.
- The impacts of responding to COVID-19 and the ongoing need to manage the response during 2020/21.
- New responsibilities and changes in focus, and broader restoration and recovery planning.
- The need to manage capacity, resources and risks appropriately across our system for the remainder of 2020/21.

Our focus has been to ensure we can identify and prioritise the key areas of development that will enable our system to continue to make further progress as an Integrated Care Partnership (ICP) in 2020/21, and deliver the long term outcomes set out in our East Sussex Plan.

Discussions have taken place across our system during June, July, August and September to identify and test the potential integration projects and critical shared priorities for the remainder of 2020/21, given the changes in focus due to COVID-19, and broader restoration and recovery planning. This covers children and young people; community; urgent care; planned care, and; mental health. Within this, priorities for personalisation, prevention, and reducing health inequalities have also been taken into consideration.

The project areas that have emerged out of the recent system discussions as being appropriate priorities for our collective system working in order to continue to make progress have been further tested and sense-checked to ensure they contribute wherever possible to:

- Offer greater levels and experience of integrated care and personalised care and support.
- Maximise the potential for prevention, early intervention and avoiding unnecessary attendance or admission to hospital.
- Support patient flow through hospital and reduced length of stay, and planning for winter and the ongoing need to manage the response to COVID-19, including any possible outbreak control if necessary.
- Support our individual organisations' core service delivery, including local NHS and Sussex Integrated Care System (ICS) plans for recovery and restoration of services, including the national requirement to restore NHS services to pre-COVID-19 levels.
- Align with broader Sussex-wide programmes of work where appropriate to meet the health and social care needs of our East Sussex population, for example the collaboratives for acute care, primary and community, and mental health, and the planned care and cancer programmes.

In addition to testing the agreed benefits for our system in the short and medium term attention has also been given to programme resources and capacity, and specifically our operational capacity to manage and deliver the revised programme in the current environment. The following work has also taken place:

- Developing a framework of realistic programme metrics and resources for the integration programme for the remainder of 2020/21. This includes formalising the detailed objectives, projects and KPIs into a comprehensive programme, taking into account the current challenges, complexities and risks across our whole system.
- Our system governance meetings have now been fully re-instated to support this, and also the work on other critical action plans such as preparation for winter and supporting recovery and restoration of services.

The partnership nature of the discussions across our system has been fundamental to the process of restoring the integration programme. As the revised programmes and projects are worked up in detail this will include future arrangements for partner organisations to be involved in project delivery where there is a shared interest, and how clients, patients and carers will be involved. Health inequalities and equality impact screens and full assessments will also be undertaken if this is required as part of future agreed projects.

Minimising unnecessary delayed discharges from hospital – Due to COVID-19 NHS England have paused the collection and publication of some official statistics, this includes Delayed Transfers of Care (DToc) for data due to be submitted between 1 April and 30 September.

Reabling people to maximise their level of independence – Reablement services are provided to help people to regain mobility and daily living skills, especially after a hospital stay. A range of measures are used to look at how effective reablement services are:

- Between April and June 2020 87.8% of older people discharged from hospital to reablement / rehabilitation services were at home 91 days after their discharge from hospital. Activity is showing a decrease, this is likely to be due to changes in activity and restrictions during lockdown and ongoing context of COVID-19, as this measure relates to reablement both carried out in the person's own home and in community based reablement beds. Performance against this measure is unlikely to improve as the scope for rehab has reduced due to COVID-19.
- Between October 2019 and September 2020, no further request was made for on-going support for 90.9% people who received short-term services.

Enabling people to live independently at home and delaying dependency

- Frail adults across East Sussex can receive Technology Enabled Care Services (TECS), to help manage risks and maintain independence at home. TECS includes Telecare, which offers a range of sensors and detectors to meet different needs, such as wearable alert buttons, fall detectors or medication dispensers. At the end of Q2, 8,764 people were receiving TECS.

Adults are able to take control of the support they receive

- There are currently 286 members signed up to Support with Confidence. This is made up of 236 Personal Assistants (PA's) and 50 businesses. In addition to these, there are 63 current applications being processed (56 PA's and 7 businesses).
- At the end of Q2, 36.3% of adults and older people were receiving Direct Payments (DPs). This equates to a total of 1,539 people. DPs are offered to all clients where appropriate, and support is in place at the start of the process to ensure as many clients as possible take up a DP and continue to receive them for as long as required.

Adults are supported to find and keep safe and affordable accommodation.

- 2,248 people were supported through STEPS and Homeworks across East Sussex in Q2 to maintain their independence, provided with advice and support on topics such as debt, welfare and healthy lifestyles or to find and keep safe and affordable accommodation and to improve their health and wellbeing.

Percentage of Health and Social Care Connect referrals triaged and progressed to required services within required timescales – Activity is only available for April and July at this stage, when 88% of Health Hub Referrals were handled within the correct time scales across all priorities. This shortfall in performance is due to a staffing deficit of nurses within the Health Hub. Due to current circumstances the staffing levels for nurses have remained the same and as such are still not at full compliment. Interviews were to commence in March, but this was put on hold due to the pandemic. This will be picked up again through the HSCC ASCH Project Group.

Carers supported through crisis intervention – This target is related to the British Red Cross service (ref i) and due to COVID-19 they are not able to deliver business as usual. Therefore, the outturn is to be confirmed.

Safer Communities (Safer East Sussex Team (SEST), Substance Misuse and Recovery Services and Domestic Violence and Abuse, Sexual Violence and Abuse Services)

Vulnerable People being Exploited & Recruited by Serious and Organised Crime – SEST are developing a number of interventions as part of the Uckfield Contextual Safeguarding work with the MACE – these interventions will be aimed at various audiences to educate and raise awareness of how to identify those at risk and protect young people in the local area as well as how young people can keep themselves safer.

Interventions with key partners will include:

- Test purchasing, awareness raising and training to identified off-license businesses.
- Whole School Assemblies – On specific issues such as Drugs, County Lines and Exploitation to young people.
- School Staff Training/Briefing sessions from multi - agency partners around the specific issues that are present in the locality involving young people.
- Communities Against Exploitation Event in the community to raise awareness of the types of exploitation that may be present in the local area to people who live and work in the area.
- In order to assist parents and carers to become more aware of the specific issues locally we will be developing information sessions via webinars.

Modern Slavery and Human Trafficking – During Q2:

- SEST, Sussex Police, Adult Social Care and Children's Services delivered a multi-agency briefing session for councillors.
- SEST coordinated specialist bespoke training with the Sussex Police Modern Slavery force lead for the Council's Trading Standards and the Gypsy and Traveller team that may encounter Modern Slavery.
- SEST shared key information and resources relating to modern slavery across the economic development workforce and East Sussex business networks. With the support of our district and borough colleagues one resource was shared across the Wealden District to over 15k recipients.
- SEST hosted the Sussex Anti-Slavery network in October and through the work of the network the Council has demonstrated a commitment to seeing a slavery free Sussex by adopting an overt public facing pledge; The United Nations Global Sustainable Development Goal 8.7, to take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour by 2030, this pledge was signed by council leaders; Chief Executive Becky Shaw, Cllr Keith Glazier and Cllr Bill Bentley.
- We worked with our internal procurement teams to reduce the risk of modern slavery in our supply chains and support their awareness of how the pandemic has increased risk of modern slavery in the care sector.

Vulnerable Victims of Fraud & Scams – The Safer East Sussex Team have been supporting local and national initiatives such as the call blocker project and working to raise awareness of our East Sussex Against Scams Partnership via the Ageing Well festival to continue to bring organisations together to fight scams. Our exploitation training has a focus on fraud and scams (including prevalent coronavirus fraud) which we keep updated to deliver the latest resources and preventative guidance.

Online Safety, Social Media, the Internet and Mobile Phones – With the return of schools in September we have returned to primary schools to deliver our RelationSHOPS programme. This includes a specific session around our Relationship with the Digital World, looking at the importance of how young people can keep safe online as well as how to use the internet responsibly. Key areas of learning cover the sharing of images, cybercrime and the Law, protecting personal information and your digital footprint.

Serious Violent Crime – As the understanding of the impact of serious violence in East Sussex has grown and following an update report to the Serious Violence Executive Group and the Safer Communities Board, partners have agreed to amend the definition of serious violence to concentrate on violence that; occurs in a public place, AND has a victim, suspect or offender up to the age of 39.

East Sussex has been asked to lead on the Reducing Re-offending workstream for Sussex and initial scoping shows that the most significant barriers to reducing re-offending in East Sussex are accommodation and wrap around support for serious violence perpetrators. For East Sussex this will link to the work that we have started on the prevention of homelessness for people leaving prison with the Rough Sleeper Initiative (HMPPS trailblazer status pending). It will also link to the work we are undertaking around substance misuse and Operation Adder which focuses on drug related crime (e.g. robbery, county lines etc).

The Sussex work will take two strands

- supporting the development of a probation post to work on an accommodation strategy and draft funding bids; and
- supporting the development of the recently formed Probation Violence and Exploitation Unit.

Other developments include:

- Sussex Violence Reduction Unit (VRU) funded initiatives led by Children's Service colleagues - College Central and the Multi-agency Child Exploitation (MACE) Key workers intensive family services.
- Through the Home Office Vulnerable Children's Charities VRU Funding three local charities were awarded grants: Priority 1-54, Project Rewild and Gizmo Theatre Company. A separate report request has been sent by the Sussex VRU to these partners.
- A Project between victim support, Bexhill College, SEST and Targeted Youth Support to develop a Forum Theatre workshop for Year 8 pupils around crime: serious violence including knife crime, domestic abuse, county lines, online harms - to increase the awareness of the impact these crime have on the victim/their family and learn to recognise and avoid potentially risky situations.
- Developing a Community Engagement proposal specifically for the two identified hotspot areas. This will consider how local communities can actively influence delivery in their areas. This will include providing opportunities for community feedback on existing and future activity.
- Development of a perpetrator profile looking at the top 20 perpetrators of serious violence, causation factors and the interventions they have received.

Substance Misuse and Recovery Services

- During the Q2 we undertook a commissioning process to support families and loved ones affected by drug and alcohol disorders in the county. The contract was awarded to Adfam, who are a national charity working to improve life for families affected by drugs and alcohol, the contract started on 1 October 2020.
- A key element raised through the *Conversation about drugs and alcohol* that was held in March 2020 was around reducing the harm caused by excessive drinking. As this dovetails with the development of the Alcohol Harm Strategy it was agreed that a further consultation should be undertaken to look at people's relationship with alcohol in more detail. *Continuing the conversation – let's focus on alcohol* was therefore launched in August 2020 and included both an online survey and focus group work with local services and service users. Results will be published during Q3.
- The project to provide support to members of the Street Community housed in temporary accommodation under emergency COVID-19 powers has commenced, and a structured programme of harm reduction support and basic diversionary activities has started to be delivered. The training for providers of Temporary Accommodation has gone well with 12 individuals attending the training during Q2, and in July and August some excellent Harm Reduction training was delivered which was well attended. Individuals have also been engaging in arts activities, which have proved to be very popular.

Domestic Violence and Abuse, Sexual Violence and Abuse Services

Domestic Abuse (DVA) and Sexual Violence (SVA) services continue to flex delivery while staff are predominantly home working, although some face to face work has been re-introduced.

Referrals to DVA services remain high with an average of 70 medium/high risk referrals received each week. Ministry of Justice additional COVID-19 emergency funding has paid for existing staff to work overtime, increasing service opening hours, and resulting in all demand being met, without waiting lists for support.

In Hastings and Rother, over 85% of referrals relate to reported continued or renewed harassment and on-going incidents from alleged perpetrators who are recorded as ex- or separated partners rather than current partners. In Eastbourne, Wealden and Lewes, there are higher numbers of reports of current partners perpetrating abuse, and just under 50% of all referrals have reported physical abuse. There has been a noticeable increase in the number of male referrals (victims in same sex relationships) to MARAC in Q2.

The new CCG funded Health independent domestic violence advisor (IDVA) post has started, with a remit to work across Eastbourne DGH and Conquest Hospitals, both taking referrals of people presenting to A&E, maternity and minor injuries units, and also to build capacity re: identification and referral of hospital staff. This provision, funded on and off for the last few years, has now been mainstreamed into the recommissioning of services from April 2021.

The MARAC Hub Pilot (a secondary meeting in which cases are discussed and safety planning co-ordinated by core partners, reducing the number of cases presented and discussed at the MARAC) was evaluated by Fulfilling Lives who published their report and recommendations: <https://www.bht.org.uk/wp-content/uploads/2020/08/Fulfilling-Lives-Marac-Report-2020.pdf>. On the completion of the pilot, numbers referred to MARAC increased to previous levels with spikes in July and August, although they have reduced to more manageable levels through September.

Referrals to rape and sexual violence remain stable with an average of five young people and five adults a week; however, there are extremely long waiting lists (over 400 people) waiting for counselling support.

The commissioning of East Sussex community Domestic Abuse Services has been delayed due to the pandemic, and the contract with the current provider has been extended to the end of March 2021. The tender documentation is to be published this month with award before the end of December and new contracts going live on 1 April 2021 for 5 years, plus up to 24 months. The recommissioning of the accommodation services (refuge) has been delayed until 2021, pending the passing of the Domestic Abuse Bill and its new duty around provision of accommodation for all people fleeing domestic abuse.

A focus on Domestic Homicide Reviews (DHRs) has signed off completed reviews and a subsequent submission to the Home Office, and appointed independent chairs for more recent homicide reviews. The team has produced a flow-chart with statutory timeframes for each step in the process, and a spreadsheet to track the progress of all DHRs.

Public Health

Number of new service user interventions started through One You East Sussex as part of the Integrated Lifestyle Service – The number of new service user interventions (ref ii) started in Q1 was much lower than we would normally expect. Although the service was able to move swiftly to a fully remote offer in response to COVID-19, the number of referrals received from primary care (the main referral source) was significantly reduced. As activity in primary care returns to more normal levels, we expect referrals to pick up. In the meantime, One You East Sussex (OYES), has undertaken significant digital promotion of its stop smoking and weight management support and as a result, these parts of the service are performing well. The service's online weight management programme received recognition in Public Health England's (PHE) 'Weight management services during COVID-19: phase 1 insights' as an example of good practice.

The number of health and social care staff and voluntary sector organisations trained to deliver brief interventions and advice to promote, encourage and help people make healthier choices as part of the Making Every Contact Count (MECC) initiative – OYES has developed a virtual version of its MECC training programme (ref iii) and this has been piloted within the School of Nursing and Midwifery at the University of Brighton. This development came too late to have an impact on Q1 performance, which is much lower than we would expect. We are working to increase training activity during the rest of the year. However, potential recipient organisations are currently unable to commit due to not having capacity to attend training as a result of the COVID-19 outbreak. This may result in continued low uptake.

Cumulative percentage of the eligible population who have received an NHS health check since 2015/16 (five year period) – Since April 2016 - March 2021 (this five year reporting period) 38.6% (65,454) of the eligible population have received their NHS Health Check (ref iv) by the end of Q1. The service was suspended by NHSE/RCGP guidance in March 2020 due to the COVID-19 pandemic and all providers ceased delivering the service. This also includes the county's integrated health and wellbeing service, OYES that delivered 0 Checks in Q1.

A consultation was issued to assess the impact of COVID-19 and GP delivery. GPs responded that NHS Health Checks will be significantly reduced due to prioritised workloads. Some GP providers and OYES started to deliver NHS Health Checks in August in a limited and 'COVID-19 secure' way. A new tariff has been developed and will be launched in Q3 to incentivise GPs to target checks to specific COVID-19 vulnerable communities and to align the NHS Health Check service with similar types of health checks such as the Black, Asian and Minority Ethnic (BAME) holistic health assessment and the Learning Disability annual health check.

Successful partnership working

- **Crowdfunder East Sussex** aims to make great ideas happen through a combination of expert crowdfunding coaching, events and grants. Public Health's [Building Stronger Communities Fund](#) supports projects that promote social inclusion, diversity and empowerment of people and communities through the development of community facilities or community activities. The fund also supports projects helping people most affected by the coronavirus pandemic with up to £2,500 in match funding available for not-for-profit organisations with projects that make a real difference in our communities. In Q2 Crowdfunder East Sussex and the Building Stronger Communities Fund have awarded £16,000 in match funding for eight eligible projects. 641 supporters came forward to make pledges to these projects, successfully raising over £87,000 through a combination of public giving and match funding.
- An application to the **Department for Business, Energy & Industrial Strategy's Green Homes Grant Local Authority Delivery** scheme by a consortium of East Sussex local authorities, led by Hastings Borough Council, has been successful. East Sussex County Council will receive £662,714 of the £912,714 awarded, which will help

to boost the Warm Home Check service offer for eligible residents this winter. The service, commissioned by Public Health and delivered by RetrofitWorks and Citizens Advice East Sussex, will offer home energy efficiency improvements for at least 75 low-income fuel poor households in private tenures (home-owners or those privately renting). The measures on offer will include home insulation and low carbon heating systems. The remaining funding awarded will be used by Optivo, along with their own match funding, to deliver works to improve 50 homes in their social housing stock in East Sussex.

National recognition of good practice

- **Thrive Tribe** (our Integrated Health and Wellbeing Service provider) swiftly adapted its service delivery model following lockdown, to provide remote weight management and stop smoking support. The service's weight management programme has since been recognised as an example of good practice by PHE. Feedback has shown that the move to online provision has broken down barriers for some service users who were unwilling to engage with face-to-face group interventions but are happy to sign up to an online service.
- **Innovation in suicide prevention** – The LGA recently published [a case study](#) on innovative work led by Public Health last year, to review and reframe issues surrounding suicide at a public place in East Sussex. The case study describes the design led approach used to creatively engage 37 stakeholders from 17 organisations in the intensive five-day workshop programme. The outcomes of this programme have informed new plans to improve suicide prevention in East Sussex.

New ways of working

- **A whole sexual health system monthly tracker** has been developed to cover STI testing, contraception, Emergency Hormonal Contraception (EHC), condom supply and abortion activity to monitor true 'real time' activity compared to 2019-20. This includes CCG, acute provider, abortion provider and online datasets in one dashboard. This tracker is assisting in negotiations with providers and development of new services.
- **Specialist sexual health services** have successfully adopted remote ways of working. Online Sexual Transmitted Infection testing activity has increased since lockdown and services continue to signpost. Online EHC and contraception bridging access was commissioned as a temporary measure under COVID-19 rules and has proved successful. Online condoms provision is available via the sexual health website for all ages in light of a 65% drop in accessing condoms. Reactive marketing and website development have enhanced remote working and signposting to accessible services. The service specification for abortion procurement now includes remote consultation, scan only where indicated and postal early medical oral treatment.
- **Drug related harm** - A proposal has been agreed in principle by the Home Office to provide significant funding to address drug related harm in Hastings (one of four areas in the country to benefit from increased funding (an investment of £3 million pounds) over the next two and a half years). It aims to reduce drug related deaths, reduce drug related offending and reduce the prevalence of drugs in the town. This funding will be used to underpin a whole system approach that enhances existing assets that address substance misuse in the town. The project focuses on the harm associated with heroin and crack cocaine use and work has been divided into three works streams – enforcement, treatment and recovery and diversion. Each strand has a range of interventions which contribute to increased Police and other partner related activity to break up serious and organised crime structures around drug supply, increase the number of heroin and crack users who enter treatment and then enter and sustain recovery and increase the number of people who are diverted away from the court system due to drug related offences. The outcomes of the project include an increase in the number of children and other vulnerable people safeguarded, a reduction in costs to local Police forces, the court system and health and social care systems and a reduction in drug related deaths.
- **Clinical Cell** – Public Health staff were drawn in on a rota basis to review and interpret daily government guidance to provide timely advice and support to various clinical and public queries. The clinical cell has grown and now has ten individuals supporting the function of providing advice on prevention of the spread of COVID-19 and reinforcing of the control measures required. The team supporting the cell works on a rota basis responding to enquiries from Members of the Public internal and external stake holders to the Council. An example the enquiries range from interpretation of guidance, providing specialist advice on Infection Prevention Control (IPC), PPE and supporting NHSE mandated IPC training for care homes and more latterly schools and homeless services. Members of the cell have a wealth of expertise which is transferable and as well as supporting the function of the cell also provide leads for mass COVID-19 vaccination task and finish groups, COVID-19 testing, including antibody testing, mobile testing.

Revenue Budget Summary

Public Health

The Public Health (PH) Budget of £30.277m comprises of the PH grant allocation of £27.702m, Test Track and Contain grant allocation £2.535m (of which £1.195m is planned to be spent in 20/21), CCG funding of £0.017m and £1.363m drawn from reserves to support in-year spending. Core PH expenditure is projected to be £0.918m less than

planned due to the delivery of services being restricted by COVID-19. This reduces the forecast draw from reserves to £0.445m.

ASC

The net Adult Social Care budget of £183.485m includes growth and demography funding and an inflationary uplift to support the independent sector care market. The budget is currently forecast to overspend by £0.280m, excluding the financial impact of COVID-19 on ASC costs. This comprises an overspend of £1.570m in the Independent Sector, offset by an underspend of £1.290m in Directly Provided Services. The Independent Sector overspend reflects ongoing demand-led pressure on ASC services and the likely future impact of the Hospital Discharge Programme (HDP) as approximately 1,000 clients discharged under Scheme 1 of the HDP transition back to ASC during the second half of the year. The impact of the HDP on core ASC expenditure will be reviewed throughout Quarter 3. The underspends in Directly Provided Services relate mainly to lower demand in Day Services, temporary reductions in social worker training and increased staffing vacancies while recruitment activity remains lower.

ASC is currently forecasting the net financial impact of COVID-19 to be £14.556m in 2020/21. This is split £10.253m in the Independent Sector, £4.303m in Directly Provided Services and £0.024m in Community Safety. The main areas of expenditure include relief payments to providers; spend on PPE and the support to shielded groups via the Community Hubs (the latter of which is funded in part by the Food and Emergency Supplies Grant. Hospital discharge costs will be funded by the HDP funding, which includes a contribution from ASC's core budget equal to our normal spend meeting the needs of people discharged from hospital, in line with national guidance.

Capital Programme Summary

The ASC Capital programme is £0.314m for 2020/21. £0.144m slippage is expected in Greenacres as some of the budget will be held for future modifications.

Performance exceptions (See How to read this report for definition)								
Performance measure	Outturn 19/20	Target 20/21	20/21 RAG				Q2 2019/20 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Helping people to help themselves								
Number of carers supported through short-term crisis intervention	921	390	G	A			TBC	i
Number of new service user interventions started through One You East Sussex as part of the Integrated Lifestyle Service	6,432	7,000	G	A			1,021 (Q1)	ii
The number of health and social care staff and voluntary sector organisations trained to deliver brief interventions and advice to promote, encourage and help people make healthier choices as part of the Making Every Contact Count (MECC) initiative	689	600	G	A			25 (Q1)	iii
Cumulative percentage of the eligible population who have received an NHS health check since 2015/16 (five year period)	49.3%	50%	G	R			38.6% (Q1)	iv

Savings exceptions						
Service description	2020/21 (£'000) – Q2 Forecast					Note ref
	Original Target For 2020/21	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
Savings						
Working Age Adults: Nursing, Residential and Community Based services	248	371	371	-	-	
Meals in the Community	-	483	483	-	-	

Savings exceptions						
Service description	2020/21 (£'000) – Q2 Forecast					Note ref
	Original Target For 2020/21	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
Total Savings	248	854	854	0	0	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	248	854	854	0	0	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total	Note Ref
	-	-	-	
	-	-	-	
	-	-	-	
Total	0	0	0	

¹ Permanent changes will replace a previously agreed saving that can no longer be achieved. It is done via approval of quarterly monitoring.

² Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget										
Divisions	Planned (£000)			Q2 2020/21 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Planned Budget										
Adult Social Care										
Independent Sector										
IS - Physical Support, Sensory Support and Support for Memory & Cognition	120,455	(43,591)	76,864	113,258	(39,770)	73,488	7,197	(3,821)	3,376	
IS - Learning Disability Support	63,737	(4,878)	58,859	67,830	(5,355)	62,475	(4,093)	477	(3,616)	
IS - Mental Health Support	7,822	(1,805)	6,017	11,224	(3,877)	7,347	(3,402)	2,072	(1,330)	
Subtotal	192,014	(50,274)	141,740	192,312	(49,002)	143,310	(298)	(1,272)	(1,570)	
COVID-19 related										
IS - Hospital Discharges	-	-	-	18,925	(18,557)	368	(18,925)	18,557	(368)	
IS - Loss of Income	-	-	-	377	-	377	(377)	-	(377)	
IS - Provider Relief Payments	-	-	-	9,508	-	9,508	(9,508)	-	(9,508)	
IS - Infection Control Fund	-	-	-	10,737	(10,737)	-	(10,737)	10,737	-	
Subtotal	0	0	0	39,547	(29,294)	10,253	(39,547)	29,294	(10,253)	
Directly Provided Services and Assessment and Care Management										
Physical Support, Sensory Support and Support for Memory & Cognition	15,132	(4,675)	10,457	13,074	(3,320)	9,754	2,058	(1,355)	703	
Learning Disability Support	7,522	(595)	6,927	7,168	(682)	6,486	354	87	441	
Mental Health Support	3,008	(2,985)	23	3,009	(2,885)	124	(1)	(100)	(101)	
Substance Misuse Support	591	(115)	476	591	(115)	476	-	-	-	
Equipment & Assistive Technology	5,599	(3,101)	2,498	5,516	(3,107)	2,409	83	6	89	
Other	1,113	(695)	418	1,282	(694)	588	(169)	(1)	(170)	
Supporting People	6,780	(310)	6,470	6,778	(310)	6,468	2	-	2	
Assessment and Care Management	26,087	(2,735)	23,352	26,024	(2,673)	23,351	63	(62)	1	
Carers	3,188	(2,494)	694	2,925	(2,231)	694	263	(263)	-	
Management and Support	19,470	(29,246)	(9,776)	19,236	(29,337)	(10,101)	234	91	325	
Service Strategy	290	-	290	493	(203)	290	(203)	203	-	
Subtotal	88,780	(46,951)	41,829	86,096	(45,557)	40,539	2,684	(1,394)	1,290	
COVID-19 related										
Loss of Income	-	-	-	399	-	399	(399)	-	(399)	
PPE	-	-	-	2,117	-	2,117	(2,117)	-	(2,117)	
Emergency Meals, Community Hubs and Grants	-	-	-	2,047	(591)	1,456	(2,047)	591	(1,456)	
Staffing	-	-	-	264	-	264	(264)	-	(264)	
Other	-	-	-	67	-	67	(67)	-	(67)	
Subtotal	0	0	0	4,894	(591)	4,303	(4,894)	591	(4,303)	

Revenue Budget										
Divisions	Planned (£000)			Q2 2020/21 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Total Adult Social Care	280,794	(97,225)	183,569	322,849	(124,444)	198,405	(42,055)	27,219	(14,836)	
Planned Budget										
Safer Communities										
Safer Communities	484	(25)	459	1,453	(994)	459	(969)	969	-	
Subtotal	484	(25)	459	1,453	(994)	459	(969)	969	0	
COVID-19 related										
Community Safety - Staffing	-	-	-	24	-	24	(24)	-	(24)	
Subtotal	0	0	0	24	0	24	(24)	0	(24)	
Total Safer Communities	484	(25)	459	1,477	(994)	483	(993)	969	(24)	
Planned Budget										
Public Health										
Core Services										
Mental Health & Best Start	10,308	-	10,308	10,019	-	10,019	289	-	289	
Risky Behaviours and Threats to Health	11,278	-	11,278	11,063	-	11,063	215	-	215	
Health Systems	3,083	-	3,083	2,906	-	2,906	177	-	177	
Communities	743	-	743	887	-	887	(144)	-	(144)	
Central Support	3,670	-	3,670	3,289	-	3,289	381	-	381	
Public Health Grant income	-	(27,702)	(27,702)	-	(27,702)	(27,702)	-	-	-	
Public Health CCG and Reimbursement income	-	(17)	(17)	-	(17)	(17)	-	-	-	
Contribution from General Reserves	-	(1,363)	(1,363)	-	(445)	(445)	-	(918)	(918)	
Subtotal	29,082	(29,082)	0	28,164	(28,164)	0	918	(918)	0	
COVID-19 related										
Test, Track and Contain	1,195	-	1,195	1,195	-	1,195	-	-	-	
Test, Track and Contain Grant	-	(1,195)	(1,195)	-	(1,195)	(1,195)	-	-	-	
Subtotal	1,195	(1,195)	0	1,195	(1,195)	0	0	0	0	
Total Public Health	30,277	(30,277)	0	29,359	(29,359)	0	918	(918)	0	

Capital programme										
Approved project	Total project – all years (£000)		2020/21 (£000)							Note ref
			In year monitor Q2 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2020/21	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
OP Service Improvements	-	-	-	-	-	-	-	-	-	
Greenacres	2,598	2,598	264	54	120	144	-	144	-	
LD Service Opportunities	5,092	5,092	-	-	-	-	-	-	-	
House Adaptations for People with Disabilities	2,719	2,719	50	-	50	-	-	-	-	
Total ASC Gross	10,409	10,409	314	54	170	144	0	144	0	

Business Services – Q2 2020/21

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

Summary of successes and achievements – Q2 has seen a continuation of services supporting key areas during the COVID-19 pandemic and reacting to ongoing pressures and changes as a result. Business As Usual activities that were paused at the start of the pandemic have started to be picked up, meaning we have been able to commence debt recovery, the rollout of Windows 10 laptops, and forward plans for the remainder of the year have been revised in both Internal Audit and Procurement. The 'Workstyles' Programme has been launched, which is a cross functional programme working across HROD, IT&D and Property, to look at future ways of working and the impacts this will have on our office spaces and workforce.

In July, the new Hailsham Primary Academy capital project was winner of 'Building Project of the Year under £10m' at the SECBE 2020 Construction Excellences awards. The award recognises the completion of the project 11 weeks ahead of schedule in a total of 44 weeks, meaning pupils could start the new term in a brand-new school rather than the temporary accommodation originally planned. The collaboration and teamwork demonstrated throughout the project, especially between Procurement and Property teams, was a key factor in delivering this award-winning result. The project saved 145 tonnes of CO2 and reduced waste by around 39% by using site-specific schemes.

The Council's IT and Digital service won an award at the Real IT Awards 2020 in the category of 'Legacy System Migration' for the project to introduce the MyServiceHub IT service desk management tool. The award is recognition of the hard work involved and emphasises how a technology change can be used to drive culture change and enhance the customer experience.

Apprenticeships – In the summer of 2020, the Government announced several new initiatives aimed at tackling the projected sharp rises in unemployment, particularly among those aged 18 – 24, as a consequence of COVID-19. The Apprentice Incentive Scheme currently runs from August 2020 until January 2021 and offers payments to support new apprentices. To qualify for the incentive payment, the individual must be a new employee; it does not include existing members of staff who are undertaking apprenticeship training. A range of publicity materials have been issued to managers across the Council and we have already seen an increase in new apprenticeship starts.

The Department for Work and Pensions have launched the 'Kickstart' programme which provides funding to create new six month job placements for young people aged 16-24 who are currently on Universal Credit and at risk of long-term unemployment. In order to ensure that these new initiatives are complementary to our existing Apprenticeship programme and arrangements, a working group, drawn from members of the Apprenticeship Steering Group, is being established to take this forward in the Council.

Savings achieved through procurement, contract and supplier management activities – During Q2 the demand on Procurement resource to support COVID-19 related activities started to ease. However, there was a continued need to monitor PPE spend and supplier due diligence. The provision of Food Boxes during the lockdown period was wound down and a procurement was undertaken to establish a medium-term supply of food boxes to be used, should the Council be required to support shielded residents. Supplier relief has, in most cases, ended in line with government guidance, but in some cases was extended through to September where the contracts were largely related to schools.

A significant collaborative procurement concluded in Q2 – the Hard FM (Term and Planned Maintenance) project, which was an 18-month collaboration between Property services in Brighton and Hove and East Sussex Councils and led by the ESCC Procurement team. This has been a significant success for collaborative working, as well as the increased focus on social value and sustainability in these frameworks. Work is also taking place to see if the frameworks can also be used by Eastbourne & Lewes and Adur & Worthing Councils in the coming months.

The Orbis Energy Team and Procurement completed the procurement of the Utilities Ancillary Services which brings a common approach to monitoring meter data and usage across Surrey and East Sussex.

The care and support contract for Greenacres was awarded in Q2, part of East Sussex's response to the national Transforming Care Programme, aimed at ensuring people with learning disabilities or autism can be discharged from NHS hospitals into appropriate community settings.

Social Value (SV) – In Q2, a total of 18 contracts were awarded. Three contracts were out of scope as we accessed existing pre-approved lists of suppliers with predefined terms, so the Social Value Measurement Charter could not be applied. The restrictions in place during the pandemic has made it more difficult for the supply chain to deliver Social Value in traditional ways. Our focus is now on adapting the approaches within procurement to maximise the areas of social value that are deliverable and focus on the priorities highlighted in the East Sussex Economic Recovery Plan.

We are seeing the supply chain react in creative ways to deliver social value, such as using virtual environments for skills and employment initiatives. The 15 in-scope contracts had a total contract value of £23.93m and secured £1,224,995 in Social Value commitment, which equates to an outturn of 5%. The figure reported is below the >10%

target and we will be looking to increase the focus on social value in all our activities, taking into consideration the current climate and challenges.

Procurement is actively supporting Property Services and the Environment Team in the approach to decarbonisation of our buildings and delivering a zero-carbon supply chain. This initially includes procurement of consultancy and contractor support for applications to the Public Sector Decarbonisation Fund and Solar PV installations.

Third Sector support – During Q2 all activity continued to be directed to ensuring that external partners were supported in following Government COVID-19 guidance and identifying adaptations to their services and activities to meet the local impacts of the pandemic. Third Sector support worked across departments and public sector partners to ensure that insight and intelligence from the voluntary, community and social enterprise (VCSE) sector informed responses to local population need. Local VCSE insight and intelligence was provided by 3VA, HVA, RVA, ESCV, in partnership with the VCSE Alliance.

Specific activities included establishing Food Security grants administered by Sussex Community Foundation, working with Sussex Health and Care Partnership (SHCP) to better understand the impact of COVID-19 on the VCSE sector, and developing a South East Local Enterprise Partnership (SELEP) Social Enterprise Working Group bid to the Sector Support Fund (SSF).

Internal Audit – During Q2, efforts continued to be focussed on providing advice on the many system and process changes implemented across the Council in response to COVID-19, with emphasis on ensuring an appropriate internal control environment is maintained. Whilst the majority of planned audit work continued to be suspended in order to avoid interfering with priority and frontline service delivery, we were able to begin some planned audit activity across the authority. All Internal Audit staff previously redeployed to support other services returned to the team during Q2. In addition, work was completed to produce a revised Internal Audit Plan for the second half of the year, focussing on priority activities from the original plan and new and emerging risks in response to the pandemic.

Neither of the two high risk agreed actions due to be implemented by the end of Q2 were actioned. These related to the audit of Libraries Asset Management where delays have occurred due to COVID-19. Revised deadlines have been agreed which will be subject to ongoing monitoring by Internal Audit, with further escalation where necessary.

Insurance claims – At Q2, 88% of liability claims were handled to first decision (i.e. initial repudiation or offer of compensation) within the relevant legal time frames. This is compared to 38.1% reported at Q1 but continues to be below the 95% target. Most third-party claims relate to the highway and these are handled by East Sussex Highways (Costain Jacobs). All claims handled outside of the timeframe were administered by them, due to staffing and administration issues reported during Q1. Due to the outstanding back log of claims, the target was missed for July but then exceeded for both August and September. The implications of not meeting these timeframes means that claimants could decide to take legal action immediately, and although there are no financial implications to the Council (as East Sussex Highways are accountable for claim payments) there is a reputational risk for the Council if response compliance continues to be below target. We will continue to monitor this situation and liaise with Costain Jacobs but are now confident that the issue is resolved and that the target will be met for Q3.

Property operations – The core of activities continue to be around COVID-19 recovery; providing assurance around service, building and team risk assessments across our sites. This has included building compliance checks and implementing physical measures where needed. Work has begun to move this work into the planning phase for the 'new normal'. A Workstyles programme has launched, which is a cross functional team initiative put in place to support the change programme for the Council's services in response to the challenges and opportunities that the pandemic has posed to the organisation.

The data platform that supports the Property service is being replaced. Following the appointment in Q1, work has started on the implementation phase in Q2, with plans to go live in Q4.

Renewal of procurement framework arrangements to support both our Rating and Asset Valuation/Audit requirements has been concluded with new Valuers being formally contracted this month, and for which a whole portfolio revaluation will be commissioned for March 2021. This procurement work has been jointly carried out with West Sussex County Council.

There has been an overall reduction of 23.2% in energy use during Q2 2020/21. This breaks down as 29.5% reduction for schools and 15.5% reduction for non-school energy use. The temporary closure of some buildings for COVID-19 related reasons has caused a reduction in energy use, contributing to carbon reductions significantly in excess of the targets set. As with Q1, the cost saving this has generated has been outweighed by the third-party rental increase for St Mark's House, which was higher than forecasted.

The collapse of a 5m high section of the Lewes Castle wall last Winter has been subject to ongoing project works with adjacent lands now cleared of over 400 tonnes of debris and multiple stakeholder involvement and management. Discussions have been ongoing with Historic England and the next step is to start local consultations, with a formal submission for Scheduled Monument Consent during Q3, although any form of reinstatement works is unlikely to start until at least Spring 2021.

Property Strategy (SPACES) – The Strategic Property Asset Collaboration in East Sussex (SPACES) partnership continues to deliver the One Public Estate (OPE) projects, having received £760,000 of Government funding across Phases 5, 6 and 7. The projects are geographically spread across all East Sussex districts and boroughs, with activities varying from emergency services colocation to town centre regeneration.

During Q2, many SPACES projects have been under review by lead partners as key priorities change following the impacts from COVID-19. This has meant some projects are having to be put on temporary hold, ranging from between six months to three years. Ongoing discussions continue to ensure that any changes to project situations are monitored and benefits can still be tracked and measured.

Formal announcement of the OPE Phase 8 and Land Release Fund (LRF) Phase 2 funded streams were launched in Q2. SPACES are in the process of collating information for potential projects for bidding in Q3. Focus is around economic recovery following COVID-19, including housing regeneration, local developments, infrastructure and supporting greener sustainable projects, which also contribute to climate emergency agendas.

As recovery plans develop, the partnership is looking at ways to share learning and best practices and exploring new opportunities where revised estate strategies could see synergies between the public sector organisations, especially for office accommodation and delivery of services.

The value of benefits delivered by SPACES (a total across all SPACES partners) at the end of Q2 was over £19m, with another £2.4m identified within planned projects.

Property Strategy – The significant changes in working practices seen during COVID-19 has led to a reassessment of future needs as we approach statutory lease expiry at our St Marys and Ocean House buildings in 2021. Whilst the pandemic has interrupted progress of this strategy, it has highlighted wider benefits of different ways of working for the future; including opportunities to widen our partnership working and support our Climate Change and Carbon Reduction strategies.

Property Investment – Work has continued to progress on Feasibility and Town Planning, but progress has been sporadic as markets digest COVID-19 impacts (ref i). However, in Q2 we have been able to:

- gain contractual agreement to sell Isabel Blackman Centre to a consortia of local community bodies;
- commence marketing of the Grove site in Hastings;
- complete transfer of Helenswood Upper school site to the Department for Education; and
- continue ongoing negotiations at Hindlands, Polegate seeking to finalise Head of Terms for a new medical centre development.

Some site opportunities are still tied into outcomes of wider corporate and service transformation plan updates. The three-year Capital receipts programme otherwise remains on target and continues to progress. All projects will be subject to a review and prioritisation assessment as part of the post COVID-19 activities.

IT & Digital – Having been paused due to the COVID-19 restrictions, the Device Refresh Project restarted at the beginning of August, with social distancing measures in place and operating at a reduced throughput, meaning IT&D are able to deliver vital updated tools to staff that help them work efficiently in increasingly flexible ways. Having replaced Windows 7 earlier in the year, Windows 8 devices are now being refreshed which will make Windows 10 available to all staff, further increasing agility.

We continue to invest in the underpinning architecture of the organisation by migrating services onto industry leading, hyper-converged Nutanix infrastructure. Over a number of months, IT&D have been migrating systems and data to the enhanced environment - the most significant move in Q2 was Sharepoint. This means greater resilience for our services, high availability and more efficiency with hyper-convergence, meaning more things are stored in less space, thus consuming less power.

COVID-19 support to services has continued with activity focused on supporting department recovery programmes, enabling staff to work from wherever they need to and reshaping the Digital Strategy to reflect changing needs. As part of this, IT & Digital supported 30 Newly Qualified Social Workers joining the organisation in September. With social distancing measures in place, this Digital Induction was successful in providing equipment and immersing a cohort of staff in system training, information security and governance awareness in the most efficient and COVID-19 safe way, enabling them to work on the frontline in the shortest time.

Modernising Systems – The Modernising Back Office Systems (MBOS) Programme was established to deliver the replacement of the Council's financial, resource management and property asset management systems. Replacement of these systems will be supporting further developments to increased agile and digital working. In Q2, the MBOS Programme passed two key milestones: six suppliers have been shortlisted and asked to respond to the tender for the SAP replacement programme by November, with the contract award being targeted for Q4, and the Property Asset Management System contract has been awarded, which will replace the current systems in place.

Attendance Management and Wellbeing – The 2020/21 Q1+2 sickness absence figure for the whole authority (excluding schools) is 3.64 days lost per FTE, a decrease of 2.6% since the previous year.

Mental health continues to be the primary driver of absence, and Q1 saw an increase in days lost due to this. It is, however, positive that there was a reduction in Q2. It is worth noting that Q1 covers the key period of the immediate response to the coronavirus pandemic and it is likely therefore that this will have had an impact. In response to the COVID-19 situation, a range of measures have been introduced to provide enhanced support:

- Compassionate leadership, remote teams and wellbeing workshops have taken place with more planned.
- Our expanding Mental Health First Aiders network have been providing support in virtual team meetings and 1-1 sessions.
- A Wellbeing Intranet page to support staff during COVID-19 has been developed which hosts a wealth of information and signposts to targeted resources. This is supported by a dedicated wellbeing campaign with daily webinars from our Employee Assistance Program (EAP) provider.
- 'Time to TALK about Stress' campaign was launched on 10 October 2020, with a focus on managing stress in a remote environment, supported by a comprehensive toolkit.
- Further targeted support is planned in the wake of continued home working; including an enhanced Display Screen Equipment (DSE) offer with a remote working focus and dedicated EAP support sessions for all staff.

Business Operations – During Q2, the Accounts Receivable Service have resumed debt recovery after the pause at the outset of COVID-19 which led to aged debt rising by £2.6m. Work has begun to improve the process for raising debt through a more automated invoice request form, as well as a push on encouraging customers to pay by direct debit. The debt recovery team have also been working collaboratively with ASC and Legal Services to commence an end to end recovery review to ensure systems and processes are as efficient as they can be.

Q2 has seen Peer-to-Peer (P2P) prompt payment levels stabilise at 96%, exceeding our target of 93%. This has been enabled by ongoing work with suppliers to increase the take up of e-invoicing which now stands at 42%, the introduction of new functionality "Cognitive Invoicing" in our e-invoicing solution, and the creation of self-servicing P2P information. We are also exploring and piloting ways to automate the Goods Receipting and PO Change process.

Aided by the adoption of the electronic forms that were introduced in Q1, Employee Services and Payroll are now consolidated as a fully virtual service.

Revenue Budget Summary – The 2020/21 Business Services net revenue budget is £24m, which includes an £11.6m contribution to the Orbis budget. The full year estimated outturn is a net overspend of £1.668m (**ref viii**). £0.756m of this (**ref vii**), is directly related to additional costs, lost revenue or savings not being achieved due to COVID-19. Additional IT expenditure has been incurred to allow for remote working, as well as the loss of income streams with HR&OD and Property due to closure of various premises. There is also a significant savings target within ESCC's contribution to Orbis, which is now unlikely to be made this year due to COVID-19 (**ref vi**).

The non-COVID-19 element of the overspend equals £0.912m (**ref v**) and mainly consists of £0.406m of budgeted savings, originally planned to be delivered through Orbis efficiencies, but no longer attainable due to the disaggregation of some BSD services from the Orbis partnership. Furthermore, the impact of COVID-19 has limited the ability to mitigate these savings elsewhere in BSD due to the current circumstances (**ref ii**). In the revenue budget table below, these savings are included within Finance (included in **ref iii** alongside £0.019m of other variances). Additionally, there are some overspends within Property. This is due to delays in implementing the proposed property restructure, as well as an increase in rent following a rent review (**ref iv**).

Service areas within the joint Orbis budgets are categorised as either "Fully integrated", "Partially integrated" or "Centres of Expertise". This is therefore reflected within the Orbis financial tables below. Categorisation is determined by the nature of the service and the participation of sovereign authorities. ESCC contribute to and operate within all Orbis areas.

The total Orbis operating budget is forecast to overspend by £0.769m (**ref x**). This is mainly attributable to Business Operations, where a £0.750m overspend is being reported (**ref ix**). This relates to a £0.750m savings target that is now not seen as likely to be achieved. There are also overspends within Finance, HR&OD and the Insurance CoE. However, these are being partially mitigated by underspends elsewhere. The ESCC contribution to the net Orbis overspend is currently forecast as £0.207m (**ref xi**).

Capital Programme Summary – The 2020/21 capital budget is £34.372m and includes the £13.308m Schools Basic Need Programme and the £11.064m Building Improvements programme. The full year estimated variance includes slippage of £7.796m, spend in advance of £3.353m and overspends of £1.210m (**ref xiii**). The overspends are forecasted additional expenditure due to the impact of COVID-19. The most significant other movements are associated with the Schools Basic Need programme, with a slippage of £3.446m and spend in advance of £3.340m (**ref xii**). The slippage is mainly due to the delays into 2021/22 for Hailsham Secondary. The spend in advance relates to Reef Way. There have also been slippages in the Capital Buildings Improvement programme and the IT Capital Programme.

Performance Exceptions
(See How to read this report for definition)

Performance measure	Outturn 19/20	Target 20/21	20/21 RAG				Q2 2020/21 outturn	Note Ref
			Q1	Q2	Q3	Q4		
Priority – Making best use of resources								
Deliver the Property Asset Investment Strategy	Feasibility studies in development for 7 key projects	Outline business cases brought forward against at least 2 priority projects	G	A			Business cases have several dependencies on outcomes of wider corporate / service transformation plan updates	i

Savings exceptions

Service description	2020/21 (£'000) – Q2 Forecast					Note ref
	Original Target For 2020/21	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
Savings						
Planned savings - BSD	778	778	372	406	-	(ii)
Planned savings - Orbis	383	383	198	185	-	
	-	-	-	-	-	
Total Savings	1,161	1,161	570	591	0	
			-	-	-	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	1,161	1,161	570	591	0	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total	Note Ref
Delayed savings	-	591	591	
	-	-	-	
	-	-	-	
Total	0	591	591	

¹ Permanent changes will replace a previously agreed saving that can no longer be achieved. It is done via approval of quarterly monitoring.

² Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget										
Divisions	Planned (£000)			Q2 2020/21 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Planned Budget										
Business Operations	13	(13)	-	13	(13)	-	-	-	-	
Finance	1,749	(1,255)	494	2,849	(1,930)	919	(1,100)	675	(425)	(iii)
HR & OD	394	(394)	0	324	(309)	15	70	(85)	(15)	
IT & Digital	5,982	(2,414)	3,568	5,934	(2,386)	3,548	48	(28)	20	
Procurement	977	(510)	467	986	(487)	499	(9)	(23)	(32)	
Property	27,694	(19,854)	7,840	27,966	(19,752)	8,214	(272)	(102)	(374)	(iv)
Contribution to Orbis Partnership	16,014	(4,369)	11,645	16,086	(4,355)	11,731	(72)	(14)	(86)	
Subtotal	52,823	(28,809)	24,014	54,158	(29,232)	24,926	(1,335)	423	(912)	(v)
COVID-19 related										
HR&OD – COVID-19	-	-	-	(96)	220	124	96	(220)	(124)	
IT&D – COVID-19	-	-	-	164	-	164	(164)	-	(164)	
Property – COVID-19	-	-	-	217	64	281	(217)	(64)	(281)	
Contribution to Orbis Partnership – COVID -19	-	-	-	187	-	187	(187)	-	(187)	(vi)
Subtotal	0	0	0	472	284	756	(472)	(284)	(756)	(vii)
Total BSD	52,823	(28,809)	24,014	54,630	(28,948)	25,682	(1,807)	139	(1,668)	(viii)

Revenue Budget											
Divisions		Planned (£000)			Q2 2020/21 (£000)						Note ref
					Projected outturn			(Over) / under spend			
		Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Planned Budget											
Fully Integrated	Business Operations	12,686	(7,592)	5,094	13,436	(7,592)	5,844	(750)	-	(750)	(ix)
	IT & Digital	22,892	(3,120)	19,772	23,023	(3,251)	19,772	(131)	131	-	
	Management	402	-	402	492	(58)	434	(90)	58	(32)	
	Procurement	4,658	(200)	4,458	4,600	(142)	4,458	58	(58)	-	
Partially Integrated	Finance	4,505	(1,249)	3,256	4,675	(1,394)	3,281	(170)	145	(25)	
	HR & OD	4,766	(1,539)	3,227	4,780	(1,480)	3,300	(14)	(59)	(73)	
	Management	103	-	103	76	-	76	27	-	27	
Centres of Expertise	Financial Accounting Systems	583	-	583	491	(43)	448	92	43	135	
	Insurance	601	(266)	335	698	(172)	526	(97)	(94)	(191)	
	Treasury & Tax	346	(22)	324	335	(52)	283	11	30	41	
	Orbis Finance Team	360	-	360	311	-	311	49	-	49	
	Orbis Internal Audit	1,836	(444)	1,392	1,713	(371)	1,342	123	(73)	50	
Total Orbis		53,738	(14,432)	39,306	54,630	(14,555)	40,075	(892)	123	(769)	(x)
ESCC Contribution				11,645			11,852			(207)	(xi)

Capital programme										
Approved project	Total project – all years (£000)		2020/21 (£000)							Note ref
			In year monitor Q2 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2020/21	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
SALIX Contract	3,590	3,590	440	288	440	-	-	-	-	
Property Agile Works	9,713	9,713	374	171	374	-	-	-	-	
Capital Building Improvements	82,902	82,902	11,064	3,300	8,564	2,500	-	2,500	-	
IT & Digital Strategy Implementation	31,543	31,325	4,634	1,202	3,852	782	(218)	1,000	-	
Schools Basic Need	135,524	135,524	13,308	7,122	13,444	(136)	(242)	3,446	(3,340)	(xii)
Special Provision in Secondary School	3,140	3,140	1,653	1,369	2,066	(413)	(400)	-	(13)	
14 Westfield Lane	1,200	1,200	1,200	10	350	850	-	850	-	
Disabled Children's Homes	242	242	242	-	242	-	-	-	-	
Lansdowne Unit (CSD)	8,013	8,013	1,457	1,226	1,807	(350)	(350)	-	-	
Total BSD Gross	275,867	275,649	34,372	14,688	31,139	3,233	(1,210)	7,796	(3,353)	(xiii)

Children's Services – Q2 2020/21

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

Summary of successes and achievements

Return to school – The Standards and Learning Effectiveness Services (SLES) worked closely with schools to implement Government guidance on the full reopening of schools and settings from September 2020. Extensive local guidance has been provided to support schools should the local authority move to a different tier of restrictions; model risk assessments and contingency plans have been widely shared and are regularly updated; there has been increased support for vulnerable pupils, including virtual safeguarding procedures, addressing learning loss and supporting attendance; and we have worked closely with early years settings to provide financial support where the level of funding is lower than expected.

Attendance and high-quality provision – An Exclusions and Attendance change group, made up of representatives of SLES and Inclusion, Special Educational Needs and Disability (ISEND), has provided a more forensic approach to improving attendance and reducing exclusions in Q2, with a focus on vulnerable pupils. This group has started to review the impact of the “We are Ready!” campaign and is working with ISEND colleagues to look at the schools’ responses to attendance data. This includes some funded Education Support, Behaviour and Attendance Service support for schools where pupils have not returned.

Emotional wellbeing support to schools – Children's Services, in collaboration with partners in Health, have provided a high level of emotional wellbeing support to schools as pupils return to full time education including:

- Department for Education (DfE) funded ‘Wellbeing for Return’ training and support for the Mental Health Leads in all school, settings and colleges. The Council was awarded £67k to adapt national training materials and deliver three hours of training that is then embedded with additional support from services between September 2020 and March 2021.
- The schools Mental Health and Emotional Wellbeing (MHEW) Adviser has provided strategic and operational support to all educational settings, including: an annual wellbeing conference delivered in 10 webinars to 650 participants; training for schools devised in response to a survey of needs, including managing anxiety, the impact of trauma on behaviour, embedding a wellbeing culture, Governors monitoring workload and supporting the wellbeing of the senior leadership team; group supervision for Mental Health leads; and co-ordination of a resource on MHEW for schools to access on Czone.
- The Educational Psychology Service has created new offers of MHEW support, including: a telephone helpline for parents/carers; Compassionate Leadership webinars for Headteachers/Senior Leaders; booklets for parents including managing the emotional wellbeing of their children as they return to school; virtual training on bereavement and loss; and wellbeing support for all ISEND staff.
- A MHEW Strategic Group has been created to take a strategic lead on all MHEW initiatives and to provide advice and guidance in response to need in schools, settings and colleges.

Mental Health Support Teams (MHSTs) working in schools and colleges – There are three MHSTs in East Sussex covering approximately 24,000 pupils in 44 schools. The MHST team have a new management structure in place and now have a clinical manager in post, as well as a whole school approach manager. Although the programme experienced delays due to COVID-19 school closures, some interventions for children and young people were delivered online, and most interventions are now taking place on a face to face basis. The management team are visiting the 41 mainstream schools this term to strengthen partnership working and make sure that the schools are making best use of the teams. This has proved very successful to date in significantly increasing referrals. Special schools and specialist SEND facilities have planned meetings in November and December.

East Sussex Teaching Schools Network (ESTSN) – The East Sussex teaching schools continue to work in partnership with the Council and are becoming aligned to the Primary and Secondary Boards in devising a systematic approach to delivering School to School support and needs-driven Continuing Professional Development (CPD). Despite the challenges of virtual meetings, the ESTSN has maintained its developing relationship with teaching schools across Brighton and Hove, and West Sussex, including the research school, with plans for further collaboration. The ESTSN website has been developed, populated and promoted in several forums. The website aims to be a ‘one stop shop’ for schools, Education Improvement Partnerships and the Boards to access CPD and School to School support and goes live in early November.

Youth Cabinet – In response to the pandemic, the East Sussex Youth Cabinet developed a social media campaign called **Stay** that aims to support young people **Stay** informed, **Stay** well, **Stay** sunny and **Stay** safe. Content was posted on their social media accounts to inform and uplift young people. Members held weekly discussions on what was working well and what the concerns were for themselves, their friends and family, and identified key messages that informed schools and Council partners. They highlighted concerns such support for vulnerable pupils with difficult home lives and how this could affect attendance at virtual lessons.

The Youth Cabinet partnered with Healthwatch to survey over 2,000 young people on their health and wellbeing experiences, to support Healthwatch shape their future plans and inform its partners.

The Youth Cabinet also raised a concern about the return to school anxiety pupils were facing. This prompted Youth Cabinet to organise and host a webinar attended by school leaders (the three Chairs of the School Networks), Councillor Standley, Director of Public Health Darrell Gale, and the Standards and Learning Effectiveness Service. Discussion focussed on safely travelling to school and when in school, different approaches schools were taking to teaching and school organisation, exams, catching up and support for vulnerable pupils. The webinar will be shared with schools to disseminate to students and parent/carers, the Youth Service, the Youth Voice Practitioners Network and voluntary sector partners.

Encouraging positive activities for Care Leavers – During the first weeks of Lockdown the Through Care Team wanted to both stay in touch with Care Leavers and encourage positive activities, giving them an opportunity to express how they were feeling and reducing isolation by creating a sense of shared experience and community. Contact was by either phone, videocall or online. 28 Care Leavers joined the project, sending in their photos to showcase their creativity.

My Voice Matters – We have been working with the Children in Care Council to develop how we conduct our statutory reviews of our looked after children with a view to promote greater participation. The model is called My Voice Matters and gives greater control to the child on how the review is conducted. A significant shift is that instead of an outcome report completed by the Independent Reviewing Officer (IRO), a letter is now written by the IRO to the child giving a summary of what was discussed in the review and what decisions were made, using more accessible language. This has been well embedded during lockdown and has had positive feedback from children and professionals.

Participation in education, training or employment with training academic age 16 and 17 – A focus on skills and opportunities for young people is a high priority for the East Sussex Economy Recovery Plan. Some of our key actions in Q2 include: increased capacity and data sharing systems at Youth Employability Service to provide more support to young people; developing online resources and virtual encounters with employers to support home learning; delivering a virtual Post 16 options evening; developing a virtual Open Doors and Work Experience offer; and launching an employability passport to evidence young people's skills. We have also promoted local Kickstart schemes and secured European Social Fund Apprenticeship project funding for January 2021.

Children subject to Child Protection (CP) plans and Looked after Children (LAC) – The numbers of children subject to CP plans (**ref i**) has continued to rise from a rate of 55.3 per 10,000 (588 children) at Q1 to a rate of 59.9 (637 children) at Q2. This is in part due to CP plans not ceasing as it was difficult to end plans safely if children were not being seen regularly at school and some contact by social work staff was happening virtually. Targeted work is now underway to focus on a safe reduction in the number of plans now that more face to face visiting is taking place and more children are in school.

Higher CP rates are not feeding through to increases in LAC where numbers have stayed broadly stable (**ref ii**). The rate of LAC per 10,000 has increased from 56.4 (599 children) at Q1 to 57.0 (606 children), this is slightly above our target rate of 56.5 per 10,000 (601 children). As reported at Q1 some families have felt unable to retain care of their challenging teenagers and we have seen higher numbers of children involved in criminal exploitation. Placements for challenging teenagers are usually within residential accommodation which is the most expensive option.

Revenue Budget Summary – The net budget of £88.873m is forecast to be overspent by £10.888m by the year end (**ref x**). Within this, £10.243m relates directly to COVID-19 pressures (**ref ix**) and £0.645m to non COVID-19 pressures (**ref vi**).

The **COVID-19 related pressures** have increased by £2.288m since Q1 and are primarily in Central Resources (£1.116m) (**ref vii**) comprising payments to early years providers and within Early Help and Social Care (£7.810m) (**ref viii**).

LAC budgets have been directly and significantly impacted by COVID-19, with the financial pressures continuing to be reflected in the increase in new placements during the period to date. A mixture of new residential and foster placements and semi-independent accommodation placements have continued, where weekly fees have also increased. In addition, there have also been continued extra agency costs for staff employed at residential sites to support staff absences. The Care Leavers service has been impacted by placement changes and delayed moves, as well as by the need to match the Universal Credit uplift. Lansdowne Secure Unit has also experienced build delays and a resulting loss of income.

The Home To School Transport budget (within Communication, Planning and Performance) has also been impacted by COVID-19 and the assumption is that the DfE grant income will fully fund this COVID-19 related pressure (£1.327m). Alongside the COVID pressures in this area, we have also seen an increased numbers of pupils requiring transport and also increases in the unit costs following the September return to school, and the department is working with CET to understand the changes and consider any mitigations to reduce pressures.

Of the **non COVID-19 related pressures**, there is a small decrease of £0.035m from the Q1 forecast of an overspend of £0.680m. Within this, £1.203m of the forecast overspend relates to Early Help and Social Care (**ref v**). Of this, Locality pressures (£0.589m) continue on the Social work staffing budgets. We are pursuing a range of strategies to reduce these pressures. This includes the review of placements as Independent Fostering Agencies continue to increase their availability since the initial lockdown ended.

Overall, any small increases in non COVID-19 overspends since Q1 have been mitigated by further efficiencies, increasing the forecast underspend in Central Resources to £0.850m (**ref iv**).

Within the above forecast outturn position, £1.794m (**ref iii**) of the £2.028m savings planned for 2020/21 continue to be forecast to be achieved this year, with £0.234m to be achieved in future years. Of this, £0.188m is being offset within the department this year, and the remaining £0.046m is slipped due to COVID-19.

Capital Programme Summary – The Capital Programme for Children's Services for 2020/21 is £0.978m (**ref xi**). The House Adaptations for Disabled Children's Carers budget is forecast to slip £0.054m into 2021/22. This is due to various factors including COVID-19 impacting on access to properties and family disputes.

Performance exceptions
(See How to read this report for definition)

Performance measure	Outturn 19/20	Target 20/21	20/21 RAG				Q2 2020/21 outturn	Note Ref
			Q1	Q2	Q3	Q4		
Rate of children with a Child Protection Plan (per 10,000 children)	50.9 (542 children)	55.9 (596 children)	G	A			59.9 (637 children)	i
Rate of Looked After Children (per 10,000 children)	56.5 (601 children)	56.5 (601 children)	G	A			57.0 (606 children)	ii

Savings exceptions

Service description	2020/21 (£'000) – Q2 Forecast					Note ref
	Original Target For 2020/21	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
Savings						
SLES: Performance monitoring	410	410	410	-	-	
I-SEND: EHCP Assessment Services	188	188	-	188	-	
I-SEND: Inclusion Services	19	19	19	-	-	
Early Years: Inclusion Services	85	85	85	-	-	
Early Help	68	1,065	1,019	46	-	
ISEND and ESBAS	-	261	261	-	-	
Total Savings	770	2,028	1,794	234	0	iii
			-	-	-	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	770	2,028	1,794	234	0	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total	Note Ref	
I-SEND: EHCP Assessment Services	188	-	188		
Early Help	-	46	46		
Total	188	46	234		

¹ Permanent changes will replace a previously agreed saving that can no longer be achieved. It is done via approval of quarterly monitoring.

² Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget										
Divisions	Planned (£000)			Q2 2020/21 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Planned Budget										
Central Resources	2,949	(1,452)	1,497	2,009	(1,362)	647	940	(90)	850	iv
Early Help and Social Care	69,258	(12,062)	57,196	71,463	(13,064)	58,399	(2,205)	1,002	(1,203)	v
Education and ISEND	89,275	(6,555)	82,720	89,863	(6,804)	83,059	(588)	249	(339)	
Communication, Planning and Performance	19,156	(1,722)	17,434	19,754	(2,367)	17,387	(598)	645	47	
DSG non Schools	-	(69,974)	(69,974)	-	(69,974)	(69,974)	-	-	-	
Schools	159,995	(159,995)	-	159,995	(159,995)	-	-	-	-	
Subtotal	340,633	(251,760)	88,873	343,084	(253,566)	89,518	(2,451)	1,806	(645)	vi
COVID-19 related										
Central Resources	-	-	-	1,116	-	1,116	(1,116)	-	(1,116)	vii
Early Help and Social Care	-	-	-	6,975	835	7,810	(6,975)	(835)	(7,810)	viii
Education and ISEND	-	-	-	234	612	846	(234)	(612)	(846)	
Communication, Planning and Performance	-	-	-	437	34	471	(437)	(34)	(471)	
Subtotal	0	0	0	8,762	1,481	10,243	(8,762)	(1,481)	(10,243)	ix
Total Children's Services	340,633	(251,760)	88,873	351,846	(252,085)	99,761	(11,213)	325	(10,888)	x

Capital programme										
Approved project	Total project – all years (£000)		2020/21							Note ref
			In year monitor Q2 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2020/21	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
House Adaptations for Disabled Children's Carers	1,057	1,057	104	7	50	54	-	54	-	
Schools Delegated Capital	23,697	23,697	791	237	791	-	-	-	-	
Conquest Centre redevelopment	356	356	83	13	83	-	-	-	-	
Total CSD Gross	25,110	25,110	978	257	924	54	0	54	0	xi

Communities, Economy & Transport – Q2 2020/21

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

Summary of successes and achievements – Construction of the Newhaven Port Access Road continued in Q2, with social distancing rules in place, the road is expected to be substantially complete later this year. 27 carriageway asset improvement schemes were completed in Q2, to maintain and improve the condition of the county's roads. Eight Road Safety schemes have been completed by the end of Q2. The East Sussex Recovery plan, known as East Sussex Reset, was developed through Team East Sussex, providing the tools and interventions to support East Sussex businesses. Funding was secured through the Government's Getting Building Fund for the Riding Sunbeam Solar Railway, the Observer Building in Hastings, the Winter Gardens in Eastbourne, and the access road for Charleston. A further 1,380 premises had access to improved broadband speeds at the end of Q1, reported a quarter in arrears, with overall take-up amongst properties that have been connected at 72%. A limited number of additional grants of between £1,000 and £3,000 will be offered through the South East Business Grant recovery programme to help businesses in the visitor economy adapt to COVID-19. The Home to School Transport team successfully managed the return of pupils to school in a COVID-19 secure way. Uckfield and Hampden Park libraries were refurbished and reopened to the public, along with other libraries, on 19 October. Due to the reintroduction of national restrictions from 5 November all libraries have had to close again, however we continue to offer a click and collect service, our eLibrary service and essential computer access. Parking enforcement commenced across Rother District on 29 September, with warning notices issued to vehicles in contravention of the rules for the first 14 days. Parking Charge Notices started to be issued from 13 October. Registration services restarted during Q2, including work to reduce the backlog in birth registrations brought about by the first national lockdown. Trading Standards provided support to businesses in Q2 to ensure their premises are COVID-19 secure and with additional advice on reopening.

Queensway Gateway Road – Work has started on a temporary traffic solution which will allow access from the new road to the A21. We continue to work with Sea Change Sussex to progress the remaining land acquisitions to enable the delivery of a permanent solution.

Employability and Skills – Skills East Sussex met in Q2 to finalise the Economy Recovery Plan, and the subgroups have also met and agreed to collaborate on the Government's Plan for Jobs incentives, and the South East Local Enterprise Partnership's £2m funding pot for skills and employment. The Health, Creative and Digital, Visitor Economy, and Construction task groups all met in Q2. Schools were supported by the Careers Hub in Q2 to achieve an average of 5.2 of the Gatsby benchmarks. The Careers Hub website now hosts a number of resources, including a digital careers programme, and the Hub's Youtube channel hosted several training sessions and 'virtual employer encounters' with local businesses in Q2. The Employability Passport was launched to all schools in September 2020.

Business Support and job creation – Businesses were supported by business support programmes to create a further 16 jobs in East Sussex in Q2, taking the total for Q1 and Q2 to 37.5 jobs. COVID-19 has had a significant effect on business turnover and staffing levels, leaving little opportunities for growth and new jobs (**ref i**). Local East Sussex helped 11 businesses to remain within, or relocate to, the county in Q2.

Road Safety – The results of the Anniversary Trial have been analysed and showed that 8% of the participants were less likely to reoffend after engagement with the trial. The results of two further trials are currently being analysed. Eight road safety schemes have been completed at the end of Q2, with one further scheme nearing completion. The planned engagement campaign with young drivers and their passengers in schools can't be implemented in 2020/21, due to COVID-19 (**ref ii**).

Trading Standards – The Team continue to update agreed pan Sussex protocols with the Police and Environmental Health teams to ensure responses to COVID-19 are clear and co-ordinated. In Q2 this involved new enforcement responsibilities concerning social distancing, contact tracing details and powers to issue directions to close premises, public areas or stop events. Close liaison continues with Public Health and Legal colleagues to ensure appropriate governance and processes are in place for any future action by Trading Standards. 17 delegates received online business training activities in Q2, while 27 businesses were provided with advice regarding COVID-19 closures. A total of 92 COVID-19 related enquiries were dealt with in Q2. There were 72 positive interventions to protect vulnerable people, including remote contact with victims of rogue trading or financial abuse.

Revenue Budget Summary – The revenue budget is forecast to overspend by £5.967m. The non-Covid overspend of £401k is mainly due to a review of reserves; taking a One Council approach, CET has been able to support activities and expenditure in a number of services that would normally have been funded through reserve drawdowns. This means that the Council's reserves will not be expended to the level previously scheduled and this makes funding available for future years. The occurrence of underspends that will support the expected reserves income are not aligned with the services that were to receive this funding, therefore some service areas may appear to be in an overspend position.

£323k of the £2.362m savings will be achieved this year mainly due to the delay in implementing the new parking charges and reduced income as a result of COVID-19 (**ref iii**). There is a pressure of £5.566m relating to additional

costs and reduced income resulting from COVID-19 (**ref v**). The most significant COVID-19 pressures are in Transport and Operations where car parking income is down £2.442m (this has reduced the planned Parking contribution to Concessionary Fares). Increased collection volumes and the cost of reopening household waste sites with social distancing, have resulted in a COVID-19 related overspend of £758k in the Waste service (**ref iv**). The overspend in Communities is mostly due to lost income from marriages and other ceremonies (£580k) along with reduced Road Safety training income. The Council's share of the pan Sussex cost of excess deaths as a result of COVID-19 is expected to be £555k. Income is also down across other services.

Capital Programme Summary – The CET capital programme has a gross budget of £63.604m and slippage of £15.349m, spend in advance of £1.947m, overspend of £1.212m and an underspend of £153k. Of the net slippage £12.101m is due to COVID-19 delays. The COVID-19 related slippage is mostly within the various movement and access schemes (**ref viii, ix, x, xi, xii**). These schemes rely on public involvement in terms of surveys and transport monitoring. The South East Local Economic Partnership have granted a six-month COVID-19 extension to their Local Growth Fund schemes and as a result the Skills for Rural Business scheme will slip (**ref vi**). The Newhaven Port Access Road will be substantially complete later this year, with landscaping work remaining and some after construction costs due when the Port complete their part of the works (**ref vii**). Low take up from parish councils means the Community Match Fund has slipped (**ref xiii**). The Exceat Bridge planning application has slipped to April 2021 and construction on site Feb 2022, due to extended consultations with stakeholders (**ref xiv**). Planning delays will mean that construction on the Queensway Depot will slip to 2021/22 (**ref xv**). The overspend on the Highways Structural Maintenance programme is due to the cost of ensuring social distancing although good project management has allowed £1.026m of works to be brought forward (**ref xvi**).

Performance exceptions (See How to read this report for definition)								
Performance measure	Outturn 19/20	Target 20/21	20/21 RAG				Q2 2020/21 outturn	Note Ref
			Q1	Q2	Q3	Q4		
Priority – Driving sustainable economic growth								
Job creation from East Sussex Programmes	141 jobs created	135 jobs safeguarded or created	A	R			16 jobs created 37.5 jobs created year to date	i
Priority – Helping people help themselves								
Road Safety: The percentage of young drivers and their passengers who report positive attitudinal and behavioural change in response to the engagement campaign designed to reduce risk of collisions/KSIs immediately after intervention and over time	Over 24%	Target amendment requested from: 20% (Subject to the intervention going ahead as planned due to COVID-19) To: Campaign cannot be implemented in 2020/21 due to COVID-19	G	AD			Campaign cannot be implemented in 2020/21 due to COVID-19	ii

Savings exceptions						
Service description	2020/21 (£'000) – Q2 Forecast					Note ref
	Original Target For 2020/21	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
Savings						
Archives and Records Service	74	74	60	14	-	
Road Safety Services	33	33	33	-	-	
Parking: Civil Parking Enforcement	1,000	2,000	-	2000	-	
Concessionary Fares	70	70	70	-	-	
Transport Hub Services	30	30	30	-	-	
Rights of Way Services	100	100	100	-	-	
Environmental Advice Services	25	25	-	25	-	
Ashdown Forest	30	30	30	-	-	
Total Savings	1,362	2,362	323	2,039	0	iii
			-	-	-	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	1,362	2,362	323	2,039	0	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total	Note Ref
Archives and Records Service	14	-	14-	
Parking: Civil Parking Enforcement	-	2,000	2000-	
Environmental Advice Services	-	25	25-	
Total	14	2,025	2,039	

¹ Permanent changes will replace a previously agreed saving that can no longer be achieved. It is done via approval of quarterly monitoring.

² Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget

Divisions	Planned (£000)			Q2 2020/21 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Planned Budget										
Management and Support	4,690	(2,712)	1,978	4,687	(2,712)	1,975	3	0	3	
Customer and Library Services	6,991	(2,033)	4,958	6,868	(2,012)	4,856	123	(21)	102	
Communities	4,583	(2,898)	1,685	4,658	(2,716)	1,942	(75)	(182)	(257)	
Transport & Operational Services	83,847	(47,346)	36,501	82,763	(46,391)	36,372	1,084	(955)	129	
Highways	15,042	(2,382)	12,660	15,042	(2,382)	12,660	0	0	0	
Economy	3,217	(2,033)	1,184	3,220	(1,935)	1,285	(3)	(98)	(101)	
Planning and Environment	2,889	(1,990)	899	3,247	(2,071)	1,176	(358)	81	(277)	
Subtotal	121,259	(61,394)	59,865	120,485	(60,219)	60,266	774	(1,175)	(401)	
COVID-19 related										
Management and Support	-	-	-	712	-	712	(712)	-	(712)	
Customer and Library Services	-	-	-	-	254	254	-	(254)	(254)	
Communities	-	-	-	-	619	619	-	(619)	(619)	
Transport & Operational Services	-	-	-	716	2,544	3,260	(716)	(2,544)	(3,260)	iv
Highways	-	-	-	265	35	300	(265)	(35)	(300)	
Economy	-	-	-	19	254	273	(19)	(254)	(273)	
Planning and Environment	-	-	-	-	148	148	-	(148)	(148)	
Subtotal	0	0	0	1,712	3,854	5,566	(1,712)	(3,854)	(5,566)	v
Total CET	121,259	(61,394)	59,865	122,197	(56,365)	65,832	(938)	(5,029)	(5,967)	

Capital Programme Summary (£000)

Approved Programme	Total project – all years (£'000)		2020/21 (£'000)							Note Ref
			In year monitor Q2				Analysis of variation			
	Budget	Projected	Revised Budget	Actual to date	Projected 2020/21	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
The Keep	1,091	1,091	24	-	24	-	-	-	-	
Libraries	5,140	5,140	670	331	670	-	-	-	-	
Broadband	33,800	33,800	4,279	424	4,279	-	-	-	-	
Bexhill and Hastings Link Road	126,247	126,247	1,652	158	1,652	-	-	-	-	
BHLR Complementary Measures	1,800	1,800	219	34	219	-	-	-	-	
Economic Intervention Fund	12,033	12,033	542	125	392	150	-	150	-	
Economic Intervention Fund - Loans	3,000	3,000	500	472	650	(150)	-	-	(150)	
Stalled Sites Fund	916	916	152	20	102	50	-	50	-	
EDS Upgrading Empty Commercial Properties	500	500	7	-	-	7	-	7	-	
Queensway Gateway Road	10,000	10,000	504	134	504	-	-	-	-	
Bexhill Enterprise Park North	1,940	1,940	1,940	-	1,540	400	-	400	-	

Capital Programme Summary (£000)										
Approved Programme	Total project – all years (£'000)		2020/21 (£'000)							Note Ref
			In year monitor Q2				Analysis of variation			
	Budget	Projected	Revised Budget	Actual to date	Projected 2020/21	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Skills for Rural Businesses - Post Brexit	2,918	2,918	2,189	-	1,189	1,000	-	1,000	-	vi
Sidney Little Road Business Incubator Hub	500	500	435	37	335	100	-	100	-	
Bexhill Creative Workspace	960	960	946	(14)	946	-	-	-	-	
Newhaven Port Access Road	23,271	23,271	4,054	2,229	3,486	568	-	568	-	vii
Real Time Passenger Information	2,963	2,963	284	16	184	100	-	100	-	
Parking Ticket Machine Renewal	1,479	1,326	291	-	138	153	153			
Hastings and Bexhill Movement & Access Package	9,057	9,057	6,169	232	1,631	4,538	-	4,538	-	viii
Eastbourne/South Wealden Walking & Cycling Package	7,017	7,017	2,988	322	818	2,170	-	2,170	-	ix
Hailsham/Polegate/Eastbourne Movement & Access Corridor	2,350	2,350	1,203	40	340	863	-	863	-	x
Terminus Road Improvements	9,182	9,182	-	92	-	-	-	-	-	
Eastbourne Town Centre Movement & Access Package	3,486	3,486	3,014	105	390	2,624	-	2,624	-	xi
Other Integrated Transport Schemes	56,119	56,119	3,235	388	2,859	376	-	376	-	xii
Community Match Fund	1,500	1,500	769	5	85	684	-	684	-	xiii
Emergency Active Travel Fund	535	535	535	122	535	-		-		
Exceat Bridge	4,133	4,133	1,500	234	734	766	-	766	-	xiv
Queensway Depot Development	1,956	1,956	1,153	34	300	853	-	853	-	xv
Hailsham HWRS	97	97	97	-	97	-	-	-	-	
Eastbourne Fisherman's Quayside & Infrastructure Development Project	1,080	1,080	720	-	720	-	-	-	-	
Core Programme - Highways Structural Maintenance	379,207	380,227	18,404	13,729	20,450	(2,046)	(1,020)	-	(1,026)	xvi
Highways Structural Maintenance Additional £1m	1,000	1,000	1,000	802	1,000	-	-	-	-	
Core Programme - Bridge Assessment Strengthening	25,770	25,869	1,267	907	1,439	(172)	(99)	-	(73)	
Core Programme - Street Lighting	24,759	24,852	1,331	925	1,424	(93)	(93)	-	-	
Core Programme - Street Lighting - SALIX scheme	2,804	2,804	935	22	935	-	-	-	-	
Core Programme - Rights of Way Bridge Replacement	8,748	8,748	596	226	496	100	-	100	-	
Total CET	767,358	768,417	63,604	22,151	50,563	13,041	(1,059)	15,349	(1,249)	

Governance – Q2 2020/21

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

Reconciling Policy, Performance and Resources (RPPR) – The Annual Report, which highlights the Council's progress against our priorities in 2019/20, including some of the initial work undertaken to support our communities through COVID-19, was published on our website in October. The draft Portfolio Plan for 2021/22 – 2023/24 will be reviewed by Scrutiny Committee RPPR Board in December, before publication in March.

Transport for the South East (TfSE) – TfSE submitted the final transport strategy to Government in July 2020. This was accompanied by the proposal for statutory status, which sets out the powers and responsibilities required to deliver the thirty-year vision set out in the strategy. A response has now been received from the Department for Transport (DfT) which has rejected the proposal to grant TfSE statutory status. However, the Secretary of State did acknowledge the good working relationship between TfSE and Government and the desire for this to continue.

A £1.225m grant allocation was confirmed by the DfT in August 2020; which the Secretary of State confirmed to be an endorsement of TfSE's work; the funding will be used to support the delivery of the technical programme. TfSE made a submission to the Treasury in September 2020 setting out the asks of Government as part of the forthcoming spending round. The bid includes funding to progress the technical programme and to contribute towards core costs, which are currently covered through local authority contributions.

Work has commenced on the Outer Orbital Area Study, with two further studies (Inner Orbital and South Central) due to start by December 2020. Engagement work with a wide range of stakeholders is currently underway, including sessions with regional MPs. The future mobility strategy continues to progress and is due to be published by the end of December 2020.

Corporate Lobbying – In Q2, the Leader, with other South East 7 (SE7) Leaders, wrote to the Chancellor and Secretary of State for Housing, Communities and Local Government to set out the vital role SE7 councils had played in the COVID-19 response. The letter also stressed that in order for councils to continue this in the autumn and support the long-term recovery of our local communities, Government needed to address the financial cost of the coronavirus pandemic, provide clarity and an adequate funding settlement for next financial year, and provide a long-term sustainable financial settlement for local government in the Comprehensive Spending Review. The Leader and Chief Officers also helped Government Departments evidence local government spending needs in support of their submissions to the Comprehensive Spending Review. At the end of Q2, the Leader briefed MPs on our initial budget plans for 2021/22, and the need to continue to work together to ensure we received appropriate funding in future to maintain the East Sussex Core Offer.

Supporting democracy – During Q2, in light of ongoing COVID-19 restrictions, Council meetings continued to take place remotely using video conferencing technology, enabling Council business to continue in a transparent and open way. During Q2 we supported 32 virtual meetings including: one County Council meeting; one Cabinet meeting; seven Lead Member meetings; 11 Scrutiny Committees and Review Boards; and 12 other committees and panels. We also published agendas for a further 15 meetings and supported two Whole Council Forums.

Training was provided to Members to support the ongoing development of our approach to virtual meetings – this included support with the transition from Skype to Microsoft Teams and in relation to chairing virtual meetings. The Member guide to remote meetings was updated to reflect learning from our experience and the transition to Teams. The broader Member development programme was restarted in Q2 with online sessions provided in relation to unconscious bias, and modern slavery awareness (delivered in partnership with the Safer Communities Team and Sussex Police). The Member ICT and Development Reference Group met regularly to provide oversight of the arrangements for meetings, IT support for Members and the development programme.

The Council's Scrutiny Committees restarted formal meetings in September, having temporarily suspended meetings earlier in the year to enable frontline services to focus on the emergency COVID-19 response. Scrutiny Committees undertook a review and reset of their work programmes to ensure a focus on priority areas. Scrutiny review work has continued where feasible, taking a virtual approach to evidence gathering. The Health Overview and Scrutiny Committee has considered a report on the local NHS response to COVID-19 and the wider impact of the pandemic on NHS services.

Q2 saw significant work undertaken by the East Sussex School Appeals Service to complete the main round of school appeals through remote hearings developed in line with temporary national regulations, with significant support provided to independent volunteer panel members, parents and admission authorities to participate fully. The vast majority of appeals were heard by the end of the summer term as originally planned, despite the delayed start due to COVID-19 restrictions, and feedback has been positive. We received 73 new appeals during Q2 and delivered 20 separate appeal hearings, some of which took place over multiple days. The majority of appeals were submitted by parents using the secure online digital appeal management system. This system, which was developed in-house, has continued to provide significant benefits in the context of remote working.

Legal Services – During Q2, we assisted Trading Standards in the prosecution of a farmer pursuant to the Animal Welfare Act 2006, resulting in a fine and costs totalling £1,180. We also carried out a successful prosecution in relation to possession for supply of counterfeit tobacco, resulting in a fine and costs totalling £732.

We carried out 98 cases involving adults with needs for care and support (compared to 68 in Q1) and 32 Deprivation of Liberty Applications in the Court of Protection (compared to 31 in Q1). We also successfully defended two Adult Social Care (ASC) judicial reviews. In addition, we have continued to provide advice and support to ASC and Public Health in relation to the Coronavirus Act 2020 and related legislation and guidance.

In Q2, we continued to advise and assist Children's Services in pre-proceedings and court applications for care proceedings, with the priority always to seek ways to keep children within their family when it is safe to do so and for applications to court to be a proportionate response to achieve the best outcome for the child. In Q2 we applied for care proceedings in respect of 31 families (up from 19 in Q1) and at the end of Q2 we had a total of 68 live care proceedings (up from 57 in Q2). We also provided advice and assistance in relation to a wide range of other matters, such as private law applications, secure accommodation, deprivation of liberty, adoption, wardship and judicial review, including some matters with an international aspect. We have successfully adapted to the new ways of working as a result of COVID-19 and most court hearings are being held remotely. Remote directions hearings have proved to be particularly effective and have benefits in terms of cost and time savings. However, in cases where parents need to give evidence, have learning difficulties, or require an interpreter, hybrid hearings are being held with some parties attending a court building. There have been, and will continue to be, some delays in care proceedings concluding because of a backlog resulting from problems with court listing and a shortage of judiciary.

During Q2 we also helped negotiate planning agreements, which helped to secure financial contributions to the Council of £510,000. We also finalised a further substantial highways agreement, enabling highway improvement works to proceed in connection with a significant housing and commercial development site in Uckfield. In addition, eleven planning and highways agreements were negotiated during Q2, which will unlock significant development and highway improvement projects across the county. We also worked with officers on contractual issues, enabling the successful launch of ASC's "Approved List" for Supported Living Services. In addition, we advised on 24 new contract and procurement matters and 29 new property transactions. We have also continued to provide advice and support to all areas of commercial and environmental work throughout the Council as needed in relation to the COVID-19 issues.

Coroner Services – On average 163 deaths per month were reported to the Coroner in Q2. This is lower than the Q1 figure of 193. Of those deaths reported to the Coroner, 73 went to inquest in Q2 compared to 43 in Q1. The increase is due to the fact that non-paper inquests were delayed until August 2020 due to COVID-19. Save for jury inquests, non-paper inquests are now being heard on a hybrid basis with some family and witnesses attending court, whilst others are attending remotely. In terms of jury inquests, where the jury have to attend in person, more detailed COVID-19 safe arrangements are being put in place to enable these to proceed. 96 inquests were closed in Q2 compared to one in Q1. The Service continues to successfully manage the challenges of COVID-19.

Regulation of Investigatory Powers Act (RIPA) – One application was made for Directed Surveillance under RIPA in August by Trading Standards. This relates to the organised supply of illegal tobacco in the East Sussex area. It will be reviewed at the end of the three-month duration.

Thirteen applications were made under the Investigatory Powers Act (IPA) 2016 during Q2, via the National Anti Fraud Network (NAFN). All the applications relate to telecommunications data and investigations, which include illegal tobacco and to a suspected fraudulent trader targeting a vulnerable elderly person.

Local Government Ombudsman complaints – 17 decisions were issued in Q2. Eight were closed before a full Ombudsman investigation, for a variety of reasons including, insufficient evidence of fault, complaints being out of the Ombudsman's jurisdiction and because the complaint had not been through our internal complaint processes. Of the nine fully investigated, five cases related to ASC, one to Communities, Economy & Transport (CET) and three to Children's Services (CS). Three were closed with no fault found and six were closed with the complaint partly or fully upheld as follows:

ASC – The Ombudsman found fault that the Council tried to provide information in relation to the client's cost of care via a neighbour and failed to provide timely and appropriate information about the way her temporary placement would be funded. The LGO considered that the care home should not have contacted the client to obtain payments for her temporary stay at the home. The Council has agreed to waive the client's temporary care home fees and pay a financial remedy of £500 for any distress to her and her family.

ASC – The Ombudsman found the Council did not handle the removal of a source of support to the client as sensitively as it should. The Council has agreed to write to her and apologise for any distress this caused.

ASC – The Ombudsman found fault with the way in which the Council carried out some of its mental capacity assessments for a client, who complained of being inappropriately placed in a care home. The Council has agreed to review this and share the lessons learned with its staff in adult social care.

CS – The Council refused transport assistance for the complainant's child. The Ombudsman found fault with the Council's post 16 transport policy and with the way the Council considered the complainant's appeal. The Council has agreed to reconsider the application for transport assistance.

CS – The Ombudsman found fault with the way the Council considered the complainant's transport application and with its post 16 SEND travel assistance policy. The Council has agreed to reconsider the application and decide whether it is necessary to provide transport assistance. If, after considering the application, the Council decides we should have provided transport assistance earlier, we will reimburse the complainant for any travel costs she incurred which she should not have.

CS – The Ombudsman found fault that the Council failed to ensure the complainant's son, received appropriate education for a period of approximately one month. The Ombudsman also found fault with the Council for not ensuring that the school held an Annual Review of the child's Education, Health and Care Plan (EHCP) at the correct interval. The Council has agreed to make a payment of £300 for the complainant's time and trouble and for the education missed; and refund the costs for a tutor from 26 June 2019 until the school holidays commenced. The Council has also agreed to consider whether its procedures are robust enough to enable it to take prompt action, when it has a duty to. We will also consider whether we need to remind schools when Annual Reviews are due and whether we could periodically check EHCP provision by schools.

Effective publicity and campaigns – We helped run the Back to School campaign which encouraged parents to have confidence to send their children back to classrooms at the start of the school year. The campaign used radio advertising, bus advertising, social media and integrated web campaign to reach parents.

Media work – There were 456 media stories about the Council in Q2, of which 148 were positive and 168 were neutral (stories are classified as positive if they generally celebrate an aspect of the Council's work and neutral if they balance any criticism with positive comment from the Council or others). The press office issued 32 press releases, generating 116 stories. 160 media enquiries were handled.

The vast majority of enquiries related to Covid-restrictions and cases, testing and the reopening of schools. There was also coverage of proposed tranche 1 Emergency Active Travel schemes and subsequent decisions not to proceed with a number of measures.

Web activity – Our support and information pages on COVID-19 have been viewed more than 187,000 times since they were published. In Q2 there were over 82,000 views. The whole Council website had almost 2.2 million page views in Q2 from more than 685,000 sessions.

South East 7 (SE7) – SE7 Leaders and Chief Executives met at the end of Q2 to consider the latest position for budgets and the COVID-19 response in the region. They also considered national policy developments over the summer and leaders agreed to make joint representations to Government on a range of issues. Leaders have also agreed to move to a more regular pattern of meeting every other month, given the fast-moving policy context presenting frequent opportunities for joint working.

Partnership with West Sussex County Council (WSCC) – To build on the ongoing success of the partnership, both councils have agreed that Adult Social Care and Health (ASCH) is a key area where closer working will be beneficial. To help facilitate this it has been proposed that an Executive Director of Adult Social Care and Health is appointed to work across both WSCC and ESCC. The appointment of an Executive Director will promote stronger joint working and learning across the Public Health teams in both councils; stronger joint working with the NHS, especially as national health organisations look to work at a Sussex level; a stronger lobbying voice within Government; stronger management of care markets; and stronger joint working on safeguarding. The proposal is for the current Director of ASCH in East Sussex to be seconded to the Executive Director role. To ensure ASCH services in ESCC are maintained at a high level a new Director of ASCH will be appointed on a temporary basis until at least July 2021.

Health and Wellbeing Board (HWB) – The Board met on 17 September and received an update on the joint health and social care plan, which is being developed following suspension during the initial response to the COVID-19 pandemic. The joint plan will also now include programmes on Children and Mental Health. The Board also considered the revised East Sussex Outbreak Control Plan, which reflects new Government guidance and learning from managing the COVID-19 pandemic. Reports were also received on the support being provided to care homes and impact of COVID-19 on black, Asian and minority ethnic people and communities, Adults safeguarding and East Sussex Winter Plan.

Revenue budget summary – There is an underspend of £48k at Q2, mainly due to the shared cost of the Chief Executive's salary, delays in recruitment and reduced use of Coroner related services. Part of the underspend will be used to fund CSD legal fees. It is expected that £26k of costs will be incurred as a result of COVID-19 but that this will be mitigated from the underspend within the department.

Performance exceptions
(See How to read this report for definition)

Performance measure	Outturn 19/20	Target 20/21	20/21 RAG				2020/21 outturn	Note ref
			Q1	Q2	Q3	Q4		
There are no Council Plan targets								

Savings exceptions

Savings exceptions						
Service description	2020/21 (£'000)					Note ref
	Original Target For 2020/21	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
Savings						
There are no targeted savings in 2020/21	-	-	-	-	-	-
	-	-	-	-	-	-
Total Savings	0	0	0	0	0	
			-	-	-	-
			-	-	-	-
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	0	0	0	0	0	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total	Note Ref
	-	-	-	
Total	0	0	0	

¹ Permanent changes will replace a previously agreed saving that can no longer be achieved. It is done via approval of quarterly monitoring.

² Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget

Divisions	Planned (£000)			Q2 2020/21 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Planned Budget										
Corporate Governance	4,344	(228)	4,116	3,889	(179)	3,710	455	(49)	406	
Corporate Support	3,146	(280)	2,866	3,845	(621)	3,224	(699)	341	(358)	
Subtotal	7,490	(508)	6,982	7,734	(800)	6,934	(244)	292	48	
COVID Related										
Corporate Governance	0	0	0	0	0	0	0	0	0	
Corporate Support	0	0	0	26	0	26	(26)	0	(26)	
Subtotal	0	0	0	26	0	26	(26)	0	(26)	
Total Governance	7,490	(508)	6,982	7,760	(800)	6,960	(270)	292	22	

Capital programme										
Approved project	Total project – all years (£000)		2020/21 (£000)							Note ref
			In year monitor Q2 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2020/21	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
No current programme for Governance	-	-	-	-	-	-	-	-	-	
Total Governance	0	0	0	0	0	0	0	0	0	

Strategic Risk Register – Q2 2020/21

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
16	<p>COVID-19</p> <p>Adverse impact of COVID-19 sickness and restrictions on Council finances and services. Reduced ability to deliver services, priorities and long-term planning, impacting on e.g. protecting and supporting vulnerable adults and children, education and schools, roads and infrastructure, local economic growth, and the Council's workforce. Capacity to manage a response to a significant sustained increase in COVID-19 cases alongside other winter pressures. Adverse impact of COVID-19 on local health, wellbeing and economy, creating new long-term need for Council services.</p>	<p>Services have changed and adapted to the changing situation and Government guidance. We are endeavouring to keep services going as far as possible and to offer other options, when it isn't possible. Members of staff that can work remotely are doing so and risk assessments have been undertaken for all staff working in buildings or with service users, with appropriate protective measures in place.</p> <p>Looking after the most vulnerable people in our community is our absolute priority and community hubs have been established with Borough and District partners to support those that need additional help. We have received additional funding from the Government and are closely monitoring our COVID-19 spend. We are also monitoring impacts on the economy and wider community and developing recovery plans with our partners. The medium and long-term impact of COVID-19 is being factored into our RPPR finance and business planning.</p> <p>We have a Local Outbreak Plan to prevent, where possible, and respond to and contain local outbreaks, with specific measures for high risk areas.</p> <p>The Corporate Management Team are meeting regularly to ensure our response and recovery is effectively co-ordinated and working well through our established partnerships and the new partnerships, which come into operation when we are operating under the Civil Contingencies Act, including the Sussex Resilience Forum and the Local Health Resilience Forum. Preparation for a reasonable worst case scenario of a second wave of infections in the context of other potential winter pressures (including from adverse weather, the end of the Brexit transition period and in health and social care) has taken place in ESCC and coordinated across the Sussex Resilience Forum.</p> <p>Extensive co-ordination and lobbying are taking place at Member and officer level through SE7, CCN and other arrangements.</p>
12	<p>CYBER ATTACK</p> <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 and an inevitable risk. There is a significant rise in global and local Cyber based attacks, which are increasing in sophistication in terms of technology and social based insertion methods. The COVID-19 pandemic has increased the need to carry out many additional functions virtually and remotely and there are more requests to</p>	<p>Most attacks leverage software flaws and gaps in boundary defences. Keeping software up to date with regular patching regimes; continually monitoring evolving threats and re-evaluating the ability of our toolset to provide adequate defence'. Ongoing discussion and communication with the Information Security industry to find the most suitable tools and systems to secure our infrastructure.</p> <p>IT&D use modern security tools (e.g. Splunk) to help monitor network activity and identify security threats. These tools have proved their value in preventing and quickly tracing, isolating and recovering from significant malware attacks. IT&D continues to invest in new tools which use AI and machine learning to identify threats by analysing network traffic and patterns for abnormal behaviour. The increasing use of Software As A Service adds additional risk for the user outside of</p>

Strategic Risk Register – Q2 2020/21

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
	<p>relax security controls, with services more likely to take risks on the technology they procure and how they use it.</p> <p>Examples of the impact of a Cyber Attack 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 Information Commissioner's Office (4% of global revenue under the new General Data Protection Regulations); • Total loss of access to systems that could lead to threat to life. <p>A successful cyber-attack can shut down operations - not just for a few hours, but rather for multiple days and weeks. The collateral damage, such as information leaks and reputational damage can continue for much longer. Added to that, backup systems, applications and data may also be infected and therefore, of little usable value during response and recovery operations - they may need to be cleansed before they can be used for recovery. This takes time and consumes skilled resources, reducing capacity available to operate the usual services that keep the Council working. Our external technology stack is dependent on vendors ensuring that their products are up to date against the methods employed by internet-based threats. Furthermore, aside from the technical risks - social engineering-based insertion methods (such as legitimate looking emails which trigger viral payloads) are becoming harder to identify and filter.</p>	<p>the corporate data centre and core managed platforms, so elements of Cloud Access Security Broker functionality are being looked into but are expensive.</p> <p>Enhancing user awareness - Expanding E-Learning and policy delivery mechanisms to cover Cyber threat, educating staff around the techniques and methods used by active threats and providing GDPR training and workshops to cascade vital skills and increase awareness of responsibilities under Data Protection legislation.</p> <p>ESCC servers moved to the Orbis Primary Data Centre for resilience – An accredited Tier 3 environment certified to these standards:</p> <ul style="list-style-type: none"> • ISO 27001 - IT Governance and Information Security Management • ISO 9001 - Quality Standard in Customer Service, Customer Processes, Product Process and Service, Efficiency and Continuous Improvement • ISO 14001 - Environmental Management and Best Practices for Corporate Environmental Responsibility. <p>Disaster Recovery services are similarly relocated in a Tier 3 Data Centre environment (Orbis Secondary Data Centre in Guildford).</p>

Strategic Risk Register – Q2 2020/21

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	
4	<p>HEALTH</p> <p>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>	<p>As a system in East Sussex we have revised and updated our integration programme for the remainder of 2020/21, in light of the learning, new models and ways of working brought on by the ongoing delivery of the COVID-19 emergency response. This will ensure our shared integration priorities still make sense for the remainder of 2020/21, and the momentum and pace of delivery is manageable as we continue to work during the pandemic. All agreed programme projects have been sense-checked to ensure full contribution to:</p> <ul style="list-style-type: none"> •Increased integrated care and personalisation, prevention and early intervention •Patient flow and reduced length of stay in our hospitals – critical during the winter months and the additional requirements placed on our system •Supporting core business delivery for example restoration and recovery of services, including full alignment across the community and mental health integration programmes with the ASC&H Recovery Programme <p>The revised programme targets, KPIs and financial metrics are currently being finalised, with reporting resuming in October. Our system governance meetings have now been stood back up in full to progress the above programmes and further adapted to ensure a clear focus for the new responsibilities and pressures emerging from the pandemic, which require grip and coordination across our system: Outbreak Control Plan; care home and market resilience plans, restoration and recovery of NHS services for our population and an increased emphasis on winter planning for both health and social care this year in light of potential surges, including DHSC published expectations for Social Care in the winter and Guidance for hospital discharge services.</p> <p>As the broader Sussex Integrated Care System (ICS) governance matures and embeds, further work is also underway to understand how plans can be best developed and delivered in different footprints within the ICS and ensure appropriate alignment. This has taken into consideration the previous agreements about how accountability will work across the Sussex ICS, and the role Councils have as sovereign organisations in the partnership. For the East Sussex system, the next steps in the Autumn involve:</p> <ul style="list-style-type: none"> •Using specific projects within our revised integration programme to further model the collaborative approach between commissioners and providers that we saw accelerated during the first phase of the pandemic, including between NHS commissioners and providers, and with voluntary and independent sector providers. •Revisiting and refreshing our previous (pre-pandemic) plans for how we can further develop our ICP and integrated delivery of services in East Sussex, to make best use of our collective resources and improve our population's health and outcomes. This will include work to agree where our integrated working can have the most significant impacts for our population, and what we will need to deliver to strengthen our ICP by 2022. 	R

Strategic Risk Register – Q2 2020/21		
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
5	<p>RECONCILING POLICY, PERFORMANCE & RESOURCE</p> <p>Ongoing uncertainty in relation to future funding levels and the longer term local government funding regime creates a risk of insufficient resources being available to sustain service delivery at the agreed Core Offer level to meet the changing needs of the local community.</p>	<p>We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning, which ensures a strategic corporate response to resource reductions, demographic change and regional economic challenges; and directs resources to priority areas. We take a commissioning approach to evaluating need and we consider all methods of service delivery. We work with partner organisations to deliver services and manage demand, making best use of our collective resources.</p> <p>We take a 'One Council' approach to delivering our priorities and set out our targets and objectives in the Council Plan. We monitor our progress and report it quarterly. Our plans take account of known risks and pressures, including social, economic and demographic changes and financial risks.</p> <p>The Coronavirus pandemic has had, and will continue to have for a long time, profound impacts on our communities and services. We are operating in new, changing and uncertain contexts. We will review and undertake research to track and understand the impacts. We will update and reset our performance targets, priorities, service offers and financial plans, as required, to reflect them.</p> <p>We lobby, individually and in conjunction with our networks and partners, for a sustainable funding regime for local government in general and adult social care specifically to meet the needs of the residents of East Sussex, and which recognises the significant impact of COVID-19 on the Council's expenditure and income.</p>
15	<p>CLIMATE</p> <p>Failure to limit global warming to below 1.5°C above pre-industrialisation levels, which requires global net human-caused emissions of carbon dioxide (CO2) to be reduced by about 45 percent from 2010 levels by 2030, reaching 'net zero' by 2050 at the latest. The predicted impacts of climate change in East Sussex include more frequent and intense flooding, drought and episodes of extreme heat, as well as impacts from the effects of climate change overseas, such as on food supply. This will lead to an increase in heat-related deaths, particularly amongst the elderly, damage to essential infrastructure, increased cost of food, disruption to supply chains and service provision, and greater coastal erosion.</p>	<p>Climate change adaptation: we are following national adaptation advice, including working with partners on flood risk management plans, a heatwave plan and drought plans.</p> <p>Climate change mitigation: we are continuing to reduce the County Council's own carbon footprint, which was cut by 60% between 2008-9 and 2019-20.</p> <p>In response to our climate emergency declaration, our annual emissions target has been increased from 3% to 13% per year and a 5-year carbon budget has been set. This is in line with our commitment to achieve net zero carbon emissions from the County Council's own activities as soon as possible, and by 2050 at the latest. The senior officer Climate Emergency Board held its first meetings on the 3rd July and the 5th October.</p> <p>Our new Climate Emergency Officer started on the 1st July and is working with teams across East Sussex to deliver the corporate emergency plan covering 2020-22, with an initial focus on building and travel related emissions.</p>

Strategic Risk Register – Q2 2020/21

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
14	<p>NO TRADE DEAL BREXIT</p> <p>Brexit transition period ends with no agreed trade deal or future relationship between the UK and EU leading to disruption. Key areas at risk of disruption are:</p> <ul style="list-style-type: none"> •At Newhaven Port and on the surrounding road network due to new port checks; •In business and economic activity, due to import/export administrative complexities for SME's, supply chain disruption and goods storage, impact of trade tariffs on consumer purchasing power, and workforce supply; •The COVID-19 pandemic response and local outbreak management e.g. through disrupting international supply chains for PPE; and •delivery of Council Services. <p>The impact of this risk could be heightened should disruption coincide with other events such as an increase in COVID-19 infection rates or extreme weather, which challenges the Council's capacity to respond to events effectively and interrupts recovery of the economy from the COVID-19 pandemic.</p>	<p>Many of the key areas at risk of disruption are already on the Strategic risk register (COVID-19 response, Local Economic Growth) or departmental risk registers and are subject to business as usual risk and business continuity management.</p> <p>The Trading Standards team are working with Environmental Health colleagues to assess the impact of emerging Government border policy on the capacity required to support new border enforcement arrangements at Newhaven Port. Planning will also be informed by the Government Border Group, of which the Director of Communities, Economy and Transport is a member.</p> <p>The Sussex Resilience Forum has run a preparatory exercise on the coincidence of emergency responses to the COVID-19 pandemic and a No Trade Deal Brexit to inform multi-agency emergency planning for the scenario.</p> <p>The Chief Executive is a representative for the South East on the MHCLG group of nine regional chief executives, which provides a direct channel of communication into the Ministry on local and regional issues emerging in advance of the end of the transition period.</p>

R

Strategic Risk Register – Q2 2020/21

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
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>COVID-19 could lead to an increase in the level of staff sickness, as well as the need for staff to self-isolate/distance. It will lead to a change in our working approach and arrangements, even beyond the length of any Government imposed lockdown.</p>	<p>The additional capital maintenance funding approved by Cabinet in recent years has enabled us to stabilise the rate of deterioration in the carriageway network and improve the condition of our principle road network. However, a large backlog of maintenance still exists and is addressed on a priority basis.</p> <p>The County Council's asset management approach to highway maintenance is maintaining the overall condition of roads, despite recent years' winter weather. However, severe winter weather continues to be a significant risk with the potential to have significant impact on the highway network. The winter of 2019/20 was one of the wettest on record and generated 4 times more potholes for example. The recently approved five-year capital programme for carriageways 2018/19 to 2022/23, and the six-year additional capital programme for drainage and footways 2017/18 to 2022/23 provide the ability to continue to manage condition and build resilience into the network for future winter events.</p> <p>Additional DfT money from 2018/2019 has supported this approach.</p> <p>Remote working has been adopted where possible in response to COVID-19. We are still able to deliver works on the ground adhering to current working restrictions and the carriageway programme is continuing as normal. If working restrictions change, this might impact our ability to deliver. If staff illness increases for either our contractor, sub-contractors or suppliers, this might impact our ability to deliver.</p>
7	<p>SCHOOLS</p> <p>Impact of weak leadership in schools on outcomes for children and young people</p> <p>Failure to secure adequate leadership within East Sussex Schools, leading to:</p> <ul style="list-style-type: none"> • reduced outcomes for children • poor Ofsted reports and reputational damage <p>Failure to accelerate progress and improve attainment for all key groups of pupils</p> <ul style="list-style-type: none"> • poor Ofsted reports • reputational damage <p>Resulting in:</p> <ul style="list-style-type: none"> • negative impacts on employability • undermining capacity for economic growth • increased pressures on services provided by social care and health. 	<p>Continuing to secure high quality leadership and governance across all our schools, colleges and settings is a high priority for the SLES performance improvement plan. We will:</p> <ul style="list-style-type: none"> • Work with partnership networks to provide support and challenge for the recruitment, development and performance of high quality school leaders. • Work with the existing Academy Chains within East Sussex, to ensure appropriate solutions for schools in East Sussex. • Continue to support the East Sussex recruitment and retention strategy with a focus on leadership. • Accelerate the work to develop partnerships between schools that cannot secure adequate leadership alone and explore the options for closure of schools that are unable to deliver a high quality education to their pupils. • Work with Teaching Schools Alliances and Education Improvement Partnerships to support the development of outstanding leaders. • Work with the primary and secondary board to implement the schools causing concern guidance. • Work with the primary board, secondary board and teaching schools to raise standards of provision, curriculum design and quality of teaching and learning in Key Stage 2 and improve outcomes in Key Stage 4. <p>These mitigations don't take account of COVID impacts/measures.</p>

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Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	
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, or changes in these, that the estimated Government Grants, which fund part of the programme, are significantly reduced.</p> <p>There is also a risk that the move from S106 contributions to Community Infrastructure Levy will mean that Council has reduced funding from this source as bids have to be made to Districts and Boroughs. Slippage continues to occur within the programme, which has an impact on the effective use of limited resources.</p>	<p>The Council has a Capital Strategic Asset Board (CSAB), a cross departmental group consisting of officers from each service department, finance, property and procurement to oversee the development and delivery of the capital programme. Governance arrangements continue to be reviewed and developed in support of the robust programme delivery of the basic need programme. The Education Sub Board, which in part focuses on future need for schools places, continues to inform the CSAB of key risks and issues within the School Basic Need Programme. Regular scrutiny by the CSAB of programme and project profiles (both in year and across the life of the programme) occurs on a quarterly basis.</p> <p>The CSAB also proactively supports the seeking and management of all sources of capital funding, including; grants, S106, CIL and, Local Growth Fund monies. A cross department sub board oversees the process for bidding for CIL and the use of S106 funds, and work continues with Districts and Boroughs to maximise the Council's receipt of these limited resources. The impact of COVID-19 provides a risk to external funding that supports the capital programme, with future years capital grants and receipts estimates, CIL and S106 targets at risk of reducing. Officers will proactively monitor funding announcements and seek to minimise the impact on delivery of the capital programme and ensure that there is sufficient liquidity to meet funding requirements.</p> <p>A risk factor was introduced in 2019/20 to acknowledge and address the historic level of slippage in the capital programme, its impact on the financing of the capital programme, and therefore on treasury management activity. Following the creation of the 20-year capital strategy (2020/21 to 2040/41) and the enhanced rigour in the building of a 10-year capital programme, this factor has not been extended to future years. CSAB will continue to monitor slippage and recommend any change should it become necessary.</p> <p>COVID-19 is impacting on the delivery of projects and programmes of work and any slippage and/or under/overspend will be reported as part of the capital monitoring process overseen by the CSAB and the capital programme reset as part of the normal RPPR process. The pressures and issues that COVID-19 has presented are unprecedented and has thrown many of the current planning assumptions off course. There are a number of overspends relating to COVID-19 being reported; officers will seek to minimise the adverse impact of overspends through mitigations, seeking additional funding where available and closely monitoring the impact of any additional borrowing if required.</p>	A

Strategic Risk Register – Q2 2020/21		
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
9	<p>WORKFORCE</p> <p>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>	<p>The 2020/21 Q1+2 sickness absence figure for the whole authority (excluding schools) is 3.64 days lost per FTE, a decrease of 2.6% since last year.</p> <p>Stress/mental health remains the primary reason for absence, increasing by 40.2% compared to 2019/20 Q1+2. It is worth noting that Q1 covers the key period of the immediate response to the Coronavirus pandemic and lockdown period and it is likely therefore, that the sudden increase since April 2020 is as a result of the Coronavirus situation. This should become clearer in future reports.</p> <ul style="list-style-type: none"> •Almost 100 Mental Health First Aiders have been trained across the organisation and 84 interventions have taken place since November 2019 •Employee and Managers Mental Health Guides have been produced alongside a supporting toolkit, campaign video and dedicated resource intranet page •A dedicated Yammer wellbeing campaign to support staff during COVID-19 was launched in March 2020 and continues to run to support staff •1,399 unique views of the dedicated 'Supporting employee wellbeing and Coronavirus' intranet pages •Compassionate leadership, remote teams and wellbeing workshops have taken place with more planned •Stress Awareness Campaign, with supporting resources will be launched for World Mental Health Day •Enhanced DSE offer to be launched shortly with a remote working focus •Further comprehensive support is planned to support continued home working
10	<p>RECRUITMENT</p> <p>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.</p>	<p>Whilst it is too early to assess the full impact of COVID-19, some effects are already being felt. In the context of attraction and recruitment, the move to remote working and the opportunity for this to continue as we consider future new ways of working, has resulted in a much wider geographical pool of applicants being available to the Council. Two workstreams are currently underway: 'attracting and recruiting the future workforce' and 'leading the workforce'. The learning from COVID-19 is currently being incorporated into this work, which will be reported to CMT in Q4.</p>

Strategic Risk Register – Q2 2020/21

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
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>The County Council and its partners have been successful in securing significant amounts of growth funding totalling £129m, via both the South East and Coast 2 Capital Local Enterprise Partnerships, to deliver a wide range of infrastructure projects in East Sussex. We have also secured outgoing EU funding for complementary economic development programmes supporting businesses to grow, including South East Business Boost (SEBB), LoCASE, SECCADS, and inward investment services for the county. We have continued to bid for further EU funding on the above projects and have secured over £4m of investments to be delivered from April 2020 for a further 3 years.</p> <p>Government had withheld a third of all LEPs LGF allocations for 2020/21, which in SELEP equated to £25m. This was finally released in August and enables the Eastbourne Fisherman project £1.08m to proceed. Government issued a funding call in mid-June through the Getting Building Fund programme for pipeline projects to create jobs and deliver over next 18 months, with East Sussex securing £11.2m on 8 projects in late July. Furthermore, there are several recent funds including Future High Streets, Stronger Towns Fund, European Social Fund and SELEP COVID-19 Skills and Business Support funds that we have been actively working with partners in developing projects and submitting proposals and then await the outcomes.</p> <p>The COVID-19 outbreak in early March 2020 is seemingly changing the funding landscape, having an impact on major funding decisions from Government. We are developing the East Sussex Economy Recovery Plan termed 'East Sussex Reset', and this is identifying deliverable actions in the short term, alongside more aspirational asks. The initial action plan was endorsed by Team East Sussex on 30 July, with the official launch with a business-friendly brochure in early September. The plan will become an important bidding document.</p>

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PLACE SCRUTINY COMMITTEE - SCRUTINY REVIEW OF BECOMING A CARBON NEUTRAL COUNCIL – ACTION PLAN

	SCRUTINY RECOMMENDATION	DIRECTOR'S RESPONSE AND ACTION PLAN	TIMESCALE
	<i>Building Energy Use</i>		
1	<p>Priority consideration should be given to the implementation of low carbon heating systems, e.g. the use of ground source and air source heat pumps, in all newly commissioned buildings and when renewing systems in existing buildings. The most energy efficient type of heat pump currently available should be used where possible (e.g. ground source, then air source heat pumps).</p>	<p>Agreed. The updated Capital Strategy, to be presented as part of the RPPR reports to Cabinet and Full Council in early 2021, will reflect that Environmental, Social and Governance (ESG) considerations are becoming more relevant in capital investment decisions. ESG requirements will need to be supported within project business cases to be included in the Capital Programme. To ensure that the costs and benefits of any potential project is balanced with the ESG implications of carbon reduction initiatives, the following will be considered:</p> <ul style="list-style-type: none"> • Energy efficiency measures at the start of any capital project and included in the whole project costs when establishing a business case. • Where possible, ESG schemes to be integrated within existing funded programmes, e.g. boiler replacement programme with low carbon replacements as part of the capital building maintenance programme. • The specific technology to be deployed (eg heat pumps etc) will be dependent on a range of factors including the age, type of building and its levels of insulation/heat retention. • A whole building approach to include whole life costings which will range from shorter to longer term pay back periods. It may be possible to use short term savings to subsidise longer term improvements. This will include building fabric improvements. <p>Scheme Specific Funding, such as external grants and Section 106/CIL contributions to be considered and actively sought to fund projects. This will include lobbying of government departments, where appropriate, to provide funding for low carbon measures, such as the Department of Education when funding new schools and major improvements.</p>	From April 2021
2	<p>The Council should keep the use of hydrogen gas heating technology under review and ensure all</p>	<p>Agreed. The Scrutiny Review panel heard that, as of December 2020, it is not possible to source "Hydrogen Ready" boilers. The government is due to publish a heat decarbonisation plan in the near future, which may help ESCC to plan for a transition to</p>	On-going

	new or replacement boilers are capable of being 'hydrogen ready'.	hydrogen boilers. In the meantime, ESCC will continue to monitor the commercial availability of hydrogen ready boilers and associated costs.	
3	a) The Council consider through the RPPR process opportunities for capital funding within the core capital programme to carry out carbon reduction projects in its corporate buildings, notably building fabric improvements, and lobbies Government for additional funding in this area.	Agreed. Please see the response to 1.	From April 2021
3	b) In developing energy efficiency projects, the Council should take a whole building approach, which is based on whole life costings.	Agreed. Please see the response to 1.	From April 2021
3	c) The Council should explore installing solar panels on its buildings and energy storage where this is possible. In particular, the Council should explore the feasibility of installing solar panel canopies over the car parks at County Hall and use the resultant energy in the building and to power Electric Vehicle/electric bike charge points in the car parks	<p>Agreed. The Council has identified 12 priority corporate sites on which there may be a business case for installing solar PV. It submitted a bid in November to the national £1bn decarbonisation fund to contribute to the cost of installing solar PV plus battery storage on 6 of these sites, which were those that met the funding criteria. A decision on funding is due in December.</p> <p>We will explore the feasibility of Solar panel canopies in the car parks at County Hall, and other measures, as part of the County Council's approach to workstyles and its approach to its office accommodation strategy and the use of buildings to support the Council's operations.</p>	On-going
4	a) The Council, in conjunction with maintained schools, publishes comparative data on energy efficiency (e.g. league tables and energy performance), sets a carbon reduction target and encourages engagement with pupils in learning projects and activities to reduce carbon emissions.	<p>Noted. The Council holds the relevant energy data, however the energy performance of schools varies for a number of reasons, which means that it would not be possible to compare schools on a like-for-like basis. It would also be complex and costly to try to set school-specific carbon reduction targets, therefore it's recommended that schools should be encouraged to aim for a 13% per year carbon reduction target, in line with the Council's overall target and the target for the county.</p> <p>There's long been engagement with schools on energy reduction, for instance through the promotion of the national Salix funding that's managed by the energy team and workshops with schools to encourage energy efficiency.</p>	On-going
4	b) The Council consider through the RPPR process providing capital funding for a pilot project to	Agreed. In November the Council submitted a bid to the national £1bn decarbonisation fund to pay for a feasibility study into replacing the oil-fired boilers at Ninfield Primary	February 2021

	install heat pump technology in one of the County's maintained schools as a best practice case study.	school with heat pumps, solar PV and battery storage. The bid has been approved and the work has been commissioned. The feasibility study is due to be completed by mid-January, with the intention of submitting of bid to fund the capital costs of installing heat pumps through the final round of the national decarbonisation fund, should there be any funding remaining. This will act as a pilot site for ESCC.	
5	The Council lobbies the Department for Education to provide sufficient funding for new schools to be built to a carbon neutral standard and provide funding for major improvements to retrofit energy efficiency and carbon reduction measures to all school buildings.	Agreed. Please see the response to 1.	From April 2021
6	The Council reviews the payback periods used for major building refurbishment projects and adjusts the provision of capital funding for carbon reduction projects to enable more work in this area to be carried out based on whole life costings.	Agreed. Please see the response to 1.	From April 2021
Street Lighting Energy Use			
7	The Council: a) Explore the scope for further energy savings by reducing the amount of time street lights are on through ongoing maintenance and replacement programmes.	Agreed. The Council has just started an 18 month programme to replace the remaining 16,000 sodium lamps with very low energy LED lamps. This will reduce our carbon emissions by a further 600 tonnes per year. We will continue to explore further reductions through part night lighting and we will work with communities to apply this where appropriate, though this needs to be balanced with public safety.	On-going
	b) Explore the use of alternative technologies such as solar and wind turbines for less essential lit signs and other street furniture.	Noted. We have installed a number of solar powered signs in the past but they have not proved to be reliable. However, as the technology and reliability improves so we will continue to explore the use of these technologies for use across our lit network.	On-going
	c) Keep the use of intelligent lighting systems for street lighting under review and install intelligent lighting in the car parks and campus at the County Hall campus as an example of best practice	1) Agreed. A review of intelligent street lighting systems was undertaken by a consultant in summer 2020 and concluded that they would not provide carbon savings or a financial return. Savings were better achieved by programming the new lighting units to switch off at night as they are installed and where this is approved. As intelligent lighting technology matures so the costs are likely to decrease and, with a change in lighting policy to enable	2022-23

		<p>greater roll out, the approach may provide carbon savings in future. Consequently, the use of intelligent lighting systems will be reviewed again in financial year 2022-23.</p> <p>2) Completed. In 2016 the County Hall campus lighting was upgraded. The lamps have in-built daylight sensors and the main car park lights have lamps that are programmed to dim overnight between midnight and 5am. A data logger was used in November 2020 to confirm that dimming is taking place, which brings a saving of about 45%.</p>	
	Staff Travel & Commuting (including councillors) and Fleet Vehicles		
8	a) The Council explore more varied patterns of working to determine what is the best level of remote working from a staff perspective and for the Council to meet its business needs and reduce carbon emissions.	Agreed. The County Council is considering a range of proposals, working with departments to understand their business needs in terms of how they use workspaces in the future. This is incorporated into the review of workstyles and future working requirements in conjunction with the consideration of the future accommodation needs. This is likely to include proposals to facilitate new ways of working that support cultural change, including adopting more flexible working patterns, reducing the need for business travel and exploiting the use of new technology to maximise remote working in all its forms.	May 2021.
8	b) Work is undertaken to support cultural change to embed changes in working practices that reduce the need to travel, or encourages less travel, such as the use of technology to hold meetings remotely and provide training using remote meeting technology.	Agreed. Please see the response to 8 a).	May 2021
8	c) The Council explores the provision of more capacity for drop-in centres / hot desking and collaboration space in regional offices so staff do not always need to travel into the main office buildings, including County Hall, as part of the future workplace planning arrangements.	Agreed. The Council's office hubs have hot-desking and drop-in centres. Staff have been more mobile with enhanced laptops allowing significantly more flexible. Many services have adapted their work styles and work patterns during 2020 and this will be reflected overall in lower office usage. The SPACES Board is working up opportunities for greater use of local public authority assets for increased hot-desking and collaboration space. SPACES has a focused workgroup setting out targets for this to reduce travelling time.	2021
8	d) The Council investigate the introduction of hybrid committee meetings where councillors can either attend remotely or in person.	Agreed. Current national regulations that allow councillors to attend formal meetings remotely will expire in May 2021. The Council recently agreed a motion calling on Government to change the rules to allow local authorities the flexibility to choose whether to hold virtual and/or physical meetings. The Council would be able to consider and respond to any permanent new provision for remote attendance if it is introduced. We are	May 2021

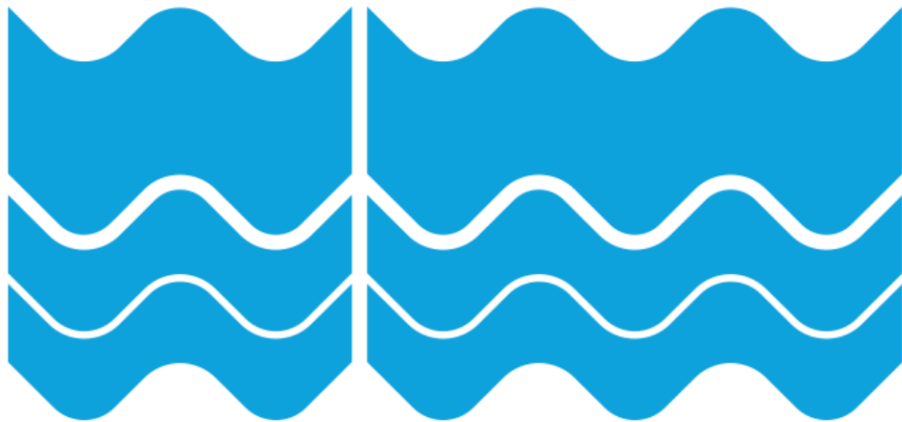
		currently exploring the technology and processes that would be required to hold hybrid meetings in the event that this is required under temporary Covid arrangements, or more generally, and we already have the technology and procedures in place to hold fully remote meetings.	
9	a) The Staff Travel Plan is revised to encourage, and where appropriate consideration is given to the potential for incentivising, the use of other travel modes (e.g. walking, cycling and public transport) and the uptake of Electric Vehicles to reduce carbon emissions	Agreed. An officer working group has already been established with the task of updating the Staff Travel Plan to ensure it is fit for purpose. Considerations around incentivising travel modes other than by private car and the use of electric vehicles will be a key part of this work. Recommendations will be considered in Q4 of 2020-21.	Q4 2020-21
9	b) The Council considers lobbying the Department for Transport to make changes to season tickets for train and bus travel so they can be used flexibly by staff commuting to work.	Noted. The Council hosts Transport for the South East, which is supporting the Rail Delivery Group in a bid for funding from the Department for Transport to develop a business case for a national rail back office Pay-as-You-Go ticketing system. Whilst this does not currently include buses there is a strong appetite from the Sub national Transport Boards for it to do so. Working through TfSE is likely to be more effective than ESCC lobbying in isolation.	On-going
10	Electric Vehicle (EV) charging points are installed at the main office buildings, or at least County Hall, with a plan agreed by the end of March 2021.	Agreed. The Council does not currently provide any charge points for electric vehicles. However, we recognise that there is a growing level of demand for EVs and that the greater provision of charging points is key to increasing the uptake of EVs. We are currently developing a strategic approach, including looking at how we might procure the installation of public charging points in a way that addresses the complex range of technical, legal, procurement and practical issues in the most effective manner. This includes looking at the installation of charging points at ESCC corporate hubs (eg. County Hall).	June 2021
11	a) Smaller own fleet vehicles should be replaced by EVs in the short term when the leases expire.	Noted. Officers will review with budget holders the replacement of ESCC own smaller fleet vehicles with EVs in the short term when leases expire. The replacement will be dependent on the financial impact to the budget holder and whether the replacement EV vehicles meet the needs of the service.	On-going
11	b) Review the car lease scheme to encourage staff to select low emission or zero emission vehicles.	Agreed. Officers will review the car lease scheme to encourage staff to select low emission or zero emission vehicles.	From June 2021

11	c) The Council considers specifying the early use of low emission vehicles in the procurement of major contracts (e.g. the Highways maintenance contract), where feasible.	Agreed. As outlined in the East Sussex Climate Emergency Plan, we will consider specifying the early use of low emission vehicles in the new procurement of all major transport contracts (those over £1m spend per annum) where feasible. Assessments will be made on service delivery and cost balanced with benefit.	From April 2021 onwards
12	The Council should keep the market for larger hydrogen powered vehicles under review, with a view to undertaking early pilot schemes and eventually phasing out the diesel-powered larger vehicles in its fleet in line with Government policy.	Agreed. Officers will keep the market for larger hydrogen powered vehicles under review, with a view to undertaking early pilot schemes. Council officers are part of a Sussex-wide network of organisations looking at hydrogen for heating and transport, including Southern Gas Networks, Brighton & Hove Buses and a range of local authorities.	On-going
<i>Carbon Off-Setting and Renewables</i>			
13	The Council keeps opportunities for investing in natural habitats under review for inclusion in a carbon off-setting plan at the appropriate time when the science has been developed.	Agreed. The Council hosts the Sussex Local Nature Partnership, which has developed a Natural Capital Investment Strategy, which identifies carbon storage and sequestration as a key area for natural capital investment. The LNP has secured funding from Natural England to map where in Rother, Wealden and Eastbourne carbon sequestration could take place, for instance through habitat management and/or tree planting. This can then be used as a toolkit by Local Planning Authorities and other stakeholders.	From 2021
14	a) The Council develops a carbon off-setting plan which includes investment in woodland creation, natural habitats and renewable energy generation.	Agreed. ESCC is developing a central database of all Council land holdings which will enable a more systematic review of sites to determine whether they might be viable for investment in off-setting, though ESCC is not a large landowner. A set of criteria will need to be developed to sieve sites in line with Council priorities.	From 2021
14	b) The Property Asset Disposal and Investment Strategy is reviewed to identify land availability and opportunities for carbon off-setting habitats and investment in the development of solar farms.	Agreed. In addition to the response to 14 a), the Council's asset management plan 2020-2025 will consider land sites availability and suitability for solar farms. A business case will need to be formulated to understand the capital investment and ongoing management/expenditure requirements.	From 2021
<i>Communications and Leadership</i>			
15	a) The Council develops an interactive communication/information platform, which includes details on what the Council itself is doing on climate change and to discuss opportunities	Noted. The Council's climate emergency plan includes an action to develop a communications plan. This will be developed during Q4 of 2020-21.	Q4 2020-21

	where residents may take an active role in lowering community carbon emissions.		
15	b) The Council uses its convening power to co-ordinate the actions it is taking on climate change with its partners, and in particular with the District and Borough Councils in East Sussex.	Agreed. The Council hosts the East Sussex Environment Board, which is one of the sub boards to Team East Sussex and lead on delivering the East Sussex Environment Strategy. The Strategy sets out key actions on climate change, including developing a road map to reduce emission from East Sussex at the same rate as for the Council. Council officers have been meeting regularly with District and Borough officers to develop a county-wide action plan.	On-going
	<i>Other Issues</i>		
16	Corporate systems a) Business case evaluation and procurement decisions should include an assessment of the carbon impact of the proposal.	Noted. For business case evaluations and procurement tender decisions, an assessment of carbon impact will be integrated into the cost benefit decision making process. For Procurement decisions the focus will be on prioritising suppliers to give the greatest benefit – including transport and construction contracts above £1m p.a. in value. Enabling the supply chain to deliver additional benefits – such as utilising social value benefits to deliver eco driver training for transport providers	From April 2021
16	b) Reports that go to the Executive and Council should include an assessment or statement of the carbon emissions impact of the proposals/decision in the report where relevant and material.	Noted. The recommendation recognises the need to have regard to the Council's priority outcome 'making the best use of resources in the short and long term' in our decision making. Prior to implementation of this recommendation, work will be undertaken by officers to consider whether and how potential carbon emission impacts of decisions could be assessed, and to enable Directors to decide in what circumstances this should be reflected in their reports to the Executive and Council. The outcome of this work will inform updated corporate report writing guidance to provide appropriate advice to report authors. Progress will be reported to scrutiny through the monitoring reports in relation to this review.	From April 2021
17	Planning The Council lobbies Government at a national level via ADEPT and the South East 7 partnership, to amend the planning system and building regulations so that the carbon performance of new	Noted. The Building Regulations are a separate regulatory framework to the planning system. The planning system allows local planning authorities to require energy efficiency standards that exceeds the minimum requirements of the Building Regulations where there are Local Plan policies in place to do so. Both the planning system and Buildings regulations are being reviewed by government. In the meantime, the Council works with networks such as ADEPT to lobby government for change.	On-going

	buildings, including school buildings, can be taken into account in planning decisions.		
18	Protecting trees a) ESCC build on the existing Dutch Elm Disease Strategy to develop a Strategic Tree Policy and action plan to manage Ash Dieback, Dutch Elm Disease and other tree diseases/pests which includes a programme to replace lost trees where possible (subject to safety issues) to mitigate the impact on carbon absorption.	Agreed. Please see the response to 13 and 14.	From 2021
18	b) Both County and District/Borough Planning teams should be encouraged to attend the master class training provided by the Forestry Commission on the retention and protection of woodlands and trees.	Agreed. This will be raised through the East Sussex Planning Liaison Group (attended by Heads of Planning), the Local Plan Managers Group and the development Management Forum, thereby helping to ensure the buy-in for officers to attend this training.	

East Sussex County Council



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East Sussex Looked After Children Services Annual Progress Report 2019/20

Sally Carnie, Head of Service

Who did we look after?

- The data below is a snapshot as of 31st March 2020.

Statistics	2018-2019	2019-2020
Looked After Children (LAC)	600	592
Children coming in to care	195	179
0-5 year olds admitted to care	87	75
6-12 year olds admitted to care	38	38
13+ year olds admitted to care	70	66
Children leaving care	197	177
0-12 year olds leaving care	72	64
13+ year olds leaving care	107	105

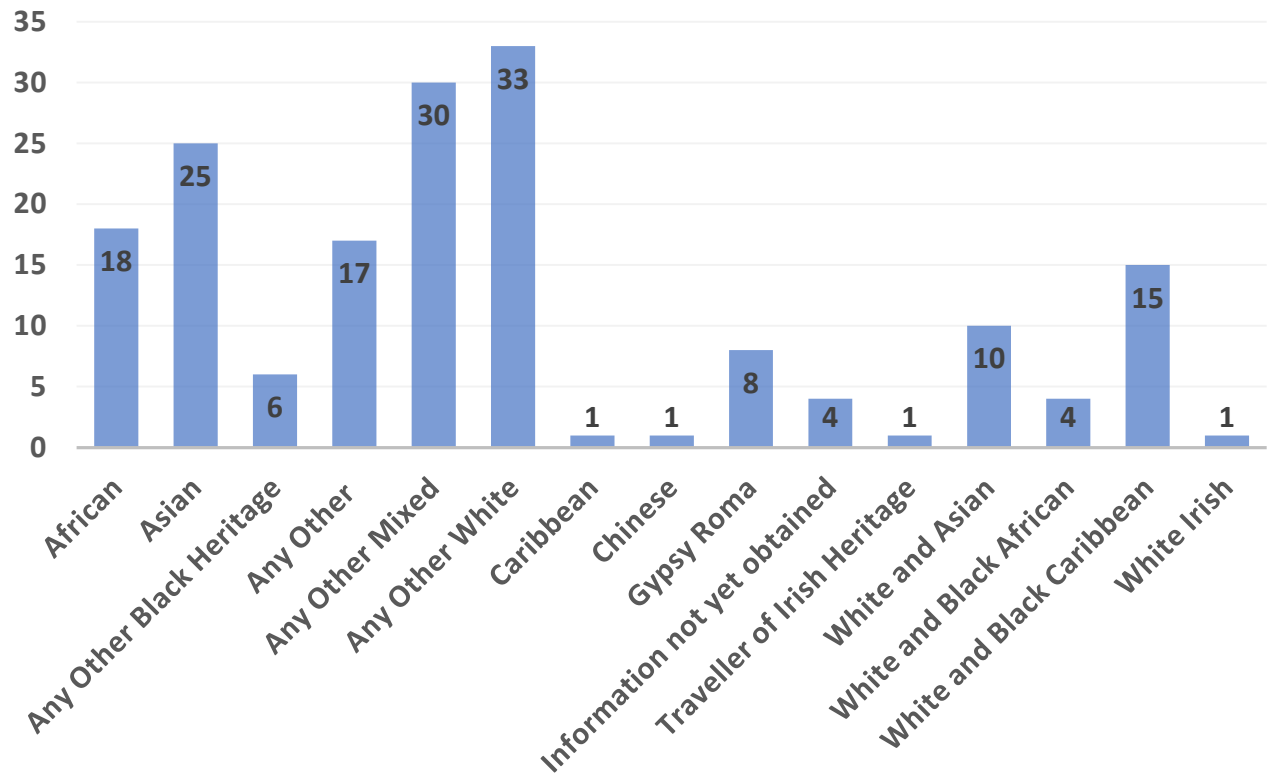


- We looked after 311 boys and 281 girls.
- Overall there were fewer children in care during this period
- This figure is made up of fewer admissions to care but also fewer discharges from care
- In addition the 'churn' figure, which is made up of the number of children moving in and out of care during the annual cycle, when added to the year end figure shows a reduction by **20** overall. In total there were **760** children in care allocated to Social Workers and worked with during the year 19/20

23% of LAC in ESCC identify as being minority ethnic or mixed heritage.

Who did we look after?

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* Numbers of BAME children within the LAC population across 2019/20

Unaccompanied Asylum Seeking Children (UASC)

- ESCC was caring for 32 UASC under 18 during 19/20 (plus 48 care leavers).
- Our UASC cohort were mainly male and over 16 years old, although 25% of this group were under 16 years and our youngest child was only 12 years old and female.
- In the last year, 2 children have come via The Vulnerable Children’s Resettlement Scheme and the remainder have been spontaneous arrivals, found either by the Police or at Newhaven Port or transferred via the National Transfer Scheme mostly from arrivals at Dover.
- The majority of these children came from Vietnam and Iran followed by Sudan, Iraq, Albania and Afghanistan with one child each from Ethiopia, Mali, Kuwait and Kurdistan.

This data is a snapshot as of 31st March 2020.

Statistics	2018-2019	2019-2020
UASC in care	40	32



Children with Disabilities

- The number of our LAC with disabilities remains similar to previous years.
- At 31 March 2020 there were **27** LAC with disabilities, with similar age distribution to previous year (**19** aged 15 or less and **8** aged between 16 and 19)
- **8** of these children were placed with ESCC foster carers and **2** with independent agency foster carers. **6** were placed in ESCC Childrens Homes and **5** in independent Childrens Homes. **4** children were placed in residential schools to meet their medical needs, joint funded with health and **2** were placed in residential schools due to behavioral needs arising from their ASD diagnosis.
- The disability homes have managed a variety of young people with differing needs from behaviours that challenge, to vulnerable young people with complex medical needs.
- Going forward there are plans to create more capacity and flexibility into the structure of the homes to safely manage the needs of any disabled child requiring respite or accommodation

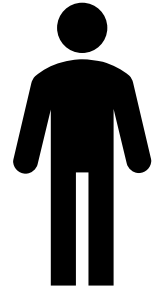
Where our children are living

The data below is a snapshot as of 31st March 2020.

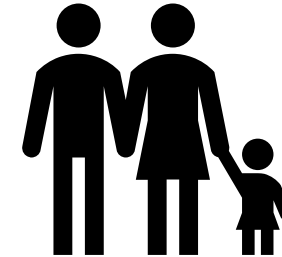
Placement Type	2018-2019	2019-2020
With foster carer	473	447
Of these; in house carers	327	293
Kinship carers	49	62
Agency carers	97	92
Placed for Adoption	21	30
In Supported Lodgings	33	30
ESCC children's homes	18	19
Agency children's homes	27	38
Agency special schools	1	0
Placed with parents	23	20
Independent living	0	3
Youth custody/secure unit	2	4
Hospital/NHS establishment	2	1
Absconded	0	0



Increase in
Kinship
placements



Increase in
children
placed for
Adoption



Increase in
Independent
living

Increase in
children living
in agency
children's
homes



Decrease in
children living
in ESCC Foster
placements &
Supported
Lodgings

How well did we do in 19/20?

- Overall performance in relation to our LAC indicators remained strong and stable with very small % variations in most areas. The impact of Covid 19 on performance will need careful review going forward.
- The rate of LAC per 10,000 population under 18 years **reduced** from **56.6%** (18/19) to **55.7%** (19/20) against a national England rate of 65%
- More challenging has been timely placements for children with a plan for adoption (adoption scorecard), children with 3 or more placement moves (N162), children in permanent placements (N163) and children placed outside ESCC boundaries. Whilst the performance in these areas remains comparatively high, our local dip in performance reflects the wider national picture in terms of sufficiency of placements across all areas of placement planning
- Latterly some of our health indicators have been adversely affected by Covid such as access to dentistry and timely review health assessments
- The emotional and behavioural health of children in care (SDQ) has dipped slightly by 0.1% but this is consistent with the pattern over previous years
- There has been a real improvement in the accommodation options for LAC and Care Leavers under 18. However, Care Leavers aged 19-21 years in suitable accommodation has fallen by 1.1% from 18/19, and 6.2% against the national average
- Care Leavers 19-21 years in education employment and training has shown a real improvement this year and is above the national average

Adoption Recruitment

Adoption South East(ASE) Developments:

ASE went live on 1 April 2020. Managers and staff were actively involved in the recruitment work stream, developing common practice, shared resources, and in the final quarter of the year processed all recruitment enquiries for Brighton and Hove.

Despite high levels of recruitment activity, the number of adopters approved continued to fall compared with previous years. This reflects the national position on adopter sufficiency.

Recruitment	2016- 2017	2017- 2018	2018- 2019	2019- 2020
Total No. of adopters approved	30	25	33	22
No of 2 nd time Adopters	0	0	4	3

Family Finding and Linking

- Those children approved for adoption have complex backgrounds and needs
- Large sibling groups may have a different plan for individual children e.g. a mixture of long term fostering and adoption and may need to be separated, as it is difficult to place them altogether
- Children of mixed heritage tend to be placed out of county in areas reflecting greater ethnic diversity
- Complex health and genetic conditions, together with protracted care proceedings, contribute to delay in family finding and placement
- Early permanence meetings continue with locality teams to promote timely planning and family finding.
- There has been an increase in the number of children placed for Fostering to Adopt and this continues to be keenly promoted, especially for young children.

Family finding and linking	2019-2020
No. of children adopted (AO's)	32
Number of children approved for adoption	29
No. of relinquished children	2
Total No. of children matched	31
No. of 2 sibling groups matched	7
No. of 3 sibling groups matched	0
No. of 4 or more siblings groups matched	0
No. of children matched (outside of ASE)	7
No. of children matched within ASE	4
No. of children placed for Fostering to Adopt	6

Adoption - Support

Within Adoption Support we have a range of services which include:

Adoption Support
Fund applications

Adopted Families Group

Throughcare pathway for
Adopted adolescents

Letterbox & Direct Contact
Service

ADCAMHS

Services to Adopted
Adults

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ADOPTION SUPPORT 2019/20	
	2019-2020
Post Adoption Support Assessments carried out; statutory responsibility to assess and provide coordinated package of support or sign post	56
No. of open cases, including therapeutic interventions, parent consultations, respite, education & virtual school advice and family social work	152

Fostering: Recruitment and Retention

- There were 22 foster households approved during 2019/20 – this means that ESCC has held steady in the context of a national shortage of foster carers.
- The conversion rates from enquiry to approval have continued to increase annually.
- The fostering service's recruitment strategy and advertising has been successful in targeting potential foster carers.
- The fostering service experienced a small increase in enquiries compared to 2018-19.
- At the close of 2019/20, the fostering service had 254 approved foster homes and 451 approved foster carers with all households having a supervising social worker who provides intensive support.

Retention	Households		
	2017-2018	2018-2019	2019-2020
Approvals ending Retirement	22	10	8
Approvals ending Change in circumstances	9	3	9
Approvals ending Terminated at panel	1	4	3

Recruitment	Households		
	2017-2018	2018-2019	2019-2020
Enquiries	346	266	268
Screening calls	157	118	114
Initial visits	86	70	71
Skills to foster training (STF)	43	29	21
Applications for assessment	31	35	35
Closed	5	3	7
Withdrew	7	11	6
Total allocated but did not progress	12	14	13
Approvals	19	21	22
Placements	37	36	39
Conversion rate Enquiry to approval	5.5%	7.9%	8.2%
Conversion rate Screening call to approval	12%	17.8%	19.2%
Conversion rate Initial visit to approval	22%	30%	31%

Supported Lodgings:

Supported Lodgings: Approvals

- There were **11** supported lodgings households approved during 19/20 offering **14** placements.
- **NET gain of +3 Supported Lodgings households.**

Placements

- **61** young people were placed with supported lodgings providers during 19/20.

Young people placed:

- **57** Looked After Children (LAC) **93.44%**
- **1** Homeless **1.64%**
- **3** Unaccompanied Asylum Seeking Children (UASC) **4.91%**

Placement Support Service

The placement support service delivered 143 packages of individual support during 2019/20.

PSS support includes:

- Foster carers - 75 child support packages
- Children In Care Council (CICC) - 10 child support packages
- Special Placement Scheme (SPS) - 6 child support packages
- Through Care Team - 50 young person's support packages
- Attachment Project (SWIFT) - 1 family supported
- Foster Care Agency - 1 child support package

Evaluations of PSS support packages are undertaken annually:

25% of all support packages “I would not have continued this placement without Placement Support”

95% of carers noted that the placement support service resulted in a positive impact on the placement.

60% of carers would prefer more hours of placement support.

Our Children's Homes

Brodrick House in Eastbourne

- Continuing good work with challenging group of young people.
- Outreach embedded for those that move on.
- New bathrooms at last.
- Continuing 'Outstanding' judgement by Ofsted.
- Manager & deputy resign & are replaced.

Lansdowne Secure Children's Home

- Re-designed to improve the existing accommodation and increase capacity from 7-12 beds.
- The new fully furnished home will be complete in early 2021.
- Ofsted inspection (February 2020) judged as 'good' in all areas (inspection included education and CQC for health services within the home).
- Lansdowne has continued to work creatively with all residents during this period of change.

Homefield Cottage in Seaford:

- Settled group of young people.
- Re-modelling of study and decoration throughout.
- Young people enjoy a holiday in Dorset.
- Thrive model of care embedded in the home as staff trained.
- Judged as "good" by Ofsted.

Acorns in Bexhill:

- Continued to provide regular respite care for some of the highest need disabled children aged 7 - 19.
- A full time emergency placement was made for a few months until the beginning of 2020, and another young person's respite became a full time placement whilst awaiting a residential school place.
- Acorns received an Ofsted judgement of 'Good' in October 2019

Hazel Lodge in Hastings:

- Move on of long-term resident to Supported Lodgings.
- New residents achieving positive outcomes.
- Judged as "Outstanding" by Ofsted June 2019.

The Bungalow in Eastbourne:

- Registered for 7 children aged 7-19 and has provided full-time accommodation to some of our disabled children who are unable to live in a family setting.
- All children attended local schools and all maintained contact with their families, facilitated on site.
- The Bungalow received an Ofsted judgement of 'Good' in January 2020

Initial Health Assessment

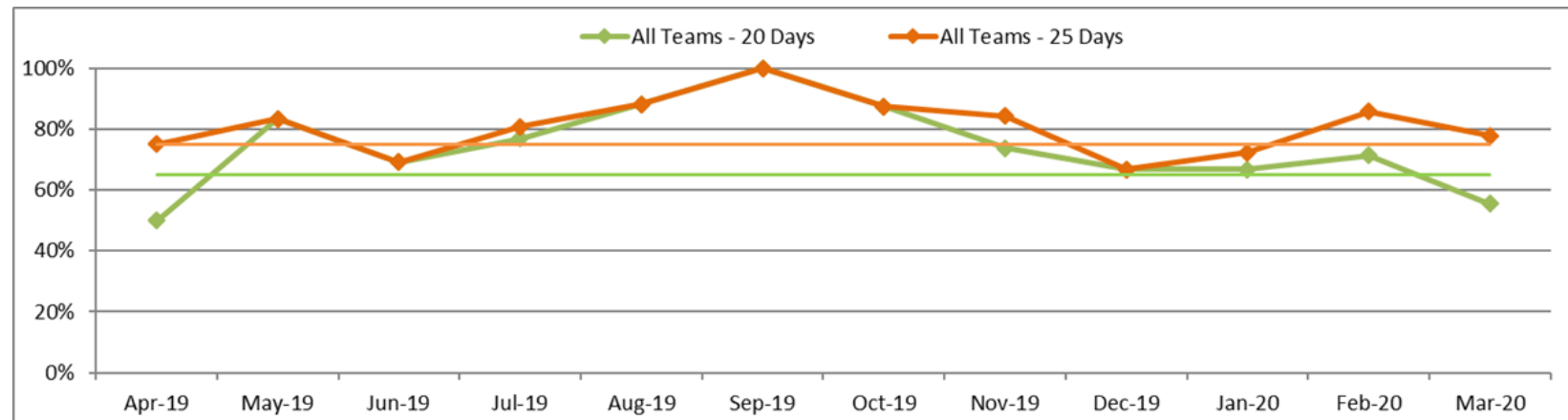
Steps taken to improve performance in Initial Health Assessments (IHA)

- Robust IHA tracking system now embedded.
- Partnership with East Sussex Health Care Trust colleagues has led to improved communication between social care and health staff at both the operational and strategic levels.
- Significant improvement in performance, routinely monitored by ESHT and ESCC together.
- **75%** of IHAs were completed within 20 days against a target of **65%**, and **81%** within 25 days against a target of **75%** in 2019-20.

Successes in 2019/20

- Exceeded target for IHAs within statutory timescales
- Improved timeliness and reporting of RHAs
- Improved quality of health passports for care leavers
- Improved pathways into mental health services for LAC and Care Leavers

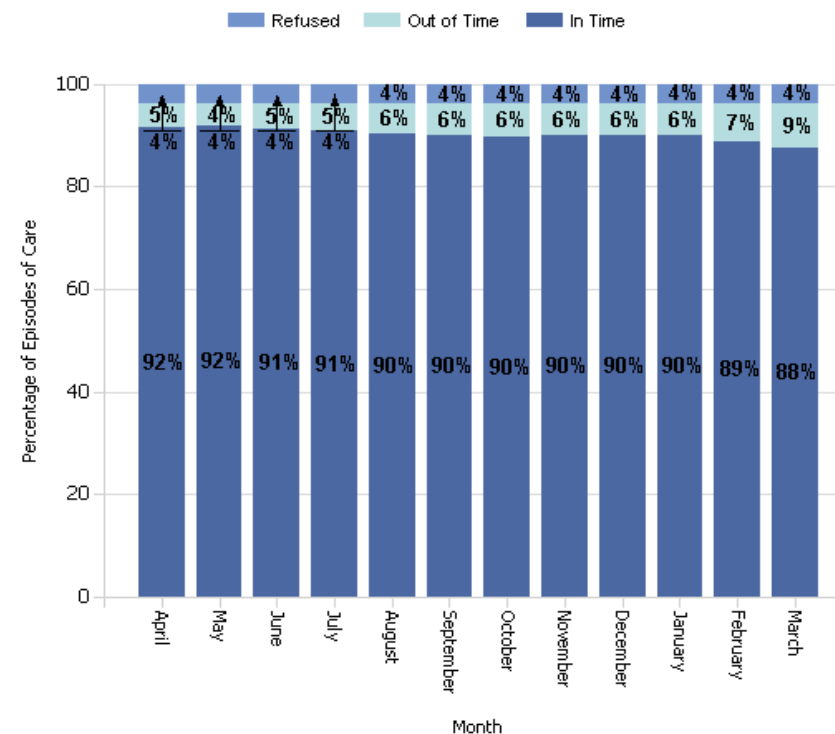
Initial Health Assessment (IHA) Monthly Performance Summary 2019-20



Review Health Assessments

- Performance has remained largely stable and good throughout the year except for February and March.
- These months were impacted by the combination of a systems error and Covid. This has been rectified for 2020/21.

Percentage of Health Assessments Completed On Time For Children Looked After for more than 12 months if over 5 and Looked After for more than 6 months if under 5



Mental Health and Emotional Wellbeing of our LAC

- JTAI Ofsted multi-agency inspection in February 2020 focussed on the mental health of Children and Young People in East Sussex
- A Sussex wide review of emotional wellbeing services was completed and taken through governance structures over the summer of 2020.
- East Sussex Health and Social Care plan has identified that mental health services for LAC should be prioritised in that:
 - looked after children's needs are prioritised across health, social care and education to enable the best outcomes
 - and mental health services are commissioned to optimise the emotional wellbeing of looked after children and previously looked after children
- ADCAMHS and LACAMHS continue to work exclusively with LAC and children who were previously LAC. ADCAMHS have worked with 60 families and LACCAMHS have worked with 143 children plus running Therapeutic Parenting Groups for carers and residential teams.

Education of Looked After Children

- The Department for Education (DfE) announced on the 8th April that school or college performance data based on summer 2020 tests, assessments and exams at any phase would not be published. Schools and colleges should not be held to account by Ofsted or the DfE through the publication of performance tables on the basis of exams and assessment data from summer 2020.
- The National LAC dataset for 2020 will not be published by the DfE or issued to NCER to populate the Local Authority reporting tool for Virtual Schools.
- While there is no ESCC or national data available we can see that individual pupils have performed in line with or above expectations.

Education for Looked After Children- What we have achieved in 2019/20

- All year 13 students who applied to University have been accepted. This is 11% of the year 13 students who are eligible for University.
- Improvement in the quality of teaching and learning and development of on line teaching
- In total, 77 CYP received one to one tuition in March and 24 took part in group interventions.
- The 2019/20 national attendance data will not be reported due to COVID and regional comparisons will be difficult.

Education for Looked After Children – Future Developments

- Development of teaching and learning including an online offer and focus on Key Stage 2 phonics
- Delivery of training on attachment and trauma as part of a wider ESCC offer
- Development of joint working with Adoption Support services across the region
- Promotion of the work of the Virtual School and share information and resources with Schools, Carers and Social Workers on line

The Through Care Team (TCT): What we have achieved in 19/20

- The Published Local Offer is now available in leaflet form designed by our young people
- Our most isolated young people accessed weekly groups in Eastbourne and Hastings, these groups provided opportunities for social interaction with their peers.
- Young people not in education or training attended weekly sessions with our Participation Worker, Virtual School Case Worker and the Youth Employability Service representative.
- Care Leavers who are parents had access to a parent and baby group which encouraged positive parenting strategies alongside social engagement.
- Social activities took place throughout the year, including a trip to London to see the sights, a Halloween party planned by the young people, a summer picnic and sports event and the annual Christmas party.

The Through Care Team (TCT): What we have achieved in 19/20 (continued)

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- Our care Leavers were involved in providing their views in a number of forums including National Leaving Care Benchmarking Forum events, a Care Leaders film regarding fostering and a CYPT partnership day.
- Tenancy support remained a high priority with Placement Support Workers providing individual support to those struggling to maintain their placements or homes.
- We used the newly commissioned highly intensive support placements for our most vulnerable young people.
- The Team continued to support young people with highly complex behaviors from the age of 14 to 25. A flexible approach to working with these young people including joint working between Social Workers, Personal Advisors and Placement Support Workers ensured a high level of support and engagement using relationship-based practice. A significant number of these young people were struggling with trauma related mental health issues, others had been exposed to exploitation including county lines.
- The Through Care / Adult Social Care Panel made plans for young people who required support from Adult Social Care post 18, ensuring the relevant support was identified to enable a smooth transition at 18.

The Through Care Team – Future Developments

Work with local businesses and other agencies to improve our Local Offer to young people to include:

- Cheap / free access to leisure activities including local gyms.
- Subsidised travel on public transport.
- Work with CAMHS and Adult Mental Health Services to provide therapeutic intervention to our older teenagers, particularly those who are experiencing the impact of trauma, require tier 4 services and our young people who entered care late.
- Establish our Care Leavers council, a pilot is underway.
- Establish a Peer mentoring scheme, with a particular focus on our young people who are now parents.
- Put on an Art Exhibition to show case the work of our Care Leavers.
- Develop an opportunity to provide a care experienced young person with an Apprenticeship in the Through Care Service.
- Create a specific Placement Support Case Worker role with a focus on homelessness and the hardest to reach young people, funded by DfE grant.

Unaccompanied Asylum Seeking Children (UASC)

What we have achieved in 19/20

- Improved education offer to UASC including access to English Lessons on electronic devices.
- The recruitment of a social worker to increase the UASC Team.
- Successful UASC social drop in (monthly) with representatives from health, Sussex Police and The Refugee Council regularly attending.
- Specialist UASC training provided to foster carers and social workers
- Training delivered to young people to support them to understand and adjust to life in the UK.
- Continued improvement in relationship with specialist accommodation providers to better respond to the needs of young people.

Future Developments

Mentoring for UASC by young people who are already looked after

Keyword tools for accommodation providers to better support UASC to understand life in the UK

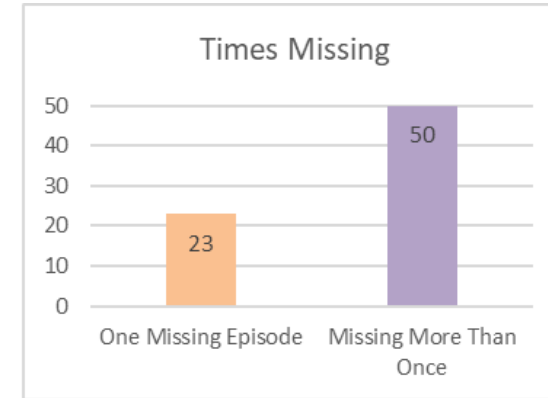
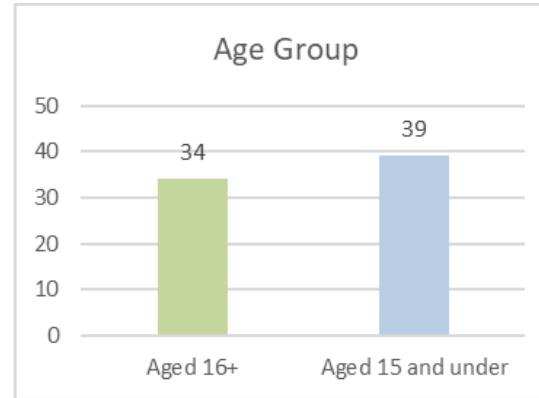
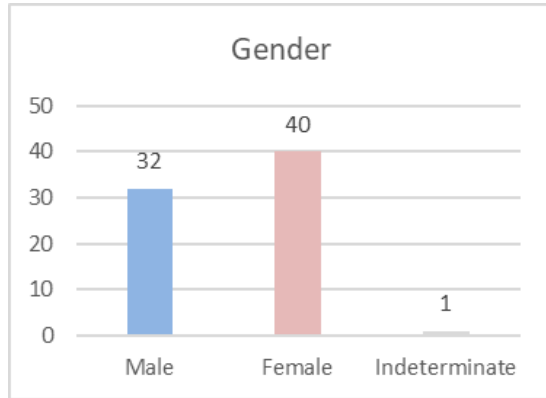
Vocational courses for UASC in addition to traditional classroom based learning.

Service provision to better respond to the specific mental health needs of UASC.

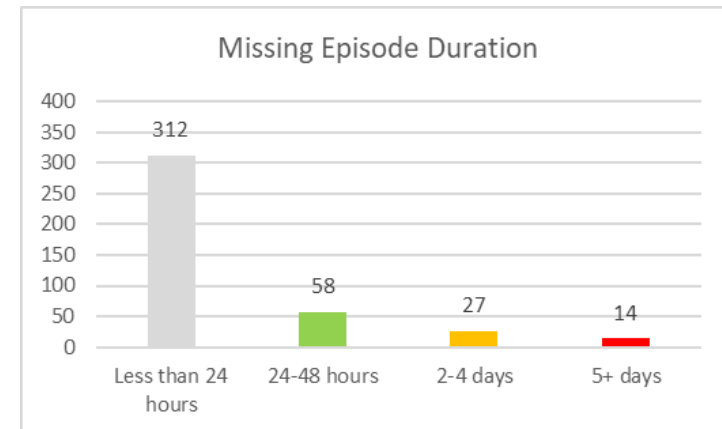
Improved accommodation offers for UASC including step down accommodation to enable our care leavers to develop independent living skills

Service provision to better respond to the specific mental health needs of UASC.

Our children who went missing



- In **2019/20**, **73** LAC went missing, of these, **32** were males, **40** were females and **1** was indeterminate.
- **34** of the **73** missing LAC were aged 16 and over, while the other **39** were aged 15 and under.
- **50** of the **73** missing LAC were missing more than once.
- In 2019-20 there were **411** missing episodes, of these, **312** episodes of children being missing for less than 24 hours, **58** episodes when they were missing between 24-48 hours, **27** episodes when they were missing between 2-4 days and **14** episodes when they were missing for 5 days or more. All these children were actively tracked by Sussex Police and by Children Services staff. Risk assessments were regularly reviewed on high profile children who went missing and, where necessary, formal multi agency strategy discussions were held in line with Safeguarding Procedures.



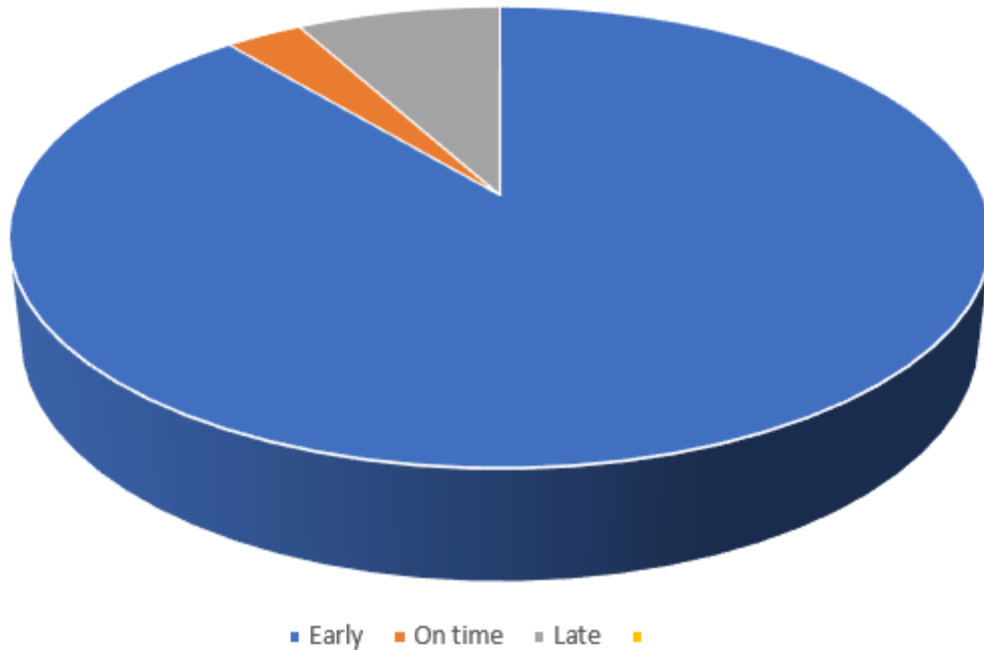
Our Children who are at risk of Criminal Exploitation

- The MACE Operational Group continued to meet monthly each side of the county to consider the referrals of all exploited children identified in East Sussex who were deemed to be at highest risk. Referrals to the group were screened through a multi-agency screening hub with processes tightened in line with feedback from the JTAI.
- As of March 2020 there were **25** children subject to East Sussex MACE Bronze panel oversight and therefore categorised as being at high risk of exploitation. **5** of these children were East Sussex LAC (**2** male and **3** female). One of these young people was deemed to be at risk of criminal exploitation, two of sexual exploitation and two deemed to be at risk of both criminal and sexual exploitation.
- The MACE strategic group met bi-monthly to consider the issues raised in relation to safeguarding this group of children. The criminal exploitation of children connected to 'County Lines' activity remained a significant issue in East Sussex, with changes during Covid to criminal exploitation in the Hastings area. In response the YOT led on a contextual peer group assessment in Hastings/St Leonards. This was one of a number of contextual safeguarding responses that East Sussex delivered over the past 18 months. This approach was supported by a growing body of research and evidence in effective multi agency safeguarding practice, particularly focusing on older children and place-based interventions

Looked After Young People Who Offend

- The YOT worked with **26** looked after children in 2019/20.
- **11** of those were subject to care orders, **13** were s.20.
- **2** young people became LAC as a result of being securely remanded.
- A snapshot of the Looked After status of open cases showed that the YOT were working with **5** Looked After Children on March 31st 2020 which equates to **5%** of the YOT caseload. Looked After Children aged 10-17 represent less than 1% of the total population of this age group across the county therefore they are over-represented within the YOT cohort. There is an agreed protocol in place which focuses on decriminalizing LAC where appropriate.

Timeliness – LAC Reviews

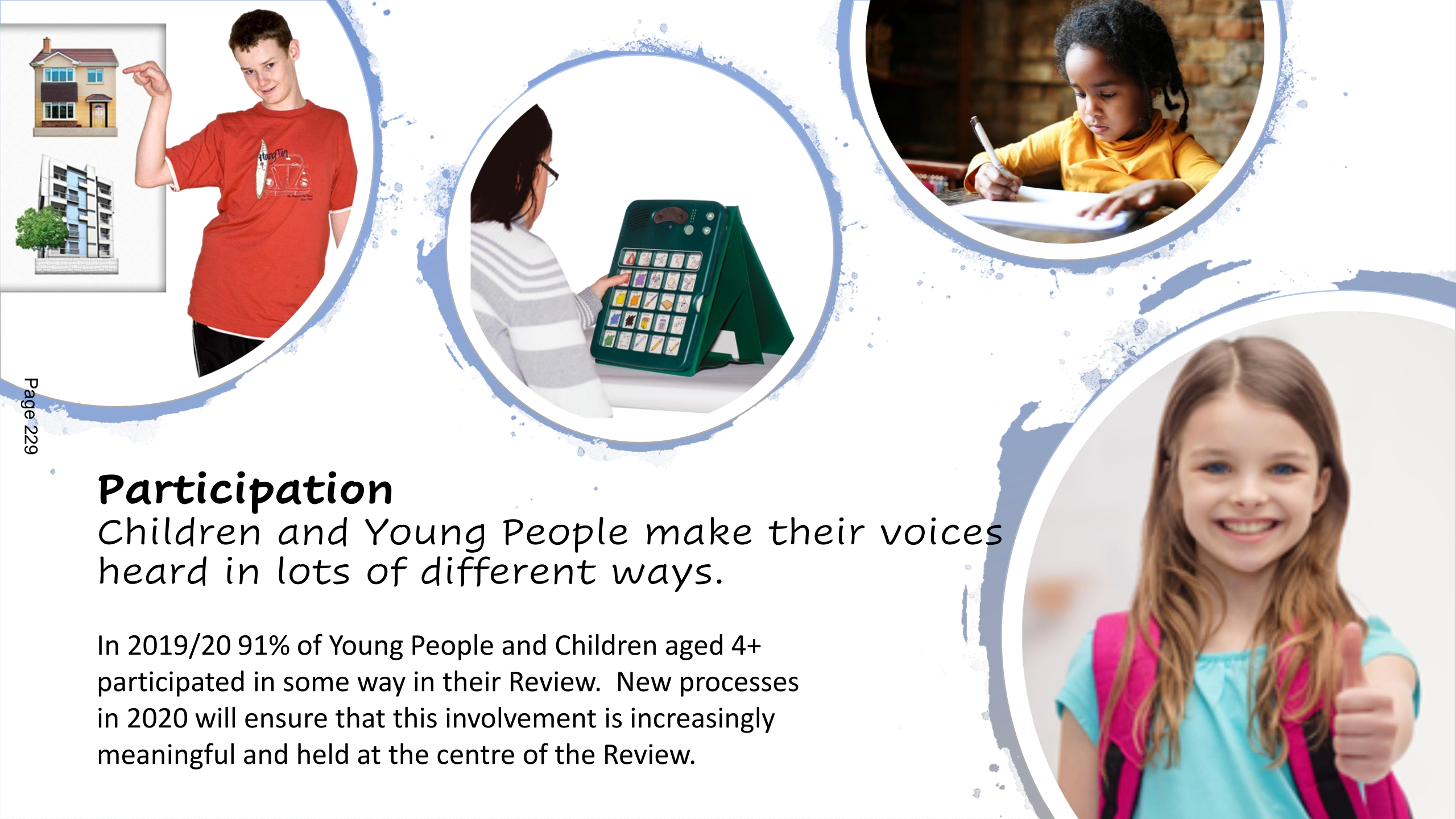


92% of all LAC Reviews were held early or on time in 2019/20.

The majority of late reviews were delayed in the child's best interests or because an essential party was unable to attend.

Capacity issues and unexpected long term absence in the Safeguarding Unit during Quarters 3 and 4 resulted in a decision to prioritise Safeguarding. Some LAC Reviews were pushed back to make way for ICPCs and others postponed to preserve the existing IRO relationship. These Reviews were only postponed where the child was settled and in discussion with their social worker.

Meetings continue to be scheduled well in advance which contributes to a high level of compliance.



Participation

Children and Young People make their voices heard in lots of different ways.

In 2019/20 91% of Young People and Children aged 4+ participated in some way in their Review. New processes in 2020 will ensure that this involvement is increasingly meaningful and held at the centre of the Review.

The role of our elected members

The Corporate Parenting Panel met quarterly during 2019/20 to scrutinize the performance of all services in relation to LAC and Care Leavers, paying particular attention to outcomes. It also received presentations from the Children in Care Council and from the East Sussex Foster Care Association. The reports set out below were presented and considered:

April 2019

- Ofsted Inspection report for the Bungalow, Sorrell Drive
- Bright Spots Survey highlights
- LAC Statistics
- Children's Home Regulations 2015, Regulation 44: Inspection reports for January 2019 to March 2019 for the following children's homes: Acorns at Dorset Road, Brodrick Road , Hazel Lodge, Homefield Cottage, Lansdowne Secure Unit, The Bungalow, Sorrel Drive

July 2019

- Annual progress report of the East Sussex Fostering Service
- Annual progress report of the East Sussex Adoption and Permanence Service
- Independent Reviewing Officer Annual Report 2018/19
- LAC Statistics
- Children's Home Regulations 2015, Regulation 44: Inspection reports for April 2019 June 2019 for the following children's homes:- Acorns at Dorset Road, Brodrick Road , Hazel Lodge, Homefield Cottage, Lansdowne Secure Unit, The Bungalow, Sorrel Drive

October 2019

- LAC Annual Report
- LAC Statistics
- Virtual School Annual Report
- Coram Voice Bright Spots Survey of Care Leavers
- Unaccompanied Asylum Seeking Children Update
- Ofsted Inspection reports for Brodrick House, Hazel Lodge, and Homefield Cottage
- Children's Home Regulations, Regulation 44: Inspection reports for July 2019 - September 2019 for the following children's homes: Acorns at Dorset Road, Brodrick Road , Hazel Lodge, Homefield Cottage, Lansdowne Secure Unit, The Bungalow, Sorrel Drive

January 2020

- East Sussex Foster Care Association (ESFCA) Annual Report
- Health of LAC Annual Report
- LAC Statistics
- Children's Home Regulations 2015, Regulation 44: Inspection reports for October 2019 to December 2019 the following children's homes:- Acorns at Dorset Road, Brodrick Road , Hazel Lodge, Homefield Cottage, Lansdowne Secure Unit, The Bungalow, Sorrel Drive

Priorities for 2020/21

Continue to improve the
timeliness of return home
interviews for LAC and Care
Leavers

Improve the mental
health pathways for our
LAC and Care Leavers

Complete the extension of
Lansdowne Secure
Children's Home

Learn from Serious
Case Reviews and
consider development
of our Corporate
Grandparenting Role

Continue to focus on
equality data informing
practice with a particular
focus on the MACE cohort

Explore and develop
No Wrong Door
strategy

Improve sufficiency of
placements through
Fostering, Adoption and
Residential provision

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Appendix 20

TREASURY MANAGEMENT POLICY AND STRATEGY 2021/22



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- 1. INTRODUCTION**
 - 1.1. Background
 - 1.2. Reporting Requirements
 - 1.3. Treasury Management Strategy for 2021/22
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- 2. BORROWING STRATEGY**
 - 2.1. Borrowing Strategy for 2021/22
 - 2.2. Policy for Borrowing in Advance of Need
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 - 2.4. Interest Rate Risk & Continual Review
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- Annex B Economic Background & Prospect for Interest Rates
- Annex C Prudential & Treasury Indicators
- Annex D Scheme of Delegation
- Annex E Investment Product Glossary

1. INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, to provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the capital strategy is to ensure that all elected members on the full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
 - the capital plans, (including prudential indicators);
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
 - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an investment strategy, (the parameters on how investments are to be managed).
- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- c. **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

This Council delegates responsibility for implementation and monitoring treasury management to Cabinet and responsibility for the execution and administration of treasury management decisions to the Section 151 Officer. Cabinet therefore receives the Mid Year and Annual treasury reports in December each year.

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit Committee.

1.3 Treasury Management Strategy for 2021/22

The strategy for 2021/22 covers two main areas:

Capital issues

- the capital expenditure plans (section 2) and the associated prudential indicators (Annex C);
- the minimum revenue provision (MRP) policy (Section 3).

Treasury management issues

- the current treasury position (section 1.5);
- treasury indicators which limit the treasury risk and activities of the Council (Annex C);
- prospects for interest rates (Annex B);
- the borrowing strategy (section 2);
- policy on borrowing in advance of need (section 2.2);
- debt rescheduling (section 2.3);
- the investment strategy (section 4);
- creditworthiness policy (section 4.4); and
- the policy on use of external service provider (section 5.3).

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1.4 Treasury Management Policy Statement

The policies and objectives of the Council's treasury management activities are as follows:

- i) This Council defines its treasury management activities as:

'The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.

- ii) This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
- iii) This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.

1.5 Current Treasury Position

A summary of the Council's borrowing & investment portfolios as at 30th November 2020 and forecast at the end of the financial year is shown in **Table 1** below:

Table 1	Actual at 30 November 2020			Forecast to 31 March 2021		
	£'000	% of portfolio	Average Rate	£'000	% of portfolio	Average Rate
Investments						
Banks	125,000	46%	0.45%	140,000	58%	0.30%
Local Authorities	59,000	22%	1.24%	64,000	27%	1.21%
Money Market Funds	84,000	30%	0.39%	31,000	13%	0.10%
CCLA Pooled Property Fund	5,000	2%	3.75%	5,000	2%	3.75%
Total Investments	273,000	100%	0.63%	240,000	100%	0.50%
Borrowing						
PWLB loans	225,000	95%	4.70%	223,700	95%	4.70%
Market loans	12,900	5%	4.00%	12,900	5%	4.00%
Total external Borrowing	237,900	100%	4.67%	236,600	100%	4.67%

2. BORROWING STRATEGY

The capital expenditure plans of the Council are set out in the Capital Strategy Report being considered by Full Council on 9 February 2021. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet the capital expenditure plans.

Any capital investment that is not funded from these new and/or existing resources (e.g. capital grants, receipts from asset sales, revenue contributions or earmarked reserves) increases the Council's need to borrow. However, external borrowing does not have to take place immediately to finance its related capital expenditure: the Council can utilise cash being held for other purposes (such as earmarked reserves and working capital balances) to temporarily defer the need for external borrowing. This is known as 'internal borrowing'.

The Council's primary objective is to strike an appropriate balance between securing cost certainty, securing low interest rates. The Council's cumulative need to borrow is known as the Capital Financing Requirement (CFR). The CFR and the actual level of external borrowing will differ according to decisions made to react to expected changes in interest rates and the prevailing economic environment. Where a decision to defer borrowing (or internally borrow) is made, the Council will be underborrowed. Where a decision to borrow in advance of need to secure cost certainty, the Council will be overborrowed.

On 25 November 2020 the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to PWLB borrowing for any local authority which intended to purchase assets primarily for yield in its three year capital programme. The reduction in future borrowing costs will be factored into the funding of the capital programme which contains no such assets for yield purchases.

While this authority will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

There is £21m expected to be funded via borrowing in the 2020/21 Capital Programme. No new external borrowing is expected to be undertaken to fund this, and this will be funded through cash balances. This is expected to increase the Council's under-borrowed position compared to its CFR from £22m at 31 March 2020 to £39m by 31 March 2021.

2.1 Borrowing Strategy for 2021/22

The Council's Capital Programme 2021/22 to 2023/24 forecasts £211m of capital investment over the next three years with £140m met from existing or new resources. The increase in the Council's borrowing need over this period is therefore £71m as shown in **Table 2** below.

2020/21 Projected	Table 2	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	Total
£m		£m	£m	£m	£m
79	Capital Expenditure	92	66	53	211
(58)	Financed by: New & existing resources	(60)	(41)	(39)	(140)
21	Borrowing Need	32	25	14	71

Table 3 below shows the actual expected external borrowing against the capital financing requirement, identifying any under or over borrowing.

2020/21	Table 3	2021/22	2022/23	2023/24
---------	---------	---------	---------	---------

Estimate £m		Estimate £m	Estimate £m	Estimate £m
239 (3)	External Debt at 1 April Expected change in Debt	237 13	250 16	266 5
236	External Debt at 31 March	250	266	271
261 21 (7)	CFR* at 1 April Borrowing need (Table 2) MRP	275 32 (8)	299 25 (9)	315 14 (9)
275	CFR* at 31 March	299	315	320
39	Under / (Over) borrowing	49	49	49

*CFR in Table 3 is the underlying need to borrow and excludes PFI and lease arrangements, which are included in the CFR figure in the Prudential Indicators in Annex C

Table 2 demonstrates that the Council has a borrowing need of £71m over the next three years. The strategy will initially focus on meeting this borrowing need from internal borrowing; avoiding external borrowing by utilising the Council's own surplus funds. Modelling of the movement of reserves and the Council's capital expenditure plans demonstrates that the Council's long term reserves can support a level of approximately £50m of internal borrowing. This will mitigate the increase in the cost of borrowing and reduce counterparty risk within the Council's investment portfolio by reducing the portfolio size.

However, borrowing rates from the PWLB were reduced by HM treasury by 1% in November. There will remain a cost of carry (the difference between borrowing costs and investment rates) to any new long term borrowing that causes a temporary increase in cash balances which will, most likely, lead to a cost to revenue.

Therefore, the internal borrowing position needs to be carefully and continually reviewed to avoid incurring higher borrowing costs in the future at a time when the authority may not be able to avoid new borrowing to finance capital expenditure or refinance maturing debt.

2.2 Policy on Borrowing in Advance of Need

The Council will not borrow purely in order to profit from investment of extra sums borrowed. Any decision to borrow in advance will be within approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting.

2.3 Debt Rescheduling

Officers continue to regularly review opportunities for debt rescheduling, but there has been a considerable widening of the difference between new borrowing and repayment rates, which has resulted in much fewer opportunities to realise any savings or benefits from rescheduling PWLB debt.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

The strategy is to continue to seek opportunity to reduce the overall level of Council's debt where prudent to do so, thus providing in future years cost reduction in terms of lower debt repayments

costs, and potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All rescheduling will be agreed by the Chief Finance Officer.

2.4 Interest Rate Risk & Continual Review

The total borrowing need in **Table 2**, as well as the debt at risk of maturity shown in **Table 4** is the extent to which the Council is subject to interest rate risk.

Table 4	2021/22	2022/23	2023/24
	£m	£m	£m
Maturing Debt	4	6	4
Debt Subject to early repayments options	6	6	6
Total debt at risk of maturity	10	12	10

Officers continue to review the need to borrow taking into consideration the potential increases in borrowing costs, the need to finance new capital expenditure, refinancing maturing debt, and the cost of carry that might incur a revenue loss between borrowing costs and investment returns.

Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. The Chief Finance Officer will continue to monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp fall in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

3. MINIMUM REVENUE PROVISION POLICY STATEMENT

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement - CFR) through a revenue charge (the Minimum Revenue Provision - MRP). Ministry of Housing, Communities and Local Government (MHCLG) regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options are available to Councils, so long as the principle of any option selected ensures a prudent provision to redeem its debt liability over a period which is commensurate with that over which the capital expenditure is estimated to provide benefits (i.e. estimated useful life of the asset being financed).

The policy below reflects a change in the policy as approved and implemented for 2018/19 onwards; no further changes are proposed. The Council is recommended to approve the following MRP Statement for 2021/22 onwards:

For borrowing incurred before 1 April 2008, the MRP policy will be:

- Annuity basis over a maximum of 40 years.

From borrowing incurred after 1 April 2008, the MRP policy will be:

- Asset Life Method (annuity method) – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations. A maximum useful economic life of 50 years for land and 40 years for other assets. This option will also be applied for any expenditure capitalised under a capitalisation directive.

For PFI schemes, leases and closed landfill sites that come onto the Balance Sheet, the MRP policy will be:

- Asset Life Method (annuity method) - The MRP will be calculated according to the flow of benefits from the asset, and where the principal repayments increase over the life of the asset. Any related MRP will be equivalent to the “capital repayment element” of the annual charge payable.

There is the option to charge more than the prudent provision of MRP each year through a Voluntary Revenue Provision (VRP).

For loans to third parties that are being used to fund expenditure that is classed as capital in nature, the policy will be to set aside the repayments of principal as capital receipts to finance the initial capital advance in lieu of making an MRP.

In view of the variety of different types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure. This approach also allows the Council to defer the introduction of an MRP charge for new capital projects/land purchases until the year after the new asset becomes operational rather than in the year borrowing is required to finance the capital spending.

4. ANNUAL INVESTMENT STRATEGY

The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals with financial investments. Non-financial investments are covered in the Capital Strategy.

The Council’s investment policy has regard to the following:

- MHCLG’s Guidance on Local Government Investments (the “Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (the “Code”)
- CIPFA Treasury Management Guidance Notes 2018

The Council’s investment priorities will be the security of capital first, portfolio liquidity second and then yield (return).

4.1 Annual Investment Strategy for 2021/22

Investments will be made with reference to the core balance and cash flow requirements and the outlook for interest rates.

Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising. Link Asset Services (LAS) forecast assumes that investment earnings from money market-related instruments will be below 0.50% for the foreseeable future. LAS’s forecast for Bank Rate (and therefore the rate earned on liquid investments) at each financial year end (i.e. March) are:

2020/21	2021/22	2022/23	2023/24
0.10%	0.10%	0.10%	0.10%

The Bank of England mentioned in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with access to credit, either directly or through commercial banks.

LAS's view on the prospect for interest rates, including their forecast for short term investment rates is appended at Annex B.

Following consultation, changes to the strategy were made from 2018/19 to broaden the risk profile by reducing liquidity and to include some suitable, alternative investment products that are held for the medium (2-5 years) to longer term (5 years+). These products can generate better overall returns but there is a higher risk of volatility of performance so a longer term commitment is required.

During 2018/19, £5m was invested in the CCLA Pooled Property Fund which was the first step into utilising the new instruments within the revised strategy. It was previously expected that a further £10m would take place during 2019/20. Further investment in property funds was paused during 2019/20 due to a combination of factors. Firstly, officers were looking to assess the impact of the withdrawal from the EU before further investments were made. A continuation of moving deadlines has therefore drawn out the investment decision. Additionally, the UK property market is forecast to take a significant downturn over the next 2-3 years. It is therefore not an appropriate time to increase investment balances with property funds.

An options appraisal process was undertaken during 2019/20 to ascertain a) an appropriate level of cash balances that can be invested into longer term instruments and b) which other instruments are most appropriate to expand and diversify the Council's investment portfolio. This work has been also paused during 2020/21 as a result of the economic impact and market uncertainty that remains as a result of the COVID pandemic and the outcome of Brexit.

Table 5 below summarises the changes to the 2018/19 & 2019/20 strategies from those approved in 2017/18. No further changes are proposed for 2021/22. Each of the new investment products included are described in more detail in Annex E. The inclusion of an investment product category in the strategy does not automatically result in investments being placed – investments will only be placed following a due diligence procedure as described above.

Table 5 - Investment options	2017/18	2018/19	2019/20	2020/21	2021/22
Money Market Funds (Including LVNAV)	✓	✓	✓	✓	✓
Bank Notice Accounts	✓	✓	✓	✓	✓
Fixed Term Bank Deposits	✓	✓	✓	✓	✓
UK Local Authorities	✓	✓	✓	✓	✓
Enhanced Money Market Funds (VNAV)	✓	✓	✓	✓	✓
Building Societies	✗	✓	✓	✓	✓
Pooled Property Funds	✗	✓	✓	✓	✓
Corporate Bond Funds (Including Short Dated Bond Funds)	✗	✓	✓	✓	✓
Multi Asset Funds	✗	✓	✓	✓	✓
Equity Funds	✗	✗	✓	✓	✓

The primary principle governing the Council's investment criteria is the security of its investments, although the return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security;
- It has sufficient liquidity in its investments;
- It receives a yield that is aligned with the level of security and liquidity of its investments;
- Where possible, it actively seeks to support Environmental, Social and Governance (ESG) investment products and institutions that meet all of the above requirements.

The preservation of capital is the Council's principal and overriding priority.

4.2 Investment Policy – Management of risk

Treasury management risks and how risks are managed and mitigated are identified in the Council's Treasury Management Practices and related procedures, details of which are held within the Council's Treasury Management Team. The main risks to the Council's treasury activities are:

- liquidity risk (inadequate cash resources);
- market or interest rate risk (fluctuations in interest rate levels and thereby in the value of investments);
- inflation risks (exposure to inflation);
- credit and counterparty risk (security of investments);
- refinancing risks (impact of debt maturing in future years); and
- legal and regulatory risk (i.e. non-compliance with statutory and regulatory requirements, risk of fraud).

The guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- i) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- ii) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- iii) Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- iv) This authority has defined the list of types of investment instruments that the treasury management team are authorised to use.
 - a. **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year. The limits and permitted instruments for specified investments are listed within Table 7.
 - b. **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised

for use. The limits and permitted instruments for non-specified investments are listed within Table 8.

- v) Lending limits (amounts and maturity) for each counterparty will be set through applying the credit criteria matrix (within Table 7).
- vi) This authority will set a limit for the amount of its investments which are invested for longer than 365 days, detailed in the Treasury Indicators in Annex C.
- vii) With the exception of the UK, investments will only be placed with counterparties from countries with a specified minimum sovereign rating of AA+ (see paragraph 4.3).
- viii) This authority has engaged external consultants, (see paragraph 5.3), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- ix) All investments will be denominated in sterling.
- x) As a result of the change in accounting standards for 2018/19 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1.4.18.).

4.3 Sovereign Credit Ratings

For 2021/22 it is recommended to maintain the policy of lending to sovereign nations and their banks which hold either a AAA or AA+ rating, with the exception of the UK which is currently rated AA- by two of the three rating agencies (Aa2 Moody's). Maximum investment limits and duration periods will remain the same as in the previous strategy at £60 million and one year respectively. The list of countries that qualify using this credit criteria (as at the date of this report) are shown below:

AAA Australia, Denmark, Germany, Netherlands, Singapore, Sweden and Switzerland
AA+ Canada
AA- UK

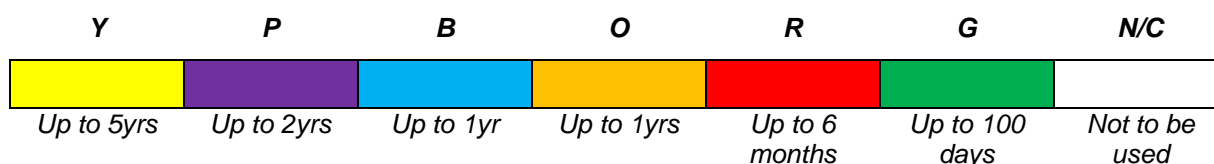
4.4 Creditworthiness Policy

The Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies which is then supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- credit default swap (CDS) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This weighted scoring system then produces an end product of a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments.

The Council (in addition to other due diligence consideration) will use counterparties within the following durational bands provided they have a minimum AA+ sovereign rating from three rating agencies:



Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The primary principle governing the Council's investment criteria is the security of its investments, although the return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security;
- It has sufficient liquidity in its investments.

All credit ratings are monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the LAS credit worthiness service. If a downgrade results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

In addition to the use of credit ratings, the Council is advised of information re movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list. The counterparties in which the Council will invest its cash surpluses is based on officer's assessment of investment security, risk factors, market intelligence, a diverse but manageable portfolio and their participation in the local authority market.

Table 7 below summarises the types of specified investment counterparties available to the Council, and the maximum amount and maturity periods placed on each of these. A full list of the Council's counterparties and the current limits for 2021/22 are appended at Annex A.

Criteria for Specified Investments

Table 7	Country/ Domicile	Instrument	Min. Credit Criteria/LAS colour band	Max. Amount	Max. maturity period
Debt Management and Deposit Facilities (DMADF)	UK	Term Deposits (TDs)	N/A	unlimited	12 Months
Government Treasury bills	UK	TDs	UK Sovereign Rating	unlimited	12 Months
UK Local Authorities**	UK	TDs	UK Sovereign Rating	£60m	12 Months

Table 7	Country/ Domicile	Instrument	Min. Credit Criteria/LAS colour band	Max. Amount	Max. maturity period
Banks – part nationalised	UK	<ul style="list-style-type: none"> TDs Deposits on Notice Certificates of Deposit (CDs) 	N/A	£60m	12 Months
Banks	UK	<ul style="list-style-type: none"> TDs Deposits on Notice CDs 	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days
Building Societies	UK	<ul style="list-style-type: none"> TDs Deposits on Notice CDs 	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days
Individual Money Market Funds (MMF) CNAV and LVNAV	UK/Ireland/ EU domiciled	AAA Rated Money Market Fund Rating	N/A	£60m	Liquid
VNAV MMF's and Ultra Short Dated Bond Funds	UK/Ireland/EU domiciled	AAA Rated Bond Fund Fund Rating	N/A	£60m	Liquid
Banks – Non-UK	Those with sovereign rating of at least AA+*	<ul style="list-style-type: none"> TDs Deposits on Notice CDs 	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days

*See Paragraph 4.3 for full list of countries that meet these criteria

** Local Authorities appear on both Specified and Non-specified investment list – an investment with a LA for up to a year is Specified, and between 1-2 years is Non-specified. The maximum amount that can be lent to any single Local Authority is £60m across both specified and Unspecified Investments

Non-Specified investments are any other types of investment that are not defined as specified. The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in **Table 8** below:

Table 8	Minimum credit criteria	Maximum investments	Period
UK Local Authorities**	Government Backed	£60m	2 years
Corporate Bond Fund(s)	Investment Grade	£30m	2 - 5 years
Pooled Property Fund(s)	N/A	£30m	5+ years
Mixed Asset Fund(s)	N/A	£30m	2 - 5 years

Short Dated Bond Fund(s)	N/A	£30m	2 – 5 years
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*** Local Authorities appear on both Specified and Non-specified investment list – an investment with a LA for up to a year is Specified, and between 1-2 years is Non-specified. The maximum amount that can be lent to any single Local Authority is £60m across both specified and Unspecified Investments*

The maximum amount that can be invested will be monitored in relation to the Council's surplus monies and the level of reserves. The approved counterparty list will be maintained by referring to an up-to-date credit rating agency reports, and the Council will liaise regularly with brokers for updates. Where Externally Managed Funds are not rated, a selection process will evaluate relative risks & returns. Security of the council's money and fund volatility will be key measures of suitability. Counterparties may be added to or removed from the list only with the approval of the Chief Finance Officer. A full list of the Council's counterparties and the current limits for 2021/22 are appended at Annex A.

5. OTHER TREASURY ISSUES

5.1 Banking Services

NatWest, which is part Government owned, currently provides banking services for the Council.

5.2 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training was last provided to Audit Committee members on 22 November 2018 and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed and training arranged as required.

5.3 Policy on the use of External Service Providers

The Council uses Link Asset Services as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed, documented and subject to regular review.

5.4 Lending to Third Parties

The Council has the power to lend monies to third parties subject to a number of criteria. These are not treasury type investments rather they are policy investments. Any activity will only take place after relevant due diligence has been undertaken.

5.5 Updates to Accounting Requirements

▪ IFRS9 – local authority override – English local authorities

The MHCLG enacted a statutory over-ride from 1 April 2018 for a five year period until 31 March 2023 following the introduction of IFRS 9 and the requirement for any capital gains or losses on marketable funds to be chargeable in year. This has the effect of allowing

any capital losses on funds to be held on the balance sheet until 31 March 2023, allowing councils to initiate an orderly withdrawal of funds if required.

▪ **IFRS 16 – Leasing**

The CIPFA Code of Practice will incorporate the requirement to account for all leases onto the council's balance sheet. There have been indications that the implementation date for this is going to be set back to 2022/23 due to pressures on staff from the COVID Pandemic.

Once implemented, this has the following impact to the Treasury Management Strategy:

- The MRP Policy sets out how MRP will be applied for leases bought onto the balance sheet;
- The Council's Capital Financing Requirement authorised limit and operational boundary for 2022/23 onwards has been increased to reflect the estimated effect of this change. These limits can be amended during 2021/22 if required and brought to full Council to amend with the TMSS Mid Year report if the limits need to be increased following some more detailed work on the leases to be bought onto the balance sheet.

Counterparty List 2021/22

ANNEX A

Bank with duration colour	Country	Fitch Ratings				Moody's Ratings		S & P Ratings		CDS Price	ESCC Duration	Link Duration Limit	Money Limit
Specified Investments:		L Term	S Term	Viab.	Supp.	L Term	S Term	L Term	S Term		(Months)	(Months)	(£m)
Lloyds Banking Group:													
Lloyds Bank	UK	A+	F1+	a	5	A1	P-1	A+	A-1	33.85	6	6	60
Bank of Scotland	UK	A+	F1	a	5	A1	P-1	A+	A-1	54.82	6	6	
RBS/NatWest Group:													
NatWest Bank	UK	A+	F1	a	5	A1	P-1	A	A-1	-	12	12	60
Royal Bank of Scotland	UK	A+	F1	a	5	A1	P-1	A	A-1	-	12	12	
HSBC Bank	UK	AA-	F1+	a	1	Aa3	P-1	A+	A-1	33.32	12	12	60
Barclays Bank	UK	A+	F1	a	5	A1	P-1	A	A-1	54.82	6	6	60
Santander (UK)	UK	A+	F1	a	2	A1	P-1	A	A-1	-	6	6	60
Goldman Sachs IB	UK	A+	F1	-	1	A1	P-1	A+	A-1	50.47	6	6	60
Standard Chartered Bank	UK	A+	F1	a	5	A1	P-1	A	A-1	32.32	6	6	60
Nationwide Building Society	UK	A	F1	a	5	A1	P-1	A	A-1	-	6	6	60
Non UK Counterparties:													
Australia & New Zealand Banking Group	Australia	A+	F1	a+	1	Aa3	P-1	AA-	A-1+	22.89	12	12	60
Commonwealth Bank of Australia	Australia	A+	F1	a+	1	Aa3	P-1	AA-	A-1+	24.61	12	12	60
National Australia Bank	Australia	A+	F1	a+	1	Aa3	P-1	AA-	A-1+	24.61	12	12	60
Westpac Banking Corporation	Australia	A+	F1	a+	1	Aa3	P-1	AA-	A-1+	25.60	12	12	60
Royal Bank of Canada	Canada	AA	F1+	aa	5	Aa2	P-1	AA-	A-1+	-	12	12	60
Toronto Dominion	Canada	AA-	F1+	aa-	5	Aa1	P-1	AA-	A-1+	-	12	12	60
Dev. Bank of Singapore	Singapore	AA-	F1+	aa-	1	Aa1	P-1	AA-	A-1+	-	12	12	60
Oversea Chinese Banking Corp	Singapore	AA-	F1+	aa-	1	Aa1	P-1	AA-	A-1+	-	12	12	60
United Overseas Bank	Singapore	AA-	F1+	aa-	1	Aa1	P-1	AA-	A-1+	-	12	12	60

Continued Counterparty list Bank with duration colour	Country	Fitch Ratings				Moody's Ratings		S & P Ratings		CDS Price	ESCC Duration	Link Duration Limit	Money Limit
		L Term	S Term	Viab.	Supp.	L Term	S Term	L Term	S Term		(Months)	(Months)	(£m)
Svenska H	Sweden	AA	F1+	aa	5	Aa2	P-1	AA-	A-1+	-	12	12	60
Swedbank AB	Sweden	A+	F1+	a+	5	Aa3	P-1	A+	A-1	-	12	12	60
ABN AMRO Bank	Netherlands	A	F1	a	5	A1	P-1	A	A-1	-	6	6	60
Rabobank	Netherlands	A+	F1	a+	5	Aa3	P-1	A+	A-1	20.24	12	12	60
ING Bank NV	Netherlands	AA-	F1+	a+	5	Aa3	P-1	A+	A-1	20.49	12	12	60
UBS	Switzerland	AA-	F1+	a+	5	Aa2	P-1	A+	A-1	27.31	12	12	60
Credit Suisse	Switzerland	A	F1	a	5	Aa3	P-1	A+	A-1	45.85	6	6	60
DZ Bank	Germany	AA-	F1+	-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Danske Bank	Denmark	A	F1	a	5	Aa2	P-1	A	A-1	30.11	6	6	60

Yellow	Purple	Blue	Orange	Red	Green	No Colour
<i>Up to 5yrs</i>	<i>Up to 2yrs</i>	<i>Up to 1yr (semi nationalised UK banks)</i>	<i>Up to 1yr</i>	<i>Up to 6 months</i>	<i>Up to 100 days</i>	<i>Not to be used</i>

Non-Specified Investments:			
	Minimum credit Criteria	Maximum Investments	Period
UK Local Authorities	Government Backed	£60m	2 years
Corporate Bond Fund(s)	Investment Grade	£30m	2 – 5 years
Pooled Property Fund(s)	N/A	£30m	5+ years
Mixed Asset Fund(s)	N/A	£30m	2 - 5 years
Short Dated Bond Fund(s)	N/A	£30m	2 - 5 years

ECONOMIC OVERVIEW

Provided by Link Asset Services 6 January 2021

UK. The key quarterly meeting of the Bank of England Monetary Policy Committee kept Bank Rate unchanged on 5th November 2020. However, it revised its economic forecasts to take account of a second national lockdown in November 2020 which is obviously going to put back economic recovery and do further damage to the economy. It therefore decided to do a further tranche of quantitative easing (QE) of £150bn, to start in January when the current programme of £300bn of QE, announced in March to June, runs out. It did this so that “announcing further asset purchases now should support the economy and help to ensure the unavoidable near-term slowdown in activity was not amplified by a tightening in monetary conditions that could slow the return of inflation to the target”.

Its forecasts appeared, at the time, to be rather optimistic in terms of three areas:

- The economy would recover to reach its pre-pandemic level in Q1 2022
- The Bank also expects there to be excess demand in the economy by Q4 2022.
- CPI inflation is therefore projected to be a bit above its 2% target by the start of 2023 and the “inflation risks were judged to be balanced”.

Significantly, there was no mention of negative interest rates in the minutes or Monetary Policy Report, suggesting that the MPC remains some way from being persuaded of the case for such a policy, at least for the next 6 -12 months. However, rather than saying that it “stands ready to adjust monetary policy”, the MPC this time said that it will take “whatever additional action was necessary to achieve its remit”. The latter seems stronger and wider and may indicate the Bank’s willingness to embrace new tools.

One key addition to the Bank’s forward guidance in August was a new phrase in the policy statement, namely that “it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years’ time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. Our Bank Rate forecast currently shows no increase, (or decrease), through to quarter 1 2024 but there could well be no increase during the next five years as it will take some years to eliminate spare capacity in the economy, and therefore for inflationary pressures to rise to cause the MPC concern. Inflation is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor and so not a concern.

However, the minutes did contain several references to downside risks. The MPC reiterated that the “recovery would take time, and the risks around the GDP projection were judged to be skewed to the downside”. It also said “the risk of a more persistent period of elevated unemployment remained material”. Downside risks could well include severe restrictions remaining in place in some form during the rest of December and most of January too. Upside risks included the early roll out of effective vaccines.

COVID-19 vaccines. We had been waiting expectantly for news that various COVID-19 vaccines would be cleared as being safe and effective for administering to the general public. The Pfizer announcement on 9th November was very encouraging as its 90% effectiveness was much higher than the 50-60% rate of effectiveness of flu vaccines which might otherwise have been expected.

However, this vaccine has demanding cold storage requirements of minus 70c that impairs the speed of application to the general population. It has therefore been particularly welcome that the Oxford University/AstraZeneca vaccine has now also been approved which is much cheaper and only requires fridge temperatures for storage. The Government has 60m doses on order and is aiming to vaccinate at a rate of 2m people per week starting in January, though this rate is currently restricted by a bottleneck on vaccine production; (a new UK production facility is due to be completed in June).

These announcements, plus expected further announcements that other vaccines could be approved soon, have enormously boosted confidence that life could largely return to normal during the second half of 2021, with activity in the still-depressed sectors like restaurants, travel and hotels returning to their pre-pandemic levels; this would help to bring the unemployment rate down. With the household saving rate having been exceptionally high since the first lockdown in March, there is plenty of pent-up demand and purchasing power stored up for these services. A comprehensive roll-out of vaccines might take into late 2021 to fully complete; but if these vaccines prove to be highly effective, then there is a possibility that restrictions could start to be eased, beginning possibly in Q2 2021 once vulnerable people and front-line workers have been vaccinated. At that point, there would be less reason to fear that hospitals could become overwhelmed any more. Effective vaccines would radically improve the economic outlook once they have been widely administered; it may allow GDP to rise to its pre-virus level a year earlier than otherwise and mean that the unemployment rate peaks at 7% in 2021 instead of 9%.

Public borrowing was forecast in November by the Office for Budget Responsibility (the OBR) to reach £394bn in the current financial year, the highest ever peace time deficit and equivalent to 19% of GDP. In normal times, such an increase in total gilt issuance would lead to a rise in gilt yields, and so PWLB rates. However, the QE done by the Bank of England has depressed gilt yields to historic low levels, (as has similarly occurred with QE and debt issued in the US, the EU and Japan). This means that new UK debt being issued, and this is being done across the whole yield curve in all maturities, is locking in those historic low levels through until maturity. In addition, the UK has one of the longest average maturities for its entire debt portfolio, of any country in the world. Overall, this means that the total interest bill paid by the Government is manageable despite the huge increase in the total amount of debt. The OBR was also forecasting that the government will still be running a budget deficit of £102bn (3.9% of GDP) by 2025/26. However, initial impressions are that they have taken a pessimistic view of the impact that vaccines could make in the speed of economic recovery.

Overall, the pace of recovery was not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. The initial recovery was sharp after quarter 1 saw growth at -3.0% followed by -18.8% in quarter 2 and then an upswing of +16.0% in quarter 3; this still left the economy 8.6% smaller than in Q4 2019. It is likely that the one month national lockdown that started on 5th November, will have caused a further contraction of 8% m/m in November so the economy may have then been 14% below its pre-crisis level.

December 2020 / January 2021. Since then, there has been rapid back-tracking on easing restrictions due to the spread of a new mutation of the virus, and severe restrictions were imposed across all four nations. These restrictions were changed on 5th January 2021 to national lockdowns of various initial lengths in each of the four nations, as the NHS was under extreme pressure. It is now likely that wide swathes of the UK will remain under these new restrictions for some months; this means that the near-term outlook for the economy is grim. However, the distribution of vaccines and the expected consequent removal of COVID-19 restrictions, should allow GDP to rebound rapidly in the second half of 2021 so that the economy could climb back to

its pre-pandemic peak as soon as late in 2022. Provided that both monetary and fiscal policy are kept loose for a few years yet, then it is still possible that in the second half of this decade, the economy may be no smaller than it would have been if COVID-19 never happened. The significant caveat is if another mutation of COVID-19 appears that defeats the current batch of vaccines. However, now that science and technology have caught up with understanding this virus, new vaccines ought to be able to be developed more quickly to counter such a development and vaccine production facilities are being ramped up around the world.

Prospect for Interest Rates

The Council has appointed Link Asset Services (LAS) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives LAS's central view.

Link Group Interest Rate View 9.11.20														
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20														
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 5th November, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the forecast table above as economic recovery is expected to be only gradual and, therefore, prolonged.

The interest rate forecasts provided by Link above were predicated on an assumption of a reasonable agreement being reached on trade negotiations between the UK and the EU by 31st December 2020. Now that a trade deal has been agreed. Brexit may reduce the economy's potential growth rate in the long run. However, much of that drag is now likely to be offset by an acceleration of productivity growth triggered by the digital revolution brought about by the COVID crisis.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is still subject to some uncertainty due to the virus and the effect of any mutations, and how quick vaccines are in enabling a relaxation of restrictions.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe

haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- UK government takes too much action too quickly to raise taxation or introduce austerity measures that depress demand in the economy.
- UK - Bank of England takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the Eurozone sovereign debt crisis. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the next two or three years. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.
- Weak capitalisation of some European banks, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- German minority government & general election in 2021. In the German general election of September 2017, Angela Merkel’s CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in subsequent state elections but the SPD has done particularly badly. Angela Merkel has stepped down from being the CDU party leader but she will remain as Chancellor until the general election in 2021. This then leaves a major question mark over who will be the major guiding hand and driver of EU unity when she steps down.
- Other minority EU governments. Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- Austria, the Czech Republic, Poland and Hungary now form a strongly anti-immigration bloc within the EU, and they had threatened to derail the 7 year EU budget until a compromise was thrashed out in late 2020. There has also been a rise in anti-immigration sentiment in Germany and France.
- Geopolitical risks, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- UK - a significant rise in inflationary pressures e.g. caused by a stronger than currently expected recovery in the UK economy after effective vaccines are administered quickly to the UK population, leading to a rapid resumption of normal life and return to full economic activity across all sectors of the economy.
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a rapid series of increases in Bank Rate to stifle inflation.

Investment and borrowing rates

- Investment returns are likely to remain exceptionally low during 2021/22 with little increase in the following two years.
- Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- There will remain a significant cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

ANNEX C

PRUDENTIAL AND TREASURY INDICATORS 2021/22 to 2023/24

The Council's capital expenditure plans are a key driver of treasury management activities. The output of the capital expenditure plans is reflected in prudential indicators. Local Authorities are required to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Code sets out the indicators that must be used but does not suggest limits or ratios as these are for the authority to set itself.

The Prudential Indicators for 2021/22 to 2023/24 are set out in **Table A** below:

Table A	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital Expenditure £m (gross) Council's capital expenditure plans	£92m	£66m	£53m
Capital Financing Requirement £m* Measures the underlying need to borrow for capital purposes (including PFI & Leases)	£375m	£406m	£405m
Ratio of financing costs to net revenue stream** Identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against net revenue stream	4.50%	4.67%	4.72%

* From 2020/21, the CFR includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations.

** the ratio of financing costs to net revenue stream illustrates the percentage of the Council's net revenue budget being used to finance the council's borrowing. This includes interest costs relating to the council's borrowing portfolio and MRP, net of the investment income from the council's investment portfolio.

The Treasury Management Code requires that Local Authorities set a number of indicators for treasury performance in addition to the Prudential Indicators which fall under the Prudential Code. The Treasury Indicators for 2021/22 to 2023/24 are set out in **Tables B & C** below. These have been calculated and determined by Officers in compliance with the Treasury Management Code of Practice.:

Table B	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Authorised Limit for External Debt £m* The Council is expected to set a maximum authorised limit for external debt. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council.	£405m	£436m	£435m
Operational boundary for external debt £m* The Council is required to set an operational boundary for external debt. This is the limit which external debt is not normally expected to exceed. This indicator may be breached temporarily for operational reasons.	£385m	£416m	£415m
Principal Sums invested for longer than 365 days	£60m	£60m	£60m

Control on interest rate exposure: Upper limit for fixed interest rate exposure Identifies a maximum limit for fixed interest rates for borrowing and investments.	100%	100%	100%
Control on interest rate exposure: Upper limit for variable interest rate exposure Identifies a maximum limit for variable interest rates for borrowing and investments.	15%	15%	15%

**From 2021/22 The Authorised Limit and Operational Boundary includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations.*

Table C		
Maturity Structure of fixed interest rate borrowing		
The Council needs to set upper and lower limits with respect to the maturity structure of its borrowing.		
	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	40%
2 years to 5 years	0%	60%
5 years to 10 years	0%	70%
Over 10 years	0%	90%

SCHEME OF DELEGATION

1. Full Council

In line with best practice, Full Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are:

i. Treasury Management Policy and Strategy Report

The report covers:

- the capital plans (including prudential indicators);
- the Capital Strategy;
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

ii. A Mid-Year Review Report and a Year End Stewardship Report

These will update members with the progress of the capital position, amending prudential indicators as necessary, and indicating whether the treasury strategy is meeting the strategy or whether any policies require revision. The report also provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

2. Cabinet

- Approval of the Treasury Management quarterly update reports;
- Approval of the Treasury Management outturn report.

3. Audit Committee

- Scrutiny of performance against the strategy.

4. Role of the Section 151 Officer

The Section 151 (responsible) Officer:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

There are further responsibilities for the S151 Officer identified within the 2017 Code in respect of non-financial investments. They are identified and listed in the Capital Strategy where relevant.

INVESTMENT PRODUCT GLOSSARY

Bank / Building Society: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Bank / Building Society Secured (Covered Bonds): These investments are secured on the bank's assets, which limit the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in.

Corporate Bonds: Bonds issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent.

Enhanced Cash / Ultra Short Dated Bond Funds: Funds designed to produce an enhanced return over and above a Money Market Fund. The manager may use a wider range of alternative options to try and generate excess performance. These could include different counterparties, instruments as well as longer dated investments.

Equity Fund: Equity funds are pooled investment vehicles that will focus investments primarily in UK equities.

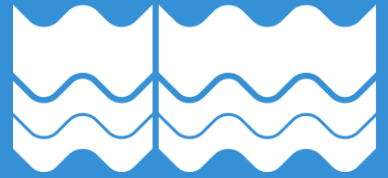
Government: Loans, bonds and bills issued or guaranteed by UK government, local authorities and supranational banks. These investments are not subject to bail-in, and there is a minimal risk of insolvency.

Money Market Funds: An open ended fund that invests in short term debt securities, offers same-day liquidity and very low volatility.

Mixed Asset Funds: Rather than focus on a particular asset class, these funds will look to invest across a broader range of classes in an effort to provide investors with a smoother performance on a year-to-year basis. Primarily, the asset classes will be equities and fixed income, but the latter will include both corporate and government-level investments.

Pooled Property Funds: Shares in diversified property investment vehicles. Property funds offer enhanced returns over the longer term but are more volatile in the short term. The funds have no defined maturity date, but are available for withdrawal after a notice period

Short Dated Bond Funds: Funds designed to produce an enhanced return over and above an Ultra Short Dated Fund. The manager may use a wider range of alternative options to try and generate excess performance. These could include different counterparties, instruments as well as longer dated and a proportion of lower rated investments. The return on the funds are typically much higher but can be more volatile than Ultra-Short Dated bond funds, so a longer investment time horizon is recommended.



Appendix 1

Scrutiny Review of Becoming a Carbon Neutral Council

Report by the Review Board:

Councillor John Barnes
Councillor Bob Bowdler
Councillor Martin Clarke (Chair)
Councillor Pat Rodohan
Councillor Stephen Shing

November 2020

Place Scrutiny Committee – 25 November 2020

Cabinet – 26 January 2021

Full Council – 9 February 2021

The report of the Scrutiny Review of Becoming a Carbon Neutral Council

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Recommendations

Recommendation		Page
	<i>Building Energy Use</i>	
1	Priority consideration should be given to the implementation of low carbon heating systems, e.g. the use of ground source and air source heat pumps, in all newly commissioned buildings and when renewing systems in existing buildings. The most energy efficient type of heat pump currently available should be used where possible (e.g. ground source, then air source heat pumps).	12
2	The Council should keep the use of hydrogen gas heating technology under review and ensure all new or replacement boilers are capable of being 'hydrogen ready'.	13
3	<p>a) The Council consider through the RPPR process opportunities for capital funding within the core capital programme to carry out carbon reduction projects in its corporate buildings, notably building fabric improvements, and lobbies Government for additional funding in this area.</p> <p>b) In developing energy efficiency projects, the Council should take a whole building approach, which is based on whole life costings.</p> <p>c) The Council should explore installing solar panels on its buildings and energy storage where this is possible. In particular, the Council should explore the feasibility of installing solar panel canopies over the car parks at County Hall and use the resultant energy in the building and to power Electric Vehicle/electric bike charge points in the car parks.</p>	14
4	<p>a) The Council, in conjunction with maintained schools, publishes comparative data on energy efficiency (e.g. league tables and energy performance), sets a carbon reduction target and encourages engagement with pupils in learning projects and activities to reduce carbon emissions.</p> <p>b) The Council consider through the RPPR process providing capital funding for a pilot project to install heat pump technology in one of the County's maintained schools as a best practice case study.</p>	15
5	The Council lobbies the Department for Education to provide sufficient funding for new schools to be built to a carbon neutral standard and provide funding for major improvements to retrofit energy efficiency and carbon reduction measures to all school buildings.	15
6	The Council reviews the payback periods used for major building refurbishment projects and adjusts the provision of capital funding for carbon reduction projects to enable more work in this area to be carried out based on whole life costings.	16
	<i>Street Lighting Energy Use</i>	
7	<p>The Council:</p> <p>a) Explore the scope for further energy savings by reducing the amount of time street lights are on through ongoing maintenance and replacement programmes.</p> <p>b) Explore the use of alternative technologies such as solar and wind turbines for less essential lit signs and other street furniture.</p> <p>c) Keep the use of intelligent lighting systems for street lighting under review and install intelligent lighting in the car parks and campus at the County Hall campus as an example of best practice.</p>	17

	<i>Staff Travel & Commuting (including councillors) and Fleet Vehicles</i>	
8	<p>a) The Council explore more varied patterns of working to determine what is the best level of remote working from a staff perspective and for the Council to meet its business needs and reduce carbon emissions.</p> <p>b) Work is undertaken to support cultural change to embed changes in working practices that reduce the need to travel, or encourages less travel, such as the use of technology to hold meetings remotely and provide training using remote meeting technology.</p> <p>c) The Council explores the provision of more capacity for drop-in centres / hot desking and collaboration space in regional offices so staff do not always need to travel into the main office buildings, including County Hall, as part of the future workplace planning arrangements.</p> <p>d) The Council investigate the introduction of hybrid committee meetings where councillors can either attend remotely or in person.</p>	18
9	<p>a) The Staff Travel Plan is revised to encourage, and where appropriate consideration is given to the potential for incentivising, the use of other travel modes (e.g. walking, cycling and public transport) and the uptake of Electric Vehicles to reduce carbon emissions.</p> <p>b) The Council considers lobbying the Department for Transport to make changes to season tickets for train and bus travel so they can be used flexibly by staff commuting to work.</p>	19
10	Electric Vehicle (EV) charging points are installed at the main office buildings, or at least County Hall, with a plan agreed by the end of March 2021.	19
11	<p>a) Smaller own fleet vehicles should be replaced by EV's in the short term when the leases expire.</p> <p>b) Review the car lease scheme to encourage staff to select low emission or zero emission vehicles.</p> <p>c) The Council considers specifying the early use of low emission vehicles in the procurement of major contracts (e.g. the Highways maintenance contract), where feasible.</p>	20
12	The Council should keep the market for larger hydrogen powered vehicles under review, with a view to undertaking early pilot schemes and eventually phasing out the diesel-powered larger vehicles in its fleet in line with Government policy.	21
	<i>Carbon Off-Setting and Renewables</i>	
13	The Council keeps opportunities for investing in natural habitats under review for inclusion in a carbon off-setting plan at the appropriate time when the science has been developed.	22
14	<p>a) The Council develops a carbon off-setting plan which includes investment in woodland creation, natural habitats and renewable energy generation.</p> <p>b) The Property Asset Disposal and Investment Strategy is reviewed to identify land availability and opportunities for carbon off-setting habitats and investment in the development of solar farms.</p>	23

	<i>Communications and Leadership</i>	
15	<p>a) The Council develops an interactive communication/information platform, which includes details on what the Council itself is doing on climate change and to discuss opportunities where residents may take an active role in lowering community carbon emissions.</p> <p>b) The Council uses its convening power to co-ordinate the actions it is taking on climate change with its partners, and in particular with the District and Borough Councils in East Sussex.</p>	24
	<i>Other Issues</i>	
16	<p>Corporate systems</p> <p>a) Business case evaluation and procurement decisions should include an assessment of the carbon impact of the proposal.</p> <p>b) Reports that go to the Executive and Council should include an assessment or statement of the carbon emissions impact of the proposals/decision in the report where relevant and material.</p>	24
17	<p>Planning</p> <p>The Council lobbies Government at a national level via ADEPT and the South East 7 partnership, to amend the planning system and building regulations so that the carbon performance of new buildings, including school buildings, can be taken into account in planning decisions.</p>	25
18	<p>Protecting trees</p> <p>a) ESCC build on the existing Dutch Elm Disease Strategy to develop a Strategic Tree Policy and action plan to manage Ash Dieback, Dutch Elm Disease and other tree diseases/pests which includes a programme to replace lost trees where possible (subject to safety issues) to mitigate the impact on carbon absorption.</p> <p>b) Both County and District/Borough Planning teams should be encouraged to attend the master class training provided by the Forestry Commission on the retention and protection of woodlands and trees.</p>	25

Introduction

1. The Place Scrutiny Committee established a Scoping Board in June 2019 to explore undertaking a scrutiny review of climate change, and in particular the actions the Council is taking to reduce its carbon dioxide (CO₂) and other greenhouse gas emissions. This was in response to increasing public concern linked to the publication of the 2018 report by the UN's Intergovernmental Panel on Climate Change (IPCC) which highlighted that urgent action is needed to address climate change.
2. On the 15 October 2019 East Sussex County Council unanimously agreed a Motion on climate change. In agreeing the Motion, the Council declared a climate emergency and agreed to:
 - *set a target of achieving carbon neutrality from its activities as soon as possible and in any event by 2050, in line with the new target for the UK agreed by Parliament in 2019.*
 - *build upon the work we have undertaken to date, will commit resources where possible and will align our policies to address the Climate Emergency.*
 - *set out a clear plan of action to reduce our carbon emissions.*
 - *report annually at the May County Council Meeting on its progress towards the target.*
 - *investigate all possible sources of external funding and match funding to support this commitment, as well as writing to central government with respect to the emergency to request funding to implement swift appropriate actions".*
 - *use our Environment Strategy to provide a strong unified voice in lobbying for support to address this emergency, sharing best practice across East Sussex and more widely through other partners".*
3. Climate change is a very wide topic and it was important for scrutiny to focus initially on areas where it could have the most impact. The Place Scrutiny Committee considered that it would be difficult for the Council to show leadership and to advise or influence others without addressing work to reduce its own carbon emissions. Therefore, the review focusses on how the Council is going to achieve carbon neutrality in its own operations.
4. At the meeting held on 20 November 2019, the Place Scrutiny Committee agreed to proceed with a Scrutiny Review of Becoming a Carbon Neutral Council. The scope of the review includes:
 - Energy use in the Council's corporate buildings, maintained schools and street lighting;
 - Staff business travel, staff commuting, electric charging points at council offices and the Council's fleet vehicles;
 - The scope for using renewable energy sources (solar, wind, etc.) and carbon off-setting;
 - Use of emerging and alternative technologies; and
 - Communications and leadership, including co-ordination of the work on the climate emergency.
5. The scope of the review also includes acting as a reference group working with officers to comment on the development of a Climate Emergency Plan for the Council. The Council's [Climate Emergency Plan](#) was agreed by Cabinet on 2 June 2020 which sets the context for the work of the scrutiny review.
6. The aims of the Review Board in undertaking the review were to:
 - To gain a better understanding of the actions, costs, benefits and timescales for achieving carbon neutrality, as well as the choices that may be involved.
 - To contribute to the development of a plan of actions to reduce the Council's carbon emissions.

- To identify 'easy wins' and priorities for investment in carbon reduction in the next 5 years.

7. The emissions from the Councils supply chain have been excluded from the review because there is not enough information available at present on this category of emissions. This may be subject to a separate piece of work in the future. The Review Board supports the actions contained in the Climate Emergency Action Plan such as a requirement for the supplier to provide a carbon emissions footprint of their service or products in all new major contracts, and to include low carbon outcomes in new specifications and when scoring tenders.

Recommendations and funding considerations

8. The recommendations contained in this report aim to set a direction of travel for the Council in its ambition to become carbon neutral. The Review Board is aware that the Council faces considerable budget pressures and that consideration of the costs of implementing the recommendations will need to be undertaken through the Council's Reconciling Policy, Performance and Resources (RPPR) budget setting process. This will mean balancing the short and long term social, economic and environmental implications of all the proposals contained in this report, including the impact on carbon emissions they will have. In addition, these recommendations serve to augment and give momentum to the Action Plan agreed in the Climate Emergency Plan (February 2020).

Background

9. In common with East Sussex County Council (ESCC) all the District and Borough councils within East Sussex have declared a climate emergency and are taking action on climate change. Nationally almost all councils are working on this issue and those that have a scrutiny function are engaged in this work. Overall, ESCC has a target of reducing carbon emissions by 13% per annum.

10. ESCC's Climate Emergency Plan provides a framework for reducing its carbon emissions. The review and this report use the same terminology as that used within the Plan. In this context carbon emissions refers to the emissions of carbon dioxide (CO₂) and other greenhouse gases expressed in carbon dioxide equivalents (CO₂e) or tonnes of carbon dioxide equivalents (tCO₂e). The approach for measuring the Council's existing carbon emissions uses a widely accepted methodology, the Greenhouse Gas Protocol, which divides emissions into three categories referred to as Scope 1, Scope 2 and Scope 3 emissions.

11. Together, these categories represent the total greenhouse gas emissions related to an organisation and its activities. Each scope includes the following emissions:

- Scope 1 – emissions from the combustion of gas, oil, petrol, diesel, coal, or wood. For the Council this covers buildings and vehicles where the Council is responsible for paying for the fuel.
- Scope 2 – emissions from the electricity purchased by the Council.
- Scope 3 – emissions that result from all other activities of the Council.

12. The Scope 3 categories that apply to the Council include emissions from business travel, water usage, waste, procurement, staff commuting and investments. The table below, taken from Climate Emergency Plan, provides an indication of the scale of current emissions.

Scope	What's covered	Emissions (tCO ₂ e)
Scope 1	Gas consumption for heating and hot water in buildings	4,664
	Oil & propane for heating & hot water in buildings	897
	ESCC owned transport	139
Scope 2	Electricity usage in buildings	5,115
	Electricity usage in street lighting	2,645
Scope 3	Transmission & distribution	661
	Business travel	1,628
	Employee and elected Members commuting	3,120
	Waste disposal	115
	Water usage	68
	Supply chain	54,888
	Total emissions:	73,940

13. With the exception of emissions from the Council's supply chain (procurement), the review concentrates on the main sources of emissions in these categories and the actions agreed in the Climate Emergency Plan action plan for these areas. It also looks at how alternative and emerging technologies might be able to help the Council reduce its emissions and the use carbon off-setting to balance the unavoidable emissions, once all the carbon reduction measures have been taken into account.

14. This is a high level, cross-cutting review as carbon emissions are present in all the Council's activities. A thematic approach has been taken to examining evidence for the review, which has involved discussions with, and taking evidence from, a wide range of officers and external expert witnesses.

Impact of the Coronavirus Pandemic.

15. Since the review started, the Coronavirus pandemic has had a major impact on the way the Council operates and delivers services. It has meant staff working from home to a much larger extent than would otherwise have been the case. As a consequence, carbon emissions from staff business travel and staff commuting have been reduced, and the amount of office space being used has declined. Overall, this has had a positive effect on carbon emissions although it is recognised this is not a 'business as usual' pattern of working. The Review Board is interested to see whether it might be possible to retain some of these benefits in the way the Council operates in future, and this issue is explored further in the sections of the report covering staff travel and staff commuting.

Review Board Findings

Building Energy Use

16. A lot of work has been undertaken to date on projects to improve energy efficiency and reduce energy use and carbon emissions. Such projects have been integrated with maintenance programmes in corporate buildings and schools which have included improving the building insulation; replacing boilers and boiler controls; lighting replacements and core energy loading improvements (cabling and distribution systems). The Council has also signed up to a green energy tariff which means the electricity supply to all corporate buildings (e.g. libraries, register offices and office buildings) is provided from renewable sources, and is thereby having a lower carbon impact.

17. Currently the standard heating solution in most buildings is gas. Reducing emissions means moving away from gas and oil-fired heating and using alternative systems. However, not all of the alternative heating options, such as using hydrogen gas, are available at present. Using electricity is currently more expensive than gas based on unit cost so there will be a cost implication in moving away from gas heating.

18. In the longer term the de-carbonisation of the electricity supply for heating systems will be important as the technologies develop. In the shorter term the main areas for further carbon savings are:

- Awareness raising to reduce energy use (e.g. energy saving campaigns)
- Improvements in building fabric – insulation (loft & cavity wall), windows (longer payback) etc.¹
- Changes to lighting systems (e.g. through the use of LED lighting and intelligent controls)

19. In order to make the step change needed to achieve the Council's target of reducing carbon emissions by 13% per annum, more of these sorts of projects will need to be undertaken in the future. It is important to emphasise the importance of building fabric as a constraint on many carbon reduction options. For example, many of ESCC's buildings and notably some schools, have relatively poor building fabric, which means that it would not be possible to use technologies such as heat pumps because they do not currently provide enough heat for poorly insulated buildings. Some of the main measures to improve building fabric are costly (e.g. solid wall insulation) and have long payback periods, which has made them difficult to fund. Bearing in mind these constraints, the Board assessed the potential options for further reducing carbon emissions from buildings.

20. The Review Board acknowledges that in order to establish detailed costings and the carbon benefits of energy efficiency projects, an approach will need to be taken which examines each corporate building individually. An appraisal can then be made of whether energy efficiency projects, or a different set of measures would be the best way of achieving the Council's carbon reduction target. The costs and benefits will need to be considered through the Council's RPPR process, in order to balance the social, economic and environmental implications of carbon reduction initiatives.

¹ traditional building fabric insulation like loft and cavity wall insulation or flat roof when being replaced or refurbished has a shorter payback compared to solid wall or underfloor insulation, or glazing projects which have longer paybacks

21. The review has been unable to carry out this detailed technical and costing work within the timescales available but wishes to establish some principles in the way the Council evaluates the future options for building energy use. In some cases, it may not be possible or the best time to use alternative technologies due to the cost and complexity of using them in existing buildings for the reasons outlined above, but the Council should keep their use under active consideration.

Alternative Technologies for Heating

Heat Pumps

22. Heat pumps (ground source and air source) are commercially available now and they are best used in new build projects and where buildings are well insulated. Air source heat pumps are particularly suited to being retrofitted into existing and older buildings. The Board heard that although the capital cost of heat pumps is higher than conventional boilers, they are at least 2.5 to 3 times more efficient. However, they may need supplementing with other heating sources during periods of peak demand, particularly if retrofitted in older, less well insulated buildings.

23. Heat pumps use electricity but have a lower carbon footprint due to their efficiency and will have lower carbon emissions as the national electricity grid de-carbonises and switches to more renewable energy generation. The Board sees the use of heat pumps as the next step for the Council to take in the near future when opportunities arise. This should be on a building by building basis, with more energy efficient ground source heat pumps used in newly commissioned buildings where the capital costs and civil engineering works can be accommodated. For existing buildings, the review Board heard air source heat pumps are more suitable but may need supplementing with other sources of heating if building insulation is poor. It is likely that the cost of heat pumps will become more affordable as they are more widely implemented in buildings and the market and technology develops.

Recommendation 1

Priority consideration should be given to the implementation of low carbon heating systems, e.g. the use of ground source and air source heat pumps, in all newly commissioned buildings and when renewing systems in existing buildings. The most energy efficient type of heat pump currently available should be used where possible (e.g. ground source, then air source heat pumps).

Infrared Radiant Heating

24. Infrared radiant heating is another alternative heating technology which is commercially available which uses electricity. It has benefits in certain applications but requires careful design which is different from conventional heating systems. It is best used to heat people rather than spaces and parts or larger spaces (e.g. workstations in large warehouses, reception areas etc.) or where heating is required intermittently. It is certainly something that could be considered in conjunction with other technologies.

Hydrogen Gas

25. Hydrogen gas can be used as a heating system fuel just like natural gas. If hydrogen is produced using electricity from renewable sources ('green' hydrogen) it can reduce carbon emissions. There are two possible ways hydrogen gas can be used in heating systems, either as a mixture with natural gas (e.g. 20% hydrogen, 80% natural gas) or as 100% hydrogen gas. The gas distribution network would need upgrading and regulations would need to be amended in order to use hydrogen in the gas network.

26. Modern conventional boilers can be adapted to run on a mixture of natural gas and hydrogen, and most manufacturers have developed prototype hydrogen boilers that use a mix of natural gas and hydrogen. The technology is not yet commercially available, but is not far away. It would be worth the Council ensuring any new or replacement boilers are 'hydrogen ready' to run on a mixture of natural gas and hydrogen if this becomes available.

27. The use of 100% hydrogen is some way off, but there are technical trials taking place. There are also challenges around converting other appliances that run on natural gas if the whole gas network is converted to use hydrogen (e.g. cookers, gas fires etc.) and the logistics of a change over from one fuel to another.

28. One of the main issues about hydrogen is the process used to generate it and where the electricity comes from. Currently most of the hydrogen gas is 'grey hydrogen' produced either from fossil fuels or other energy intensive processes which have higher carbon emissions. For this to change, more hydrogen needs to be generated using electricity from renewable sources. The other main issue is driving down the cost of hydrogen which will be key. The cost of natural gas is one tenth of the cost of hydrogen. Consequently, the economics of hydrogen do not currently make it attractive as hydrogen boilers are more expensive and the fuel is more expensive.

Recommendation 2

The Council should keep the use of hydrogen gas heating technology under review and ensure all new or replacement boilers are capable of being 'hydrogen ready'.

Renewable Energy and Energy Storage

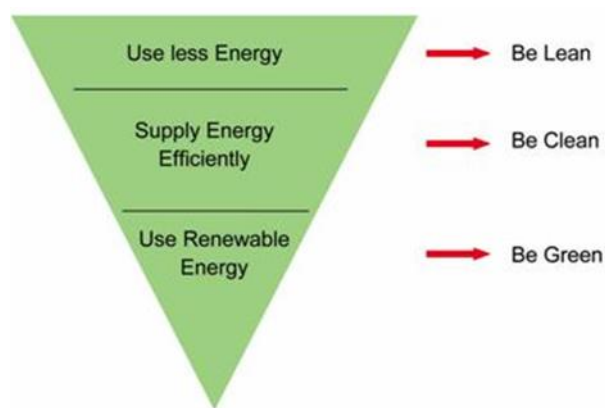
29. Another way to reduce carbon emissions from building energy use is to use on-site renewable energy generation. The two main forms of this are solar panels (photovoltaic - PV) and wind turbines, although the latter is less widely used. The Board heard that when considering renewable energy solutions, it is advisable always to use them in conjunction with energy storage (e.g. battery storage). They can also be used to power other on-site services such as Electric Vehicle (EV) charging points.

30. The Review Board understands that work is underway to look at installing solar panels (PV) and battery storage at 12 sites. The Board heard expert evidence that installing solar panels is an effective way of lowering emissions and that many councils are also taking this approach. The Board supports the investment in on-site renewable energy sources and storage for use in schools and corporate buildings.

Corporate Buildings

31. The Council has four main corporate office buildings which are County Hall in Lewes, St. Mary's House and St Mark's House in Eastbourne and Ocean House in Hastings. It also has a number of smaller offices and operational buildings used for providing particular services across the County (e.g. Libraries, Register Offices, Children's Homes etc.). Many of the buildings are of older construction types and were not built to be carbon neutral. In many cases they may require improvements in the building fabric insulation, heating and energy systems to lower carbon emissions. Options for reducing emissions will also need to take into account the leasehold arrangements, where the Council does not own buildings.

32. In considering which emission reduction measures to use, the Council should use the energy hierarchy in the figure below, with the most effective option being to use less energy in the first place and then working down the hierarchy.



33. Previously individual projects have been carried out to make improvements such as window replacements, boiler and heating controls and changes to lighting. In order to make a step change, the Review Board heard that a different ‘whole building’ approach may be needed where a package of measures that looks at all aspects of the building is undertaken rather than an approach based on separate energy efficiency projects. A whole building approach should include whole life costings which will range from shorter to longer term pay back periods (see below), and it may be possible to use short term savings to subsidise longer term improvements.

Recommendation 3

a) The Council consider through the RPPR process opportunities for capital funding within the core capital programme to carry out carbon reduction projects in its corporate buildings, notably building fabric improvements, and lobbies Government for additional funding in this area.

b) In developing energy efficiency projects, the Council should take a whole building approach, which is based on whole life costings.

c) The Council should explore installing solar panels on its buildings and energy storage where this is possible. In particular, the Council should explore the feasibility of installing solar panel canopies over the car parks at County Hall and use the resultant energy in the building and to power Electric Vehicle/electric bike charge points in the car parks.

Maintained Schools

34. Maintained schools (i.e. those that are not Academies) are included in the Council’s carbon footprint and represent over half of the Council’s scope 1 and 2 emissions for heating and use of electricity. Working with schools and school leaders is therefore important in reducing the Council’s carbon emissions. The review heard that a lot of good work has already been undertaken by Schools with the help of the Orbis Energy Team to reduce energy use and costs (e.g. through the Salix programme), thereby reducing carbon emissions. However, there is more that needs to be done.

35. Schools are managed independently from the Council and are currently under a great deal of financial pressure. A range of measures needs to be developed to encourage schools to reduce their carbon emissions further and to support them in achieving this. The Review Board considers that schools need to be aware of the role they can play in achieving carbon neutrality and contributing to the new Council target of reducing carbon emissions by 13% per annum.

36. Many schools have taken up the offer of using the renewable energy tariff negotiated by the Council and have smart meters that produce detailed information about energy use. The Review Board heard evidence that it would be beneficial to make more use of this information, for example, by publishing comparative data with other schools and establishing carbon reduction targets. It is also important to provide case studies of what can be achieved and to share information, building on the existing energy efficiency guide produced by the Orbis Energy Team, to encourage the uptake of carbon reduction measures. In many cases energy saving measures can also lead to cost savings for the schools involved.

37. Introducing energy efficiency measures and reducing carbon emissions provide great opportunities for learning and the teaching of the curriculum. Pupils, school councils and the Youth Cabinet should be encouraged to take part in carbon reduction projects and initiatives in schools.

38. Like corporate buildings, the main alternative to natural gas and oil-fired heating systems in schools is the use of heat pumps. At present there are very few examples of their use in schools and the Board believes it would be helpful to have a pilot scheme to establish best practice and share learning.

Recommendation 4

a) The Council, in conjunction with maintained schools, publishes comparative data on energy efficiency (e.g. league tables and energy performance), sets a carbon reduction target and encourages engagement with pupils in learning projects and activities to reduce carbon emissions.

b) The Council consider through the RPPR process providing capital funding for a pilot project to install heat pump technology in one of the County's maintained schools as a best practice case study.

School Building Programme

39. New school buildings and major improvements are generally funded by the Department for Education (DfE). The Council uses value engineering to incorporate as many energy efficiency and carbon saving measures in new school buildings as possible, but what is affordable via DfE funding is limited. The Board believes the Council needs to find a solution so that the best options are included in new buildings, so they are built to be carbon neutral in future given their anticipated long life. For example, timber frame construction buildings using locally sourced timber could be used in the construction of new school buildings and the extension of existing buildings or school campuses.

40. Additional funding and carbon neutral building standards for new schools and major improvement programmes could be part of the 'ask' from central Government on what is needed to achieve the target of becoming carbon neutral.

Recommendation 5

The Council lobbies the Department for Education to provide sufficient funding for new schools to be built to a carbon neutral standard and provide funding for major improvements to retrofit energy efficiency and carbon reduction measures to all school buildings.

Building Lifecycles and Payback Periods

41. The lifecycle of a building includes a number of phases which start with acquiring a site, through to construction of the building, maintenance and then disposing of the building (selling or demolition) at the end of its life. Each stage will have its own carbon footprint. In terms of maintenance activity, each element of a building (e.g. the heating system, windows, electrics, cladding etc.) has a different lifespan.

42. The evidence suggests that sometimes shorter pay back criteria are used on what appear to be longer lifespan improvements, particularly where this is needed to meet external funding criteria. It would be appropriate to use longer payback criteria depending on the lifecycle element of a building (e.g. the payback period could match the anticipated life of that element of the building). This issue can represent a barrier to the Council making the necessary improvements to its buildings, but taking a different approach may be a challenge for the Council in terms of funding.

43. For example, heat pumps due to the initial capital cost have a payback period which is typically over 10 years, whereas the Salix scheme requires a payback period of 10 years or less. This has led the Council to focus on improvements with a shorter payback period (e.g. LED lighting schemes) which can achieve this shorter payback period, when there may be other improvements that could be used to lower carbon emissions.

44. It is important to use whole life costings (also see paragraph 30 above) when developing and assessing projects, including the improvement and refurbishment of school buildings. Some technologies may cost more but have a lower overall cost, especially when carbon emissions are taken into account.

Recommendation 6

The Council reviews the payback periods used for major building refurbishment projects and adjusts the provision of capital funding for carbon reduction projects to enable more work in this area to be carried out based on whole life costings.

Street Lighting

45. The emissions from the electricity used for street lighting are around 2,645 tonnes of CO₂e per year. The Council has already completed phase one of a programme to replace street lights with more energy efficient LED (light emitting diode) lights. The second phase of the LED street light replacement programme will convert the remaining 14,019 lanterns to LEDs and will start shortly (this represents around a third of all the street lights in the County). The replacement programme is funded by the Salix scheme, which is a loan paid back with the energy cost savings that are made.

46. The Board reviewed further options for reducing emissions from street lighting and other highways infrastructure such as lit street signs. The main potential area for further savings in emissions is by reducing the amount of time street lights are on where it is safe to do so. For example, using part night settings where lights are switched off for a period of time (e.g. between midnight and 5.00am). At present the use of solar panels and mini wind turbines to power street lights is not feasible due to the limited reliability of these systems and the cost of the technology.

47. The Review Board examined the evidence on the impact of reduced street lighting and it is possible to do this without it having an impact on road safety and community safety if carefully designed. There is good evidence to suggest that it is possible to reduce street lighting levels without compromising community safety. There are locations such as lower speed residential streets where part night lighting could be safely introduced.

48. There are benefits from reducing street lighting levels such as the impact on climate change, better resource use and a reduction in light pollution which benefits people and wildlife. The Board considered that it is important to engage with stakeholders before any changes are made and a feasibility study should be undertaken to assess where changes may be possible.

49. The Board also discussed the use of dimming and intelligent lighting systems to make energy savings. These systems use lighting controls to adjust lighting levels and switch lights on when they are needed. Intelligent lighting systems could be examined in the future once the LED replacement programme has been completed and if the potential for savings warrant it. The Board observed that intelligent lighting could be installed in public sector car parks and should be installed in the car parks at County Hall as an example of what can be done.

Recommendation 7

The Council:

- a) Explore the scope for further energy savings by reducing the amount of time street lights are on through ongoing maintenance and replacement programmes.**
- b) Explore the use of alternative technologies such as solar and wind turbines for less essential lit signs and other street furniture.**
- c) Keep the use of intelligent lighting systems for street lighting under review and install intelligent lighting in the car parks and campus at the County Hall campus as an example of best practice.**

Staff Business Travel, Staff Commuting and Fleet Vehicles

Staff Travel and Commuting (including Elected Members)

50. The emissions from staff business travel and employee commuting (including Elected Members) contribute significantly to the Council's Scope 3 carbon emissions. Therefore, any measures or changes in working practices that reduce the need to travel will have an impact on carbon emissions. In this context it is useful to consider the concept of a Travel Hierarchy when considering measures to reduce emissions from transport.

1. Travel less
2. Travel using a lower emitting mode of transport (e.g. walking, cycling, bus or train)
3. Travel using Electric Vehicles (EV's)

51. The Council does not have direct control over the way in which staff travel to work. However, it has sought to introduce flexible and remote working through the Agile programme to enable employees to work from home and provide incentives through a Staff Travel Plan to use lower emitting modes of transport such as public transport and cycling. Policies regarding staff travel and travel expenses can also be used to reduce emissions. Increased working from home reduces the need for staff to commute and reduces the amount of office space needed by the organisation.

52. The Member ICT and Development Reference Group has also been looking at the use of remote meeting technology for councillors. The Council has recently passed a Motion to request Government to keep the flexibility in place to allow council meetings to be held remotely or in person (or a combination of both) in the future, which reduces the need to travel and makes best use of time and resources. The Review Board considers that the Council should investigate the introduction of hybrid committee meetings where councillors can either attend remotely or in person.

Impact of the Coronavirus Pandemic

53. The Coronavirus lockdown in March 2020 stopped most travel almost immediately, with the majority of staff working remotely from home. Staff travel claims for the first quarter from April – June 2020 showed a 77% decrease compared with the same quarter last year. Although this is an artificial situation, as normally there is a need for some staff travel, it has provided an opportunity to look at the business needs for travel in the future.

54. A Workplace Reset Programme is underway to move from the initial emergency response to a longer-term solution that balances the business needs of the Council with the needs of staff. There is an ambition to build a modern, flexible workplace where corporate spaces are used to better support residents, provide greater flexibility for employees and facilitate new ways of working across the Council's staff teams, its partners and the community. The Programme includes engagement with staff on new workstyles which builds on the 'Time to Talk' survey, and the cultural changes that will be needed to embed new ways of working such as the use of remote meeting technology.

55. The Review Board considers the Council should pursue a compromise position that meets these needs and enables a reduction in carbon emissions from reduced travelling and increased remote working to be retained. This will also have the benefit of reducing the amount of office space needed, which in turn may reduce building energy use and carbon emissions further. Work in this area should include a review of the costs and benefits of increased working from home for staff and councillors. The Board also believes it would be helpful if drop-in hot desk working facilities and collaboration spaces are expanded so staff can use the nearest corporate office to where they live when they do need to go into their normal office base.

Recommendation 8

a) The Council explore more varied patterns of working to determine what is the best level of remote working from a staff perspective and for the Council to meet its business needs and reduce carbon emissions.

b) Work is undertaken to support cultural change to embed changes in working practices that reduce the need to travel, or encourages less travel, such as the use of technology to hold meetings remotely and provide training using remote meeting technology.

c) The Council explores the provision of more capacity for drop-in centres / hot desking and collaboration space in regional offices so staff do not always need to travel into the main office buildings, including County Hall, as part of the future workplace planning arrangements.

d) The Council investigate the introduction of hybrid committee meetings where councillors can either attend remotely or in person.

Staff Travel Plan

56. The Board heard that work is being undertaken to revise the Staff Travel Plan which is an overarching approach to the Human Resources policies that relate to staff business travel and commuting. The staff travel policies which have the potential to make a difference in terms of climate change fall into three broad categories:

- Travel expenses - The travel expenses scheme could be amended to encourage the use of Electric Vehicles (EVs) through the use of the higher mileage rate for EV's and encourage other forms of transport.
- Loan schemes - The limits on loans for staff to purchase bikes could be increased to enable this scheme to cover the purchase of electric bikes, and season ticket loans for train and bus travel could be more widely promoted to encourage the use of public transport.

- Salary sacrifice schemes - Salary sacrifice schemes could be amended to enable the purchase of electric bikes and EV's, which are generally more expensive than conventional models.

57. The Review Board supports the work being undertaken on the Staff Travel Plan to encourage the use of other travel modes and the uptake of EV's. In particular, the Board supports the use of the higher mileage rate to encourage the use of EV's but acknowledges that for lower paid staff purchasing an EV may not be possible due to the higher costs involved. Providing encouragement and incentives in other ways should also be considered.

58. The Board noted that current arrangements for season tickets are not flexible and do not support the use of public transport for fewer journeys per week/per month. Therefore, staff are more likely to use other modes of transport if they are working from home more often. The Board suggests the Council lobbies Government for a more flexible season ticketing system.

Recommendation 9

a) The Staff Travel Plan is revised to encourage, and where appropriate consideration is given to the potential for incentivising, the use of other travel modes (e.g. walking, cycling and public transport) and the uptake of Electric Vehicles to reduce carbon emissions.

b) The Council considers lobbying the Department for Transport to make changes to season tickets for train and bus travel so they can be used flexibly by staff commuting to work.

Electric Vehicle (EV) Charging Points

59. The Board understands, based on the evidence, that providing Electric Vehicle charging points at the main offices or at least County Hall is essential to encouraging the uptake of Electric Vehicles by staff and should be actioned as soon as possible. This could be done in a number of ways depending on the providers and the way in which the charging facilities are paid for (there are a number of different ownership models).

Recommendation 10

Electric Vehicle (EV) charging points are installed at the main office buildings, or at least County Hall, with a plan agreed by the end of March 2021.

Council Fleet Vehicles

60. The Board looked at the work that is being done on fleet vehicle emissions which has been split into two parts:

- Grey Vehicle Fleet. These are individual cars that are used for staff business travel which are purchased by staff either privately or through ESCC's lease car scheme. The emissions from them represents 2% of the Council's scope 1, 2 and 3 carbon footprint. As such, emissions from grey fleet vehicles count for a small part of total emissions. Pre Covid19 the annual cost for vehicle mileage claims was around £2 million.
- Own Fleet (around 90 vehicles, both small and large specialised vehicles such as accessible buses). These are vehicles either owned or leased directly by the Council for use by various services e.g. Adult Social Care, Children's Services, and Communities, Economy & Transport. They represent less than 1% of total scope 1,2 and 3 emissions.

61. Two separate reports have been commissioned from the Energy Saving Trust on the options and ideas for reducing emissions from these two groups of vehicles. The Council usually leases vehicles rather than outright purchasing them. It would be possible to convert the smaller vehicles to Electric Vehicles (EVs) as this can be done with off the shelf models that are available now. The market for low emission alternatives for the larger vehicles such as Heavy Goods Vehicles (HGV's) and buses is less developed. The lease cost of larger custom-built vehicles is much higher and low emission versions can be as much as double the capital cost.

62. Depending on the outcome of the Energy Saving Trust reports, the Board considers it would be appropriate to convert all the smaller Own Fleet vehicles to EVs as soon as the current leases expire, prioritising any that use diesel fuel. The main challenge is finding low emission alternatives for larger vehicles and HGV's. This is likely to be where it would be best to use emerging hydrogen technology (see below). In the short-term action could be taken to replace small vehicles with EV's and look to replace or experiment with hydrogen powered larger vehicles when the technology is better developed.

63. Grey Fleet vehicles, which includes around 90 vehicles that are leased by staff under the current car lease scheme, are used for staff business travel. Members of staff pay the lease cost and can choose any type of vehicle they wish (subject to replacement costs). It may be desirable to review the scheme to encourage the selection of low emission or zero emission vehicles, especially as most mileage will be within the County.

64. In addition to its fleet vehicles, the Council could request the use of EVs and low emission vehicles in the Highways Maintenance Contract and other large contracts (e.g. Home to School Transport), although the Council would need to understand the potential effects on service delivery and costs.

Recommendation 11

a) Smaller own fleet vehicles should be replaced by EV's in the short term when the leases expire.

b) Review the car lease scheme to encourage staff to select low emission or zero emission vehicles.

c) The Council considers specifying the early use of low emission vehicles in the procurement of major contracts (e.g. the Highways maintenance contract), where feasible.

Alternative Technologies for Vehicles - Hydrogen

65. The use of hydrogen is the main direction for replacing the use of diesel for large vehicles such as buses and trucks. This is in part due to its energy density and the advantages it has in the time it takes to refuel vehicles that may be making longer journeys. There are two ways hydrogen can be used: direct combustion and producing electricity in fuel cells. It is commercially available now and there are a few examples locally (e.g. Brighton & Hove buses have 20 hydrogen powered buses). There are safety issues with using hydrogen, but these can be managed. The cost of hydrogen fuel cell powered trucks is more expensive compared with diesel (and electric). The solution is already there but the market needs to develop further in terms of costs and refuelling infrastructure.

66. Hydrogen vehicle technology for larger vehicles is becoming commercially available now and could be used as part of a phased replacement of the Council's Own Fleet vehicles. The development of the hydrogen powered vehicles market and the availability of 'green' hydrogen fuel should be monitored so the Council can judge the best time to convert the larger vehicles through the use of hydrogen technology.

Recommendation 12

The Council should keep the market for larger hydrogen powered vehicles under review, with a view to undertaking early pilot schemes and eventually phasing out the diesel-powered larger vehicles in its fleet in line with Government policy.

Carbon Off-Setting and Renewables**Carbon Off-Setting**

67. The Review Board heard evidence that the use of carbon off-setting should be the very last option used, once all other carbon emission reduction measures have been taken. However, it is clear from the ESCC Climate Emergency Plan that there is a very strong likelihood that there will be a gap between all the measures the Council can take to reduce carbon emissions (taking into account the de-carbonisation of electricity grid) and the target the Council needs to reach to become carbon neutral. Therefore, some carbon off-setting measures will be needed for the Council to become carbon neutral.

68. The exact amount of carbon off-setting that will be required is difficult to calculate due to changing technology and other factors such as changes in policy. However, there will be a need for investment in some carbon off-setting. There are a number of options that the Council can take which include:

- tree planting and new woodland creation in suitable locations;
- the creation and management of other natural habitats by investing in natural capital; and
- the development of large-scale renewable energy generation schemes (e.g. solar farms or on-shore wind farms).

Tree Planting and Woodland Creation

69. The Forestry Commission has developed the Woodland Carbon Code and the science behind it to assess the carbon sequestration of different types of woodland (e.g. 1 hectare of mixed broadleaved woodland can absorb 310 tCO₂e after 30 years). This is well established way of off-setting carbon emissions and one of the cheapest ways of capturing carbon at around £10 per tonne CO₂e. The impact on carbon can be negative depending on how the resulting timber is used. The main issues with this technique are land acquisition for tree planting and the ongoing maintenance costs of the woodland.

70. When considering tree planting it is important to consider the multiple benefits of having woodlands and trees and how they function in the landscape. As well as delivering wood products such as wood for carbon lean building materials and fuel, woodlands and trees can be used to alleviate flooding, improve water quality, alleviate air pollution, provide green infrastructure in urban areas and links to the wider countryside. They are also seen as important for experiencing nature, recreation and wellbeing.

71. The Review Board heard there are opportunities for new woodlands in the Low Weald where the land is challenging to farm, and in areas of the High Weald that were cleared for farming some 20-30 years ago which may also join up areas of existing woodland.

72. The National Tree Strategy, which the Government has been consulting on, could mean 10,000 hectares of new woodland per year are planted in England and this could equate to around 200 hectares (roughly 500 acres) per year in East Sussex. It is estimated based on planting broadleaved woodland, which captures about 310 tonnes of CO₂ after 30 years, ESCC would have to plant and maintain about 545 hectares between now and 2050 to off-set all the estimated 169,000 tonnes of unavoidable CO₂ emissions that ESCC may not be able to cut over that period.

73. There are existing grant schemes such as the Woodland Carbon Guarantee Scheme which provides landowners with a guaranteed indication of what they will earn in grant dependent upon the amount of carbon the woodland saves. Work is also underway to review grants and regulations for new woodland creation, and the grants for planting new woodland will be attractive as part of the national targets for woodland creation.

Natural Habitats

74. As well as woodland there are four or five habitats that are important for carbon storage. Nationally peatland is an important habitat, but there is very little of this type of habitat in Sussex. The habitats that are present in addition to woodland are:

- Grassland/Downland.
- Heathland,
- Hedgerows
- Wetland; and
- Coastal

75. The soil is an important carbon store and is mainly where the carbon is stored in all of the terrestrial habits. In woodlands carbon is also stored in the trunks and branches of the trees, as well as the leaf litter on the woodland floor. Many of these habitats and plant communities have been there for a long time and longevity is important. Disturbing soil releases carbon into the atmosphere. So the more undisturbed the soil, the more carbon will remain locked into it.

76. Although the science base is not available yet, other habitats should be considered as part of a long-term carbon off-setting plan. There are many opportunities to build carbon storage into projects such a flood management and sediment capture. Improvement in the management of habitats, as with parks and open spaces, has multiple benefits for wildlife and people.

77. The Board heard that the Nature Recovery Network is a new national Government policy initiative. The idea is to create a network of habitats on the ground which will lead to an overall increase in nature across England. Where habitats will be created will be guided by a local map of habitats identifying where and how habitats can be created to provide benefits for people and wildlife. The Environment Bill will identify 'responsible authorities' to develop a Nature Recovery Strategy for their area.

78. The Sussex Local Nature Partnership has developed a Natural Capital Investment Strategy which has a series of maps to show where investment is needed in habitats in Sussex. The Council (and its partners) could use the Strategy to target investment in habitats as part of a carbon off-setting plan. This is a shared theme contained in the East Sussex Environment Strategy.

79. The Review Board noted that the loss of natural habitats and the impact on carbon is not factored into planning considerations at present, which will be important to councils as they strive to become carbon neutral.

Recommendation 13

The Council keeps opportunities for investing in natural habitats under review for inclusion in a carbon off-setting plan at the appropriate time when the science has been developed.

Renewable Energy Generation

80. The Board considers there is a case for the Council to invest in renewable energy generation. This will enable the Council to use renewable energy generation to off-set emissions and secure a number of other benefits. It may provide the opportunity to generate income by selling renewable electricity locally, support other local carbon reduction objectives and in the process contribute to the de-carbonisation of the electricity supply. Although onshore wind farms are the cheapest way of generating renewable energy there are a number of planning constraints which may prevent their development in East Sussex where there are large areas of protected landscapes (e.g. South Downs National Park and High Weald AONB).

81. The Review Board supports the principle of investment in renewables and in particular the Council should look for opportunities to invest in solar farms for electricity generation as part of the Council's suite of measures to offset carbon emissions.

Summary

82. The Review Board has examined the options for off-setting carbon emissions and believes that the Council should develop a carbon off-setting plan that includes a mix of all three techniques. Although new woodland creation is the most established of the carbon sequestration techniques, the Board considers investment in other natural habitats should be given equal weight. This reflects the fact that it might not be the right approach to add to tree cover significantly in the protected landscapes in East Sussex such as the South Downs National Park and the High Weald Area of Outstanding Natural Beauty (where the historic nature of the landscape is also important) by balancing tree planting with the use of other natural habitats.

83. Both tree planting/woodland creation and investment in natural habitats can deliver a range of other benefits (e.g. flood alleviation, improvement in air quality, protection and enhancement of biodiversity, and areas that can be used for recreation and the promotion of well-being). It will be important to take into account the views of stakeholders on tree planting and the other measures when developing the carbon off-setting plan.

Recommendation 14

a) The Council develops a carbon off-setting plan which includes investment in woodland creation, natural habitats and renewable energy generation.

b) The Property Asset Disposal and Investment Strategy is reviewed to identify land availability and opportunities for carbon off-setting habitats and investment in the development of solar farms.

Communications and Leadership

84. The climate emergency and climate change are a difficult area for communications as there are a vast range of opinions about it, from unbelievers through to campaigners. The ways in which people react to this issue can be very different. Expert advice from the Council's Communications Team suggests that it is probably best to adopt an approach that takes small steps which provides tailored messages for the various groups of people. There is a huge potential to involve staff and partners, who can also act as advocates.

85. The Council is the lead authority for many issues within East Sussex and is able to use its convening power to bring groups and organisations together on this issue. There are many examples of previous work where this has taken place in the past. All the Borough and District Council's in East Sussex have declared a climate emergency and are developing or implementing action plans. There is, in the Board's view, an important role for ESCC to co-ordinate action on some aspects of climate change work, particularly in areas such as transport where the Council has a key role. One option may be to produce a common set of tools and resources that can be used by all partners. In this respect ESCC does have a leadership role on this issue.

86. There is also a leadership role for ESCC as a fair and neutral arbiter in the provision of information on the action needed to tackle climate change. The public need information they can trust and understand, which is educative and informative. The message needs to be that yes there is a challenge, yes there is something we can do and here are the solutions. It is also important that the Council leads by example.

Recommendation 15

a) The Council develops an interactive communication/information platform, which includes details on what the Council itself is doing on climate change and to discuss opportunities where residents may take an active role in lowering community carbon emissions.

b) The Council uses its convening power to co-ordinate the actions it is taking on climate change with its partners, and in particular with the District and Borough Councils in East Sussex.

Other Issues

87. During the course of examining evidence for the review a number of other issues outside of the scope of the review came to light. The Review Board wishes to address some of them here as they link to topics discussed by the Review Board.

Corporate Systems

88. The Board considers that some changes may be needed to corporate systems in order to take into account the carbon impact of the provision of services. Business cases have ordinarily focussed on cost and benefits to the Council and a way needs to be found to incorporate the impact on carbon emissions in project and procurement decisions (e.g. what may be the most cost effective option, may not have the smallest carbon footprint). Similarly, it would be helpful for reports to include reference to the carbon impact of the proposal or decision where relevant when being presented to Lead Members, Cabinet and Full Council.

Recommendation 16

a) Business case evaluation and procurement decisions should include an assessment of the carbon impact of the proposal.

b) Reports that go to the Executive and Council should include an assessment or statement of the carbon emissions impact of the proposals/decision in the report where relevant and material.

Planning

89. During discussion of a recent planning application for a new school building at Planning Committee, the Committee was advised that it was not possible to add a planning condition that the building be carbon neutral or have measures to improve the carbon performance of the building due to the current planning framework. The Review Board considers that strategic new school projects should be carbon neutral going forward given the anticipated life of these buildings and their inclusion in the Council's carbon footprint.

90. The Board understands that it is not clear what will be included in the new National Planning Policy Framework on this issue. Building regulations could represent a real constraint on what might be possible in the future. The Review Board considers that the Council should lobby Government on this issue so that the carbon footprint or performance of new buildings can be taken into consideration in determining Planning applications.

Recommendation 17

The Council lobbies Government at a national level via ADEPT and the South East 7 partnership, to amend the planning system and building regulations so that the carbon performance of new buildings, including school buildings, can be taken into account in planning decisions.

Protecting Trees

91. The Board heard evidence that managing existing woodland sustainably is as important for climate benefits as planting new woodlands. Linked to this the Review Board considers that policies to protect trees and woodlands and replace lost trees such as those lost due to tree diseases (e.g. Ash dieback and Dutch Elm Disease), is also important. Wherever possible trees should be replaced in situ, but other tree species (e.g. smaller ones) and alternative locations should be considered where there are safety concerns. The Forestry Commission also provides master classes for Planning teams on how to design developments to fit in within existing woodland to avoid the loss of trees, especially ancient woodland.

Recommendation 18

- a) ESCC build on the existing Dutch Elm Disease Strategy to develop a Strategic Tree Policy and action plan to manage Ash Dieback, Dutch Elm Disease and other tree diseases/pests which includes a programme to replace lost trees where possible (subject to safety issues) to mitigate the impact on carbon absorption.**
- b) Both County and District/Borough Planning teams should be encouraged to attend the master class training provided by the Forestry Commission on the retention and protection of woodlands and trees.**

Conclusions

92. The Review Board recognises that the scope of this review focuses on the Council's own carbon emissions and to tackle climate change there are many other areas where the Council can use its influence to bring about change to reduce carbon emissions. However, it considered that it was important for the Council to start here before addressing wider issues.

93. The Council's Climate Emergency Plan represents an important starting point in the Council's work to become carbon neutral. This review makes a number of recommendations in support of the actions contained in the Plan, and the Place Scrutiny Committee will remain involved in this area of work as the action plan progresses (e.g. through an annual review of the action plan at Committee).

Appendix:

Scope and terms of reference of the review

The Review was established to consider and make recommendations on the actions that are needed to reduce greenhouse gas emissions and achieve carbon neutrality for all the Council's activities. The scope includes the following topics:

- Corporate Estate building energy use;
- Local authority-maintained schools energy use (as they make up over half of scope 2 emissions from electricity);
- Communications and leadership, including co-ordination of the work of the East Sussex local authorities on the Climate Emergency;
- Street lighting reduction in energy use;
- Staff commuting, staff business travel, electric charging points at council offices and own transport fleet vehicles;
- Use of emerging and alternative technologies, which can be applied throughout the review; and
- Use and scope for using renewables (solar, wind, etc.) and off-setting.

Board Membership and project support

Review Board Members: Councillors Martin Clarke (Chair), John Barnes, Bob Bowdler, Pat Rodohan and Stephen Shing.

The Project Manager was Martin Jenks, Senior democratic Services Officer with additional support provided by Simon Bailey, Democratic Services Officer.

Andy Arnold, Environment Team Manager and Jannette Ackroyd, Climate Change Officer provided ongoing support to the Board throughout the review.

Review Board meeting dates

Scoping meeting: 04 November 2019

Review Board meetings:

24 February 2020

14 September 2020

28 September 2020

7 October 2020

15 October 2020

4 November 2020

10 November 2020

Witnesses providing evidence

The Board would like to thank all the witnesses who provided evidence in person:

ESCC officers

Andy Arnold, Environment Team Manager

Jannette Ackroyd, Climate Change Officer

Dion D'Silva, Principal Energy Efficiency Officer
 Graham Glenn, Acquisitions and Disposals Manager, Property Services
 Sarah Mainwaring, Head of Human Resources & Organisational Development
 Brian Banks, Team Manager Road Safety
 Brian Bottomley, Senior Transport Officer
 Mathew Jasper, Team Manager Asset Management
 Warwick Smith, Head of Communications and Marketing

External expert witnesses

Matthew Woodcock, Partnership & Enterprise Manager SE, Forestry Commission
 Julie Middleton, Sussex Wildlife Trust
 Dr Marco Picco, Innovation Lead for Clean Growth UK, University of Brighton

East Sussex County Council Officers who submitted written evidence:

Paul Hasley, Orbis Energy Manager
 Louise Carter, Assistant Director (Communication, Planning and Performance), Children's Services
 Helen Bowman, Project Manager Funding and Partnerships, Children's Services
 Nick Early, Human Resources Consultant

Evidence papers

Item	Date considered
The Potential for Energy Efficiency and Renewable Energy. Local Government Association. January 2016.	14 September 2020
Energising Procurement. Local Government Association. Sept 2017.	14 September 2020
Energy Saving Guide: A guide to good energy housekeeping for schools in East Sussex. Orbis Energy Team.	14 September 2020
Clean, connected and in control – what tomorrow's transport technology could mean for councils. Local Government Association. May 2018	28 September 2020
Councils in Charge – making the case for electric charging investment. Local Government Association. Aug 2019.	28 September 2020
Steinbach et al (2015) 'The Effect of Reduced Street Lighting on Road Casualties and Crime in England and Wales: A Controlled Interrupted Time Series Analysis', <i>Journal of Epidemiology & Community Health</i> , 2015:1-7.	28 September 2020
Green et al (2015) Reduced street lighting at night and health: A rapid appraisal of public views in England and Wales.	28 September 2020
Road Safety Information: Street Lighting and Road Safety. ROPSA. March 2020.	28 September 2020
ESCC Street Lighting Policy PS 10/1. October 2017	28 September 2020

Responding to the Climate Emergency with New Trees and Woodlands: A guide to help local authorities and landowning businesses achieve net zero. Forestry Commission. 2020.	7 October 2020
West Sussex County Council (WSCC) – Draft Tree Plan. September 2020.	7 October 2020
Land use: Policies for a Net Zero UK. Committee on Climate Change. January 2020.	7 October 2020
Cleaning Up Transport - Driving Change: How Hydrogen Can Fuel A Transport Revolution. Centre for Policy Studies. 2020.	15 October 2020
Climate Action Plan for Councils – Friends of the Earth.	15 October 2020
Top Climate Actions for Councils. Ashden / Friends of the Earth.	15 October 2020
Clean Growth Policy Position. ADEPT. June 2020.	2 November 2020

Contact officer: Martin Jenks, Senior Democratic Services Officer Telephone: 01273 481327
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Report to: Lead Cabinet Member for Transport & Environment

Date of Meeting: 18 January 2021

By: Director of Communities, Economy and Transport

Title: Power to designate Local Nature Reserves

Purpose: To seek Lead Member's agreement that the County Council delegate its powers to designate a Local Nature Reserve to Ninfield Parish Council.

RECOMMENDATION: The Lead Member is recommended to:

- (1) agree the delegation to Ninfield Parish Council of the County Council's power under section 21 of the National Parks and Access to the Countryside Act 1949 to designate as a local nature reserve land at Church Wood;**
 - (2) to recommend to the Governance Committee to agree the delegation to Ninfield Parish Council of the Council's power under sections 20 and 21(4) of the National Parks and Access to the Countryside Act 1949 to make byelaws in relation to land at Church Wood designated as a local nature reserve; and**
 - (3) delegate authority to the Director of Communities, Economy and Transport to enter into agreements and to take any necessary actions in respect of the above recommendation.**
-

1 Background Information

1.1 Ninfield Parish Council has requested that the County Council designate a new Local Nature Reserve (LNR), at Church Wood (Appendix 1). Under Regulation 5 of the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 the County Council can, with the agreement of both parties, delegate its executive powers to declare a LNR to a Parish Council. It is proposed that the future arrangements shall not require the County Council to be involved in site management.

2. Supporting Information

2.1 A LNR is a statutory designation made under Section 21 of the National Parks and Access to the Countryside Act 1949 (as amended by Section 11 of the Natural Environment and Rural Communities Act 2006) ('NPACA'), by principal local authorities such as County Councils. Appendix 2 provides more detail on LNRs.

2.2 Under Sections 20 and 21(4) of the NPACA the County Council has powers for the protection of a LNR. Under section 101 of the Local Government Act 1972, it is proposed that these powers be delegated to the Parish Council, subject to consultation with the County Council.

2.3 It is understood that the Parish Council has the support of the local community and Natural England for the designation of Ninfield Woods as a LNR. The land in question is within the ownership of the Parish Council, the site does meet the criteria required for designation as a LNR and its designation as a LNR would not undermine any Development Plan policy relevant to the area and site.

2.4 It is proposed that the County Council enter into a Delegation Agreement with the Parish Council to formally delegate the power to designate a LNR and to, subject to agreement by the Governance Committee, make byelaws in relation to the LNR. Whilst the County Council will remain ultimately responsible for the management of the LNR once powers have been delegated, it is proposed that the Delegation Agreement will include an indemnity clause, similar to indemnity clauses used when the Council has previously delegated the power to designate a LNR and to make byelaws in relation to the LNR to

other Parish and Town Councils. The delegation and subsequent designation will not result in an increased financial burden on the County Council.

2.5 It is recommended that the delegation of powers under section 21 of the National Parks and Access to the Countryside Act 1949 to designate as a LNR land at Church Wood take effect immediately upon completion of the Delegation Agreement. The timescale to implement the relevant elements of the process to ensure a satisfactory transfer of roles and responsibilities will be established with the Parish Council. It is therefore proposed that authority to enter into any necessary agreements and to any required actions be delegated to the Director of Communities, Economy and Transport.

2.6 It is envisaged that Church Wood will continue to be managed in line with the existing management plan (attached as background document), and there is no conflict between the proposed LNR and the existing, or evolving local development plan.

3. Conclusion and Reason for Recommendation

3.1 It is considered that the Delegation will support Ninfield Parish Council and enable an increase in well managed ecological sites for the benefit of the local community, in line with the East Sussex Environment Strategy. Therefore the Lead Member is recommended to:

- 1) approve the delegation of power under section 21 of the National Parks and Access to the Countryside Act 1949 to designate as a LNR land at Church Wood;
- 2) recommend to the Governance Committee to delegate the powers under sections 20 and 21(4) of the National Parks and Access to the Countryside Act 1949 to Ninfield Parish Council to make byelaws for the protection of the LNR; and
- 3) delegate authority to the Director of Communities, Economy and Transport to enter into any agreements and take any actions necessary in order to facilitate the above recommendations.

RUPERT CLUBB

Director of Communities, Economy and Transport

Contact Officer: Kate Cole

Tel. No. 07786 171465

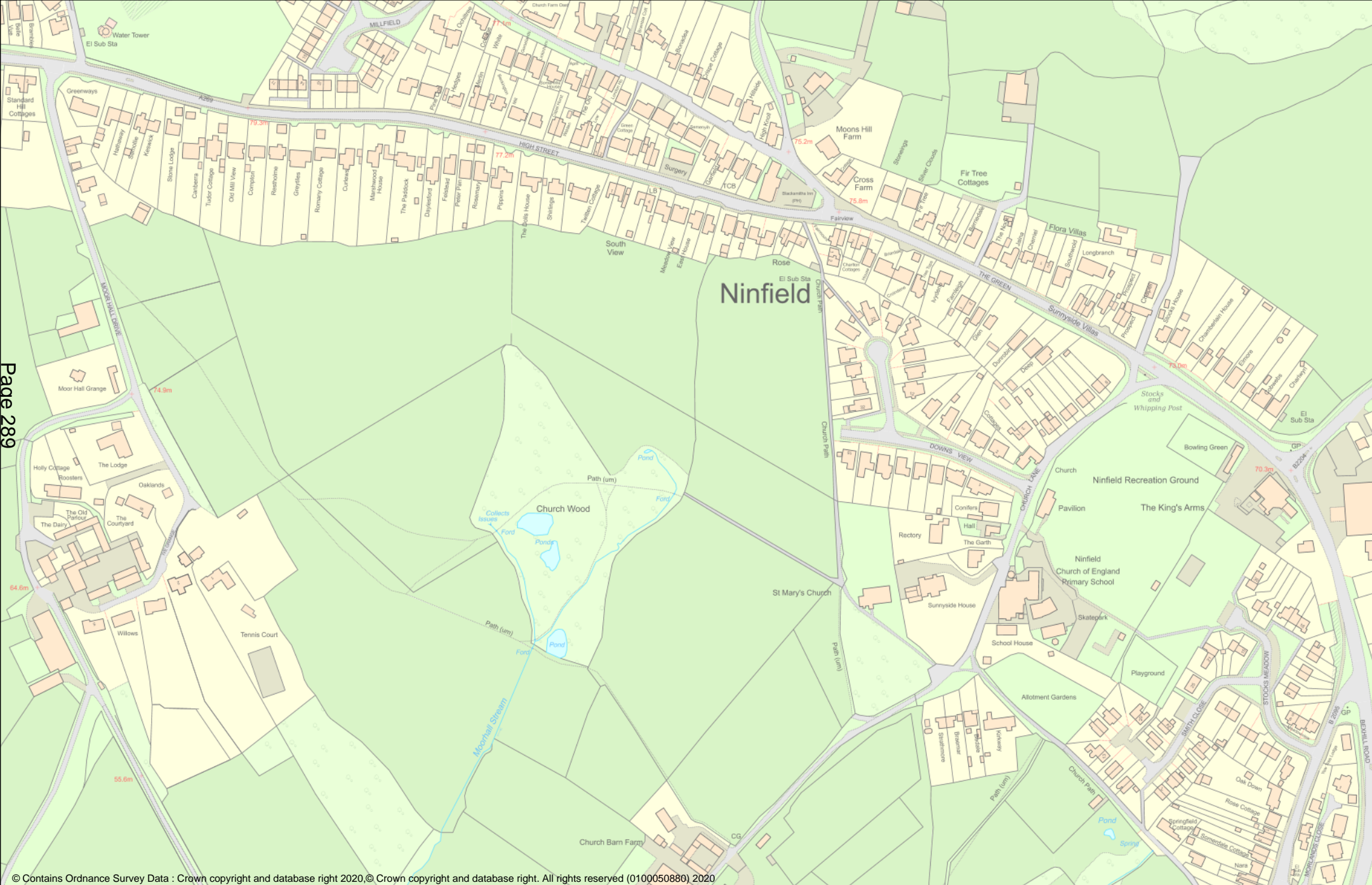
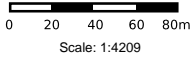
Email: kate.cole@eastsussex.gov.uk

LOCAL MEMBERS

All

BACKGROUND DOCUMENTS:

Church Wood Management Plan



LOCAL NATURE RESERVES (LNRs) – BACKGROUND INFORMATION

Introduction

- LNRs are places with wildlife or geological features that are of special interest locally.
- Natural England (NE) recommends LNRs should be: (a) normally > 2ha; (b) capable of being managed with conservation of nature and/or maintenance of special opportunities for study, research or enjoyment of nature as the priority concern.
- Should also be either: (a) of high natural interest in the local context; or (b) of some reasonable natural interest and of high value in the local context for formal education or research; or (c) of some reasonable natural interest and of high value in the local context for the informal enjoyment of nature by the public.
- They are important for biodiversity conservation, the protection and interpretation of features important in earth sciences and in helping to reach BAP targets (and therefore in fulfilling biodiversity duties under the Natural Environment and Rural Communities Act, 2006). They are also of value for the contribution they make to the quality of the environment for local people, the part they play in community development and their values in education.

Declaration of LNRs

- LNR is a statutory designation made under Section 21 of the National Parks and Access to the Countryside Act 1949, and amended by Schedule 11 of the Natural Environment and Rural Communities Act 2006, by principal LAs (i.e. a county, borough or district).
- Under Section 101 of the Local Government Act 1972, a principal LA can, with the agreement of both parties, delegate its powers to declare a LNR to a Parish or Town Council.
- To establish a LNR, the declaring Local Authority (LA) must first have a legal interest in the land concerned, i.e. owning the freehold, leasing it, or having a nature reserve agreement with the owner. In the latter case, if the land is subject to a tenancy, both owner and tenant must be parties to the agreement. The powers given in Section 16 of the 1949 Act form the basis for any agreement. Any agreement needs to make absolutely clear what is agreed and who is responsible for doing what. So long as the legal advisors of all parties to the agreement are satisfied, this is all an agreement requires.
- The land need not lie within the area which the declaring authority controls but if it does not, the authority within whose jurisdiction the land falls must be in agreement.
- The responsibility for selecting, acquiring and managing LNRs is the LAs'.
- In declaring a LNR, a LA accepts a commitment to manage the land as a nature reserve and to protect it from inappropriate uses or development.
- The 1949 Act gives powers of compulsory purchase to LAs in establishing LNRs, however these can only be used where LAs are convinced that they cannot arrive at a satisfactory agreement on reasonable terms. Where a breach of any nature reserve agreement occurs which prevents or jeopardises the proper management of a LNR, compulsory purchase is one possible solution.
- The process of selecting, acquiring, declaring and managing LNRs can be made easier if LAs use the expertise and advice offered by NE.
- The LA should also consult local communities and voluntary conservation bodies and put together outline management proposals for the site, making it clear what the long term objectives are.
- Thought should be given as to how the desired management of the site could be funded and any other costs involved.

The LA needs to write formally to the NE regional team to the effect that it intends to make the LNR declaration. The following steps should then be taken:

- a formal declaration document should be drawn up (needs only be one side of A4) accompanied by a map at a scale which accurately shows the LNR boundary;
- the declaration should be agreed by the relevant LA committees;
- a public notice announcing the declaration should be placed in a local paper and copies of the declaration and map made available for the public to inspect free of charge;

- the LA should formally notify the NE regional team of the LNR declaration in writing and send them a copy of the declaration, together with maps and any other details required about the reserve. NE will advise on what these are.
- LNR marked on Structure Plan maps and Local Development Framework proposal maps.
- Extensions to existing LNRs require the same procedures.

Management of LNRs

- A LNR must be managed so that the features which gave the place its special interest are maintained. Good management is needed if the value of a reserve for its wildlife or geological interest is to be enhanced.
- When declaring a LNR, the LA accepts responsibility for ensuring that the special interest of the land is maintained. It must, therefore, consider carefully exactly how the reserve is to be managed, and by whom and what resources will be needed.
- Producing a simple management plan will help and all LNRs should have one.
- A growing number of LNRs is managed by local community volunteer groups, "Friends of" groups or organisations like county Wildlife Trusts, in agreement with the LA.
- Where the reserve is managed by the LA itself, management committees with representatives of local organisations can offer helpful advice.
- All LNR managers should seek the involvement of the local education authority so that the full potential of the LNR for education is realised.
- It may be desirable or necessary to apply bye-laws to any LNR, depending largely on the degree of public access to the LNR. Bye-laws cannot override existing rights over land and it is recommended that only one set of bye-laws be applied to any piece of land.

Why declare LNRs?

- Should be seen as a useful planning tool. They:
 - increase people's awareness and enjoyment of their natural environment;
 - provide an ideal environment for everyone to learn about and study nature;
 - can help build relationships between LAs, national and local nature conservation organisations and local people;
 - protect wildlife habitats and natural features;
 - offer a positive use for land which LAs would prefer was left undeveloped;
 - make it possible to apply bye-laws which can help in managing and protecting the sites.
- In addition, as LNR is a statutory declaration, it is a very clear indication to a local community of the LA's commitment to nature conservation.
- LNRs can help LAs meet Biodiversity Action Plan (BAP) and Sustainable Development targets.
- NE recommends that LNRs should be provided at 1 ha per thousand population and accessible natural greenspace at levels ranging from 20 ha to 500 ha.

NE recommends that people living in towns and cities should have:

- a) accessible natural greenspace less than 300m (in a straight line) from home;
 - b) at least one accessible 20ha site within 2km of home;
 - c) one accessible 100ha site within 5km of home;
 - d) one accessible 500ha site within 10km of home;
 - e) statutory LNRs provided at a minimum level of 1ha per thousand population.
- In some areas, these levels of accessible natural greenspace provision will be hard to achieve in the short term, but they should nevertheless remain a long term aim.
 - Ideally, LNRs should be placed in a clear strategic framework for accessible natural greenspace set out in Development Plans, other formal LA documents or Local BAPs. They could be seen as nodes in green networks which have a variety of uses.

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